UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

1a.	Type of Work	5. Lease Number		
ти.	DRILL	NMSF 078212 12 32		
		Unit Reporting Number		
1b.	Type of Well	6. If Indian, All. or Tribe		
	GAS	(j) Filmilian i		
2.	Operator Operator	7. Unit Agreement Name		
	BURLINGTON RESOURCES Oil & Gas Company, LP			
3.	Address & Phone No. of Operator	8. Farm or Lease Name McCord		
	PO Box 4289, Farmington, NM 87499	9. Well Number		
	(505) 326-9700	#101		
4.	Location of Well	10. Field, Pool, Wildcat		
	Unit G (SWNE), 1855' FNL & 1415' FEL,	Basin Fruitland Coal		
		11. Sec., Twn, Rge, Mer. (NMPM)		
	Latitude 36° 49.7814'N	Sec. 9, T30N, R13W		
	Longitude 108° 12.3380'W	API# 30-045- 33783		
14.	Distance in Miles from Nearest Town	12. County 13. State San Juan NM		
45	Distance Area Brown and Br			
15.	Distance from Proposed Location to Nearest Property or Lease L 1415'	ine		
16.	Acres in Lease	17. Acres Assigned to Well FC - 320 E/2		
18.	Distance from Proposed Location to Nearest Well, Drlg, Compl, o	r Applied for on this Lease		
40	Twinned with the McCord #6	OD Datame or Cable To ale		
19.	Proposed Depth 1789'	20. Rotary or Cable Tools Rotary		
21.	Elevations (DF, FT, GR, Etc.)	22. Approx. Date Work will Start		
	5585' GL			
23.	Proposed Casing and Cementing Program See Operations/Alan attached			
	Ala, Ol Ka	Lala		
24.	Authorized by: Sr. Regulatory Specialist			
PERM	IIT NO APPROVAL DA	ATE		
APPR	OVED BY TITLE Acting	DATE 1919		
Archa	eological Report attached			
Threa	tened and Endangered Species Report attached			
	This format is issued in lieu of U.S. BLM Form 3160-3	also to any domain out as a second of the second		
riue it States	BU.S.C. Section 1001, makes it a crime for any person knowingly and willfully to m any false, fictitious or fraudulent statements or presentations as to any matter with	iane to any department or agency of the United in its jurisdiction		

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

Not an HPA FC Well

NMOCD

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DISTRICT 1 1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

DISTRICT II 811 South First, Artesia, N.M. 88210

1000 Rio Brazos Rd., Aztec, N.M. 87410

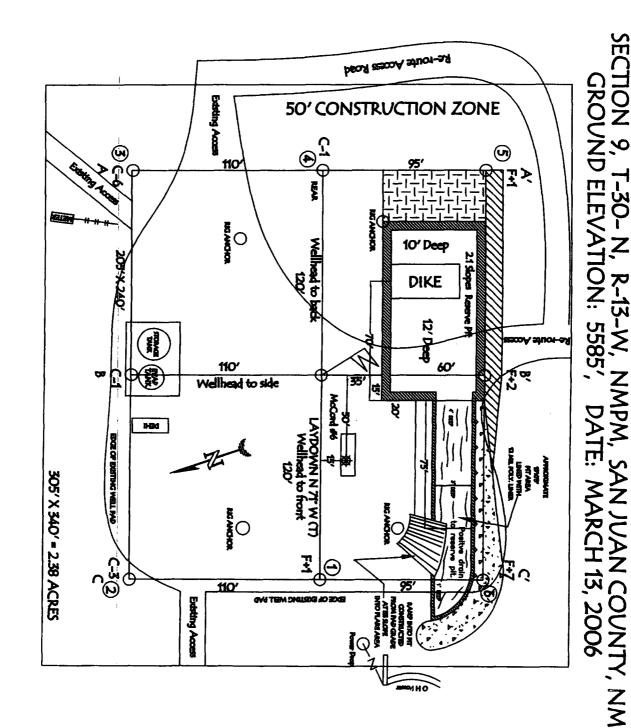
OIL CONSERVATION DIVISION 2040 South Pacheco

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

	,				Santa Fe, N			_		
DISTRICT IV 2040 South Pach	eco, Santa	Fe, NM 87506	3					L	JAMEN	IDED REPOR
		. 7	VELL L	OCATIO	N AND AC	CREAGE DED	ICATION PI	ΑT		
]	Number	2278	2	*Pool Code		_	³ Pool Nam	8		
	0-045-	5010	716	29	Bas Property	in Fruitland	Coal	— г	4 Y.	ell Number
⁴ Property Code				MCCORI			l	101		
7300 YOGRID No.			*Operator Name			Elevation				
			SOURCES OIL AND GAS COMPANY LP			5585'		585'		
14730	L				10 Surface	Location	······································			
UL or lot no.	Section	Township :	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Ves	t line	County
G	9	30-N	13-W		1855'	NORTH	1415'	EAS	T	SAN JUAN
(om Hole		If Different From				•
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	R line	County
Dedicated Acr	95	L	18 Joint or	lofill	³⁶ Consolidation	Code	25 Order No.	L		<u> </u>
FC 320.0	ac F2									
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		OR A N	ON-STA	NDARD T	INIT HAS B	EEN APPROVED	BY THE DIV	ISION		
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				9			3/28/20 Date	006		
			'	11	ļ	LAT: 36'49.7814' N. LONG: 106'12.3380' W	18 SU	RVEYO	R CERT	TIFICATION
				1!	}	NAD 1927	/ / hereby cert	(fy that the	well location	n shown on this plat
						LAT: 36'49'47" N. LONG: 106'12'23" W. NAD 1983	1111 " "	my supervis	ion, and th	ol surveys made by at the same is true
					į	1000	Date of Sur	30	-20-	06
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Office District 1	State of New Mexico	Form C-103
	Energy, Minerals and Natural Resources	May 27, 2004
1625 N. French Dr., Hobbs, NM 88240		WELL API NO. 22793
District II 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISION	30-045- 30 10 30 10 10 10 10 10 10 10 10 10 10 10 10 10
District III	1220 South St. Francis Dr.	STATE FEE
1000 Rio Brazos Rd., Aztec, NM 87410	Santa Fe, NM 87505	6. State Oil & Gas Lease No.
District IV	Santa 10, 1111 07305	
1220 S. St. Francis Dr., Santa Fe, NM 87505	S AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
	D DRILL OR TO DEEPEN OR PLUG BACK TO A	7. Least Walle of Ollit Agreement Walle
DIFFERENT RESERVOIR. USE "APPLICATION	FOR PERMIT" (FORM C-101) FOR SUCH	McCord
PROPOSALS.)		8. Well Number
1. Type of Well: Oil Well Gas Well X	Other	101
2. Name of Operator		9. OGRID Number
	RCES OIL & GAS COMPANY LP	14538
3. Address of Operator	ET, FARMINGTON, NM 87402	10. Pool name or Wildcat Basin Fruitland Coal
4. Well Location	31, PARMINGTON, NW 67402	Dasiii Pruttand Coai
Unit Letter G: 18:		1415 feet from the <u>East</u> line
Section 9	Township 30N Range 13W evation (Show whether DR, RKB, RT, GR, etc.)	NMPM County San Juan
	5585' GL	
Pit or Below-grade Tank Application	or Closure	>2001
Pit type New Drill Depth to Groundwate	er >100' Distance from nearest fresh water well	>1000' Distance from nearest surface water <1000'
Pit Liner Thickness: 12	mil Below-Grade Tank: Volume	bbls; Construction Material
TEMPORARILY ABANDON	PLUG AND ABANDON REMEDIA CHANGE PLANS COMMEN	SUBSEQUENT REPORT OF: L WORK ALTERING CASING CE DRILLING OPNS. P AND A EMENT JOB
_		
OTHER: New D	rill X OTHER: operations. (Clearly state all pertinent details, and g	
of starting any proposed work). or recompletion.	SEE RULE 1103. For Multiple Completions: Attac	ch wellbore diagram of proposed completion
Ecosphere's risk ranking criteria, the n Operation Procedures dated November	11, 2004 on file at the NMOCD office. A portion of ranking criteria. Burlington Resources anticipates	oit. Based on Burlington's interpretation of the ngton's Revised Drilling / Workover Pit Construction / f the vent/flare pit will be designed to manage fluids and closing these pits according to the Drilling / Workover
Burlington Resources proposes to cons Ecosphere's risk ranking criteria, the n Operation Procedures dated November that portion will be lined as per the risk Pit Closure Procedure dated August 2.	ew drilling pit will be a lined pit as detailed in Burli 11, 2004 on file at the NMOCD office. A portion of a ranking criteria. Burlington Resources anticipates 2004 on file at the NMOCD office e is true and complete to the best of my knowledge a according to NMOCD guidelines, a general permit X	ngton's Revised Drilling / Workover Pit Construction / f the vent/flare pit will be designed to manage fluids and closing these pits according to the Drilling / Workover

RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).



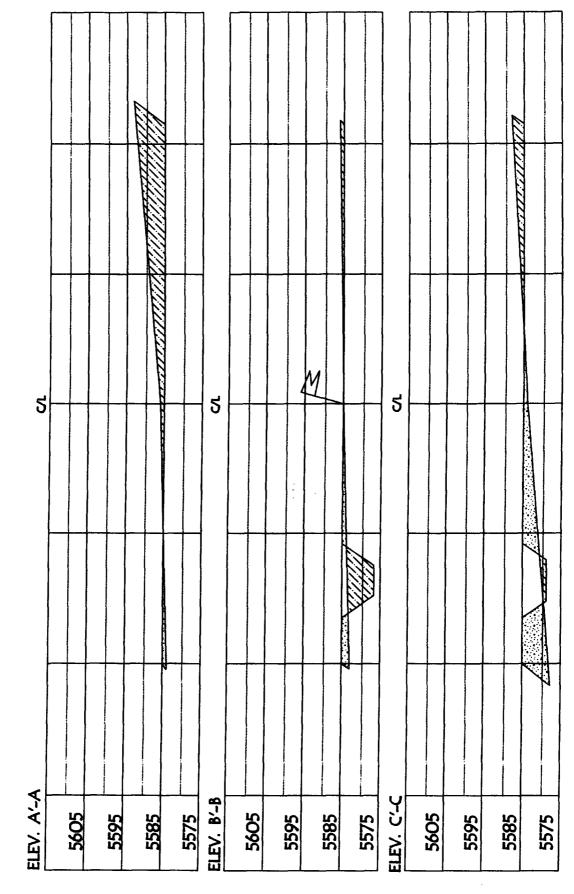
R-13-W,

NMPM

NOTE: VECTOR SURVEYS IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPLINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

LATITUDE 36" 49.7814"N LONGITUDE: 108" 12.3380"W NAD27

BURLINGTON RESOURCES OIL & GAS COMPANY LP MCCORD 101, 1855' FNL & 1415' FEL SECTION 9, T-30- N, R-13-W, NMPM, SAN JUAN COUNTY, NM GROUND ELEVATION: 5585', DATE: MARCH 13, 2006



CONTRACTOR SHOVID CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPLINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION. NOTE: VECTOR SURVEYS IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.

OPERATIONS PLAN

Well Name:

McCord #101

Location:

Unit G (SWNE), 1855' FNL & 1415' FEL, Section 9, T30N, R13W

San Juan County, New Mexico

Latitude 36° 49.7814'N; Longitude 108° 12.3380'W

Formation:

Basin Fruitland Coal

Elevation:

5585' GR

Formation:	Тор	Bottom	Contents
Surface	n/a		
Ojo Alamo	n/a		
Kirtland	Surface	1166'	
T/Fruitland	1166'	1589'	gas
Pictured Cliffs	1589'		
Total Depth	1789'		

Logging Program: None

Mud Program:

<u>Interval</u>	Type	<u>Weight</u>	Vis. Fluid Loss
0- 120'	Spud Mud/Air/AirMist	8.4-8.9	40-50 no control
120-1789'	Non-dispersed	8.4-9.5	30-60 no control

Casing Program:

Hole Size	<u>Depth Interval</u>	Csg.Size	<u>Wt.</u>	<u>Grade</u>
8 3 "	0 - 120'	7"	20.0#	J-55
6 1 "	0 - 1789'	4 1/2"	10.5#	J/K-55

Tubing Program:

0 - 1789'	2 3/8"	4.7#	J-55

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

4 1/2" production casing - float shoe and float collar on bottom. 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 xmas tree assembly.

Cementing:

7" surface casing Pre-Set Drilled - Cement with Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (Bring cement to surface). Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface.

7" surface casing - Cement with 42 sx Type III cement with 0.25 pps Celloflake, 3% CaCl. (54cu ft of slurry @ 1.28 yield). 200% excess, bring cement to surface. Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under surface. WOC until cement establishes 250 psi compressive strength prior to NU of BOPE.

4 1/2" production casing - Cement with 71 sx (151 cu ft of slurry @ 2.13 yield) Premium Lite with 3% calcium chloride, 5 pps LCM-1, and 1/4#/sack celloflake, 0.4% FL-52, & 0.4% SMS. Tail with 90 sx (124 cu ft of slurry @ 1.38 yield) Type III cmt with 1% calcium chloride, 1/4#/sack Celloflake and 0.2% FL-52. Total of 275 cf - 50% excess to circulate to surface.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test rems to 600 psi/30 min.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 1500 psi/30 min.

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

Pipe rams will be actuated at 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.

Additional information:

- The Fruitland Coal formations will be completed.
- * Anticipated pore pressure for the Fruitland is between 600 700 psi.
- * This gas is dedicated.
- * The East half is dedicated to Fruitland Coal.
- New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Drilling Engineer

7/11/2006 Date

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