

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-079492-A Unit Reporting Number NMPM-07840913 NMPM-07840913-DK
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name San Juan 27-5 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name San Juan 27-5 Unit 9. Well Number #96P
4. Location of Well Unit E(SWNW)1775' FNL, 1305' FWL surface Unit D(NWNW)710' FNL, 710' FWL bottom Surface-Latitude 36°34.5442'N, Longitude 107°20.9755' Bottom Hole-Lat. 36°34.7186'N, Longitude 107°21.1036'	10. Field, Pool, Wildcat Blanco Mesaverde/Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) W E Sec. 15, T27N, R05W API # 30-039-29874
14. Distance in Miles from Nearest Town 12 miles to Gobernador, NM	12. County Rio Arriba 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1305'	
16. Acres in Lease	17. Acres Assigned to Well 320 N/2 DK - W/2 320 MV
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 75'- San Juan 27-5 Unit #96	
19. Proposed Depth 8180'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6692' GR	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Amanda Sandora</u> Regulatory Analyst	<u>4-12-06</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.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH APPLICABLE
"GENERAL REGULATIONS".

This section is subject to the rule and
regulations of the Bureau of Land Management
and the Department of the Interior.

HOLD C104 FOR directional survey

NM3000

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

070 FARMINGTON NM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29874	*Pool Code 71599/72319	*Pool Name Blanco Mesaverde/ Basin Dakota
*Property Code 7454	*Property Name SAN JUAN 27-5 UNIT	*Well Number 96P
*GRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP	*Elevation 6692'

¹⁰ Surface Location

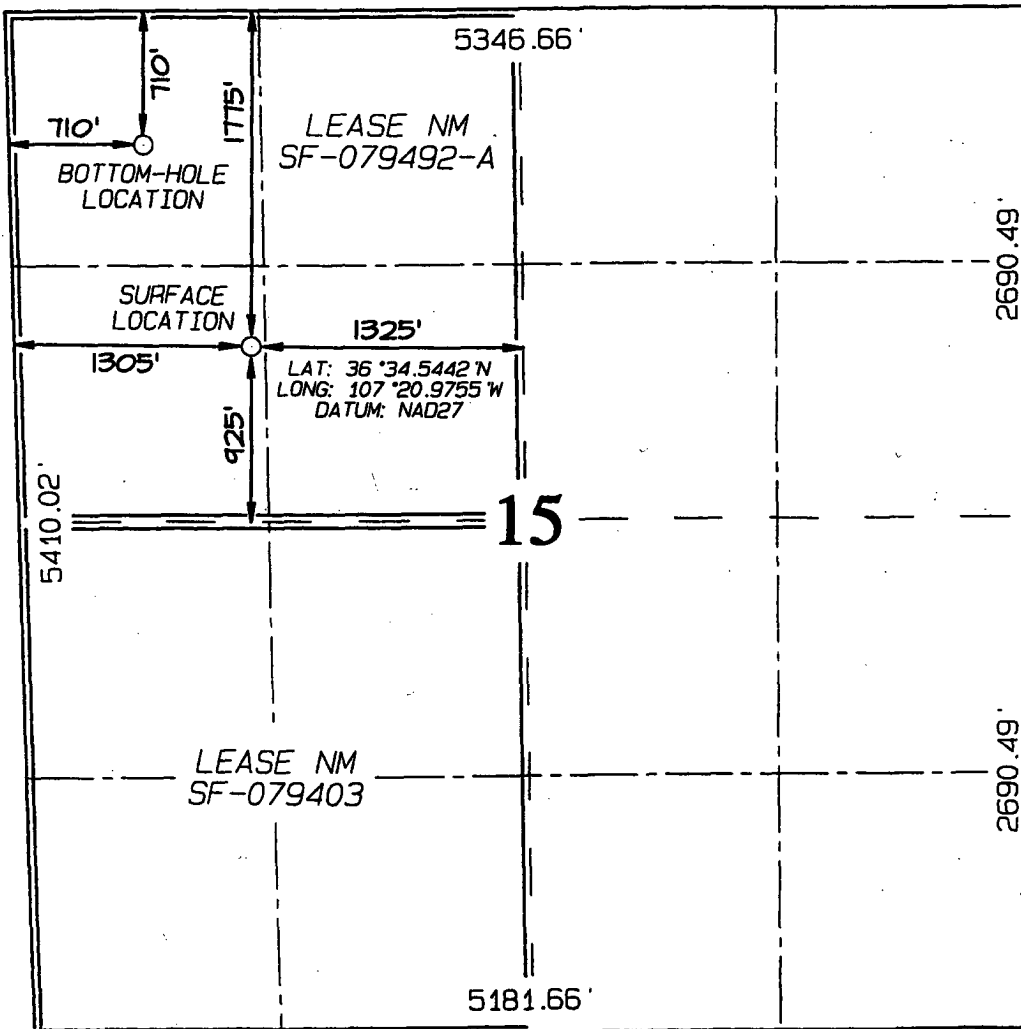
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	15	27N	5W		1775	NORTH	1305	WEST	RIO ARriba

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
D	15	27N	5W		710	NORTH	710	WEST	RIO ARriba

¹² Dedicated Acres 320 N2 DK; 320 W2 MV	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



¹⁷ OPERATOR CERTIFICATION

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

Amanda Sandoval
Signature

Amanda Sandoval

Printed Name
Regulatory Assistant II

Title
7-28-05

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: APRIL 27, 2005

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

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.

30-039- 29874

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

NMSF-079492-A

7. Lease Name or Unit Agreement Name

San Juan 27-5 Unit

8. Well Number

#96P

9. OGRID Number

14538

10. Pool name or Wildcat

Blanco Mesaverde/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 E : 1775 feet from the North line and 1305 feet from the West line
Section 15 Township 27N Rng 5W NMPM County Rio Arriba Co.

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6692'

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

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 ☐TEMPORARILY ABANDON ☐PULL OR ALTER CASING ☐PLUG AND ABANDON ☐CHANGE PLANS ☐MULTIPLE COMPL ☐

OTHER:

New Drill Pit ☒**SUBSEQUENT REPORT OF:**REMEDIAL WORK ☐COMMENCE DRILLING OPNS. ☐CASING/CEMENT JOB ☐ALTERING CASING ☐P AND A ☐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, 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 Amanda Sandoval TITLE Regulatory Analyst DATE 4/12/2006

Type or print name

Amanda Sandoval

E-mail address:

asandoval@br-inc.com

Telephone No.

505-326-9891

For State Use Only

APPROVED BY

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. JB

DATE

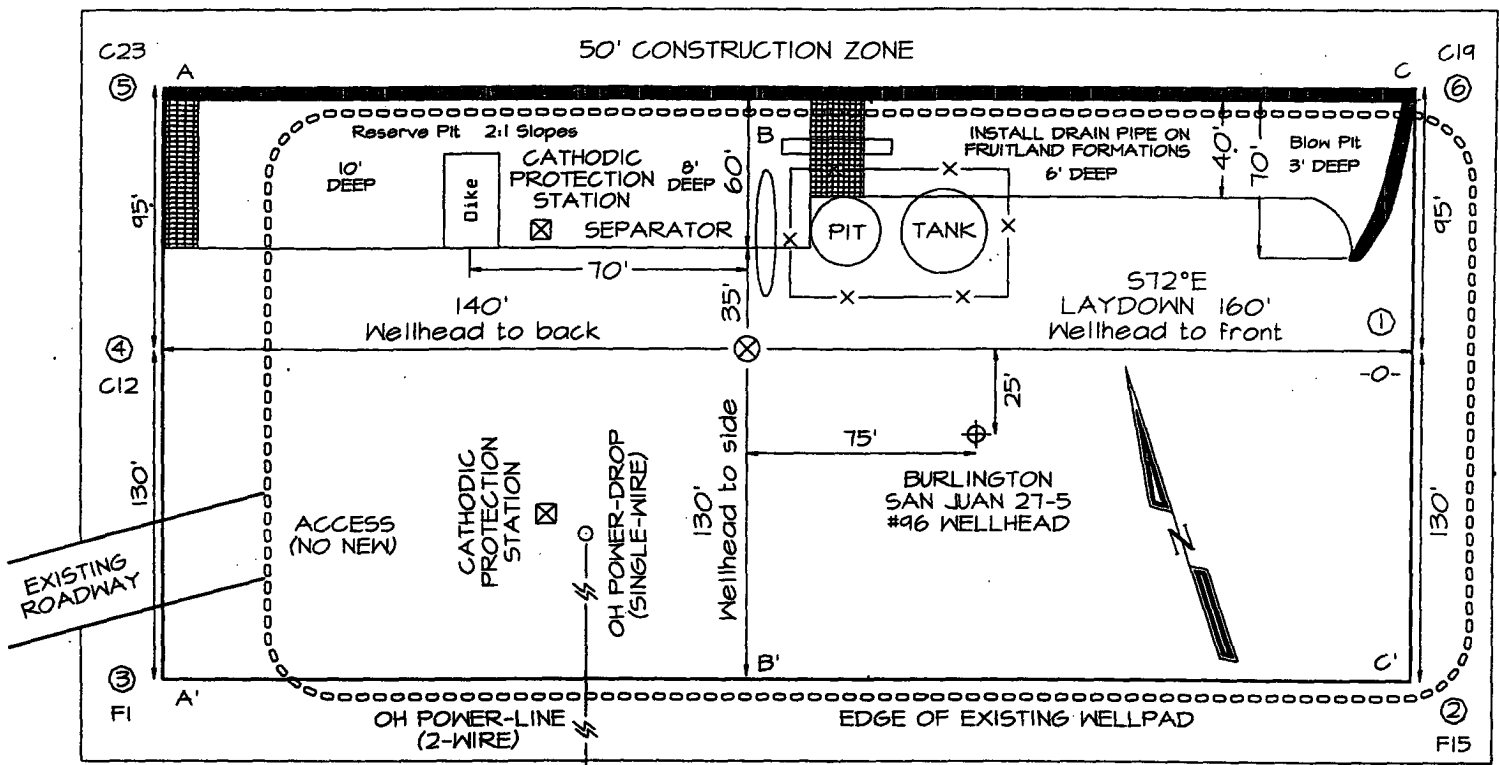
MAY 11 2006

Conditions of Approval (if any):

PLAT #1

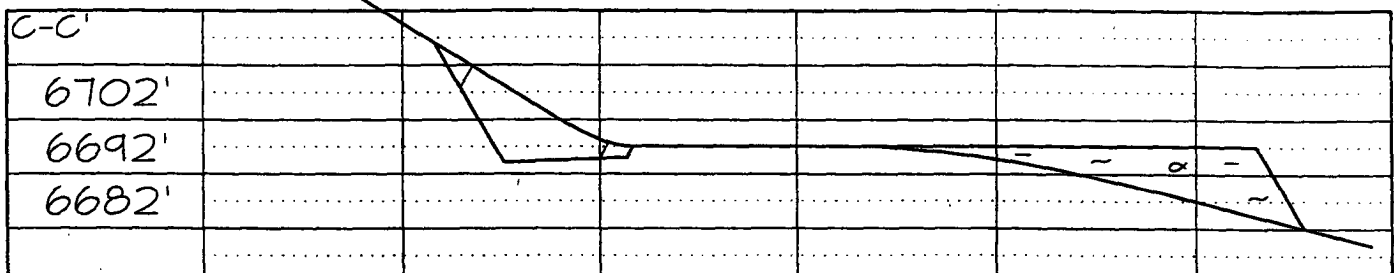
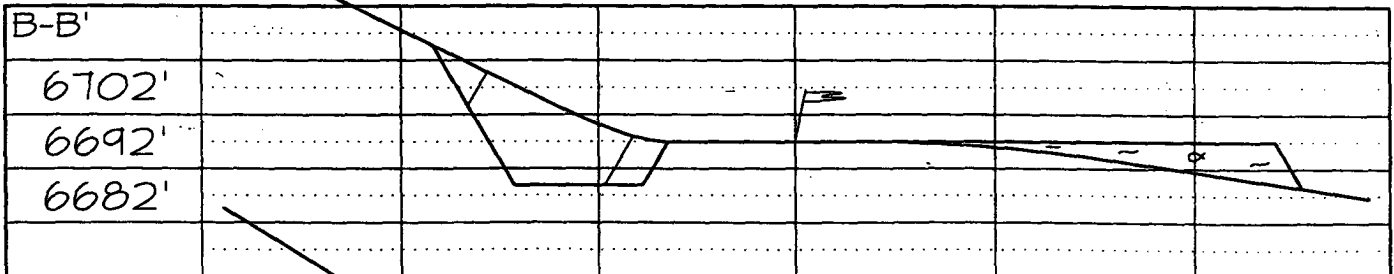
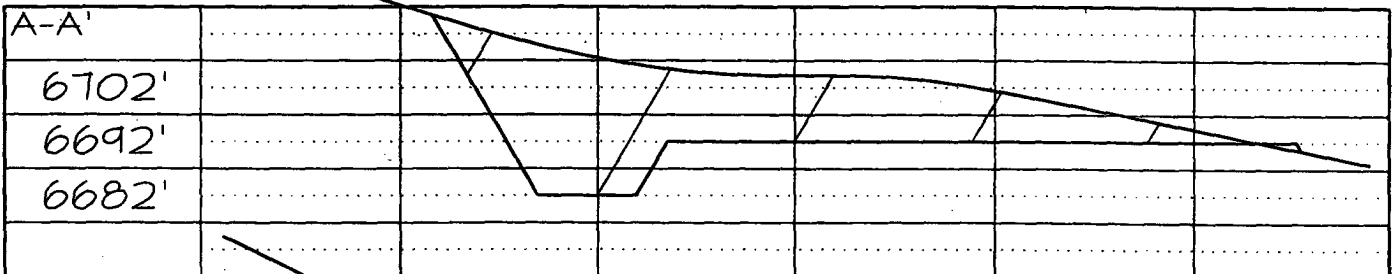
BURLINGTON RESOURCES OIL & GAS COMPANY, LP
SAN JUAN 27-5 UNIT #96P, 1775' FNL & 1305' FWL
SECTION 15, T27N, R5W, NMPM, RIO ARriba COUNTY, NM
GROUND ELEVATION: 6692' DATE: APRIL 27, 2005

LATITUDE: 36°34'33"
LONGITUDE: 107°20'59"
 DATUM: NAD1927



225' X 300'
 (325' x 400') = 2.98 ACRES

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: 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

SAN JUAN 27-5 UNIT 96P OPERATIONS PLAN

Well Name: SAN JUAN 27-5 UNIT 96P

Objective: Blanco Mesa Verde/Basin Dakota

Location: Rio Arriba NM

Elevation: 6692'

Surface Coordinates/Footages

Bottom Hole Coordinates/Footages

T - 27 N R - 5 W Sec.: 15
1775' FNL 1305' FWL
Latitude: 36° 34.5442' N
Longitude: 107° 20.9755' W

T - 27 N R - 5 W Sec.: 15
710' FNL 710' FWL
Latitude: 36° 34.7186' N
Longitude: 107° 21.1036' W

<u>Formation</u>	<u>Top (TMD)</u>	<u>Top (TVD)</u>	<u>Contents</u>
Surface	San Jose	San Jose	
Ojo Alamo	3060'	2867'	aquifer
Kirtland	3216'	3025'	gas
Fruitland	3510'	3296'	gas
Pictured Cliffs	3740'	3512'	gas
Lewis	3922'	3691'	gas
Huerfanito Bentonite	4182'	3950'	gas
Chacra	4698'	4466'	gas
Upper Cliff House	5342'	5110'	gas
Massive Cliff House	5409'	5177'	gas
Menefee	5560'	5328'	gas
Massive Point Lookout	5918'	5686'	gas
Mancos Shale	6322'	6090'	gas
Upper Gallup	7079'	6847'	gas
Greenhorn	7848'	7616'	gas
Graneros	7912'	7680'	gas
Two Wells	7939'	7707'	gas
Upper Cubero	8056'	7824'	gas
Lower Cubero	8097'	7865'	gas
Oak Canyon	8160'	7928'	gas
Encinal	8180'	7948'	gas
Total Depth:	8180'	7948'	gas

Logging Program: Cased Hole: CBL-GR
Open Hole: None

<u>Mud Program:</u>	<u>Interval (TMD)</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Vis. (s/qt)</u>	<u>Fluid Loss (cc/30min)</u>
	0' - 320'	Spud	8.4-9.0	40-50	No control
	320' - 4123'	Non-dispersed	8.4-9.0	30-60	Less than 8
	4123' - 8180'	Air/Air Mist/Nitrogen	n/a	n/a	n/a

<u>Casing program:</u>	<u>Interval (TMD)</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight</u>	<u>Grade</u>
	0' - 320'	12 1/4"	9 5/8"	32.3#	H-40
	320' - 4123'	8 3/4"	7"	23.0#	L-80
	4123' - 8180'	6 1/4"	4 1/2"	11.6#	L-80

<u>Tubing program:</u>	<u>Interval (TMD)</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight</u>	<u>Grade</u>
	0' - 8180'	Cased	2 3/8"	4.7#	J-55

Wellhead Equipment

9 5/8" x 7" X 4 1/2" x 2 3/8" – 11" (2000 psi) wellhead assembly

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

Surface

Drill to surface casing point of 320' and set 9.625" casing.

Intermediate

Mud drill to kick off point of 380'. At this point the well will be directionally drilled by building 4 degrees per 100' with an azimuth of 329.35 degrees. The end of the build will be at a TVD of 934', a TMD of 948', a reach of 111', and an inclination of 22.73 degrees. This angle and azimuth will be held to a TVD of 3338', a TMD of 3555', and a reach of 1118'. At this point the well will be drilled with a drop of 4 degrees per 100'. The end of the drop will be at a TVD of 3891', a TMD of 4123', a reach of 1230', and an angle of 0.0 degrees. 7" casing will be set at this point.

Production

From the shoe of the intermediate string, the well will be drilled vertically with an air hammer to a TVD of 7948' (TMD of 8180'). 4.5" casing will be set at this point.

Cementing

9.625" surface casing conventionally drilled: **200%** excess cement to bring cement to surface.

Run 301 cu.ft. (235 sks) Type III cement with 3% CaCl₂ and 1/4 pps celloflake (1.28 sks/ cu.ft.). Wait on cement appropriate time until cement achieves 250 psi compressive strength at 60° 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.

7" intermediate casing: **50%** excess cement to bring cement to surface.

Lead with 806 cu.ft. (378 sks) Premium Lite w/ 3% CaCl₂, 0.25 pps Cello-Flake, 5 pps LCM-1, 0.4% FL-52 and 0.4% SMS (2.13 sks/ft³). Tail with 124 ft³ (90 sks) Type III cmt. w/ 1% CaCl₂, 0.25 pps Cello-Flake and 0.2% FL-52 (1.38 sks/ft³). If cement does not circulate to surface, a CBL or a temperature survey will be run to determine TOC.

4.5" production casing: **30%** excess cement to achieve 100' overlap with intermediate casing.

Run 553 cu.ft. (279 sks) Premium Lite HS FM + 0.25pps Cello-Flake, 0.3% CD-32, 6.25pps LCM-1, 1% FL-52 (1.98 sks/ft³.)

BOP and Tests

Surface to Total Depth – 11", 2000 psi double gate BOP stack (Reference Figure #1).

Surface to Total Depth – choke manifold (Reference Figure #2).

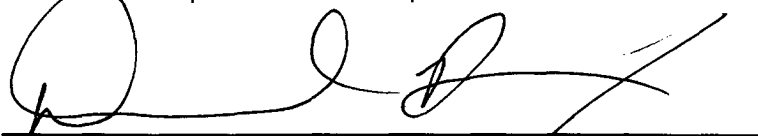
Prior to drilling out surface casing, test BOPE and casing to 600 psi for 30 minutes.

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

BOPE tests will be performed using an appropriately sized test plug and test pump and will be recorded using calibrated test gauges and a properly calibrated strip or chart recorder. The test will 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 noted in the 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 the 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 BOPE will be exposed. Casing pressure tests must be held for 30 minutes with no more than 10 percent pressure drop during the duration of the test.

Additional Information:

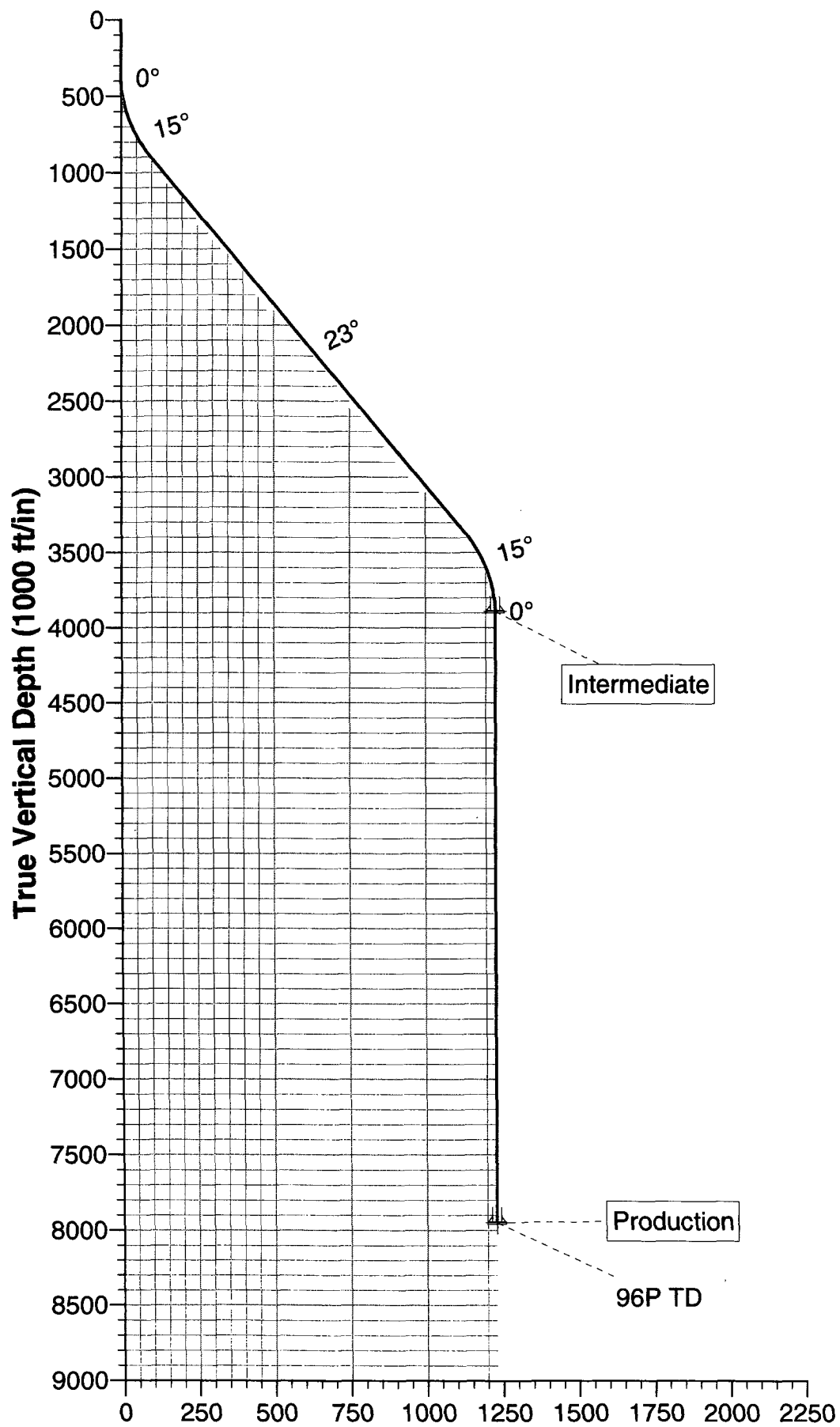
- This gas is dedicated to the North and West halves of Section 15.
- New casing will be utilized.
- Pipe movement (reciprocation) will be done if hole conditions permit.
- No abnormal pressure zones are expected.
- BHP is expected to be 2000 psi.



Drilling Engineer

4/11/06

Date



Vertical Section at 329.35° (500 ft/in)

27-5 96P S-Curve