RCVD OCT 22 '07
OIL CONS. DIV.
DIST. 3

Form 3160-3
(February 2005)

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
I-22-IND-2772

6. If Indian, Allotee or Tribe Name
Ute Mountain Ute

1a Type of work ☑ DRILL ☐ REENTER

7 If Unit or CA Agreement, Name and No.

1b Type of Well ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No
Ute Mountain Ute #79

2 Name of Operator
Burlington Resources Oil & Gas Company, LP

9 API Well No.
30-045-34480

3a. Address **3401 E. 30th St. Farmington, NM 87402-8807**

3b Phone No. *(include area code)* **505-326-9700**

10 Field and Pool, or Exploratory
Barker Creek-Dakota Pool

4 Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **C SE/4, 1300' FSL & 1300' FEL**
At proposed prod. zone **same**

11 Sec., T. R. M. or Blk. and Survey or Area
Sec 17-T32N-R14W

14 Distance in miles and direction from nearest town or post office*
5 miles to La Plata

12. County or Parish **San Juan** | 13. State **NM**

15 Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) **1300'**	16. No. of acres in lease **8400**	17. Spacing Unit dedicated to this well **160**
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19 Proposed Depth **2900'**	20. BLM/BIA Bond No. on file
21 Elevations (Show whether DF, KDB, RT, GL, etc.) **6237' GR**	22 Approximate date work will start*	23. Estimated duration

~~Venting / Flaring approved for 30 days per NTL-4A~~

SEE ATTACHED CONDITIONS OF APPROVAL

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must be attached to this form:

1 Well plat certified by a registered surveyor
2 A Drilling Plan.
3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
5 Operator certification
6 Such other site specific information and/or plans as may be required by the BLM

25 Signature Catherine Smith	Name *(Printed Typed)* **Catherine Smith**	Date **09/12/2006**

Title **Huntington Energy, L.L.C., Agent for Burlington Resources Oil & Gas Company, LP**

~~APPROVED FOR A PERIOD NOT TO EXCEED 2 YEARS~~

Approved by *(Signature)* /S/ Matt Janowiak	Name *(Printed Typed)*	Date OCT 18 2007
Title ACTING CENTER MANAGER	Office SAN JUAN PUBLIC LANDS CENTER	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 representations as to any matter within its jurisdiction

*(Instructions on page 2)

NOTIFY AZTEC OCD 24 HRS PRIOR TO CASING & CEMENT

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto...

RECEIVED
SEP 13 2006
Bureau of Land Management
Durango, Colorado

18 10/26

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-34480	71599	Basin Dakota

[4] Property Code	[5] Property Name	[6] Well Number
~~32660~~ 6886 18725	UTE MOUNTAIN UTE	79

[7] OGRID No.	[8] Operator Name	[9] Elevation
14538	BURLINGTON RESOURCES OIL AND GAS COMPANY LP	6237'

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	17	32-N	14-W		1300'	SOUTH	1300'	EAST	SAN JUAN

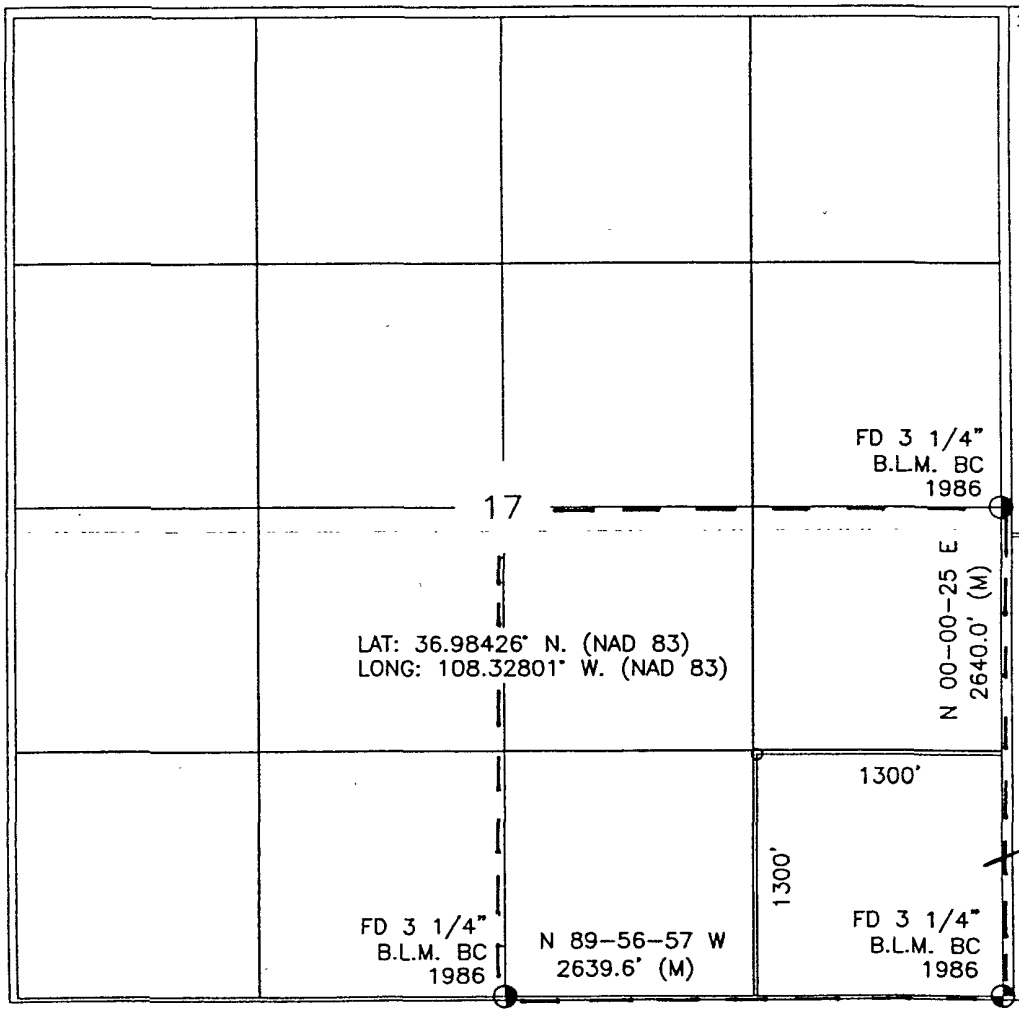
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
E/160			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



17

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — 8/10/06 Date

Catherine Smith
Printed Name

18

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed:

Signature & Seal of Professional Surveyor:

JOHN A. VUKONICH
NEW MEXICO
14831
REGISTERED PROFESSIONAL SURVEYOR
1-16-06

Certificate Number 14831

OPERATIONS PLAN

Well Name: Ute Mountain Ute #79
Location: 1300' FSL, 1300' FEL, C SE/4 Sec 17, T-32-N, R-14-W NMPM
San Juan Co., New Mexico
Formation: Dakota
Elevation: 6237' GR 6253' KB

Formation Tops:	Top	Bottom	RMSL	Contents
Menefee	Surf	178'		
Point Lookout	178'	391'	6075'	
Mancos	391'	1563'	5862'	
Gallup (Niobrara)	1563'	2273'	4690'	oil or water
Greenhorn	2273'	2323'	3980'	
Graneros	2323'	2393'	3930'	
Dakota	2393'	2643'	3860'	gas or water
Morrison	2643'	2900'	3610'	gas
TD	2900'			

Logging Program:

Mud log – 300' to TD
Open hole logs – AIT/GR/SP - TD to surface casing; NEU/DEN – TD to 1400'
FMI/Dipmeter – interval to be determined
Cased hole logs– CBL/GR – TD to surface
Cores & DST's – none

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0 – 300'	Spud	8.4-9.0	40-50	no control
0 - 2900'	LSND	8.4-9.0	40-60	no control

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 Interval	Csg. Size	Wt.	Grade
11"	0 – 300'	7 5/8"	29.7#	P-110
6 1/4"	0 – 2900'	4 ½"	10.5#	J-55

Tubing Program:

	0 – 2900'	2 3/8"	4.7#	J-55

BOP Specifications, Wellhead and Tests:

Surface to TD –

11" 2000 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.

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations:

7 1/16" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Float Equipment:

7 5/8" surface casing – saw tooth guide shoe.
Centralizers will be run in accordance with Onshore Order #2.

4 ½" intermediate casing – guide shoe and self-fill float collar. Standard centralizers run every other joint above shoe. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead:

7 5/8" x 4 ½" x 2 3/8" x 2000 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 the daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

7 5/8" surface casing –

Cement to surface w/174 sx Class A, B Portland Type I, II cement (244 cu. ft. of slurry). WOC 8 hours before pressure testing or drilling out from under surface casing.

4 ½" production Casing -

Lead with 377 sx Premium Lite w/3% calcium chloride, 5pps LCM-1, and ¼#/sack flocele, 0.4% FL-52, & 0.4% SMS. Tail w/90 sx Type III cement w/1% calcium chloride, ¼#/sack flocele and 0.2% FL-52 (928 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.

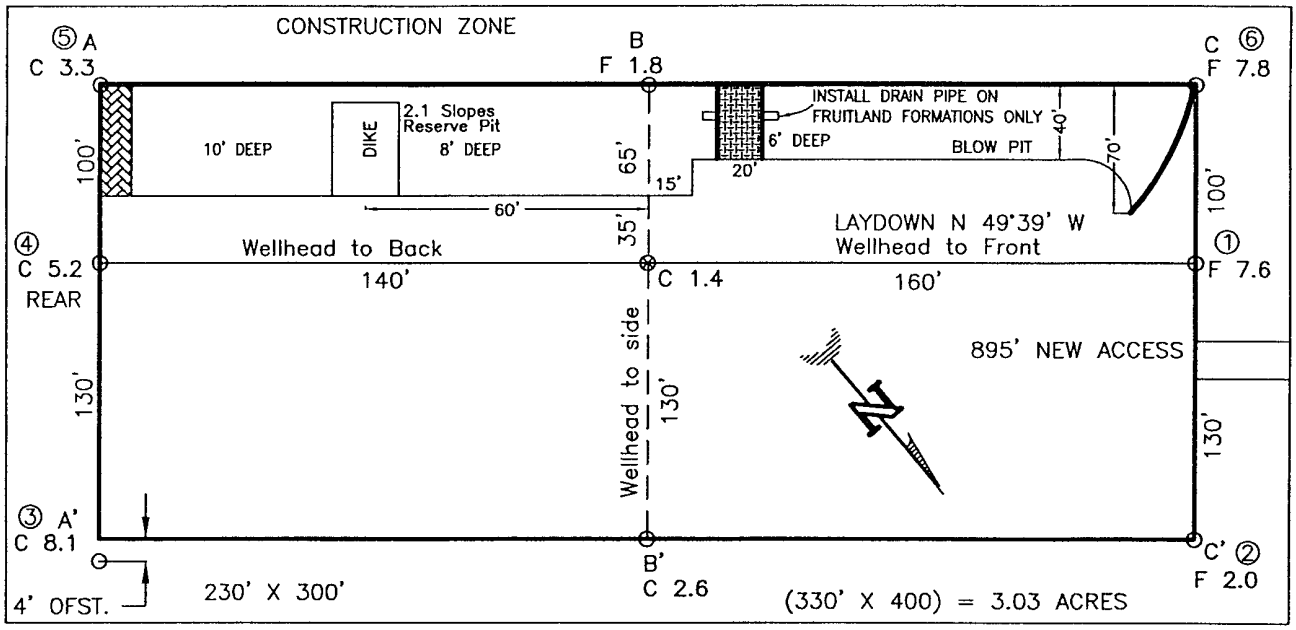
Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

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

Additional Information:

- The Dakota formation will be completed. If non-commercial, the Morrison and Gallup will be secondary objectives.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressure for the Dakota is 750 psi.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The southeast quarter of Section 17 is dedicated to this well. This gas is dedicated.

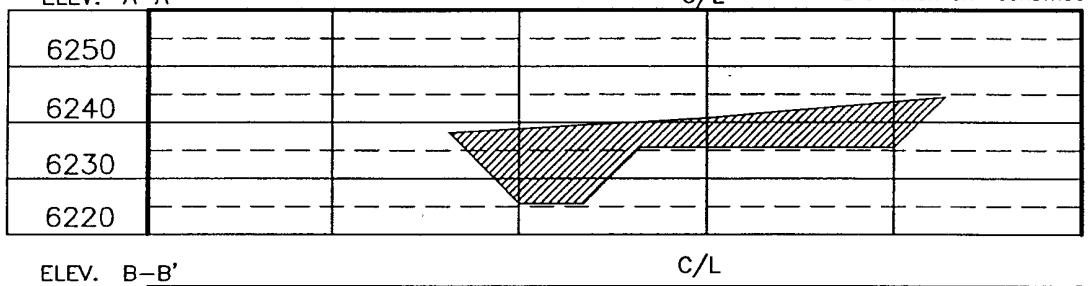
BURLINGTON RESOURCES OIL AND GAS COMPANY LP/HUNTINGTON ENERGY, LLC
UTE MOUNTAIN UTE No. 79, 1300 FSL 1300 FEL
SECTION 17, T-32-N, R-14-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6237, DATE: APRIL 4, 2006

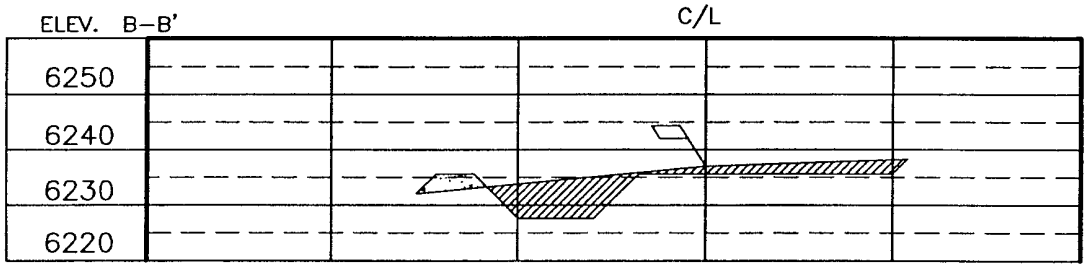


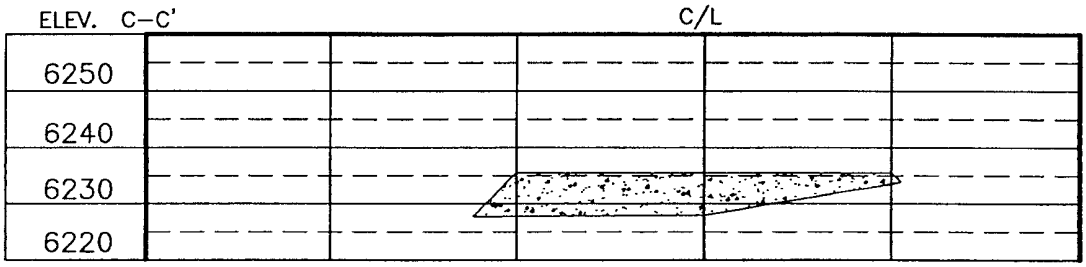
RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



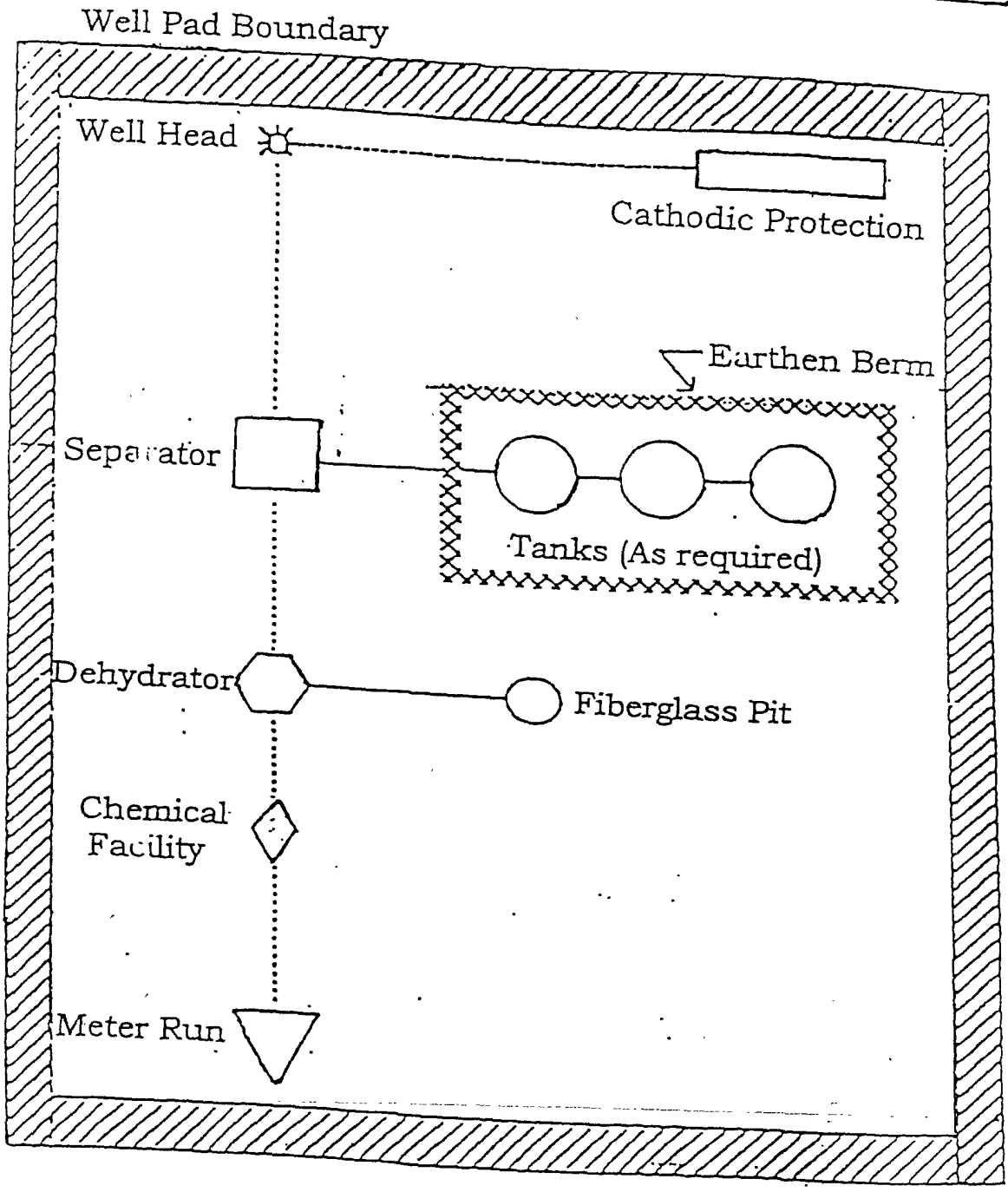




NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO P.L.S. No. 14831

REVISION: DATE: REVISED BY: CADFILE: HTG048CFB DRAWN BY: A.G. DATE: 04/14/06 ROW#: HTG048



PLAT #1

ANTICIPATED PRODUCTION FACILITIES FOR A DAKOTA WELL

Burlington Resources Oil & Gas Company
Tribal Lease: I-22-IND-2772
Well: Ute Mountain Ute #79
Location: 1300' FSL & 1300' FEL
Sec. 17, T. 32 N., R. 14 W.
San Juan County, New Mexico

Conditions of Approval - Drilling Plan:

1. All drilling locations must be built as drilled, not constructed back to back prior to drilling.

2. The BOP must have adjustable chokes.

3. No additional zones will be commingled without UMU Tribal and BLM approval.

4. Stabilized Bottom hole pressures must be taken from each perforated zone.

5. Notify this office during working hours **at least 72 hours** prior to:

    a. spudding the well*

    b. running casing strings and cementing

    c. BOP tests

    d. Drill Stem testing

* at this time provide phone numbers for the rig and your field representative (mobile and office) to facilitate the scheduling of BLM Technicians to witness the above operations.

6. All BOP tests will be performed with a test plug in place. BOP will be tested to full stack working pressure and annular preventer to 50% maximum stack working pressure. All accumulators will be function tested as per Onshore Order #2. All 2M or greater systems require **adjustable** chokes as per Onshore Order #2. 3M BOPs must have an Annular Preventer and the Choke line must be 3".

7. If a BLM Inspector is not present during the initial BOP test, please provide chart record.

Continued on page 2.

8. Cementing of the 7-5/8" Surface Casing: If cement does not circulate or cement circulates but falls back in the annular beyond visual sight, a temperature survey or other preferred method may be employed to determine the amount of fall back.

Cementing of the 4-1/2" Production Casing: A cement bond log will be run prior to perforating. A 360 degree cement evaluation log is recommended, but the conventional bond log would be acceptable. Whether or not the cement circulates to the surface, a cement bond log will be run prior to perforating for completion.

9. Submit copies of all logs to the BLM office in both paper and in Log ASCII Standard (LAS) format.

10. If any operations are to start over the weekend, notify this office by noon Friday. If any problems arise after hours or on weekends, call BLM personnel using the home phone numbers listed on the following 'INFORMATIONAL NOTICE - APD's'.

11. If commingling becomes a permanent part of the well completion and a change in production performance indicates that one particular zone's capacity becomes altered due to a drop in bottom hole pressure, a drop in fluid capacity, an inflow of water, or an inflow of either oil or gas, the BLM will has the authority to request sufficient testing to determine what particular zone and to what degree that zone is contributing to the decrease in production or change in fluids. The operator is on notice that after a three to five year period you could be requested to retest the producing zones if the BLM believes there is a significant change in one or more commingled zones. Should an unexpected change take place within a short period of time following the initial completion, it is required to provide a reason for that change and the technical data to support the cause of such change.

Additional Conditions Of Approval for Ute Mountain Ute Wells:

Well File Information: All tests and operations on any well in the subject lands shall be conducted at the Operators sole discretion, and the information requirements of Article 8.02(b) of the Agreement and this exhibit shall not be interpreted to obligate Lessee to conduct any tests or operations with respect to any well.

a. All wire line logs – Field and Final Print (Electrical, Radioactive, Sonic, Porosity, Velocity, etc. with digitized and log analysis, if available).
b. Drill Stem tests - field data
c. Core analysis - field data
d. Mud Log - final prints
e. Drill Stem tests - final prints
f. Core analysis - final prints
g. Revised Structure and Isopach maps
h. Location (Surveyor's Plat & Drilling Permit
i. Daily Drilling Report, Daily Workover report and final Drilling Summary
j. Directional Survey
k. Geological Report
l. Completion Report
m. Production Test Data (AOF Potential, GOR, etc.)
n. 30 Day Well Production Test Record
o. Bottom Hole Pressure Surveys
p. Gas, Oil, and/or Water Analysis
q. Monthly Oil, Gas, and/or Plant Products Purchasing Statements
r. MMS Monthly OGOR and/or 4054 Monthly Report of Operations
s. Sundry Notices to the BLM
t. Wellbore profile
u. Division Orders/Title Opinion
v. Plug and Abandon Reports
w. AFEs
x. Other Information Requested by the Tribal Energy Department.

EA of OIL and GAS Leasing & Development on UMUIR, Pg 49 #11 Water Resources Construction

- **The reserve pit shall be replaced by a self contained mud system.**

UMU/BIA standards and the EA of OIL and GAS Leasing & Development on UMUIR, P31,

- **At the Ute Mountain Ute #79 site to allow adequate room for slope development an Exception Condition of Approval shall allow that Construction zones be 30' wide on all sides.**

EA of OIL and GAS Leasing & Development on UMUIR, Pg 48 #5 Water Resources Construction

Crossings of drainages/ditch. **Low water crossings may be used at each drainage crossing with adequate rock rip rap incorporated to grade-level to stabilize road where bedrock is not at surface.**

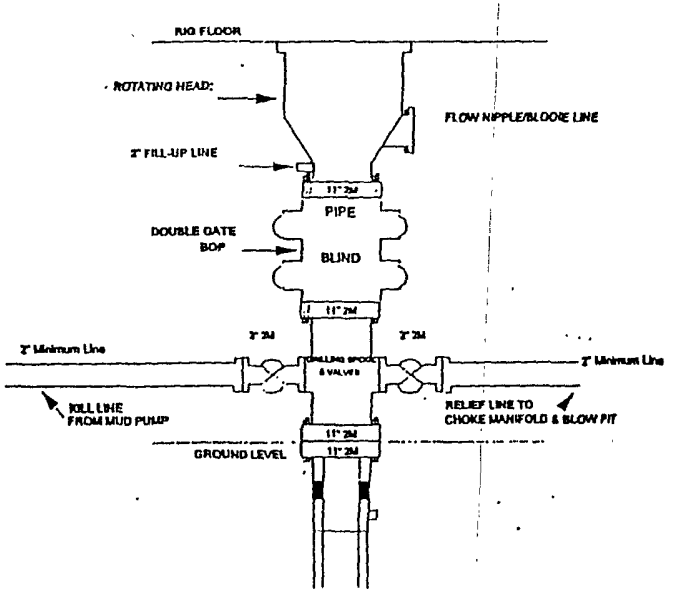
Approx. sta	Feature	Action	NWP
0+30	Ditch at Access rd/ service road jct	Install suitable culvert in ditch	none
2+00	Access road /existing service road jct	Low Water Crossing/rock added to stabilize, water turnout	#12, #14
4+25	Access road /existing service road jct	LWC/rock added to stabilize, water turnout	#12, #14
5+00	Access road /existing service road jct	LWC/rock added to stabilize, water turnout	#12, #14
6+00	Access road /existing service road jct	LWC/rock added to stabilize, water turnout	#12, #14
6+50	Access road /existing service road jct	LWC/rock added to stabilize, water turnout	#12, #14
8+00	Access road /existing service road jct	LWC/rock added to stabilize, water turnout	#12, #14
9+00	Access road /existing service road jct	LWC/rock added to stabilize, water turnout	#12, #14

At the <u>UMU #80</u> well location, access and pipeline route:

Clean Water Act, & EA of OIL and GAS Leasing & Development on UMUIR, Pg 49 #8

- **Spoil piles shall be separated and clearly marked, stabilized to prevent contributing sediment to adjacent drainages, silt fencing installed as required.**

Drilling Rig
2000 psi System

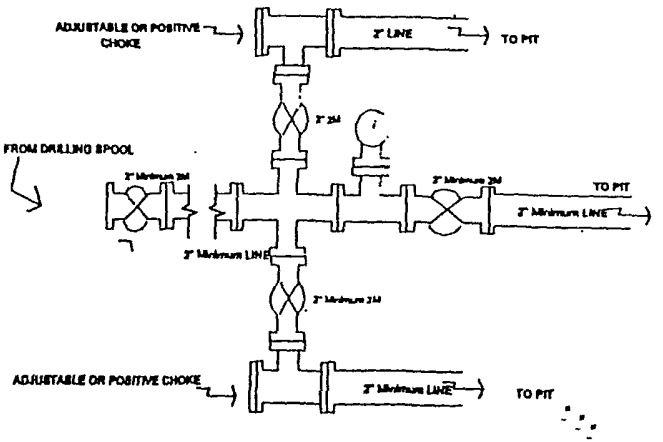


BOP installation from Surface Casing Point to Total Depth. 11" Bore 10" Nominal, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 500 psi rotating head on top of ram preventers. All BOP equipment is 2,000 psi working pressure

Figure #1

4-20-01

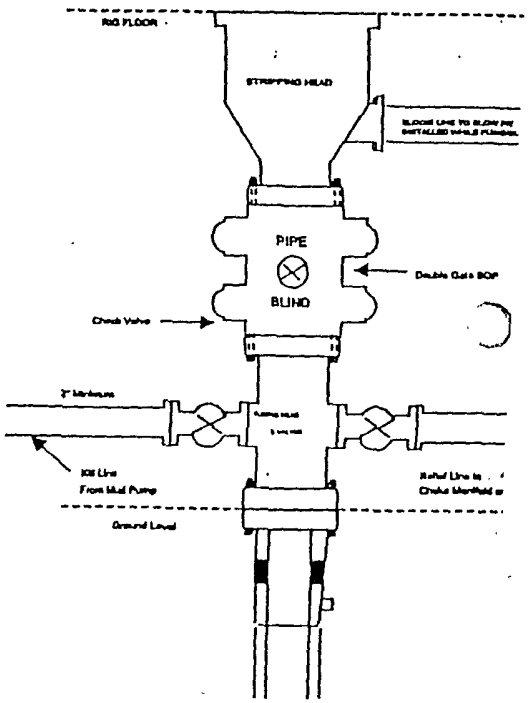
Drilling Rig
Choke Manifold Configuration
2000 psi System



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

Figure #3

Completion/Workover Rig
BOP Configuration
2,000 psi System



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

Figure #2

4-20-01