| ubmitted in lieu of | | ' STATES | | and the second second |
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| | | F THE INTERIOR | | |
|) | BUREAU OF L | AND MANAGEMENT | RECEIVED | |
| | Sundry Notices | and Reports on W | Vells | / |
| | | | 2007 1100 17 PH 28: U | Lease Number |
| | | | and the second s | NMSF078120A |
| . Type of Well | | (| 970 Famingion, 6 9M | If Indian, All. of Tribe Name |
| GAS | | | TE TO SERVICE STATE OF THE SER | Tribe Name |
| | | | JA 5 6 / 3 3 7. | Unit Agreement Na |
| . Name of Operator | N1 | A.V. | 00. | |
| BURLINGTO | S oil & Gas coi | | a so and a | |
| HESGUHUE | OIL & GAS COL | MPANY | 8. | Well Name & Number |
| . Address & Phone N | | 163 | | Federal G #1N |
| PO Box 4289, Far | mington, NM 87 | 499 (505) 326-970 |)0 | API Well No. 30-045-30973 |
| . Location of Well, | | | <u> </u> | Field and Pool |
| 1135'FSL, 1665'FW | VL, Sec.35, T-31 | -N, R-12-W, NMPM | 11 | Blanco MV/Basin Di County and State |
| | | | | San Juan Co, NM |
| 2. CHECK APPROPRIAT | TO DOY MO TIME | ME NAMINE OF NOW | CE DEDODE OFFI | Dama |
| Type of Submission | | Type of | | DATA |
| _X_ Notice of | | Abandonment | _X_ Change of Pla | |
| Subsequer | nt Report | <pre>_ Recompletion Plugging Back</pre> | New Construct | |
| | · | Casing Repair | Water Shut o | Ef |
| Final Aba | indonment | _ Altering Casing Other - | g Conversion to | o Injection |
| | | | | |
| .3. Describe Propo | osed or Complete | d Operations | | |
| | | | nd cementing progra | am and BOP |
| accordin | ng to the attach | ed operations pla | an and diagram. | |
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| 4. I hereby certi | ify that the for | egoing is true a | nd correct. | |
| | ify that the for | egoing is true a | | |
| 14. I hereby certifications of the second se | ify that the for | | nd correct. tory Specialist Da | te 11/17/03 |
| Signed Tammy L | ral or Stage Of | Title Regulation | tory Specialist Da | te 11/17/03 |
| Signed Tammy 4 | ral or State Of | Title Regulat | | te 11/17/03 |

OPERATIONS PLAN

Well Name: Federal G #1N

Location: 1135'FSL, 1665'FWL, Sec 35, T-31-N, R-12-W

San Juan County, NM

Latitude 36° 51'06"N, Longitude 108° 04'15"W

Formation: Blanco Mesaverde/Basin Dakota

Elevation: 5871'GL

| Formation Tops: | Top | Bottom | Contents |
|-----------------------|---------------|---------------|----------|
| Surface | San Jose | 618' | |
| Ojo Alamo | 618' | 673 ′ | aquifer |
| Kirtland | 673 ′ | 1583 ' | gas |
| Fruitland | 1583' | 2248' | gas |
| Pictured Cliffs | 2248' | 2383' | gas |
| Lewis | 2383 ' | 2988' | gas |
| Huerfanito Bentonite | 2988 ′ | 3318 ' | gas |
| Chacra | 3318 ′ | 3908 ' | gas |
| Massive Cliff House | 3908' | 4008' | gas |
| Menefee | 4008' | 4583 ′ | gas |
| Intermediate TD | 4158' | | |
| Massive Point Lookout | 4583' | 4923' | gas |
| Mancos | 4923 ′ | 5863 ′ | |
| Gallup | 5863 ′ | 6590 ′ | gas |
| Greenhorn | 6590' | 6643' | |
| Graneros | 6643' | 6703' | |
| Two Wells | 6703 ′ | 6759 ' | gas |
| Paguate | 6759 ' | 6799 ' | gas |
| Cubero | 6799 ' | 6869 ' | gas |
| Encinal Canyon | 6869 ' | | |
| TD | 6865' | | |

Logging Program:

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

Open hole - none Mud Log - none Cores - none

Mud Program:

| Interval | Type | Weight | <u>Vis.</u> | Fluid Loss |
|-----------|-----------|---------|-------------|------------|
| 0- 120 | ' Spud | 8.4-9.0 | 40-50 | no control |
| 120- 415 | 8' LSND | 8.4-9.0 | 30-60 | no control |
| 4158- 686 | 5' 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 Interval | Csg.Size | Wt. Grade |
|-----------|----------------|----------|--------------------|
| 12 1/4" | 0' - 120' | 9 5/8" | 32.3# H-40 |
| 8 3/4" | 0' - 4158' | 7" | 20&23# J-55 |
| 6 1/4" | 0' - 6865' | 4 1/2" | 10.5# J- 55 |

Tubing Program:

0' - 6865' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, BOPE and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, BOPE and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

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.

Wellhead -

9 5/8" x 7" 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 daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

9-5/8" surface casing - cement with 32 sxs Class A, B Portland Type I, II cement (38 cu.ft. of slurry, bring cement to surface through 3/4" line) or equivalent. WOC 24 hours for pre-set holes or 8 hours for conventionally set holes before pressure testing or drilling out from under surface casing.

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

7" intermediate casing -

Lead w/382 sx Premium Lite with 3% calcium chloride, 0.25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tail with 90 sx Type III cmt w/1% calcium chloride, 0.25 pps celloflake, 0.2% fluid loss (937 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 temperature survey will be run to determine TOC. Test casing to 1500 psi for 30 minutes.

7" intermediate casing alternative two stage: Stage collar at 1283'. First stage: Pump 246 sxs Premium Lite with 3% calcium chloride, 0.25 pps celloflake, 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 celloflake, 0.2% fluid loss. Second stage: w/136 sx Premium Lite with 3% calcium chloride, 0.25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (937 cu.ft. of slurry, 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 third joint off bottom, to the base of the Ojo Alamo at 957'. Two turbolating centralizers at the base of the Ojo Alamo at 957'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production casing - Pump 189 sxs Premium Lite HS FM w/0.25 pps celloflake, 0.3% CD-32, 6.25 pps LCM-1, 1% fluid loss, 6% gel, 7 pps CSE (375 cu.ft., 30% excess to cmt 7" & 4 ½" overlap). WOC a minimum of 18 hrs prior to completing.

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

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

 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 Dakota, and Mesa Verde 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 1000 psi

- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The west half of Section 35 is dedicated to the Mesa Verde and Dakota in this well.
- This gas is dedicated.

Alan lorgan Drilling Engineer October 29, 2003

Completion/Workover Rig BOP Configuration 2,000 psi System

BURLINGTON RESOURCES

Drilling Rig Choke Manifold Configuration 2000 psi System

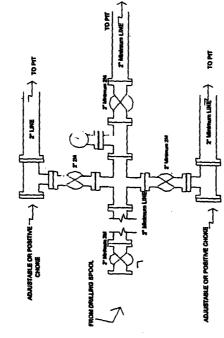
Burlington Resources

2000 psi System

RIG FLOOR

ROTATING HEAD:

Drilling Rig



B Side

E FILL-LIP LINE

2

BOVBLE GATE

7.72

Z Manamum Cine

RELIEF LINE TO CHOKE MANIFOLD & BLOW PIT

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

Cheese Water

pressure double gate BOP to be equipped with blind and pipe rame. 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