UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| | APPLICATION FOR PERMIT TO DRILL, DEEPEN | |
|--------|---|--|
| 1a. | Type of Work DRILL RECEIVED 070 FARMINGTON | NMSF-079520 Unit Reporting Number |
| 1b. | Type of Well GAS | 6. If Indian, All. or Tribe |
| 2. | Operator BURLINGTON | 7. Unit Agreement Name |
| | RESCURCES Oil & Gas Company | San Juan 28-5 Unit |
| 3. | Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 | 8. Farm or Lease Name |
| | (505) 326-9700 | #44N |
| 4. | Location of Well (170' 2605' TEL Unit O (SWSE), 575' FSL, 4785' FEL | 10. Field, Pool, Wildcat Blanco Mesaverde/Basin Dakot |
| M | Latitude 36° 37.5941'N Longitude 107° 20.5834'W | 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 27, T28N, R5W |
| | longitude 10, bottoot " | API # 30-039- 29726 |
| 14. | Distance in Miles from Nearest Town 34.3 miles to Blanco, NM | 12. County 13. State Rio Arriba NM |
| 15. | Distance from Proposed Location to Nearest Property or Lease Line 575' | |
| 16. | Acres in Lease | 17. Acres Assigned to Well 320 S/2 MV/DK |
| 18. | Distance from Proposed Location to Nearest Well, Drlg, Compl. or 1310'- San Juan 28-5 Unit #44A | Applied for on this Lease |
| 19. | Proposed Depth 8004' | 20. Rotary or Cable Tools Rotary |
| 21. | Elevations (DF, FT, GR, Etc.) 6.738' GL | 22. Approx. Date Work will Start |
| 23. | Proposed Casing and Cementing Program See Operations Plan attached | |
| 24. | Authorized by: Regulatory Compliance Assistant II | 12-12-05 Date |
| PERMIT | T NO. APPROVAL DA | TE |
| APPRO | OVED BY SMAN (COLOR) TITLE AFM | DATE 2/23/06 |

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.

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

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

NMOCE

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

OIL CONSERVATION DIVISION

Submit to Appropriate District Office State Lease - 4 Copies 7006 180 10 10 7 Fee Lease - 3 Copies

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

2040 South Pacheco Santa Fe, NM 87505

RECEIVED AMENDED REPORT

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number / 30-039- | 7726 | 726 72319/71599 Blanco Mesaverde/Basin Dakota | | |
|-----------------------------------|------|---|------------------------|------------------------|
| ⁴ Property Code | | ⁶ Pro | • Well Number | |
| 7460 | · | | 28-5 UNIT | 44N |
| OGRID No. | | *Ope | rator Name | ⁹ Elevation |
| 14538 | Bi | URLINGTON RESOURCES | OIL AND GAS COMPANY LP | 6815' |

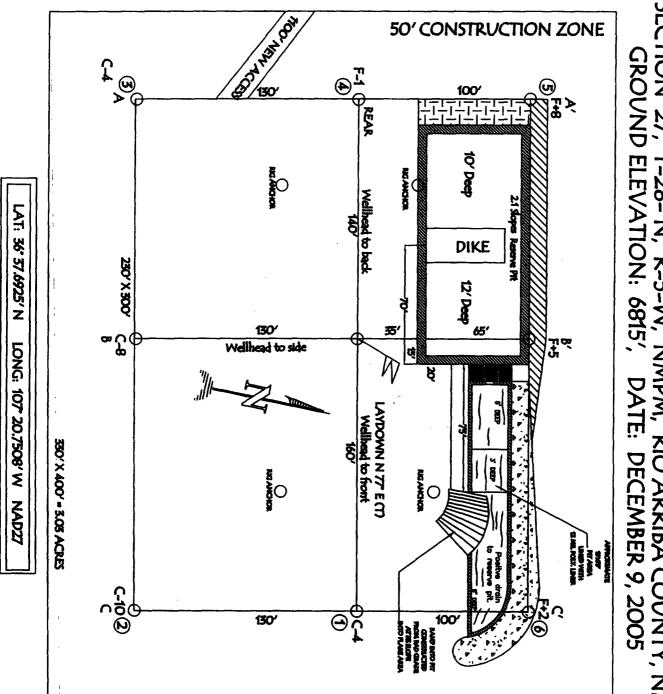
¹⁰ Surface Location

| | | | | | Durracc | Document | | | |
|----------------|---------|----------|-------------|---------|-------------------------------|------------------|-------------------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 0 | 27 | 28-N | 5-W | | 1170' | SOUTH | 2605' | EAST | RIO ARRIBA |
| | | | 11 Bott | om Hole | Location I | f Different Fro | om Surface | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | Rast/West line | County |
| Dedicated Acre |] DE | <u> </u> | 13 Joint or | hfill | ¹⁴ Consolidation C | Code | ¹⁵ Order No. | | |
| 320 S/2 | MV/DI | ζ | | | | | | | |

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 to true and complete to the best of my knowledge and belief |
|----|---|--------------------------------------|-------|----------------------------|--|
| | 2 | LAT: 36'37.69 LONG: 107'20. NAD 1927 | 2605' | N 0'−01'−22" W 6275.10' | Signature Joni Clark Printed Name Sr. Regulatory Specialist Title Date 18 SURVEYOR CERTIFICATION I heroby 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 corruct to the best of my belief. Date of Survey Signature and field at Proteculous Surveyor. 15703 |

| Submit 3 Copies To Appropriate Distric Office | t State of | New Mexico | | | | Form C-103 |
|--|-------------------------------|---------------------------------|--------------------------------------|-------------------|-------------------|-----------------|
| District I | | and Natural Resource | ces | | | May 27, 2004 |
| 1625 N. French Dr., Hobbs, NM 88240 District II | | | WELL AI | PI NO. | 30-039- | |
| 1301 W. Grand Ave., Artesia, NM 882 | io OIL CONSER | VATION DIVISIO | N 5. Indicat | te Type of L | | |
| District III | 1220 Sout | h St. Francis Dr. | S | TATE | FEE | |
| 1000 Rio Brazos Rd., Aztec, NM 87410 | Santa F | e, NM 87505 | 6. State C | Oil & Gas Lo | ease No. | |
| <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 8 | 37505 | | NMSF-079520 | | | |
| SUNDRY NOT | TICES AND REPORTS ON V | 7. Lease N | 7. Lease Name or Unit Agreement Name | | | |
| (DO NOT USE THIS FORM FOR PROPOSA DIFFERENT RESERVOIR. USE "APPLICA | | | | Ca- | Juan 28-5 Uni | |
| PROPOSALS.) | THORTORIERAMI (TORWIC-10 | i) for socii | | San | Juan 20-5 Uni | |
| 1. Type of Well: | | | 8. Well N | umber | | |
| | X Other | | 0.000 | | 44N | |
| 2. Name of Operator RURLINGTON RE | SOURCES OIL & GAS CO | MPANY LP | 9. OGRID |) Number | 14538 | Ì |
| 3. Address of Operator | ockers our a din co. | | 10. Pool r | name or Wil | | |
| | TREET, FARMINGTON, N | M 87402 | | Blanco Me | saverde/Basin | Dakota |
| 4. Well Location Unit Letter O | feet from the | South line an | 2 605 d 1785 | feet from | the East | line |
| Section 27 | Township | 28N Range | 5W NMP | | County | San Juan |
| | 11. Elevation (Show whether I | DR, RKB, RT, GR, etc.) 6738' | | | | |
| Pit or Below-grade Tank Application | X or Closure | 0/38 | | | | |
| Pit type New Drill Depth to Grou | ndwater >100' Distance fr | om nearest fresh water wei | >1000' | Distance fro | m nearest surface | water >1000' |
| Pit Liner Thickness: na | mil Below-Grade | Гапк: Volume | bbls; | – Construction | n Material | |
| 12 Chec | k Appropriate Box to l | ndicate Nature of | Notice Reno | ort or Oth | er Data | |
| | INTENTION TO: | | • | | REPORT O | F: |
| PERFORM REMEDIAL WORK | PLUG AND ABANDON | REMI | EDIAL WORK | | | ING CASING |
| TEMPORARILY ABANDON | CHANGE PLANS | | MENCE DRILLIN | | P AND | A 🔲 |
| PULL OR ALTER CASING | MULTIPLE COMPL | LI CASI | NG/CEMENT JO | В | | |
| | w Drill Pit | X OTHE | | | | |
| 13. Describe proposed or comp | • • • • • • | • | • | | _ | |
| or starting any proposed we or recompletion. | ork). SEE RULE 1103. For I | Multiple Completions: | Attach wellbore | diagram of p | proposed comp | letion |
| or recompletion. | | | | | | |
| | • | | | | | |
| | | | | | | |
| | | | | | | |
| D 11 D | 1.111 | 1 1 | | . | | 0.1 |
| Burlington Resources proposes to Ecosphere's risk ranking criteria, | | | | | | |
| Workover Pit Construction / Ope | | | | | | |
| designed to manage fluids, and the | | | | | anticipates clos | sing these pits |
| according to the Drilling / Work | over Pit Closure Procedure da | ted August 2, 2004 on f | file that the NMC | OCD office. | | |
| | | | | | | |
| | | | | | | |
| | | | | • | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| I hereby certify that the information grade tank has been/will be constructed or | | | | | | |
| 0 | | , a general per un | · [11] VI all (attac | acay anci naci | à | pian L.J. |
| SIGNATURE Amount | la Dandova | TITLE | Regulatory Assi | stant II | DATE | 11/22/2005 |
| Type or print name Ama | anda Sandoval E-1 | moil address: assa | aval@h= ina | m Talasi | one No | EDE 224 0500 |
| For State Use Only | inua Sayuuval E-1 | nail address: <u>asand</u> | oval@br-inc.co | m Teleph | one No. | 505-326-9700 |
| - l- | +W.f. | | M A A A A A A A A A A | | 1 | FEB 2 7 2006 |
| APPPROVED BY | | _ TITLE _CEPUTY (| AL & GAS INST | BUILDE, DE | T. 🐉 DATE | |
| Conditions of Approval (if any): | 11 15 | | | | | |



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

CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED

PIPLINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

BURLINGTON RESOURCES OIL & GAS COMPANY LP SAN JUAN 28-5 UNIT #44N, 1170' FSL & 2605' FEL SECTION 27, T-28-N, R-5-W, NMPM, RIO ARRIBA COUNTY, NM GROUND ELEVATION: 6815', DATE: DECEMBER 9, 2005

| | W | | S - S | \$ |
|--|------------|--|-------|----|
| | 1177 1 1 1 | | | |
| | TT+ 1 1 | | | |

PIPLINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION. CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED NOTE: VECTOR SURVEYS IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.

OPERATIONS PLAN

Well Name:

SAN JUAN 28-5 UNIT 44N

Location:

575' FSL & 1785' FEL, Section Sec 27 T28N R05W

Rio Arriba County, New Mexico

Formation:

Blanco Mesaverde/Basin Dakota

Elevation:

6738' GL

| Formation Tops: | <u>Top</u> | Bottom | <u>Contents</u> |
|-----------------------|------------|--------|-----------------|
| Surface | San Jose | 3045' | |
| Ojo Alamo | 3045' | 3120' | aquifer |
| Kirtland | 3120' | 3450' | gas |
| Fruitland Coal | 3450' | 3602' | gas |
| Pictured Cliffs | 3602' | 3740' | gas |
| Lewis | 3740' | 4205' | |
| Huerfanito Bentonite | 4205' | | |
| Chacra | 4560' | 5370' | gas |
| Massive Cliff House | 5370' | 5440' | gas |
| Menefee | 5440' | 5785 ' | gas |
| Massive Point Lookout | 5785' | 6292' | gas |
| Mancos Shale | 6292' | 6935' | |
| Upper Gallup | 6935' | 7667' | gas |
| Greenhorn | 7667' | 7738' | gas |
| Graneros | 7738' | 7782 ' | gas |
| Two Wells | 7782' | 7874' | gas |
| Upper Cubero | 7874' | 7923 ' | gas |
| Lower Cubero | 7923' | 7995' | gas |
| Oak Canyon | 7995' | 8004' | gas |
| Encinal | 8004' | 8004' | gas |
| Total Depth: | 8004' | | gas |

Logging Program:

Mud Logs/Coring/DST

Mud logs - from 7858' (about 200' above Greenhorn top) to TD

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 - 200' | Spud MUD/Air/Air Mist | 8.4 - 9.0 | 40 - 50 | no control |
| 200- 3840' | LSND | 8.4 - 9.0 | 30 - 60 | no control |
| 3840 - 8004' | 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' - 200' | 9 5/8" | 32.3# | H - 40 |
| 8 3/4" | 0' - 3840' | 7 " | 20/23# | J-55 |
| 6 1/4" | 0' - 8004' | 4 1/2" | 10.5# | J-55 |

Tubing Program:

| Depth Interval | <u>Csg.Size</u> | <u>Wt.</u> | <u>Grade</u> |
|----------------|-----------------|------------|--------------|
| 0' - 8004' | 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.

<u> Wellhead -</u>

9 5/8" x 7" x 4 $\frac{1}{2}$ " 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. (38 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.

testing or drilling out from under surface.

Conventionally Drilled Cement with 26 SX Type III cement with 0.25 pps
Celloflake, 2% CaCl. (13 cu ft of slurry, 200% excess, bring cement to
surface) Wait on cement for 8 hrs for conventionally set holes before
pressure testing or drilling out from under 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 346 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 (124 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 w/15 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss. Tail w/90 Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: 331 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (704 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 other joint off bottom, to the base of the Ojo Alamo @ 3120'. Two turbolating centralizers at the base of the Ojo Alamo @ 3120'. 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 -

Pump 281 sxs Premium Lite HS FM w/0.25 pps celloflake, 0.3% CD-32, 6.25 pps LCM-1, 1% fluid loss, 6% gel, 7 pps CSE (567 cu.ft., 30% excess to achieve 100' overlap in 4-1/2" x 7" annulus). WOC a minimum of 18 hrs prior to completing.

Cementing: Continued

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. The liner hanger will have a rubber packoff.

• 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 formations 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 2000 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 south half of Section 27 is dedicated to the Mesa Verde formation and Dakota formation.
- This gas is dedicated.



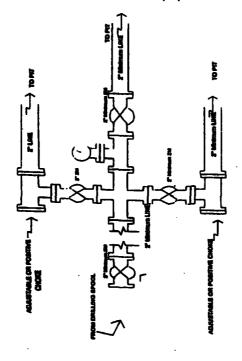
Burlington Resources

2000 psi System

RO POOR

Drilling Rig

Dritting Rig Choise Menifold Configuration 2000 psi System



DOUBLE GATE

PFLLUP LINE

EGTATTING HEAD?

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

Figure #3

4-20-01

Figure 81

nurs double gate BOP to be equipped with bilind and tipe rams. A stripping head to be installed on the top of Operations. 7-1/16" bore, 2000 pel minimum working preceure or greater excluding 500 pul attipping head. Minimum BOP installation for all Comptation/Morton the BOP. All BOP equipment to 2000 pal working Physics #2

10-02-0

UNITED STATES

| BUREAU OF LAND MANAGEMENT | N 10 0m 7 E7 |
|---|---|
| Sundry Notices and Reports on Wells | |
| 070 1. Type of Well GAS | RECEIVED 5. Lease Number FARMIMOTON MMMSF-079520 6. If Indian, All. or Tribe Name |
| 2. Name of Operator BURLINGTON | 7. Unit Agreement Name San Juan 28-5 Unit |
| 3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 4. Location of Well, Footage, Sec., T, R, M 1170'FSL, 2605'FEL, Sec. 27, T28N, R05W, NMPM | 8. Well Name & Number San Juan 28-5 Unit #44N 9. API Well No. 30-039-29726 10. Field and Pool Blanco Mesaverde/Basin Dakota |
| (New location) 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, Type of Submission Type of Acti | |
| X Notice of Intent Abandonment Recompletion Subsequent Report Plugging Back Casing Repair Final Abandonment Altering Casing X Change of Location | Change of Plans New Construction Non-Routine Fracturing Water Shut off Conversion to Injection |
| It is intended to change the location on the above 1785' FEL to 1170' FSL, 2605' FEL in Section 27, T attached documents. | |
| Signed Title Regulatory (This space for Federal or State Office use) APPROVED BY CONDITION OF APPROVAL, if any: Title 18 U.S.C. Section 1001, makes it a craime for any person knowingly and willfully to make | Specialist Date 1/9/06 Date 1/23/06 |
| United States any false, fictitious or fraudulent statements or representations as to any mat | ter within its jurisdiction. |



NMOCD