

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RCVD DEC 15 '06
OIL CONST. DIV.
DIST. 3

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | |
|--|---|---|
| 1a. Type of Work DRILL | 2006 DEC 1 PM 2:52 RECEIVED OTO FARMINGTON NM | Lease Number NMSF-078316-D Unit Reporting Number |
| 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 Woodriver 9. Well Number #1B |
| 4. Location of Well Unit E (SWNW), 1700' FNL, 1155' FWL Surface Unit D (NWNW), 700' FNL, 700' FWL Bottom Latitude 36° 50.5756'N Longitude 107° 48.5021'W | | 10. Field, Pool, Wildcat Blanco Mesaverde/ Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) E Sec. 5, T30N, R9W API # 30-045- 34092 |
| 14. Distance in Miles from Nearest Town 17.7 miles to Aztec, NM | 12. County San Juan | 13. State NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line 1155' | | |
| 16. Acres in Lease | 17. Acres Assigned to Well 320.600 W2 MV/DK | |
| 18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 52'- Woodriver #3 | | |
| 19. Proposed Depth 7843' | 20. Rotary or Cable Tools Rotary | |
| 21. Elevations (DF, FT, GR, Etc.) 6317' GL | 22. Approx. Date Work will Start | |
| 23. Proposed Casing and Cementing Program See Operations Plan attached | | |
| 24. Authorized by: <u>Manda Sinal</u> Regulatory Tech | Date <u>12/11/06</u> | |

PERMIT NO.

APPROVAL DATE

APPROVED BY D. Montoya

TITLE Att-1

DATE 12/13/06

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 3168.9 and appeal pursuant to 43 CFR 3165.4

NMOCD

12/13/06

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

DISTRICT 1
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form ~~0162~~ 0162, 3
Revised October 12, 2005

DISTRICT II
1901 West Grand Avenue, Artesia, N.M. 86210

OIL CONSERVATION DIVISION

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

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

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

DISTRICT IV
1225 S. St. Francis Dr., Santa Fe, NM 87505

2006 DEC 1 PM 2 28 ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-------------------------------|---|---------------------------|---|
| *APT Number 30-045 - 34092 | | *Pool Code 71599/72319 | *Pool Name Basin Dakota/Blanco MesaVerde |
| *Property Code 7645 | *Property Name WOODRIVER | | *Well Number 1B |
| *OGRID No. 14538 | *Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP | | *Elevation 6317' |

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 | 5 | 30-N | 9-W | | 1700' | NORTH | 1155' | WEST | SAN JUAN |

" Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| D | 6 | 30-N | 9-W | | 700' | NORTH | 700' | WEST | SAN JUAN |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹³ Dedicated Acres 320.600 - W2 MV/DK | ¹⁴ Joint or Infill | ¹⁵ Consolidation Code | ¹⁶ 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

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4

700'

700'

Bottom Hole

1700'

1155'

Surface

LOT 3

LOT 2

LOT 1

LAT: 36°50.5756' N.
LONG: 107°48.5021' W.
NAD 1927

LAT: 36.842930' N.
LONG: 107.808988' W.
NAD 1983

Surface

LAT: 36°50.7434' N.
LONG: 107°48.5981' W.
NAD 1927

LAT: 36.845728' N.
LONG: 107.810585' W.
NAD 1983

Bottom Hole

USA SF-078318-D

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Tracey N. Monroe

Signature

Tracey N. Monroe

Printed Name

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plan 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.

7.21

Date of Survey

Signature

Certificate Number

15703

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

| | |
|--------------------------------------|---|
| WELL API NO. | 30-045- 34092 |
| 5. Indicate Type of Lease | STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. | USA SF-078316-D |
| 7. Lease Name or Unit Agreement Name | Woodriver |
| 8. Well Number | #1B |
| 9. OGRID Number | 14538 |
| 10. Pool name or Wildcat | MV/DK |

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 : 1700' feet from the North line and 1155' feet from the West line
Section 5 Township 30N Rng 9W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6317'

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'
Pit Liner Thickness: 12 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:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

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, an associated vent/flare pit and a pre-set mud pit (if required). Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit and pre-set mud pit will be lined pits 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 Amanda Sanchez TITLE Regulatory Technician DATE 11/13/2006

Type or print name Amanda Sanchez E-mail address: asanchez@br-inc.com Telephone No. 505-326-9891

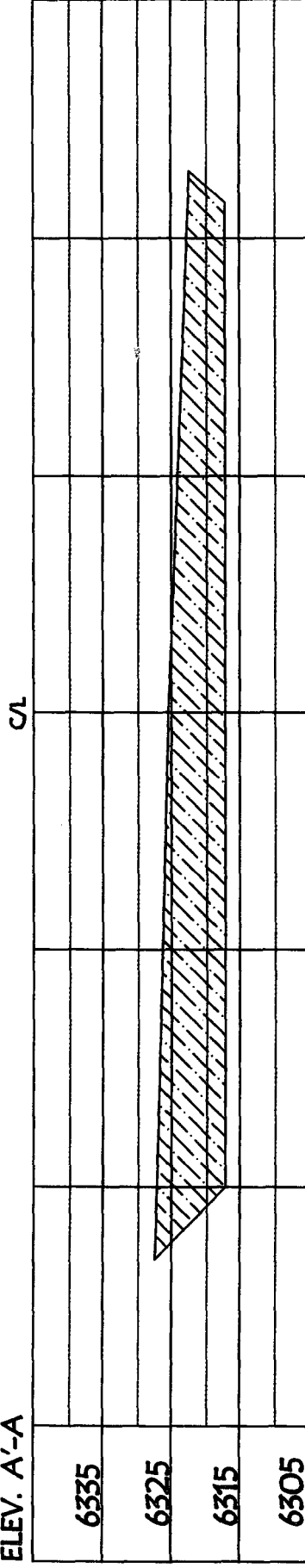
For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE DEC 22 2006

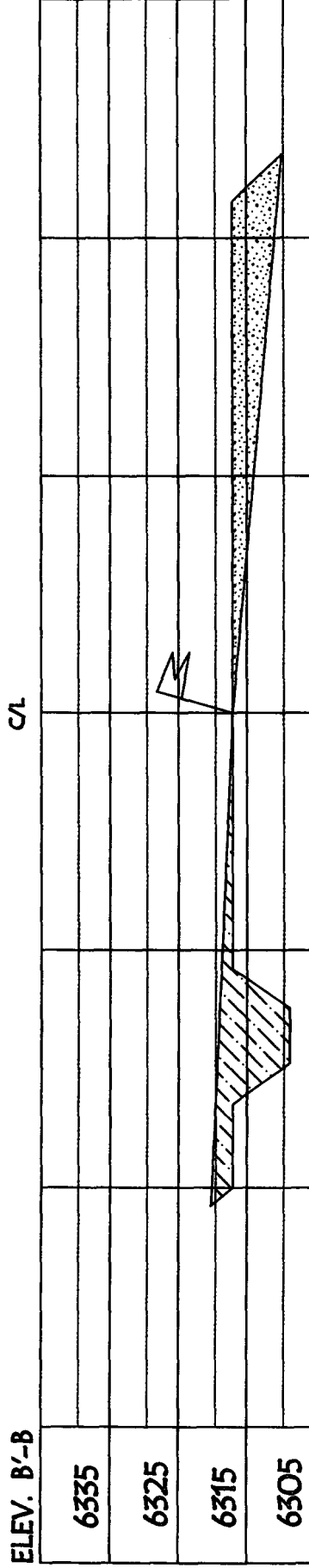
Conditions of Approval (if any):

BURLINGTON RESOURCES OIL & GAS COMPANY LP
 WOODRIVER 1B, 1700' FNL & 1155' FWL
 SECTION 5, T-30-N, R-9-W, NMPM, SAN JUAN COUNTY, NM
 GROUND ELEVATION: 6317', DATE: JUNE 1, 2006

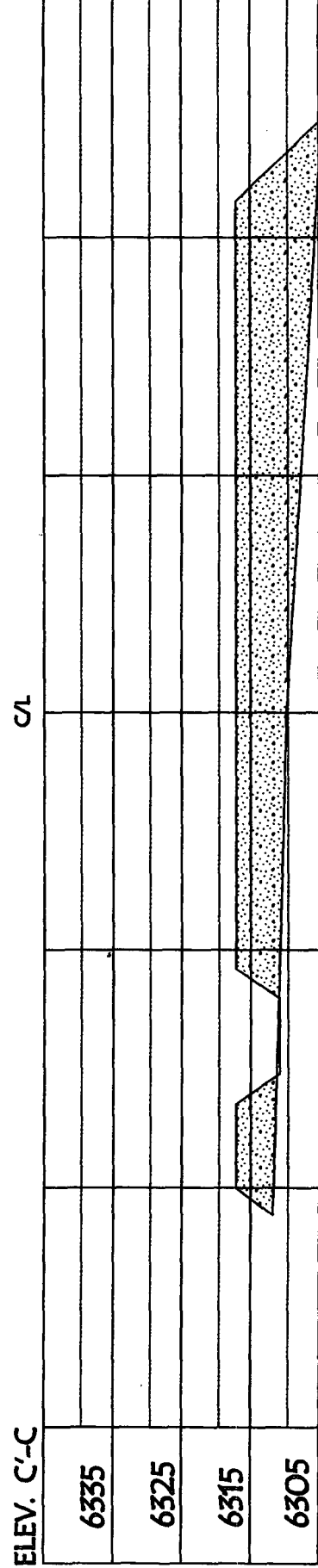
ELEV. A'-A



ELEV. B'-B



ELEV. C'-C



NOTE: VECTOR SURVEYS LLC 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.

WOODRIVER #1B OPERATIONS PLAN

Well Name: WOODRIVER #1B

Objective: Blanco Mesaverde/Basin Dakota

Location: San Juan NM

Elevation: 6317'

Surface Coordinates/Footages

T - 30 N R - 9 W Sec.: 5
1700' FNL 1155' FWL
Latitude: 36° 50.5818' N
Longitude: 107° 48.5040' W

Bottom Hole Coordinates/Footages

T - 30 N R - 9 W Sec.: 5
700' FNL 700' FWL
Latitude: 36° 50.7433' N
Longitude: 107° 48.5981' W

| <u>Formation</u> | <u>Top (TMD)</u> | <u>Top (TVD)</u> | <u>Contents</u> |
|-------------------------|-------------------------|-------------------------|------------------------|
| San Jose | 0 | 0 | |
| Ojo Alamo | 1833' | 1757' | aquifer |
| Kirtland | 1969' | 1882' | gas |
| Fruitland | 2904' | 2740' | gas |
| Pictured Cliffs | 3237' | 3047' | gas |
| Lewis | 3332' | 3137' | gas |
| Huerfanito Bentonite | 3988' | 3785' | gas |
| Chacra | 4316' | 4113' | gas |
| Massive Cliff House | 4885' | 4682' | gas |
| Menefee | 5107' | 4904' | gas |
| Massive Point Lookout | 5513' | 5310' | gas |
| Mancos Shale | 5890' | 5687' | gas |
| Upper Gallup | 6804' | 6601' | gas |
| Greenhorn | 7544' | 7341' | gas |
| Graneros | 7595' | 7392' | gas |
| Two Wells | 7647' | 7444' | gas |
| Upper Cubero | 7775' | 7572' | gas |
| Lower Cubero | 7787' | 7584' | gas |
| Encinal | 7843' | 7640' | gas |
| Total Depth: | 7843' | 7640' | 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' - 3888' | Non-dispersed | 8.4-9.0 | 30-60 | Less than 8 |
| | 3888' - 7843' | 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' - 3888' | 8 3/4" | 7" | 23.0# | L-80 |
| | 3888' - 7843' | 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' - 7843' | 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 400'. At this point the well will be directionally drilled by building 3 degrees per 100' with an azimuth of 334.91 degrees. The end of the build will be at a TVD of 1161', a TMD of 1183', a reach of 158', and an inclination of 23.49 degrees. This angle and azimuth will be held to a TVD of 2924', a TMD of 3105', and a reach of 924'. At this point the well will be drilled with a drop of 3 degrees per 100'. The end of the drop will be at a TVD of 3685', a TMD of 3888', a reach of 1083', 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 7640' (TMD of 7843'). 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 753 cu.ft. (354 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 539 cu.ft. (272 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).

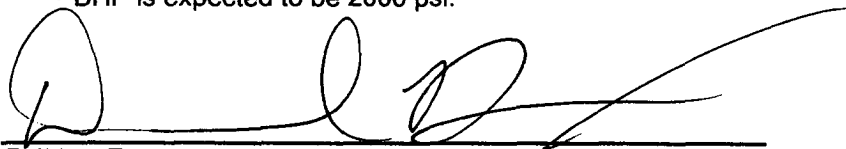
Prior to drilling out surface casing, test BOPE and casing to 600 psi for 30 minutes.

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:

- No gas dedication.
- 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

11/9/06

Date



Project: Blanco Mesaverde/ Basin Dakota
 Site: SEC 5-T30N-R09W
 Well: WOODRIVER 1B
 Wellbore: Wellbore #1
 Plan: Plan #1 (WOODRIVER 1B/Wellbore #1)

BURLINGTON
RESOURCES

SECTION DETAILS

| Sec | MD | Inc | Azi | TVD | +N/-S | +E/-W | DLeg | TFace | VSec | Target |
|-----|--------|-------|--------|--------|-------|--------|------|--------|--------|-------------------|
| 1 | 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.0 | |
| 2 | 400.0 | 0.00 | 0.00 | 400.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.0 | |
| 3 | 1183.0 | 23.49 | 334.91 | 1161.2 | 143.3 | -67.1 | 3.00 | 334.91 | 158.3 | |
| 4 | 3104.8 | 23.49 | 334.91 | 2923.8 | 837.0 | -392.0 | 0.00 | 0.00 | 924.2 | |
| 5 | 3887.7 | 0.00 | 0.00 | 3685.0 | 980.3 | -459.1 | 3.00 | 180.00 | 1082.5 | END OF DROP |
| 6 | 7842.7 | 0.00 | 0.00 | 7640.0 | 980.3 | -459.1 | 0.00 | 0.00 | 1082.5 | PBHL WOODRIVER 1B |

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

| Name | TVD | +N/-S | +E/-W | Northing | Easting | Latitude | Longitude | Shape |
|-------------------|--------|-------|--------|------------|-----------|------------------|-------------------|------------------------|
| END OF DROP | 3685.0 | 980.3 | -459.1 | 2127105.15 | 506836.75 | 36° 50' 44.603 N | 107° 48' 35.885 W | Point |
| PBHL WOODRIVER 1B | 7640.0 | 980.3 | -459.1 | 2127105.12 | 506836.79 | 36° 50' 44.603 N | 107° 48' 35.885 W | Circle (Radius: 100.0) |

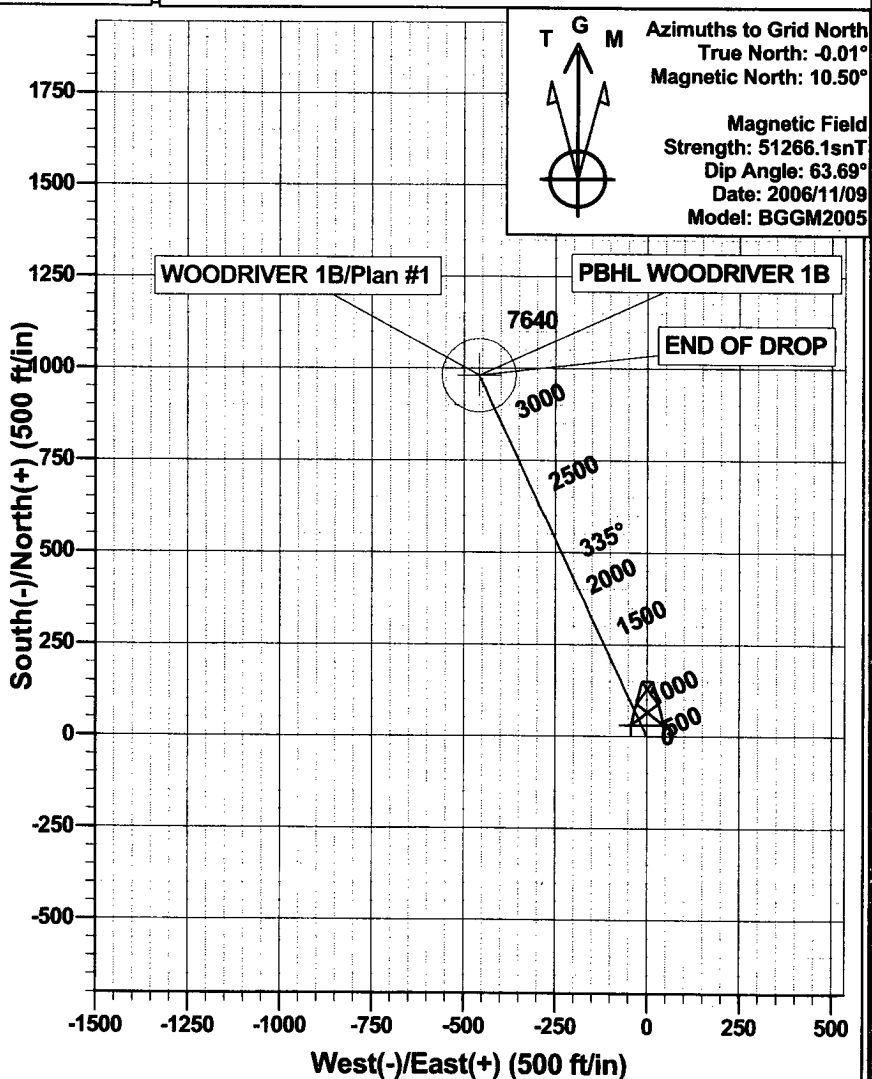
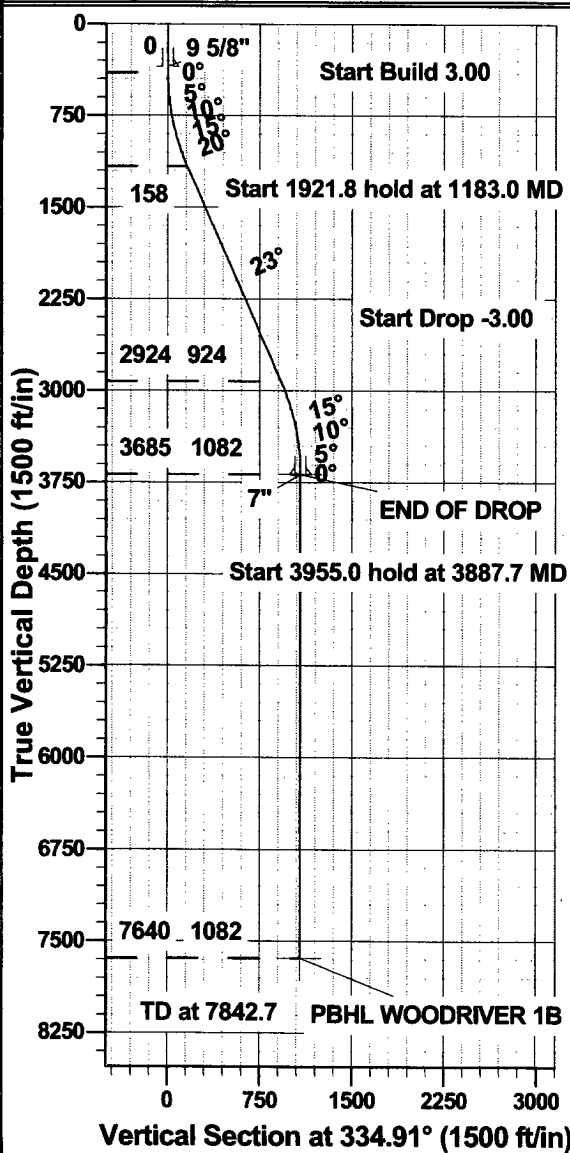
PROJECT DETAILS: Blanco Mesaverde/ Basin Dakota

Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: New Mexico West 3003

System Datum: Mean Sea Level

WELL DETAILS: WOODRIVER 1B

Ground Level: 6317.0
 Northing: 2126124.85 Easting: 507295.85
 Latitude: 36° 50' 34.908 N Longitude: 107° 48' 30.240 W

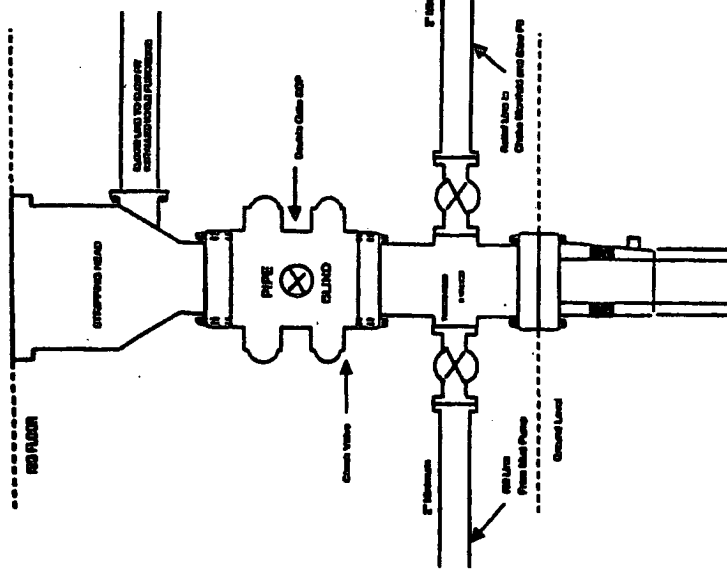


Azimuths to Grid North
 True North: -0.01°
 Magnetic North: 10.50°
 Magnetic Field
 Strength: 51266.1nT
 Dip Angle: 63.69°
 Date: 2006/11/09
 Model: BGGM2005

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



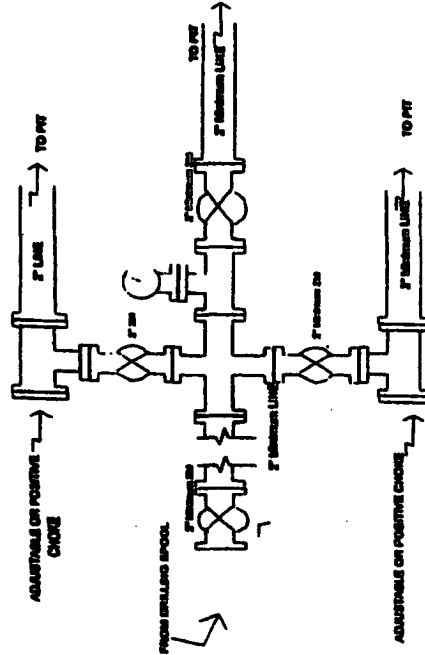
Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stopping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi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

Figure #2

4-20-01

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System



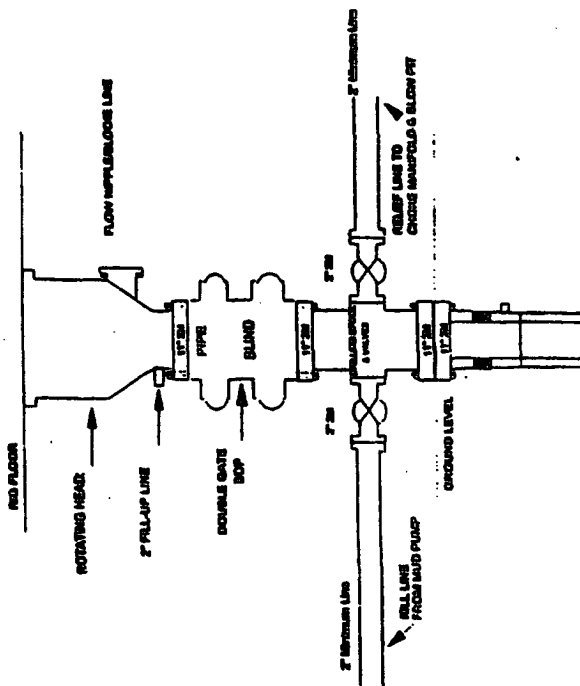
Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

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 500 psi relieving head on top of ram preventers. All BOP equipment is 2,000 psi working pressure.

Figure #1