

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -

ADMINISTRATIVE APPLICATION COVER SHEET

THIS COVER SHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTE-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☒ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Ellen Dey
 Print or Type Name

Signature

Regulatory Comp. Spvr.
 Title

2-13-98
 Date

2-13-98

TO: Michael E. Stogner
State of New Mexico
Energy, Minerals and Natural Resources Dept.
Santa Fe, New Mexico
Fax No. 505-827-1389

FR: Maria L. Perez
Burlington Resources Oil & Gas Company
Midland, Texas
Tel. No. 915-688-6906
Fax No. 915-688-6007

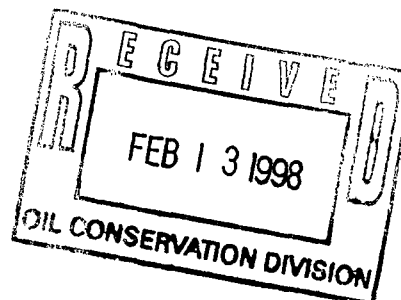
RE: Request for 20-Day Offset Notification Clock to Start
Proposed Non-Standard Sub-Surface Bottom Hole Location Application
Due to Topographic Limitations
Corral Draw 9 Federal #1
Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL
Sec. 9, T25S, R29E, Eddy County, New Mexico
Lse. #NM 15303
API# is not assigned yet.

Mike, I'm faxing this application to you so that the 20-day offset notification clock can start on this application for administrative approval for a non-standard sub-surface bottom hole location.

All offsets were notified by certified-return receipt mail on 2-13-98

Thanks
Maria

(8 pages)



**BURLINGTON
RESOURCES**

MID-CONTINENT DIVISION

February 13, 1998

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472

RE: Proposed Horizontal Well
Standard Surface Location
Non-Standard Sub-Surface Bottom Hole Location
Due to Topographic Limitations

Burlington Resources Oil & Gas Company, OGRID #26485

Corral Draw 9 Federal #1

Corral Draw Wolfcamp Gas Pool, Pool Code 84330

Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL

Section 9, T25S, R29E, Eddy County, New Mexico

Lse. #NM 15303

Dear Mr. Stogner:

Burlington Resources Oil & Gas Company desires administrative approval for a non-standard gas producing area/sub-surface bottom hole gas well location for the vertical portion of the wellbore for the proposed horizontal well, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Corral Draw Wolfcamp (Gas) Pool for the Corral Draw 9 Federal #1, located at a standard surface location NE/4 NW/4, 660' FNL & 1650' FWL, (Unit C) of Section 9, T25S, R29E, Eddy County, New Mexico. The N/2 of said Section 9, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

Burlington's request for an unorthodox subsurface bottom hole location of NE/4 NW/4, 560' FNL & 1500' FWL, (Unit C) of Section 9, T25S, R29E, Eddy Co., NM, will allow for potential drilling bit drift to the northwest due to natural drift tendencies during normal vertical rotary drilling operations. Our options to move the surface location to the south and east are closed by topographical limitation (i. e. archeological sites, drainage, and existing oil field facilities). Enclosed is the location plat for this proposed well showing the surface location, proposed kick-off point, wolfcamp penetration point and horizontal bottom hole location.

Page -2-

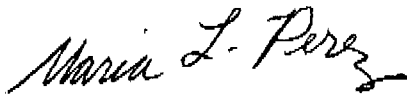
We are currently putting together the federal application package for the permit to drill. A copy will be mailed to you as soon as the drilling plan has been prepared. Burlington requests that the 20-day offset notification clock start today. All affected offsets have been notified by certified return-receipt mail on February 13, 1998. A list with the names and addressed of the affected offsets is enclosed.

The applicable drilling window or "producing area" within the Corral Draw Wolfcamp Gas Pool for said wellbore shall include that area within the subject 320-acre spacing and proration unit comprising the N/2 of said Section 9 that is:

- (a) no closer than 660 feet to the North & South boundary of said 320-acre unit;
- (b) no closer than 1650 feet from the East and West Lines of said Section 9.

Burlington Resources will comply with all provision of Division General Rule 111 applicable in this matter. Please call me if you require additional information on this application.

Sincerely,



Maria L. Perez
Regulatory Representative
A/C 915-688-6906

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Roswell

(s:mlp1:Corral Draw 9 Fed. #1)

Burlington Resources Oil & Gas Co., OGRID# 26485
Corral Draw 9 Federal #1
Corral Draw Wolfcamp Gas Pool
Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL
Sec. 9, T25S, R29E, Eddy County, New Mexico
Lse. # NM 15303

NAME AND ADDRESSES OF AFFECTED OFFSETS

(North and NW corner of 320ac Spacing & Proration Unit)

Sec. 4 & 5, T25S, R29E Chevron U. S. A. Inc.
P. O. Box 1635
Houston, Texas 77251

(West of 320ac Spacing & Proration Unit)

N/2 of Sec. 8, T25S, R29E

Exxon Corporation
P. O. Box 2305
Houston, Texas 77252

HMJ Minerals, Inc.
P. O. Box 1240
Graham, Texas 76450

MRI Partners, LP
Five Post Oak Park, Suite 1010
Houston, Texas 77027

L. R. French, Jr.
P. O. Box 11327
Midland, Texas 79707

Turnco, Inc.
P. O. Box 1240
Graham, Texas 76046

H. M. Bettis, Inc.
P. O. Box 1240
Graham, Texas 76046

Stoval Investment, Inc.
P. O. Box 10
Graham, Texas 76046

James R. Guinn Jr., Trustee
of The James R. Guinn Family
Trust & The James R. Guinn
Family Trust A
500 E. Border, Suite 885
Arlington, Texas 76010

L. E. Opperman
1505 Neely
Midland, Texas 79705

The Allar Company
P. O. Box 630
Graham, Texas 76046

Edward K. Gaylord, II
Rt. 5, Box 393
Guthrie, Oklahoma 73044

B. A. G. A. M., LTD
P. O. Box 37
Graham, Texas 76046

CNG Producing Company
P. O. Box 2115
Tulsa, Oklahoma 74101

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer 00
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

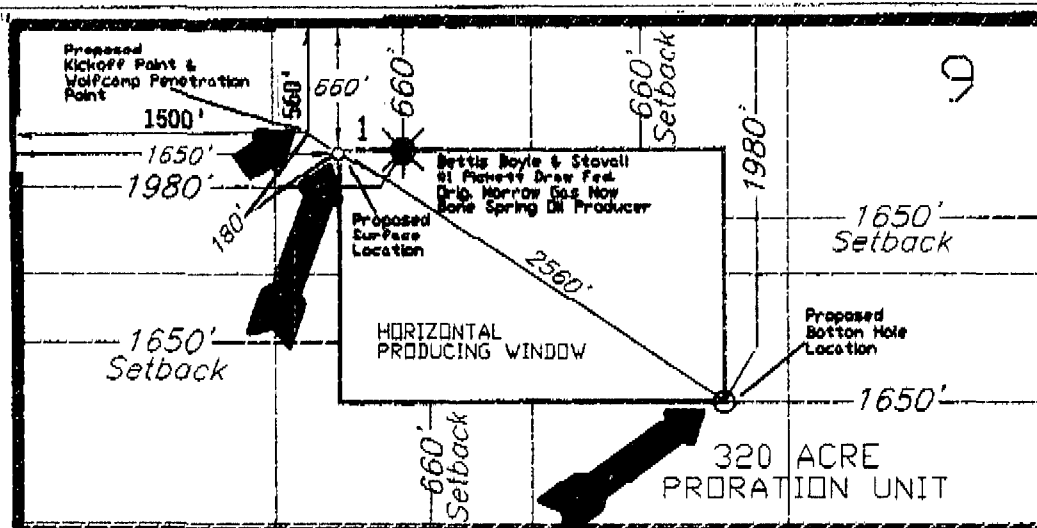
☐ AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 84330		3 Pool Name CORRAL DRAW WOLFCAMP GAS					
4 Property Code		5 Property Name CORRAL DRAW 9 FEDERAL						6 Well Number 1	
7 OGRID No. 26485		8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY						9 Elevation 2941'	
10 SURFACE LOCATION									
UL or lot no. C	Section 9	Township 25 SOUTH	Range 29 EAST, N.M.P.M.	Lot Ida	Feet from the 660'	North/South line NORTH	Feet from the 1650'	East/West line WEST	County EDDY
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no. C	Section 9	Township 25S	Range 29E	Lot Ida	Feet from the 560'	North/South line North	Feet from the 1500	East/West line West	County Eddy
12 Dedicated Acres 320		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Maria L. Perez

Title

Regulatory Representative

Date

2-12-98

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.

Date of Survey

JANUARY 28, 1998

Signature and Seal of
Professional Surveyor

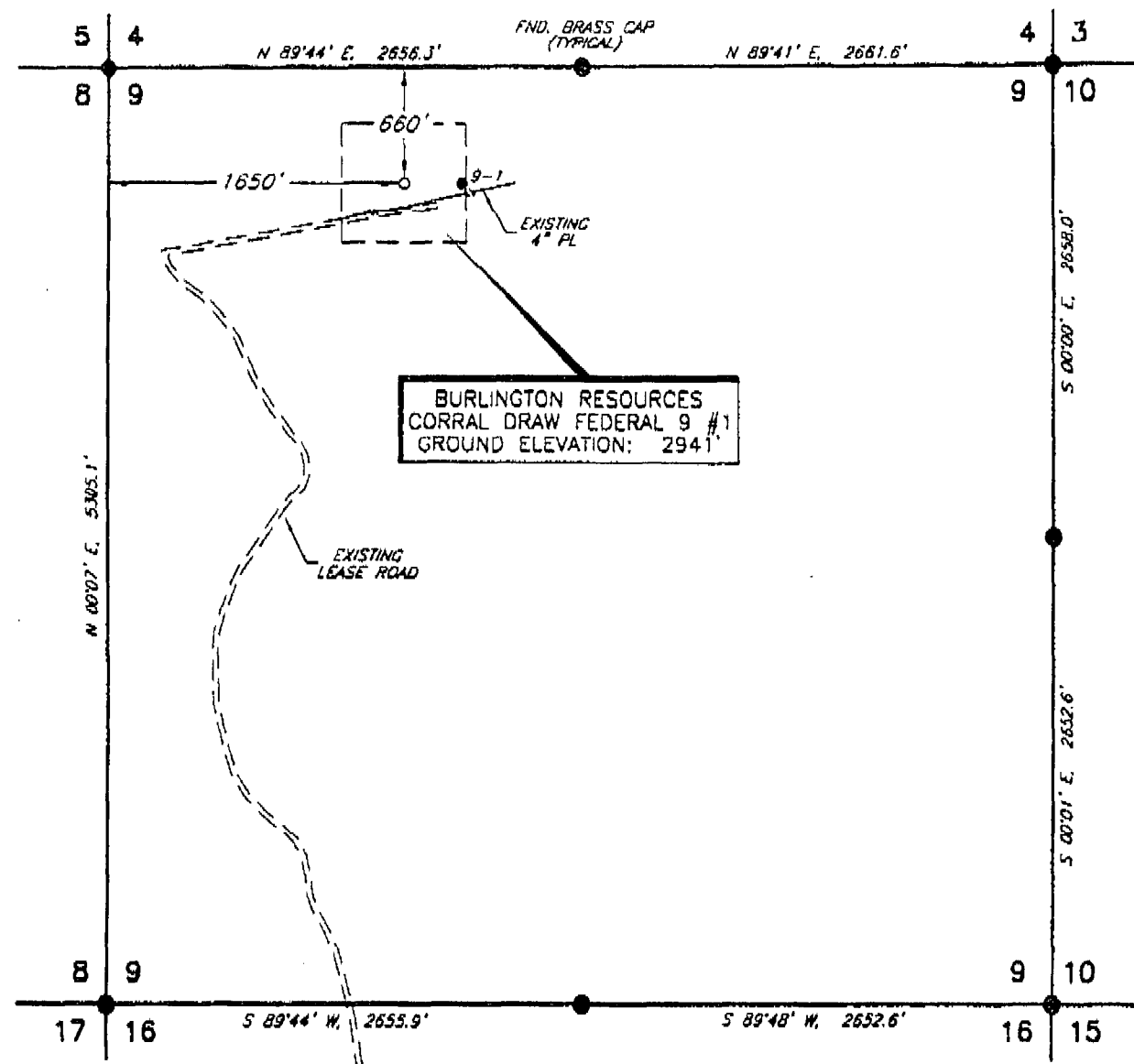
REGISTERED PROFESSIONAL SURVEYOR
22128

Roger M. Robbins

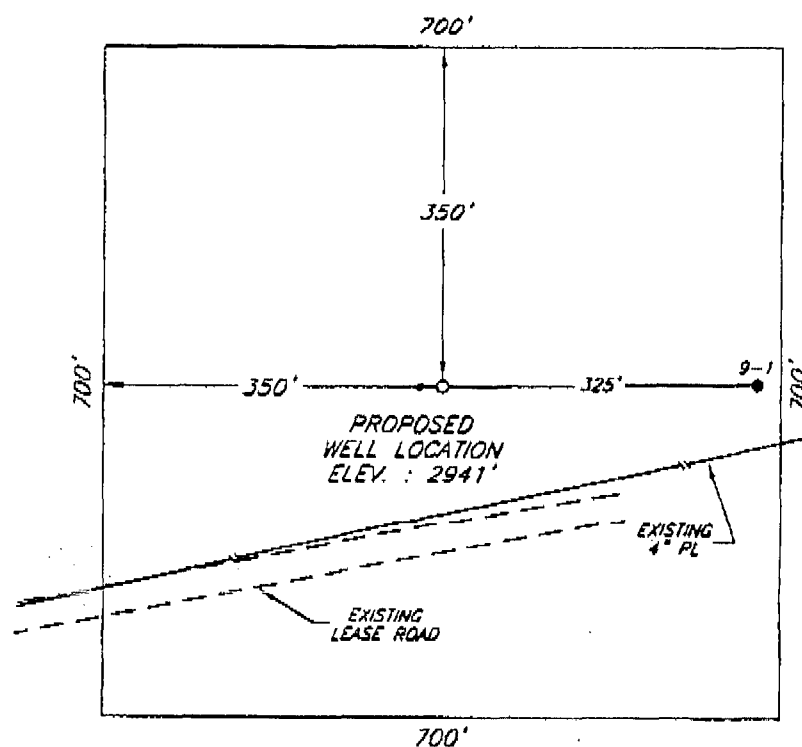
Certificate No. 22128 P.S. #12128

JOB #56458 / 23 NW / JSJ

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 9, T-25-S, R-29-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



PLAN VIEW
1" = 1000'



DETAIL VIEW
1" = 50'

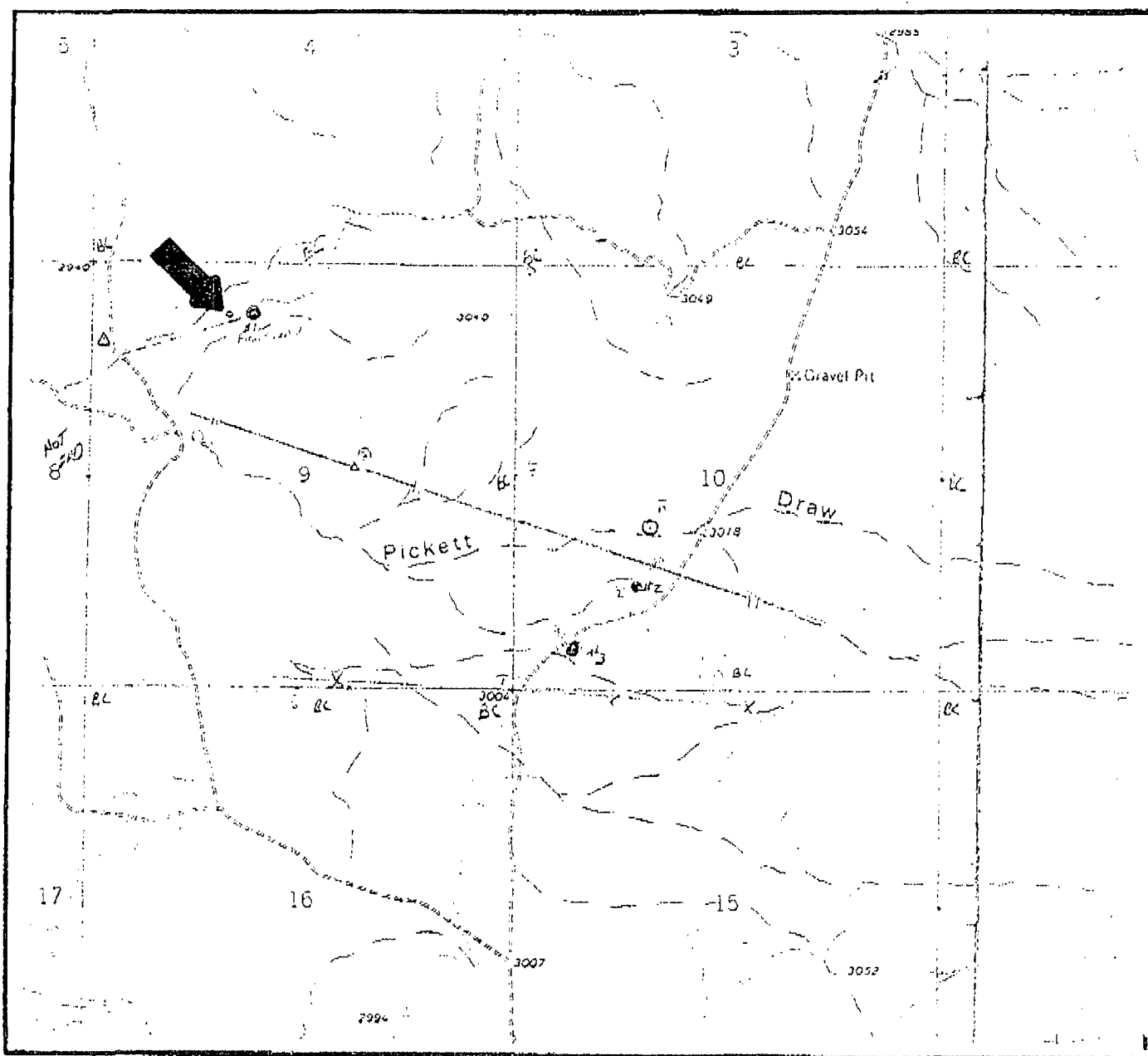
NO.	REVISION	DATE	BY

**BURLINGTON OIL & GAS
RESOURCES COMPANY**

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SCALE:	AS SHOWN
DATE:	JANUARY 28, 1998
JOB NO.:	56458
	23 NW
SHEET :	1 OF 1

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 9 TWP 25-S RGE 29-ESURVEY NEW MEXICO PRINCIPAL MERIDIANCOUNTY EDDY STATE NMDESCRIPTION 660' FNL & 1650' FWLELEVATION 2941'OPERATOR BURLINGTON RES. OIL & GAS CO.LEASE CORRAL DRAW FEDERAL 9 #1

U.S.G.S. TOPOGRAPHIC MAP

PIERCE CANYON, NEW MEXICOSCALED LAT. N 32°08'59.8"LONG. W 103°59'31.9"

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

1307 N. HOBART
PAMPA, TX. 79065
(800) 658-6382

6709 N. CLASSEN BLVD.
OKLAHOMA CITY, OK. 73116
(800) 654-3219

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

March 5, 1998

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472

RE: Package for partially submitted application of 2-13-98
Proposed Horizontal Well
Standard Surface Location
Non-Standard Sub-Surface Bottom Hole Location
Due to Topographic Limitations

Burlington Resources Oil & Gas Company, OGRID #26485
Corral Draw 9 Federal #1
Corral Draw Wolfcamp Gas Pool, Pool Code 84330
Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL
Section 9, T25S, R29E, Eddy County, New Mexico
Lse. #NM 15303

Dear Mr. Stogner:

Burlington Resources Oil & Gas Company desires administrative approval for a non-standard gas producing area/sub-surface bottom hole gas well location for the vertical portion of the wellbore for the proposed horizontal well, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Corral Draw Wolfcamp (Gas) Pool for the Corral Draw 9 Federal #1, located at a standard surface location NE/4 NW/4, 660' FNL & 1650' FWL, (Unit C) of Section 9, T25S, R29E, Eddy County, New Mexico. The N/2 of said Section 9, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

Burlington's request for an unorthodox subsurface bottom hole location of NE/4 NW/4, 560' FNL & 1500' FWL, (Unit C) of Section 9, T25S, R29E, Eddy Co., NM, will allow for potential drilling bit drift to the northwest due to natural drift tendencies during normal vertical rotary drilling operations. Our options to move the surface location to the south and east are closed by topographical limitation (i. e. archeological sites, drainage, and existing oil field facilities). Enclosed is the location plat for this proposed well showing the surface location, proposed kick-off point, wolfcamp penetration point and the proposed horizontal bottom hole location at UL-G, 1980' FNL, 1650' FEL of said Section 9.

Page -2-

Enclosed is the federal application package for the permit to drill. Burlington requested that the 20-day offset notification clock start February 13, 1998. All affected offsets were notified by certified return-receipt mail on February 13, 1998. A list with the names and addresses of the affected offsets is enclosed.

The applicable drilling window or "producing area" within the Corral Draw Wolfcamp Gas Pool for said wellbore shall include that area within the subject 320-acre spacing and proration unit comprising of the N/2 of said Section 9 that is:

- (a) no closer than 660 feet to the North & South boundary of said 320-acre unit;
- (b) no closer than 1650 feet from the East and West Lines of said Section 9.

Burlington Resources will comply with all provision of Division General Rule 111 applicable in this matter. Please call me if you require additional information on this application.

Sincerely,

Maria L. Perez
Regulatory Representative
A/C 915-688-6906

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Roswell

(s:mlp1:Corral Draw 9 Fed. #1)

Burlington Resources Oil & Gas Co., OGRID# 26485
Corral Draw 9 Federal #1
Corral Draw Wolfcamp Gas Pool
Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL
Sec. 9, T25S, R29E, Eddy County, New Mexico
Lse. # NM 15303

NAME AND ADDRESSES OF AFFECTED OFFSETS

(North and NW corner of 320ac Spacing & Proration Unit)

Sec. 4 & 5, T25S, R29E ✓ Chevron U. S. A. Inc.
P. O. Box 1635
Houston, Texas 77251

(West of 320ac Spacing & Proration Unit)

N/2 of Sec. 8, T25S, R29E	✓ Exxon Corporation P. O. Box 2305 Houston, Texas 77252	James R. Guinn Jr., Trustee of The James R. Guinn Family Trust & The James R. Guinn Family Trust A 500 E. Border, Suite 885 Arlington, Texas 76010
	✓ HMJ Minerals, Inc. P. O. Box 1240 Graham, Texas 76450	
	✓ MRL Partners, LP Five Post Oak Park, Suite 1010 Houston, Texas 77027	✓ L. E. Opperman 1505 Neely Midland, Texas 79705
	✓ L. R. French, Jr. P. O. Box 11327 Midland, Texas 79707	✓ The Allar Company P. O. Box 630 Graham, Texas 76046
	✓ Turnco, Inc. P. O. Box 1240 Graham, Texas 76046	✓ Edward K. Gaylord, II Rt. 5, Box 393 Guthrie, Oklahoma 73044
	✓ H. M. Bettis, Inc. P. O. Box 1240 Graham, Texas 76046	B. A. G. A. M., LTD P. O. Box 37 Graham, Texas 76046
	✓ Stoval Investment, Inc. P. O. Box 10 Graham, Texas 76046	✓ CNG Producing Company P. O. Box 2115 Tulsa, Oklahoma 74101

unclaimed
re-sent 2-23-98
✓ Four Greenspoint Plaza 175
16945 Northchase Dr., Suite H
Houston, TX 77060-2133

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER HORIZONTAL WELL

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

BURLINGTON RESOURCES OIL & GAS COMPANY

3. ADDRESS AND TELEPHONE NO.

P.O. Box 51810 Midland, TX 79710-1810

915-688-6906

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)

At surface

C, 660' FNL & 1650' FEL-SURF. LOC. / C, 560' FNL & 1500' FWL-TOP PROD.INTRVL.
At proposed prod. zone

G, 1980' FNL & 1650' FEL-BOTTOM HOLE LOCATION

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

5 MILES SE FROM LOVING, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 560'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

330' MORROW GAS

19. PROPOSED DEPTH

13,415' MD, 11,169' TVD

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

2941' GR

22. APPROX. DATE WORK WILL START*

MARCH 31, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8", H-40, STC	48#	600'	625 SXS - SURFACE
12-1/4"	9-5/8", K-55, LTC	36#	2900'	950 SXS - SURFACE
8-3/4"	7", P-110, LTC	26#	10,100' - 10,800' SEE REMARKS ON	1380 SXS, TOC 2500', DV TOOL 7000' 10 POINT DRILLING PLAN

6-1/8" PILOT OPEN HOLE VERTICAL TOTAL DEPTH OF 11,250' MD

PLUG BACK TO KICK-OFF POINT @ +/- 10,925'. TARGET AZIMUTH = 124 DEGREES
FINAL INCLINATION = 89.6 DEGREES
TOTAL VERTICAL SECTION = 2355'
TOTAL DEPTH = 13,415' MD, 11,169' TVD

RUN 4-1/2" 15.1# P-110 STL LINER. HANG OFF IN 7" CSG WITH MECHANICAL LINER HANGER AND ISOLATION
PACKER. (TOP OF LINER @ +/- 10,600'). LINER WILL NOT BE CEMENTED.

NOT IN POTASH AREA.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Maria L. Perez

TITLE: REGULATORY REPRESENTATIVE

DATE 3-5-98

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____

TITLE _____

DATE _____

*See Instructions On Reverse Side

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 representations as to any matter within its jurisdiction.

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 84330		3 Pool Name CORRAL DRAW WOLFCAMP GAS	
4 Property Code		5 Property Name CORRAL DRAW 9 FEDERAL			6 Well Number 1
7 OGRID No. 26485		8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			9 Elevation 2941'

10 SURFACE LOCATION

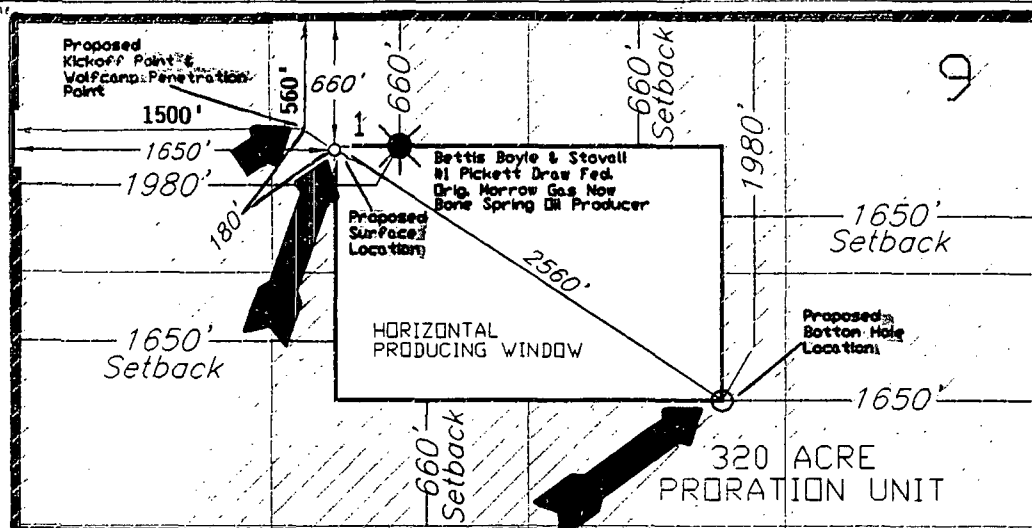
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	9	25 SOUTH	29 EAST, N.M.P.M.		660'	NORTH	1650'	WEST	EDDY

"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	9	25S	29E		1980	North	1650	East	Eddy

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



☐ HORIZONTAL PRODUCING WINDOW
FOR ORTHODOX LATERAL

☐ MINIMUM SETBACK DISTANCE

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Maria L. Perez
Printed Name
Maria L. Perez
Title
Regulatory Representative
Date
2-12-98

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.

Date of Survey
JANUARY 28, 1998
Signature and Seal of
Professional Surveyor
Roger M. Robbins
Certificate No. 12123
ROGER M. ROBBINS P.S. #12128
JOB #56458 / 23 NW / JSJ

OPERATORS NAME:	Burlington Resources Oil & Gas Company
LEASE NAME AND WELL NO.:	Corral Draw 9 Federal #1
LOCATION:	C, 660' FNL & 1650' FWL, Sec. 9, T25S, R29E
FIELD NAME:	Corral Draw Wolfcamp Gas
COUNTY:	Eddy County, New Mexico
LEASE NUMBER:	NM 15303

The following information is to supplement BLM form 3160-3 Application for permit to drill in accordance with Onshore Oil and Gas Order No. 1:

POINT DRILLING PLAN
Horizontal Well

1. Name and estimated tops of important geologic formation/marker horizons.

<u>FORMATION</u>	<u>DEPTH</u>
Rustler	Surface
Salado	1,100'
Castille	2,250'
Delaware	2,915'
Bone Springs	6,700'
Wolfcamp	10,090'
Wolfcamp "A"	11,110'

2. Estimated depths at which the top and bottom of formations potentially containing usable water, oil, gas, or prospectively valuable deposits of other minerals are expected to be encountered and the operator's plans for protecting such resources.

Wolfcamp	10,090'
Wolfcamp "A" Limestone	11,110'

OTHER ZONES:

Delaware	2,915'
Bone Springs	6,700'

3. The operator's minimum specifications for Blowout Preventer (BOP) and related equipment to be used and schematic diagrams thereof showing sizes, pressure ratings, and the testing procedures and testing frequency. BOP and BOP - related equipment (BOPE) schematics shall include schematics of choke manifold equipment. Accumulator systems and remote controls shall be utilized.

Surface Csg

Install 13-3/8" SOW x 13-5/8" 3M psi WP casing head with 36" base plat.
Nipple up 13-5/8" 1500 psi WP annular preventer w/rotating head.
Test the 13-3/8" casing to 500 psi using rig pump and hold for 30 minutes.

Intermediate Csg

Install 13-5/8" 3M psi WP x 11" 5M psi WP casing spool. Nipple up 11" 5M x 13-5/8" 5M DSA. NU 13-5/8" 5M psi WP BOP's including annular w/rotating head. (API RP53 Fig 2.C.5 SRRAG). Test ram BOP's and choke manifold to 250 psi and 3,000 psi, test annular BOP to 250 psi and 1,500 psi utilizing a test plug and an independent tester..

Production Csg

Install 11" 5M psi x 7-1/16" 10M psi tbg head. Test head to 4,350 psi (70 % x Casing Pc of 6,230) or the wellhead manufacturer's recommendation, whichever is less. NU 7-1/16" 10M psi WP BOP's including annular w/rotating head (API RP53 fig 2.C.9 RSRRAG). Test ram BOP's and choke manifold to 250 psi and 10,000 psi, test annular BOP to 250 psi and 3,500 psi utilizing a test plug and an independent tester.

4. The proposed casing program including size, grade, weights, type of thread and coupling, and the setting depth of each string and its condition (new or acceptably reconditioned). For exploratory wells, or for wells as otherwise specified by the authorized officer, the operator shall include the minimum design factors for tensions, burst, and collapse that are incorporated into the casing design. In cases where tapered casing strings are utilized, the operator shall also include and/or setting depths of each portion.

CASING:

17-1/2" hole to 600'. Set 13-3/8", 48#, H-40, STC csg @ 600'

12-1/4" hole to 2900'. Set 9-5/8", 36#, K-55, LTC csg @ 2900'

8-3/4" hole to 10,800'. Set 7", 26#, P-110, LTC, csg @ See Remarks

Note: 7" casing point may vary between 10,100' - 10,800' depending on hole conditions. Offset data indicates ability to drill to 10,800' without any mud weight increase (i.e. 9.0 - 10.0 ppm base fluid). Casing needs to be set as close to kick off point as possible to minimize open vertical hole during lateral operations.

6-1/8" Pilot Hole to Vertical Total Depth of 11,250'

Plug Back to Kick-off Point @ +/- 10,925'

Target Azimuth = 124 Degrees

Final Inclination = 89.6 Degrees

Total Vertical Section = 2355'

Total Depth = 13,415' MD, 11,169' TVD

Run 4-1/2" 15.1# P-110 STL Liner. Hang off in 7" casing with mechanical liner hanger & isolation packer. (Top of liner @ +/- 10,600'). Liner will not be cemented.

5. The amount and type(s) of cement, including anticipated additives to be used in setting each casing string, shall be described. If stage cementing techniques are to be employed, the setting depth of the stage collars and amount and type of cement, including additives, and preflush amounts to be used in each stage, shall be given. The expected linear fill-up of each cemented string, or each stage when utilizing stage-cementing techniques, shall also be given.

- a.) Surface Hole (17-1/2" X 13 3/8" csg): Cmt w/625 sxs Class "C" Cmt + 2% Cacl, .25 pps Flocele.

(Volume estimated using 100% excess to circulate cement to surface).

- b.) Intermediate Hole (12-1/4" X 9 5/8" csg): **Single Stage**

Lead w/650 sxs Class "C" Lite Cmt + 6 pps Salt, .25 pps Flocele, **Tail** w/300 sxs Class "C" Cmt, 1% CaCl₂.

(Circulate cmt to surface. Volumes estimated using 200% excess).

- c.) Production Hole (8-3/4" hole X 7" csg): **Two Stage.**

First Stage Lead w/430 sxs Class "H" Lite,
.2% HR-5 (Retarder), **Tail** w/250 sxs Class "H", .4% HALAD-9
(Fluid Loss).

Second Stage Lead w/600 sxs Class "C" Lite, .25 pps Flocele,
Tail w/100 sxs Class "C" + .4% HALAD-9 (Fluid Loss).

DV Tool @ +/- 7000'. (TOC @2500' inside 9-5/8". Volumes estimated
using 100% excess)

- d.) Plugback Cement

+/- 150 sxs Class "H" + .75% CFR-3 (Dispersant), .5 pps D-AIR-1(Defoamer)
.6% HALAD-9 (Fluid Loss).

6. The anticipated characteristics, additives, use, and testing of drilling mud to be employed, along with the types and quantities of mud products to be maintained, shall be given. When air or gas drilling is proposed, the operator shall submit the following specific information:

Mud Program:

0-600': fresh water, gel, and lime system, MW 8.9 - 9.3 ppg.

600'-2900': brine, MW 10.0 - 10.2 ppg

2900'-10,800': fresh water, cut brine mud MW 9.0 - 9.3 ppg

10,800'-13,415' (6-1/8") Pilot Hole & Lateral Section: weighted water base mud
MW 10.0 - 15.0 ppg.

7. The anticipated testing, logging, and coring procedures to be used, including drill stem testing procedures, equipment, and safety measures.

a. DST Program: None Planned

b. Core: None Planned

c. Mud Logging: 2000' to TD

d. Logs to be run: Halliburton CNL/LDT, DIL/SFL, GR, CAL BHC, FMI below 7"
Logs to be run in vertical hole only

8. The expected bottom-hole pressure and any anticipated abnormal pressures, temperatures or potential hazards that are expected to be encountered, such as lost circulation zones and hydrogen sulfide. The operator's plans for mitigating such hazards shall be discussed. Should the potential to encounter hydrogen sulfide exist, the mitigation procedures shall comply with the provisions of Onshore Oil and Gas Order No. 6.

Potential for abnormal pressure exists from the top of the Wolfcamp to TD. Bottom hole pressures at TD is estimated at 7200 psi. Bottom hole temperature 185 F. There is no anticipated Hydrogen Sulfide in this known drilling area. .

9. Any other facets of the proposed operation which the operator wishes for BLM to consider in reviewing the application.

Anticipated time expected to do this work is 54 days. (Horizontal Well)

12-POINT SURFACE USE PLAN OF OPERATIONS

Burlington Resources Oil & Gas Company
Corral Draw 9 Federal #1
C, 660' FNL & 1650' FWL, Sec. 9, T25S, R29E
Corral Draw Wolfcamp Gas Field
Eddy County, New Mexico NM 15303

1. **Existing Roads:** A legible map (USGS topographic, county road, or other such map) labeled and showing the access route to the location, shall be used for locating the proposed well site in relation to a town, village, or other locatable point, such as a highway or county road. All access roads shall be appropriately labeled. Any plans for improvement and/or maintenance of existing roads shall be provided. All roads shall be provided. All roads shall be improved or maintained in a condition the same as or better than before operations. The information provided for use and construction of roads will also be used by BLM for the required Plan of Development for a R/W application as described in Section II C of this Order No. 1.

See Exhibit "A" - topographic land surveyors plat showing existing roads and directions to well site.

2. **Access Roads to be Constructed or Reconstructed:** All permanent and temporary access roads to be constructed or reconstructed in connection with the drilling of the proposed well shall be appropriately identified and submitted on a map or plat. The proposed route to the proposed drill site shall be shown, including distances from the point where the access route exists established roads. All permanent and temporary access roads shall be located and designed to implement the goals of transportation planning and meet applicable standards of the appropriate SMA, and shall be consistent with the needs of the users. Final selection of the route location may be accepted by the SMA as early as the predrill inspection or during approval of the APD.

See Exhibit "B" plat shows existing road.

3. **Location of Existing Wells:** This information shall be submitted on a map or plat, which includes all recorded wells (water, injection, or disposal, producing, or being drilled) within a 1-mile radius of the proposed location.

See Exhibit "C" - portion of land map showing surrounding wells in area.

4. **Location of existing and/or proposed production facilities:** For facilities planned either on or off the well pad, a plat or diagram shall be included showing, to the extent known or anticipated, the location of all production facilities and lines to be installed if the well is successfully completed for production. If new construction is planned, the dimensions of the facility layouts are to be shown. This information for off-pad production facilities may be used by BLM for R/W application information as specified in Section II C of Order No. 1.

Production facilities will be built at location.

5. **Location of Types of Water Supply:** Information concerning water supply, such as rivers, creeks, springs, lakes, ponds, and wells, may be shown by quarter-quarter section on a map or plat, or may be described in writing. The source and transportation method for all water to be used in drilling the proposed well shall be noted if the source is located on Federal or Indian Lands or if water is to be used from a Federal or Indian project. If the water is obtained from other than Federal or Indian lands, the location and transportation method shall be identified. Any access roads crossing Federal or Indian lands that are needed to haul the water shall be described as provided in paragraphs (1) and (2) of this Section. If a water supply well is to be drilled on the lease, the APD shall so state. The authorized officer of BLM may require the filing of a separate APD of a water well.

No available surface or sub-surface fresh water exists in the vicinity of the proposed well. Drilling water will be transported or pumped to the drill site from the nearest commercial source.

6. **Construction Materials:** The operator shall state the character and intended use of all construction material, such as sand, gravel, stone, and soil material. If the materials to be used are Federally owned, the proposed source shall be shown either on a quarter-quarter section on a map or plat, or in a written description.

Caliche will be obtained from existing reserve pit located on Maralow's Pickett Draw Federal #1, 660' FNL & 1980' FWL. Caliche pit is on side of this location and Burlington will draw caliche from there. As per conversation between Bobby Winn, Construction Foreman with Burlington Resources Oil & Gas Co. and Mr. Mike Magee with the BLM in Carlsbad, Burlington can draw caliche from this pit as long as Burlington dresses up and contours pit back. Barry Hunt was present during this conversation. See plat attached showing location of caliche pit.

Methods of Handling Waste Disposal: A written description of the methods and locations proposed for safe containment and disposal of each type of waste material (e.g. cuttings, garbage, salts, chemicals, sewage, etc.) that results from the drilling and completion of the proposed well shall be provided.

- Drill cuttings - disposed into drilling pits.
- Drill fluids - allowed to evaporate in drill pits until pits dry.
- Produced water during testing - drill pits.
- Produced oil during testing - storage tank until sold.
- Current laws and regulations pertaining to disposal of human waste will be observed.
- Reserve pit will be plastic lined.
- Waste paper, garbage, and junk will be disposed of into a special container on location and removed regularly to an approved landfill site. All waste material will be covered with a screen or lid and contained to prevent scattering by wind.
- All trash and debris will be removed from well site within 30 days after drilling and/or completion operations are finished.

8. Ancillary Facilities: All ancillary facilities such as camps and airstrips shall be identified on a map or plat. Information as to location, land area required, and methods to be used in construction shall also be provided.

No Ancillary Facilities are required.

9. Well Site Layout: A plat of suitable scale (not less than 1 inch = 50 feet) showing the proposed drill pad, reserve pit location, access road entry points, and its approximate location with respect to topographic features, along with cross section diagrams of the drill pad and the reserve pit showing all cuts and fills and the relation to topography. The plat shall also include the approximate proposed location and orientation of the drilling rig, dikes and ditches to be constructed, and topsoil and/or spoil material stockpiles.

See Exhibit "D". Sketch for the well pad .

10. **Plans for Reclamation of the Surface:** A proposed interim plan for reclamation stabilization of the site and also final reclamation plan shall be provided. The interim portion of the plan shall cover areas of the drillpad not needed for production. The final portion of the plan shall cover final abandonment of the well. The plan shall include, as appropriate, configuration of the reshaped topography, drainage systems, segregation of spoil materials, surface manipulations, redistribution of topsoil, soil treatments, revegetation, and any other practices necessary to reclaim all disturbed areas, including any access roads and pipelines. An estimate of the time for commencement and completion of reclamation operations, including consideration of weather conditions and other local uses of the area, shall be provided.

- After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled and locations cleaned of trash and junk to leave well in as aesthetically pleasing a condition as possible.
- Any unguarded pits containing fluids will be fenced until filled.
- After abandonment of well, surface restoration will be in accordance with the Bureau of Land Management Surface Requirements.

11. **Surface Ownership:** The surface ownership (Federal, Indian, State or private) and administration (BLM, FS, BIA, Department of Defense, etc.) at the well location, and of all lands crossed by roads which are to be constructed or upgraded, shall be indicated. Where the surface of the proposed well site is privately owned, the operator shall provide the name, address and telephone number of the surface owner.

Bureau of Land Management
620 E. Greene Street
Carlsbad, New Mexico 88220

12. **Other Information:** Type of bond. The operator shall be covered by a bond in its own name as principal, or by a bond in the name of the lessee or sublessee.

Burlington Resources Oil & Gas is covered by a statewide bond.

Operator's Representatives:

Field representatives (Responsible for compliance with approved surface use operations plan.)

Burlington Resources Oil & Gas Company
P.O. Box 837
Hobbs, NM 88240
Office: 505-393-5844

Mr. Ed Jackson, Sr. Drilling Foreman
Artesia, NM
Home: 505-746-6173
Mobil: 505-476-7159

Mr. Frank Raybon, Drilling Foreman
Eunice, NM
Home: 505-394-2449
Mobile: 505-369-5367

Jim Kramer, Sr. Staff Drilling Engineer
P.O. Box 51810
Midland, TX 79710-1810
Office: 915-688-6843
Home: 915-694-2499

Hal Lee, Drilling Superintendent
P.O. Box 51810.
Midland, TX 79710-1810
Office: 915-688-6834
Home: 915-685-6073

OPERATORS CERTIFICATION

I hereby certify that I, **Jim Kramer, Senior Staff Drilling Engineer**, under my direct supervision, have inspected the proposed drill site and access route that I am familiar with the conditions that currently exist; that the statements made in the APD package are, to the best of my knowledge, true and correct, and that the work associated with operations proposed herein will be performed by **not yet determined** contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM **statewide** bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

DATE: 3-5-98

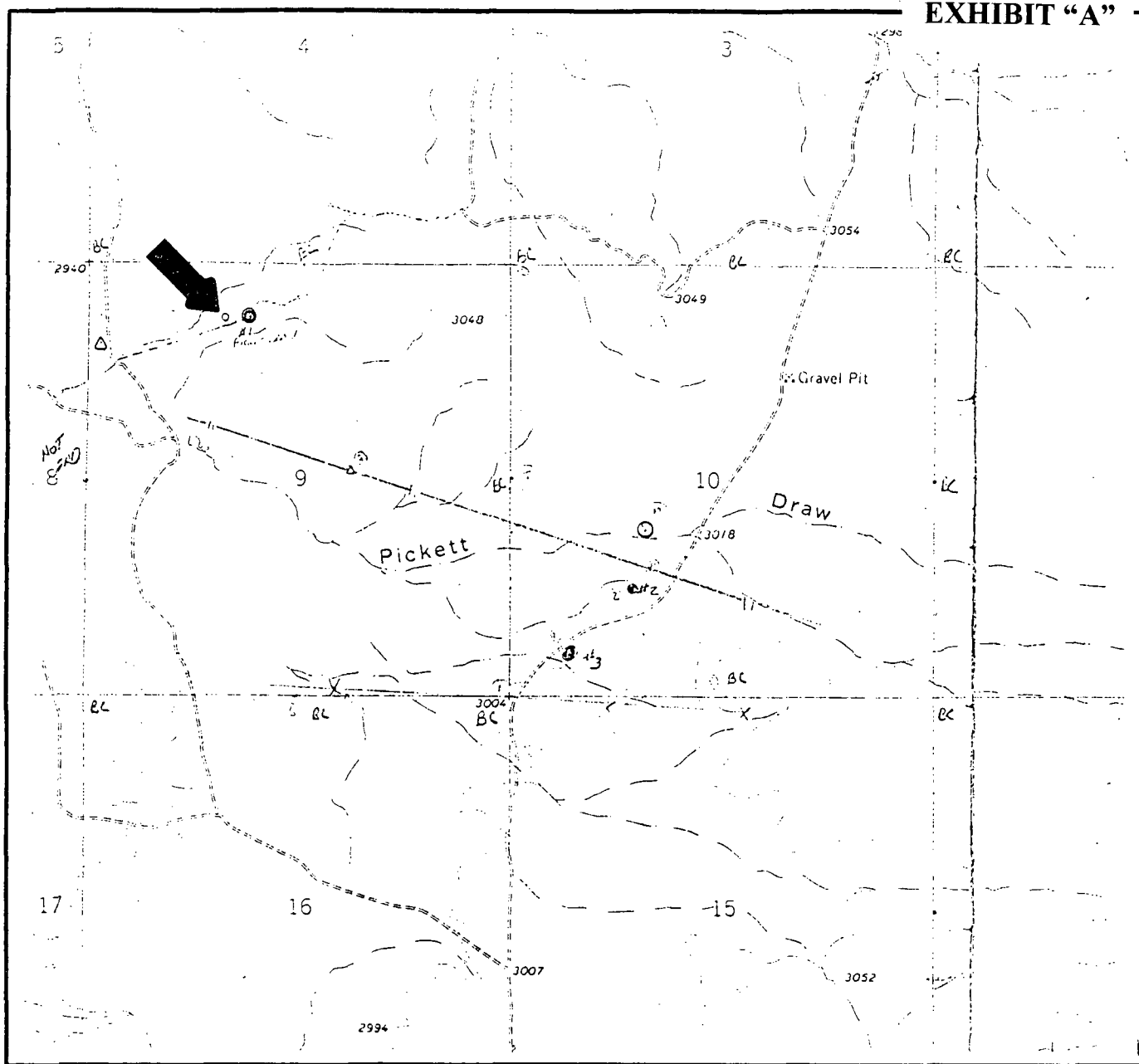
NAME AND TITLE: Jim Kramer, Senior Staff Drilling Engineer

SIGNATURE:

AAH FOR PERMIAN AREA D19 Supt
for JIM KRAMER

LOCATION & ELEVATION VERIFICATION MAP

EXHIBIT "A"



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 9 TWP 25-S RGE 29-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 660' FNL & 1650' FWL

ELEVATION 2941'

OPERATOR BURLINGTON RES. OIL & GAS CO.

LEASE CORRAL DRAW FEDERAL 9 #1

U.S.G.S. TOPOGRAPHIC MAP

PIERCE CANYON, NEW MEXICO

SCALED LAT. N 32°08'59.8"

LONG. W 103°59'31.9"



This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

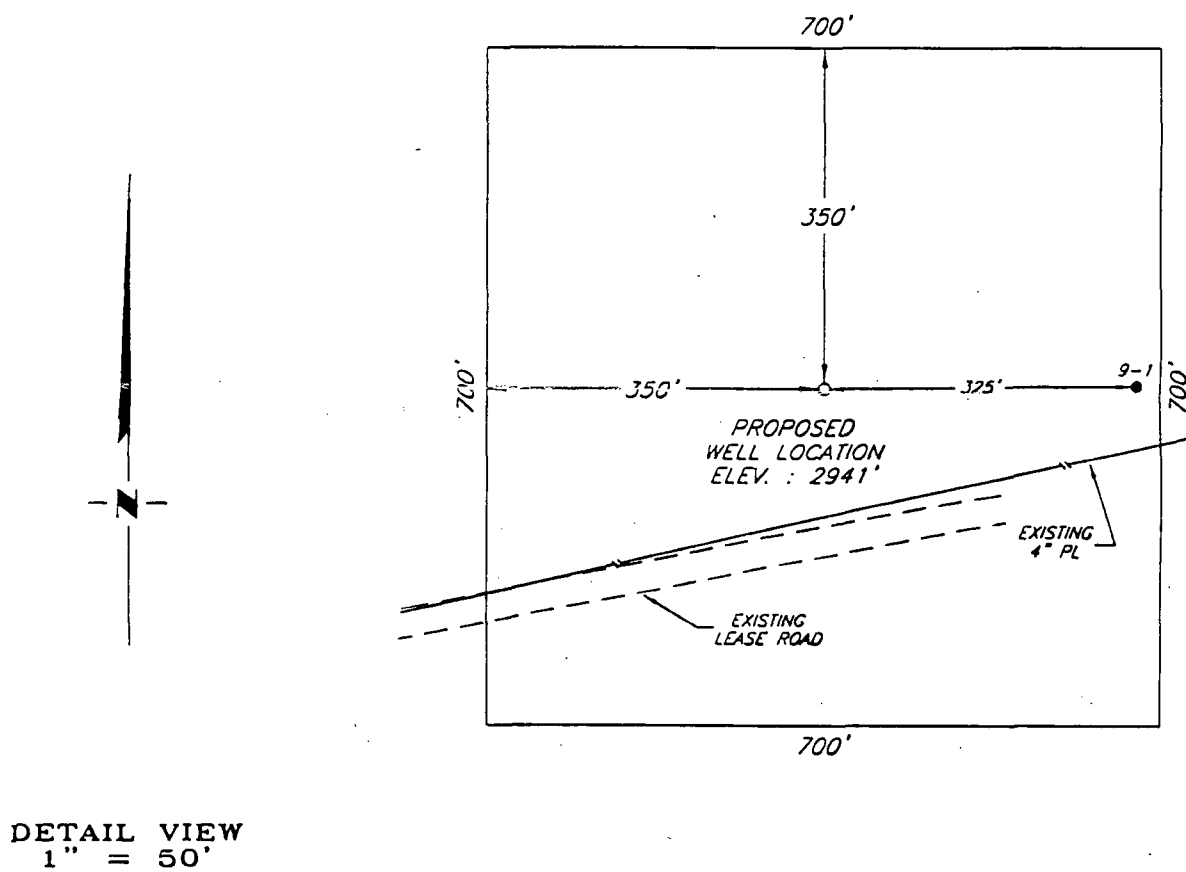
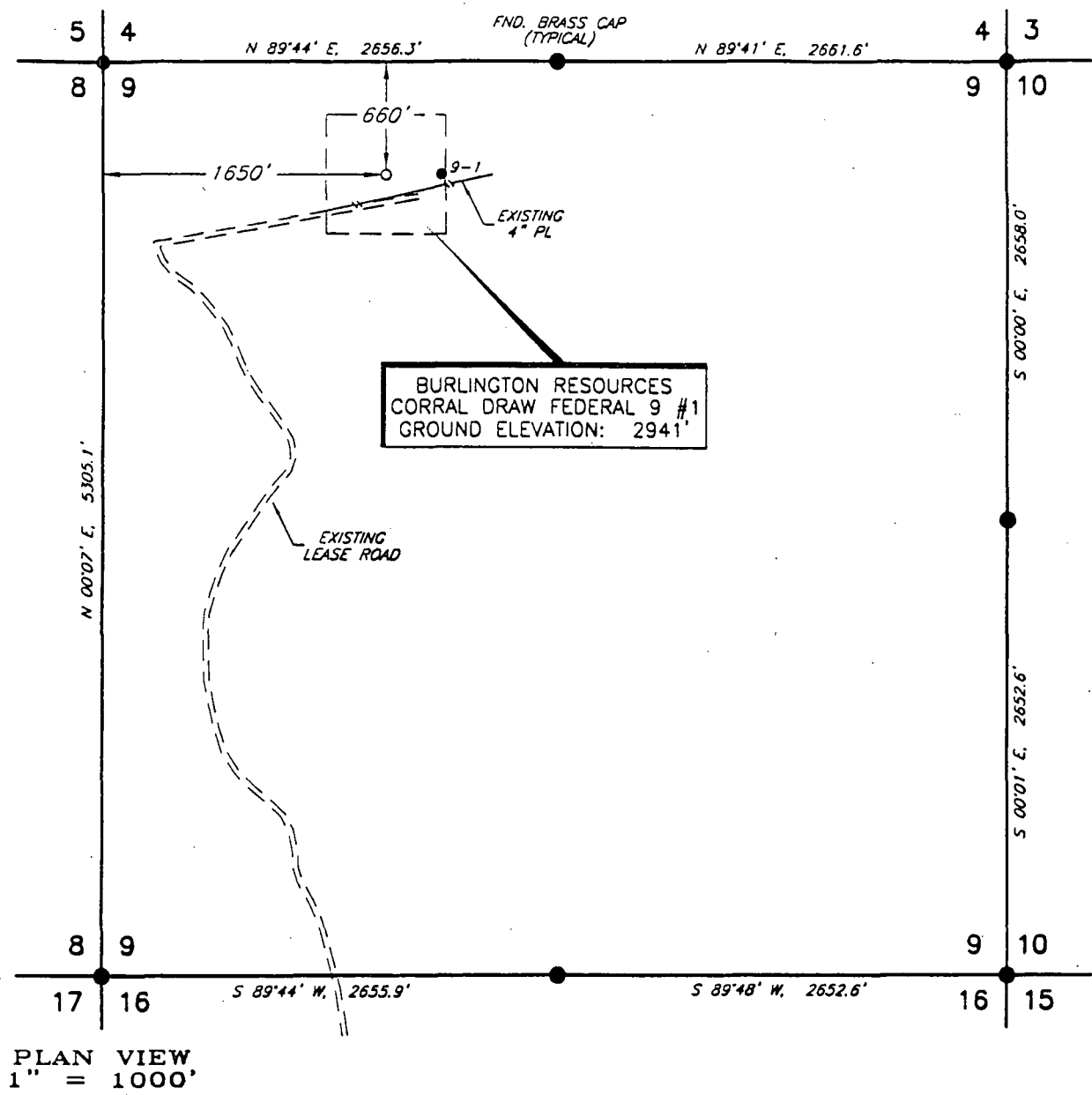
1307 N. HOBART
PAMPA, TX. 79065
(800) 658-6382

6709 N. CLASSEN BLVD.
OKLAHOMA CITY, OK. 73116
(800) 654-3219

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 9, T-25-S, R-29-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

EXHIBIT "B"



NO.	REVISION	DATE	BY

SURVEYED BY: R.R.
DRAWN BY: JSJ
APPROVED BY: R.M.R.

BURLINGTON OIL & GAS
RESOURCES COMPANY

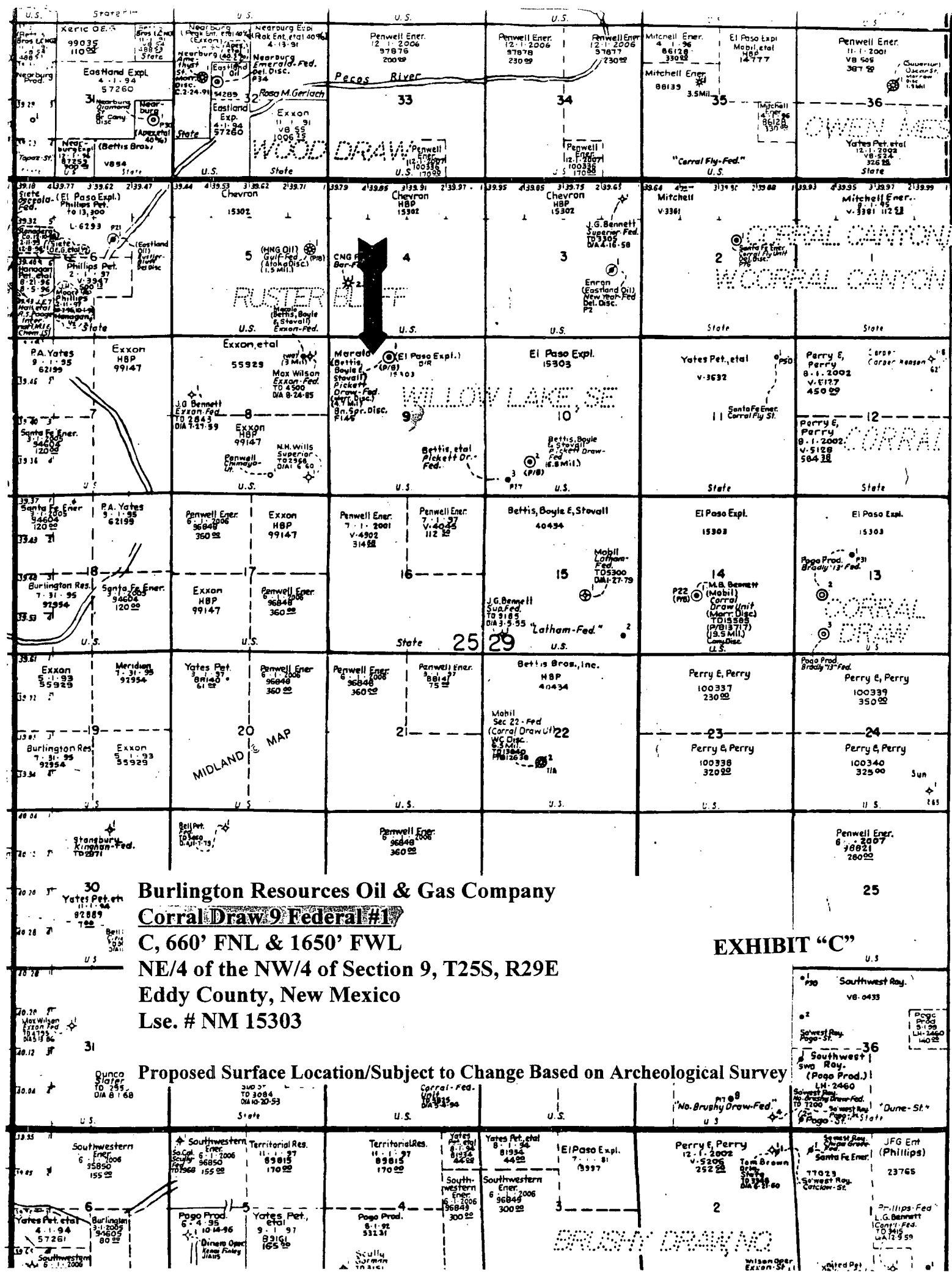
SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SCALE:	AS SHOWN
DATE:	JANUARY 28, 1998
JOB NO.:	56458
	23 NW
SHEET :	1 OF 1

Burlington Resources Oil & Gas Company
Corral Draw 9 Federal #1
C, 660' FNL & 1650' FWL
NE/4 of the NW/4 of Section 9, T25S, R29E
Eddy County, New Mexico
Lse. # NM 15303

Proposed Surface Location/Subject to Change Based on Archeological Survey

EXHIBIT "C"



3558

2940

TOE OF HILL NORTH

OLD PIT

BRIDGE PIT

19-1

19-1

PROPOSED ROAD

2" STEEL SALES LINE

ARC SITE

SHARP PIT B

OFF PIT
21-1
21-2

3048

3050

3557

9

Pickett

DRAIN

EXISTING PAD

PROPOSED ROAD

3556

3004

3000

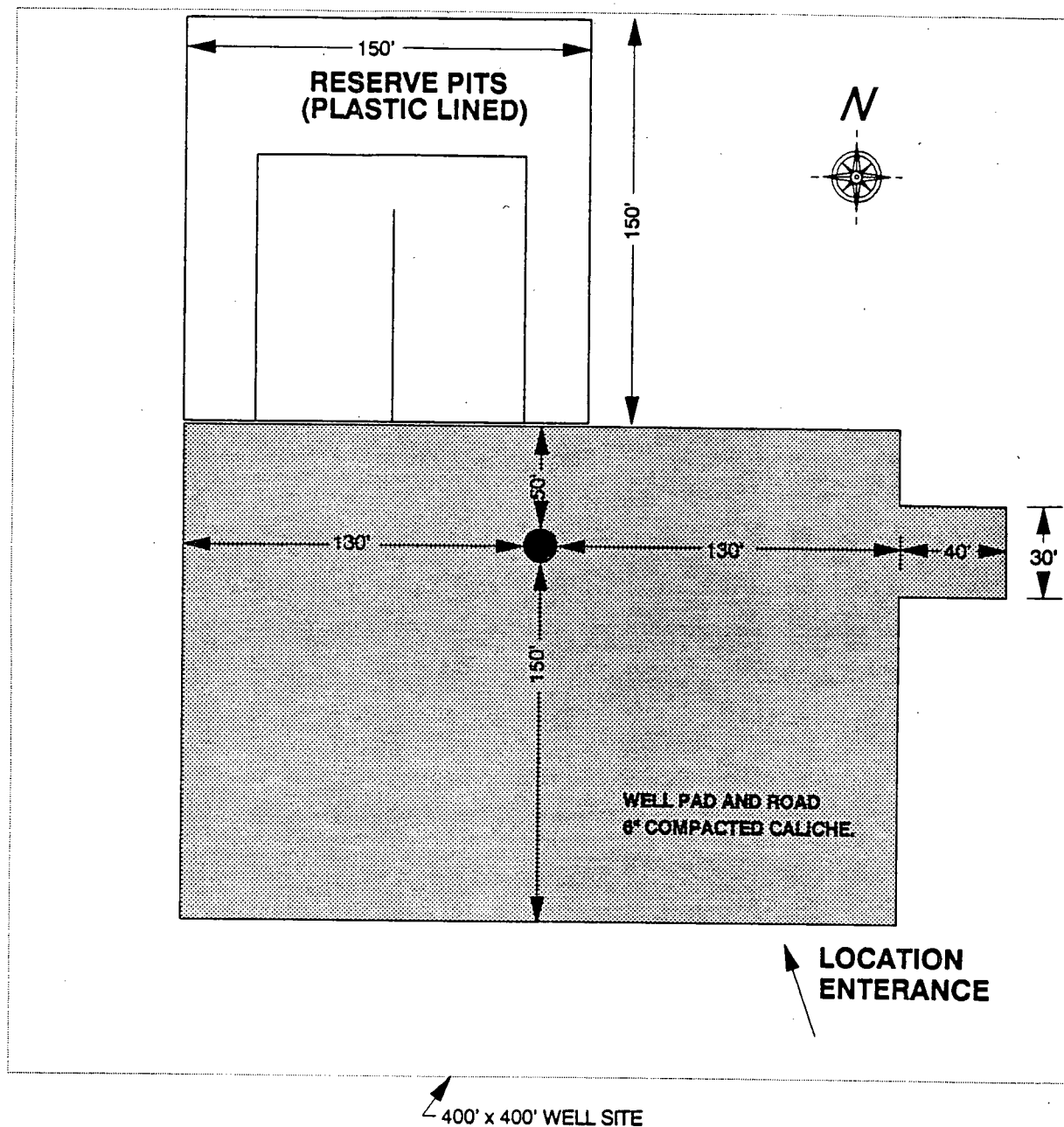
17

16

BURLINGTON RESOURCES OIL & GAS COMPANY

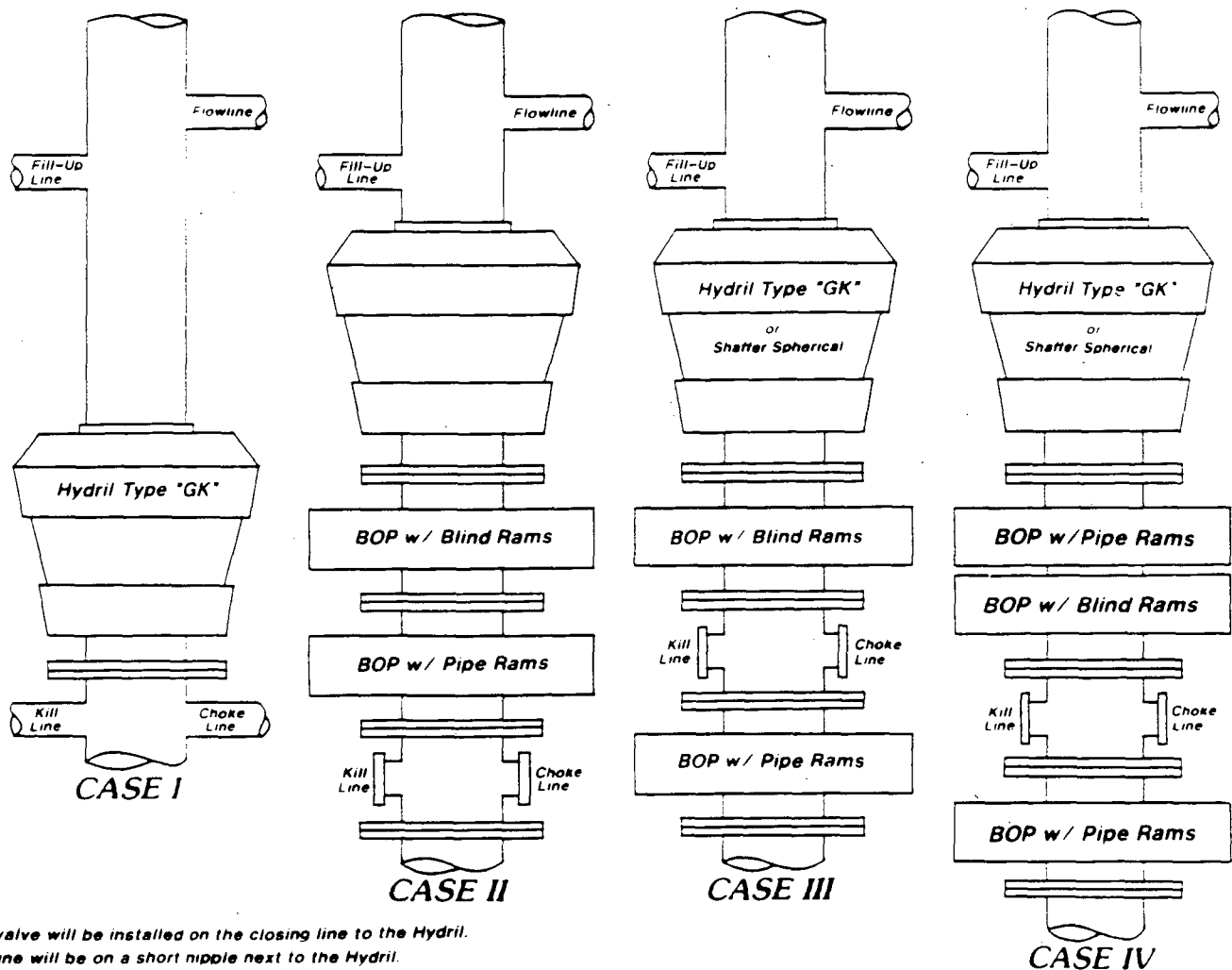
EXHIBIT "D"

MID-CONTINENT DIVISION
DRILL WELL LOCATION SPECIFICATIONS

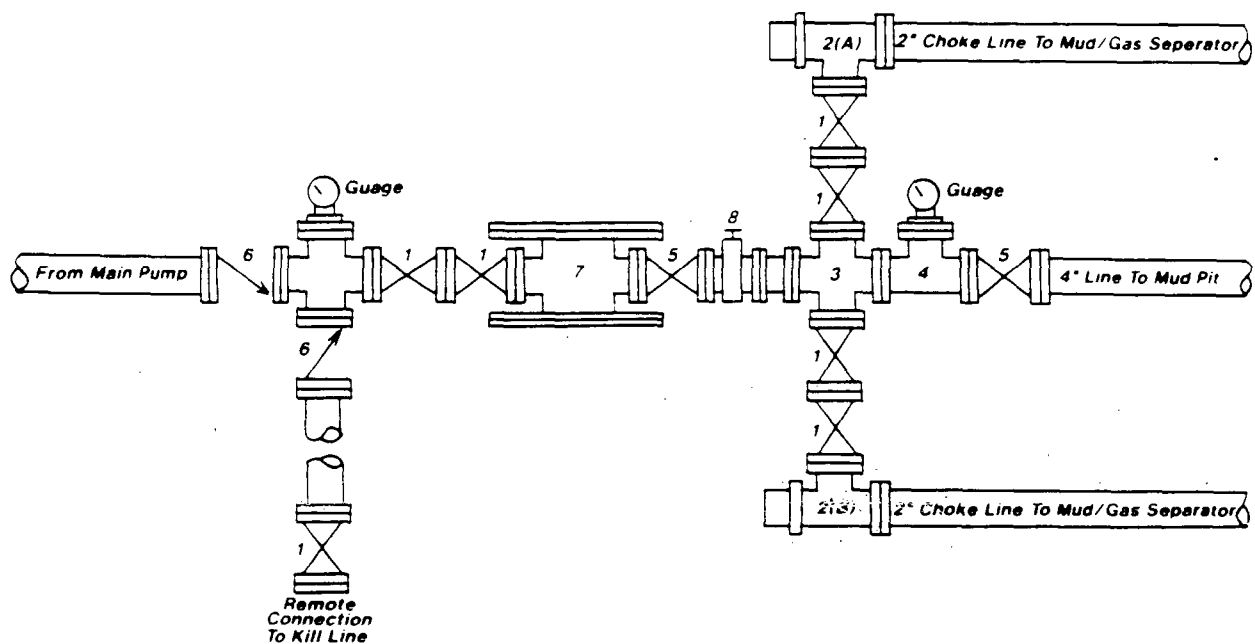


ATTACHMENT "1"

MINIMUM BLOWOUT PREVENTER REQUIREMENTS



A 1" valve will be installed on the closing line to the Hydral.
This line will be on a short nipple next to the Hydral.
The closing line must be equipped w/ a 1"-3000 psi WP plug
valve on the nipple into the Hydral.

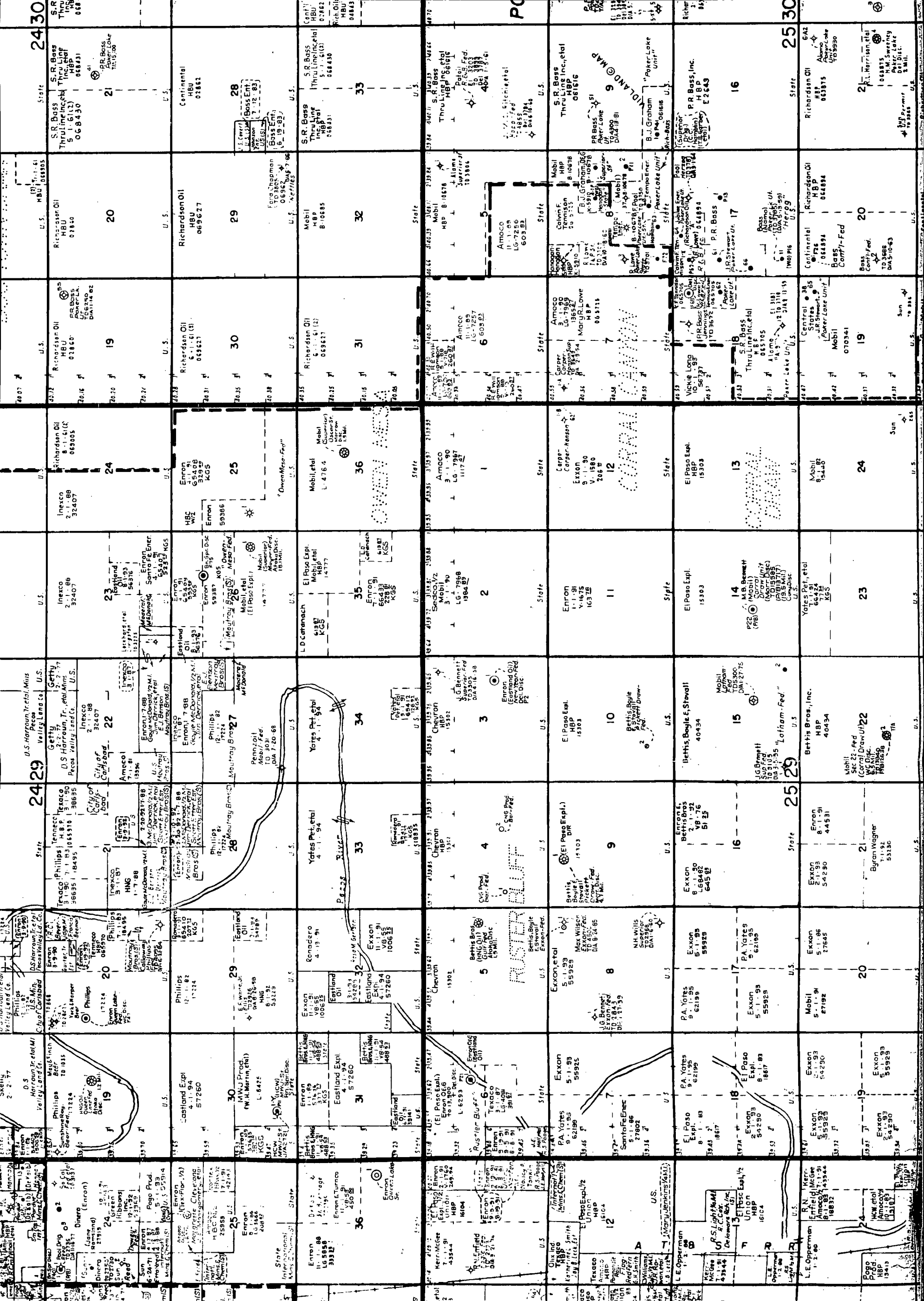


Legend

1. 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque, or Shafter Flo-Seal.
2. 2" flanged choke, full opening & equipped w/ hard trim.
A. Remote operated
B. Adjustable
3. 4" x 2" flanged steel cross.
4. 4" flanged steel tee.
5. 4" flanged all steel valve (Type as in #1).
6. 2" flanged check valve.
7. Drilling spool w/ 2" x 4" flanged steel outlet.
8. 4" pressure operated gate valve.

Notes

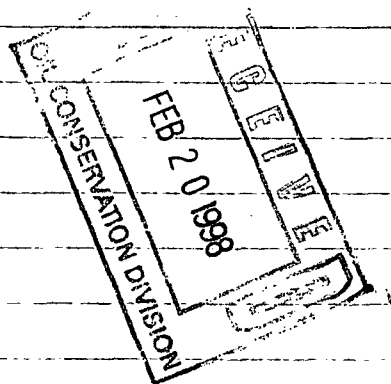
Choke manifold may be located in any convenient position. Use all steel fittings throughout. Make 90° turns with bull plugged tees only. No field welding will be permitted on any of the components of the choke manifold and related equipment upstream of the chokes. The choke spool and all lines and fittings must be at least equivalent to the test pressure of the preventers required. Independent closing control unit with clearly marked controls to be located on derrick floor near driller's position.



2-1798

Mr. Stogner.

We believe this
document was sent to
our company in error.



BURLINGTON RESOURCES

MID-CONTINENT DIVISION

February 13, 1998

Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472

PRIORITY

OWNERSHIP

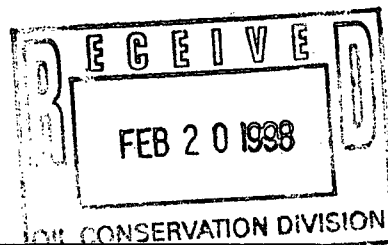
1998 FEB 16 PM 2:50

CERTIFIED

Z 236 287 825

MAIL

RE: Proposed Horizontal Well
Standard Surface Location
Non-Standard Sub-Surface Bottom Hole Location
Due to Topographic Limitations



Burlington Resources Oil & Gas Company, OGRID #26485

Corral Draw 9 Federal #1

Corral Draw Wolfcamp Gas Pool, Pool Code 84330

Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL

Section 9, T25S, R29E, Eddy County, New Mexico

Lse. #NM 15303

Dear Mr. Stogner:

Burlington Resources Oil & Gas Company desires administrative approval for a non-standard gas producing area/sub-surface bottom hole gas well location for the vertical portion of the wellbore for the proposed horizontal well, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Corral Draw Wolfcamp (Gas) Pool for the Corral Draw 9 Federal #1, located at a standard surface location NE/4 NW/4, 660' FNL & 1650' FWL, (Unit C) of Section 9, T25S, R29E, Eddy County, New Mexico. The N/2 of said Section 9, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

Burlington's request for an unorthodox subsurface bottom hole location of NE/4 NW/4, 560' FNL & 1500' FWL, (Unit C) of Section 9, T25S, R29E, Eddy Co., NM, will allow for potential drilling bit drift to the northwest due to natural drift tendencies during normal vertical rotary drilling operations. Our options to move the surface location to the south and east are closed by topographical limitation (i. e. archeological sites, drainage, and existing oil field facilities). Enclosed is the location plat for this proposed well showing the surface location, proposed kick-off point, wolfcamp penetration point and horizontal bottom hole location.

Page -2-

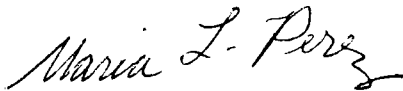
We are currently putting together the federal application package for the permit to drill. A copy will be mailed to you as soon as the drilling plan has been prepared. Burlington requests that the 20-day offset notification clock start today. All affected offsets have been notified by certified return-receipt mail on February 13, 1998. A list with the names and addressed of the affected offsets is enclosed.

The applicable drilling window or "producing area" within the Corral Draw Wolfcamp Gas Pool for said wellbore shall include that area within the subject 320-acre spacing and proration unit comprising the N/2 of said Section 9 that is:

- (a) no closer than 660 feet to the North & South boundary of said 320-acre unit;
- (b) no closer than 1650 feet from the East and West Lines of said Section 9.

Burlington Resources will comply with all provision of Division General Rule 111 applicable in this matter. Please call me if you require additional information on this application.

Sincerely,



Maria L. Perez
Regulatory Representative
A/C 915-688-6906

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Roswell

(s:mlp1:Corral Draw 9 Fed. #1)

Burlington Resources Oil & Gas Co., OGRID# 26485

Corral Draw 9 Federal #1

Corral Draw Wolfcamp Gas Pool

Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL

Sec. 9, T25S, R29E, Eddy County, New Mexico

Lse. # NM 15303

OFFSET NOTIFICATION LIST:

(North and NW corner of 320ac Spacing & Proration Unit)

Sec. 4 & 5, T25S, R29E
Chevron U. S. A. Inc.
P. O. Box 1635
Houston, Texas 77251

(West of 320ac Spacing & Proration Unit)

N/2 of Sec. 8, T25S, R29E	Exxon Corporation P. O. Box 2305 Houston, Texas 77252	James R. Guinn Jr., Trustee of The James R. Guinn Family Trust & The James R. Guinn Family Trust A 500 E. Border, Suite 885 Arlington, Texas 76010
	HMJ Minerals, Inc. P. O. Box 1240 Graham, Texas 76450	L. E. Opperman 1505 Neely Midland, Texas 79705
	MRL Partners, LP Five Post Oak Park, Suite 1010 Houston, Texas 77027	The Allar Company P. O. Box 630 Graham, Texas 76046
	L. R. French, Jr. P. O. Box 11327 Midland, Texas 79707	Edward K. Gaylord, II Rt. 5, Box 393 Guthrie, Oklahoma 73044
	Turnco, Inc. P. O. Box 1240 Graham, Texas 76046	B. A. G. A. M., LTD P. O. Box 37 Graham, Texas 76046
	H. M. Bettis, Inc. P. O. Box 1240 Graham, Texas 76046	CNG Producing Company P. O. Box 2115 Tulsa, Oklahoma 74101
	Stoval Investment, Inc. P. O. Box 10 Graham, Texas 76046	

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 84330	3 Pool Name CORRAL DRAW WOLFCAMP GAS
4 Property Code	5 Property Name CORRAL DRAW 9 FEDERAL	6 Well Number 1
7 OGRID No. 26485	8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY	9 Elevation 2941'

10 SURFACE LOCATION

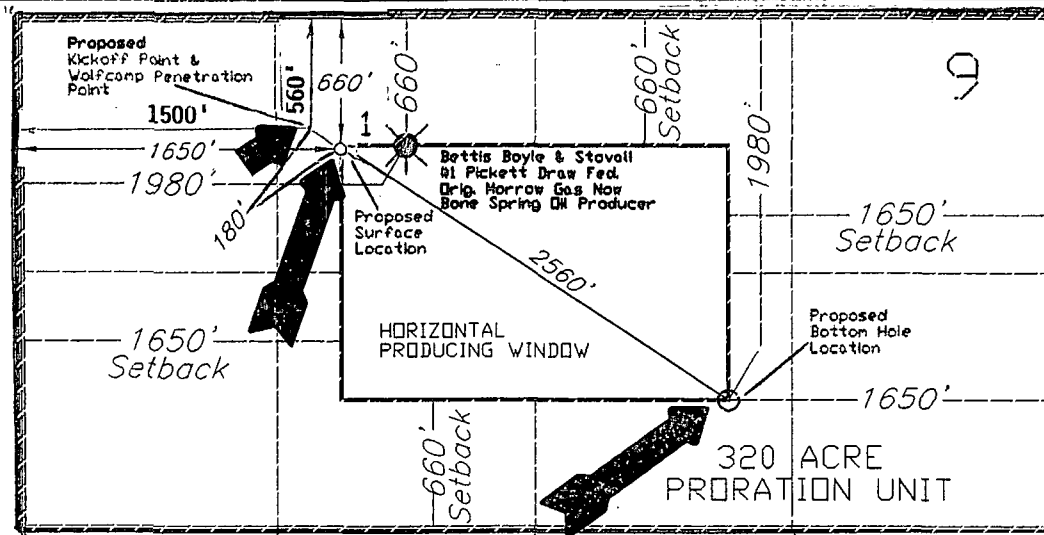
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	9	25 SOUTH	29 EAST, N.M.P.M.		660'	NORTH	1650'	WEST	EDDY

11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	9	25S	29E		560'	North	1500	West	Eddy

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information
contained herein is true and complete
to the best of my knowledge and belief.

Signature <i>Maria L. Perez</i>
Printed Name Maria L. Perez
Title Regulatory Representative
Date 2-12-98

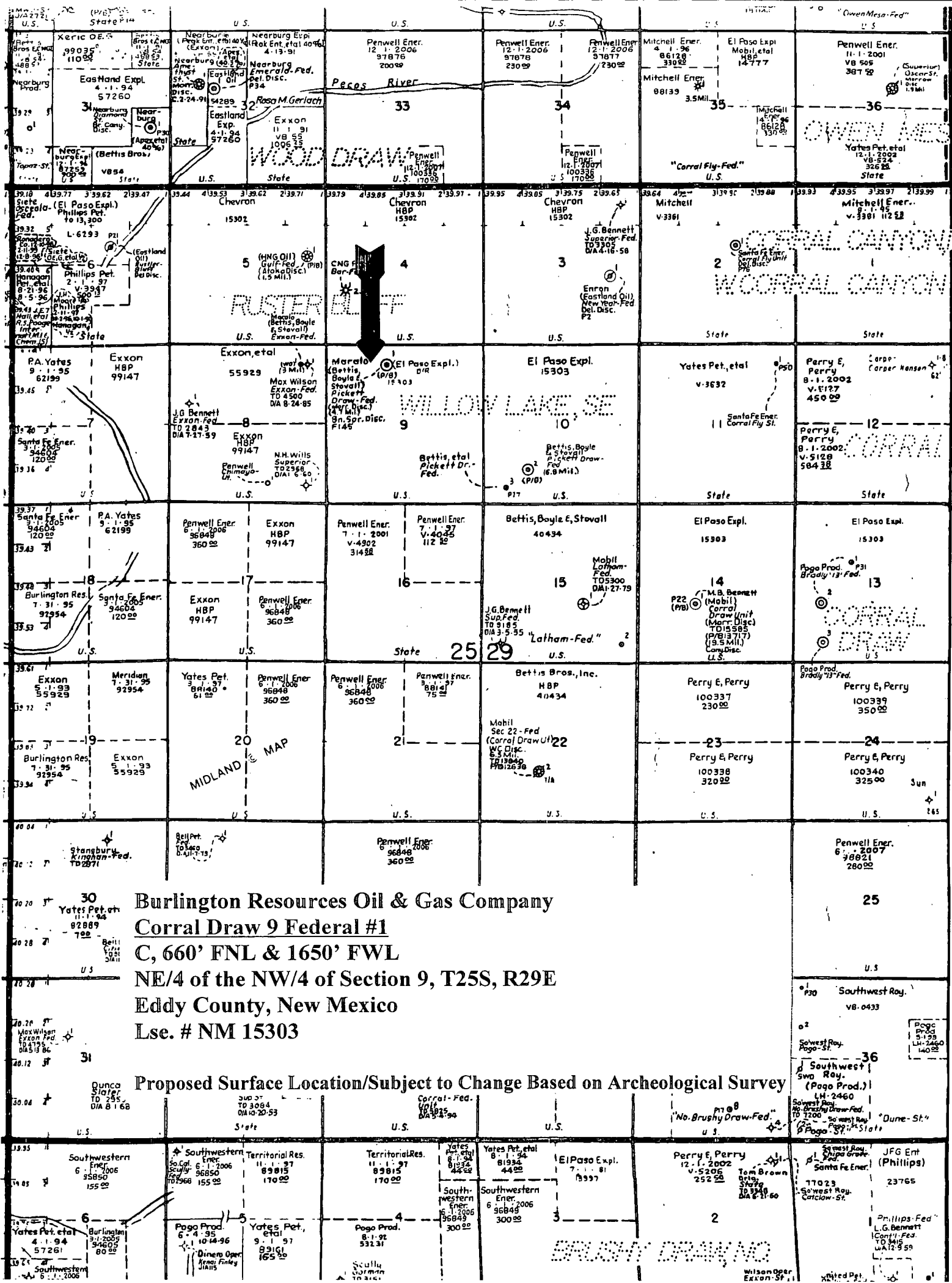
SURVEYOR CERTIFICATION

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.

Date of Survey JANUARY 28, 1998
Signature and Seal of Professional Surveyor <i>Roger M. Robbins</i>
Certificate No. 12123
ROGER M. ROBBINS, P.S. #12128
JOB #56458 / 23 NW / JSJ

Burlington Resources Oil & Gas Company
Corral Draw 9 Federal #1
C, 660' FNL & 1650' FWL
NE/4 of the NW/4 of Section 9, T25S, R29E
Eddy County, New Mexico
Lse. # NM 15303

Proposed Surface Location/Subject to Change Based on Archeological Survey



ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVER SHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

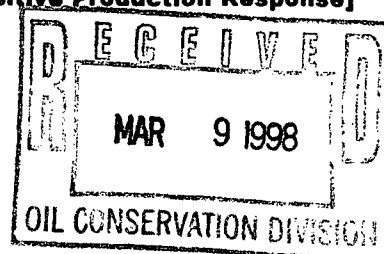
[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☒ DD ☐ SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Eileen Dey
Print or Type Name

Signature

Regulatory Comp. Spvr.
Title

2-13-98
Date

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

March 5, 1998

**Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472**

**RE: Package for partially submitted application of 2-13-98
Proposed Horizontal Well
Standard Surface Location
Non-Standard Sub-Surface Bottom Hole Location
Due to Topographic Limitations**

**Burlington Resources Oil & Gas Company, OGRID #26485
Corral Draw 9 Federal #1
Corral Draw Wolfcamp Gas Pool, Pool Code 84330
Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL
Section 9, T25S, R29E, Eddy County, New Mexico
Lse. #NM 15303**

Dear Mr. Stogner:

Burlington Resources Oil & Gas Company desires administrative approval for a non-standard gas producing area/sub-surface bottom hole gas well location for the vertical portion of the wellbore for the proposed horizontal well, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Corral Draw Wolfcamp (Gas) Pool for the Corral Draw 9 Federal #1, located at a standard surface location NE/4 NW/4, 660' FNL & 1650' FWL, (Unit C) of Section 9, T25S, R29E, Eddy County, New Mexico. The N/2 of said Section 9, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

Burlington's request for an unorthodox subsurface bottom hole location of NE/4 NW/4, 560' FNL & 1500' FWL, (Unit C) of Section 9, T25S, R29E, Eddy Co., NM, will allow for potential drilling bit drift to the northwest due to natural drift tendencies during normal vertical rotary drilling operations. Our options to move the surface location to the south and east are closed by topographical limitation (i. e. archeological sites, drainage, and existing oil field facilities). Enclosed is the location plat for this proposed well showing the surface location, proposed kick-off point, wolfcamp penetration point and the proposed horizontal bottom hole location at UL-G, 1980' FNL, 1650' FEL of said Section 9.

Page -2-

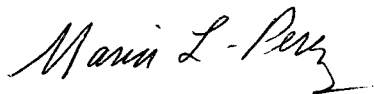
Enclosed is the federal application package for the permit to drill. Burlington requested that the 20-day offset notification clock start February 13, 1998. All affected offsets were notified by certified return-receipt mail on February 13, 1998. A list with the names and addressed of the affected offsets is enclosed.

The applicable drilling window or "producing area" within the Corral Draw Wolfcamp Gas Pool for said wellbore shall include that area within the subject 320-acre spacing and proration unit comprising of the N/2 of said Section 9 that is:

- (a) no closer than 660 feet to the North & South boundary of said 320-acre unit;
- (b) no closer than 1650 feet from the East and West Lines of said Section 9.

Burlington Resources will comply with all provision of Division General Rule 111 applicable in this matter. Please call me if you require additional information on this application.

Sincerely,



Maria L. Perez
Regulatory Representative
A/C 915-688-6906

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Roswell

(s:mlp1:Corral Draw 9 Fed. #1)

Burlington Resources Oil & Gas Co., OGRID# 26485
Corral Draw 9 Federal #1
Corral Draw Wolfcamp Gas Pool
Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL
Sec. 9, T25S, R29E, Eddy County, New Mexico
Lse. # NM 15303

NAME AND ADDRESSES OF AFFECTED OFFSETS

(North and NW corner of 320ac Spacing & Proration Unit)

Sec. 4 & 5, T25S, R29E ✓ Chevron U. S. A. Inc.
P. O. Box 1635
Houston, Texas 77251

(West of 320ac Spacing & Proration Unit)

N/2 of Sec. 8, T25S, R29E	✓ Exxon Corporation P. O. Box 2305 Houston, Texas 77252	James R. Guinn Jr., Trustee of The James R. Guinn Family Trust & The James R. Guinn Family Trust A 500 E. Border, Suite 885 Arlington, Texas 76010
	✓ HMJ Minerals, Inc. P. O. Box 1240 Graham, Texas 76450	
	✓ MRL Partners, LP Five Post Oak Park, Suite 1010 Houston, Texas 77027	✓ L. E. Opperman 1505 Neely Midland, Texas 79705
	✓ L. R. French, Jr. P. O. Box 11327 Midland, Texas 79707	✓ The Allar Company P. O. Box 630 Graham, Texas 76046
	✓ Turnco, Inc. P. O. Box 1240 Graham, Texas 76046	✓ Edward K. Gaylord, II Rt. 5, Box 393 Guthrie, Oklahoma 73044
	✓ H. M. Bettis, Inc. P. O. Box 1240 Graham, Texas 76046	B. A. G. A. M., LTD P. O. Box 37 Graham, Texas 76046
	✓ Stoval Investment, Inc. P. O. Box 10 Graham, Texas 76046	✓ CNG Producing Company P. O. Box 2115 Tulsa, Oklahoma 74101

unclaimed
re-sent 2-23-98
✓ Four Greenspoint Plaza 1750
16945 Northchase Dr., Suite 1750
Houston, TX 77060-2133

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <ul style="list-style-type: none"> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered. 		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Chevron U.S.A. Inc. P.O. Box 1635 Houston, TX 77251		4a. Article Number Z 236 287 837	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery FEB 16 1998	
5. Signature (Addressee) <i>[Signature]</i>		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent)			
PS Form 3811 , December 1991 ☆U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT			

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <ul style="list-style-type: none"> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered. 		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Exxon Corporation P.O. Box 2305 Houston, TX 77252		4a. Article Number Z 236 287 825	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery FEB 16 1998	
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) <i>[Signature]</i>			
PS Form 3811 , December 1991 ☆U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT			

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3. Article Addressed to: HMJ Minerals, Inc. P.O. Box 1240 Graham, TX 76450		4a. Article Number Z 236 287 826	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery FEB 17 1998	
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) <i>[Signature]</i>			
PS Form 3811 , December 1991 ☆U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT			

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

MRL Partners, LP
Five Post Oak Park, Suite 1010
Houston, TX 77027

4a. Article Number

Z236 287 827

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

02-19-98

5. Signature (Addressee)

6. Signature (Agent)

Perth Drebel

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

L. R. French, Jr.
P.O. Box 11327
Midland, TX 79707

4a. Article Number

Z236 287 828

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

18 FEB 1998

5. Signature (Addressee)

6. Signature (Agent)

Boya Fort

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Turnco, Inc.
P.O. Box 1240
Graham, TX 76046

4a. Article Number

Z236 287 829

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

17 1998

5. Signature (Addressee)

6. Signature (Agent)

Sandra Terley

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

H.M. Bettis
P.O. Box 1240
Graham, TX 76046

4a. Article Number
Z236 287 830

4b. Service Type

☐ Registered ☐ Insured

☒ Certified ☐ COD

☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery
FEB 17 1998

5. Signature (Addressee)

6. Signature (Agent)
Andrea Wiley

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★ U.S. GPO: 1992-323-402 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Stoval Investment, Inc.
P.O. Box 10
Graham, TX 76046

4a. Article Number
Z236 287 831

4b. Service Type

☐ Registered ☐ Insured

☒ Certified ☐ COD

☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery
2-10-98

5. Signature (Addressee)
Leresa Turner

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★ U.S. GPO: 1992-323-402 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

Z 236 287 832
US Postal Service
Receipt for Certified Mail

James R. Guinn Jr., Trustee
of the James R. Guinn Family
Trust & The James R. Guinn
Family Trust A
500 E. Border, Suite 885
Arlington, TX 76010

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	2-13-98

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- Complete items 3, and 4a & b.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

L.E. Opperman
1505 Neely
Midland, TX 79705

4a. Article Number

2236 287 833

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

FEB 19 1990

5. Signature (Addressee)

L.E. Opperman

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

The Allar Company
P.O. Box 630
Graham, TX 76046

4a. Article Number

2236 287 834

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

2-17-98

5. Signature (Addressee)

Mike Russell

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Edward K. Gaylord, II
Rt. 5, Box 393
Guthrie, OK 73044

4a. Article Number

2236 287 835

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☒ Return Receipt for Merchandise

7. Date of Delivery

2-17-98

5. Signature (Addressee)

ROBERT SIMPSON

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ★U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

CNG Producing Company
Four Greenspoint Plaza
16945 Northchase Dr., Suite 1750
Houston, Texas 77060-2133



4a. Article Number

Z 236 287 865

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

2-26-98

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

[Signature]

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER HORIZONTAL WELL

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

BURLINGTON RESOURCES OIL & GAS COMPANY

3. ADDRESS AND TELEPHONE NO.

P.O. Box 51810 Midland, TX 79710-1810

915-688-6906

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)

At surface

C, 660' FNL & 1650' FEL-SURF. LOC. / C, 560' FNL & 1500' FWL-TOP PROD. INTRVL.
At proposed prod. zone

G, 1980' FNL & 1650' FEL-BOTTOM HOLE LOCATION

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

5 MILES SE FROM LOVING, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 560'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

330' MORROW GAS

19. PROPOSED DEPTH

13,415' MD, 11,169' TVD

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

2941' GR

22. APPROX. DATE WORK WILL START*

MARCH 31, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8", H-40, STC	48#	600'	625 SXS - SURFACE
12-1/4"	9-5/8", K-55, LTC	36#	2900'	950 SXS - SURFACE
8-3/4"	7", P-110, LTC	26#	10,100' - 10,800'	1380 SXS, TOC 2500', DV TOOL 7000'
			SEE REMARKS ON	10 POINT DRILLING PLAN

6-1/8" PILOT OPEN HOLE VERTICAL TOTAL DEPTH OF 11,250' MD

PLUG BACK TO KICK-OFF POINT @ +/- 10,925'. TARGET AZIMUTH = 124 DEGREES
FINAL INCLINATION = 89.6 DEGREES
TOTAL VERTICAL SECTION = 2355'
TOTAL DEPTH = 13,415' MD, 11,169' TVD

RUN 4-1/2" 15.1# P-110 STL LINER. HANG OFF IN 7" CSG WITH MECHANICAL LINER HANGER AND ISOLATION
PACKER. (TOP OF LINER @ +/- 10,600'). LINER WILL NOT BE CEMENTED.

NOT IN POTASH AREA.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Maria L. Perez

TITLE REGULATORY REPRESENTATIVE

DATE 3-5-98

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

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 representations as to any matter within its jurisdiction.

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

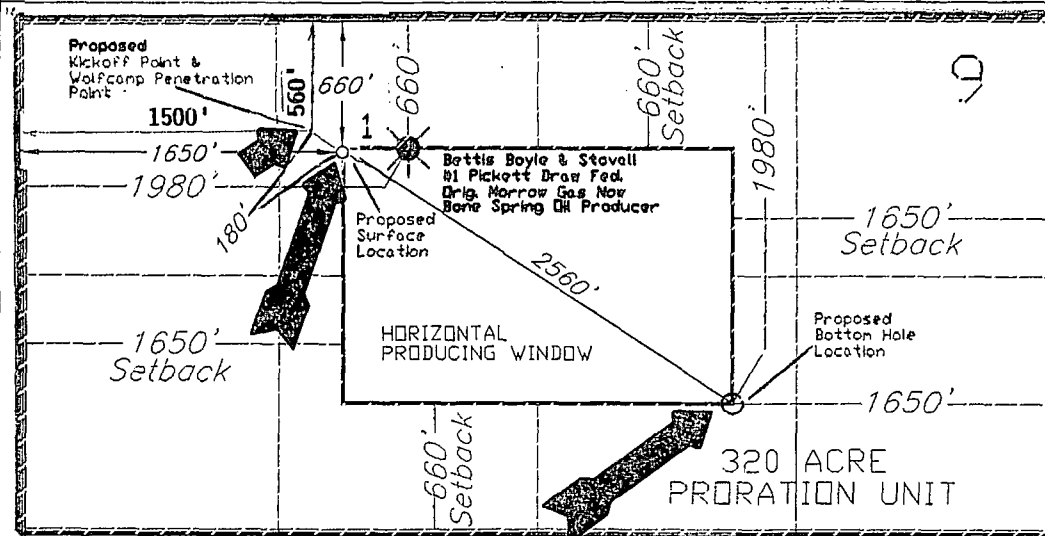
☐ AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 84330		3 Pool Name CORRAL DRAW WOLFCAMP GAS					
4 Property Code		5 Property Name CORRAL DRAW 9 FEDERAL					6 Well Number 1		
7 OGRID No. 26485		8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY					9 Elevation 2941'		
10 SURFACE LOCATION									
UL or lot no. C	Section 9	Township 25 SOUTH	Range 29 EAST, N.M.P.M.	Lot Ida	Feet from the 660'	North/South line NORTH	Feet from the 1650'	East/West line WEST	County EDDY
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no. G	Section 9	Township 25S	Range 29E	Lot Ida	Feet from the 1980	North/South line North	Feet from the 1650	East/West line East	County Eddy
12 Dedicated Acres 320		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



☐ HORIZONTAL PRODUCING WINDOW FOR ORTHODOX LATERAL

☐ MINIMUM SETBACK DISTANCE

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Maria L. Perez

Printed Name
Maria L. Perez

Title
Regulatory Representative

Date
2-12-98

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.

Date of Survey
JANUARY 28, 1998

Signature and Seal of Professional Surveyor
Roger M. Robbins

Certificate No. 12123

ROGER M. ROBBINS, P.S. #12128

JOB #56458 / 23 NW / JSJ

OPERATORS NAME:	<u>Burlington Resources Oil & Gas Company</u>
LEASE NAME AND WELL NO.:	<u>Corral Draw 9 Federal #1</u>
LOCATION:	<u>C, 660' FNL & 1650' FWL, Sec. 9, T25S, R29E</u>
FIELD NAME:	<u>Corral Draw Wolfcamp Gas</u>
COUNTY:	<u>Eddy County, New Mexico</u>
LEASE NUMBER:	<u>NM 15303</u>

The following information is to supplement BLM form 3160-3 Application for permit to drill in accordance with Onshore Oil and Gas Order No. 1:

POINT DRILLING PLAN
Horizontal Well

1. Name and estimated tops of important geologic formation/marker horizons.

<u>FORMATION</u>	<u>DEPTH</u>
Rustler	Surface
Salado	1,100'
Castille	2,250'
Delaware	2,915'
Bone Springs	6,700'
Wolfcamp	10,090'
Wolfcamp "A"	11,110'

2. Estimated depths at which the top and bottom of formations potentially containing usable water, oil, gas, or prospectively valuable deposits of other minerals are expected to be encountered and the operator's plans for protecting such resources.

Wolfcamp	10,090'
Wolfcamp "A" Limestone	11,110'

OTHER ZONES:

Delaware	2,915'
Bone Springs	6,700'

3. The operator's minimum specifications for Blowout Preventer (BOP) and related equipment to be used and schematic diagrams thereof showing sizes, pressure ratings, and the testing procedures and testing frequency. BOP and BOP - related equipment (BOPE) schematics shall include schematics of choke manifold equipment. Accumulator systems and remote controls shall be utilized.

Surface Csg

Install 13-3/8" SOW x 13-5/8" 3M psi WP casing head with 36" base plat.
Nipple up 13-5/8" 1500 psi WP annular preventer w/rotating head.
Test the 13-3/8" casing to 500 psi using rig pump and hold for 30 minutes.

Intermediate Csg

Install 13-5/8" 3M psi WP x 11" 5M psi WP casing spool. Nipple up 11" 5M x 13-5/8" 5M DSA. NU 13-5/8" 5M psi WP BOP's including annular w/rotating head. (API RP53 Fig 2.C.5 SRRAG). Test ram BOP's and choke manifold to 250 psi and 3,000 psi, test annular BOP to 250 psi and 1,500 psi utilizing a test plug and an independent tester..

Production Csg

Install 11" 5M psi x 7-1/16" 10M psi tbg head. Test head to 4,350 psi (70 % x Casing Pc of 6,230) or the wellhead manufacturer's recommendation, whichever is less. NU 7-1/16" 10M psi WP BOP's including annular w/rotating head (API RP53 fig 2.C.9 RSRRAG). Test ram BOP's and choke manifold to 250 psi and 10,000 psi, test annular BOP to 250 psi and 3,500 psi utilizing a test plug and an independent tester.

4. The proposed casing program including size, grade, weights, type of thread and coupling, and the setting depth of each string and its condition (new or acceptably reconditioned). For exploratory wells, or for wells as otherwise specified by the authorized officer, the operator shall include the minimum design factors for tensions, burst, and collapse that are incorporated into the casing design. In cases where tapered casing strings are utilized, the operator shall also include and/or setting depths of each portion.

CASING:

17-1/2" hole to 600'. Set 13-3/8", 48#, H-40, STC csg @ 600'

12-1/4" hole to 2900'. Set 9-5/8", 36#, K-55, LTC csg @ 2900'

8-3/4" hole to 10,800'. Set 7", 26#, P-110, LTC, csg @ See Remarks

Note: 7" casing point may vary between 10,100' - 10,800' depending on hole conditions. Offset data indicates ability to drill to 10,800' without any mud weight increase (i.e. 9.0 - 10.0 ppm base fluid). Casing needs to be set as close to kick off point as possible to minimize open vertical hole during lateral operations.

6-1/8" Pilot Hole to Vertical Total Depth of 11,250'

Plug Back to Kick-off Point @ +/-10,925'

Target Azimuth = 124 Degrees

Final Inclination = 89.6 Degrees

Total Vertical Section = 2355'

Total Depth = 13,415' MD, 11,169' TVD

Run 4-1/2" 15.1# P-110 STL Liner. Hang off in 7" casing with mechanical liner hanger & isolation packer. (Top of liner @ +/- 10,600'). Liner will not be cemented.

5. The amount and type(s) of cement, including anticipated additives to be used in setting each casing string, shall be described. If stage cementing techniques are to be employed, the setting depth of the stage collars and amount and type of cement, including additives, and preflush amounts to be used in each stage, shall be given. The expected linear fill-up of each cemented string, or each stage when utilizing stage-cementing techniques, shall also be given.

- a.) Surface Hole (17-1/2" X 13 3/8" csg): Cmt w/625 sxs Class "C" Cmt + 2% Cacl, .25 pps Flocele.

(Volume estimated using 100% excess to circulate cement to surface).

- b.) Intermediate Hole (12-1/4" X 9 5/8" csg): **Single Stage**

Lead w/650 sxs Class "C" Lite Cmt + 6 pps Salt, .25 pps Flocele, **Tail** w/300 sxs Class "C" Cmt, 1% CaCl₂.

(Circulate cmt to surface. Volumes estimated using 200% excess).

- c.) Production Hole (8-3/4" hole X 7" csg): **Two Stage.**

First Stage Lead w/430 sxs Class "H" Lite,
.2% HR-5 (Retarder), **Tail** w/250 sxs Class "H", .4% HALAD-9
(Fluid Loss).

Second Stage Lead w/600 sxs Class "C" Lite, .25 pps Flocele,
Tail w/100 sxs Class "C" + .4% HALAD-9 (Fluid Loss).

DV Tool @ +/- 7000'. (TOC @2500' inside 9-5/8". Volumes estimated
using 100% excess)

- d.) Plugback Cement

+/- 150 sxs Class "H" + .75% CFR-3 (Dispersant), .5 pps D-AIR-1(Defoamer)
.6% HALAD-9 (Fluid Loss).

6. The anticipated characteristics, additives, use, and testing of drilling mud to be employed, along with the types and quantities of mud products to be maintained, shall be given. When air or gas drilling is proposed, the operator shall submit the following specific information:

Mud Program:

0-600': fresh water, gel, and lime system, MW 8.9 - 9.3 ppg.

600'-2900': brine, MW 10.0 - 10.2 ppg

2900'-10,800': fresh water, cut brine mud MW 9.0 - 9.3 ppg

10,800'-13,415' (6-1/8") Pilot Hole & Lateral Section: weighted water base mud
MW 10.0 - 15.0 ppg.

7. The anticipated testing, logging, and coring procedures to be used, including drill stem testing procedures, equipment, and safety measures.

a. DST Program: None Planned

b. Core: None Planned

c. Mud Logging: 2000' to TD

d. Logs to be run: Halliburton CNL/LDT, DIL/SFL, GR, CAL BHC, FMI below 7"
Logs to be run in vertical hole only

8. The expected bottom-hole pressure and any anticipated abnormal pressures, temperatures or potential hazards that are expected to be encountered, such as lost circulation zones and hydrogen sulfide. The operator's plans for mitigating such hazards shall be discussed. Should the potential to encounter hydrogen sulfide exist, the mitigation procedures shall comply with the provisions of Onshore Oil and Gas Order No. 6.

Potential for abnormal pressure exists from the top of the Wolfcamp to TD. Bottom hole pressures at TD is estimated at 7200 psi. Bottom hole temperature 185 F. There is no anticipated Hydrogen Sulfide in this known drilling area. .

9. Any other facets of the proposed operation which the operator wishes for BLM to consider in reviewing the application.

Anticipated time expected to do this work is 54 days. (Horizontal Well)

12-POINT SURFACE USE PLAN OF OPERATIONS

Burlington Resources Oil & Gas Company
Corral Draw 9 Federal #1
C, 660' FNL & 1650' FWL, Sec. 9, T25S, R29E
Corral Draw Wolfcamp Gas Field
Eddy County, New Mexico NM 15303

1. **Existing Roads:** A legible map (USGS topographic, county road, or other such map) labeled and showing the access route to the location, shall be used for locating the proposed well site in relation to a town, village, or other locatable point, such as a highway or county road. All access roads shall be appropriately labeled. Any plans for improvement and/or maintenance of existing roads shall be provided. All roads shall be provided. All roads shall be improved or maintained in a condition the same as or better than before operations. The information provided for use and construction of roads will also be used by BLM for the required Plan of Development for a R/W application as described in Section II C of this Order No. 1.

See Exhibit "A" - topographic land surveyors plat showing existing roads and directions to well site.

2. **Access Roads to be Constructed or Reconstructed:** All permanent and temporary access roads to be constructed or reconstructed in connection with the drilling of the proposed well shall be appropriately identified and submitted on a map or plat. The proposed route to the proposed drill site shall be shown, including distances from the point where the access route exists established roads. All permanent and temporary access roads shall be located and designed to implement the goals of transportation planning and meet applicable standards of the appropriate SMA, and shall be consistent with the needs of the users. Final selection of the route location may be accepted by the SMA as early as the predrill inspection or during approval of the APD.

See Exhibit "B" plat shows existing road.

3. **Location of Existing Wells:** This information shall be submitted on a map or plat, which includes all recorded wells (water, injection, or disposal, producing, or being drilled) within a 1-mile radius of the proposed location.

See Exhibit "C" - portion of land map showing surrounding wells in area.

4. **Location of existing and/or proposed production facilities:** For facilities planned either on or off the well pad, a plat or diagram shall be included showing, to the extent known or anticipated, the location of all production facilities and lines to be installed if the well is successfully completed for production. If new construction is planned, the dimensions of the facility layouts are to be shown. This information for off-pad production facilities may be used by BLM for R/W application information as specified in Section II C of Order No. 1.

Production facilities will be built at location.

5. **Location of Types of Water Supply:** Information concerning water supply, such as rivers, creeks, springs, lakes, ponds, and wells, may be shown by quarter-quarter section on a map or plat, or may be described in writing. The source and transportation method for all water to be used in drilling the proposed well shall be noted if the source is located on Federal or Indian Lands or if water is to be used from a Federal or Indian project. If the water is obtained from other than Federal or Indian lands, the location and transportation method shall be identified. Any access roads crossing Federal or Indian lands that are needed to haul the water shall be described as provided in paragraphs (1) and (2) of this Section. If a water supply well is to be drilled on the lease, the APD shall so state. The authorized officer of BLM may require the filing of a separate APD of a water well.

No available surface or sub-surface fresh water exists in the vicinity of the proposed well. Drilling water will be transported or pumped to the drill site from the nearest commercial source.

6. **Construction Materials:** The operator shall state the character and intended use of all construction material, such as sand, gravel, stone, and soil material. If the materials to be used are Federally owned, the proposed source shall be shown either on a quarter-quarter section on a map or plat, or in a written description.

Caliche will be obtained from existing reserve pit located on Maralow's Pickett Draw Federal #1, 660' FNL & 1980' FWL. Caliche pit is on side of this location and Burlington will draw caliche from there. As per conversation between Bobby Winn, Construction Foreman with Burlington Resources Oil & Gas Co. and Mr. Mike Magee with the BLM in Carlsbad, Burlington can draw caliche from this pit as long as Burlington dresses up and contours pit back. Barry Hunt was present during this conversation. See plat attached showing location of caliche pit.

Methods of Handling Waste Disposal: A written description of the methods and locations proposed for safe containment and disposal of each type of waste material (e.g. cuttings, garbage, salts, chemicals, sewage, etc.) that results from the drilling and completion of the proposed well shall be provided.

- Drill cuttings - disposed into drilling pits.
- Drill fluids - allowed to evaporate in drill pits until pits dry.
- Produced water during testing - drill pits.
- Produced oil during testing - storage tank until sold.
- Current laws and regulations pertaining to disposal of human waste will be observed.
- Reserve pit will be plastic lined.
- Waste paper, garbage, and junk will be disposed of into a special container on location and removed regularly to an approved landfill site. All waste material will be covered with a screen or lid and contained to prevent scattering by wind.
- All trash and debris will be removed from well site within 30 days after drilling and/or completion operations are finished.

8. **Ancillary Facilities:** All ancillary facilities such as camps and airstrips shall be identified on a map or plat. Information as to location, land area required, and methods to be used in construction shall also be provided.

No Ancillary Facilities are required.

9. **Well Site Layout:** A plat of suitable scale (not less than 1 inch = 50 feet) showing the proposed drill pad, reserve pit location, access road entry points, and its approximate location with respect to topographic features, along with cross section diagrams of the drill pad and the reserve pit showing all cuts and fills and the relation to topography. The plat shall also include the approximate proposed location and orientation of the drilling rig, dikes and ditches to be constructed, and topsoil and/or spoil material stockpiles.

See Exhibit "D". Sketch for the well pad .

10. **Plans for Reclamation of the Surface:** A proposed interim plan for reclamation stabilization of the site and also final reclamation plan shall be provided. The interim portion of the plan shall cover areas of the drillpad not needed for production. The final portion of the plan shall cover final abandonment of the well. The plan shall include, as appropriate, configuration of the reshaped topography, drainage systems, segregation of spoil materials, surface manipulations, redistribution of topsoil, soil treatments, revegetation, and any other practices necessary to reclaim all disturbed areas, including any access roads and pipelines. An estimate of the time for commencement and completion of reclamation operations, including consideration of weather conditions and other local uses of the area, shall be provided.

- After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled and locations cleaned of trash and junk to leave well in as aesthetically pleasing a condition as possible.
- Any unguarded pits containing fluids will be fenced until filled.
- After abandonment of well, surface restoration will be in accordance with the Bureau of Land Management Surface Requirements.

11. **Surface Ownership:** The surface ownership (Federal, Indian, State or private) and administration (BLM, FS, BIA, Department of Defense, etc.) at the well location, and of all lands crossed by roads which are to be constructed or upgraded, shall be indicated. Where the surface of the proposed well site is privately owned, the operator shall provide the name, address and telephone number of the surface owner.

Bureau of Land Management
620 E. Greene Street
Carlsbad, New Mexico 88220

12. **Other Information:** Type of bond. The operator shall be covered by a bond in its own name as principal, or by a bond in the name of the lessee or sublessee.

Burlington Resources Oil & Gas is covered by a statewide bond.

Operator's Representatives:

Field representatives (Responsible for compliance with approved surface use operations plan.)

Burlington Resources Oil & Gas Company
P.O. Box 837
Hobbs, NM 88240
Office: 505-393-5844

Mr. Ed Jackson, Sr. Drilling Foreman
Artesia, NM
Home: 505-746-6173
Mobil: 505-476-7159

Mr. Frank Raybon, Drilling Foreman
Eunice, NM
Home: 505-394-2449
Mobile: 505-369-5367

Jim Kramer, Sr. Staff Drilling Engineer
P.O. Box 51810
Midland, TX 79710-1810
Office: 915-688-6843
Home: 915-694-2499

Hal Lee, Drilling Superintendent
P.O. Box 51810.
Midland, TX 79710-1810
Office: 915-688-6834
Home: 915-685-6073

OPERATORS CERTIFICATION

I hereby certify that I, **Jim Kramer, Senior Staff Drilling Engineer**, under my direct supervision, have inspected the proposed drill site and access route that I am familiar with the conditions that currently exist; that the statements made in the APD package are, to the best of my knowledge, true and correct, and that the work associated with operations proposed herein will be performed by **not yet determined** contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM **statewide** bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

DATE: 3-5-98

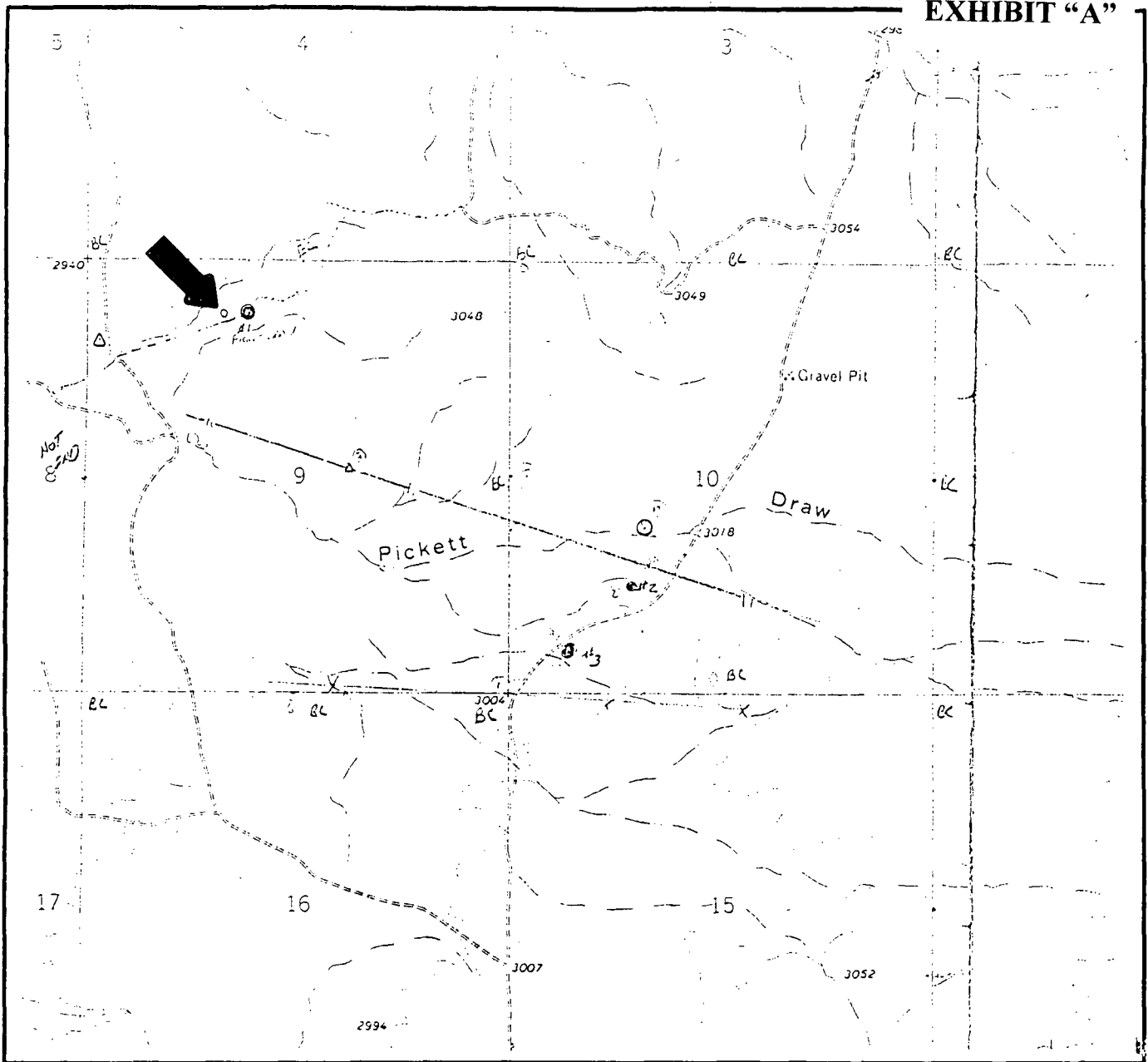
NAME AND TITLE: Jim Kramer, Senior Staff Drilling Engineer

SIGNATURE:

Ann J. B. PERMIAN AREA Dir/9 Supt
for JIM KRAMER

LOCATION & ELEVATION VERIFICATION MAP

EXHIBIT "A"



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 9 TWP 25-S RGE 29-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 660' FNL & 1650' FWL

ELEVATION 2941'

OPERATOR BURLINGTON RES. OIL & GAS CO.

LEASE CORRAL DRAW FEDERAL 9 #1

U.S.G.S. TOPOGRAPHIC MAP

PIERCE CANYON, NEW MEXICO

SCALED LAT. N 32°08'59.8"

LONG. W 103°59'31.9"



This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

TOPOGRAPHIC LAND SURVEYORS

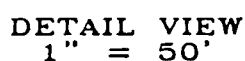
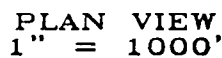
Surveying & Mapping for the Oil & Gas Industry

1307 N. HOBART
PAMPA, TX. 79065
(800) 658-6382

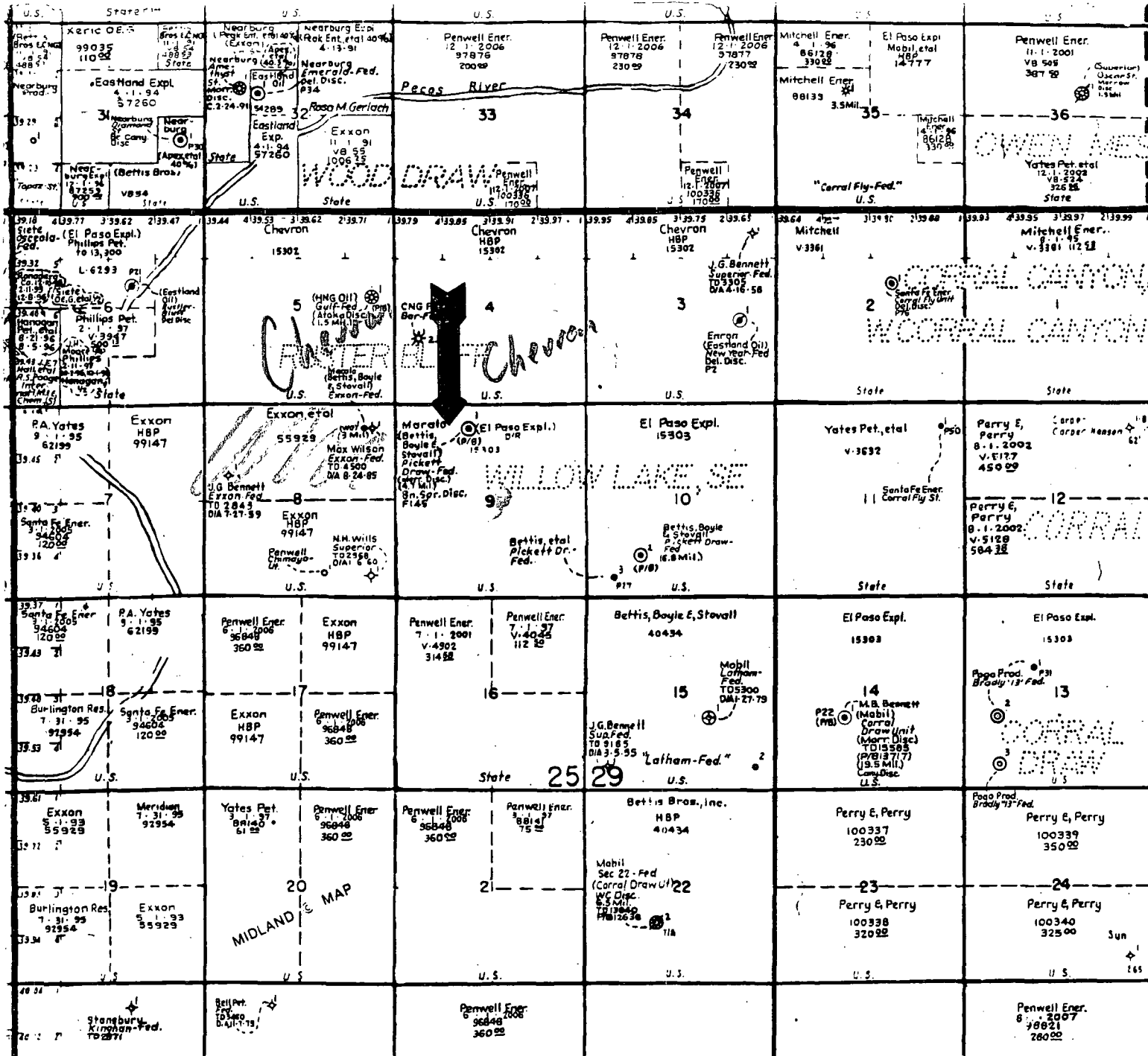
6709 N. CLASSEN BLVD.
OKLAHOMA CITY, OK. 73116
(800) 654-3219

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

EXHIBIT "B"



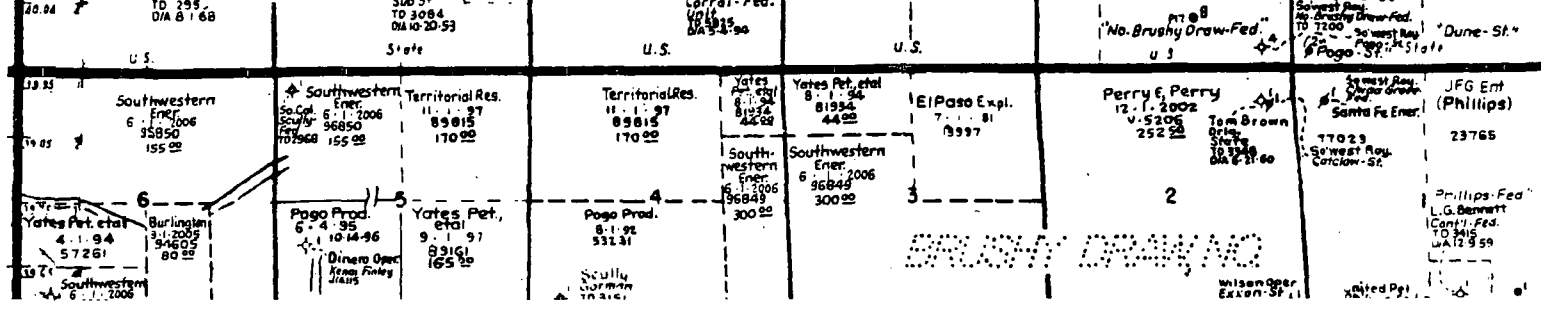
				BURLINGTON OIL & GAS RESOURCES COMPANY	SCALE: AS SHOWN
					DATE: JANUARY 28, 1998
NO.	REVISION	DATE	BY		JOB NO.: 56458
SURVEYED BY: R.R. DRAWN BY: JSJ APPROVED BY: R.M.R.					23 NW SHEET : 1 OF 1
				<i>SURVEYING AND MAPPING BY</i> TOPOGRAPHIC LAND SURVEYORS <i>MIDLAND, TEXAS</i>	



Burlington Resources Oil & Gas Company
Corral Draw 9 Federal #1
C, 660' FNL & 1650' FWL
NE/4 of the NW/4 of Section 9, T25S, R29E
Eddy County, New Mexico
Lse. # NM 15303

EXHIBIT "C"

Proposed Surface Location/Subject to Change Based on Archeological Survey



3558

2940

TOE OF HILL NORTH

OLD PIT

BARICHE PIT

PROPOSED ROAD

3048

3050

2" STEEL SALES LINE

ARC SITE

SHARP PIT B

CLIFF PIT
CLEANED

9

Pickett

EXISTING PAD

PROPOSED ROAD

3557

3556

3004

3000

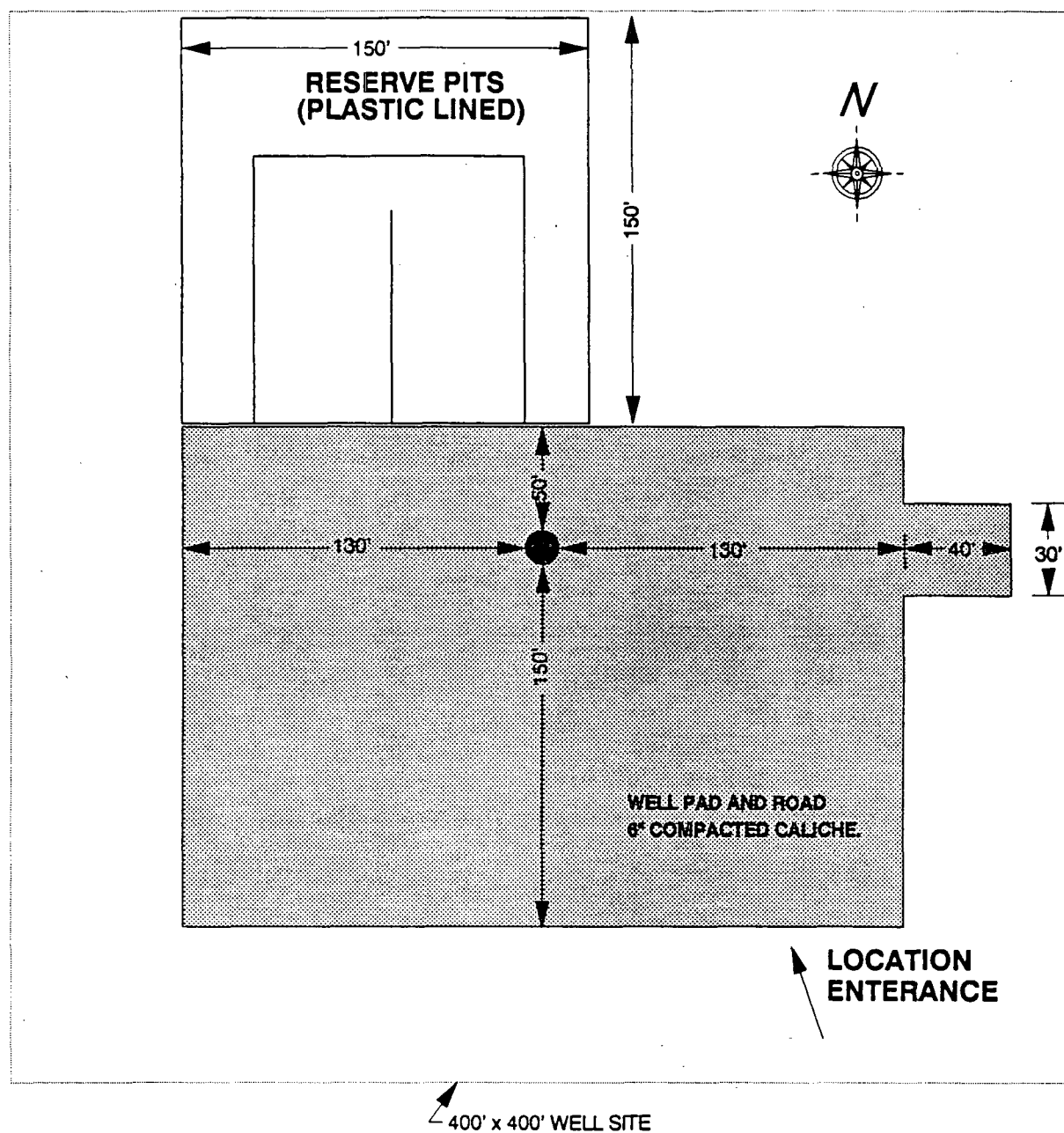
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BURLINGTON RESOURCES OIL & GAS COMPANY

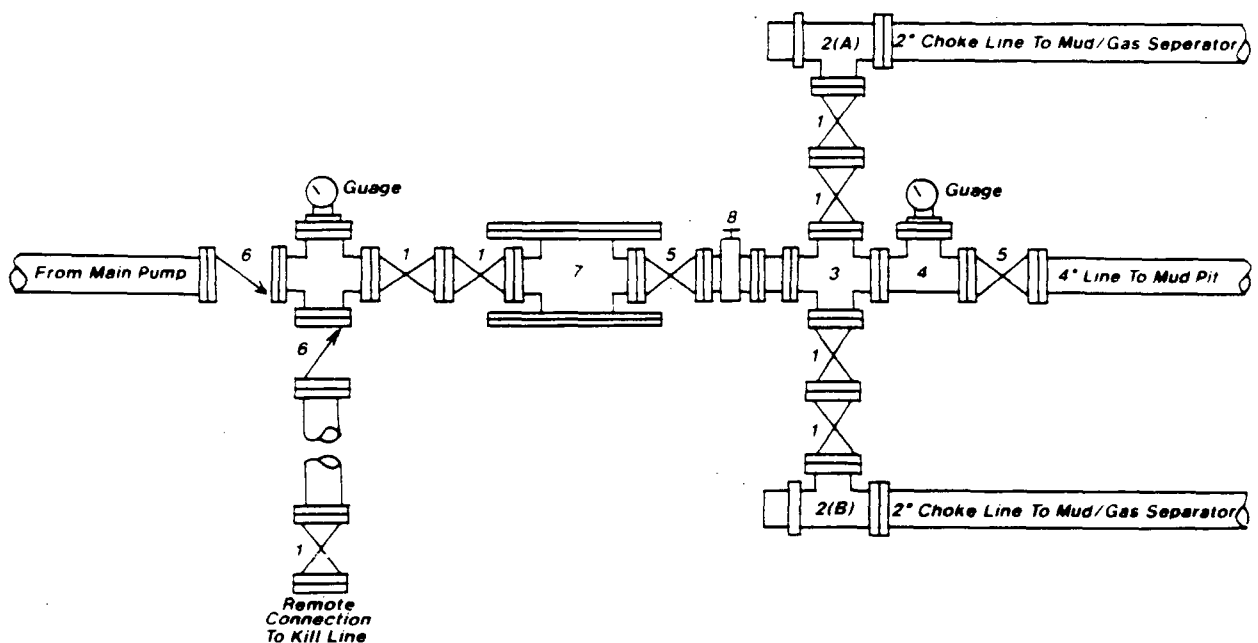
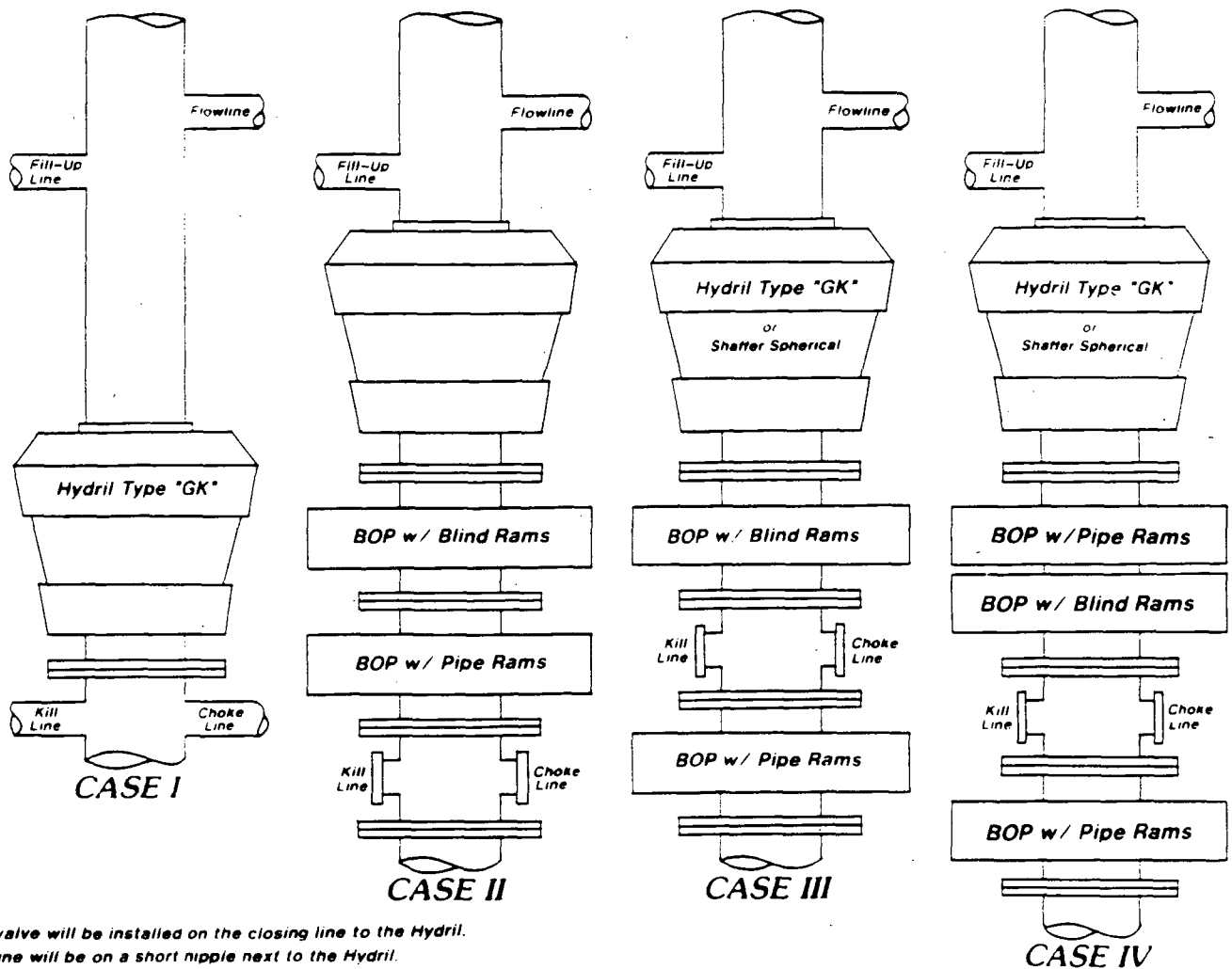
EXHIBIT "D"

**MID-CONTINENT DIVISION
DRILL WELL LOCATION SPECIFICATIONS**



ATTACHMENT "1"

MINIMUM BLOWOUT PREVENTER REQUIREMENTS



Legend

1. 2" flanged all steel valve must be either Cameron "F", Halliburton Low Torque, or Shaffer Flo-Seal.
2. 2" flanged choke, full opening & equipped w/ hard trim.
A. Remote operated
B. Adjustable
3. 4" x 2" flanged steel cross.
4. 4" flanged steel tee.
5. 4" flanged all steel valve (Type as in #1).
6. 2" flanged check valve.
7. Drilling spool w/ 2" x 4" flanged steel outlet.
8. 4" pressure operated gate valve.

Notes

Choke manifold may be located in any convenient position. Use all steel fittings throughout. Make 90° turns with bull plugged tees only. No field welding will be permitted on any of the components of the choke manifold and related equipment upstream of the chokes. The choke spool and all lines and fittings must be at least equivalent to the test pressure of the preventers required. Independent closing control unit with clearly marked controls to be located on derrick floor near driller's position.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVER SHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☒ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Eileen Dey
Print or Type Name

Signature

Regulatory Comp. Spvr.
Title

2-13-98
Date

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

March 5, 1998

**Mr. Michael E. Stogner
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472**

**RE: Package for partially submitted application of 2-13-98
Proposed Horizontal Well
Standard Surface Location
Non-Standard Sub-Surface Bottom Hole Location
Due to Topographic Limitations**

**Burlington Resources Oil & Gas Company, OGRID #26485
Corral Draw 9 Federal #1
Corral Draw Wolfcamp Gas Pool, Pool Code 84330
Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL
Section 9, T25S, R29E, Eddy County, New Mexico
Lse. #NM 15303**

Dear Mr. Stogner:

Burlington Resources Oil & Gas Company desires administrative approval for a non-standard gas producing area/sub-surface bottom hole gas well location for the vertical portion of the wellbore for the proposed horizontal well, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Corral Draw Wolfcamp (Gas) Pool for the Corral Draw 9 Federal #1, located at a standard surface location NE/4 NW/4, 660' FNL & 1650' FWL, (Unit C) of Section 9, T25S, R29E, Eddy County, New Mexico. The N/2 of said Section 9, being a standard 320-acre gas spacing and proration unit for this interval is to be dedicated to said well.

Burlington's request for an unorthodox subsurface bottom hole location of NE/4 NW/4, 560' FNL & 1500' FWL, (Unit C) of Section 9, T25S, R29E, Eddy Co., NM, will allow for potential drilling bit drift to the northwest due to natural drift tendencies during normal vertical rotary drilling operations. Our options to move the surface location to the south and east are closed by topographical limitation (i. e. archeological sites, drainage, and existing oil field facilities). Enclosed is the location plat for this proposed well showing the surface location, proposed kick-off point, wolfcamp penetration point and the proposed horizontal bottom hole location at UL-G, 1980' FNL, 1650' FEL of said Section 9.

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Enclosed is the federal application package for the permit to drill. Burlington requested that the 20-day offset notification clock start February 13, 1998. All affected offsets were notified by certified return-receipt mail on February 13, 1998. A list with the names and addresses of the affected offsets is enclosed.

The applicable drilling window or "producing area" within the Corral Draw Wolfcamp Gas Pool for said wellbore shall include that area within the subject 320-acre spacing and proration unit comprising of the N/2 of said Section 9 that is:

- (a) no closer than 660 feet to the North & South boundary of said 320-acre unit;
- (b) no closer than 1650 feet from the East and West Lines of said Section 9.

Burlington Resources will comply with all provision of Division General Rule 111 applicable in this matter. Please call me if you require additional information on this application.

Sincerely,

Maria L. Perez
Regulatory Representative
A/C 915-688-6906

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Roswell

(s:mlp1:Corral Draw 9 Fed. #1)

Burlington Resources Oil & Gas Co., OGRID# 26485
Corral Draw 9 Federal #1
Corral Draw Wolfcamp Gas Pool
Surf. Loc.: NE/4 NW/4, UL-C, 660' FNL & 1650' FWL
Sec. 9, T25S, R29E, Eddy County, New Mexico
Lse. # NM 15303

NAME AND ADDRESSES OF AFFECTED OFFSETS

(North and NW corner of 320ac Spacing & Proration Unit)

Sec. 4 & 5, T25S, R29E ✓ Chevron U. S. A. Inc.
P. O. Box 1635
Houston, Texas 77251

(West of 320ac Spacing & Proration Unit)

N/2 of Sec. 8, T25S, R29E	✓ Exxon Corporation P. O. Box 2305 Houston, Texas 77252	James R. Guinn Jr., Trustee of The James R. Guinn Family Trust & The James R. Guinn Family Trust A 500 E. Border, Suite 885 Arlington, Texas 76010
	✓ HMJ Minerals, Inc. P. O. Box 1240 Graham, Texas 76450	
	✓ MRL Partners, LP Five Post Oak Park, Suite 1010 Houston, Texas 77027	✓ L. E. Opperman 1505 Neely Midland, Texas 79705
	✓ L. R. French, Jr. P. O. Box 11327 Midland, Texas 79707	✓ The Allar Company P. O. Box 630 Graham, Texas 76046
	✓ Turnco, Inc. P. O. Box 1240 Graham, Texas 76046	✓ Edward K. Gaylord, II Rt. 5, Box 393 Guthrie, Oklahoma 73044
	✓ H. M. Bettis, Inc. P. O. Box 1240 Graham, Texas 76046	B. A. G. A. M., LTD P. O. Box 37 Graham, Texas 76046
	✓ Stoval Investment, Inc. P. O. Box 10 Graham, Texas 76046	✓ CNG Producing Company P. O. Box 2115 Tulsa, Oklahoma 74101

re-sent 2-23-98
✓ Four Greenspoint Plaza 175
16945 Northchase Dr, Suite H
Houston, TX 77060-2133