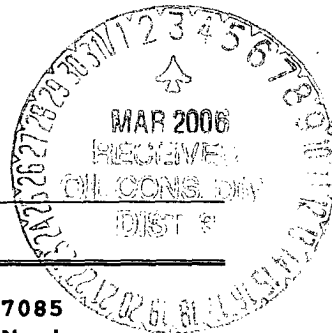


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NMSF-077085 Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company, LP	7. Unit Agreement Name
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Omler 9. Well Number 501S
4. Location of Well <u>760' FNL 810' FNL</u> Unit P (SESE), 895' FSL & 980' FNL Latitude 36° 37.4302'N Longitude 107° 51.1578'W	10. Field, Pool, Wildcat Basin FC / FC FS/ Fulcher Kutz PC, 162 FS 11. Sec., Twn, Rge, Mer. (NMPM) D Sec. 36, T28N, R10W API # 30-045-33542
14. Distance in Miles from Nearest Town	12. County San Juan 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 760'	
16. Acres in Lease	17. Acres Assigned to Well FC - 320 acres W/2 FS & PC - 160 acres NW/4
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease Twinned with the Omler A 6E	
19. Proposed Depth 2101'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 5859' GL	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Patsy Clugish</u> Sr. Regulatory Specialist	Date <u>1/20/06</u>

PERMIT NO.

APPROVAL DATE

APPROVED BY D. Marking

TITLE AFM

DATE 2/28/06

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.

Not an HPA FC Well

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED

Drilling operations authorized are
subject to compliance with attached
Bureau of Land Management Form 3160-3

NMOCB

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210,

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

KUTZ

¹ API Number 30-045- <u>33542</u>	² Pool Code 71629/77200/ <u>79600</u>	³ Pool Name W2 320 FC Basin Fruitland Coal/ Fulcher Kutz Pictured Cliffs
⁴ Property Code 7373 ✓	⁵ Property Name OMLER	⁶ Well Number 501S ✓
⁷ GRID No. 14538 ✓	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	⁹ Elevation 5859 ✓

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
D	36	28-N	10-W		760	NORTH	810	WEST	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
¹² Dedicated Acres FS 160 NW/4 ¹³ Joint or Infill W2 320 FC NW4 160 PC					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>16</p> <p>CALC. CORNER W.C. 66° NORTH</p> <p>760'</p> <p>810'</p> <p>N 00°00'28" W 5273.31' (C)</p> <p>USA SE-077085 NM4335/ME-3266T</p> <p>FD 3 1/2" BLM 1967 B.C.</p>	<p>S 89°56'38" W 5279.29' (C)</p> <p>LAT: 36°37.4302' N. (NAD 27) LONG: 107°51.1578' W. (NAD 27)</p> <p>36</p>	<p>FD 3 1/2" BLM 1967 B.C.</p>	<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><u>Amanda Sandoval</u> Signature <u>Amanda Sandoval</u> Printed Name <u>Regulatory Assistant II</u> Title <u>12-8-05</u> Date</p>

Office

Energy, Minerals and Natural Resources

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 DIVISION1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-045- **33542**

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

Federal SF-077085

7. Lease Name or Unit Agreement Name

Omler

8. Well Number

501S

9. OGRID Number

14538

10. Pool name or Wildcat

Basin FC / WC FS/ Flucher Kutz PC

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 : 760' feet from the North line and 810' feet from the West line
 Section 36 Township 28N Rng 10W NMPM County San Juan

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

5859' GL

Pit or Below-grade Tank Application

☐ or Closure ☐

Pit type

new drill

Depth to Groundwater

<50'

Distance from nearest fresh water well

>1000'

Distance from nearest surface water

>200'

Pit Liner Thickness:

12

mil

Below-Grade Tank:

Volume

bbbs;

Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:PERFORM REMEDIAL WORK ☐TEMPORARILY ABANDON ☐PULL OR ALTER CASING ☐PLUG AND ABANDON ☐CHANGE PLANS ☐MULTIPLE COMPL ☐**SUBSEQUENT REPORT OF:**REMEDIAL WORK ☐COMMENCE DRILLING OPNS. ☐CASING/CEMENT JOB ☐ALTERING CASING ☐P AND A ☐

OTHER:

New Drill Pit ☒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.

New Drill, Lined:

Burlington Resources proposes to construct a new drilling pit and an associated vent/flare pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit will be a lined 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 vent/flare pit will be designed to manage fluids and that portion will be lined 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

TITLE

Sr. Regulatory Specialist

DATE

12/28/2005

Type or print name

Patsy Clugston

E-mail address:

pclugston@br-inc.com

Telephone No.

505-326-9518

For State Use Only

APPROVED BY

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 68

DATE

MAR 03 2006

Conditions of Approval (if any):

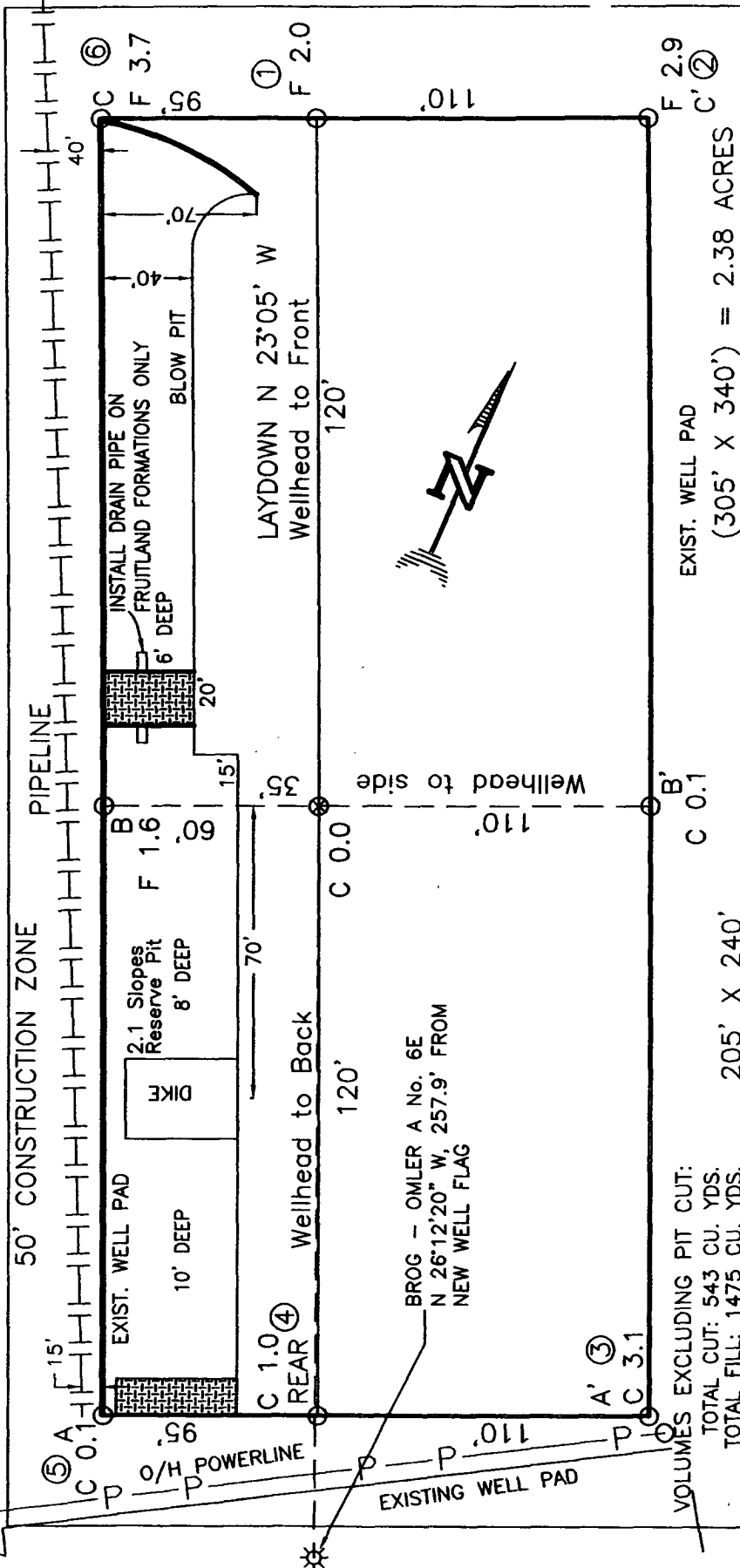
BURLINGTON RESOURCES OIL & GAS COMPANY LP

OMLER No. 501S, 760 FNL 810 FWL

SECTION 36, T-28-N, R-10-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

GROUND ELEVATION: 5859, DATE: DECEMBER 2, 2005

LATITUDE: 36°37.4302' N (NAD 27) LONGITUDE: 107°51.1578' W (NAD 27)



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: ESTIMATED VOLUMES CALCULATED BY AVERAGE END AREA AT CROSS-SECTION SHOWN

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.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 326-1772 • Fax (505) 326-8019
NEW MEXICO L.S. 14831

REVISION	DATE	REVISION BY
CONSTRUCT PAD AREA	12/28/05	A.G.
DATE	12/08/05	

OMLER No. 501S, 760 FNL 810 FWL

SECTION 36, T-28-N, R-10-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

GROUND ELEVATION: 5859. DATE: DECEMBER 2, 2005

LATITUDE: 36°37.4302' N (NAD 27) LONGITUDE: 107°51.1578' W (NAD 27)


ELEV. A-A'	C/L
5870	
5860	
5850	
5840	

ELEV. B-B'	C/L
5870	
5860	
5850	
5840	

ELEV. C-C'	C/L			
5870				
5860				
5850				
5840				

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.

REVISIONS	DATE	REVISION BY:
 <p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. 14831</p>		
BOAH BY A.G.	CAPL BRB04CFB	
CONF. BRB04	DATE: 12/08/05	

OPERATIONS PLAN

Well Name: Omler 501S
Location: Unit D (NWNW), 760' FNL & 810' FWL, Sec. 36, T28N, R10W
 San Juan County, New Mexico
 Latitude 36° 37.4302'N Longitude 107° 51.1578' W
Formation: Fulcher Kutz Pictured Cliffs
Elevation: 5859' GR

Formation:	Top	Bottom	Contents
Ojo Alamo	964'	1025'	aquifer
Kirtland	1025'	1669'	gas
T/Fruitland	1669'		gas
Pictured Cliffs	1901'		
Total Depth	2101'		

Logging Program: None

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis. Fluid Loss</u>
0- 120'	Spud/Air/Air Mist	8.4-8.9	40-50 no control
120-2101'	Non-dispersed	8.4-9.5	30-60 no control

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csq. Size</u>	<u>Wt.</u>	<u>Grade</u>
8 $\frac{3}{4}$ "	0 - 120'	7"	20.0#	J-55
6 $\frac{1}{4}$ "	0 - 2101'	4 1/2"	10.5#	J/K-55

Tubing Program:

0 - 2101'	2 3/8"	4.7#	J-55
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Float Equipment: 7" surface casing - guide shoe. Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe and float collar on bottom. Centralizers run every third joint above shoe to the base of the Ojo Alamo @ 1025'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1025'. 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" x 11" 2000 psi xmas tree assembly.

December 28, 2005

Cementing:

7" surface casing Pre-Set Drilled - Cement with 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 - Cement with ^{1.28}~~50~~ sx Type III cement with 0.25 pps Celloflake, 3% CaCl. ⁵⁴~~63.6~~ cu ft of slurry @ ⁴²~~1.61~~ yield). 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.
WOC until cement establishes 250 psi compressive strength prior to NU of BOPE.

4 1/2" production casing - Cement with 93 sx (198 cu ft of slurry @ 2.13 yield) Premium Lite with 3% calcium chloride, 5 pps LCM-1, and 1/4#/sack celloflake, 0.4% FL-52, & 0.4% SMS. Tail with 90 sacks (124 cu ft of slurry @ 1.38 yield) Type III cmt with 1% calcium chloride, 1/4#/sack Celloflake and 0.2% FL-52. Total of 322 cf - 50% excess to circulate to surface.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test ^{BOPE}rams to 600 psi/30 min.

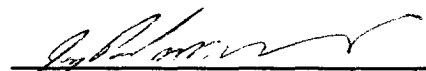
Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 1500 psi/30 min.

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:

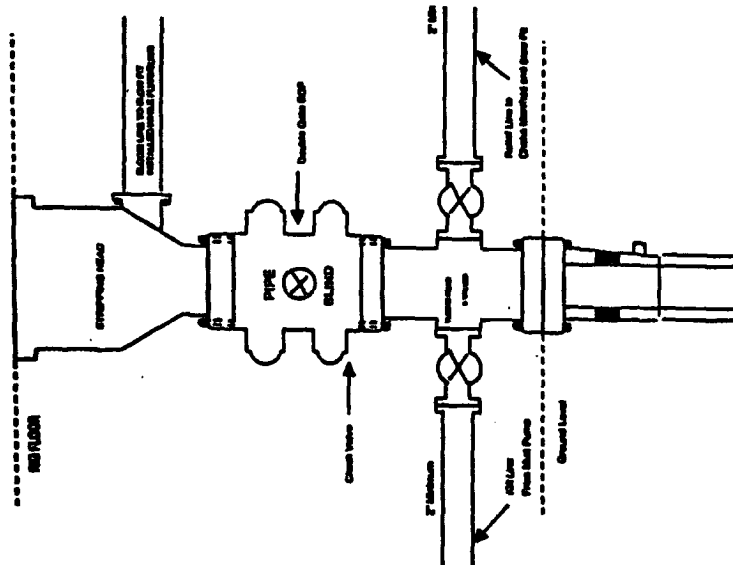
- * The Fruitland Coal/ Fruitland Sands and Pictured Cliffs formations will be completed.
- * Anticipated pore pressure for the Fruitland Coal is 600 - 700 psi.
- * This gas is dedicated.
- * The west half of the section is dedicated to this well for the Fruitland Coal and the NW/4 will be dedicated for the PC and FS intervals.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.


Drilling Engineer

12/29/05
Date

BURLINGTON RESOURCES

**Completion/Workover Rig
BOP Configuration
2,000 psi System**

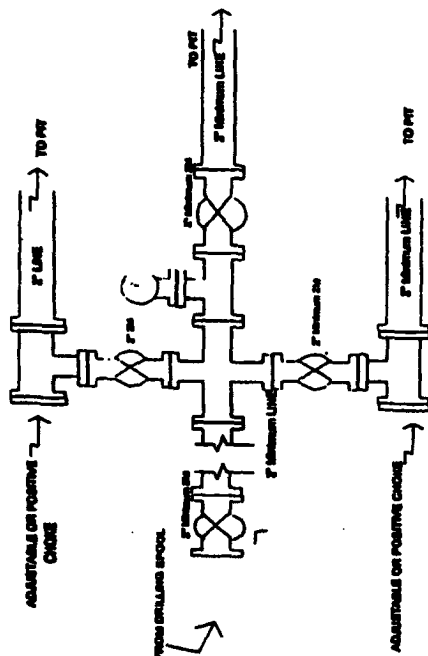


Minimum SGP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate SGP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the SGP. All SGP equipment is 2000 psi working pressure or greater excluding 500 psi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

Figure #2

BURLINGTON RESOURCES

**Drilling Rig
Choke Manifold Configuration
2000 psi System**

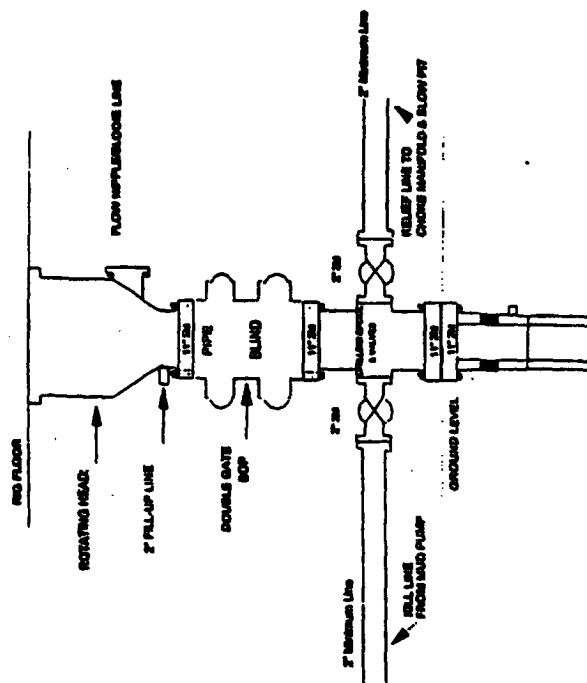


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

Burlington Resources

Drilling Rig Control System



BOC Insulation from Surface Cooling 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 BOP psi rating based on top of
ram preventers. All BOP equipment in 2,000 psi working pressure

Figure #1