

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	20045 Lease Number 10 02 NM-03017 Unit Reporting Number RECEIVED
1b. Type of Well GAS	06. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name Huerfano Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Huerfano Unit 9. Well Number #128F
4. Location of Well 910' FNL, 235' FWL Latitude 36° 32.1879'N, Longitude 107° 51.2745'W	10. Field, Pool, Wildcat Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 36, T27N, R10W API # 30-045-32746
14. Distance in Miles from Nearest Town 22.6 miles intersection Hwy 550 & 64	12. County San Juan 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 235'	17. Acres Assigned to Well DK 320 W/2
16. Acres in Lease	
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 1121'	
19. Proposed Depth 7055'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6573' GR	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Jon Clark</u> Regulatory Specialist	<u>11/23/04</u> Date

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

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.

NO HPA NOTIFICATION REQUIRED UNDER ORDER R-8768F.

This document is available for review pursuant to 43 CFR 3160.3 and appeal pursuant to 43 CFR 3165.4

NMOC

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

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
811 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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

2004 DEC 14 PM 10:02 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32746	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 7139	⁵ Property Name HUERFANO UNIT	⁶ Well Number 128F
⁷ GRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	⁹ Elevation 6573'

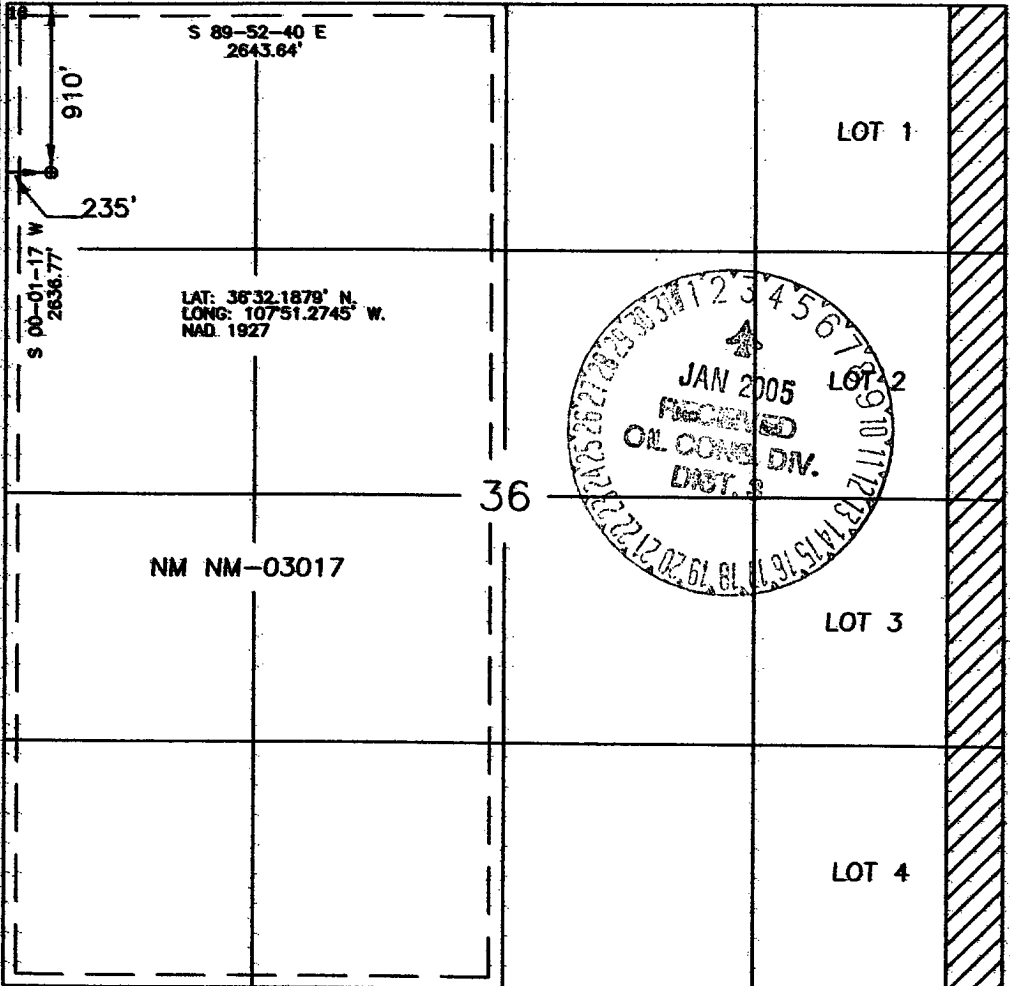

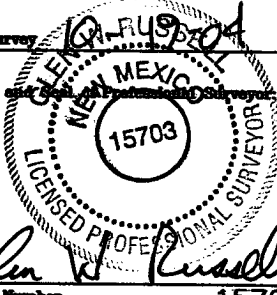
¹⁰ Surface Location

UL or lot no. D	Section 36	Township 27-N	Range 10-W	Lot Idn	Feet from the 910'	North/South line NORTH	Feet from the 235'	East/West line WEST	County SAN JUAN
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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
¹² Dedicated Acres W/2 320 acres					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

	<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> Signature Joni Clark Printed Name Regulatory Specialist Title 11-9-04 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>Date of Survey  Signature Certificate Number 15703</p>
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Office

Energy, Minerals and Natural Resources

May 27, 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 <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	NM-03017
7. Lease Name or Unit Agreement Name	Huerfano Unit
8. Well Number	128F
9. OGRID Number	14538
10. Pool name or Wildcat	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 ☒ 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 D : 910 feet from the North line and 235 feet from the West line
 Section 36 Township 27N Range 10W NMPM County San Juan, NM

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

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type New Drill Depth to Groundwater > 100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'
 Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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 COMPL ☐

OTHER: New Drill ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/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 drilling pit and an associated blow/flare pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit and blow/flare pit will be an unlined pit as detailed in Burlington's Revised Drilling / Workover Pit Construction / Operation Procedures dated November 11, 2004 on file at the NMOCD office. A portion of the blow/flare pit will be designed to manage fluids, and that portion will be unlined, as per the risk ranking criteria. Burlington Resources anticipates closing these pits according to the Drilling / Workover Pit Closure Procedure dated August 2, 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 ☒ or an (attached) alternative OCD-approved plan ☐.

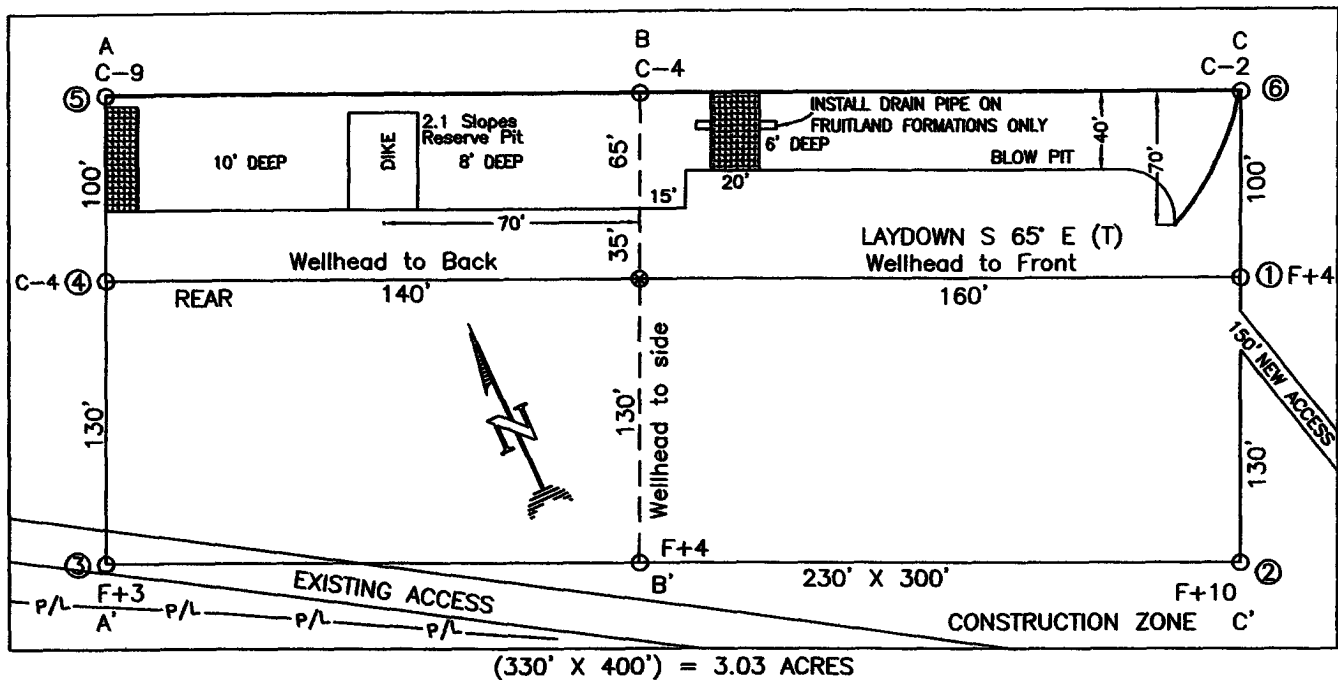
SIGNATURE Joni Clark TITLE Sr. Regulatory Specialist DATE 11/24/2004

Type or print name Joni Clark E-mail address: jclark@br-inc.com Telephone No. 326-9700

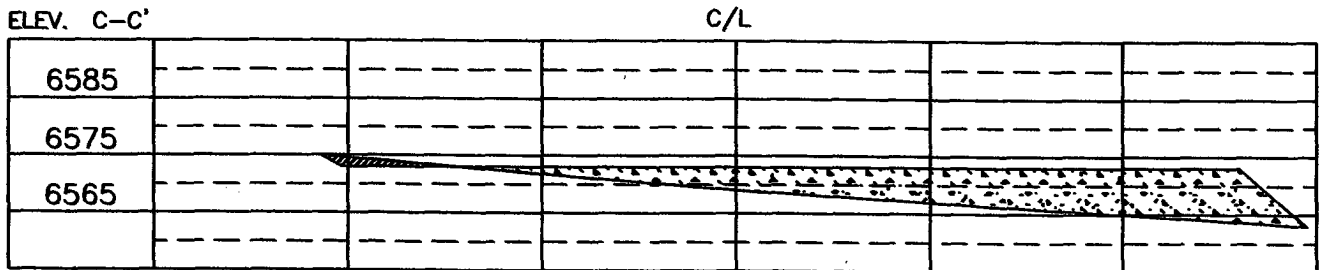
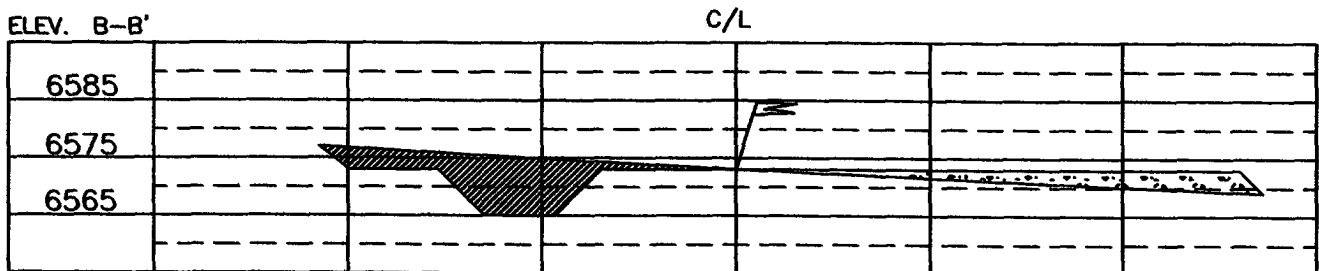
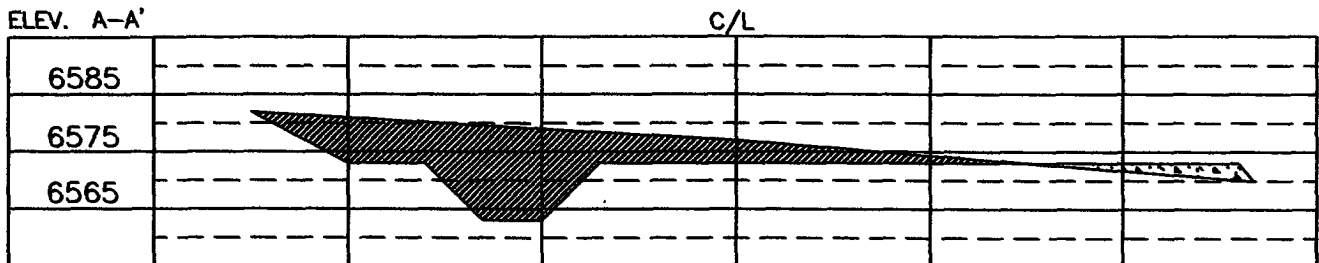
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. IV DATE JAN - 3 2005

Conditions of Approval (if any):

BURLINGTON RESOURCES OIL & GAS COMPANY LP
HUERFANO UNIT 128F, 910' FNL & 235' FWL
SECTION 36, T-27-N, R-10-W, NMPM, SAN JUAN COUNTY, NM
GROUND ELEVATION: 6573', DATE: OCTOBER 13, 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: Huerfano Unit #128F
Location: 910' FNL, 235' FWL, Section 36, T-27-N, R-10-W
San Juan County, New Mexico
Latitude 36° 32.19, Longitude 107° 51.27
Formation: Basin Dakota
Elevation: 6573' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	1330'	
Ojo Alamo	1330'	1530'	aquifer
Kirtland	1530'	2190'	gas
Fruitland	2190'	2330'	
Pictured Cliffs	2330'	2400'	gas
Lewis	2400'	2782'	gas
Huerfanito Bentonite	2782'	3220'	gas
Chacra	3220'	3905'	gas
Cliff House	3905'	3980'	
Menefee	3980'	4772'	gas
Point Lookout	4772'	4990'	gas
Mancos	4990'	5837'	gas
Gallup	5837'	6677'	gas
Greenhorn	6677'	6730'	gas
Graneros	6730'	6758'	gas
Two Wells	6758'	6845'	
Paguate	6845'	6899'	
Cubero	6899'	6954'	
Encinal	6954'	7015'	
Morrison	7015'		gas
TD	7055'		

Logging Program:

Mud Logs/Coring/DST -
Mud logs - 6577' to TD
Coring - none
DST - none
Open hole - none
Cased hole - Gamma Ray - surface to TD

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 300'	Spud MUD/Air/Air Mist	8.4-9.0	40-50	no control
300- 7055'	LSND	8.4-9.0	30-60	no control

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' - 300' 320	8 5/8"	32.3# 32	J-55
7 7/8"	0' - 7055'	4 1/2"	10.5#	J-55

Tubing Program: 0' - 7055' 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 -

8 5/8" 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:**8 5/8" surface casing conventionally drilled -**

Cement with 290 sacks Type III cement with 0.25 pps Celloflake, 3% calcium chloride. (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.

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

4 1/2" Production Casing Two Stage -

Stage collar set @ 4700'. First Stage: Lead with w/283 sacks Premium Lite cmt w/3% calcium chloride, 0.4% sodium metasilicate, 0.25 pps celloflake, 5 pps LCM-1 and 0.4% FL-52. Tail w/75 sacks Premium Lite HS FM cmt w/0.25 pps celloflake, 0.3% CD-32, 6.25 pps LCM-1 and 1% FL-52. Second Stage: 700 sacks Premium Lite cmt w/3% calcium chloride, 0.4% metasilicate, 0.25 pps celloflake, 5 pps LCM-1 and 0.4% FL-52. (2243 cu ft - 40% excess, circulate to surface, run CBL/temperature survey if cement is not circulated 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 @ 1530'. Two turbolating centralizers at the base of the Ojo Alamo 1530'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

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

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

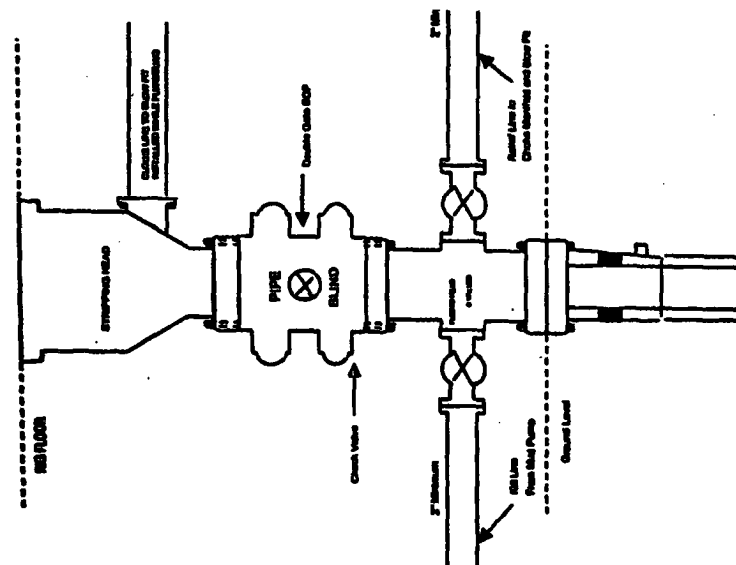
Fruitland Coal	300 psi
Pictured Cliffs	600 psi
Mesa Verde	700 psi
Dakota	2500 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The west half of Section 36 is dedicated to the Dakota formation.
- This gas is dedicated.

Sean Corrigan
Drilling Engineer

November 29, 2004
Date

BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System



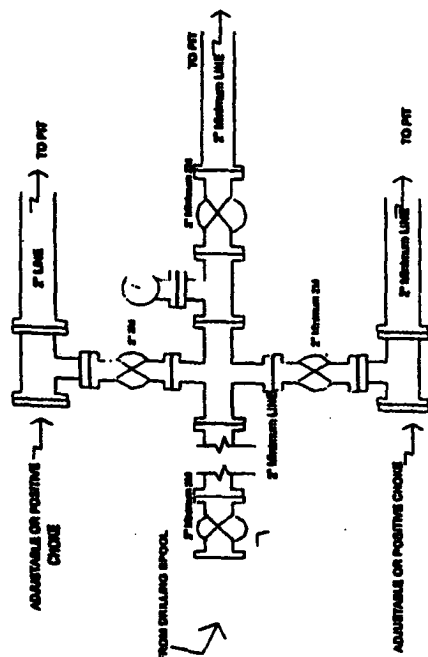
Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi stripping head.

Figure #2

4-20-01

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System



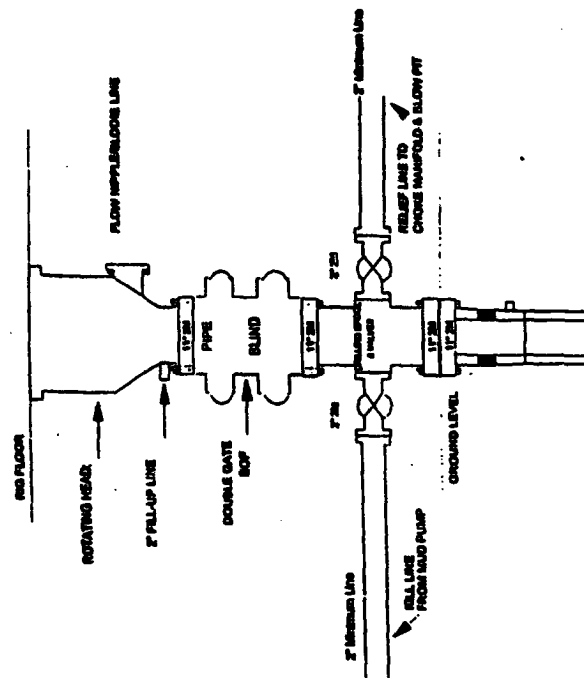
Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

4-20-01

Burlington Resources

Drilling Rig
2000 psi System



BOP Installation from Surface Casing Point to Total Depth. 11" Bore 10" Minimum, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 500 psi rotating head on top of ram preventer. All BOP equipment is 2,000 psi working pressure.

Figure #1