NSL 10/13/98

BURLINGTON RESOURCES

MID-CONTINENT DIVISION

September 17, 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 Gas Well
Standard Surface Location
*Non-Standard Sub-Surface Bottom Hole Location
Due to direction of reservoir trend.

Burlington Resources Oil & Gas Company, OGRID #26485
El Paso "14" Federal #2
Ross Draw Wolfcamp Gas Pool, Pool Code 84330
Surf. Loc.: SE/4 NW/4, UL-F, 1430' FNL & 2310' FWL
Section 14, T26S, R30E, Eddy County, New Mexico
Lse. #NM 93207

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 horizontal portion of the wellbore for this proposed new drill well, pursuant to Division General Rule 104.F and 111.C(2) to be applicable to the Ross Draw Wolfcamp (Gas) Pool for the El Paso "14" Federal #2, located at a standard surface location SE/4 NW/4, 1430' FNL & 2310' FWL, (Unit F) of Section 14, T26S, R30E, Eddy County, New Mexico.

The N/2 of said Section 14, being a standard 320-acre gas spacing and proration unit for this interval, is to be dedicated to said well.

Burlington Resources proposes to drill the El Paso 14 Federal #2 to an unorthodox bottom hole location of 2090' FNL & 1210' FEL of Section 14, T26S, R30E. This well location was chosen to test a seismic anomaly that appears to correlate with reservoir thickness. As the attached drawings indicate, a substantial part of the orthodox location in the north half of Section 14 is outside of the anomaly. A Vertical pilot hole must be drilled and logged to identify the depth and thickness of the target for the horizontal lateral, so the surface location of the well must be placed within the seismic anomaly. Experience has shown that these wells must be drilled in a southeasterly direction to maximize our exposure to fractures and that drilling the lateral in a downdip direction increases our ability to keep the lateral

within the target. For these reasons, we obtain the greatest efficiency by placing the wells in the northwest corner of the orthodox locations. In the case of the El Paso 14 Federal #2 however, the northwest corner is outside the seismic anomaly so we would like to move the surface location east and south (2310 FWL & 1430' FNL).

If we drill to the southeast corner of the orthodox location (1980' FNL & 1650' FEL) we will only cut 1430' of lateral. Based on our experience with the El Paso 23 Federal #2, we feel that additional lateral will greatly increase our chances of making a profitable well. Our unorthodox bottom hole location will allow us to reach 1880' of vertical section. This should optimize our recovery of gas in the north half of section 14.

Enclosed is a copy of the federal application for permit to drill. Burlington Resources Oil & Gas Co. is the only affected offset to the north, northeast, east, southeast and south sides of this 320 acre proration unit on which sides the sub-surface horizontal bottom hole location encroaches on.

The applicable drilling window or "producing area" within the Ross 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 14 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 14.**

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

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:El Paso 14 Fed. #2-U0L.doc)

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

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

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

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

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

Form C-102
Revised 02-10-94

Instructions on back

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
	84330	ROSS DRAW WOLFCAMP GAS

[4] Property Code	[5] Property Name	[6] Well Number
	EL PASO "14" FEDERAL	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
26485	BURLINGTON RESOURCES OIL & GAS COMPANY	3198'

[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
F	14	26 SOUTH	30 EAST, N.M.P.M.		1430'	NORTH	2310'	WEST	EDDY

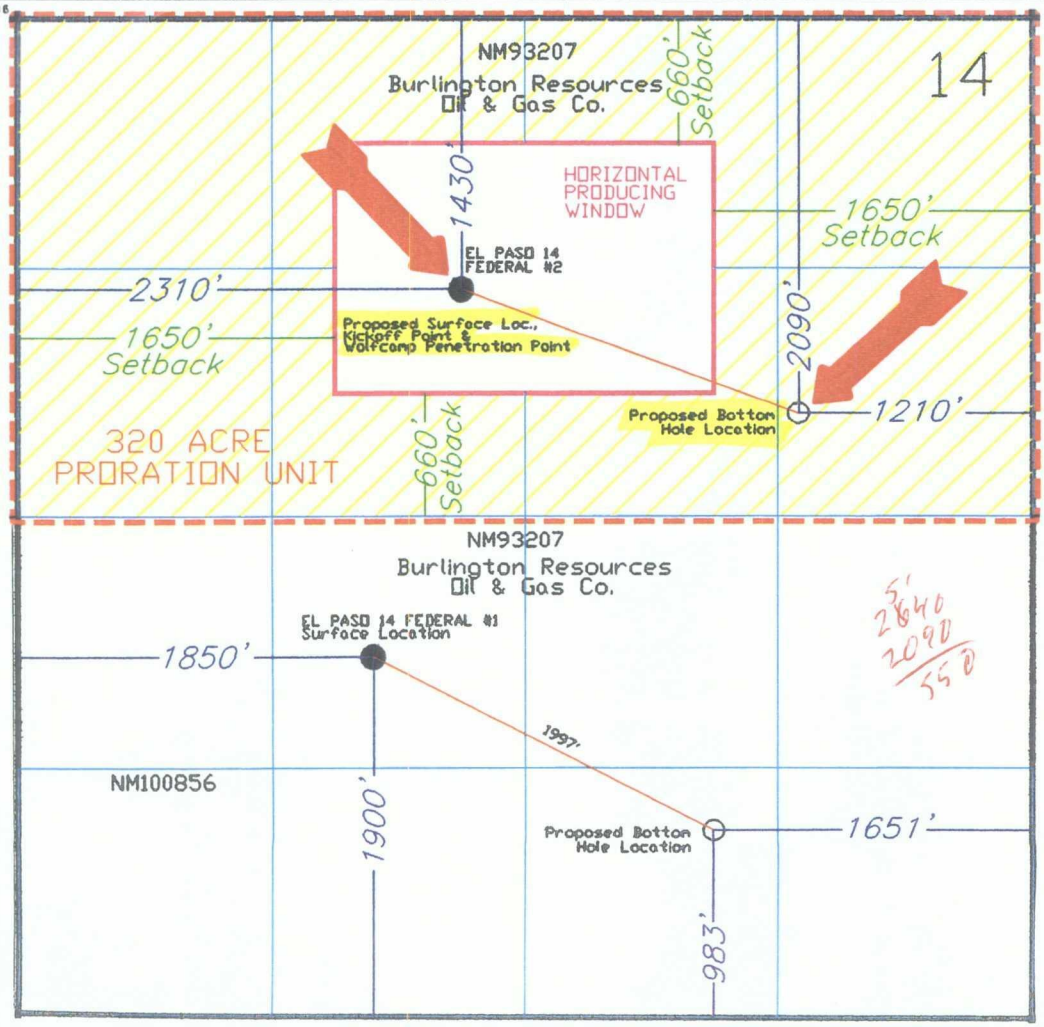
[11] BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
H	14	26 SOUTH	30 EAST, N.M.P.M.		2090'	NORTH	1210'	EAST	EDDY

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

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

[16]



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 REP.

Date: 9-15-98

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: AUGUST 10, 1998

Signature and Seal of Professional Surveyor

ROGER M. ROBBINS — NEW MEXICO — REGISTERED PROFESSIONAL SURVEYOR — 12128

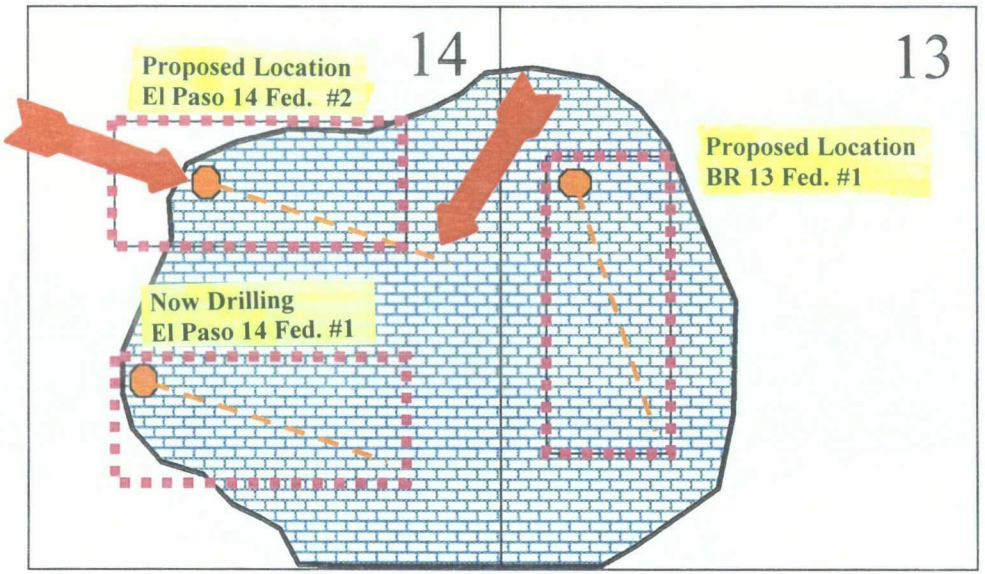
Roger M. Robbins

Certificate No. ROGER M. ROBBINS P.S. #12128

JOB #60343 / 23 SE / V.H.B.

Burlington Resources #2 El Paso Federal 14

T26S R30E



N

Seismic Anomaly

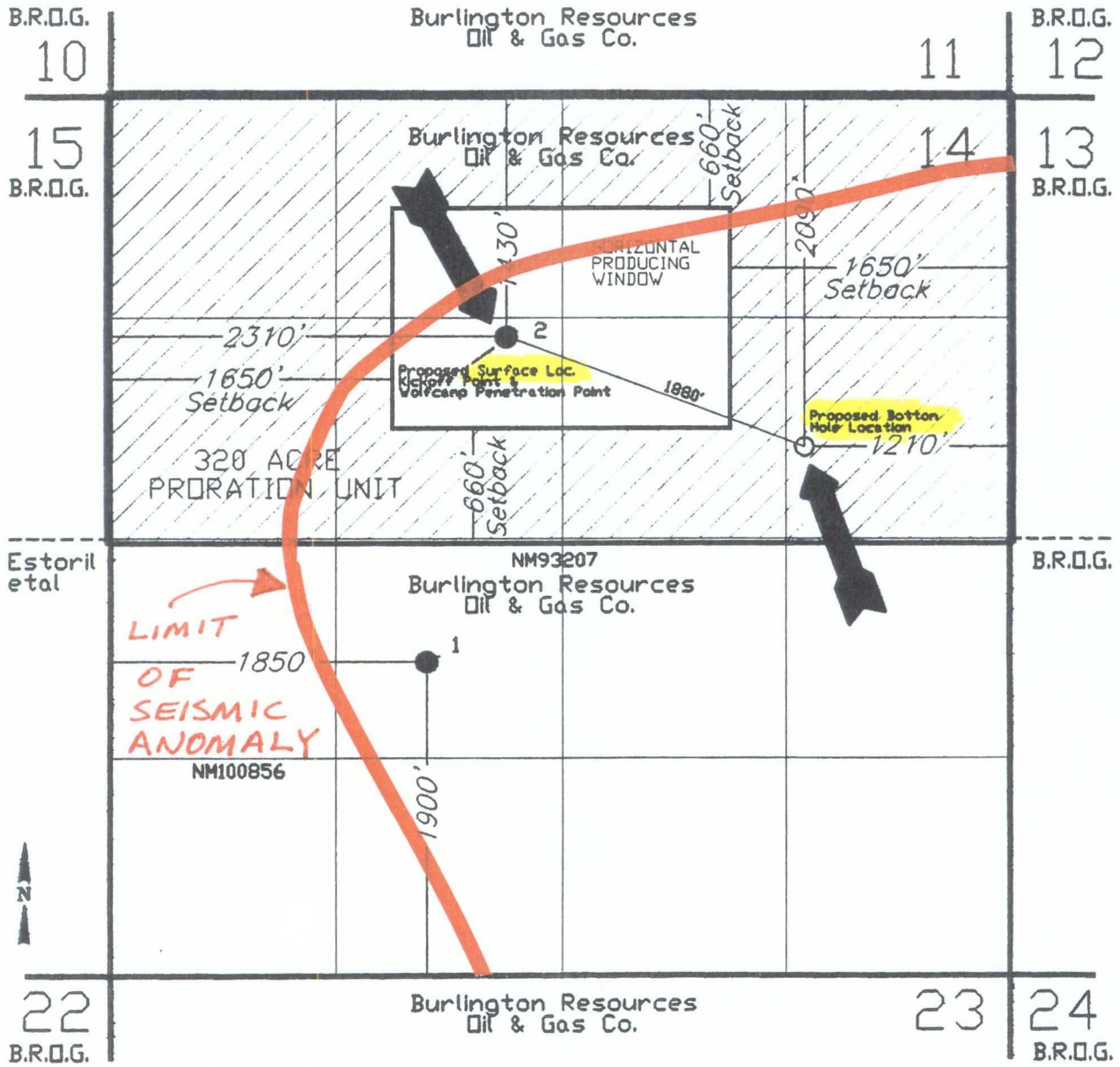
Orthodox location

Horizontal well location (proposed)

Not to scale

K. E. Winfree 9/13/98

BURLINGTON RESOURCES OIL & GAS CO. (OGRID# 26485)
EL PASO 14 FEDERAL #2
LEASE# NM93207
ROSS DRAW WOLFCAMP GAS POOL
UNIT LETER F, 1430'FNL & 2310'FWL, SEC.14,
T-26-S, R-30-E, EDDY COUNTY, NEW MEXICO
SCALE: 1" = 1000'



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
Regulatory Rep.
Position
Burlington Resources
Company
Date

HORIZONTAL PRODUCING WINDOW FOR ORTHODOX LATERAL

MINIMUM SETBACK DISTANCE

DATE: 9/8/98
DWG.# NMEDR106

WELL	El Paso 14 Federal #2	**DATE:**		**T-TVD =**	12320.18
FIELD	Ross Draw Wolfcamp	**CO-MAN:**		**T-ANG =**	90
CO.	Eddy	**PRO. VS:**	110		
STATE:	New Mexico	**MWD SPACING**	45		

No.	DEPTH	INC.	AZM	C.L.	T.V.D.	V.S.	N/S	E/W	DLS	BRN	B./D.
1	12034		110.00		12034.00						
2	12134	20.00	110.00	100	12131.98	17.12	-5.91	16.07	20.00	20.03	20.00
3	12234	40.00	110.00	100	12218.15	66.58	-22.92	62.51	20.00	20.06	20.00
4	12334	60	110.00	100	12282.10	142.40	-48.99	133.71	20.00	20.16	20.00
5	12434	80	110.00	100	12316.13	235.45	-80.97	221.09	20.00	21.48	20.00
6	12459	85	110.00	25	12319.39	260.22	-89.44	244.36	20.00	27.56	20.00
7	12484	90	110.00	25	12320.48	285.18	-97.98	267.82	20.00		20.00
8	12500	90	110.00	16	12320.48	301.18	-103.45	282.85			
9	12600	90	110.00	100	12320.48	401.18	-137.66	376.82			
10	12700	90	110.00	100	12320.48	501.18	-171.86	470.79			
11	12800	90	110.00	100	12320.48	601.18	-206.06	564.76			
12	12900	90	110.00	100	12320.48	701.18	-240.26	658.73			
13	13000	90	110.00	100	12320.48	801.18	-274.46	752.70			
14	13500	90	110.00	500	12320.48	1301.18	-445.47	1222.55			
15	14000	90	110.00	500	12320.48	1801.18	-616.48	1692.39			
16	14050	90	110.00	50	12320.48	1851.18	-633.59	1739.38			
17	14100	90	110.00	50	12320.48	1901.18	-650.69	1786.36			
18											
19											
20											
21											
22											
23											
24											

Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM93207

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

7. UNIT AGREEMENT NAME:

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER HORIZONTAL WELL SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: EL PASO 14 FEDERAL #2

2. NAME OF OPERATOR: BURLINGTON RESOURCES OIL & GAS COMPANY

9. API WELL NO.:

3. ADDRESS AND TELEPHONE NO.: P.O. Box 51810 Midland, TX 79710-1810 915-688-6906

10. FIELD AND POOL, OR WILDCAT: ROSS DRAW WOLFCAMP GAS

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: F, 1430' FNL & 2310' FWL - SURFACE LOCATION
At proposed prod. zone: F, 1430' FNL & 2310' FWL - WOLFCAMP PENETRATION POINT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: 14, T26S, R30E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: H, 2090' FNL & 1210' FEL - BOTTOM HOLE LOCATION

12. COUNTY OR PARISH: EDDY

13. STATE: N. M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 1430'

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.:

19. PROPOSED DEPTH: 14,100' MD

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF,RT, GR, etc.): 3198' GR 12,320' TVD

22. APPROX. DATE WORK WILL START*: OCT. 20, 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#	400'	365 SXS, CIRCULATE CMT TO SURFACE
12-1/4"	9-5/8" K-55 LTC	36#	3700'	1120 SXS, CIRCULATE CMT TO SURFACE
8-3/4"	7" P-110 LTC	26#	11,800'	1057 SXS, TOC =/- 3300'
6-1/8"	4-1/2" P-110 HDL	15.1# LINER	11,500' TO TD	NO CMT

HORIZONTAL WELL
REQUESTING UNORTHODOX BOTTOM HOLE LOCATION FOR HORIZONTAL PORTION OF HOLE.
NOT IN POTASH AREA
REQUESTING APPROVALTO BUILD 585' OF LEASE ROAD ON SAME LEASE. (SEE EXHIBIT C)
WILL UPGRADE +/-2430' OF EXISTING LEASE ROAD. (SEE EXHIBIT C)
WILL BE UTILIZING 9.6 MILES OF EXISTING BLM OWNED LEASE ROAD TO ACCESS LEASE. (SEE EXHIBIT A)

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 9-17-98

(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.

(s:mlp1:E Paso Fed #2-APD.DOC)

OPERATORS NAME:	**Burlington Resources Oil & Gas Company**
LEASE NAME AND WELL NO.:	**El Paso 14 Federal #2**
LOCATION:	**UL-F, 1430' FNL & 2310' FWL, Sec. 14, T26S, R30E**
FIELD NAME:	**Ross Draw Wolfcamp Gas**
COUNTY:	**Eddy County, New Mexico**
LEASE NUMBER:	**NM 93207**

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:

9-POINT DRILLING PLAN
Horizontal Well

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

FORMATION	DEPTH	
Rustler	Surface	SS, Dol, Anhy
Salado	800'	Salt & Anhy
Castille	3,550'	Anhy & Salt
Delaware	3,750'	SS, Shale, LS
Bone Springs	7,700'	SS, Shale, LS
Wolfcamp	10,950'	Shale, LS
Wolfcamp "A"	12,260'	Limestone

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	10,950'
Wolfcamp "A" Limestone	12,260'
OTHER ZONES:	
Delaware	3,750'
Bone Springs	7,700'

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	Set 13-3/8", 48#, H-40, STC csg @ 400'
12-1/4" hole	Set 9-5/8", 36#, K-55, LTC csg @ 3700'

8-3/4" hole Set 7", 26#, P-110, LTC, csg @ 11,800'

6-1/8" Pilot Hole to Vertical Total Depth of 12,370'

Plug Back to Kick-off Point @ ± 12,034'

Target Azimuth = 110 Degrees
Final Inclination = 90 Degrees
Total Vertical Section = 1900'
Total Depth = 14,100' MD, 12,320' TVD

Run 4-1/2" 15.1# P-110 HDL Liner. Hang off in 7" casing with mechanical liner hanger. (Top of liner @ +/- 11,500', Bottom of Liner @ TD).

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)**:

Lead: cmt w/265 sxs Class "C" + 4% Gel + 2% CaCl2 + .25 pps Flocele.
Tail: w/100 sxs Class "C" + 2% CaCl2 + .25 pps Flocele.

(Circulate cement to surface).

b.) Intermediate Hole (12-1/4" X **9 5/8" csg)**: **Two Stage** (DV Tool @ ± 2000')

First Stage:
Lead: cmt w/280 sxs Interfill "C" + 5 pps Gilsonite + .25 pps Flocele.
Tail: w/300 sxs Class "C" , 1% CaCl2.

Second Stage:
Lead: cmt w/570 sxs Interfill "C" + 5 pps Gilsonite + .25 pps Flocele.
Tail: w/100 sxs Class "C" + 1% CaCl2.

(Circulate cement to surface)

c.) Production Hole (8-3/4" hole X **7" csg)**: **Two Stage** (DV Tool @ ± 7000')

First Stage:
Lead: cmt w/555 sxs Interfill "H" + 5 pps Gilsonite (LCM) + 0.2% HR-5 (Retarder).
Tail: w/200 sxs Class "H" + 0.3% Halad-322 (Fluid Loss), 0.4% Halad-9 (Fluid Loss), 0.3% Super CBL (Gas Check).

Second Stage:
Lead: w/400 sxs Interfill "H" + 5 pps Gilsonite (LCM) + .25 pps Flocele.
Tail: w/100 sxs Class "H".

TOC @ ± 3300' (inside 9-5/8").

d.) Plugback Cement

+/- 150 sxs Class "H" + .8% CFR-3 (Dispersant), .5% Halad-344 (Fluid Loss), .2% Super CBL (Gas Check), .2% HR-5 (Retarder)

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:
0-400': fresh water, gel, and lime system, MW 8.9 - 9.3 ppg.
400'-3700': brine, MW 10.0 - 10.2 ppg
3700'-11,800': cut brine mud MW 9.0 – 9.3 ppg
11,800'-14,100' (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: 3000' to TD

    d. Logs to be run: Halliburton
    CNL/LDT, DIL/SFL, GR, CAL, BHC above 7"
    CNL/LDT, DLL/MSFL, GR, CAL, BHC, CAST 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 presures at TD is estimated at 9150 psi. Bottom hole temperature 205 F. There is no anticipated Hydogen 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 72 days. (Horizontal Well)

12-POINT SURFACE USE PLAN OF OPERATIONS

Burlington Resources Oil & Gas Company
El Paso "14" Federal #2
F, 1430' FNL & 2310' FWL, Sec. 14, T26S, R30E
Ross Draw Wolfcamp Gas Field
Eddy County, New Mexsico
Lse. #NM 93207

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" - Vicinity Plat shows directions to location from Jal, New Mexico. Burlington Resources will be accessing this location through 9.6 miles of BLM existing road as shown on the Plat

   See Exhibit "B" – Location and Elevation Verification Plat shows location and existing road to location.

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 rouge location may be accepted by the SMA as early as the predrill inspection or during approval of the APD.

   See Exhibit "C" - Plat shows 585' of proposed lease road to be constructed on same lease. Plat also shows the existing road to this location. A portion of the existing road (2430' +/-) will be upgraded.

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

   See Exhibit "D" – Plat shows portion of the land map with surrounding wells in the 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 well site.

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 "E". 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
Mobile: 505-746-7159

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

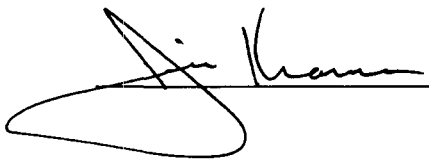
Cash Smithwick, Drilling Superintendent
P.O. Box 51810.
Midland, TX 79710-1810
Office: 915-688-9051
Home: 915-685-7053
Pager: 915-495-6173

OPERATORS CERTIFICATION

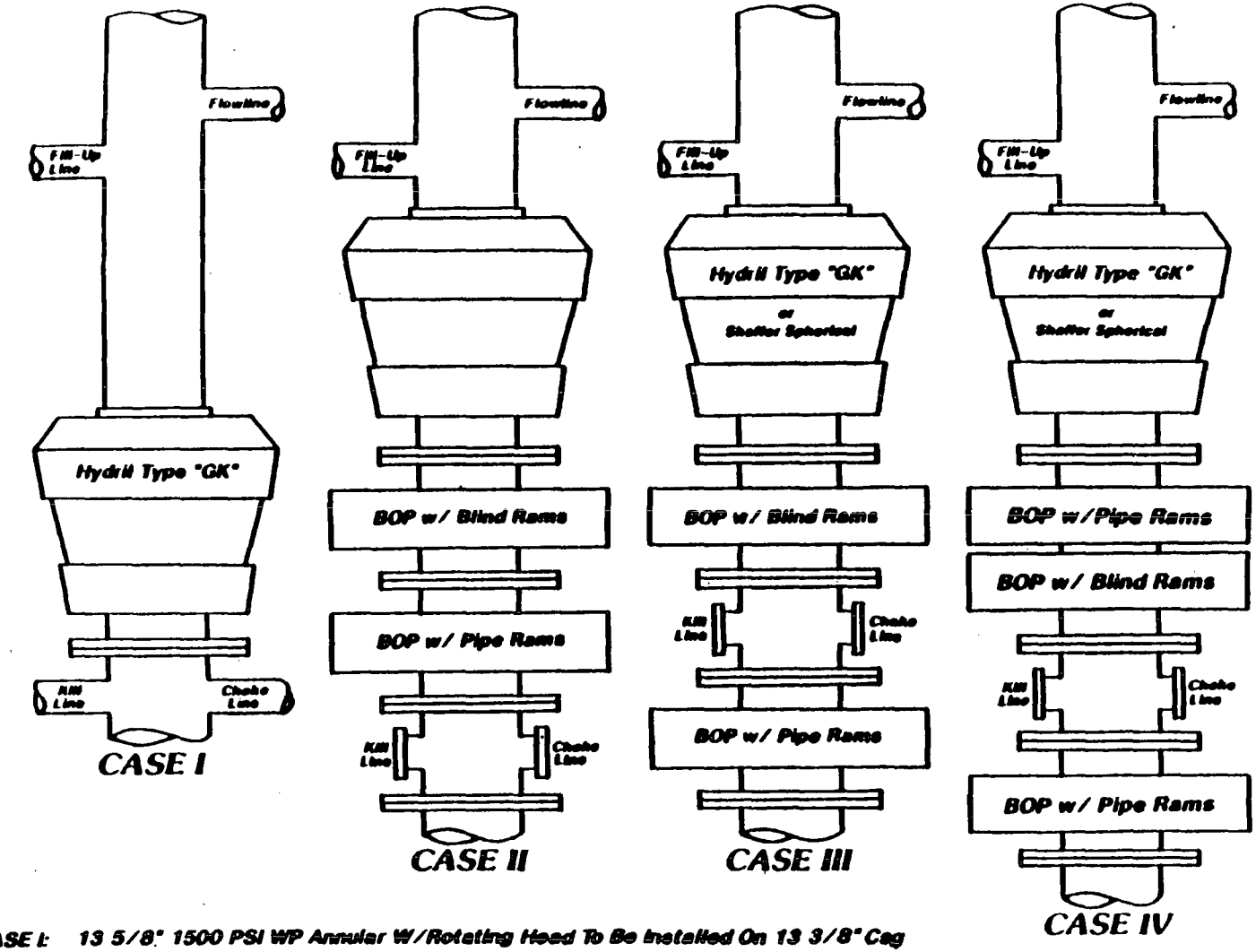
I hereby certify that I, **Jim Kramer, Senior Staff Drilling Engineer**, under my direct supervision, have inspected the proposed drill site and access route that I am familiar with the conditions that currently exist; that the statements made in the APD package are, to the best of my knowledge, true 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: 9-17-98

NAME AND TITLE: Jim Kramer, Senior Staff Drilling Engineer

SIGNATURE: 

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

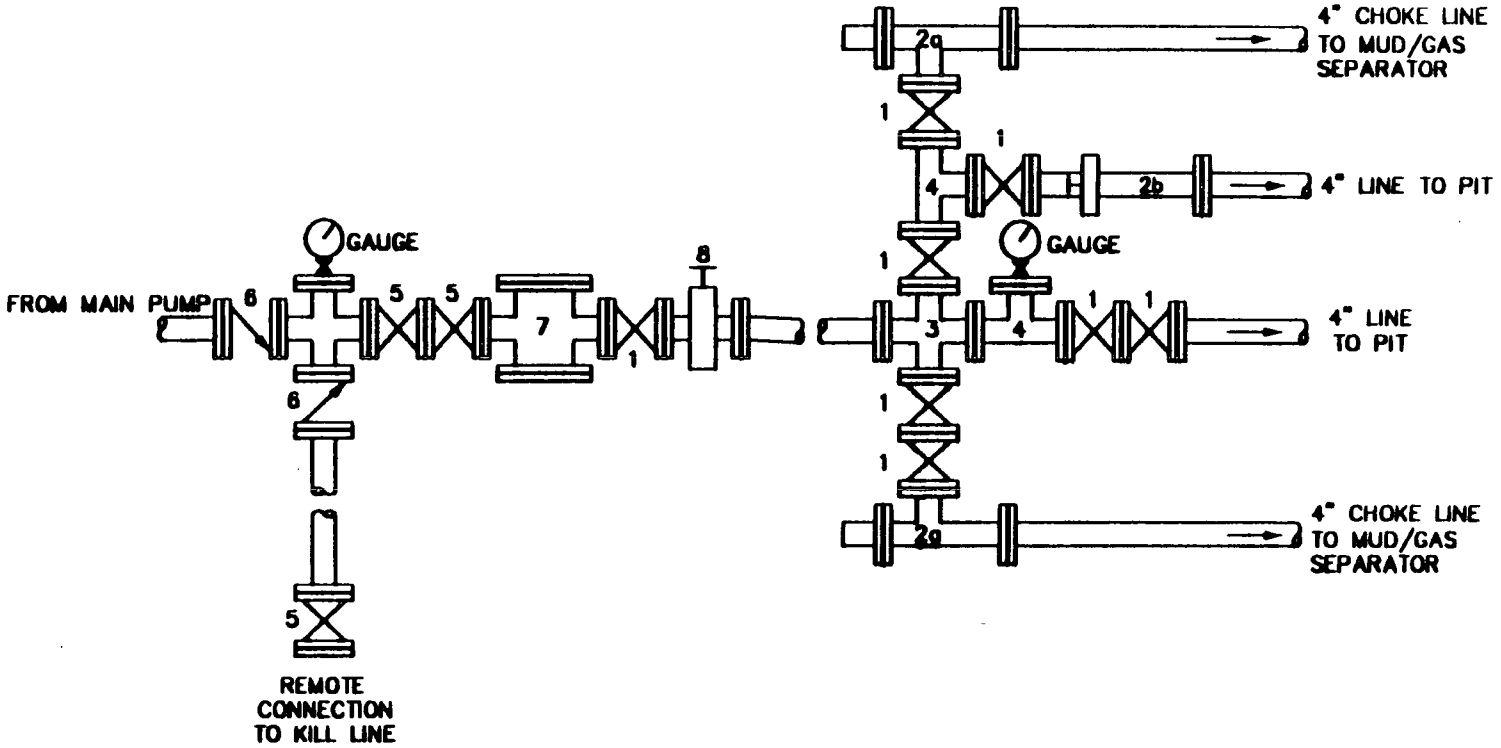


CASE I: *13 5/8" 1500 PSI WP Annular W/Rotating Head To Be Installed On 13 3/8" Csg*

CASE II: *11" 5M PSI Double Rams W/3M PSI Annular To Be Installed On 9 5/8" Csg.*

CASE IV: *7 1/16" 10M PSI Double Ram (Pipe On Top) Above Drilling Spool*
7 1/16" 10M PSI Single Ram Below Drilling Spool
7 1/16" 5M PSI Annular W/Rotating Head
10M PSI Choke Manifold W/Remote Kill Line Connection
All To Be Installed On 7" Csg.

CHOKE MANIFOLD SCHEMATIC



LEGEND

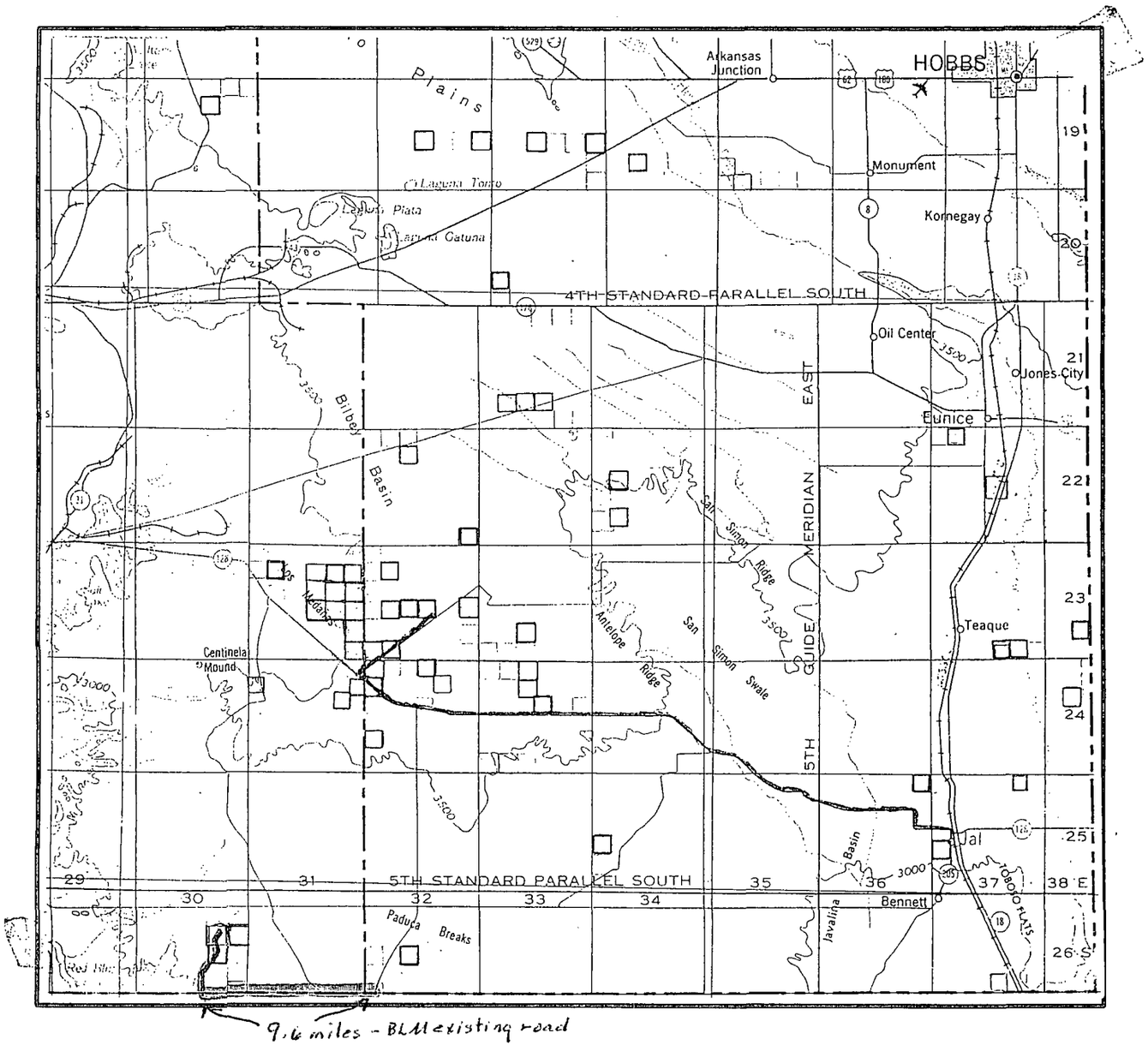
1. 4" FLANGED ALL STEEL VALVE MUST BE EITHER CAMERON "F", HALLIBURTON LOW TORQUE, OR SHAFFER FLO-SEAL.
2a. 2 9/16" REMOTE OPERATED FLANGED CHOKE, FULL OPENING & EQUIPPED W/HARD TRIM.
2b. 2 9/16" MANUAL OPERATED FLANGED CHOKE, FULL OPENING & EQUIPPED W/HARD TRIM.
3. 4" x 4" FLANGED STEEL CROSS.
4. 4" FLANGED STEEL TEE.
5. 2" 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.

VICINITY MAP

EXHIBIT A



SECTION 14 TWP 26-S RGE 30-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 1430' FNL & 2310' FWL

OPERATOR **BURLINGTON RES. OIL & GAS CO.**

LEASE EL PASO "14" FEDERAL #2

DISTANCE & DIRECTION FROM JCT. OF STATE HWY. 128 & CO. RD. C-1, ±30 MILES WEST OF JAL, GO SOUTH 15 MILES ON CO. RD. C-1, THENCE WESTERLY 8.5 MILES ON STATE LINE RD., THENCE NORTHERLY 0.6 MILE ON LEASE RD., THENCE EASTERLY 0.5 MILE, THENCE NORTHEASTERLY 1.3 MILES, THENCE NORTHWESTERLY 1.0 MILES ON LEASE ROAD, THENCE NORTHEASTERLY 0.6 MILES ON LEASE ROAD LEASE ROAD TO A POINT ±600' EAST OF THE LOCATION.

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

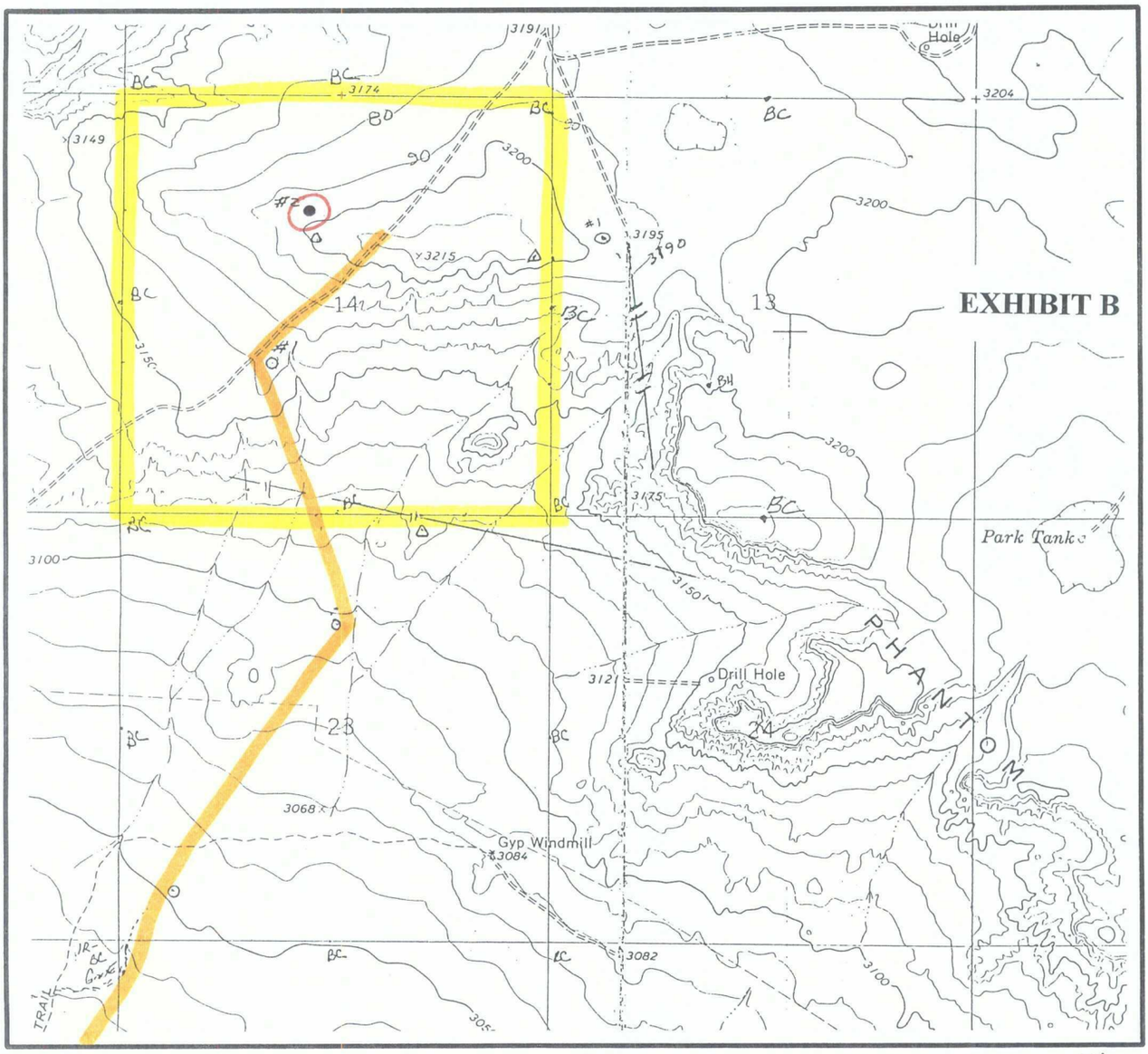
Surveying & Mapping for the Oil & Gas Industry

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

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 14 TWP 26-S RGE 30-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 1430' FNL & 2310' FWL

ELEVATION 3198'

OPERATOR **BURLINGTON RES. OIL & GAS CO.**

LEASE EL PASO "14" FEDERAL #2

U.S.G.S. TOPOGRAPHIC MAP

PHANTOM BANKS, NEW MEXICO

LAT. N 32°02'45.2"

LONG. W 103°51'09.1"

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

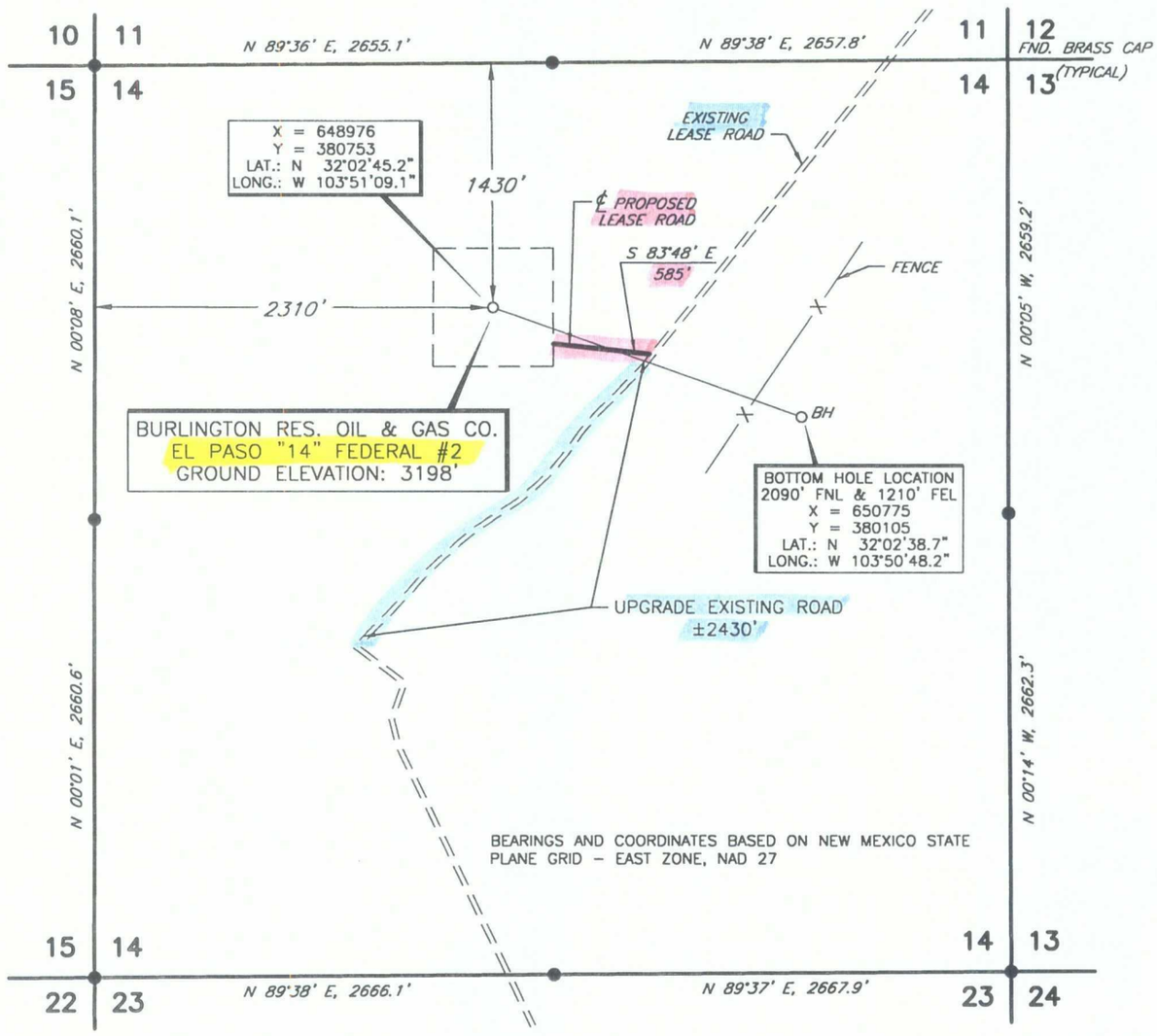
1307 N. HOBART
PAMPA, TX. 79065
(800) 658-6382

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

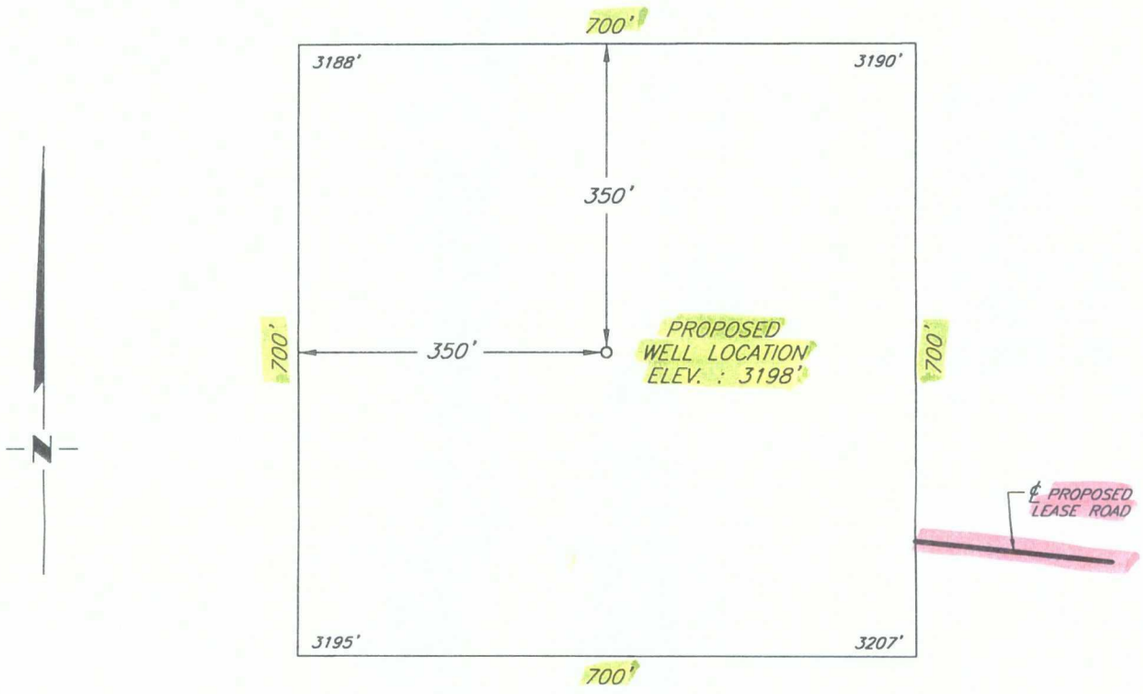
2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 14, T-26-S, R-30-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

EXHIBIT C



PLAN VIEW
1" = 1000'



DETAIL VIEW
1" = 200'

NO.	REVISION	DATE	BY

BURLINGTON RESOURCES OIL & GAS CO.

SCALE: AS SHOWN
DATE: AUGUST 10, 1998
JOB NO.: 60343-F

SURVEYED BY: R.M.R.
DRAWN BY: V.H.B.
APPROVED BY: R.M.R.

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

QUAD NO.: 23 SE
SHEET : 1 OF 1

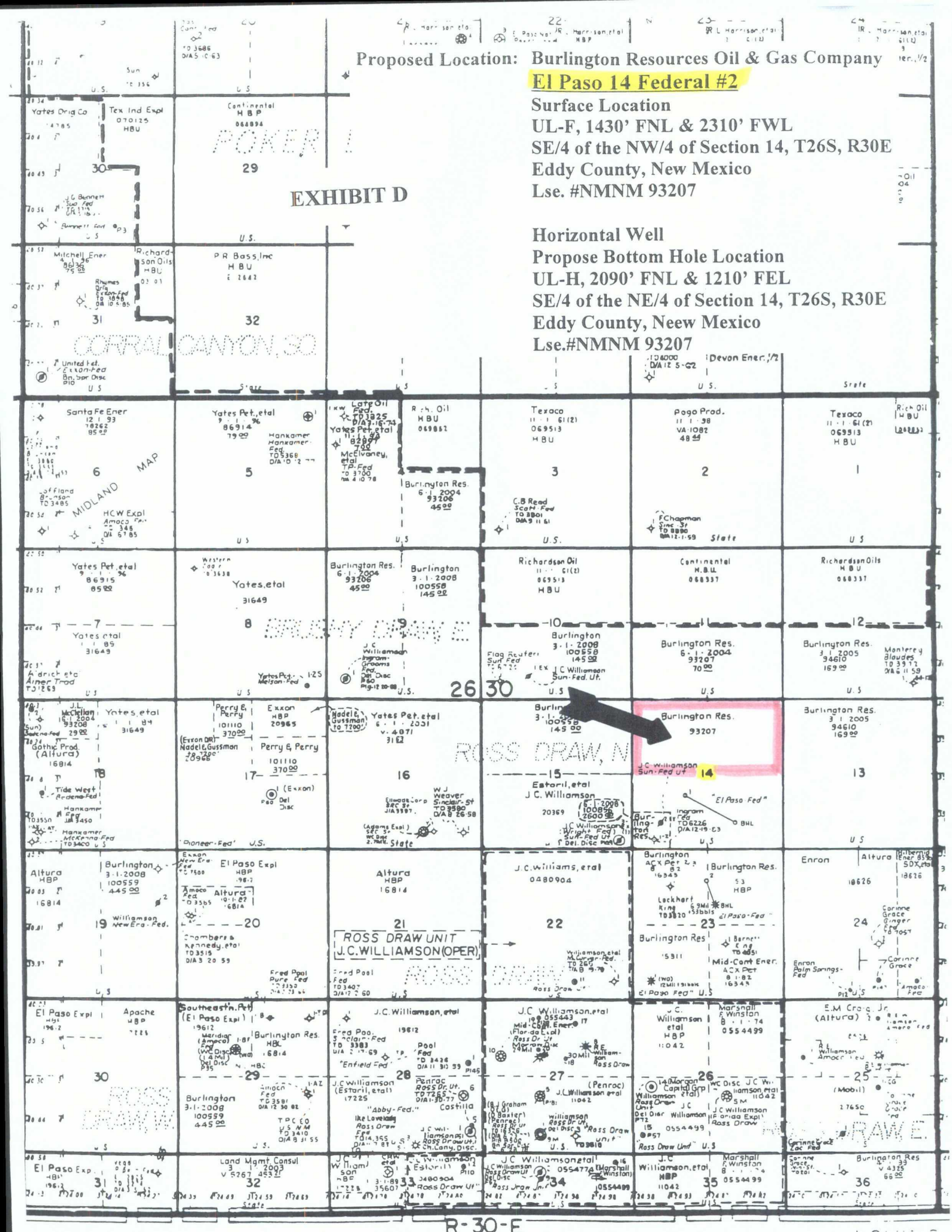
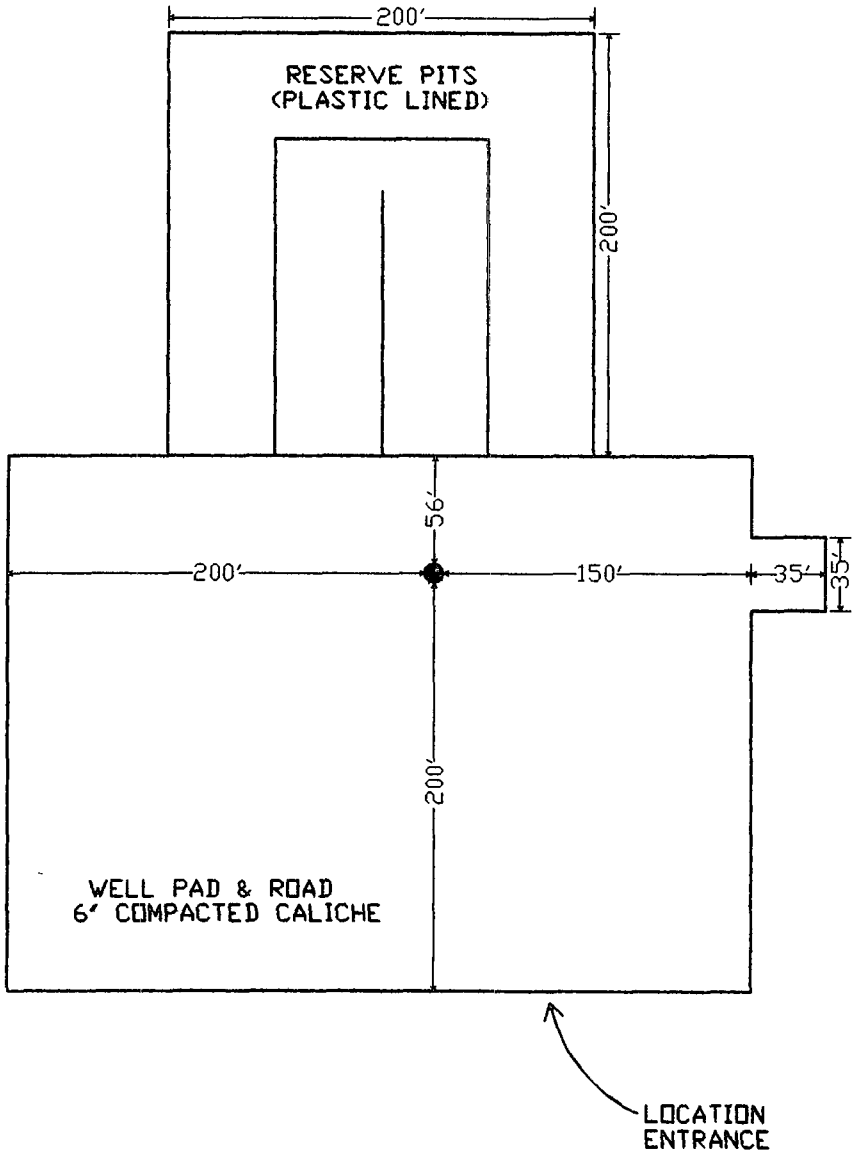

Proposed Location: Burlington Resources Oil & Gas Company
El Paso 14 Federal #2
Surface Location
UL-F, 1430' FNL & 2310' FWL
SE/4 of the NW/4 of Section 14, T26S, R30E
Eddy County, New Mexico
Lse. #NMNM 93207
Horizontal Well
Propose Bottom Hole Location
UL-H, 2090' FNL & 1210' FEL
SE/4 of the NE/4 of Section 14, T26S, R30E
Eddy County, Neew Mexico
Lse.#NMNM 93207
EXHIBIT D
POKER L
CORRAL CANYON
ROSS DRAW
ROSS DRAW UNIT
J.C.WILLIAMSON(OPER)
MIDLAND MAP
R-30-E

EXHIBIT E

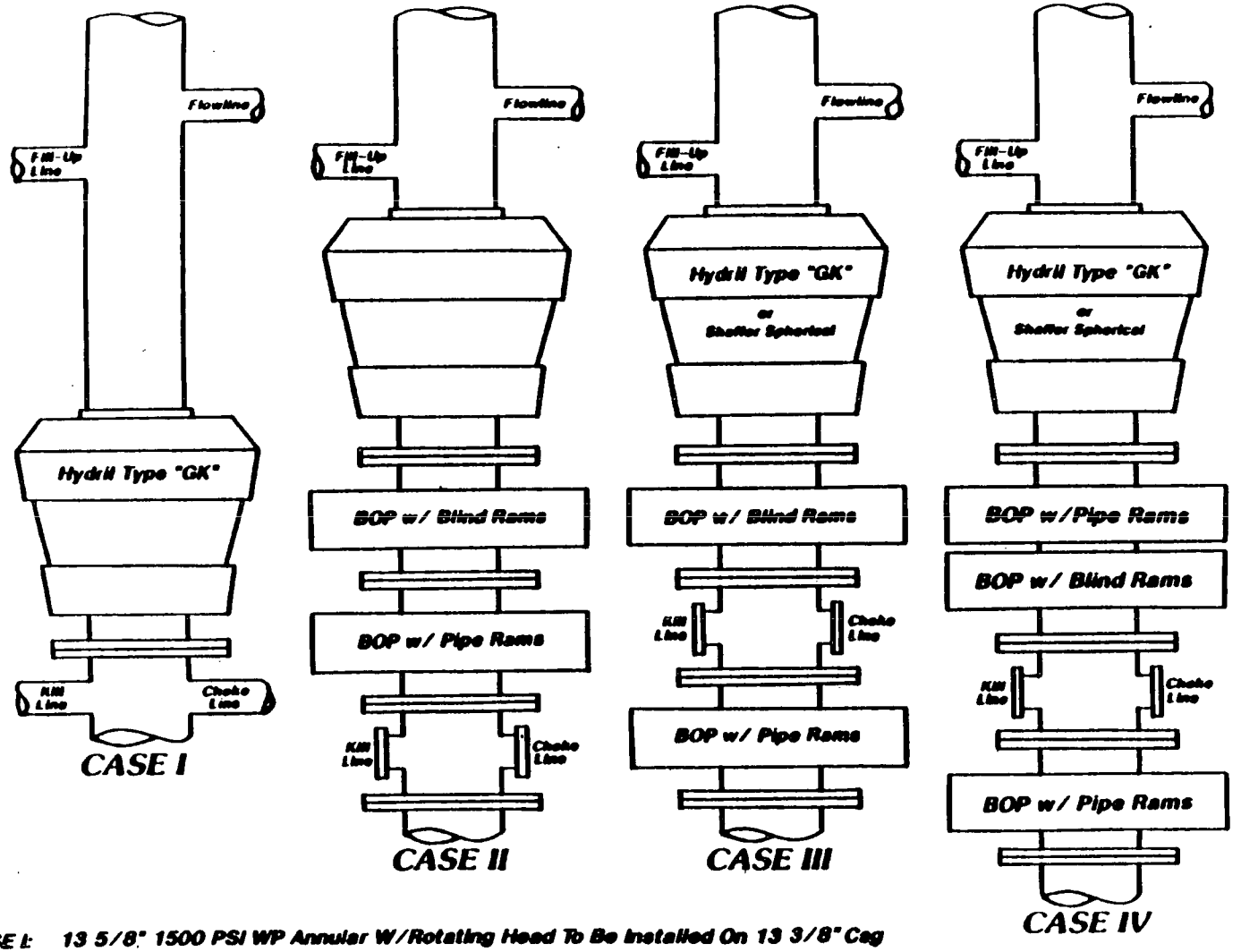
BURLINGTON RESOURCES OIL & GAS COMPANY
MID-CONTINENT DIVISION
DRILL WELL LOCATION SPECIFICATIONS
EL PASO 14 FEDERAL #2



700' x 700' WELL SITE

DWG#: LOCPLT

MINIMUM BLOWOUT PREVENTER REQUIREMENTS



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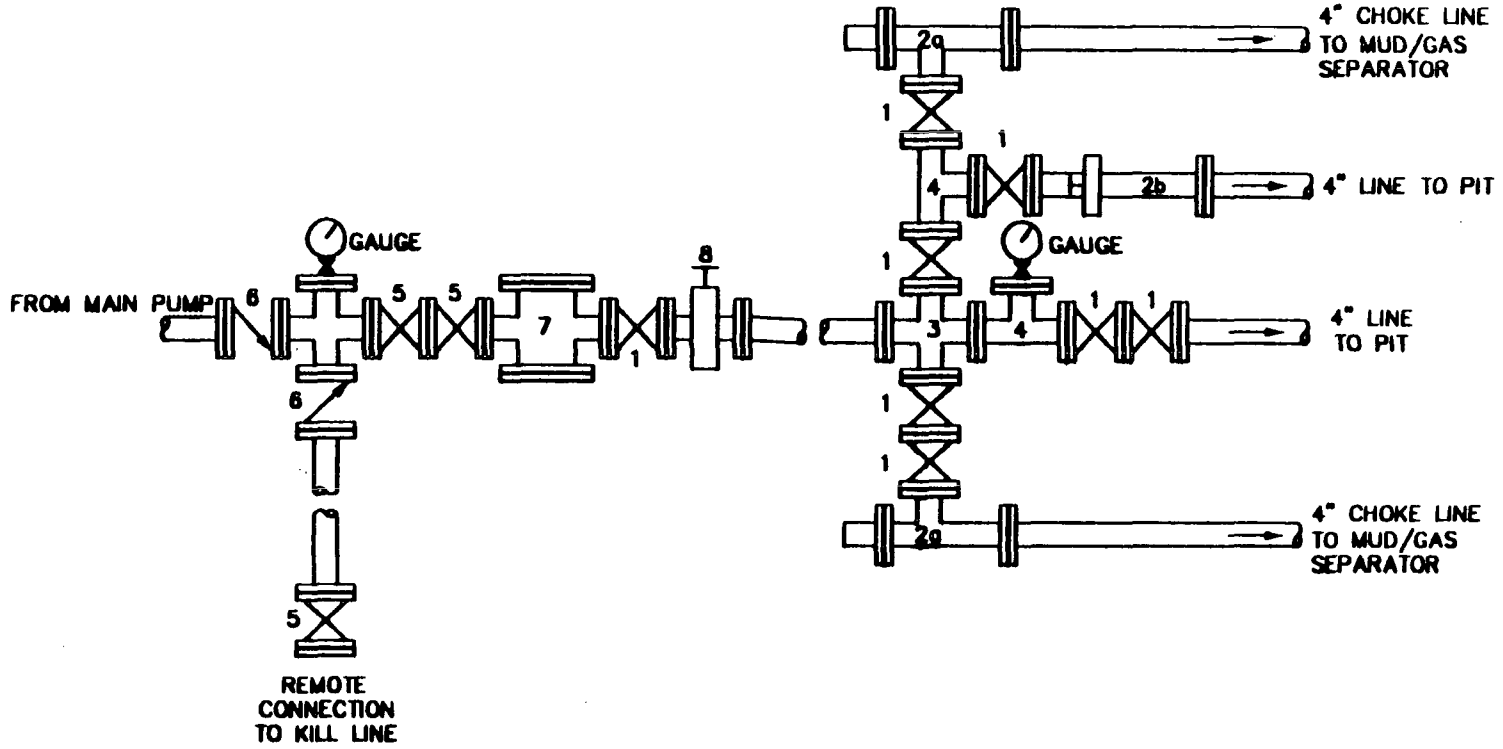

LEGEND

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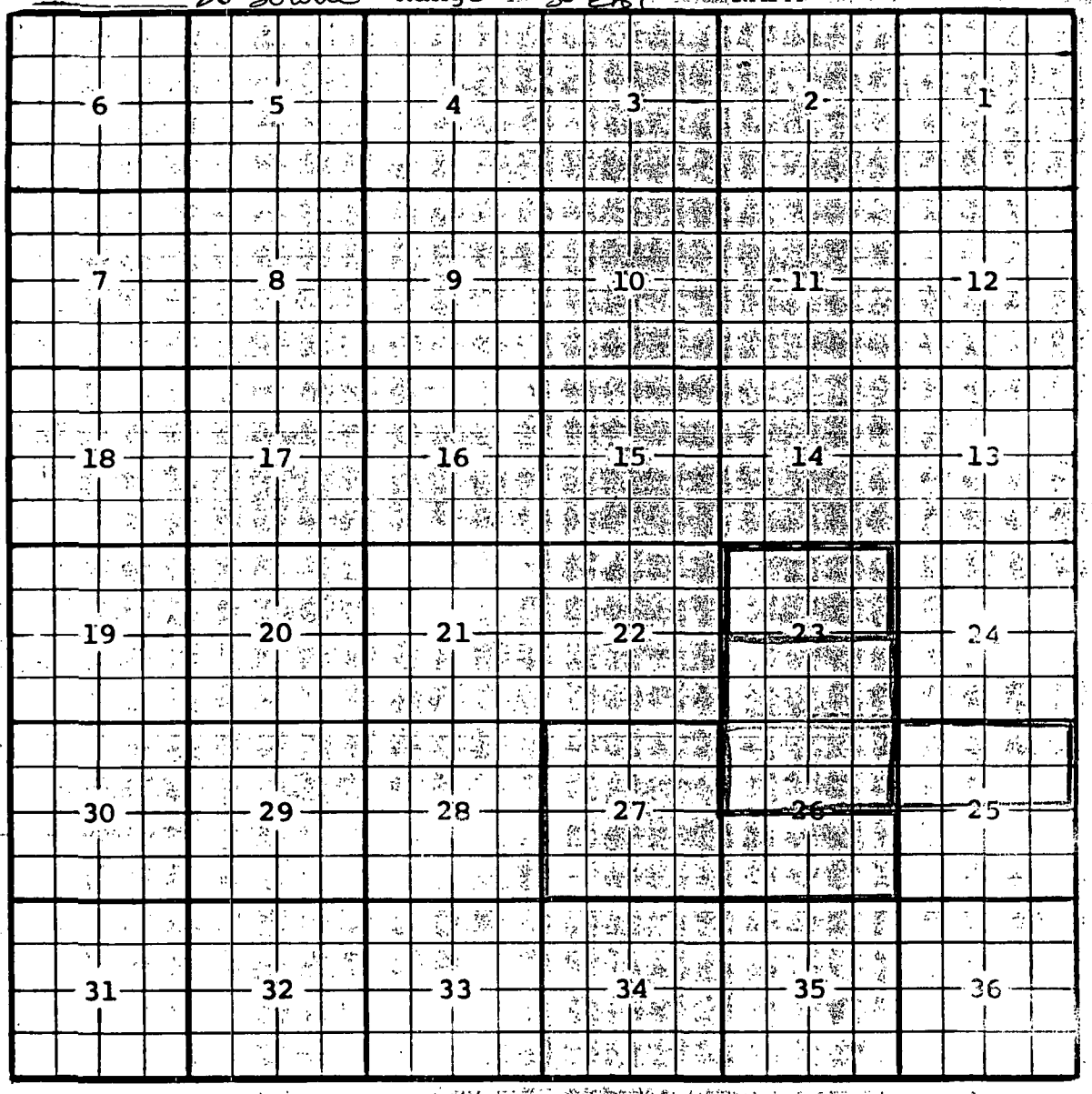
County EDDY Pool ROSS DRAW - WOLFCAMP GAS

TOWNSHIP 26 South Range 30 EAST NMPM



Description: S/2 Sec. 26, All Sec. 27 (R-6328, 5-1-80)
Ext: Sec. 23 S/2, Sec. 26 N/2 (R-7076-9-27-82)
Ext: N/2 Sec. 25 (R-8257, 7-8-86) Ext: N/2 Sec. 23 (R-11005, 7-24-98)

Stogner, Michael

From: Maria Perez[SMTP:mperez@br-inc.com]
Reply To: mperez@br-inc.com
Sent: Tuesday, October 13, 1998 5:36 AM
To: Stogner, Michael
Subject: El Paso 14 Federal #2, Eddy Co., New Mexico

Mike,

Have you had a chance to look over the non-standard sub-surface bottom hole location application for the El Paso 14, Federal #2 in SE/4 NW/4, UL-F of Section 14, T26S, R30E, Eddy County, NM, Lease #NM93207? The drilling rig is scheduled to move to this location around October 20, 1998.

Let me know if you need any additional information in order to approve this location.

Have a marvelous day.

Thanks,
Maria L.Perez
Burlington Resources Oil & Gas Co.
mperez@br-inc.com
Tel. No. A/C 915-688-6906
Fax No. A/C 915-688-6007