

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work  
DRILL

1b. Type of Well  
GAS

2. Operator  
**BURLINGTON**  
RESOURCES Oil & Gas Company, LP

3. Address & Phone No. of Operator  
PO Box 4289, Farmington, NM 87499  
(505) 326-9700

4. Location of Well  
Unit G (SWNE) 1675' FNL & 1905' FEL  
  
Latitude 36° 46.2770'N  
Longitude 107° 51.0595'W

5. Lease Number  
NM-04240  
Unit Reporting Number

6. If Indian, All. or Tribe

7. Unit Agreement Name

8. Farm or Lease Name  
KELLY

9. Well Number  
100

10. Field, Pool, Wildcat  
Basin Fruitland Coal

11. Sec., Twn, Rge, Mer. (NMPM)  
Sec. 35, T30N, R10W  
API # 30-045-33749

12. County  
San Juan

13. State  
NM

14. Distance in Miles from Nearest Town

15. Distance from Proposed Location to Nearest Property or Lease Line  
1675'

16. Acres in Lease

17. Acres Assigned to Well  
FC - 317.320 acres E/2

18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease  
Twinned with the Kelly #4M

19. Proposed Depth  
2934'

20. Rotary or Cable Tools  
Rotary

21. Elevations (DF, FT, GR, Etc.)  
6205' GL

22. Approx. Date Work will Start

23. Proposed Casing and Cementing Program  
See Operations Plan attached

24. Authorized by: Patsy Clugston  
Sr. Regulatory Specialist

Date 5/17/06

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.

Not an HPA FC Well

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".

NMOCB  
B

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

District II  
PO Drawer 00, Artesia, NM 88211-0719

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

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

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

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

2006 MAY 18 PM 2:33  
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-045- 33749</b>	*Pool Code <b>71629</b>	*Pool Name <b>Basin Fruitland Coal</b>
*Property Code <b>7218</b>	*Property Name <b>KELLY</b>	*Well Number <b>100</b>
*OGRIID No. <b>14538</b>	*Operator Name <b>BURLINGTON RESOURCES OIL &amp; GAS COMPANY, LP</b>	*Elevation <b>6205'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	35	30N	10W	(7)	1675	NORTH	1905	EAST	SAN JUAN

<sup>11</sup> 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
G									

<sup>12</sup> Dedicated Acres <b>317.320 acres E/2</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup>				<sup>17</sup> OPERATOR CERTIFICATION			
<p>LOT 4 LOT 3 LOT 2 LOT 1</p> <p>LOT 5 LOT 6 LOT 7 LOT 8</p> <p>LOT 12 LOT 11 LOT 10 LOT 9</p> <p>LOT 13 LOT 14 LOT 15 LOT 16</p> <p>LEASE USA NM-04240</p>				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief			
				Signature <i>Patsy Clugston</i>			
				Printed Name <b>Patsy Clugston</b>			
				Title <b>Sr. Regulatory Specialist</b>			
Date <b>4-12-06</b>							
<sup>18</sup> 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.							
Survey Date: <b>FEBRUARY 28, 2006</b>							
Signature and Seal of Professional Surveyor							
<b>JASON C. EDWARDS</b> Certificate Number 15269							

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

Energy, Minerals and Natural Resources

**OIL CONSERVATION DIVISION**

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

May 27, 2004

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-045- <b>33749</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator BURLINGTON RESOURCES OIL & GAS COMPANY LP		6. State Oil & Gas Lease No.
3. Address of Operator 3401 E. 30TH STREET, FARMINGTON, NM 87402		7. Lease Name or Unit Agreement Name Kelly
4. Well Location Unit Letter <u>G</u> : <u>1675</u> feet from the <u>North</u> line and <u>1905</u> feet from the <u>East</u> line Section <u>35</u> Township <u>30N</u> Rng <u>10W</u> NMPM County <u>San Juan</u>		8. Well Number #100
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6205'		9. OGRID Number 14538
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Basin Fruitland Coal
Pit type <u>New Drill</u> Depth to Groundwater <u>&gt;100'</u> Distance from nearest fresh water well <u>&gt;1000'</u> Distance from nearest surface water <u>&gt;1000'</u> Pit Liner Thickness: <u>n/a</u> mil Below-Grade Tank: <u>Volume</u> bbls; Construction Material <u>                    </u>		

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 ☐

100 New Drill ☒ 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 Patsy Clugston TITLE Sr. Regulatory Specialist DATE 4/17/2006

Type or print name Patsy Clugston E-mail address: pclugston@br-inc.com Telephone No. 505-326-9518

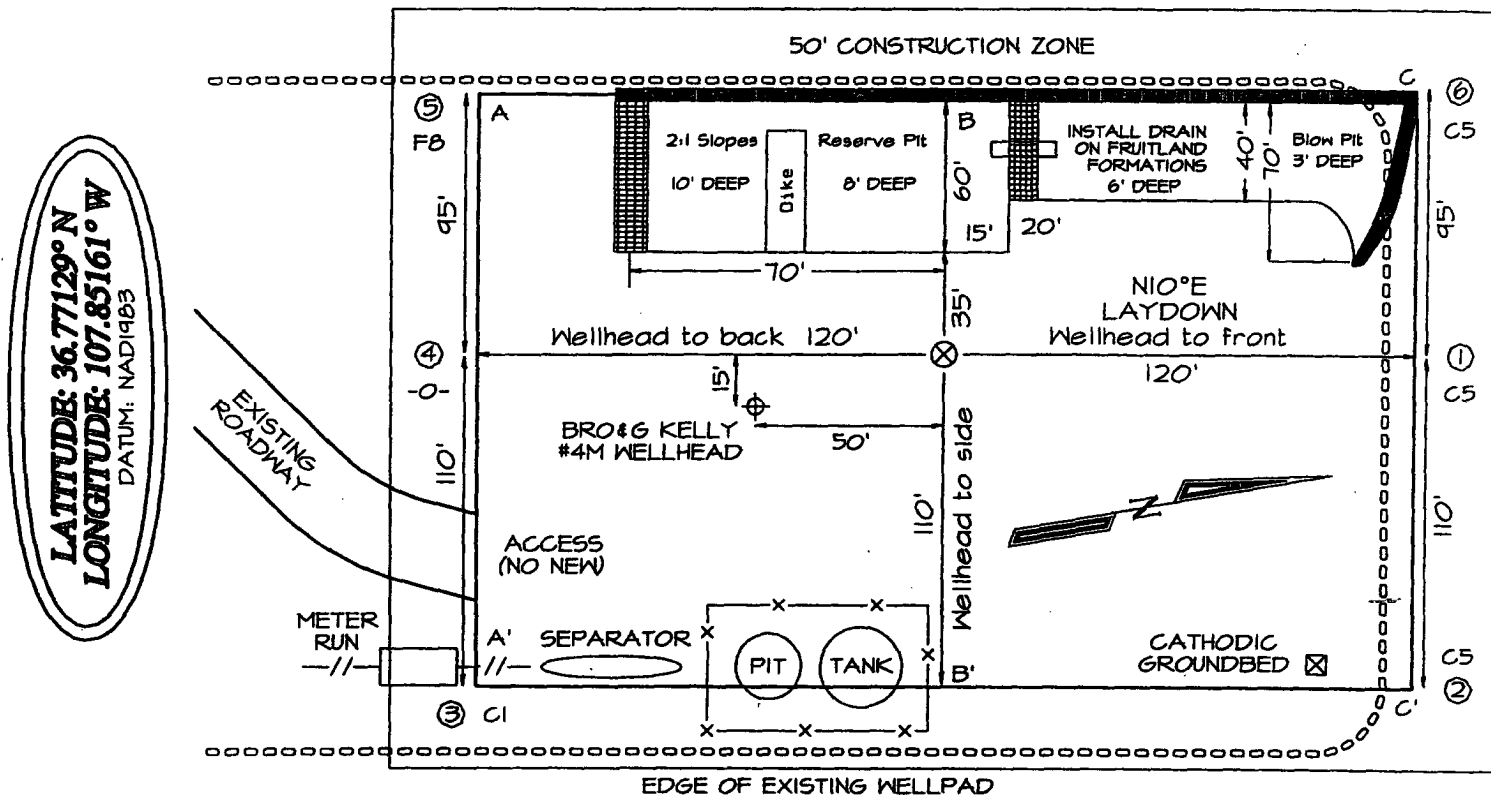
**For State Use Only**

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUL 14 2006

Conditions of Approval (if any):

**BURLINGTON RESOURCES OIL & GAS COMPANY KELLY #100**  
**1675' FNL & 1905' FEL, SECTION 35, T30N, R10W, NMPM, SAN JUAN COUNTY, NM**  
**GROUND ELEVATION: 6205' DATE: FEBRUARY 28, 2006**

205' X 240' 305' X 340' = 2.38 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.

A-A'						
6215'						
6205'						
6195'						

B-B'						
6215'						
6205'						
6195'						

C-C'						
6215'						
6205'						
6195'						

Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines cables on well pad and/or access road at least two (2) working days prior to construction

OPERATIONS PLAN

**Well Name:** Kelly 100  
**Location:** Unit G (SWNE), 1675' FNL & 1905' FEL, Sec. 35, T30N, R10W  
 San Juan County, New Mexico  
 Latitude 36° 46.2770'N Longitude 107° 51.0595'W  
**Formation:** Basin Fruitland Coal  
**Elevation:** 6205' GR

Formation:	Top	Bottom	Contents
Ojo Alamo	1514'	1606'	aquifer
Kirtland	1606'	2409'	gas
T/Fruitland	2409'		gas
B/Fruitland Coal	2409'		gas
Pictured Cliffs	2734'		
<b>Total Depth</b>	<b>2934'</b>		

**Logging Program:** None

**Mud Program:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis. Fluid Loss</u>
0- 200'	Spud/Air/Air Mist	8.4-8.9	40-50 no control
200-2934'	Non-dispersed	8.4-9.5	30-60 no control

**Casing Program:**

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg.Size</u>	<u>Wt.</u>	<u>Grade</u>
8 $\frac{3}{4}$ "	0 - 200'	7"	20.0#	J-55
6 $\frac{1}{4}$ "	0 - 2934'	4 1/2"	10.5#	J/K-55

**Tubing Program:**

0 - 2934'	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 @ 1606'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1606'. 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.

April 17, 2006

**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 42 sx Type III cement with 0.25 pps Celloflake, 3% CaCl<sub>2</sub> (54 cu ft of slurry @ 1.28 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. <sup>210</sup>  
**WOC until cement establishes 250 psi compressive strength prior to NU of BOPE.**

4 1/2" production casing - Cement with 154 sx (327 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 451 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 rams to 600 psi/30 min.  
<sup>2000</sup>

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:**

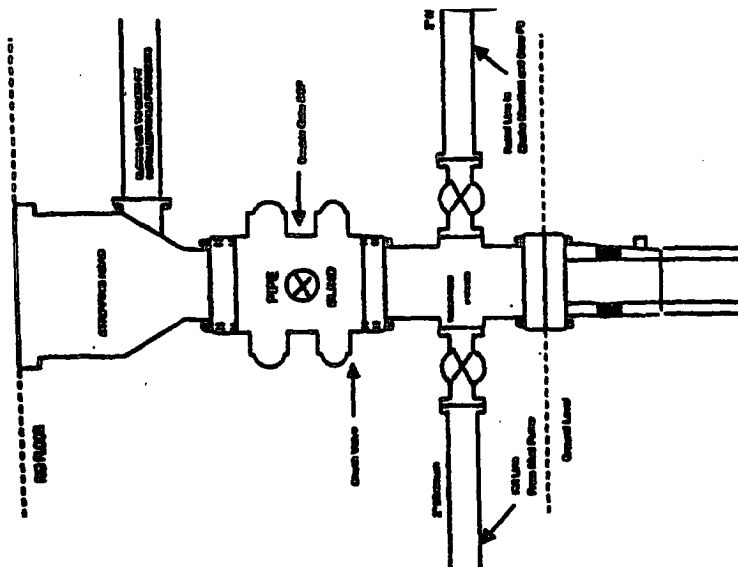
- \* The Fruitland Coal formation will be completed.
- \* Anticipated pore pressure for the Fruitland Coal is 600 - 700 psi.
- \* This gas is dedicated.
- \* The east half of the section is dedicated to this well.
- \* New casing will be utilized.
- \* Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Cedric M. Martin  
Drilling Engineer

4/17/2006  
Date

# BURLINGTON RESOURCES

Completion/Workover Rig  
BOP Configuration  
2,000 psi System



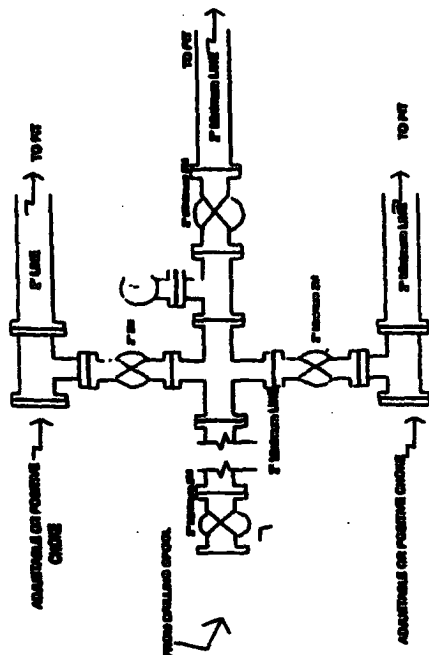
Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind end pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater including 900 psi stripping head.

Figure #2

4-20-01

# BURLINGTON RESOURCES

Drilling Rig  
Choke Manifold Configuration  
2000 psi System



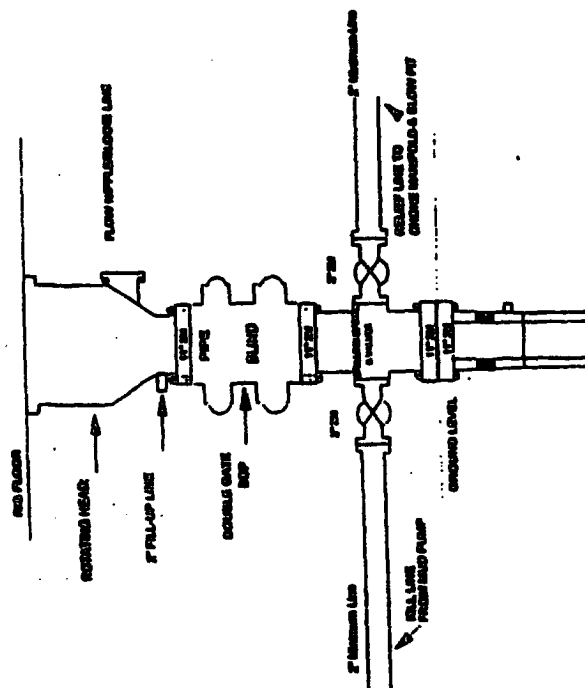
Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

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 900 psi stripping head on top of ram preventer. All BOP equipment is 2,000 psi working pressure.

Figure #1