

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 NM-03999
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 Grambling
	9. Well Number #720S
4. Location of Well 1555' FNL, 840' FWL Latitude 36° 42.8220' N, Longitude 107° 46.2774' W	10. Field, Pool, Wildcat Basin Fruitland Coal
	11. Sec., Twn, Rge, Mer. (NMPM) Sec. 22, T29N, R09W
	API # 30-045- 33635
14. Distance in Miles from Nearest Town 3.4 miles from the Post Office in Blanco, NM.	12. County San Juan
	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 840'	
16. Acres in Lease	17. Acres Assigned to Well W/2 311.80
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 53'	
19. Proposed Depth 2419'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 5731' 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	Date <u>3/3/06</u>

PERMIT NO.

APPROVAL DATE

APPROVED BY [Signature]

TITLE AFM

DATE 3/22/06

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.

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

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.8
and appeal pursuant to 43 CFR 3165.4

NMOC

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 30-045 336035	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 7054	Property Name GRAMBLING	Well Number 720S
GRID No. 14538	Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	Elevation 5731'

¹⁰ Surface Location

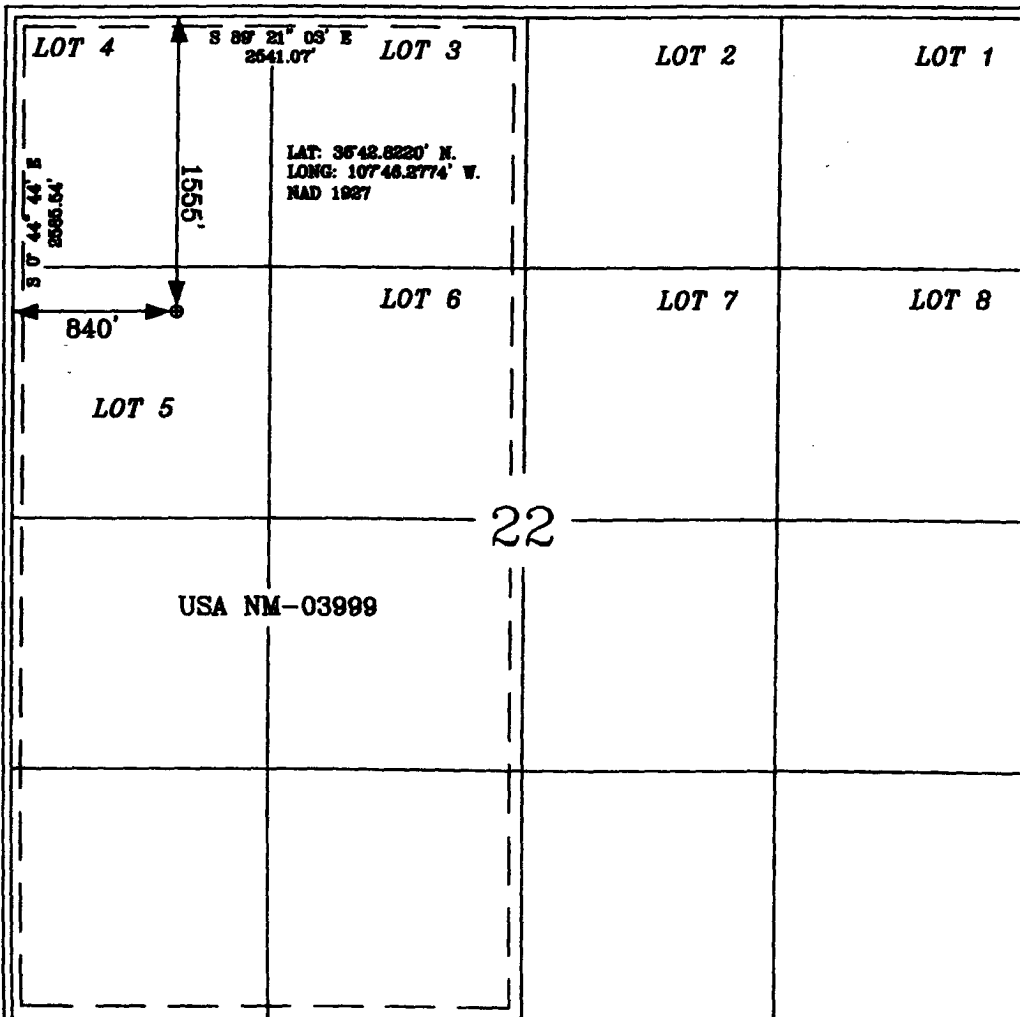
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	22	29-N	9-W		1555'	NORTH	840'	WEST	SAN JUAN

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
Dedicated Acres W/2 311.80			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

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
Philana Thompson
Printed Name
Regulatory Compl Assoc. III
Title
2/15/06
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 **2-15-06**
Signature and Seal of Surveyor
Certificate Number 15703

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-

33635

5. Indicate Type of Lease

STATE ☒

FEE

☐

6. State Oil & Gas Lease No.

USA NM-03999

7. Lease Name or Unit Agreement Name

Grambling

8. Well Number

720S

9. OGRID Number

14538

10. Pool name or Wildcat

Basin Fruitland Coal

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 E : 1555 feet from the North line and 840 feet from the West lineSection 22 Township 29N Range 9W NMPM County San Juan

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

5731'

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

>200

<1000

Pit Liner Thickness:

n/a

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:

PERFORM REMEDIAL WORK

☐

PLUG AND ABANDON

☐

TEMPORARILY ABANDON

☐

CHANGE PLANS

☐

PULL OR ALTER CASING

☐

MULTIPLE COMPL

☐

OTHER:

New Drill

☒

REMEDIAL WORK

☐

ALTERING CASING

☐

TEMPORARILY ABANDON

☐

CHANGE PLANS

☐

PULL OR ALTER CASING

☐

MULTIPLE COMPL

☐

OTHER:

New Drill

☒

COMMENCE DRILLING OPNS.

☐

P AND A

☐

PULL OR ALTER CASING

☐

MULTIPLE COMPL

☐

OTHER:

New Drill

☒

CASING/CEMENT JOB

☐

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, Unlined:

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 and vent/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 vent/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

3/3/2006

Type or print name

Joni Clark

E-mail address:

jclark@br-inc.com

Telephone No.

505-326-9700

For State Use Only

APPROVED BY

[Signature]

TITLE

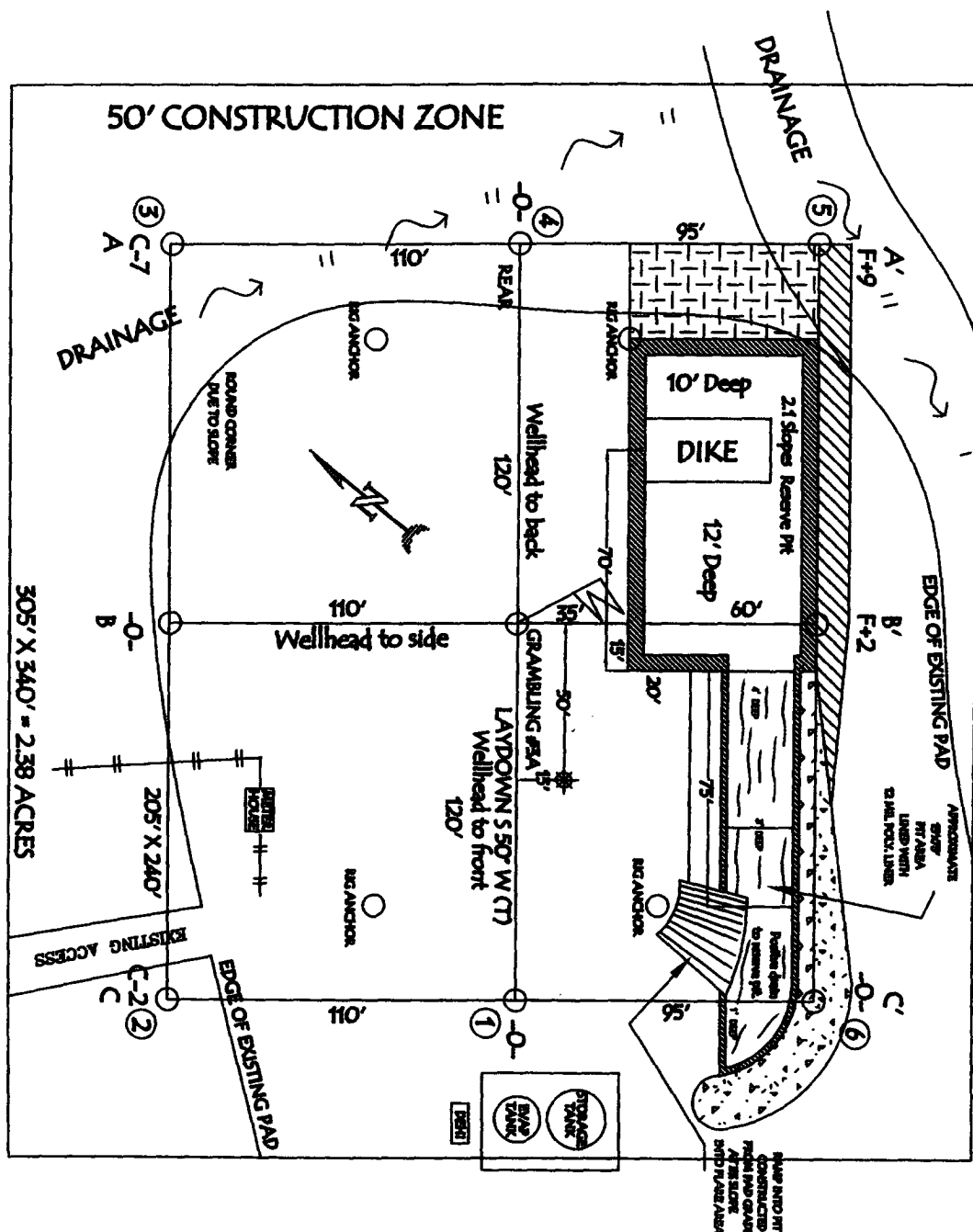
DEPUTY OIL & GAS INSPECTOR, DIST. 1

DATE

MAR 27 2006

Conditions of Approval (if any):

RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).

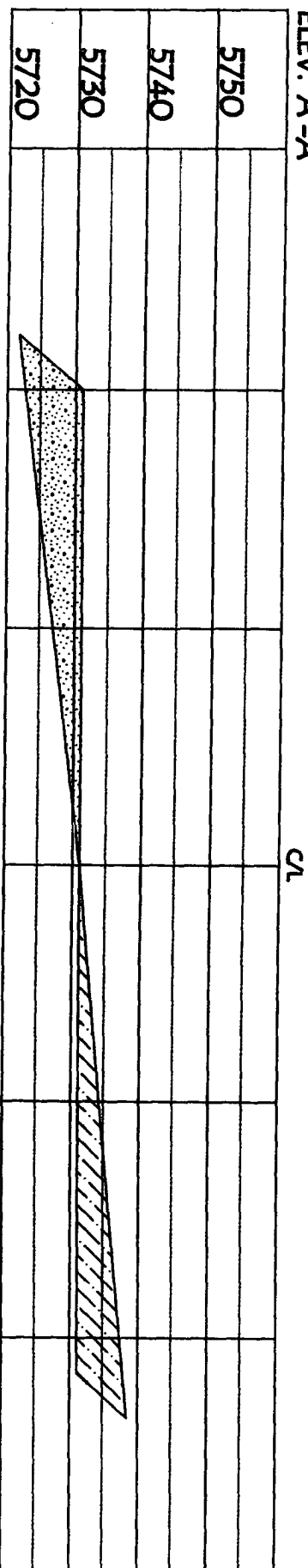


LATITUDE: 36° 42.8220'N LONGITUDE: 107° 46.2774'W NAD27

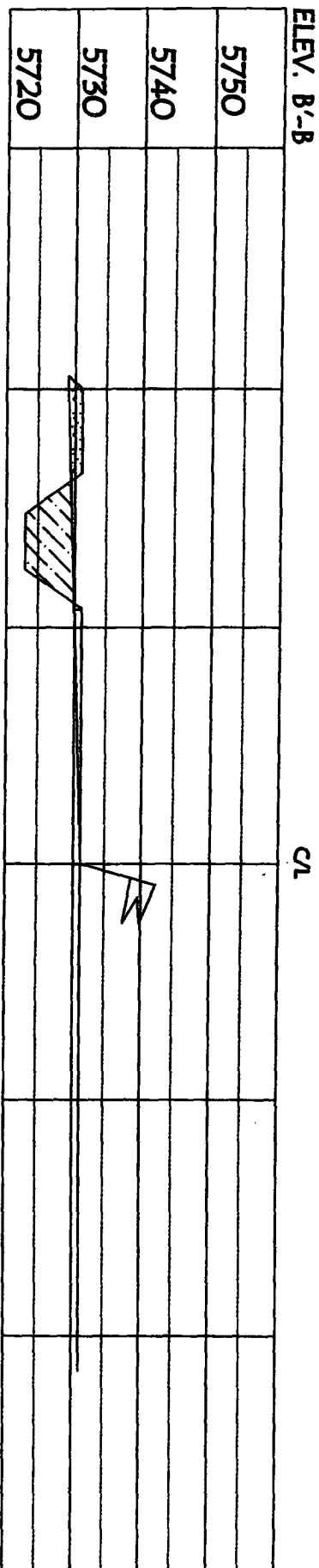
PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

BURLINGTON RESOURCES OIL & GAS COMPANY LP
GRAMBLING 720S, 1555' FNL & 840' FWL
SECTION 22, T-29-N, R-9-W, NMPM, SAN JUAN COUNTY, NM
GROUND ELEVATION: 5731', DATE: FEBRUARY 8, 2006

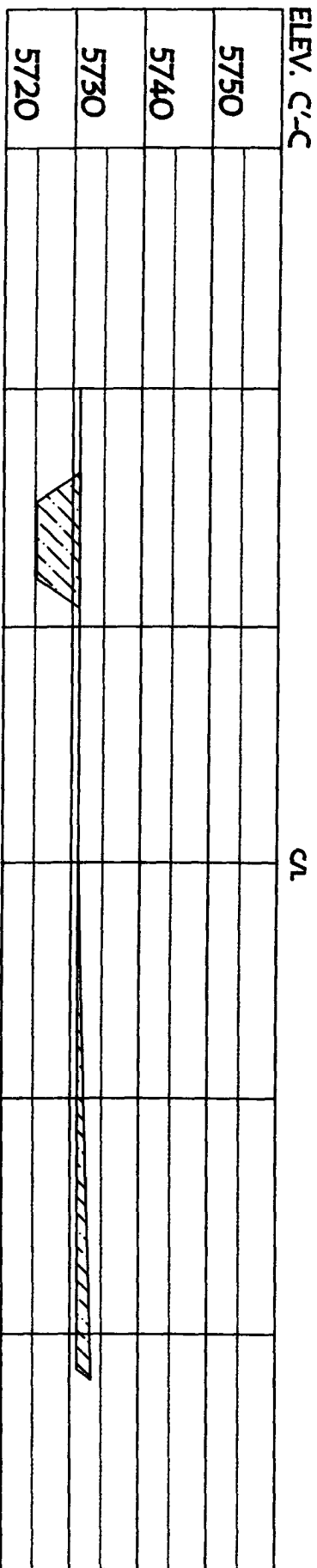
ELEV. A'-A



ELEV. B'-B



ELEV. C'-C



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: Grambling #720S
Location: 1555' FNL, 840' FWL Section 22, T-29-N, R-09-W
Latitude 36° 42.8220' N, Longitude 107° 46.2774' W
San Juan, NM
Formation: Basin Fruitland Coal
Elevation: 5731' GR

Formation:	Top	Bottom	Contents
Surface	San Jose	1189'	
Ojo Alamo	1189'	1236'	aquifer
Kirtland	1236'	1988'	
Fruitland Coal	1988'	2219'	gas
Pictured Cliffs	2219'		
Total Depth	2419'		

Logging Program: None
Mudlog: None
Coring Program: None
Cased Hole: GR/CBL

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 120'	Spud Mud/Air/Air Mist	8.4-9.0	40-50	no control
0-2220'	Polymer Mud/Polymer Starch	8.4-9.0	40-50	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>
8 3/4"	0' - 120'	7"	20#	J-55
6 1/4"	0' - 2419'	4 1/2"	10.5#	J-55

Tubing Program:

0' - 2419'	2 3/8"	4.7#	J-55
------------	--------	------	------

Float Equipment: 7" surface casing - guide shoe. Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - guide shoe and float collar. Standard centralizers run every third joint above shoe to the base of the Ojo Alamo @ 1236'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1236'. 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 xmas tree assembly.

Cementing:

7" surface casing -
Pre-Set Drilled Cement with ~~42 sx~~ Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (~~54 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.

Conventionally Drilled
Cement with 42 sx Type III cement with 0.25 pps Celloflake, 3% CaCl. (54 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.

WOC until cement establishes 250 psi compressive strength prior to NU of BOPE.

4 1/2" production casing - lead w/116 sacks (248 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 (372 cu.ft., 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 production TD - 11" 2000 psi (minimum) double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test BOPE to 600 psi for 30 min.

From surface to production TD - a choke manifold will be installed in accordance with Onshore Order No. 2 (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 formation will be completed.
- * Anticipated pore pressure for the Fruitland is less than 500 psi.
- * This gas is dedicated.
- * West half of Section 22 is dedicated to the Fruitland Coal.

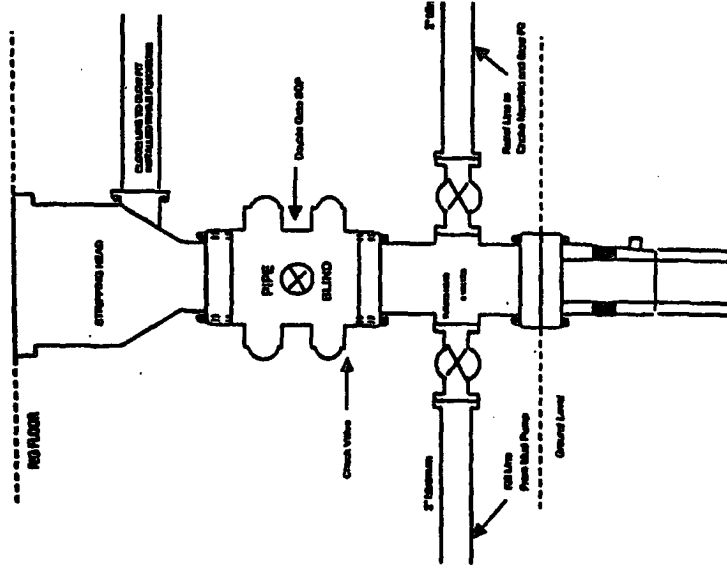
Date: 3/3/2006

Drilling Engineer: Coleman [Signature]

Blowout preventor equipment (BOPE) tests must be performed using an appropriately sized test plug. The BOPE test must be performed and recorded using a test pump, calibrated test gauges and a properly calibrated strip or chart recorder. The test must be recorded in the driller's log and will include a low pressure test requirement of 250 psig held for five minutes and a high pressure test requirement held for ten minutes as described in Onshore Order No. 2 or otherwise authorized in the Application for Permit to Drill (APD). A successful BOPE test using a test plug is considered when no pressure drop occurs over the duration of the test. Test gauges and recorders must be of the proper range and resolution commensurate with the authorized test pressure. Where intermediate casing strings are used, only one BOPE test will be necessary contingent upon the test being conducted to the highest approved test pressure to which the BOPE will be exposed. Casing pressure tests must be held for 30 minutes with no more than a 10 percent pressure drop during the duration of the test.

BURLINGTON RESOURCES

Completion/Workover Rig BOP Configuration 2,000 psi System



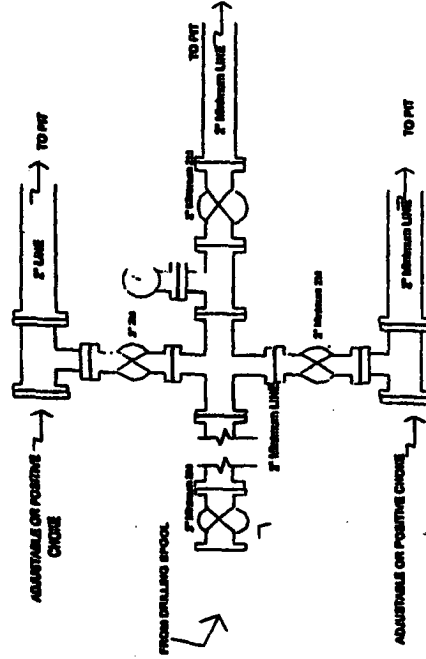
Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi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

Figure #2

4-20-01

BURLINGTON RESOURCES

Drilling Rig Choke Manifold Configuration 2000 psi System



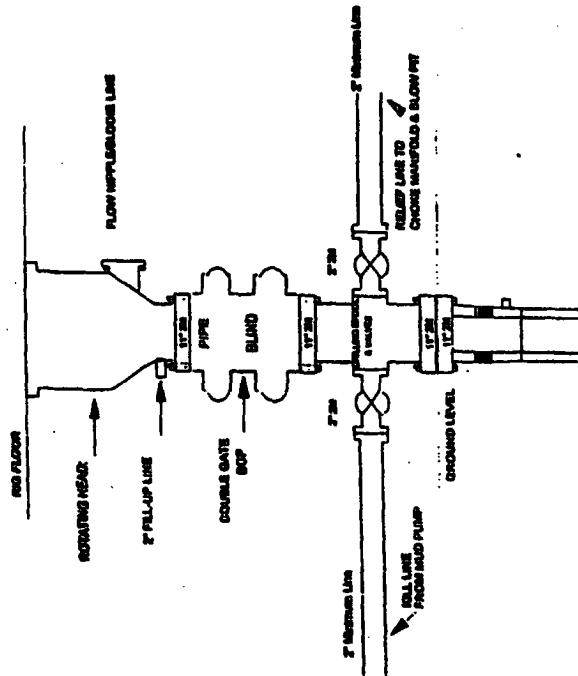
Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

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 BOP psi rating based on top of ram preventer. All BOP equipment is 2,000 psi working pressure.

Figure #1