

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number SF-078459-B Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name Allison Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Allison Unit 9. Well Number #55A
4. Location of Well 1795' FSL, 2050' FEL Latitude 36° 59.6'N, Longitude 107° 33.1'W	10. Field, Pool, Wildcat Blanco Mesaverde 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 10, T-32-N, R-7-W API # 30-045-30470
14. Distance in Miles from Nearest Town 15 miles from Ignacio	12. County San Juan
15. Distance from Proposed Location to Nearest Property or Lease Line 1795'	13. State NM
16. Acres in Lease	17. Acres Assigned to Well 418.03 357.84
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1200'	
19. Proposed Depth 6478'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6896' GR	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"
24. Authorized by <i>[Signature]</i> Regulatory/Compliance Supervisor	Date 12-8-00

PERMIT NO. _____ APPROVAL DATE 5/4/01
APPROVED BY /s/ Lee Otteri TITLE _____ DATE MAY - 4

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.

NMOCD

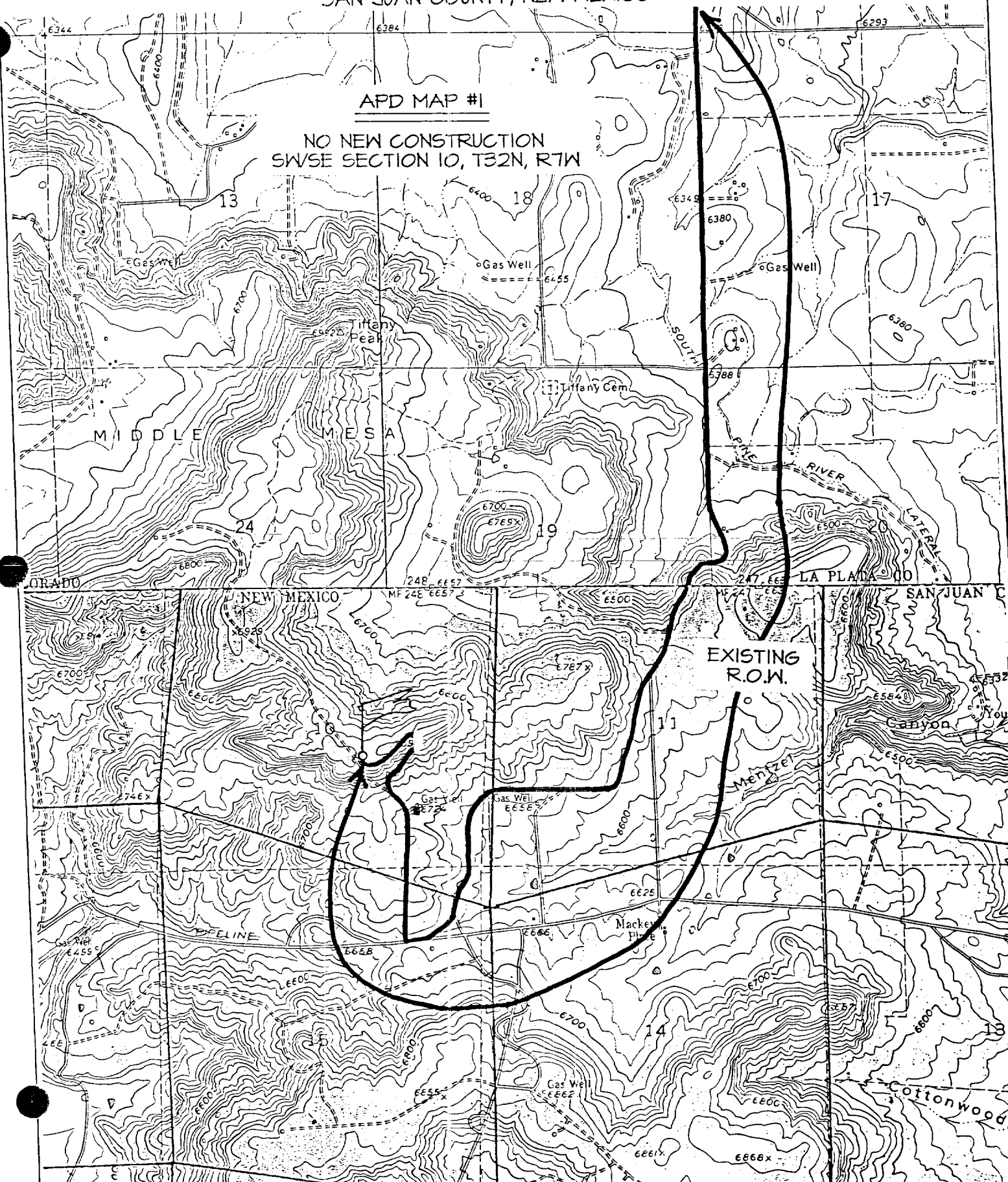
Certificate Number 6857

EURLINGTON RESOURCES OIL & GAS COMPANY ALLISON UNIT #55A

1795' FSL & 2050' FEL, SECTION 10, T32N, R7W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

APD MAP #1

NO NEW CONSTRUCTION
SWSE SECTION 10, T32N, R7W



OPERATIONS PLAN

Well Name: Allison Unit #55A
Surface Location: 1795' FSL, 2050' FEL, Section 10, T-32-N, R-7-W
San Juan County, New Mexico
Latitude 36° 59.6' N, Longitude 107° 33.1' W

Formation: Blanco Mesa Verde
Elevation: 6896' GR

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	2558'	aquifer
Ojo Alamo	2558'	2653'	aquifer
Kirtland	2653'	3163'	gas
Fruitland	3163'	3568'	gas
Pictured Cliffs	3568'	3826'	gas
Lewis	3826'	4590'	gas
Intermediate TD	4076'		
Mesa Verde	4590'	5053'	gas
Chacra	5053'	5753'	gas
Massive Cliff House	5753'	5843'	gas
Menefee	5843'	6078'	gas
Point Lookout	6078'		gas
Total Depth	6478'		

Logging Program:

Cased hole logging - Gamma Ray, Cement bond from surface to TD
Open hole logging - none
Mud Logs/Coring/DST - none

Mud Program:

<u>Interval- MD</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 200'	Spud	8.4-9.0	40-50	no control
200- 4076'	LSND	8.4-9.0	30-60	no control
4076- 6478'	Air/Mist	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):

<u>Hole Size</u>	<u>Measured Depth</u>	<u>Csg Size</u>	<u>Weight</u>	<u>Grade</u>
12 1/4"	0' - 200'	9 5/8"	32.3#	H-40
8 3/4"	0' - 4076'	7"	20.0#	J-55
6 1/4"	3976' - 6478'	4 1/2"	10.5#	J-55

Tubing Program: 0' - 6478' 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, rams and casing will be tested to 600 psi for 30 minutes.

BOP Specifications, Wellhead and Tests (ccnt'd):

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, rams
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 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 drill crew.
- All BOP tests & 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 159 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (188 cu.ft. of slurry, 200% excess to circulate to surface).. WOC 8 hrs. Test casing to 600 psi for 30 minutes.

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

7" intermediate casing -

Lead w/430 sx 50/50 Class "G"/Trinity Light with 2.5% sodium metasilicate, 2% calcium chloride, 10 pps Gilsonite, 0.5 pps Flocele. Tail with 90 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps Gilsonite, 0.1% antifoam and 0.25 pps Flocele (1225 cu.ft. of slurry, 100% excess to circulate to surface). WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL will be run to determine TOC. Test casing to 1500 psi for 30 minutes.

See attached Alternative Intermediate Lead Slurry.

7" intermediate casing alternative two stage: Stage collar at 3063'. First stage: cement w/238 sx 50/50 Class "G" poz w/2% gel, 2% calcium chloride, 5 pps Gilsonite, 0.1% antifoam and 0.25 pps Flocele. Second stage: w/357 sx 50/50 Class "G"/Trinity Light with 2.5% sodium metasilicate, 2% calcium chloride, 10 pps Gilsonite, 0.5 pps Flocele (1225 cu.ft. of slurry, 100% excess to circulate to surface).

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every other joint off bottom, to the base of the Ojo Alamo at 2653'. Two turbolating centralizers at the base of the Ojo Alamo at 2653'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Liner -

Cement to circulate liner top. Pump 269 sx Class "G" 50/50 poz w/4.5% gel, 0.25 pps Flocele, 5 pps Gilsonite, 0.25% fluid loss, 0.1% retardant (385 cu.ft., 50% excess to circulate liner). 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 nose guide shoe on bottom with float collar spaced on top of shoe joint. The liner hanger will have a rubber packoff.

- 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 (Air/Mist Drilling):

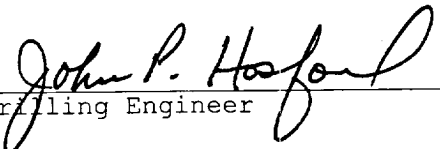
The following equipment will be operational while gas/mist drilling:

- 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.
- 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 Mesa Verde formation will be completed.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

Fruitland Coal	150 psi
Pictured Cliffs	260 psi
Mesa Verde	375 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- Lots 1, 2, 8-11, N2SE, SESE, of Section 10 and Lots 3 & 4 of Section 11 is dedicated to the Mesa Verde.
- This gas is dedicated.


Drilling Engineer

Date 12/12/00

Alternative Intermediate Lead Slurry

Dowell-

Class G: D49(50:50) w/ 2.5% D79, 2% S1, 10pps D24, .5pps D29, .2%D46

where: D49-TXI Light weight Cement

D79-Sodium Metasilicate

S1-Calcium Chloride

D24-Gilsonite

D46-Antifoam Agent

Properties-

Density:11.4 lb/gal

Yield:2.58 cu ft./sk

Water:14.55 gal/sk

Thick Time 70 b.c.(deg F): 4:06(101)

Free Water:0

Fluid Loss:462ml/30 min

CS(crush)@24hr:394

CS(crush)@48hr:550

Halliburton-

Class H 47#/sk, 37#/sk Blended Silicalite, 3% Bentonite, 4% Calcium Chloride

Properties-

Density:11.4 lb/gal

Yield:2.42 cu.ft./sk

Water:14.02 gal/sk

Thick Time(70 bc): 11:00+

Fluid Loss: 702 cc/30min

Free Water: 0%

Compressive Strength (@25:19) :500

Compressive Strength (@48:00) :630

Drilling Rig Choke Manifold Configuration 2000 psi System

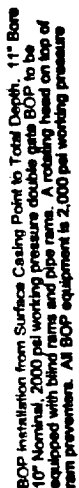


Figure #1

BURLINGTON RESOURCES

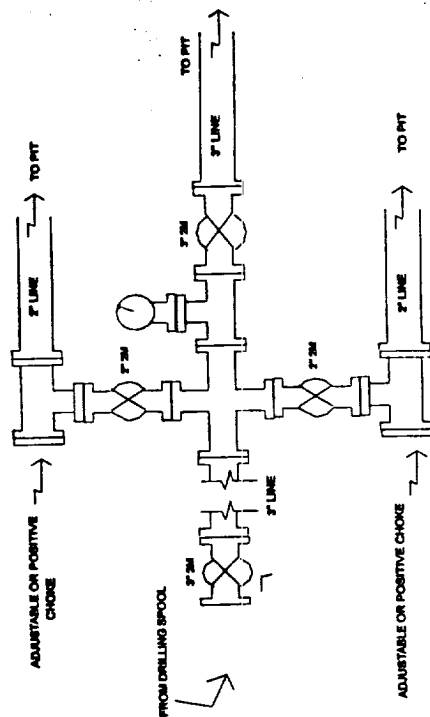


Figure #3

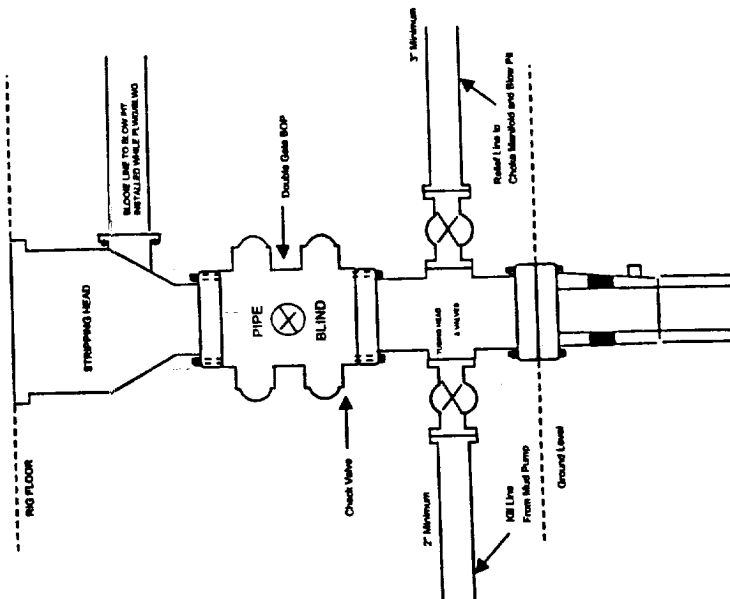


Figure #2

BURLINGTON RESOURCES

Allison Unit #55A Multi-Point Surface Use Plan

1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. No new access road is required.
3. Location of Existing Wells - Refer to Map No. 1A.
4. Location of Existing and/or Proposed Facilities if Well is Productive -
 - a. On the Well Pad - Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad - Anticipated pipeline facilities as shown on the attached plat from Williams Field Services.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from Faverino Water Hole located in NW/4 Section 7, T-32-N, R-6-W, New Mexico.
6. Source of Construction Materials - If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
7. Methods of Handling Waste Materials - All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. Reserve pits will be lined as needed with either 12 mil bio-degradable plastic liner or a bentonite liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
8. Ancillary Facilities - None anticipated.
9. Wellsite Layout - Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.