| submitted in lieu of | | nep (m) me(| | | |
|---|---------------|--|--------------------------------------|--------------------|--|
| And Comment | DEPARTMENT | FED STATES F OF THE INTER: F LAND MANAGEM: | | , | |
| | Sundry Notic | ces and Report | s on Wells | ED / | |
| 1. Type of Well GAS | | | 303 MAR 24 PM 070 Farmington | | Lease Number NMSF-078499A If Indian, All. or Tribe Name |
| 2. Name of Operator BURLINGTON | | | <u></u> | 7. | Unit Agreement Name |
| RESOURCES | | OMPANY LP | | | |
| 3. Address & Phone 1 PO Box 4289, Fa: 4. Location of Well 1750'FSL, 955'FW | rmington, NM | 87499 (505) 3 c., T, R, M | | 9. 10. | Well Name & Number Hardie E #2B API Well No. 30-045-00000 31179 Field and Pool Otero Chacra/ Blanco MV/Basin DK County and State San Juan Co, NM |
| | on | Abandonme Recomplet Plugging Casing Re | pe of Action nt _X_ Change | of Planstructure I | ans tion Fracturing Ef |
| It is intende | d to drill th | | s to a total depth | of 72 | 50'. A new |
| operat | ions plan is | accached. | | KRELBLUSISTEN | NOV 2003 DIECENED DIV. DIST. 0 |
| 14. I hereby cert | ify What the | foregoing is t | rue and correct. | ····· | |
| Signed MAM | Call | | atory Supervisor | Dat | e 3/21/03 |
| (This space for Fed APPROVED BY CONDITION OF APPROV | | Office use)Title | | ate _ | |

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

OPERATIONS PLAN

Well Name: Hardie E #2B

1750'FSL, 955'FWL, Section 9, T-28-N, R-8-W

San Juan County, New Mexico

Latitude 36° 40.4, Longitude 107° 41.5

Formation: Otero Chacra/Blanco Mesa Verde/Basin Dakota

Elevation: 6035'GL

| Formation Tops: | Top | Bottom | <u>Contents</u> |
|----------------------|---------------|---------------|-----------------|
| Surface | San Jose | 1498′ | |
| Ojo Alamo | 1498′ | 1638' | aquifer |
| Kirtland | 1638' | 2048' | gas |
| Fruitland | 2048' | 2488 ' | |
| Pictured Cliffs | 2488' | 2618' | gas |
| Lewis | 2618 ' | 3098 ′ | gas |
| Intermediate TD | 2718' | | |
| Huerfanito Bentonite | 3098 ′ | 3458 ' | gas |
| Chacra | 3458 ′ | 4158' | gas |
| Cliff House | 4158' | 4248' | |
| Menefee | 4248" | 4723 ' | gas |
| Point Lookout | 4723' | 5168 ′ | gas |
| Mancos | 5168 ' | 5948 ′ | gas |
| Gallup | 5948 ' | 6688 ' | gas |
| Greenhorn | 6688' | 6748' | gas |
| Graneros | 6748' | 6803' | gas |
| Dakota | 6803 ′ | | gas |
| TD | 7250′ | | |

Logging Program:

Mud logs - none

Cased hole - CBL-CCL-GR - TD to surface

Open hole - none Cores - none

Mud Program:

| | | | | | |
|-------|---------------|--------|---------|-------|------------|
| Inte | rval | Type | Weight | Vis. | Fluid Loss |
| 0- | 120' | Spud | 8.4-9.0 | 40-50 | no control |
| 120- | 2718 ′ | LSND | 8.4-9.0 | 30-60 | no control |
| 2718- | 7250' | Air/N2 | n/a | n/a | n/a |

Pit levels will be visually monitored to detect gain or loss of fluid control.

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

| Hole Size | Depth Int | erval | Csg.Size | Wt. | Grade |
|-----------|-----------|-------|----------|-------|-------|
| 12 1/4" | 0'- | 120' | 9 5/8" | 32.3# | WC-50 |
| 8 3/4" | 0'- | 2718' | 7 " | 20.0# | J-55 |
| 6 1/4" | 2618' - | 7250' | 4 1/2" | 10.5# | K-55 |

Tubing Program:

0' - 7250'

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

2" nominal, 3000 psi minimum choke manifold (Reference Figure #2).

Completion Operations -

7 1/16" 3000 psi double gate BOP stack (Reference Figure #3). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 2 3/8" x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

9 5/8" surface casing - cement with 80 sx Type III cement with 0.25 pps Celloflake and 2% calcium chloride (113 cu.ft. of slurry, 200% excess to circulate to surface). WOC 24 hours for pre-set holes or 8 hours for conventionally set holes before pressure testing or drilling out from under surface casing. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing -

Lead w/230 sx Premium Lite cement with 3% calcium chloride, 0.25 pps Flocele, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tail w/90 sx Type III cmt w/1% calcium chloride, 0.25 pps Flocele, 0.25% fluid loss (613 cu.ft. of slurry, 50% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL or a temperature survey will be run during completion operations to determine TOC. Test casing to 1500 psi for 30 minutes.

7" intermediate casing alternative two stage: Stage collar 1948'. First stage: cement with 24 sx Premium lite cmt w/3% calcium chloride, 0.25 pps Celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tailed with 90 sacks Type III cement with 1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: 206 sx Premium Lite cmt with 3% calcium chloride, 0.25 pps Celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (613 cu.ft., 50% excess to circulate to surface).

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every other joint off bottom, to the base of the Ojo Alamo at 1638'. Two turbolating centralizers at the base of the Ojo Alamo at 1638'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Liner -

Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Lead with 366 sx 35/65 poz Type III cement w/0.25 pps Celloflake, 0.3% CD-32, 6.25 pps LCM-1, 1% fluid loss 7 pps CSE, 6% gel (665 cu.ft.), (40% excess to cement 4 1/2" x 7" overlap. WOC a minimum of 18 hrs prior to completing.)

Cement float shoe on bottom with float collar spaced on top of float shoe.

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

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, a long string of 4 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 4 1/2" x 7" casing strings. After completion of the well, a 4 1/2" retrievable bridge plug will be set below the top of cement in the 4 1/2" x 7" overlap. The 4 1/2" casing will then be backed off above the top of cement in the 4 1/2" x 7" overlap and laid down. The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.

• If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.

Special Drilling Operations (Gas/Mist Drilling):

The following equipment will be operational while gas/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- Deduster equipment will be utilized.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

Additional Information:

- The Mesaverde and Dakota formations will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

Fruitland Coal 300 psi Pictured Cliffs 600 psi Mesa Verde 700 psi Dakota 2500 psi

- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The southwest quarter of Section 9 is dedicated to the Chacra, the south half of Section 9 is dedicated to the Mesaverde and the south half of Section 9 and Lots 1 & 2, south half of the southeast quarter of Section 8 is dedicated to the Dakota in this well.
- This gas is dedicated.

Drilling Engineer

3/24/03 Date