

RCVD OCT 22 '07

OIL CONS. DIV.

Form 3160-3
(February 2005)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of work. <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 1-22-IND-2772
1b. Type of Well. <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Ute Mountain Ute
2. Name of Operator Burlington Resources Oil & Gas Company, LP		7. If Unit or CA Agreement, Name and No.
3a. Address 3401 E. 30th St. Farmington, NM 87402-8807		8. Lease Name and Well No. Ute Mountain Ute #84
3b. Phone No. (include area code) 505-326-9700		9. API Well No. 36-045-34488
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface NWSEWN 1330' FNL & 1465' FWL At proposed prod zone same		10. Field and Pool, or Exploratory Barker Creek-Dakota Pool
14. Distance in miles and direction from nearest town or post office* 5 miles to La Plata		11. Sec., T. R. M. or Blk. and Survey or Area Sec 29-T32N-R14W
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any) 1330'	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 3000'	19. Proposed Depth 3000'	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6239' GR	22. Approximate date work will start*	23. Estimated duration

Venting / Flaring approved for 30 days
per NTL-4ASEE ATTACHED
CONDITIONS OF APPROVAL

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

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

25. Signature <i>Catherine Smith</i>	Name (Printed/Typed) Catherine Smith	Date 10/18/2006
Title Huntington Energy, L.L.C., Agent for Burlington Resources Oil & Gas Company, LP		APPROVED FOR A PERIOD NOT TO EXCEED 2 YEARS OCT 18 2007
Approved by (Signature) /S/ Matt Janowiak	Name (Printed/Typed)	
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 USC Section 1001 and Title 43 USC 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)

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...NOTIFY AZTEC OCD 24 HRS
PRIOR TO CASING & CEMENT
RECEIVED

OCT 23 2006

Bureau of Land Management
Durango, Colorado

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, 200
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-34488	*Pool Code 71550 71520	*Pool Name Basin Dakota
*Property Code 32660 18725	*Property Name UTE MOUNTAIN UTE	*Well Number 84
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	*Elevation 6239'

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
F	29	32-N	14-W		1330'	NORTH	1465'	WEST	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 w/160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

FD 3 1/4" B.L.M. BC 1986	N 89-57-25 E 2640.1' (M)	FD 3 1/4" B.L.M. BC 1986	<p>17 OPERATOR CERTIFICATION</p> <p>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 work interest or undivided 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.</p> <p><u>Catherine Smith</u> 8/9/06 Signature Date Catherine Smith Printed Name</p>
E 1465' S 00-01-06 2640.6' (M)	LAT: 36.96254° N. (NAD 83) LONG: 108.33660° W. (NAD 83)		
FD 3 1/4" B.L.M. BC 1986	29		
			<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this was plotted from field notes of actual surveys made me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MA Date Signature JONNA WURONICH NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831 Certificate Number</p>

CONSTRUCTION ZONE

5 A
F 2.9

B
F 1.7

6 F
7.0

10' DEEP

DIKE

2.1 Slopes
Reserve Pit
8' DEEP

6' DEEP

INSTALL DRAIN PIPE ON
FRUITLAND FORMATIONS ONLY

BLOW PIT

LAYDOWN S 36°36' E

Wellhead to Back

Wellhead to Front

Wellhead to side

2100' NEW ACCESS (TWO TRACK)

(330' X 400) = 3.03 ACRES

230' X 300'

140'

160'

130'

130'

100'

100'

65'

15'

20'

40'

70'

35'

60'

3.4

3.8

3.8

0.3

6.8

6.5

2.3

7.0

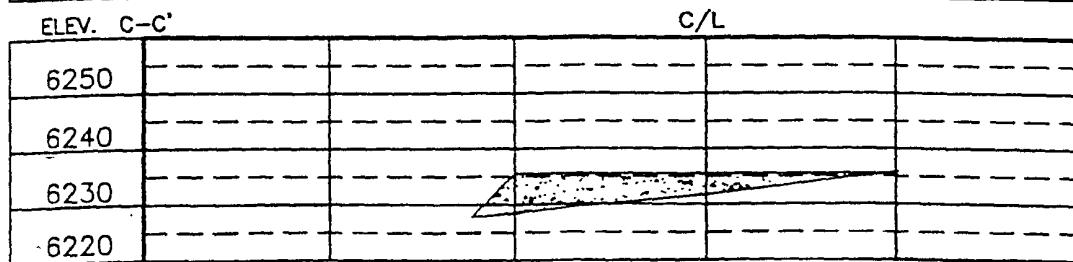
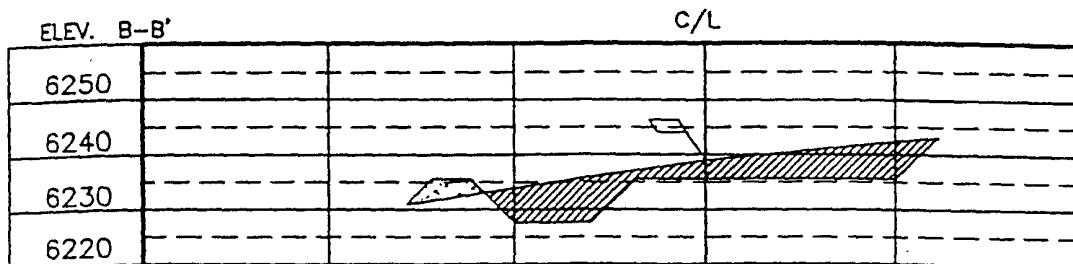
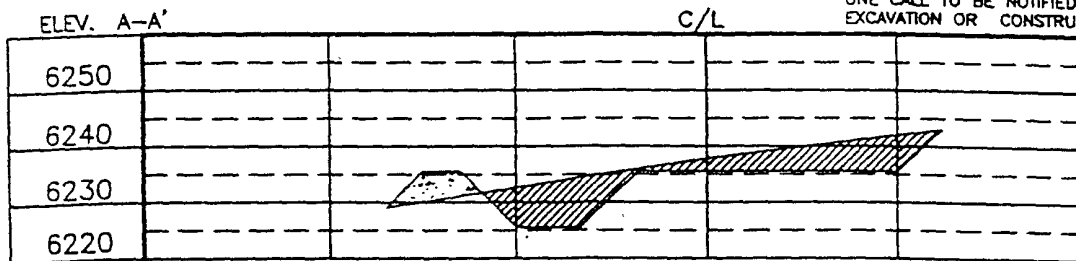
REAR

FRONT


W

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.

REVISION:	DATE:	REVISED BY:
 <p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-4019</p> <p>NEW MEXICO P.L.S. No. 14831</p> <p>FORM 7-1, UTICORP 1978</p>		

OPERATIONS PLAN

Well Name: Ute Mountain Ute #84
Location: 1330' FNL, 1465' FWL, NWSENW Sec 29, T-32-N, R-14-W NMPM
San Juan Co., New Mexico
Formation: Basin Dakota
Elevation: 6239' GR 6255' KB

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>RMSL</u>	<u>Contents</u>
Menefee	Surf	209'		
Point Lookout	209'	425'	6046'	
Mancos	425'	1595'	5830'	
Gallup (Niobrara)	1595'	2300'	4660'	oil or water
Greenhorn	2300'	2365'	3955'	
Graneros	2365'	2435'	3890'	
Dakota	2435'	2695'	3820'	gas or water
Morrison	2695'		3560'	gas
TD	3000'			

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:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0 – 300'	Spud	8.4-9.0	40-50	no control
0 - 3000'	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):

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
11"	0 – 300'	7 5/8"	29.7#	P-110
6 1/4"	0 – 3000'	4 1/2"	10.5#	J-55

Tubing Program:

0 – 3000'	2 3/8"	4.7#	J-55
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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 1/2" 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 1/2" 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 1/2" production Casing -

Lead with 377 sx Premium Lite w/3% calcium chloride, 5pps LCM-1, and 1/4#/sack flocele, 0.4% FL-52, & 0.4% SMS. Tail w/90 sx Type III cement w/1% calcium chloride, 1/4#/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 northwest quarter of Section 29 is dedicated to this well. This gas is dedicated.

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.

INFORMATIONAL NOTICE - APDs

San Juan Field Office

This notice is an abstract of some major regulations and Onshore Orders and includes notification requirements and information.

1. Drilling Operations (Onshore Order No. 2)

- a. If DSTs are run, all applicable safety precautions outlined in Onshore Order No. 2 shall be observed.
- b. All indications of usable water (10,000 ppm or less TDS) shall be reported to the San Juan Field Office prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

2. Well Abandonment (43 CFR 3162.3-4, Onshore Order No. 1-Sec.V)

Approval for abandonment shall be obtained prior to beginning plugging operations. Initial approval for plugging operations may be verbal, but shall be followed-up in writing within 30 days. Subsequent and final abandonment notifications are required and shall be submitted on Sundry Notice (Form 3160-5), in triplicate.

3. Reports and Notifications (43 CFR 3162.3-2, 3162.4-1, 3162.4-3, 00-6)

- a. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions or data obtained and compiled during the drilling, workover, and/or completion operations shall be filed with a Completion Report (Form 3160-4), in triplicate. Submit casing/cementing reports and other subsequent reports via Sundry Notice, Form 3160-5.
- b. In accordance with 43 CFR 3162.4-3, this well shall be reported on MMS Form 3160, A Monthly Report of Operations, starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.
- c. Notify this office within 5 business days of production start-up if either of the following two conditions occur:
 - (1) The well is placed on production, or
 - (2) The well resumes production after being off production for more than 90 days.

Placed on production@ means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities. Notification may be written or verbal with written follow-up within 15 days.

- d. As per Onshore Order No. 6, III.A.2.b., if hydrogen sulfide is present the Aoperator shall initially test the H2S concentration of the gas stream for each well or production facility...@ Submit the results of this test within 30 days of filing Form 3160-4, AWell Completion or Recompletion Report and Log@.

4. Environmental obligations and disposition of production (00-7, NTL-3A, NTL-4A, 43 CFR 3162.5-1, 3162.7 and 40 CFR 302-4)

At the UMU #81 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 stabilized to prevent contributing sediment to adjacent drainages.

EA of OIL and GAS Leasing & Development on UMUIR, Pg 53, K

- Cultural Site LA88687 must be avoided by observing the boundaries of the existing protective fencing near the UMU #81 location.
- A continuous row of excelsior waddles shall be installed against a low (6") berm at the top of fill slopes and along the toe of fill slopes greater than 3' high. Fill slopes shall be stabilized as needed. At the point that grade is achieved, the fill soils shall be stabilized for erosion avoidance as stormwater is channeled along the base of fill slopes.
- A berm and ditch shall be constructed above the pad cut slopes running to grade. At the point that grade is achieved, the fill slopes shall be stabilized for erosion protection and energy dissipation as required for stormwater to be channeled along the base of fill slopes to natural drainages.

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.

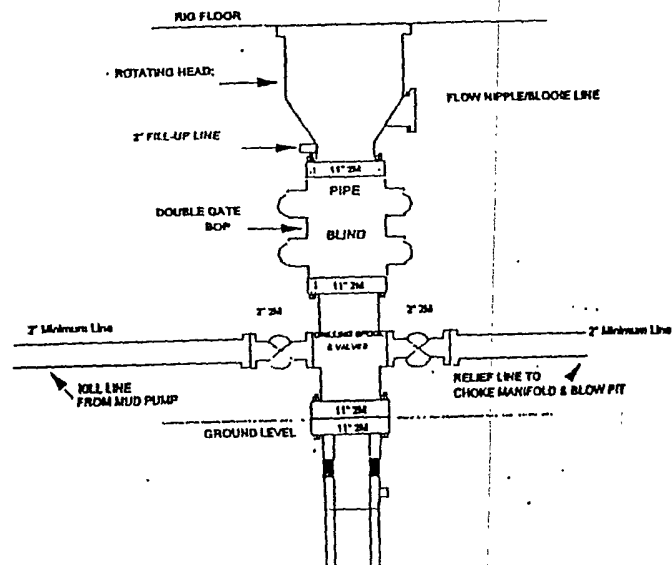
EA of OIL and GAS Leasing & Development on UMUIR, Pg 48 #7

- Drainage from corner #2 shall be diverted along a ditch and berm above the cut slope from corner #2 to grade below corner #3.

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

- A suitable minimum 18" culvert shall be required where the access leaves the current gas field road.
- A swale shall be placed at the access-to-pad junction to channel storm water from the ditch at the top of pad cut slopes to grade across the access road diverting any storm water from the road to the west around pad corner #6 and along the base of a stabilized fill slope to grade past corner #5 to prevent water from accumulating on the well pad via the access road. The access road shall be graded, crowned, ditched with adequate culverts of minimum 18" diameter per BLM "Gold Book" standards if the well is completed.

Drilling Rig
2000 psi System

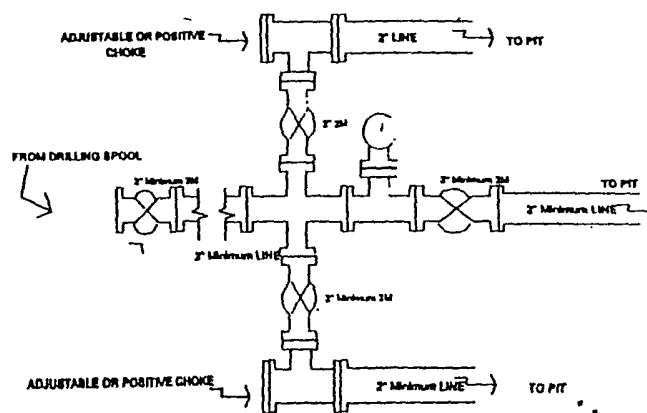


BOP Installation from Surface Casing Point to Total Depth. 11" Bore 10" Nominal, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 500 psi rotating head on top of ram preventers. All BOP equipment is 2,000 psi working pressure

Figure #1

4-20-01

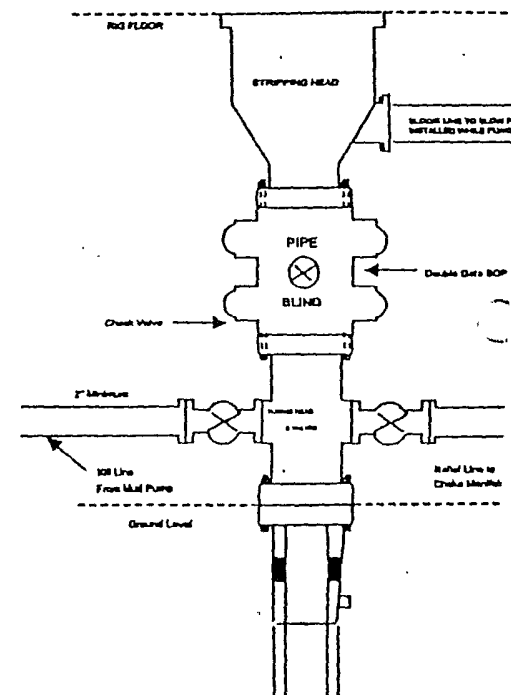
Drilling Rig
Choke Manifold Configuration
2000 psi System



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

Figure #2

4-20-01