UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

1a.	Type of Work	20頃 10月, 12 PM 1: 51	5. Lease Number
		070 Frank 557800	NMNM01614 Unit Reporting Number
1b.	Type of Well GAS	() OCT 2009	6. If Indian, All. or Tribe
2.	Operator BURLINGTO RESOURCES	Oil & Gas Company	7 Unit Agreement Name
3.	Address & Phone No. c	of Operator	8. Farm or Lease Name
	PO Box 4289, Fa	armington, NM 87499	Thompson 9. Well Number
	(505) 326-9700		6M
4.	Location of Well	······································	10. Field, Pool, Wildcat
	1230'FSL, 1915'F	WL	Blanco MV/Basin DK 11. Sec., Twn, Rge, Mer. (NMPM)
	Latitude 36 ⁰ 51.	58, Longitude 108 ⁰ 05.15	N sec. 27, T-31-N, R-12- API # 30-045- 30946
14.	Distance in Miles from	Nearest Town	12. County 13. State
	10.2 miles from 1	US 550 & NM 173 in Aztec	San Juan NM
15.	Distance from Propose	ed Location to Nearest Property or Leas	e Line
16.	Acres in Lease		17. Acres Assigned to Well
18.		ed Location to Nearest Well, Drig, Comp	I, or Applied for on this Lease
	1130' Proposed Donth	This control to compare to reprint of a procedural review pursuant to As	CFR 3185.9 Rotary or Cable Tools
19.	Proposed Depth 7135'	and appeal pursuant to 43 CFR 3	185.4. Rotary
			165.4. Rotary 22. Approx. Date Work will Start
	7135' Elevations (DF, FT, GR 6103' GR Proposed Casing and 6	Cementing Program	22. Approx. Date Work will Start
21.	7135' Elevations (DF, FT, GR 6103' GR Proposed Casing and 6	R, Etc.)	DRILLING OPENATIONS AUTHORIZED SUBJECT TO COMPLIANCE WITH ATT
21.	7135' Elevations (DF, FT, GR 6103' GR Proposed Casing and 6	Cementing Program	22. Approx. Date Work will Start DRILLING OPERATIONS AUTHORIZED SUBJECT TO COMPLIANCE WITH ATT "GENERAL REQUIREMENTS"
21.	7135' Elevations (DF, FT, GR 6103' GR Proposed Casing and See Operations Authorized by:	Cementing Program	22. Approx. Date Work will Start DRILLING OPENATIONS AUTHORIZED SUBJECT TO COMPLIANCE WITH ATT "GENERAL REQUIREMENTS" 12 - 5 - 01
21. 23. 24.	7135' Elevations (DF, FT, GR 6103' GR Proposed Casing and C See Operations Authorized by: Regu	R, Etc.) Cementing Program Plan attached Num ful latory/Compliance Supervisor	22. Approx. Date Work will Start DRILLING OPERATIONS AUTHORIZED SUBJECT TO COMPLIANCE WITH ATT "GENERAL REQUIREMENTS" 12 - 5 - 01 Date
21. 23. 24. PERM	7135' Elevations (DF, FT, GR 6103' GR Proposed Casing and G See Operations Authorized by: Regu	R, Etc.) Cementing Program Plan attached	22. Approx. Date Work will Start DRILLING OPERATIONS AUTHORIZED SUBJECT TO COMPLIANCE WITH ATT "GENERAL REQUIREMENTS" 12 - 5 - 01 Date
21. 23. 24. PERM	7135' Elevations (DF, FT, GR 6103' GR Proposed Casing and C See Operations Authorized by: Regu	R, Etc.) Cementing Program Plan attached	22. Approx. Date Work will Start DRILLING OPERATIONS AUTHORIZED SUBJECT TO COMPLIANCE WITH ATT "GENERAL REQUIREMENTS" 12 - 5 - 01 Date

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.

Ϊ

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

DISTRICT II 811 South First, Artesia, N.M. 88210

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

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505 State of New Mexico Energy, Minerals & Natural Resources Department Form C-102 Revised August 15, 2000

NEC 12 Pil 1:51 State Lease - 4 Copies Fee Lease - 3 Copies

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT



Well Name:
Location:Thompson #6MLocation:1230'FSL, 1915'FWL, Sec 27, T-31-N, R-12-WSan Juan County, NM
Latitude 36° 51.58, Longitude 108° 05.15Formation:
Elevation:Blanco Mesaverde/Basin Dakota

Formation Tops:	Top	Bottom	<u>Contents</u>
Surface	San Jose	855'	
Ojo Alamo	855'	905 '	aquifer
Kirtland	905 ′	1905 '	gas
Fruitland	1905'	2495'	gas
Pictured Cliffs	2495'	2600'	gas
Lewis	2600'	3230'	gas
Mesa Verde	3230'	3580'	gas
Chacra	3580′	4195′	gas
Massive Cliff House	4195'	4270'	gas
Menefee	4270'	4825′	gas
Intermediate TD	4420'		
Massive Point Lookout	4825'	5190'	gas
Mancos	5190'	6100 ′	gas
Gallup	6100'	6845′	gas
Greenhorn	6845'	6900'	gas
Graneros	6900'	6965'	gas
Dakota	6965 '		gas
TD	7135'		

Logging Program: Cased hole - CBL-CCL-GR - TD to surface Open hole - none Cores - none

Mud Program:

Inter	cval	Туре	Weight	Vis.	Fluid Loss
0-	320'	Spud	8.4-9.0	40-50	no control
320-	4420'	LSND	8.4-9.0	30-60	no control
4420-	7135'	Air/N2	n/a	n/a	n/a

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program (as listed, the equivalent, or better):

Hole Size	Depth Interval	Csg.Size	Wt. Grad	le
12 1/4"	0' - 320'	9 5/8"	32.3# H-40	5
8 3/4"	0' - 4420'	7"	20/23# J55	
6 1/4"	4320' - 7135'	4 1/2"	10.5# J-55	5

Tubing Program:

0' - 7135' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Operations Plan - Thompson #6M

Page Two

Surface to Total Depth -

2" nominal, 3000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

7 1/16" 3000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 2 3/8" x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

9 5/8" surface casing - cement with 255 sx Class "B" cement with 1/4# celloflake/sx and 3% calcium chloride (301 cu.ft. of slurry, 200% excess to circulate to surface). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

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

7" intermediate casing -

Lead w/555 sx 50/50 Class G/TXI lightweight w/1.75% sodium metasilicate, 8# gilsonite/sx, 1/2# celloflake/sx, 0.2% defoamer and 0.15% retarder. Tail w/95 sx 50/50 Class "G" Poz w/2% gel, 1/4 pps celloflake, 5 pps gilsonite, 0.1% antifoam agent, 0.1% retarder and 0.1% dispersant (1328 cu.ft. of slurry, 100% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL will be run during completion operations to determine TOC. Test casing to 1500 psi for 30 minutes.

See attached alternative intermediate lead slurry.

7" intermediate casing alternative two stage: Stage collar at 1805'. First stage: cement with 614 sx 50/50 Class "G" Poz w/2% calcium chloride, 2% gel, 1/4 pps celloflake, 5 pps gilsonite, 0.1% antifoam agent. Second stage: 210 sx 50/50 Class G/TXI lightweight w/2.5% sodium metasilicate, 2% calcium chloride, 10# gilsonite/sx and 1/2# celloflake/sx (1328 cu.ft., 100% excess to circulate to surface).

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every other joint off bottom, to the base of the Ojo Alamo at 905'. Two turbolating centralizers at the base of the Ojo Alamo at 905'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

Operations Plan - Thompson #6M

4 1/2" Production Casing -

Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Lead with 281 sx 50/50 Class "G" Poz with 5% gel, 0.25# celloflake/sx, 5# gilsonite/sx, 0.1% retardant and 0.25% fluid loss additive, 0.15% dispersant, 0.1% antifoam agent (404 cu.ft.), 40% excess to cement 4 1/2" x 7" overlap). WOC a minimum of 18 hrs prior to completing.

4 1/2" production casing alternative: Lead w/84 sx 9.5 PPG Litecrete Blend w/0.11% dispersant, 0.5% fluid loss. Tail w/154 sx Class G 50/50 poz w/5% gel, 0.25 pps celloflake, 5 pps gilsonite, 0.25% fluid loss, 0.15% dispersant, 0.1% retarder, 0.1% antifoam (433 cu.ft., 50% excess to cement 4 ½" x 7" overlap).

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Cement float shoe on bottom with float collar spaced on top of float shoe.

- Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, a long string of 4 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 4 $1/2" \times 7"$ casing strings. After completion of the well, a 4 1/2"retrievable bridge plug will be set below the top of cement in the 4 $1/2" \times 7"$ overlap. The 4 1/2" casing will then be backed off above the top of cement in the 4 $1/2" \times 7"$ overlap and laid down. The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.
- If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.

Special Drilling Operations (Gas/Mist Drilling):

The following equipment will be operational while gas/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- Deduster equipment will be utilized.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.