

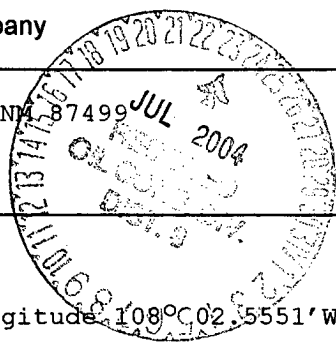
**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6/01
~~2004 MAY 22~~ PM 2:36

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 Oliver SRC 9. Well Number #1M
4. Location of Well 1025' FSL, 685' FEL Latitude 36° 51.9440'N, Longitude 108° 02' 55.51'W	10. Field, Pool, Wildcat Blanco Mesaverde/Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 25, T31N, R12W API # 30-045- 32385
14. Distance in Miles from Nearest Town 4 miles to Inters. Hwy 550 & Hwy 173	12. County San Juan 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 685'	
16. Acres in Lease	17. Acres Assigned to Well 320 E/2 MV & DK
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 685'	
19. Proposed Depth 7194'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 5969' GR	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Joni Clark</u> Regulatory/Compliance Specialist	<u>4/14/04</u> Date



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PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] TITLE AFM DATE 7-21-04

Archaeological Report attached
 Threatened and Endangered Species Report attached
 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.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOCD

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
311 South First, Artesia, N.M. 88210

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039 32385		*Pool Code 71599/72319	*Pool Name Basin Dakota/Blanco Mesaverde
*Property Code 18594	*Property Name OLIVER SRC		*Well Number 1M
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP		*Elevation 5969'

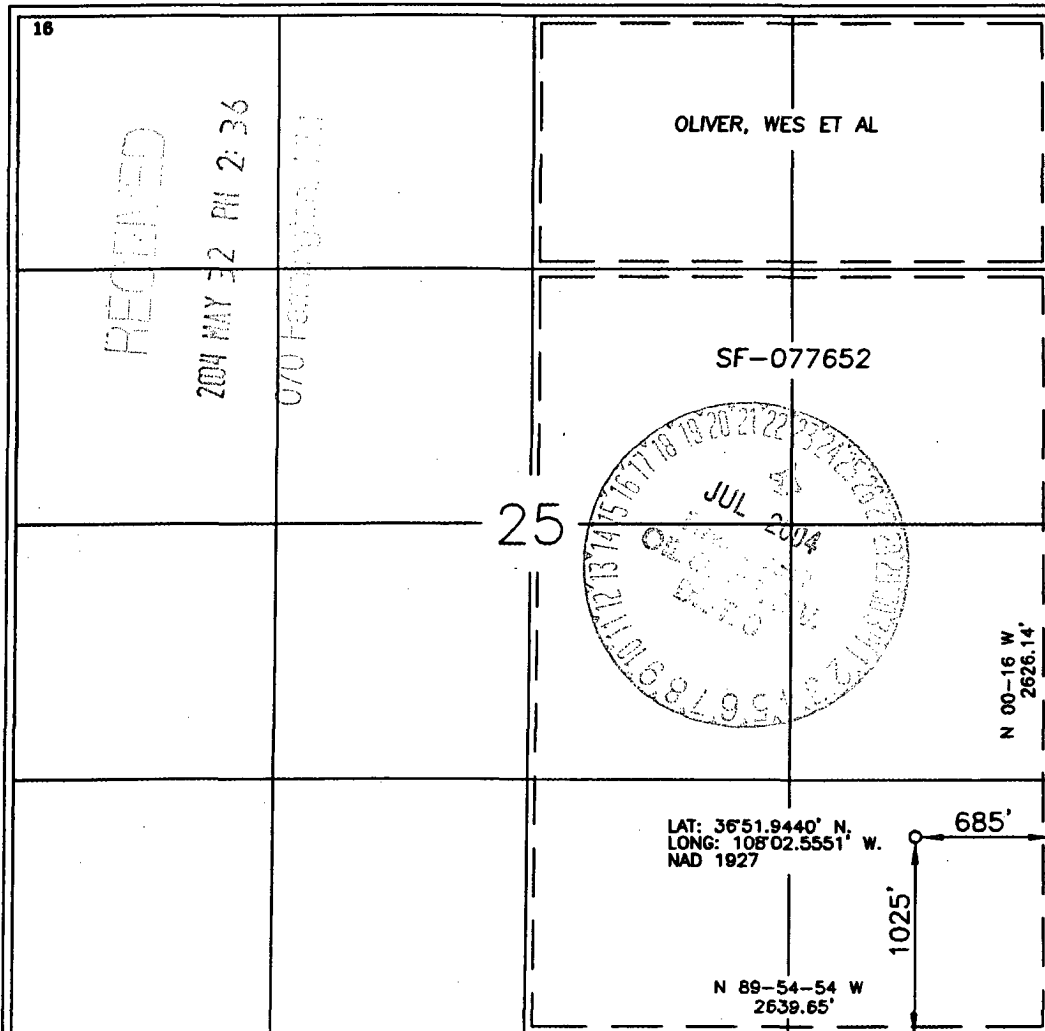
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	31-N	12-W		1025'	SOUTH	685'	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres DK/MV E/2 320			**Joint or Infill		**Consolidation Code		**Order No.		

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

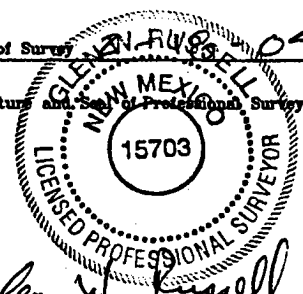
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Joni Clark
Signature
Joni Clark
Printed Name
Regulatory Specialist
Title
4/14/04
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 me or under my supervision, and that the same is true and correct to the best of my belief.

DATE OF SURVEY: 4/14/04
Signature and Seal of Professional Surveyor:
Glenn Russell
Certificate Number: 15703



Submit 3 Copies To Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources

Form C-103 March 4, 2004

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-045-
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No. NMSF-077652
7. Lease Name or Unit Agreement Name Oliver SRC
8. Well Number 1M
9. OGRID Number 14538
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [] Gas Well [x] Other
2. Name of Operator Burlington Resources Oil & Gas Company LP
3. Address of Operator 3401 E. 30th Street, Farmington, NM 87402

4. Well Location
Unit Letter P : 1025 feet from the South line and 685 feet from the East line
Section 25 Township 31N Range 12W NMPM San Juan County, NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL P Sect 25 Twp 31N Rng 12W Pit type New Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000' Below-grade Tank Location UL Sect Twp Rng ; feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPLETION []
OTHER: New Drill Pit [x]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT []
CASING TEST AND CEMENT JOB []
OTHER: []

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Burlington Resources proposes to construct a new drill pit. The new drill pit will be an unlined pit as detailed in Burlington's general pit construction plan dated April 26, 2004 on file at the NMOCD office.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [x] or an (attached) alternative OCD-approved plan [].

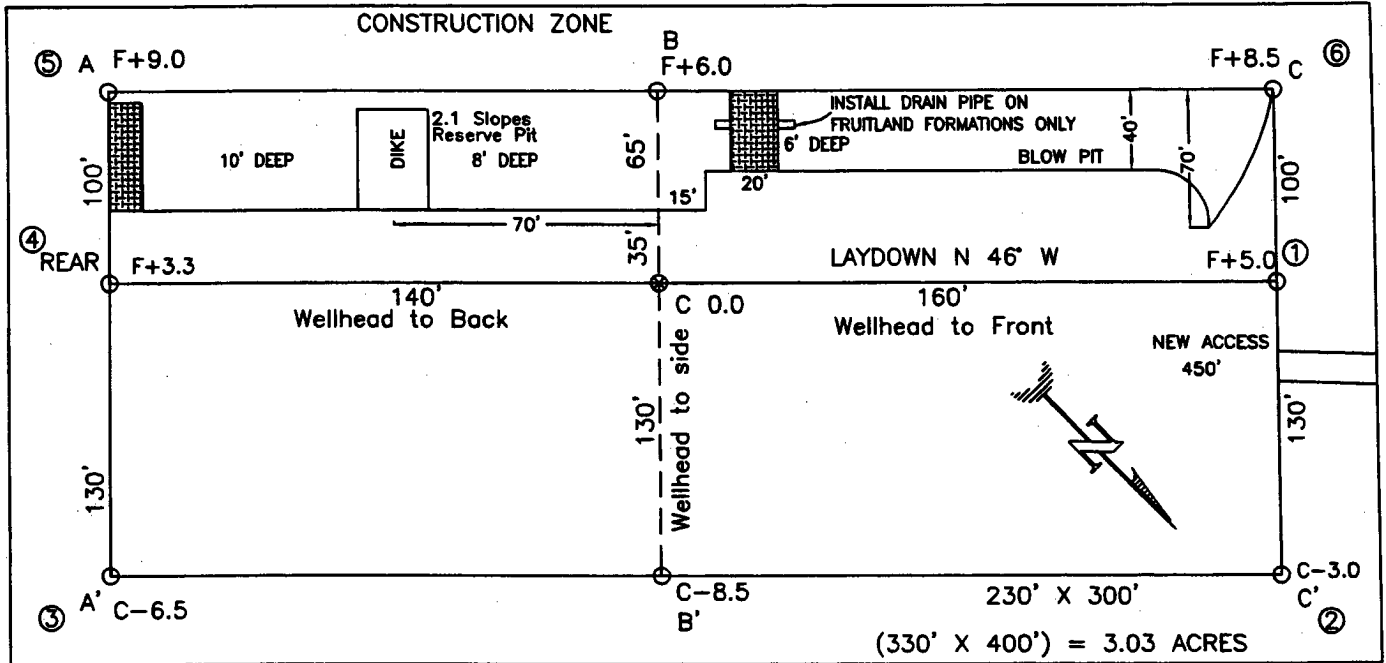
SIGNATURE Cassidy Harraden TITLE Regulatory Specialist DATE 5/4/04

Type or print name Cassidy Harraden E-mail address: charraden@br-inc.com Telephone No. 326-9700

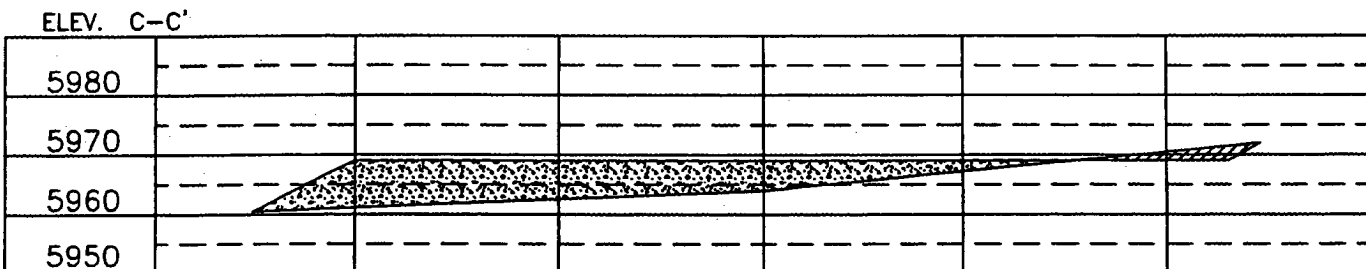
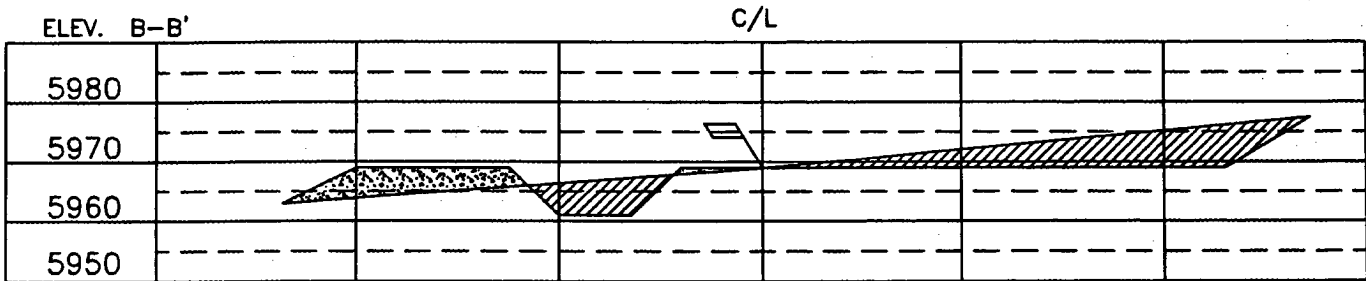
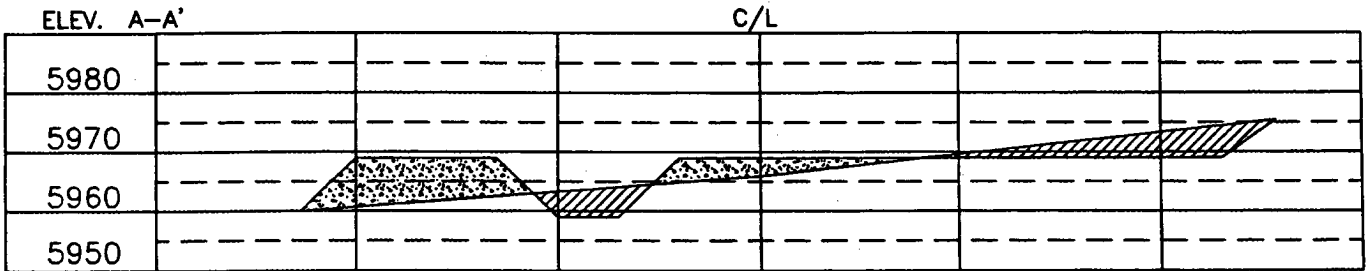
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APPROVED BY [Signature] TREPUEY OIL & GAS INSPECTOR, DIST. # DATE JUL 23 2004

BURLINGTON RESOURCES OIL & GAS COMPANY LP
OLIVER SRC #1M, 1025' FSL & 685' FEL
SECTION 25, T-31-N, R-12-W, NMPM, SAN JUAN COUNTY, NM
GROUND ELEVATION: 5969', DATE: FEBRUARY 6, 2004



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 PIT.



NOTE: VECTOR SURVEYS IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.
 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.

OPERATIONS PLAN

Well Name: Oliver SRC #1M
Location: 1025' FSL, 685' FEL, Sec 25, T-31-N, R-12-W
 San Juan County, NM
 Latitude 36° 51.9440'N Longitude 108° 02.5551'W

Formation: Blanco Mesaverde/Basin Dakota

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom Contents</u>
Surface	San Jose	821'
Ojo Alamo	821'	846' aquifer
Kirtland	846'	2151' gas
Fruitland	2151'	2426'
Pictured Cliffs	2426'	2568' gas
Lewis	2568'	3166' gas
Huerfanito Bentonite	3166'	3514' gas
Chacra	3514'	3975' gas
Upper Cliff House	3975'	4076'
Massive Cliff House	4076'	4208'
Menefee	4208'	4732' gas
Intermediate TD	4358'	
Point Lookout	4732'	5066' gas
Mancos	5066'	6021' gas
Gallup	6021'	6754' gas
Greenhorn	6754'	6806' gas
Graneros	6806'	6863' gas
Two Wells	6863'	6929' gas
Paguete	6929'	6966' gas
Cubero	6966'	7028'
Encinal	7028'	7194' gas
Morrison	7194'	
TD	7194'	

Logging Program:

Mud Logs/Coring/DST -
 Mud logs - From 6555' to 7094' to 7194' - Drillout TD at the Morrison contact.
 Coring - none
 DST - none
 Open hole - none
 Cased hole - Gamma Ray, CBL - surface to TD

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 120 200	Spud MUD/Air/Air Mist	8.4-9.0	40-50	no control
120- 4358'	LSND	8.4-9.0	30-60	no control
4358- 7194'	Air/Air Mist/Nitrogen	n/a	n/a	n/a

Casing Program (as listed, the equivalent, or better):

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 120 200	9 5/8"	32.3#	H-40
8 3/4"	0' - 4000'	7"	20.0#	J-55
8 3/4"	4000' - 4358'	7"	23.0#	J-55
6 1/4"	0' - 7094'	4 1/2"	10.5#	J-55
3 7/8"	7094' - 7194'	n/a	n/a	n/a

Tubing Program: 0' - 7194' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

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

Intermediate TD to Total Depth -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

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

Completion Operations -

7 1/16" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 4 1/2" x 2 3/8" x 2000 psi tree assembly.

General -

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

Cementing:**9 5/8" surface casing -**

Pre-Set Drilled Cement with 23 sx Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (37 cu ft of slurry, bring cement to surface) Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface.

9 5/8" surface casing conventionally drilled -

Cement with 88 sacks Type III cement with 0.25 pps Celloflake, 3% calcium chloride. (113 cu ft - 200% excess, bring cement to surface). Wait on cement appropriate time until cement achieves 250 psi compressive strength at 60 degrees F. prior to nipple up of BOPE. Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under surface.

Test casing to 600 psi for 30 minutes.

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

7" intermediate casing -

Lead with 400 sacks Premium Lite cement with 3% calcium chloride, 0.25 pps Celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tail w/90 sacks Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss (976 cu. ft.- 50% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL or a temperature survey will be run to determine TOC. Test casing to 1500 psi for 30 minutes.

7" intermediate casing alternative two stage: Stage collar set 300' above

the top of the Fruitland. First stage: Lead with 207 sacks Premium Lite cmt w/3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% sodium metasilicate, 0.4% fluid loss. Tail w/90 Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: Lead with 193 sacks with Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (976 cu ft-50% excess to circulate to surface).

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every fourth joint off bottom, to the base of the Ojo Alamo @ 846'. Two turbolating centralizers at the base of the Ojo Alamo 846'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Casing -

Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Cement with 190 sacks Premium Lite HS w/ 0.25 pps Celloflake, 0.3% CD-32, 6.25 pps LCM-1 and 1% FL-52. (376 cu.ft. - 30% excess to cement 4 1/2" x 7" overlap). WOC a minimum of 18 hrs prior to completing.

Cement float collar stacked on top of float shoe.

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint.

- If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.

Special Drilling Operations (Air/Mist Drilling):

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

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

Additional Information:

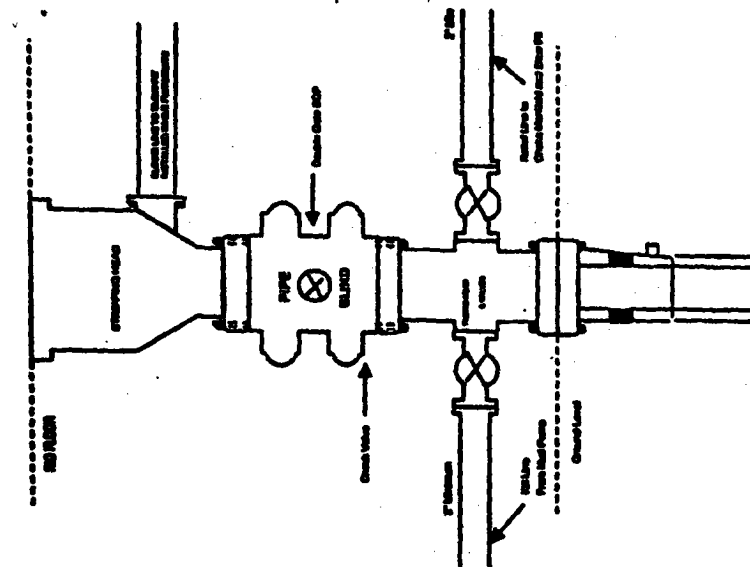
- The Mesa Verde and Dakota formation will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

Fruitland Coal	300 psi
Pictured Cliffs	600 psi
Mesa Verde	700 psi
Dakota	2500 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The east half of Section 25 is dedicated to the Mesa Verde to the Dakota formations.
- This gas is dedicated.

Sean Corrigan
Drilling Engineer

April 22, 2004
Date

Completion/Workover Rig
SOP Configuration
2,000 psi System

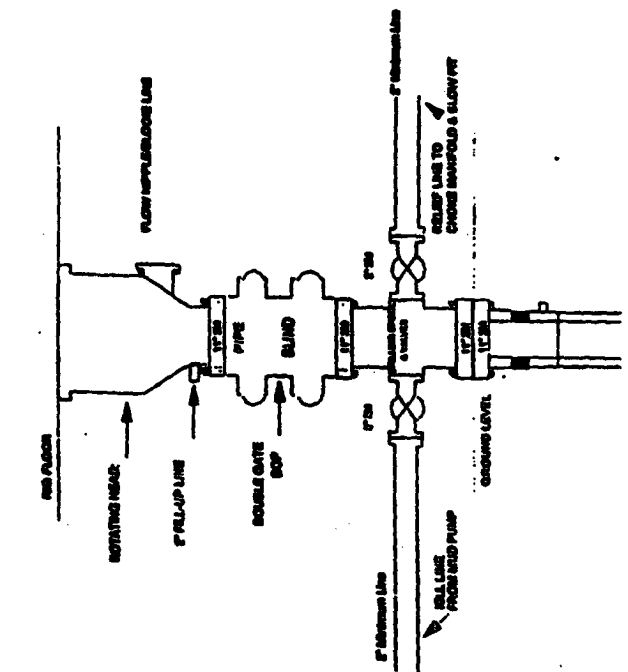


Minimum SOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate SOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the SOP. All SOP equipment is 2000 psi working pressure or greater excluding 600 psi stripping head.

Figure #2

4-20-01

Burlington Resources
Drilling Rig
2000 psi System

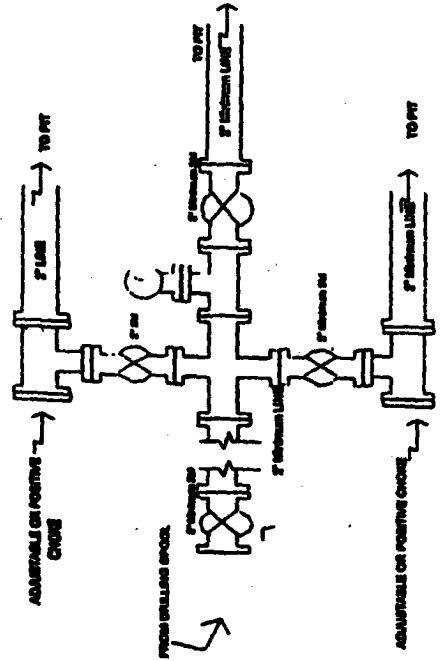


SOP installation from Surface Casing Point to Total Depth. 1 1/2" Bore 10' Nominal, 2000 psi working pressure double gate SOP to be equipped with blind rams and pipe rams. A 600 psi casing head on top of ram preventers. All SOP equipment is 2,000 psi working pressure.

Figure #1

4-20-01

Drilling Rig
Choke Manifold Configuration
2000 psi System



Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

4-20-01