UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 1a. Type of Work 5. Lease Number DRILL NMSF-078092 Unit Reporting Number amington, NM 1b. Type of Well 6. If Indian, All. or Tribe GAS 2. 7. Unit Agreement Name Operator Oil & Gas Company 3. 8. Farm or Lease Name Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 Douthit A Federal 9. Well Number (505) 326-9700 271 10. Field, Pool, Wildcat 4. **Location of Well** Basin Fruitland Coal 1950' FNL, 2450' FEL 11. Sec., Twn, Rge, Mer. (NMPM) Latitude 36° 32.8870'N, Longitude 107° 59.3985'W Sec. 27, T-27-N, R-11-W API# 30-045-14. Distance in Miles from Nearest Town 12. County 13. State Bloomfield - 13 Miles San Juan MM 15. Distance from Proposed Location to Nearest Property or Lease Line 1950' 16. Acres in Lease 17. Acres Assigned to Well 18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1800' **Proposed Depth** 19. 20. Rotary or Cable Tools 2177' Rotary 21. Elevations (DF, FT, GR, Etc.) 22. Approx. Date Work will Star 6386 Gr 23. **Proposed Casing and Cementing Program** See Operations Plan attached 24. Authorized by Redulatory/Compliance Supervisor Date PERMIT NO. APPROVAL DATE APPROVED B

Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.

procedural review pursuant to 43 CFR 3165 3 and appeal pursuant to 43 CFR 3165.4



DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED GENERAL REQUIREMENTS".

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV PO Box 2088, Santa Fe. NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

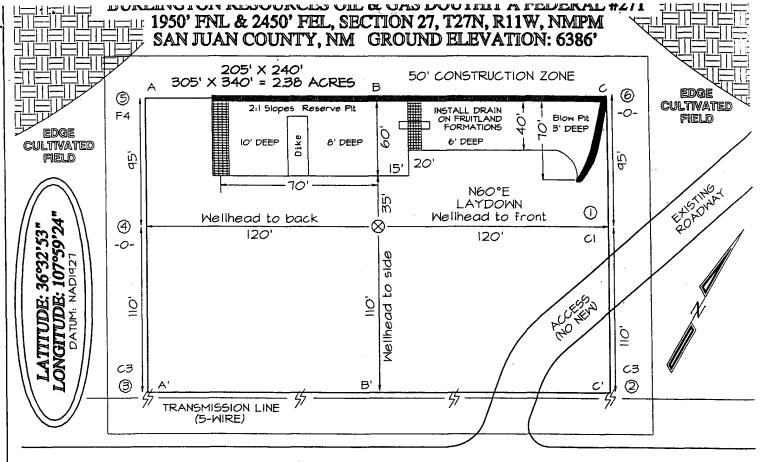
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

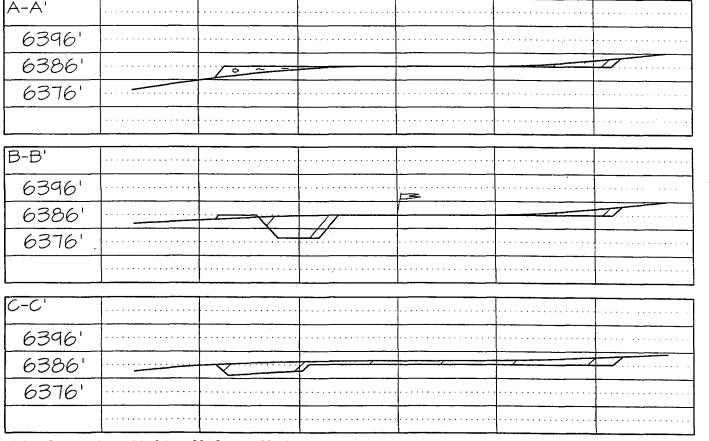
AMENDED REPORT

,			WELL	LOCAT]	ON AND A	CREAGE DEDI	CAT	ION PL	AT		
'API Number				*Pool Cod	-	Pool Name					
30-045-31799 'Property Code				71629	Basin Fruitland Coal ty Name *Well Number					all Number	
6958				°Property Nam DOUTHIT A FE						271	
'OGRID No.				Operator Name			*Elevation				
14538			BURLIN	URLINGTON RESOURCES OIL & GAS COMPAN			NY, LP	IY, LP 6386			
						Location	····				-
UL or lot no.	Section 27	Township 27N	Range 11W	Lot Ion	Feet from the	North/South line			East/West		SAN JUAN
			Bottom	Hole L	ocation I		<u> </u>	m Surf	L		JOAN GOAN
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line		t from the	East/Wes	t line	County
12 Dedicated Acres					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Orde	No.			
N/2 320					<u> </u>						
NO ALLOW	IABLE W	ILL BE OR A	ASSIGNE NON-ST	D TO TH ANDARD	IS COMPLETI UNIT HAS BE	ON UNTIL ALL EEN APPROVED	INTE BY 1	ERESTS H HE DIVI	HAVE BEE	EN CO	NSOLIDATED
5280.00				27	078092 LAT: 36*32.887 JONG: 107*59.39	2450'	.00.0825	I hereby contain to the Signature Peggy Printed Regula Title Date 18 SURV I hereby shown on notes of my super and corr Date Signature	y certify the dherein is best of my Cole Name tory Su Certify the this plat actual survision, and ect to the of Surve and Seal	pervi CERT at the was plot veys mad that that the best of Profe	IFICATION well location tited from field de by me or under e same is true my belief. RCH 7, 2003 essional Surveyor
			5		ecenel Ecente			JAS	Sol C	ESSION L. E	DWARDS 15269



BIA NAPI ROAD N-3002 (PAVED)

Reserve Pit Dike: to be 8' above Deep side (overflow - 3' wide and 1' above shallow side)
Blow Pit: overflow pipe halfway between top and bottom and to extend over plastic liner and into blow pit.



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

OPERATIONS PLAN

Well Name: Douthit A Federal 271

Location: 1950'FNL, 2450''FEL Section 27, T-27-N, R-11-W

San Juan County, NM

Formation: Basin Fruitland Coal

Elevation: 6386'GR

Formation:	Top	Bottom	Contents
Surface	San Jose	913'	
Ojo Alamo	913 '	1023'	aquifer
Kirtland	1023'	1488'	gas
Fruitland	1488'	1774'	gas
T/Coal	1774	1979	gas
B/Basal Coal	1979 '	1977 '	gas
Pictured Cliffs	1977 '	2177 ′	gas
Total Depth	י 2177		

Logging Program: TD to Surface, GR/Density/Caliper, 2" & 5" presentations.

Mudlog: None

Coring Program: none

Mud Program:

Interval	Type	<u>Weight</u>	Vi <u>s.</u>	Fluid Loss
0- 120'	Spud		40-50	no control
120-2177'	Non-dispersed	8.4-9.5	30-60	no control

Casing Program (as listed, the equivalent, or better):

Hole Size	Depth Interval	Csg.Size	Wt.	Grade
8 3/4"	0' - 120'	7"	20.0#	J-55
6 1/4"	0' - 2177'	4 1/2"	10.5#	J-55
Tubing Program:				
	0' - 2177'	2 3/8"	4.7#	J-55

Float Equipment: 7" surface casing - saw tooth guide shoe. Centralizers will be run in accordance with Onshore Order #2.

4 ½" production casing - guide shoe and self-fill float collar. Three centralizers run every other joint above shoe. Seven centralizers run every 3rd joint to the base of the Ojo Alamo @ 1023'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1023'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: $7" \times 4 \frac{1}{2}" \times 2 \frac{3}{8}" \times 11" 2000$ psi screw on independent wellhead.

Cementing:

7" surface casing - cement with 46 sx Class A, B Portland Type I, II cement (54 cu.ft. of slurry, bring cement to surface) or equivalent. Wait on cement for 24 hours for pre-set holes or 8 hrs for conventionally set holes before pressure testing or drilling out from under surface. Test casing to 600 psi for 30 minutes.

4 1/2" production casing - Lead w/99 sx Premium Lite cement w/3% calcium chloride, 1/4 pps Cello-Flake, 5 pps LCM-1, 0.4% FL-52, and 0.4% SMS. Tail w/90 sx Type III cement w/1% calcium chloride, 1/4 pps Cello-Flake, and 0.2% FL-52 (335 cu.ft. of slurry, 50% excess to circulate to surface.) If cement is not circulated to surface, a temp survey or CBL will be run during drilling or completion operations to determine TOC.

4 1/2" production casing alternative two stage: Stage collar 1572'. First stage: cement with w/175 sx Type III cmt w/1% calcium chloride, 0.25 pps Flocele, 0.2% fluid loss. Second stage: 46 sx Premium Lite cmt with 3% calcium

chloride, 0.25 pps Flocele, 5 ps LCM-1, 0.4% fluid loss, 0.4% SMS (340 cu.ft., 50% excess to circulate to surface).

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams to 600 psi/30 min.

Completion - 7 1/16" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 2000 psi/15 min.

From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated to least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

BOP and tests (If a coiled tubing drilling (CTD) rig is utilized.):

Surface to TD: 7-1/16" 2000 psi (minimum) Torus annular BOP stack (Reference Figure #1b). Prior to drilling out surface casing, test annular BOP to 600psi/30 min.

Completion: 7-1/16" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test blind rams and casing to 1500 psi for 30 minutes; all pipe rams and casing to 1500 psi for 30 minutes each.

From surface to TD: choke manifold (Reference Figure #3).

The annular BOP will be actuated to close on drill pipe (coiled tubing) at least once each day and to close on open hole once each trip to test proper functioning.

Additional information:

- * Anticipated pore pressure for the Fruitland is 500 psi.
- * This gas is dedicated.
- * The North half of Section 27 is dedicated to the Fruitland Coal.

Drilling Engineer

Date

Completion/Norkover Rig BOP Configuration 2,000 psi System

Burlington Resources

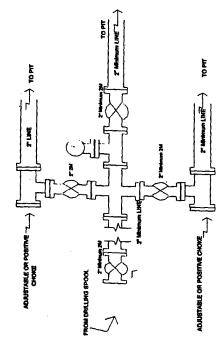
2000 psi System **Drilling Rig**

RIG FLOOR

ROTATING HEAD:

BURLINGTON RESOURCES

Drilling Rig Choke Manifold Configuration 2000 psi System



Bdid

DOUBLE CATE

2 FILL-UP LINE

RELIEF LINE TO VENOME BLOW PIT

GROUND LEVEL

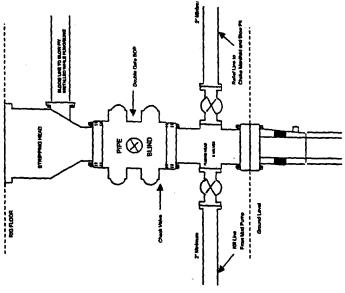
2" lideriment Line

Choke manifold installation from Surface Casing Point to Total Depth. 2,000psl working pressure equipment with two chokes.

Figure #3

4-20-01

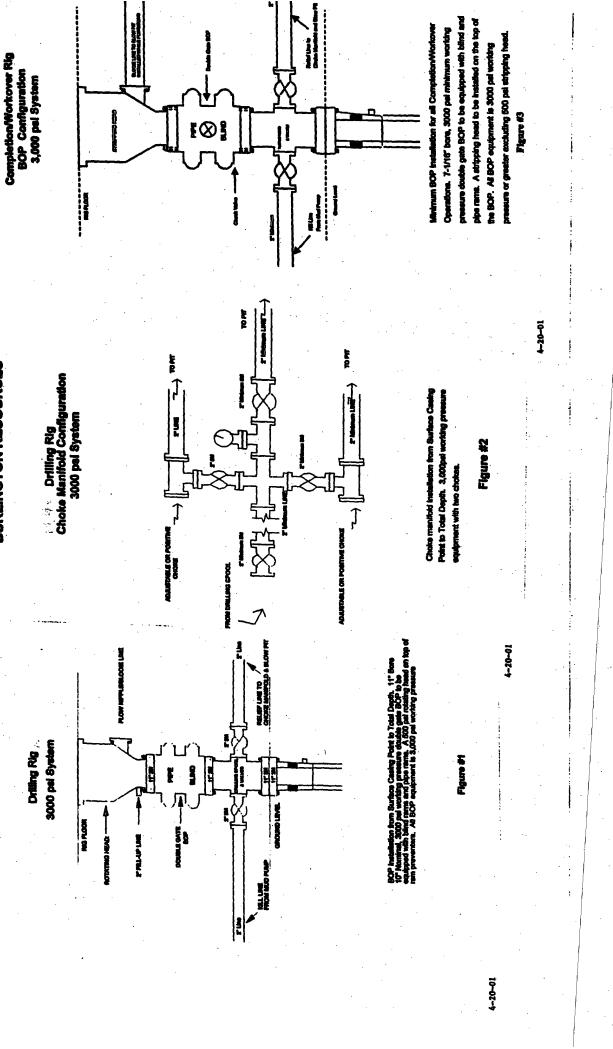
Figure #1



pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of Minimum BOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure or greater excluding 500 psi stripping head. the BOP. All BOP equipment is 2000 psi working

Figure #2

4-20-01



BURLING

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