

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-079727 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 Mike McKinney 9. Well Number #1
4. Location of Well 706' FSL, 1034' FEL Latitude 36° 40.2800'N, Longitude 107° 16.0317'W	10. Field, Pool, Wildcat Choza Mesa Pictured Cliffs 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 8, T28N, R04W API # 30-039- 27790
14. Distance in Miles from Nearest Town 40.1 miles to Blanco Post Office Blanco, NM	12. County Rio Arriba 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 706'	
16. Acres in Lease	17. Acres Assigned to Well SE 1/4 114.89 PC
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 5511'	
19. Proposed Depth 4660'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 7482' 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 <i>AS</i>	Date <u>6/2/04</u>

PERMIT NO.

APPROVAL DATE

APPROVED BY [Signature]

TITLE AFM

DATE 6-1-05

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.

HOLD C104 FOR NSP

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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-27790	Pool Code 74960	Pool Name Choza Mesa Pictured Cliffs
Property Code 34860	Property Name MIKE MCKINNEY	Well Number 1
GRID No. 14538	Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	Elevation 7482'

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	8	28-N	4-W		706'	SOUTH	1034'	EAST	RIO ARriba

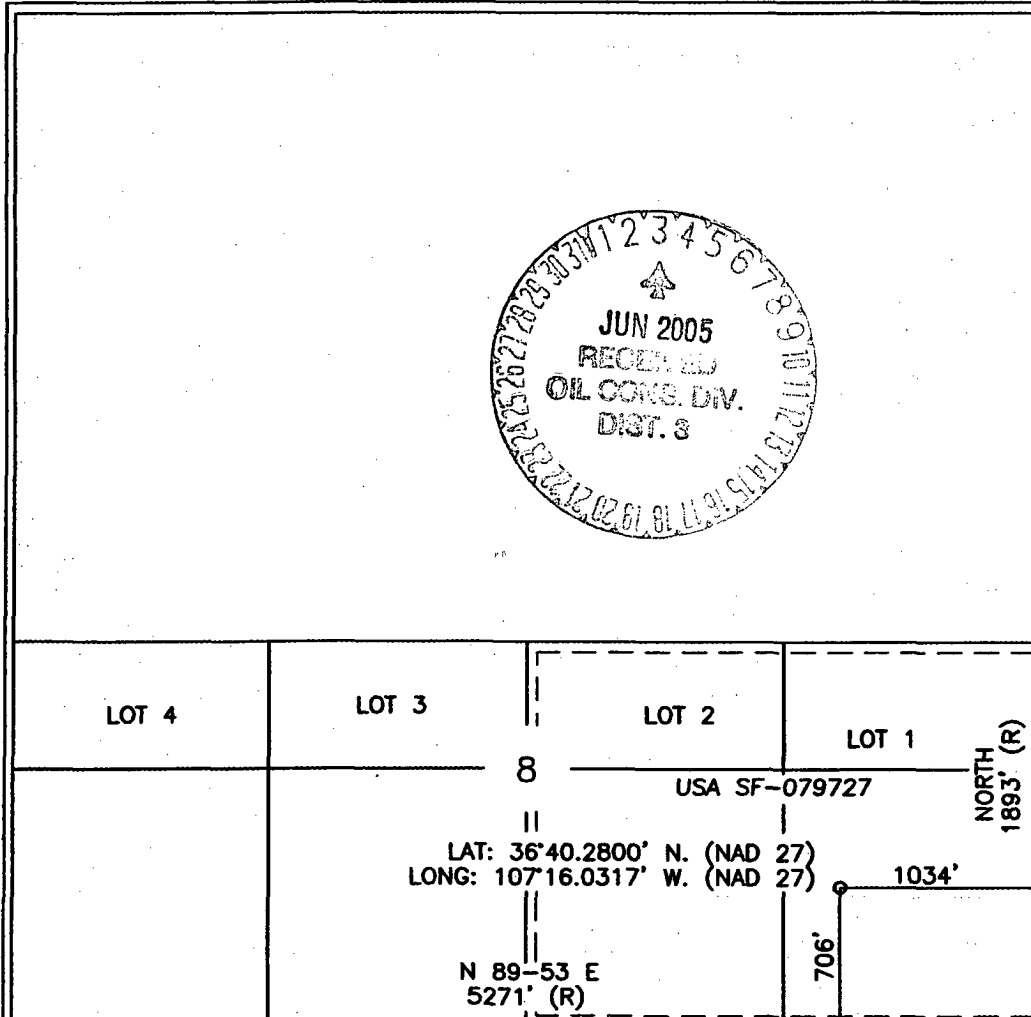
¹¹ Bottom Hole Location If Different From Surface

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

Dedicated Acres SE/2 114.89	Joint or Infill	Consolidation Code	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

16



17 OPERATOR CERTIFICATION

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

Signature
Joni Clark
Printed Name
Regulatory Specialist
Title
Date
5/25/04

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.

Signature and Seal of Professional Surveyor
DAVID A. JOHNSON
NEW MEXICO
REGISTERED
14827
PROFESSIONAL SURVEYOR
14827
Certificate Number

Submit 3 Copies To Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

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

WELL API NO. 30-039-
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. SF-079727
7. Lease Name or Unit Agreement Name Mike McKinney
8. Well Number 1
9. OGRID Number 14538
10. Pool name or Wildcat Choza Mesa Pictured Cliffs

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 P : 706 feet from the South line and 1034 feet from the East line
Section 8 Township 28N Range 4W NMPM Rio Arriba 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 8 Twp 28N Rng 4W Pit type New Depth to Groundwater <50' 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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: New Drill Pit <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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 a lined 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 ☒ or an (attached) alternative OCD-approved plan ☐.

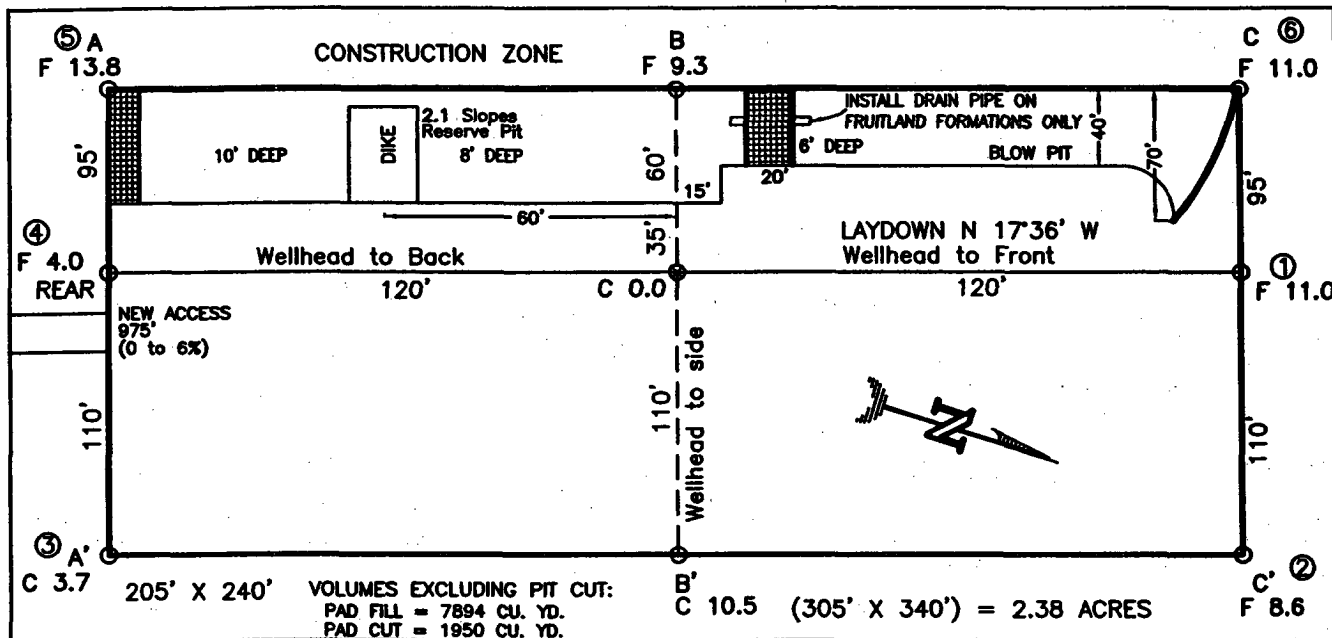
SIGNATURE Cassady Harraden TITLE Regulatory Specialist DATE 5/25/04

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

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR DIST. IV DATE JUN - 3 2005
Conditions of approval, if any.

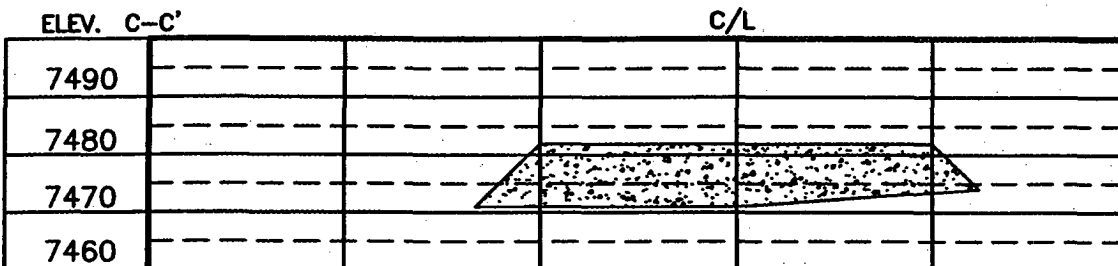
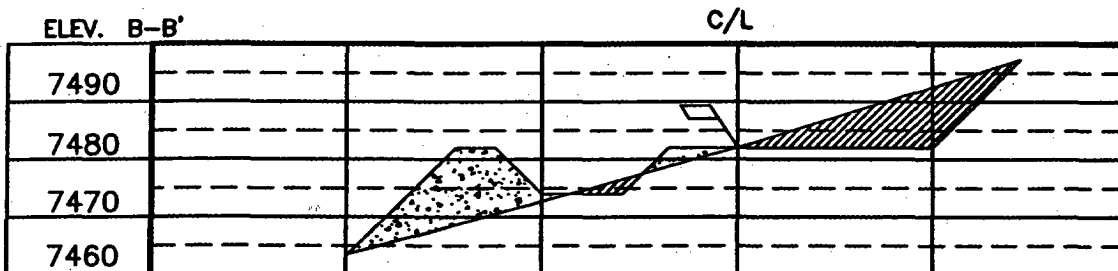
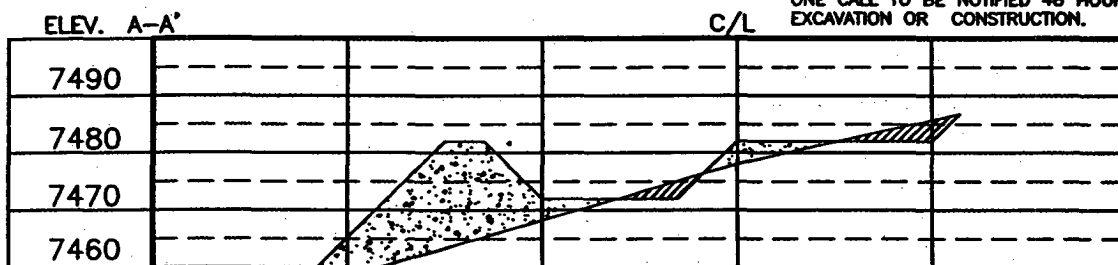
BURLINGTON RESOURCES OIL & GAS COMPANY LP
MIKE McKINNEY No. 1, 706 FSL 1034 FEL
SECTION 8, T-28-N, R-4-W, N.M.P.M., RIO ARriba COUNTY, NEW MEXICO
GROUND ELEVATION: 7482', DATE: OCTOBER 23, 2003



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:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



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.

DRAWN BY: A.G. ROW#: BR504 CADFILE: BR504CFB DATE: 10/31/03

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 Farmington, NM 87401
 Phone (505) 326-1772 Fax (505) 326-6019

REVISION: FOOTAGE CHANGE BY: A.G. DATE: 02/16/04

OPERATIONS PLAN

Well Name: Mike McKinney #1
Location: 706' FSL, 1034' FEL, Section 8, T-28-N, R-4-W
Rio Arriba County, New Mexico
Latitude 36° 40.2800'N, Longitude 107° 16.0317'W
Formation: Choza Mesa Pictured Cliffs
Elevation: 7482' GL

Formation:	Top	Bottom	Contents
Surface	San Jose	3769'	
Ojo Alamo	3769'	3934'	aquifer
Kirtland	3934'	4209'	gas
Fruitland Coal	4209'	4399'	gas
Pictured Cliffs	4399'	4599'	gas
Total Depth		4599'	

Logging Program:

Array Induction: TD to surface; 2" & 5" presentation on linear scale.
Neutron- Density: TD to minimum operation depth. Bulk density from TD to min operations depth; 2" & 5" presentation. Neutron Density from TD to min operations depth; 5" presentation; add merged deep resistivity.

Coring Program: None

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0- 120'	Spud/Mud/Air/Air Mist	8.4-9.0	40-50	no control
120-4599'	FW/LSND	8.4-9.0	32-45	no control

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

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
8 3/4"	0 - 120'	7"	20.0#	J-55
6 1/4"	0 - 4599'	4 1/2"	10.5#	J-55

Tubing Program:

0' -4599'	2 3/8"	4.7#	J-55
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Float Equipment: 7" surface casing - saw tooth guide shoe.
Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe on bottom with float collar spaced on top of shoe joint. Standard centralizers run every other joint above shoe to the base of the Ojo Alamo @ 3934'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 3934'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 7" x 4 1/2" x 2 3/8" 2000 psi screw on independent wellhead.

Cementing:

7" surface casing pre-set drilled- cement with 12 sxs Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (Bring cement to surface). Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface.

7" surface casing conventionally drilled - cement with 42 sxs Type III cement with 0.25 pps Celloflake, 3% calcium chloride. (54 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.

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

4 1/2" production casing - Lead w/272 sx Premium Lite cement w/3% calcium chloride, 0.25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tail w/90 sx Type III cement w/1% calcium chloride, 0.25 pps celloflake, and 0.2% fluid loss (703 cu.ft. of slurry, 50% excess to circulate to surface).

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

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test BOP and casing to 600 psi/30 min.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test BOP and casing to 2000 psi/15 min.

From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

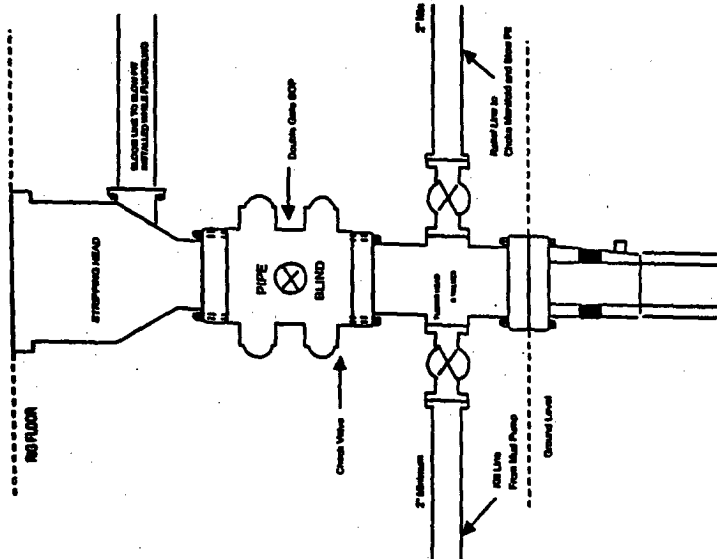
- * The Pictured Cliffs formation will be completed.
- * Anticipated pore pressure for the Pictured Cliffs is 500 psi.
- * This gas is dedicated.
- * S/2 SW of Section 8 is dedicated to the Choza Mesa Pictured Cliffs.

Sean Corbin
Drilling Engineer

June 10, 2004
Date

BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System

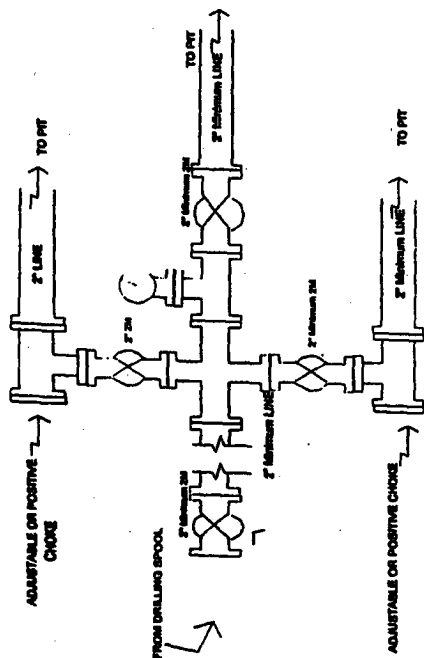


Minimum BOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi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

Figure #2

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System

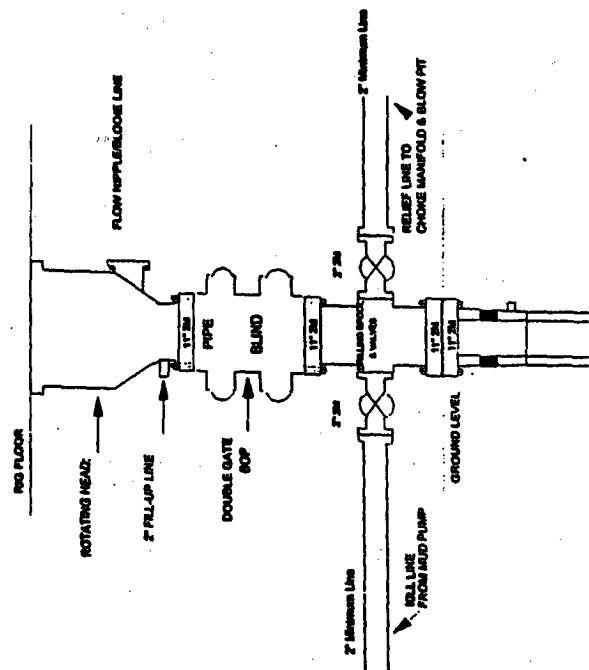


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

Burlington Resources

Drilling Rig
2000 psi System



BOP Installation from Surface Casing Point to Total Depth. 11" Bore 10" Nominal, 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 preventers. All BOP equipment is 2,000 psi working pressure

Figure #1