

BURLINGTON RESOURCES

SAN JUAN DIVISION

June 22, 1998

Sent Federal Express

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: East #5E
1615'FNL, 875'FWL Section 24, T-31-N, R-12-W, San Juan County, NM
30-045-not assigned

Dear Ms. Wrotenbery:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Basin Dakota pool. This application for the referenced location is due to the presence of existing pipelines and the special lease boundaries.

Production from the Basin Dakota is to be included in a 320 acre gas spacing and proration unit comprising of the NE/4 NE/4, S/2, NE/4, SE/4 of Section 24 and the SE/4 SE/4 of Section 23 which is dedicated to the East #5 (30-045-10475) located at 990' FSL, 1650' FWL of Section 24. Attached is a copy of R-9236 establishing this non-standard proration unit for the East #5.

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat and certification of notification
4. 7.5 minute topographic map, and enlargement of the map to define topographic features.

A copy of this application is being submitted to all offset owners/ operators by certified mail with a request that they furnish you with a Waiver of Objection, and return one copy to this office.

We appreciate your earliest consideration of this application.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office
Bureau of Land Management - Farmington District Office
Amoco Production

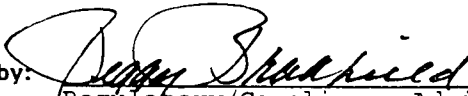
WAIVER

Amoco Production hereby waives objection to Burlington Resources' application for a non-standard location for East #5E as proposed above.

By: _____ Date: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number SF-077652 Unit Reporting Number	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name East 9. Well Number 5E	
4. Location of Well 1615' FNL, 875' FWL Latitude 36° 53.2, Longitude 108° 03.3	10. Field, Pool, Wildcat Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec 24, T-31-N, R-12-W API # 30-045-	
14. Distance in Miles from Nearest Town 5 miles to Aztec	12. County SJ	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 875'		
16. Acres in Lease	17. Acres Assigned to Well 320	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 500'		
19. Proposed Depth 7315'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6150' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Regulatory/Compliance Administrator	5-30-98 Date	

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report submitted - Technical Report #1248 - Arboles

Threatened and Endangered Species Report to be submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.

District I
PO Box 1980, Hobbs, NM 88241-1980

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

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-1
Revised February 21, 19
Instructions on be
Submit to Appropriate District Offi
State Lease - 4 Copi
Fee Lease - 3 Copi

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-045-	71599	Basin Dakota
Property Code	Property Name	Well Number
18517	EAST	5E
GRID No.	Operator Name	Elevation
14538	BURLINGTON RESOURCES OIL & GAS COMPANY	6150'

10 Surface Location

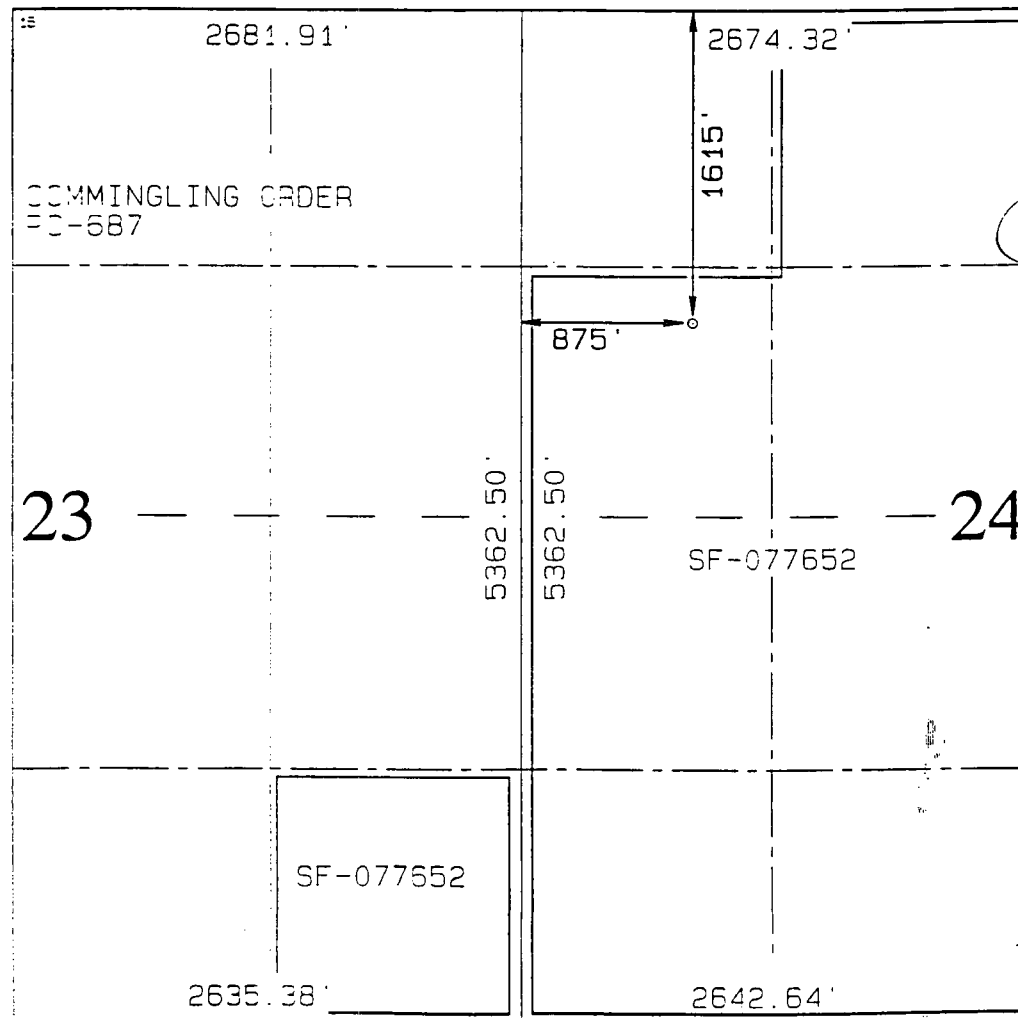
Lot or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	31N	12W		1615	NORTH	875	WEST	SAN JUA

11 Bottom Hole Location If Different From Surface

Lot or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
DK 320			

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



17 OPERATOR CERTIFICATION

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

Peggy Bradford
Signature

Peggy Bradford
Printed Name

Regulatory Administrator
Title

5-30-98

Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 14, 1998

Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
8857
REGISTERED PROFESSIONAL SURVEYOR
Certificate Number

OPERATIONS PLAN

Well Name: East #5E
Location: 1615' FNL, 875' FWL Sec 24, T-31-N, R-12-W
San Juan County, NM
Latitude 36° 53.2, Longitude 108° 03.3
Formation: Basin Dakota
Elevation: 6150' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	988'	
Ojo Alamo	988'	1094'	aquifer
Kirtland	1094'	2035'	gas
Fruitland	2035'	2660'	
Pictured Cliffs	2660'	2809'	gas
Lewis	2809'	3365'	gas
Huerfanito Bentonite	3365'	3737'	gas
Chacra	3737'	4288'	
Massive Cliff House	4288'	4425'	gas
Menefee	4425'	4961'	gas
Massive Point Lookout	4961'	5359'	gas
Mancos Shale	5359'	6265'	
Gallup	6265'	6990'	gas
Greenhorn	6990'	7040'	gas
Dakota	7040'		gas
TD	7315'		

Logging Program:

Mud Logs/Coring/DST -
Mud logs - 5300' to TD.
Coring - none
DST - none
Electric logs - DIL/SP/GR; Density/Neut/GR; Microlog-GR;

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 320'	Spud	8.4-8.9	40-50	no control
320-7315'	LSND	8.4-9.0	40-60	no control

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

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 320'	8 5/8"	23.0#	M-50
7 7/8"	0' - 7315'	4 1/2"	10.5#	J-55

Tubing Program:

0' - 7315' 2 3/8" 4.7# J-55 EUE

BOP Specifications, Wellhead and Tests:

Surface to TD -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1).
After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

6" 2000 psi double gate BOP stack (Reference Figure #2).
After nipple-up prior to completion, pipe rams and casing top will be tested to 3000 psi for 15 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Wellhead -

8 5/8" x 4 1/2" x 2 3/8" x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- A BOP pit level drill will be conducted weekly for each drilling crew.
- All of the BOP tests and drills will be recorded in the daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

8 5/8" surface casing -

Cement to surface w/345 sx Class "B" cement w/2% calcium chloride and 1/4#/sx cellophane flakes (396 cu.ft. of slurry, 100% excess to circulate to surface.) WOC 8 hr prior to drilling out surface casing. Test casing to 600 psi for 30 minutes.

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

Production Casing - 4 1/2"

Lead cement to surface with 1102 sx Class "B" with 3% sodium metasilicate, 1/4 pps flocele, 10 pps gilsonite. Tail with 120 sx 50/50 Class "B" Poz with 2% gel, 1/2 pps cellophane, 10 pps gilsonite (3333 cu.ft., 100% excess).

Or, the alternative two-stage cement job as follows:

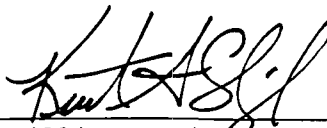
First Stage: Cement to circulate to stage tool @ 4100'. Lead with 462 sx Class "B" with 3% sodium metasilicate, 0.5 pps cellophane, and 10 pps gilsonite. Tail w/100 sx 50/50 Class "B" Poz with 2% gel, 1/2 pps cellophane and 10 pps gilsonite. WOC 4 hours prior to pumping second stage. (Slurry volume: 1465 cu.ft. Excess slurry 100%.)

Second Stage: Cement to circulate to surface. Cement with 649 sx Class "B" with 3% sodium metasilicate, 1/2 pps cellophane, 10 pps gilsonite. WOC a minimum of 18 hours prior to cleanout. (Slurry volume: 1868 cu.ft. Excess slurry: 100%.)

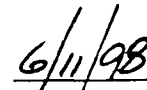
Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty-three centralizers - one every 4th joint to the base of the Ojo Alamo @ 1752'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1752'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Additional Information:

- The Dakota formation will be completed.
- No abnormal temperatures or hazards are anticipated.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The west half of the Section is dedicated to this well.
- This gas is dedicated.
- New casing will be utilized.
- Anticipated pore pressure
 - Fruitland Coal 500 psi
 - Pictured Cliffs 300 psi
 - Mesa Verde 700 psi
 - Dakota 2000 psi
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.



Drilling Engineer



Date

BURLINGTON RESOURCES

East #5E

Multi-Point Surface Use Plan

1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. None required.
3. Location of Existing Wells - Refer to Map No. 1A.
4. Location of Existing and/or Proposed Facilities if Well is Productive -
 - a. On the Well Pad - Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad - Anticipated pipeline facilities as shown on the attached plat from Williams Field Service.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from City of Aztec, SE/4 Section 5, T-31-N, R-10-W, New Mexico
6. Source of Construction Materials - If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
7. Methods of Handling Waste Materials - All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. Reserve pits will be lined as needed with either 12 mil bio-degradable plastic liner or a bentonite liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
8. Ancillary Facilities - None anticipated.
9. Wellsite Layout - Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.

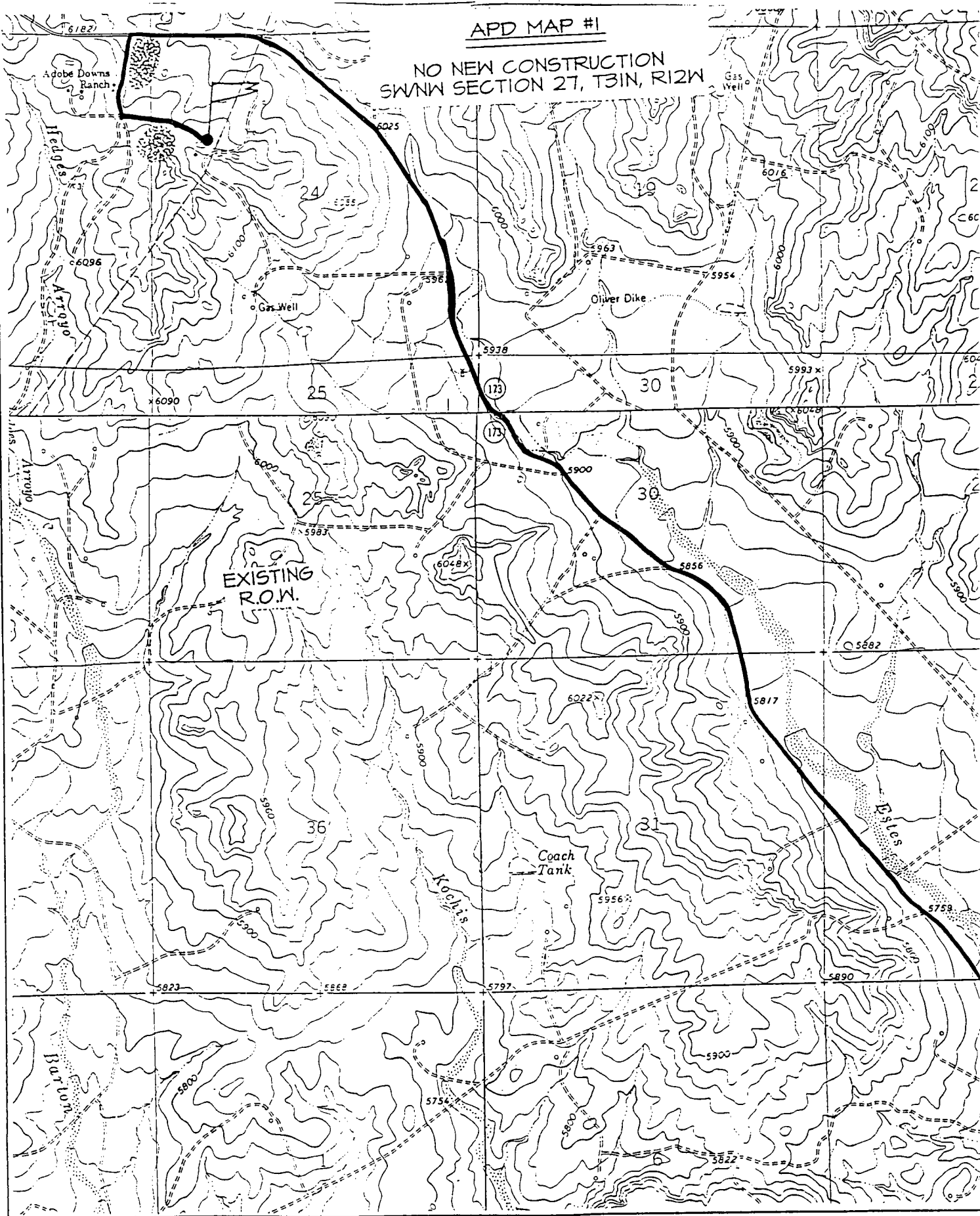
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
11. Surface Ownership - Eugene Harper
12. Other Information - Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
13. Operator's Representative and Certification - Burlington Resources Oil & Gas Company Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Burlington Resources Oil and Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

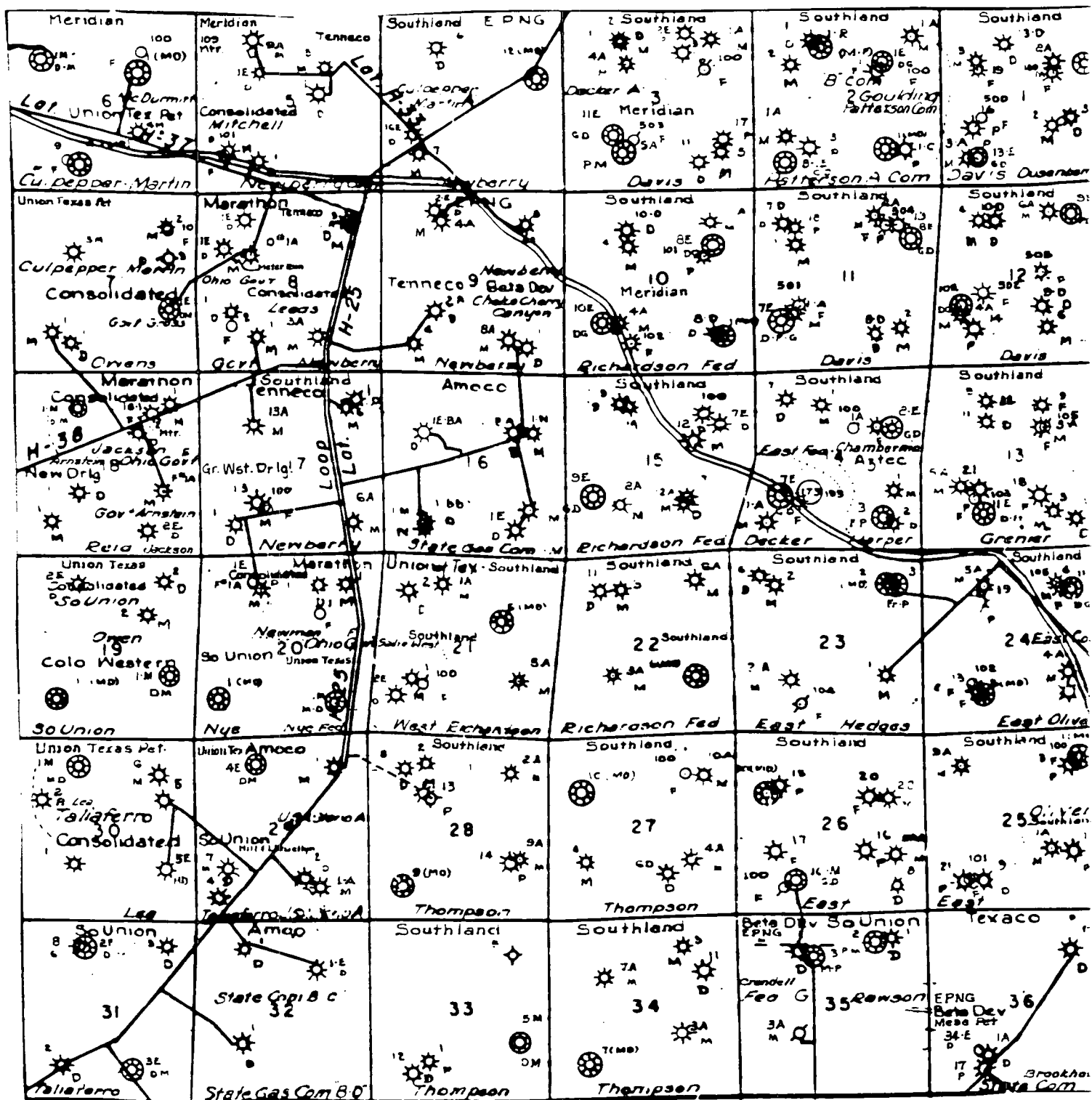

Regulatory/Compliance Administrator 5-30-98
Date

pb

SAN JUAN COUNTY, NEW MEXICO

NO NEW CONSTRUCTION
SWNW SECTION 27, T31N, R12W





MERIDIAN OIL INC.
 Pipeline Map
 T-31-N, R-12-W
 San Juan County, New Mexico
 East #5E
 Map 1A

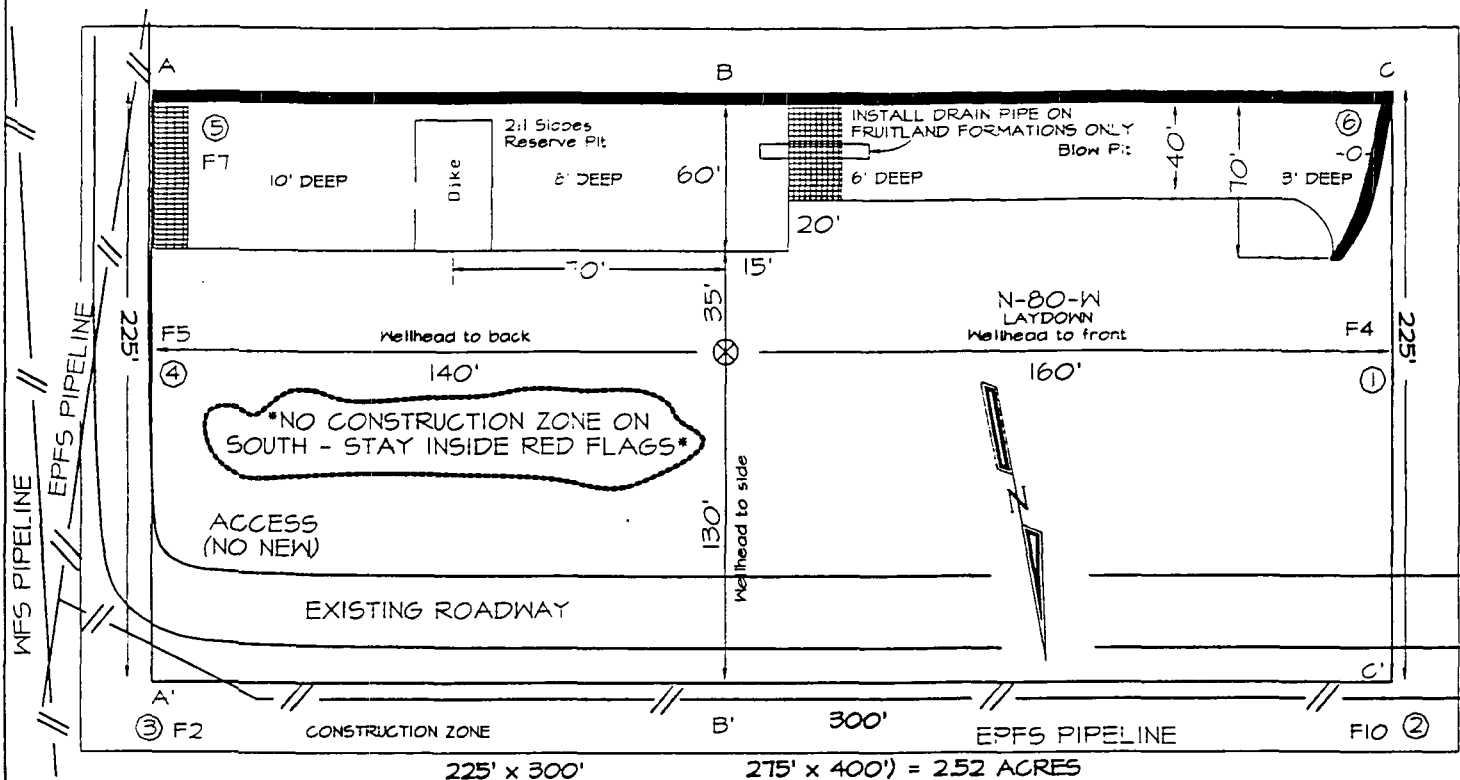
BURLINGTON RESOURCES OIL & GAS COMPANY
EAST #5E, 1615' FNL & 875' FWL
SECTION 24, T31N, R12W, NMPM, SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6150' DATE: MARCH 14, 1998

EURLINGTON RESOURCES OIL & GAS COMPANY

EAST #5E, 1615' FNL & 875' FWL

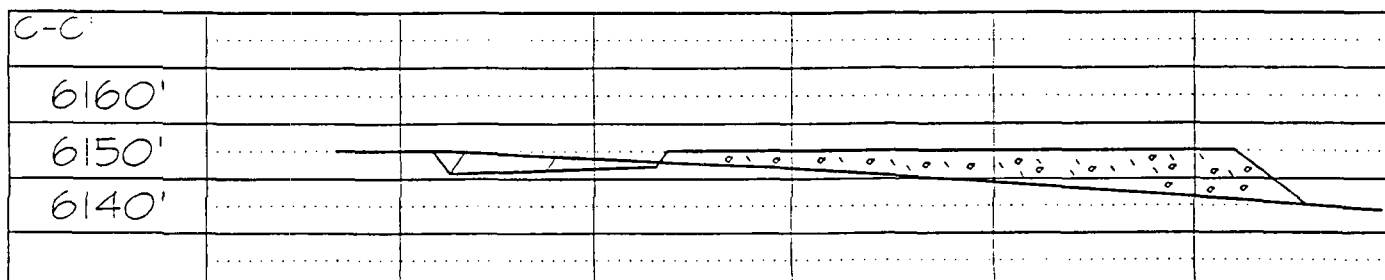
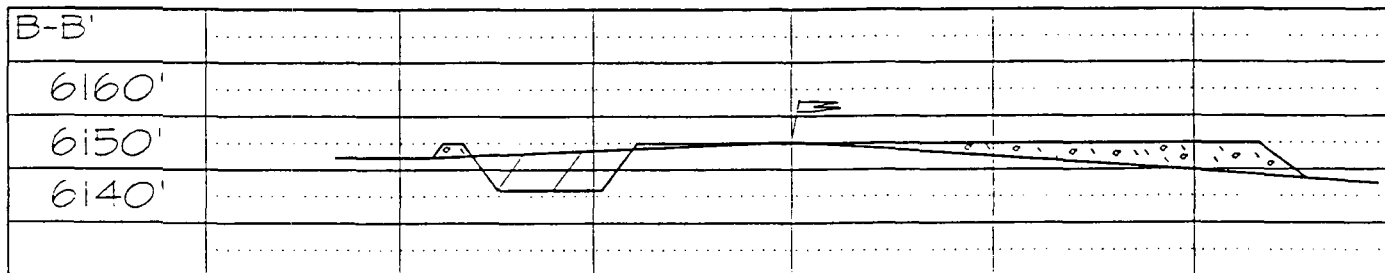
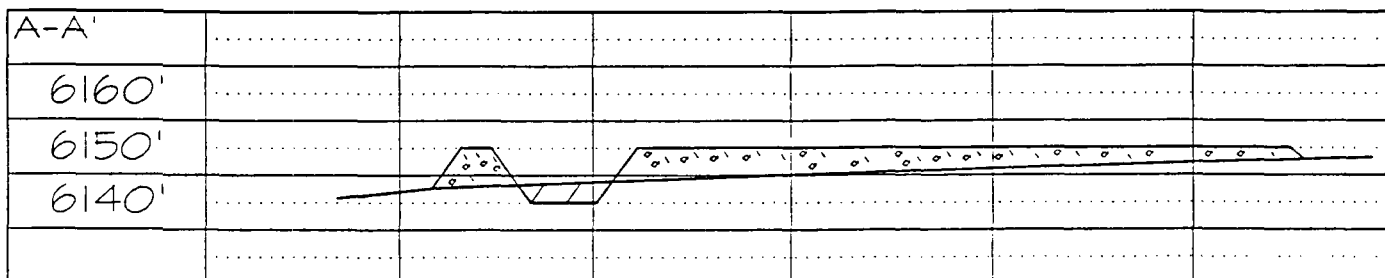
SECTION 24, T31N, R12W, NMPM, SAN JUAN COUNTY, NEW MEXICO

GROUND ELEVATION: 6150' DATE: MARCH 14, 1998



Reserve Pit Dike: to be 8' above Deep side (overflow - 3' wide and 1' above shallow side).

Blow Pit: overflow pipe halfway between top and bottom and to extend over plastic liner and into blow pi



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

BURLINGTON RESOURCES OIL AND GAS COMPANY

East #5E

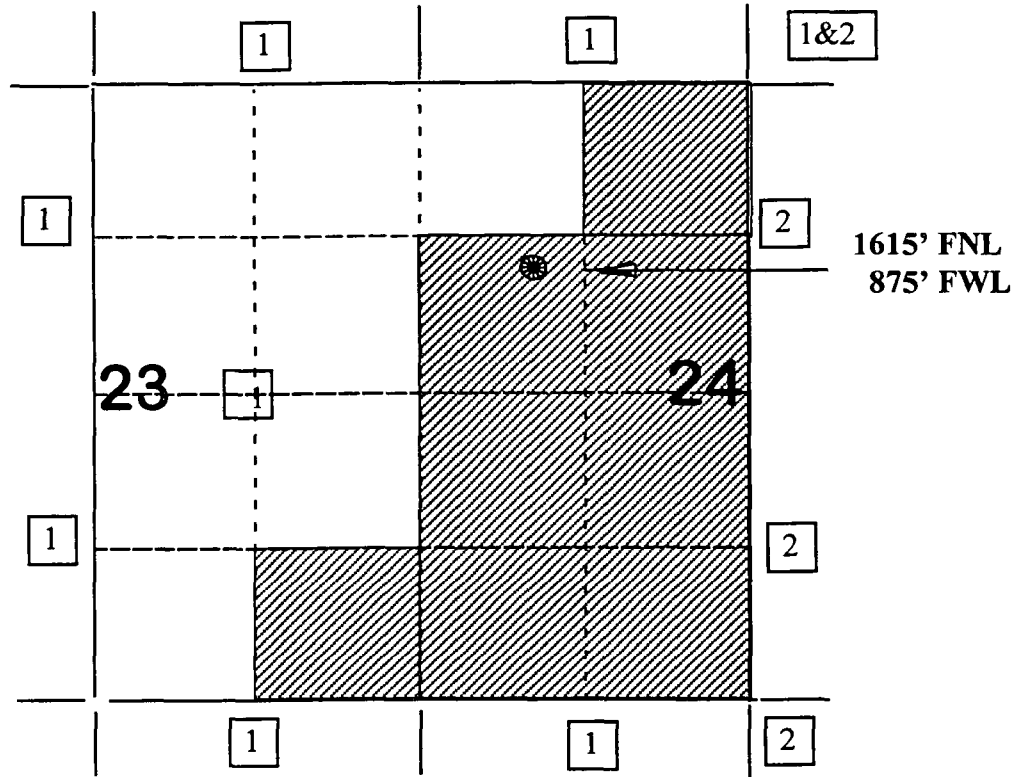
OFFSET OPERATOR/OWNER PLAT

Nonstandard Location

**(Nonstandard Dedication NE/4 NE/4, S/2, NE/4, SE/4
Section 24 and SE/4 SE/4 Section 23)**

Dakota Formation Well

Township 31 North, Range 12 West

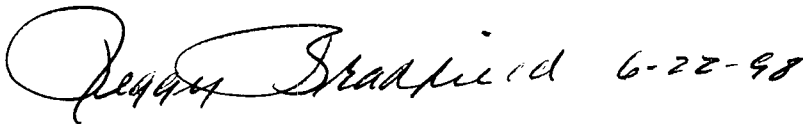


- 1) Burlington Resources
- 2) Amoco Production Company
Attn: Steve Trefz
P.O. Box 800
1670 Broadway
Denver, CO 80201

Re: East #5E
1615'FNL, 875'FWL Section 24, T-31-N, R-12-W, San Juan County, NM
30-045-not assigned

I hereby certify that the following offset operators/owners have been mailed notification of our application for non-standard location to drill the referenced well.

Amoco Production
Att: Steve Trefz
PO Box 800
Denver, CO 80201

A handwritten signature in cursive script that reads "Peggy Bradfield 6-22-98". The signature is written in black ink and is positioned above the printed name and title.

Peggy Bradfield
Regulatory/Compliance Administrator

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9976
Order No. R-9236

APPLICATION OF SOUTHLAND ROYALTY
COMPANY FOR TWO NON-STANDARD
GAS PRORATION UNITS, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 27, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 20th day of July, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Southland Royalty Company, seeks approval for two 320-acre non-standard gas proration units for Basin-Fruitland Coal Gas Pool production in portions of Sections 23 and 24, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, described as follows:

CASE NO. 9976
Order No. R-9236
Page -2-

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	320	Section 23: W/2 E/2, E/2 NE/4, and NE/4 SE/4 Section 24: NW/4 NW/4
2	320	Section 23: SE/4 SE/4 Section 24: E/2 W/2, W/2 SW/4, and SW/4 NW/4

(3) The applicant currently operates all of the acreage contained within each of the proposed non-standard gas proration units and proposes to either drill or recomplete a well to the Basin-Fruitland Coal Gas Pool in each of said proposed non-standard gas proration units.

(4) According to evidence and testimony presented by the applicant, each of the proposed non-standard gas proration units has previously been approved by the Division for use in developing gas reserves in the Blanco-Mesaverde and Basin-Dakota Pools, said approval granted by Division Order Nos. NWU-37, NWU-411, R-230 and R-1902.

(5) The evidence and testimony further indicates that each of the subject non-standard gas proration units consists of a single lease and was initially formed so as to conform to the boundaries of each respective lease.

(6) The applicant seeks to establish said non-standard gas proration units in the Basin-Fruitland Coal Gas Pool in order to maintain common ownership within the various producing formations underlying each respective proration unit.

(7) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

CASE NO. 9976
 Order No. R-9236
 Page -3-

(8) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Basin-Fruitland Coal Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and will better enable the applicant to protect the correlative rights of the interest owners underlying the proposed proration units.

IT IS THEREFORE ORDERED THAT:

(1) The following described non-standard gas spacing and proration units in the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico, are hereby established:

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

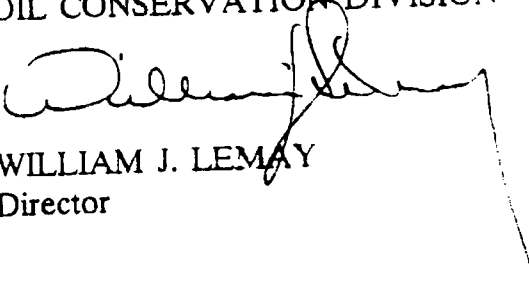
<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	320	Section 23: W/2 E/2, E/2 NE/4, and NE/4 SE/4 Section 24: NW/4 NW/4
2	320	Section 23: SE/4 SE/4 Section 24: E/2 W/2, W/2 SW/4, and SW/4 NW/4

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 9976
Order No. R-9236
Page -4-

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

DATE IN 6/23/98	SUSPENSE 7/13/98	ENGINEER MS	LOGGED BY NW	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2040 South Pacheco, Santa Fe, NM 87505



ND - BDL

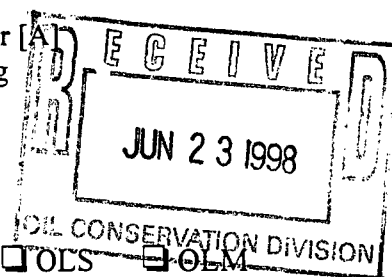
ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATION FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

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] or [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 - Certification

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 managerial and/or supervisory capacity.

Print or Type Name

(Signature)

Title

Date

BURLINGTON RESOURCES

SAN JUAN DIVISION

June 22, 1998

Sent Federal Express

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: East #5E
1615'FNL, 875'FWL Section 24, T-31-N, R-12-W, San Juan County, NM
30-045-not assigned

Dear Ms. Wrotenbery:

NE 1/4 NW 1/4, S 2 NW 1/4, SW 1/4

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Basin Dakota pool. This application for the referenced location is due to the presence of existing pipelines and the special lease boundaries.

Production from the Basin Dakota is to be included in a 320 acre gas spacing and proration unit comprising of the ~~NE 1/4 NE 1/4, S 2, NE 1/4, SE 1/4 of~~ Section 24 and the SE 1/4 SE 1/4 of Section 23 which is dedicated to the East #5 (30-045-10475) located at 990' FSL, 1650' FWL of Section 24. Attached is a copy of R-9236 establishing this non-standard proration unit for the East #5.

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat and certification of notification
4. 7.5 minute topographic map, and enlargement of the map to define topographic features.

A copy of this application is being submitted to all offset owners/ operators by certified mail with a request that they furnish you with a Waiver of Objection, and return one copy to this office.

We appreciate your earliest consideration of this application.

Sincerely,



Peggy Bradfield
Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office
Bureau of Land Management - Farmington District Office
Amoco Production


WAIVER

Amoco Production hereby waives objection to Burlington Resources' application for a non-standard location for East #5E as proposed above.

By: _____ Date: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number SF-077652 Unit Reporting Number	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name East 9. Well Number 5E	
4. Location of Well 1615' FNL, 875' FWL Latitude 36° 53.2, Longitude 108° 03.3	10. Field, Pool, Wildcat Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec 24, T-31-N, R-12-W API # 30-045-	
14. Distance in Miles from Nearest Town 5 miles to Aztec	12. County SJ	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 875'		
16. Acres in Lease	17. Acres Assigned to Well 320	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 500'		
19. Proposed Depth 7315'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6150' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Regulatory/Compliance Administrator	5-30-98 Date	

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report submitted - Technical Report #1248 - Arboles
Threatened and Endangered Species Report to be submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or presentations as to any matter within its jurisdiction.

District I
Box 1980, Hobbs, NM 88241-1980

District II
Drawer DD, Artesia, NM 88211-0719

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

District IV
Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-		2 Pool Code 71599		3 Pool Name Basin Dakota	
4 Property Code 18517		5 Property Name EAST			6 Well Number 5E
7 OGRID No. 14538		8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			9 Elevation 6150'

10 Surface Location

11 or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	31N	12W		1615	NORTH	875	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

11 or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres DK 320		13 Joint or Infill		14 Consolidation Code		15 Order No.	
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>2681.91'</p> <p>COMMINGLING ORDER OC-687</p> <p>23</p> <p>5362.50'</p> <p>SF-077652</p> <p>2635.38'</p>		<p>2674.32'</p> <p>1615'</p> <p>875'</p> <p>24</p> <p>SF-077652</p> <p>2642.64'</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Peggy Bradford</i> Signature</p> <p>Peggy Bradford Printed Name</p> <p>Regulatory Administrator Title</p> <p>5-30-98 Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 14, 1998 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>NEALE C. EDWARDS NEW MEXICO 8857 REGISTERED PROFESSIONAL SURVEYOR</p> <p>* East #5</p>	
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OPERATIONS PLAN

Well Name: East #5E
Location: 1615' FNL, 875' FWL Sec 24, T-31-N, R-12-W
San Juan County, NM
Latitude 36° 53.2, Longitude 108° 03.3
Formation: Basin Dakota
Elevation: 6150' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	988'	
Ojo Alamo	988'	1094'	aquifer
Kirtland	1094'	2035'	gas
Fruitland	2035'	2660	
Pictured Cliffs	2660'	2809'	gas
Lewis	2809'	3365'	gas
Huerfanito Bentonite	3365'	3737'	gas
Chacra	3737'	4288'	
Massive Cliff House	4288'	4425'	gas
Menefee	4425'	4961'	gas
Massive Point Lookout	4961'	5359'	gas
Mancos Shale	5359'	6265'	
Gallup	6265'	6990'	gas
Greenhorn	6990'	7040'	gas
Dakota	7040'		gas
TD	7315'		

Logging Program:

Mud Logs/Coring/DST -

Mud logs - 5300' to TD.

Coring - none

DST - none

Electric logs - DIL/SP/GR; Density/Neut/GR; Microlog-GR;

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 320'	Spud	8.4-8.9	40-50	no control
320-7315'	LSND	8.4-9.0	40-60	no control

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

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csq. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 320'	8 5/8"	23.0#	M-50
7 7/8"	0' - 7315'	4 1/2"	10.5#	J-55

Tubing Program:

0' - 7315' 2 3/8" 4.7# J-55 EUE

BOP Specifications, Wellhead and Tests:

Surface to TD -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

6" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams and casing top will be tested to 3000 psi for 15 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Wellhead -

8 5/8" x 4 1/2" x 2 3/8" x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- A BOP pit level drill will be conducted weekly for each drilling crew.
- All of the BOP tests and drills will be recorded in the daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

8 5/8" surface casing -

Cement to surface w/345 sx Class "B" cement w/2% calcium chloride and 1/4#/sx cellophane flakes (396 cu.ft. of slurry, 100% excess to circulate to surface.) WOC 8 hr prior to drilling out surface casing. Test casing to 600 psi for 30 minutes.

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

Production Casing - 4 1/2"

Lead cement to surface with 1102 sx Class "B" with 3% sodium metasilicate, 1/4 pps flocele, 10 pps gilsonite. Tail with 120 sx 50/50 Class "B" Poz with 2% gel, 1/2 pps cellophane, 10 pps gilsonite (3333 cu.ft., 100% excess).

Or, the alternative two-stage cement job as follows:

First Stage: Cement to circulate to stage tool @ 4100'. Lead with 462 sx Class "B" with 3% sodium metasilicate, 0.5 pps cellophane, and 10 pps gilsonite. Tail w/100 sx 50/50 Class "B" Poz with 2% gel, 1/2 pps cellophane and 10 pps gilsonite. WOC 4 hours prior to pumping second stage. (Slurry volume: 1465 cu.ft. Excess slurry 100%.)

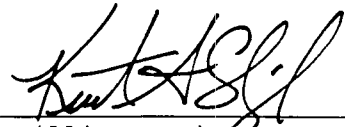
Second Stage: Cement to circulate to surface. Cement with 649 sx Class "B" with 3% sodium metasilicate, 1/2 pps cellophane, 10 pps gilsonite. WOC a minimum of 18 hours prior to cleanout. (Slurry volume: 1868 cu.ft. Excess slurry: 100%.)

Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty-three centralizers - one every 4th joint to the base of the Ojo Alamo @ 1752'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1752'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

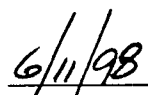
Additional Information:

- The Dakota formation will be completed.
- No abnormal temperatures or hazards are anticipated.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The west half of the Section is dedicated to this well.
- This gas is dedicated.
- New casing will be utilized.
- Anticipated pore pressure

Fruitland Coal	500 psi
Pictured Cliffs	300 psi
Mesa Verde	700 psi
Dakota	2000 psi
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.



Drilling Engineer



Date

BURLINGTON RESOURCES

East #5E Multi-Point Surface Use Plan

1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. None required.
3. Location of Existing Wells - Refer to Map No. 1A.
4. Location of Existing and/or Proposed Facilities if Well is Productive -
 - a. On the Well Pad - Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad - Anticipated pipeline facilities as shown on the attached plat from Williams Field Service.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from City of Aztec, SE/4 Section 5, T-31-N, R-10-W, New Mexico
6. Source of Construction Materials - If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
7. Methods of Handling Waste Materials - All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. Reserve pits will be lined as needed with either 12 mil bio-degradable plastic liner or a bentonite liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
8. Ancillary Facilities - None anticipated.
9. Wellsite Layout - Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.

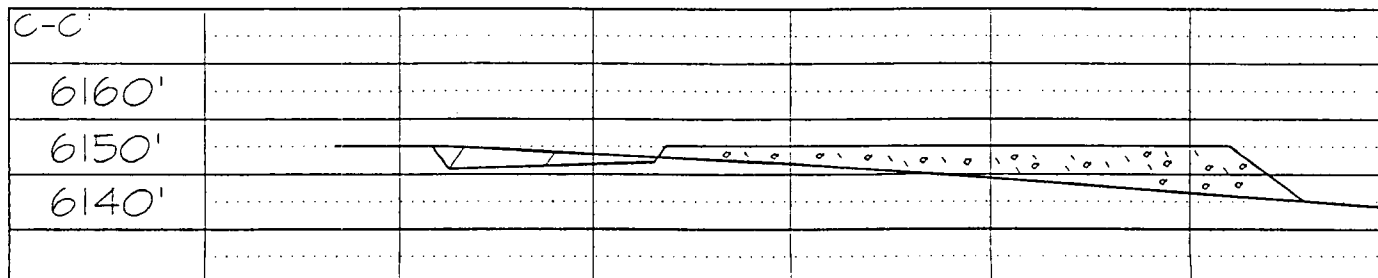
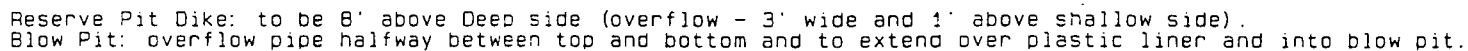
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
11. Surface Ownership - Eugene Harper
12. Other Information - Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
13. Operator's Representative and Certification - Burlington Resources Oil & Gas Company Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Burlington Resources Oil and Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Regulatory/Compliance Administrator 5-30-98
Date

pb

Esels

#1 BURLINGTON RESOURCES OIL & GAS COMPANY
EAST #5E, 1615' FNL & 875' FWL
SECTION 24, T31N, R12W, NMPM, SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6150' DATE: MARCH 14, 1998



Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

BURLINGTON RESOURCES OIL AND GAS COMPANY

East #5E

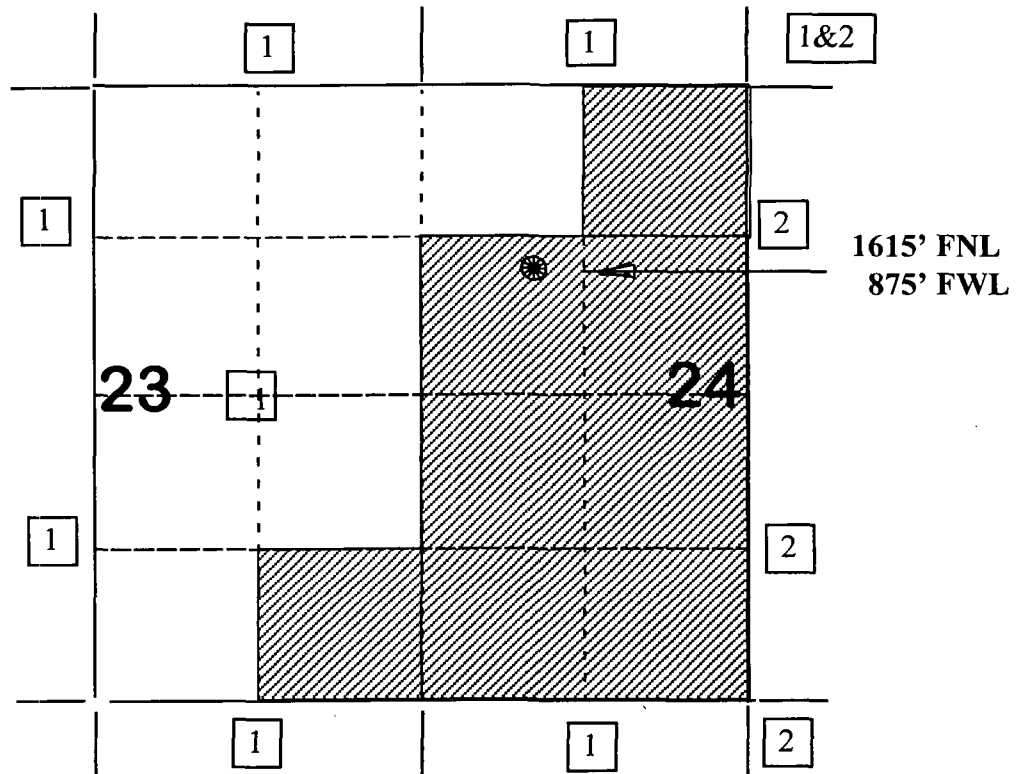
OFFSET OPERATOR/OWNER PLAT

Nonstandard Location

**(Nonstandard Dedication NE/4 NE/4, S/2, NE/4, SE/4
Section 24 and SE/4 SE/4 Section 23)**

Dakota Formation Well

Township 31 North, Range 12 West

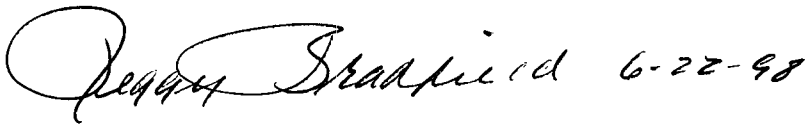


- 1) Burlington Resources
- 2) Amoco Production Company
Attn: Steve Trefz
P.O. Box 800
1670 Broadway
Denver, CO 80201

Re: East #5E
1615'FNL, 875'FWL Section 24, T-31-N, R-12-W, San Juan County, NM
30-045-not assigned

I hereby certify that the following offset operators/owners have been mailed notification of our application for non-standard location to drill the referenced well.

Amoco Production
Att: Steve Trefz
PO Box 800
Denver, CO 80201

A handwritten signature in cursive script that reads "Peggy Bradfield 6-22-98". The signature is written in black ink and is positioned above the printed name and title.

Peggy Bradfield
Regulatory/Compliance Administrator

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9976
Order No. R-9236

APPLICATION OF SOUTHLAND ROYALTY
COMPANY FOR TWO NON-STANDARD
GAS PRORATION UNITS, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 27, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 20th day of July, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Southland Royalty Company, seeks approval for two 320-acre non-standard gas proration units for Basin-Fruitland Coal Gas Pool production in portions of Sections 23 and 24, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, described as follows:

CASE NO. 9976
Order No. R-9236
Page -2-

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	320	Section 23: W/2 E/2, E/2 NE/4, and NE/4 SE/4 Section 24: NW/4 NW/4
2	320	Section 23: SE/4 SE/4 Section 24: E/2 W/2, W/2 SW/4, and SW/4 NW/4

(3) The applicant currently operates all of the acreage contained within each of the proposed non-standard gas proration units and proposes to either drill or recomplete a well to the Basin-Fruitland Coal Gas Pool in each of said proposed non-standard gas proration units.

(4) According to evidence and testimony presented by the applicant, each of the proposed non-standard gas proration units has previously been approved by the Division for use in developing gas reserves in the Blanco-Mesaverde and Basin-Dakota Pools, said approval granted by Division Order Nos. NWU-37, NWU-411, R-230 and R-1902.

(5) The evidence and testimony further indicates that each of the subject non-standard gas proration units consists of a single lease and was initially formed so as to conform to the boundaries of each respective lease.

(6) The applicant seeks to establish said non-standard gas proration units in the Basin-Fruitland Coal Gas Pool in order to maintain common ownership within the various producing formations underlying each respective proration unit.

(7) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

CASE NO. 9976
 Order No. R-9236
 Page -3-

(8) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Basin-Fruitland Coal Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and will better enable the applicant to protect the correlative rights of the interest owners underlying the proposed proration units.

IT IS THEREFORE ORDERED THAT:

(1) The following described non-standard gas spacing and proration units in the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico, are hereby established:

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

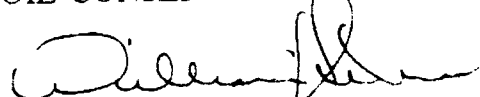
<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	320	Section 23: W/2 E/2, E/2 NE/4, and NE/4 SE/4 Section 24: NW/4 NW/4
2	320	Section 23: SE/4 SE/4 Section 24: E/2 W/2, W/2 SW/4, and SW/4 NW/4

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 9976
Order No. R-9236
Page -4-

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L