

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

RECEIVED

1a. Type of Work DRILL	5. Lease Number SF080517 Unit Reporting Number 070 Farmington, NM
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 Payne Federal 9. Well Number 8S
4. Location of Well 810' FNL, 900' FWL Latitude 36° 58.5396'N, Longitude 107° 53.5469'W	10. Field, Pool, Wildcat Basin Fruitland Coal 11. Sec., Twn, Rge, Mer. (NMPM) 0 Sec 21, T-32-N, T-10-W API # 30-045-32003
14. Distance in Miles from Nearest Town 15.7 Miles to PO Aztec, NM	12. County San Juan 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 810	17. Acres Assigned to Well 315.56 14/2
16. Acres in Lease	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 21'	
19. Proposed Depth 3163'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6280'	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Frances Bond</u> Regulatory/Compliance Assistant	<u>10-22-03</u> Date

PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY /s/ David J. Mankiewicz

TITLE _____

DATE DEC - 9 2003

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".

NMOCDD

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

DISTRICT I
1825 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- <u>32003</u>	*Pool Code 71629	*Pool Name Basin Fruitland Coal
*Property Code 7381	*Property Name PAYNE FEDERAL	*Well Number 8S
*OGRIID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS, INC.	*Elevation 6280'

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
D	21	32-N	10-W		810'	NORTH	900'	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/315.56					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

FD 3 1/4" B.L.M. BC 1969	810'	N 89-39-39 E 2618.17' (M)	FD 3 1/4" B.L.M. BC 1969	LOT 2	LOT 1
900'				LOT 3	
500'					
S 00-36-13 W 2620.52' (M)		LAT. 36°58.5396' N (NAD 27) LONG. 107°53.5469' W		LOT 4	LOT 5
				USA SF-080517	
FD 3 1/4" B.L.M. BC 1969				LOT 7	LOT 6
				LOT 8	LOT 9

21

DEC 2003
RECEIVED
OIL CONSERV. DIV.
DIST. 9

17 OPERATOR CERTIFICATION

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

Frances Bond
Signature
Frances Bond
Printed Name
Regulatory Assistant
Title
10-22-03
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.

14827
Date of Survey
Signature and Seal of Professional Surveyor
14827
Certificate Number

OPERATIONS PLAN

Well Name: Payne Federal 8S
Location: 810' FNL, 900' FWL Section 21, T-32-N, R-10-W
Latitude 36° 58.5396'N, Longitude 107° 53.5469'W
San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 6280' GR

Formation:	Top	Bottom	Contents
Surface	San Jose	1395'	
Ojo Alamo	1395'	1434'	aquifer
Kirtland	1434'	2489'	
Fruitland	2489'	2729'	
Fruitland Coal	2729'	3078'	gas
Intermediate TD	2757'		
B/Basal Coal	3078'	3084'	gas
Pictured Cliffs	3084'		
Total Depth	3163'		

Logging Program: none
Mudlog: from 7" to 3163
Coring Program: none

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 120'	Spud	8.4-9.0	40-50	no control
120-2757'	Non-dispersed	8.4-9.0	30-60	no control
2757-3163'	Air/Mist			

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>
12 1/4"	0' - 120'	9 5/8"	32.3#	H-40
8 3/4"	0' - 2757'	7"	20.0#	J-55
6 1/4"	2757' - 3163'	open hole		

Alternate 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>
12 1/4"	0' - 120'	9 5/8"	32.3#	H-40
8 3/4"	0' - 2757'	7"	20.0#	J-55
6 1/4"	2717' - 3163'	5 1/2"	15.5#	J-55

Tubing Program:

0' - 3163'	2 3/8"	4.7#	J-55
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Float Equipment: 9 5/8" surface casing - saw tooth guide shoe. Centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing - guide shoe and self-fill float collar. Standard centralizers run every other joint above shoe. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1434'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 9 5/8" x 7" x 2 3/8" x 11" 2000 psi xmas tree assembly.

Cementing:

9 5/8" surface casing - cement with 23 sx Type I, II cement with 20% flyash, mixed at 14.5 ppg, 1.61 cu.ft. per sack yield (37 cu.ft. of slurry, bring cement to surface) or equivalent. Wait on cement for 24 hours for pre-set holes or 8 hrs for conventionally set holes before pressure testing or drilling out from under surface. Test BOP and casing to 600 psi for 30 minutes.

7" intermediate casing - lead w/233 sacks Premium Lite with 3% calcium chloride, 5 pps LCM-1, and 1/4#/sack flocele, 0.4% FL-52, & 0.4% SMS. Tail with 90 sacks Type III cmt with 1% calcium chloride, 1/4#/sack flocele and 0.2% FL-52 (622 cu.ft., 50% excess to circulate to surface).

5 1/2" liner - will not be cemented if run.

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

BOP and tests:

Surface to intermediate TD - 11" 2000 psi (minimum) double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams to 600#/30 min.

Intermediate TD to Total Depth - 7 1/6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to drilling out intermediate casing, test blind rams and casing to 1500 psi for 30 minutes; all pipe rams and casing to 1500 psi for 30 minutes each.

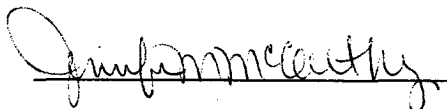
From surface to TD - choke manifold (Reference Figure #3).

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 is less than 500 psi.
- * This gas is dedicated.
- * The west half of Section 21 is dedicated to the Fruitland Coal.

Date: October 30, 2003

Drilling Engineer: 

BURLINGTON RESOURCES

SAN JUAN DIVISION

OK 12-12-03
H

November 11, 2003

(Certified Mail – Return Receipt Requested)

Re: Payne Federal 8S
Basin Fruitland Coal
810'FNL, 900'FWL Section 21, T-32-N, R-10-W
San Juan County, New Mexico

To the Affected Persons:

Burlington Resources Oil & Gas Company LP is submitting the enclosed Application for Permit to Drill to the appropriate regulatory agency(s) for approval. This well is located inside the High Productivity Area of the Basin-Fruitland Coal Pool as indicated on the attached plat. Notice is being made pursuant to New Mexico Oil Conservation Commission Order R-8768-F dated July 17, 2003.

The affected parties have twenty (20) days from receipt of this notice in which to file with the District Office of the New Mexico Oil Conservation Division written objection to the proposed Application for Permit to Drill.

Sincerely,

Frances Bond

Frances Bond
Regulatory Assistant



2. Article Number 	COMPLETE THIS SECTION ON DELIVERY A. Signature X <u>ED. HERNANDEZ</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) C. Date of Delivery NOV 10 2003 D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address zip: 0000 00 92
1. Article Addressed to: PP America: Attn: Bryan Anderson PO Box 3092 PO Box 3092 Houston, TX 77253-3092	3. Service Type <input checked="" type="checkbox"/> Certified 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

PS Form 3811

3:34 PM 9/15/2003

Code: ETC HPA Infil

Domestic Return Receipt

File:

Payne Fed 85

2. Article Number 	COMPLETE THIS SECTION ON DELIVERY A. Signature X <u>L. Nelson</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) C. Date of Delivery 11/17/03 D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address zip: 0000 00 92
1. Article Addressed to: ST JOHN INSTITUTIONAL INVESTORS C/O THE DEERPATH OIL & GAS PTNR INC ATTN LISA LAVIN 800 E NORTHWEST HWY STE 203 Mount Prospect, IL 60056	3. Service Type <input checked="" type="checkbox"/> Certified 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

PS Form 3811

7:50 AM 9/18/2003

Code: Payne Federal 85

Domestic Return Receipt

File: