District I State of New Mexico Form C-103 1625 N. French Dr., Hobbs, NM 88240 Pennit 25851 Energy, Minerals and Natural Resources Phone:(505) 393-6161 Fax:(505) 393-0720 WELL API NUMBER Oil Conservation Division 1301 W. Grand Ave., Artesia, NM 88210 30-039-29589 Phone:(505) 748-1283 Fax:(505) 748-9720 1220 S. St Francis Dr. **Santa Fe, NM 87505** Indicate Type of Lease 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 Ρ District IV 1220 S. St Francis Dr., Santa Fe, NIM 87505 6. State Oil & Gas Lease No. Phone:(505) 476-3470 Fax:(505) 476-3462 SUNDRY NOTICES AND REPORTS ON WELLS Lease Name or Unit Agreement Name SAN JUAN 29 7 UNIT (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number PROPOSALS.) 071B 1. Type of Well:G 2. Name of Operator 9. OGRID Number BURLINGTON RESOURCES OIL & GAS COMPANY LP 14538 10. Pool name or Wildcat Address of Operator 3401 E. 30TH ST, FARMINGTON, NM 87402 4. Well Location Unit Letter 1080 1980 В N E feet from the line and feet from the 29N 07W NMPM Rio Amba 24 Township Range Section County 11. Elevation (Show whether DR, KB, BT, GR, etc.) 6246 GR Pit or Below-grade Tank Application or Closure Pit Type _____ Depth to Groundwater__ _ Distance from nearest surface water_ ___ Distance from nearest fresh water well___ _ mil Below-Grade Tank: Volume____ Pit Liner Thickness: bbls; Construction Material 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK | PLUG AND ABANDON | REMEDIAL WORK ALTER CASING TEMPORARILY ABANDON | CHANGE OF PLANS | COMMENCE DRILLING OPNS. PLUG AND ABANDON | ☐ MULTIPLE COMPL ☐ CASING/CEMENT JOB PULL OR ALTER CASING Other: Other: Drilling/Cement \times 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. See attached for details of the 7" and 4-1/2" casing & cement. PT of 41/2" casing and TOC will be reported on the next report See Attached 2/17/2006 Spudded well. Casing and Cement Program Csg Pres Hole Fluid Weight Est Doth Pres Open String Date Grade Sacks Yield Class Size Size Ib/ft TOC Set Dpth Held Drop Hole Type FreshWater 7 2.7 Type III 1500 Y 02/24/06 Int1 8.75 20 J-55 0 3391 525 0 03/01/06 Prod FreshWater 6.25 4.5 10.5 J-55 2450 7563 304 2.76 Type III 0 I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has

TITLE Specialist

E-mail address jclark@br-inc.com

TITLE District Supervisor

beenAvill be constructed or closed according to NMOCD guidelines

Charlie Perrin

SIGNATURE Electronically Signed

Type or print name Joni Clark

For State Use Only: APPROVED BY: , a general permit or an (attached) alternative OCD-approved plan

DATE 3/20/2006

DATE 4/4/2006 1:46:33 PM

Telephone No. 505-326-9701

San Juan 29-7 Unit #71B API # 30-039-29589 1080' FNL & 1980' FEL, Section 24, T29N, R97 Rio Arriba Co., New Mexico

Details of casing report

2/18/06 RIH w/8-3/4" bit & D/O cement & then ahead to 3391' (lost circulation several time during drilling). Circ. hole. RIH w/78 jts of 7", 20#, J-55 casing and set @ 3391' w/DV tool @ 2603'. RU to cement. Pumped 1st stage – preflush of 10 bbls FW, 10 bbls mudflush & 10 bbls FW. Cemented w/19 sx (10 bbls) of Scavenger cement. Followed by 155 sx (214 cf - 38.4 bbl slurry). Premium Lite w/.25#/sx Celloflake, .3% CD-32, 6.25#/sx LCM-1, 1% FL-52. Dropped bomb & opened DV tool. Circ. 20 bbls cement to pit. 2nd Stage – Pumped preflush of 10 bbls FW, 10 bbls mudflush, 10 bbls FW ahead of 19 sx (10 bbls) of scavenger cement followed w/332 sx (707 cf - 136 bbl slurry) Premium Lite w/.25#/sx Celloflake, .3% CD-32, .5#/sx LCM-1, .4% FL-52. Bumped plug with 2360# @ 1347 hrs 2/25/06. Circ. 30 bbls cement to pit. ND & installed B section of WH. WOC. PT BOP- OK. PT pipe rams and casing to 1500# 2/26/06. OK. RIH w/6-1/4" bit & tagged DV tool @ 2603'. D/O DV tool. Load hole w/water & PT to 1500#. OK.

With 6-1/4" bit drilled ahead to 7565' (TD). TD reached 3/1/06. Circ. hole. RIH w/4-1/2", J-55 casing (162 jts 10.5# & 16 jst 11.6#) and set @ 7563'. RU to cement. Pumped 10 bbls gelled water, 2 bbls water, then cemented w/9 sx (5 bbl slurry) Scavenger cement. Followed w/295 sx (105 bbls) Premium Lite cement. Bumped plug up to 1200 psi, then lost pressure. Finished cement @ 1832 hrs 3/1/06. Lift pressure just before bumping plug w/600#. Floats held. ND. RD & released rig 0030 hrs 3/2/06.

Note: 3/4/06 Ran log. Called OCD 3/7/06 to discuss problem with this well. The bottom 200' of the 4-1/2" casing didn't have cement coverage. Rec'd Verbal approval from Steve Hayden to 1st – PT the casing to 4100#/15 min and if it holds will not squeeze. If the casing PT fails will set a CIBP @ 7550' and PT to 4100#/15 min. and complete as planned. Will only squeeze if can't get wellbore to PT. If squeeze is required, will perf @ 7522' and cement w/approx. 30 sx Type III cement to cover 200' openhole section.