Form 3160-3 (August 2007)

in way it is

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No 1004-0137 Expires July 31, 2010

5	Lease Serial No.
	J-22-JND-2772

BUDEAU OF LAND MA	BUREAU OF LAND MANAGEMENT					
APPLICATION FOR PERMIT TO	6 If Indian, Allote Ute Mountain	ee or Tribe Name				
a. Type of work.	7 If Unit or CA Ag	greement, Name and	i No.			
b. Type of Well: Oil Well Gas Well Other	✓ Single Zone M	ultiple Zone	8. Lease Name and Ute Mountain			
. Name of Operator Burlington Resources Oil and Gas Co	., LP		9 API Well No.	15-35	DEC	
a. Address c/o Huntington Energy, L.L.C. 908 N.W. 71st St., Oklahoma City, OK 73116	3b Phone No. (include area code (405) 840-9876)	10 Field and Pool, o Barker Creek-			
Location of Well (Report location clearly and in accordance with a At surface Lot J, 1635' FSL & 2230' FEL	arty State requirements *j		11 Sec., T R. M. or Sec 22-T32N-	•		
At proposed prod. zone same as above Distance in miles and direction from nearest town or post office* 5 miles to La Plata			12 County or Parish San Juan	13. Sta	MITTE A PIT, TANK	
Distance from proposed* 1635' location to nearest property or lease line, ft (Also to nearest drig. unit line, if any)	16 No of acres in lease 8400 ac	17. Spacii 160	ong Unit dedicated to this well		ST BE SI 10CD FO OW GRA E METHO	
Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	19 Proposed Depth 2700'		MBIA Bond No. on file K04SDF02064			
Elevations (Show whether DF, KDB, RT, GL, etc.) 6143'	22. Approximate date work will	start*	23. Estimated duration		A-COMPLETE C-14 APPROVED BY TH LOOP SYSTEN PROPOSED ALTERN	
	24. Attachments				APPROVEI LOOP S ROPOSED	
e following, completed in accordance with the requirements of Onsh	ore Oil and Gas Oider No.1, must h	e attached to the	us form:			
Well plat certified by a registered surveyor. A Drilling Plan A Surface Use Plan (if the location is on National Forest Syster	n Lands, the 5 Operator cer	re). tification	ons unless covered by a	-		
SUPO must be filed with the appropriate Forest Service Office)	6. Such other : BLM.	site specific inf	ormation and/or plans :	as may be required	by the	
Signature Smil	Name (Printed/Typed) Catherine Smith	-	/ **	Date 12/01/2008	7720	
le Huntington Energy, L.L.C., agent for Burlington Resou	rces Oil and Gas Company,·I	_P	NOT TO E	D FOR A PE XCEED 2 YE	EARS	
oproved by (Signature) /S/ Richard A. Rymerson	Name (Printed/Typed)		, , , , , , , , , , , , , , , , , , ,	Date SEP 0	8 2009	
MINERALS STAFF CHIEF	Office					
oplication approval does not warrant or certify that the applicant ho nduct operations thereon. onditions of approval, if any, are attached.	lds legal or equitable title to those	rights in the su	bject lease which would	l entitle the applican	itto	
tle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a ates any false, fictitious or fraudulent statements or representations a	crime for any person knowingly as to any matter within its jurisdiction	nd willfully to 1	nake to any department	or agency of the U	Jnited	
(Continued on page 2)			*(lns	structions on pa	age 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...

Venting / Flaring approved for 80 days per NTL-4A

HOLD C104 FOR NSL

SEE ATTACHED CONDITIONS OF APPROVAL

DEC - 8 2008

SEP 1 4 2009



Bureau of Land Management Durango, Colorado

distidict i P.O. Box 1980, Hobbs, N.M. B8241-1980

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-10; Revised October 12, 2008 Instructions on bacl Appropriate District Office

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

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

SE-160

16

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

APR 2 2 2009

State Lease — 4 Copie: Fee Lease - 3 Copie:

☐ AMENDED REPORT

DISTRICT III

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

Bureau of Land Managament

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Pool Name API Number 715**960**0 Barker Creek Dakota Property Code Droperty Name ⁵ Well Number 18725 UTE MOUNTAIN UTE 105 *Operator Name OGRID No. ⁹ Elevation BURLINGTON RESOURCES OIL & GAS COMPANY LP 14538 6144 ¹⁰ Surface <u>Location</u> North/South line East/West line UL or lot no. Range Lot Idn Feet from the Feet from the Section Township County 14-W UDO 1635 SOUTH 22 32 - N2230 **EAST** SAN JUAN ¹¹ Bottom Hole Location If Different From Surface UL or lot no. Section Lot Idn Feet from the North/South line Feet from the Township East/West line Range County 14 Consolidation Code 15 Order No. 12 Dedicated Acres ¹⁵ Joint or Infill

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

SURF. LAT: 36.97068* LONG: 108.29503*	ACE_LOCA N. (NAD W. (NAD	ΠΟΝ	2 _		2230'	ED. 3 1/4" AC 1986 B.L.M 1987 P.L. S640.03 (M)	
	FD.	3 1/4" AC. 1986 B.L.M.		9–59–55 W 39.61 <u>'</u> (<u>M</u>)	W/ LS. WITNESS FD. 3	CORNER 1/4" AC. 35 B.L.M.	

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

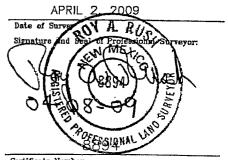
15/2009

Catherine Smith

Printed Name

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 knowledge and belief.



Certificate Number

OPERATIONS PLAN

Well Name: Ute Mountain Ute #105

Location: 1635' FSL, 2230' FEL, NWSE Sec 22, T-32-N, R-14-W NMPM

San Juan Co., New Mexico

Formation: Basin Dakota

Elevation: / 6143' GR 6158' KB

Formation Tops:	Top	Bottom	RMSL	Contents
Mancos	382'	2122'	5745'	gas or water
Greenhorn	2122'	2182'	4005'	oil or water
Graneros	2182'	2257'	3945'	
Dakota	2257'	2447'	3870'	gas or water
Encinal	2447'	2467'	3680'	
Burro Canyon	2467'	2477'	3660'	
Morrison	2477'	2700'	3650'	
TD	2700'			

Logging Program:

Mud log - 300' to TD

Open hole logs - AIT/GR/SP/CNL/LDT Surface Casing to TD

Cased hole logs- CBL/GR - TD to surface

Cores & DST's - none

Mud Program:

<u>Interval</u>	Type	<u>Weight</u>	<u>Vis.</u>	Fluid Loss
0 - 300	Spud	8.4-9.0	40-50	no control
300' - 2700'	Clean Faze	8.4-9.0	32-40	≤10 cc

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

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

	× 7 00 1 00 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					
	Hole Size	Depth Interval	Csg. Size	<u>Wt.</u>	<u>Grade</u>	
	12 ¼"	0 - 300	8 5/8"	23#	LS-J55	
	6 ¼"	0-2700	4 1/2"	10.5#	J-55	
Tubing	Program:	1				
		0-2700	2 3/8"	4.7#	J-55	

BOP Specifications, Wellhead and Tests:

Surface to 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.

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

Completion Operations:

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

Float Equipment:

8 %" surface casing – saw tooth guide shoe.

Centralizers will be run in accordance with Onshore Order #2.

4 ½" production 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:

 $8 \frac{5}{8}$ " x $4 \frac{1}{2}$ " x $2 \frac{3}{8}$ " x 5000 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:

8 5/8" surface casing -

Cement to surface w/230 sx Premium cement 2% Calcium Chloride and $\frac{1}{4}$ # Flocele (274 cu. ft. of slurry). WOC 8 hours before pressure testing or drilling out from under surface casing.

4 1/2" production Casing -

Lead with 185 sx San Juan PRB-2, 5# Gil/sk + .25#/sk Superflake (415 cu ft of slurry – est top of cement: surface). Tail w/100 sx San Juan PRB-2, 5# Gil/sk + .25#/sk Superflake (200 cu ft of slurry – est top of tail cement: 2200').

Note: 50% excess cement will be used unless open hole logs are run, then 25% excess cement over caliper will be pumped. Cement will be circulated to surface.

Float guide shoe/float collar ran on bottom jt. 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 Mancos will be secondary objectives.
- No abnormal temperatures or hazards are anticipated. No H2S is anticipated.
- Anticipated pore pressure for the Dakota is 750 psi. Maximum bottom hole pressure at TD is 800 psi.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The southeast quarter of Section 22 is dedicated to this well. This gas is dedicated.

HALLBURTON

Cement Test Report

Farmington District Laboratory 4109 E. Main Farmington, NM 87499

To: Randy Snyder

Halliburton Energy Services

Report: FLMM65810A

Date:

Slurry: 15.6 Surface mixed with fresh Water

Company: Slurry Book

Total Vertical Depth: 330 ft

BHST: 80 °F BHCT: 80 °F

All Test performed according to modified API RP Spec 10, 1997

Thickening Time to 70 Bc:

2hr 09min

Design

Mountain G Cement 3% CaCl₂ 1/4 #/sk Flocele

Production Cement

Density:	15.6	lb/gal
Yield:	1.2	ft³/sk
Water	5.27	gal/sk

Compressive Str @ 80F

Hr:Min	psi
2:10	50
3:41	500
6:25	1500
12:00	2415

Deidra Benally

Lab Technician

Note: This report is for information and the content is limited to the sample described. Halliburton Energy Services makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including any act or omission of Halliburton, resulting from the use hereof.

HALLIBURTON

Cement Test Report

Farmington District Laboratory 4109 E. Main Farmington, NM 87499

Halliburton Energy Services

Total Vertical Depth: 3000 ft

Report: FLMM5000 BHST: 115°F

BHCT: 80 °F

Slurry: San Juan PRB II, 2/10 % D-Air 3000, 5#/sk Gilsonite, 1/8 #/sk Poly-E-Flake

All Test performed according to modified API RP Spec 10,1997

Density lb/gal	Yield ft³/sk	Water gal/sk	Thickening Time to 70 Bc	Free Water	Settling	Rheology at 100°F		Compr psi	ressive Strength Time
12.5	2.24	12.10	2 hr: 53 min	0%	0%	300	67	500	3 hr 46 min
						200	60	1085	12 hr
						100	51	1268	24 hr
						60	47		36 hr
		•				PV	26		48 hr
						ΥP	45		
Density lb/gal	<u>Yield</u> ft³/sk	<u>Water</u> gal/sk	Thickening Time to 70 Bc:	Free Water	<u>Settling</u>	at 1	<u>ology</u> 00°F	psi	essive Strength Time
13.0	2.00	10.29	2 hr: 02 min	0%	0%	300	99 .	500	3 hr
						200	92	1477	12 hr
		-				100	84	1722	24 hr
						60	81	1837	36 hr
						PV	28		48 hr
						ΥP	77	•	

Note: This report is for information and the content is limited to the sample described. Halliburton Energy Services makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including any act or omission of Halliburton, resulting from the use hereof.



ConocoPhillips San Juan Business Unit P.O. Box 4289 Farmington, NM 87499-4289

DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

Burlington Resources Oil & Gas Company, LP, an affiliate of ConocoPhillips Company, is the current Lessee and Operator on the records of the BIA Services and Mineral Management Services of the Ute Mt. Ute Oil & Gas Lease No. I-22-IND-2772. Burlington Resources Oil & Gas Company, LP hereby designates:

NAME:

Huntington Energy, L.L.C.

ADDRESS:

908 N.W. 71st Street

Okla. City, OK 73116

as its agent, with full authority to act in its behalf in complying with the terms and provisions of the said oil & gas lease and the regulations applicable thereto and on whom the supervisor or his representatives may serve written or oral instructions in securing compliance with the Oil & Gas Operating Regulations with respect to drilling, testing and completing, from the surface down to the base of the Morrison Formation for the following Ute Mt. Ute wells:

Ute Mountain Ute #89, SW/4 of Sec 21-T32N-R14W, San Juan Co., NM Ute Mountain Ute #90, NW/4 of Sec 21-T32N-R14W, San Juan Co., NM Ute Mountain Ute #92, SE/4 of Sec 16-T32N-R14W, San Juan Co., NM Ute Mountain Ute #93, NE/4 of Sec 15-T32N-R14W, San Juan Co., NM Ute Mountain Ute #94, SW/4 of Sec 28-T32N-R14W, San Juan Co., NM Ute Mountain Ute #101, NE/4 of Sec 17-T32N-R14W, San Juan Co., NM Ute Mountain Ute #103, NE/4 of Sec 16-T32N-R14W, San Juan Co., NM Ute Mountain Ute #104, SE/4 of Sec 15-T32N-R14W, San Juan Co., NM Ute Mountain Ute #105, SE/4 of Sec 22-T32N-R14W, San Juan Co., NM

It is understood that this Designation of Agent does not relieve the Operator of responsibility for compliance with the terms and provisions within the Ute Mt. Ute oil & gas leases and the Oil & Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest in the lease committed hereto.

In the case of default on part of the designated agent, the Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or its representatives.

The Operator agrees promptly to notify the oil and gas supervisor of any changes in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement.

This Designation of Agent is limited to field operations only and does not cover administrative action, which shall require the specific authorization of the Operator.

This Designation of Agent shall be effective until all of the wells described above are drilled, completed, including the installation of surface facilities and connection to a gas sales pipeline. However, this Designation of Agent shall automatically terminate at first sales for each individual well, but shall be in effect until the last of the remaining wells have first sales.

This Designation of Agent is also subject to the terms and conditions contained in Exhibit "A" attached hereto.

ACKNOWLEDGMENT

Burlington Resources Oil & Gas Company, LP By: BROG GP Inc., its sole General Partner, As Lessor, and Operator of the Ute Mt. Ute Leases described herein.

Dated: 11/17/2008

By: William Rainbolt, Attorney-in-Fact

Huntington Energy, L.L. C., as Designated Agent

David M. Herritt, Member

STATE OF NEW MEXICO:

COUNTY OF SAN JUAN:

The foregoing instrument was acknowledged before me this \(\frac{17^{17}}{2}\) day of November, 2008, by William Rainbolt, as Attorney-in-Fact of BROG GP Inc., a Delaware Corporation acting on behalf the behalf of the behalf

WENTER DE LOCALITA DE LA COMPANION DE LA COMPA

NOTARY PUBLIC

My Commission Expires

EXHIBIT "A" DESIGNATION OF AGENT

Huntington Energy, L.L.C. ("Agent") indicates its acceptance of this Designation of Agent by placing its authorized signature on the Designation of Agent to which this exhibit is attached and agrees to drill and complete or plug and abandon the Ute Mountain Ute wells described therein as a reasonable and prudent operator in accordance with the terms and conditions of the Ute Mountain Ute lease, and also agrees to the following conditions. Agent shall:

- 1. Submit to Operator's representative for approval all casing programs and equipment specifications prior to the drilling of any well.
- 2. Notify Operator when drilling Operations are commenced.
- 3. Furnish Operator with complete daily driller's tour report, at Agent's expense.
- 4. Furnish Operator with daily reports by e-mail or facsimile at Agent's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
- 5. Allow representatives of Operator access to the derrick floor at all times at their sole risk and expense.
- 6. Notify Operator of intentions to core, drill stem test, stimulate, or run well surveys in sufficient time to enable Operator's representatives to be present; and also notify Operator in sufficient time in order that Operator may attend and witness any and all potential tests and packer leakage test.
- 7. Cause all cores having shows of oil and gas to be analyzed by a competent core analysis laboratory. Three preliminary and three final copies of any conventional core analysis will be furnished to Operator. Any special core analysis performed at the request of Agent will be considered proprietary information and will be paid for solely by Agent.
- 8. Furnish Operator three field prints and final prints of all well surveys made during the drilling or upon completion of wells.
- 9. Furnish Operator a representative an adequate cut of all cores and ditch samples, if taken during the drilling of wells.
- 10. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the wells.
- 11. Notify of any intention to plug and abandon wells and allow Operator forty-eight (48) hours in which to concur.
- 12. Furnish the Bureau of Land Management and the Oil Conservation Division of the State of New Mexico all proper and necessary reports and well data in the required

numbers and time periods as specified by the Bureau of Land Management and/or BIA Services and the Oil Conservation Commission of the State of New Mexico with a copy to Operator at the addresses hereinafter provided.

- 13. Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.
- 14. Comply with all regulations of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) as such may be amended from time to time, and pay any costs, fees, and claims including attorneys fees and penalties imposed because of Agent's failure to comply with FOGRMA regulations.

Agent agrees to release, protect, indemnify and defend Operator and all of Operator's affiliated and subsidiary companies and the agents, servants and employees of Operator and all of its affiliated and subsidiary companies, and the insurers of each of them, and to save and hold them harmless from and against any and all claims or liability (including court costs and attorney fees) for damage or loss of property of all character, from and against any and all claims for death, or injury to persons, including, but not limited to, employees or agents of Agent resulting from or arising out of the operations conducted or caused or permitted to be conducted by Agent in connection with the wells described hereinabove; and from and against any and all claims for labor and materials and any other costs and expense in connection with Agent's operations hereunder.

Such indemnity by Agent shall apply to any loss or damage or personal injury or death:

- (i) which arises directly, indirectly or incident to the Agent's operation;
- (ii) without regard to cause or causes thereof, including, without limitation, strict liability, breach of warranty (express or implied), imperfection of materials, condition of any premises or transport to or from such premises;
- (iii) whether the claim therefore is based on common law, civil law or statute.

However, such indemnity by Agent shall not apply and may not be relied upon by Operator to the extent that any claim or liability is found by a court or other tribunal of competent jurisdiction to have been caused by the gross negligence or willful misconduct of Operator.

All notices, samples or other information required to be furnished shall be sent to:

Burlington Resources Oil & Gas Company, LP Attn: Ben Malone P.O. Box 4289 Farmington, New Mexico 87499-4289 Telephone (505) 326-9749 Fax No. (505) 324-3829



United States Department of the Interior BUREAU OF INDIAN AFFAIRS

P.O. Box KK Towaoc, Colorado 81334



IN REPLY REFER TO:
Office of the Superintendent

BLM, San Juan Resources Area Attn: Richard Rymerson Oil & Gas Division 15 Burnett Court Durango, CO 81301 AUG 2 6 2009

PECZIVED

AUG 2 8 2009

Bareau or exhá Managoment July go, Goldák

RE: Application for Permit to Drill from Burlington Resources Oil & Gas Company, LP Well Pad and Access Road, and Well Tie Pipeline for Ute Mountain Ute Number 105

Dear Mr. Rymerson:

Based upon the available information received in this office, we concur with the issuance of the Application for Permit to Drill (APD) for the above-referenced well.

The proposed project is in compliance with provisions of Section 106 of the National Historic Preservation Act and may proceed under the following general stipulations:

- 1. All land altering activities be confined to the area surveyed for cultural resources; and the project sponsor shall control the action of it's agent(s) at the job site to ensure that any archaeological sites will not be disturbed or damaged. Site disturbance or damage is a violation of the Archaeological Resources Protection Act (16 U.S.C. § 470ee) which prohibits the excavation, removal, damage, alteration or defacement. Or attempt to excavate, remove, damage, alter or deface any archaeological resources [cultural resources] located on Federal or Indian Lands. Both criminal and civil penalties may be assessed (16 U.S.C. §§470ee and 470ff) for violations.
- 2. That in the event subterranean cultural resources are encountered, land altering activities shall cease within 50 feet of the discovery and the Ute Mountain Ute Indian Tribe and the Bureau of Indian Affairs Regional Archeologist shall be notified immediately for consultation on the treatment of the discovery.

These stipulations must be followed or project suspension may be issued. The responsibility of the project sponsor is to notify subcontractors of the project boundaries and stipulations. Any change in project boundaries will require additional cultural resource inventory and repetition of the compliance procedures.

Prior to land modifying projects outside the scope of this approval, Section 106 compliance is one of several legal requirements, which must be accomplished before approving any right-of-way, easement, or other land use contracts by the Bureau of Indian Affairs. Land modifications conducted outside of this approval will be considered trespass.

The above mentioned site has been cleared for threatened and endangered or sensitive species. Copies of this report are on file with this office. This approval does not grant any easement rights.

Attached is a copy of the Ute Mountain Ute Tribe's stipulations for all operators drilling on the Ute Mountain Ute Reservation. If you have any questions, contact the Branch of Real Estate Services at (970) 565-3716.

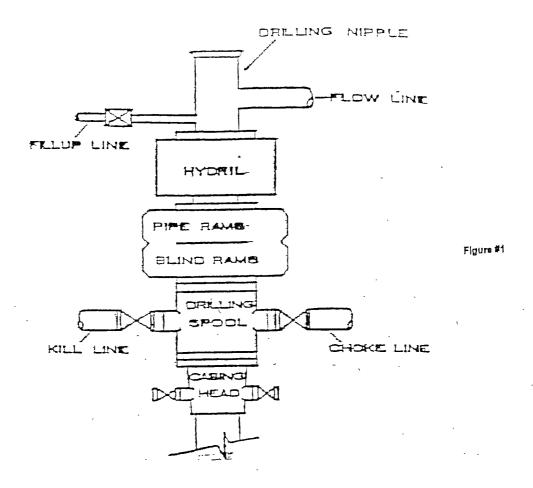
Sincerely,

Superintendent

Enclosure(s)

HUNTINGTON ENERGY. L.L.C.

BOP STACK 3000 PSI



CHOKE MANIFOLD

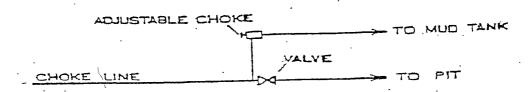


Figure #2