

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

JUN 11 2009

|                                                                                                                                                                    |                                                                                                                                      |                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1a. Type of Work<br>DRILL                                                                                                                                          | 5. Lease Number<br>NM-001594<br>Unit Reporting Number                                                                                |                 |
| 1b. Type of Well<br>GAS                                                                                                                                            | 6. If Indian, All. or Tribe                                                                                                          |                 |
| 2. Operator<br><b>BURLINGTON</b><br>RESOURCES Oil & Gas Company, LP                                                                                                | 7. Unit Agreement Name<br>OIL CONS. DIV.<br>DIST. 3                                                                                  |                 |
| 3. Address & Phone No. of Operator<br>PO Box 4289, Farmington, NM 87499<br><br>(505) 326-9700                                                                      | 8. Farm or Lease Name<br>Kelly A<br>9. Well Number<br>3E                                                                             |                 |
| 4. Location of Well<br>Surf: Unit P(SESE), 810' FSL & 815' FEL<br><br>Surf: Latitude: 36.89338° N (NAD83) Lot 12/<br>Longitude: 107.86360° W P Sec. 15, T31N, R10W | 10. Field, Pool, Wildcat<br>Basin DK/Blanco MV<br><br>11. Sec., Twn, Rge, Mer. (NMPM)<br>P Sec. 15, T31N, R10W<br>API # 30-045-34994 |                 |
| 14. Distance in Miles from Nearest Town<br>9 miles/Aztec                                                                                                           | 12. County<br>San Juan                                                                                                               | 13. State<br>NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line<br>810'                                                                                      |                                                                                                                                      |                 |
| 16. Acres in Lease<br>861.590                                                                                                                                      | 17. Acres Assigned to Well<br>MV/DK 318.86 (E/2)                                                                                     |                 |
| 18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease<br>52' from Kelly A 6 (PC)                                          |                                                                                                                                      |                 |
| 19. Proposed Depth<br>7625'                                                                                                                                        | 20. Rotary or Cable Tools<br>Rotary                                                                                                  |                 |
| 21. Elevations (DF, FT, GR, Etc.)<br>6251' GL                                                                                                                      | 22. Approx. Date Work will Start                                                                                                     |                 |
| 23. Proposed Casing and Cementing Program<br>See Operations Plan attached                                                                                          |                                                                                                                                      |                 |
| 24. Authorized by: <u>Crystal Tafoya</u><br>Crystal Tafoya (Regulatory Technician)                                                                                 | Date: <u>6/11/2009</u>                                                                                                               |                 |

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

Archaeological Report attached

Threatened and Endangered Species Report attached

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes 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 presentations as to any matter within its jurisdiction.

Example Master Plan Type 3

Bond Numbers NMB-000015 and NMB-000089

NOTIFY AZTEC OGD 24 HRS.  
PRIOR TO CASING & CEMENT

NMOCD

JUL 27 2009

DISTRICT I  
1825 N. French Dr., Hobbs, N.M. 88240

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

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

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised October 12, 2005

OIL CONSERVATION DIVISION

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

RECEIVED

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

JUN 11 2009

Bureau of Land Management  
Farmington Field Office  
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                             |                                                               |                                              |
|-----------------------------|---------------------------------------------------------------|----------------------------------------------|
| *API Number<br>30-045-34994 | *Pool Code<br>71599 / 72319                                   | *Pool Name<br>BASIN DAKOTA/BLANCO MESA VERDE |
| *Property Code<br>7219      | *Property Name<br>KELLY A                                     | *Well Number<br>3 E                          |
| *OGRID No.<br>14538         | *Operator Name<br>BURLINGTON RESOURCES OIL AND GAS COMPANY LP | *Elevation<br>6251'                          |

<sup>10</sup> Surface Location

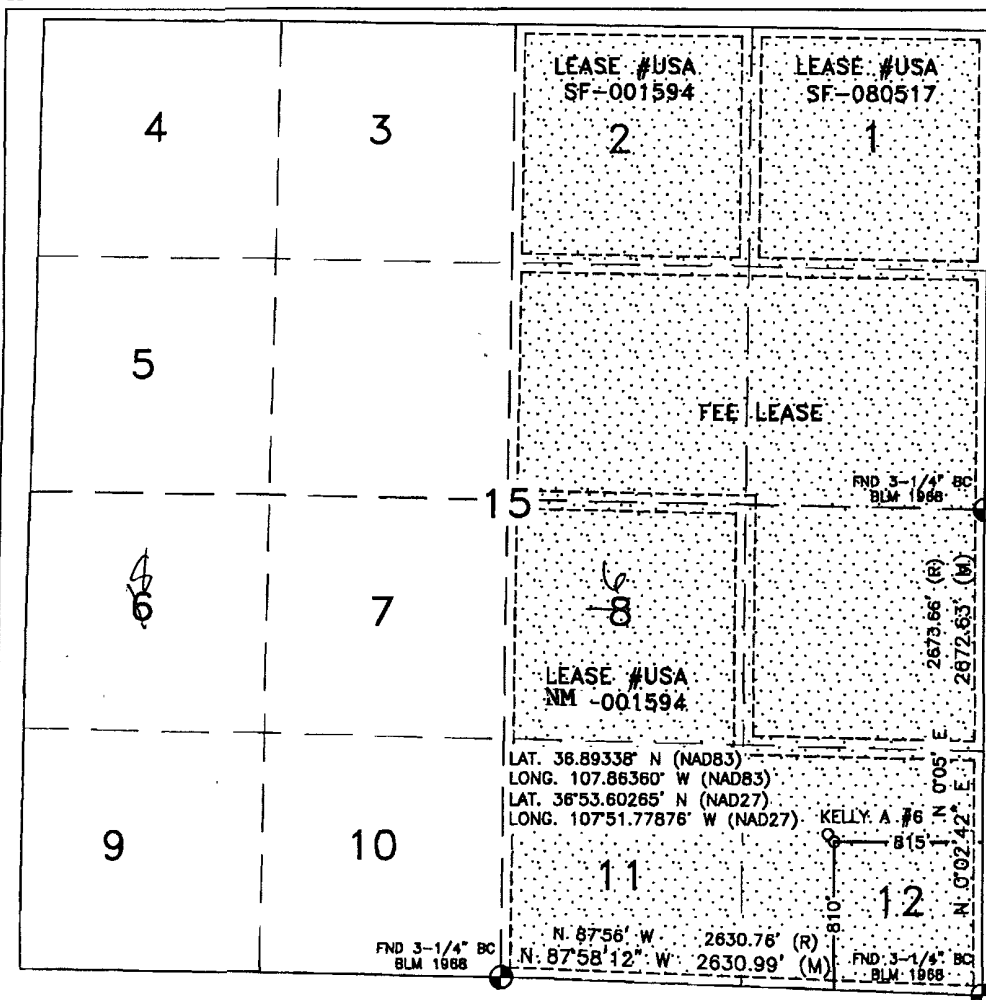
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| P             | 15      | 31N      | 10W   | 12      | 810'          | SOUTH            | 815'          | EAST           | SAN JUAN |

<sup>11</sup> 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 |
|-------------------------------------------------------|---------|----------|-------------------------------|---------|----------------------------------|------------------|-------------------------|----------------|--------|
| P                                                     |         |          |                               |         |                                  |                  |                         |                |        |
| <sup>12</sup> Dedicated Acres<br>318.86 Acres - (E/2) |         |          | <sup>13</sup> Joint or Infill |         | <sup>14</sup> Consolidation Code |                  | <sup>15</sup> Order No. |                |        |

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

18



<sup>17</sup> 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 or a compulsory pooling order heretofore entered by the division.

*Crystal Tafoya* 10/11/09  
Signature Date

Crystal Tafoya 6-11-09  
Printed Name

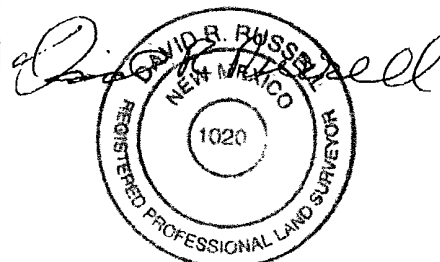
<sup>18</sup> SURVEYOR CERTIFICATION

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.

MAY, 19, 2009

Date of Survey

Signature and Seal of Professional Surveyor:



DAVID RUSSELL

Certificate Number

10201

# PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

KELLY A 3E

DEVELOPMENT

|                                                                                                                                                      |                                 |                             |                          |                      |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------|--------------------------|----------------------|------------------|
| Lease:                                                                                                                                               |                                 | AFE #: WAN.CDR.7087         |                          | AFE \$: 1,429,121.64 |                  |
| Field Name: hBR_SAN JUAN                                                                                                                             |                                 | Rig: Aztec Rig 711          |                          | State: NM            | County: SAN JUAN |
| Geologist:                                                                                                                                           |                                 | Phone:                      |                          | Geophysicist:        |                  |
| Geoscientist:                                                                                                                                        |                                 | Phone:                      |                          | Phone:               |                  |
| Res. Engineer: Prabowo, Wahyu                                                                                                                        |                                 | Phone: +1-505-326-9797      |                          | Proj. Field Lead:    |                  |
|                                                                                                                                                      |                                 |                             |                          | Phone:               |                  |
| <b>Primary Objective (Zones):</b>                                                                                                                    |                                 |                             |                          |                      |                  |
| <b>Zone</b>                                                                                                                                          | <b>Zone Name</b>                |                             |                          |                      |                  |
| RON                                                                                                                                                  | BLANCO MESAVERDE (PRORATED GAS) |                             |                          |                      |                  |
| FRR                                                                                                                                                  | BASIN DAKOTA (PRORATED GAS)     |                             |                          |                      |                  |
| <b>Location:</b>                                                                                                                                     |                                 |                             |                          |                      |                  |
| Datum Code: NAD 27                                                                                                                                   |                                 |                             |                          |                      |                  |
| Latitude: 36.893378                                                                                                                                  | Longitude: -107.862979          | X:                          | Y:                       | Section: 15          | Range: 010W      |
| Footage X: 815 FEL                                                                                                                                   | Footage Y: 810 FSL              | Elevation: 6251             | (FT)                     | Township: 031N       |                  |
| Tolerance:                                                                                                                                           |                                 |                             |                          |                      |                  |
| Location Type: Restricted                                                                                                                            |                                 | Start Date (Est.): 1/1/2009 |                          | Completion Date:     |                  |
|                                                                                                                                                      |                                 |                             |                          | Date In Operation:   |                  |
| Formation Data: Assume KB = 6263 Units = FT                                                                                                          |                                 |                             |                          |                      |                  |
| Formation Call & Casing Points                                                                                                                       | Depth (TVD in Ft)               | SS (Ft)                     | Depletion (Yes/No)       | BHP (PSIG)           | BHT              |
| Surface Casing                                                                                                                                       | 200                             | 6063                        | <input type="checkbox"/> |                      |                  |
| OJO ALAMO                                                                                                                                            | 1460                            | 4803                        | <input type="checkbox"/> |                      |                  |
| KIRTLAND                                                                                                                                             | 1488                            | 4775                        | <input type="checkbox"/> |                      |                  |
| FRUITLAND COAL                                                                                                                                       | 2760                            | 3503                        | <input type="checkbox"/> |                      | Possible Gas     |
| PICTURED CLIFFS                                                                                                                                      | 3018                            | 3245                        | <input type="checkbox"/> |                      |                  |
| LEWIS                                                                                                                                                | 3218                            | 3045                        | <input type="checkbox"/> |                      |                  |
| Intermediate Casing                                                                                                                                  | 3318                            | 2945                        | <input type="checkbox"/> |                      |                  |
| HUERFANITO BENTONITE                                                                                                                                 | 3730                            | 2533                        | <input type="checkbox"/> |                      |                  |
| CHACRA                                                                                                                                               | 4108                            | 2155                        | <input type="checkbox"/> |                      |                  |
| MASSIVE CLIFF HOUSE                                                                                                                                  | 4758                            | 1505                        | <input type="checkbox"/> | 190                  | Gas              |
| MENEFEE                                                                                                                                              | 4900                            | 1363                        | <input type="checkbox"/> |                      |                  |
| MASSIVE POINT LOOKOUT                                                                                                                                | 5256                            | 1007                        | <input type="checkbox"/> |                      |                  |
| MANCOS                                                                                                                                               | 5578                            | 685                         | <input type="checkbox"/> |                      |                  |
| UPPER GALLUP                                                                                                                                         | 6568                            | -305                        | <input type="checkbox"/> |                      |                  |
| GREENHORN                                                                                                                                            | 7288                            | -1025                       | <input type="checkbox"/> |                      |                  |
| GRANEROS                                                                                                                                             | 7336                            | -1073                       | <input type="checkbox"/> |                      |                  |
| TWO WELLS                                                                                                                                            | 7395                            | -1132                       | <input type="checkbox"/> | 2000                 | Gas              |
| PAGUATE                                                                                                                                              | 7485                            | -1222                       | <input type="checkbox"/> |                      |                  |
| UPPER CUBERO                                                                                                                                         | 7516                            | -1253                       | <input type="checkbox"/> |                      |                  |
| LOWER CUBERO                                                                                                                                         | 7526                            | -1263                       | <input type="checkbox"/> |                      |                  |
| ENCINAL                                                                                                                                              | 7582                            | -1319                       | <input type="checkbox"/> |                      |                  |
| Total Depth                                                                                                                                          | 7625                            | -1362                       | <input type="checkbox"/> |                      |                  |
| TOTAL DEPTH DK                                                                                                                                       | 7625                            | -1362                       | <input type="checkbox"/> |                      |                  |
| 12-1/4 hole. 200' 9 5/8" 32.3 ppf, H-40, STC casing. Cement with 121 cuft. Circulate cement to surface.                                              |                                 |                             |                          |                      |                  |
| 8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Cement with 747 cuft. Circulate cement to surface.                                                        |                                 |                             |                          |                      |                  |
| 6-1/4" Hole. 4-1/2", 10.5/11.6 ppf, J-55 STC/LTC casing. Cement with 586 cuft. Circulate cement a minimum of 100' inside the previous casing string. |                                 |                             |                          |                      |                  |
| <b>Reference Wells:</b>                                                                                                                              |                                 |                             |                          |                      |                  |
| Reference Type                                                                                                                                       | Well Name                       |                             | Comments                 |                      |                  |

# PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

KELLY A 3E

DEVELOPMENT

## Logging Program:

Intermediate Logs: ☐ Log only if show ☐ GR/ILD ☐ Triple Combo

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT ☒ Other

GR/CBL. Mudlog from ~100' above T/Greenhorn to TD. TD should be ~230' below the top of the Two Wells. Est bottom perf: -1347' subsea.

## Additional Information:

| Log Type | Stage | From (Ft) | To (Ft) | Tool Type/Name | Remarks |
|----------|-------|-----------|---------|----------------|---------|
|----------|-------|-----------|---------|----------------|---------|



**BURLINGTON RESOURCES OIL & GAS COMPANY LP**

KELLY A #3 E

810' FSL & 815' FEL

LOCATED IN THE SE/4 SE/4 OF SECTION 15,

T31N, R10W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

**DIRECTIONS**

- 1) FROM AZTEC, NM, TRAVEL NORTH 3.0 MILES ON HIGHWAY 550 TO COUNTY ROAD #2770 (HART CANYON ROAD).
- 2) TURN RIGHT ONTO COUNTY ROAD #2770 AND TRAVLE 2.7 MILES TO A MAIN DIRT ROAD ON THE LEFT.
- 3) TURN LEFT AND TRAVEL 1.2 MILES TO A MIAN DIRT ROAD ON THE RIGHT.
- 4) TURN RIGHT AND TRAVEL 2.0 MILES TO THE EXISTING WELL LOCATION OF THE KELLY A #6.

WELL FLAG LOCATED AT LAT. 36°89338° N, LONG. 107.86360° W (NAD83)

