UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	APPLICATION FOR PERMIT TO DRIL	
a.	Type of Work	5. Lease Number
	DRILL	NM-03179
		Unit Reporting Number
	Type of Well SEP 20	01 a Kladian All on Tribe
b.	TANE OLAMBII	20 1 2 2 de la 13
	GAS GAS	
	Operator Operator	7. Unit Agreement Name
••	RURLINGTON	
	RESOURCES Oil & Gas Company	
3.	Address & Phone No. of Operator	8. Farm or Lease Name
.	PO Box 4289, Farmington, NM 87499	Aztec
	20 2011 1201, 1 111111 3	9. Well Number
	(505) 326-9700	#3R
4.	Location of Well	10. Field, Pool, Wildcat
₹.	1800'FNL, 660'FWL	Fulcher Kutz Pictured Clift
	1800 FNE, 000 FNE	11. Sec., Twn, Rge, Mer. (NMPM)
	Latitude 36° 39.9'N, Longitude 107° 58	1.8'W E Sec.14, T-28-N, R-11
	hatitude 30 33.3 h, Longetton Live	API# 30-045-30750
4.4	Distance in Miles from Nearest Town	12. County 13. State
14.	4 miles to Bloomfield	San Juan NM
15.	Distance from Proposed Location to Nearest Propert	y or Lease Line
40	660' Acres in Lease	17. Acres Assigned to Well
16.	ACTES III LEASE	160 NW/4
18.	Distance from Proposed Location to Nearest Well, D	rlg, Compl, or Applied for on this Lease
	10001	
19.	Proposed Depth procedural review pursuant to 43 CFR	20. Rotary or Cable Tools
	and appeal pursuant to 43 CFR \$185.4	Rotary
	Elevations (DF, FT, GR, Etc.)	22. Approx. Date Work will Start
21.	5534' GR	DRILLING OPERATIONS AUTHORIZED ARE
21.	2224 014	
		SUBJECT TO COMPLIANCE WITH ATTACH
23.	Proposed Casing and Cementing Program	SUBJECT TO COMPLIANCE WITH ATTACK "GENERAL REQUIREMENTS"
		SUBJECT TO COMPLIANCE WITH ATTACH
	Proposed Casing and Cementing Program	Subject to compliance with attach "General requirements"
23.	Proposed Casing and Cementing Program See Operations Plan attached	SUBJECT TO COMPLIANCE WITH ATTACH
	Proposed Casing and Cementing Program See Operations Plan attached Authorized by:	SUBJECT TO COMPLIANCE WITH ATTACE "GENERAL REQUIREMENTS"
23.	Proposed Casing and Cementing Program See Operations Plan attached	SUBJECT TO COMPLIANCE WITH ATTACH "GENERAL REQUIREMENTS"
23.	Proposed Casing and Cementing Program See Operations Plan attached Authorized by: Regulatory/Compliance Sup	SUBJECT TO COMPLIANCE WITH ATTACH "GENERAL REQUIREMENTS"

Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

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.

4 ~3. 2.

trict I Box 1980, Hobbs, NM 88241—1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

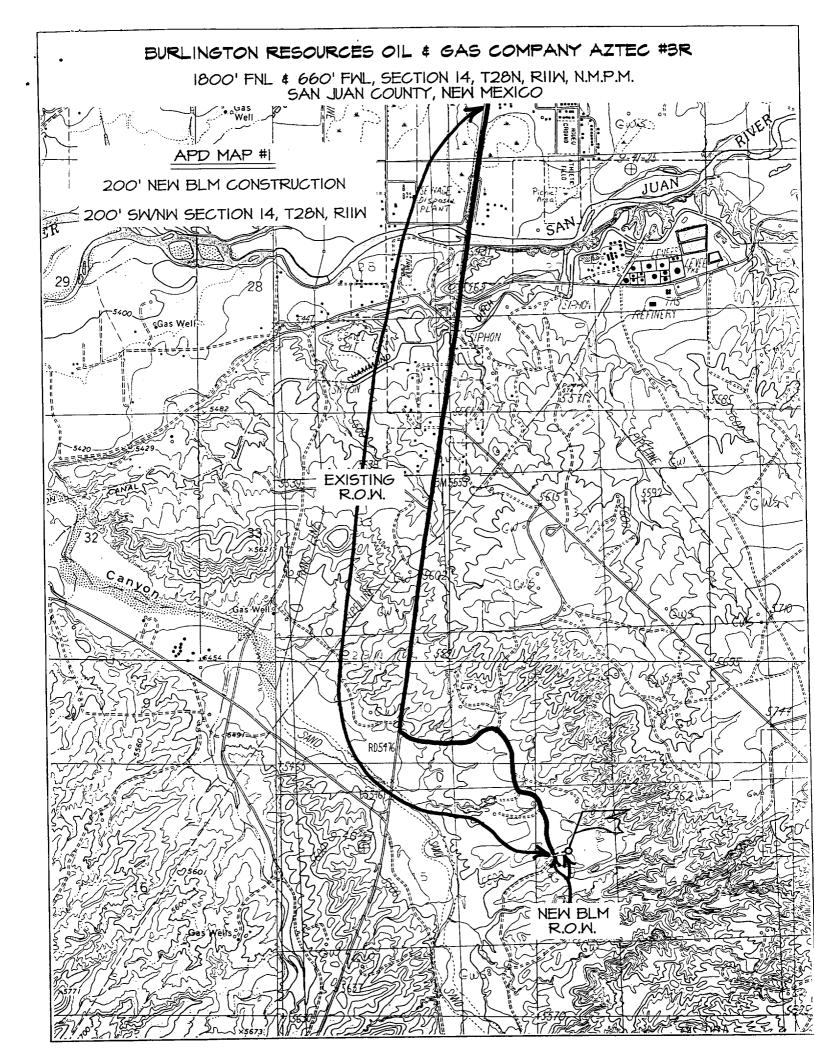
District IV PO Box 2088, Santa Fe. NM 87504-2088 State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

____ AMENDED REPORT

		ļ	WELL	LOCAT:	ION AND AC	REAGE DEDI	CATION PL	ΑT	
'API Number 'Pool Cod			le		Pool Name	?			
30-045	- 3 <i>0</i>	750	7.	7200	Ft	ılcher Kutz P	ictured Cli	ffs	
'Property					Property			•	Well Number 3R
6816								*Elevation	
OGRID 1	VO .	Pi I	DI TM	TON P	'Operator') ESOURCES	Name DIL & GAS C	OMPANY I P		5534
14538									
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				Holo I	Jl		From Surf	300	
UL or lot no.	Section	Township	ttom Range	Hole L	_ocation I	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres	<u> </u>	¹³ Joint or Infi	11 14 Cons	solidation Cod	e ¹⁵ Order No.			L	
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OPERATIONS PLAN

Well Name: Aztec #3R

Location: 1800'FNL, 660'FWL, Section 14, T-28-N, R-11-W

San Juan County, New Mexico

Latitude 36° 39.9′, Longitude 107° 58.8′

Formation: Fulcher Kutz Pictured Cliffs

Elevation: 5534'GR

Formation:	Тор	Bottom	Contents
Surface Ojo Alamo Kirtland Fruitland Pictured Cliffs Total Depth	San Jose 364' 540' 1364' 1586' 1790'	364' 540' 1364' 1586'	aquifer gas gas gas

Logging Program: cased hole - CBL/GR/CCL TD to surface

Coring Program: None

Mud Program:

Interval	Type	<u>Weight</u>	Vis.	Fluid Loss
0- 120'	Spud		40-50	no control
120-1790'	FW	8.4-9.0	32-45	no control

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

Hole Size	Depth Interval	$\mathtt{Csg.Size}$	Wt.	Grade
9 7/8"	0 - 120'	7"	20#	J-55
6 1/4"	0 - 1790 ′	2 7/8"	6.5#	J-55

Float Equipment: 7" surface casing - saw tooth guide shoe. Centralizers will be run in accordance with Onshore Order #2.

2 7/8" production casing - float shoe on bottom. Three centralizers run every other joint above shoe. Seven centralizers run every 3rd joint to the base of the Ojo Alamo @ 540'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 540'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 7" x 2 7/8" 2000 psi screw on independent wellhead.

Cementing:

7" surface casing - cement with 27 sx Class A, B Portland Type I, II cement (32 cu.ft. of slurry, bring cement to surface through %" line). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

2 7/8" production casing - Lead w/224 sx Premium Lite cement w/3% calcium chloride, 1/4 pps flocele, 5 pps LCM-1, 0.4% FL-52, and 0.4% SMS. Tail w/90 sx Type III cement w/1% calcium chloride, 1/4 pps flocele, and 0.2% FL-52 (601 cu.ft. of slurry, 100% excess to circulate to surface).

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

Page 2

Operations plan: Aztec #3R

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams to 600 psi/30 min.

Completion - 7 1/16" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 2000 psi/15 min.

From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated to least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

BOP and tests (If a coiled tubing drilling (CTD) rig is utilized.):

Surface to TD: 7-1/16" 2000 psi (minimum) Torus annular BOP stack (Reference Figure #1b). Prior to drilling out surface casing, test annular BOP to 600psi/30 min.

Completion: 7-1/16" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test blind rams and casing to 1500 psi for 30 minutes; all pipe rams and casing to 1500 psi for 30 minutes each. Same as in original APD operations plan.

From surface to TD: choke manifold (Reference Figure #3). Same as in original APD operations plan.

The annular BOP will be actuated to close on drill pipe (coiled tubing) at least once each day and to close on open hole once each trip to test proper functioning.

Additional information:

- * The Pictured Cliffs formation will be completed.
- Anticipated pore pressure for the Pictured Cliffs is 500 psi.
- This gas is dedicated.
- * The northwest quarter of Section 14 is dedicated to the Pictured Cliffs.

Erin J. Diles	7(20/0)
Drilling Engineer	Date