UNITED STATES **DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT**

| 1a. | Type of Work | 5. Lease Number |
|----------|--|----------------------------------|
| | DRILL — | SF-079392 |
| | | Unit Reporting Number 137 CN A |
| 1b. | Type of Well | 6. If Indian, All. or Tribe |
| | GAS - | <u> </u> |
| 2. | Operator BURLINGTON JAN 2001 | 7. Unit Agreement Name |
| <i>-</i> | RESOURCES Oil & Gas Company | San Juan 27-5 Unit |
| 3. | Address & Phone No. of Operator | 8. Farm or Lease Name |
| | PO Box 4289, Farmington, NM\87499 | San Juan 27-5 Unit |
| | | 9. Well Number |
| | (505) 326-9700 | 179R |
| 4. | Location of Well | 10. Field, Pool, Wildcat |
| | 1575' FSL, 1495' FEL | Tapacito Pict. Cliffs |
| | | 11. Sec., Twn, Rge, Mer. (NMPM) |
| | Latitude 36° 34.2, Longitude 107° 22.7 | Sec. 17, T-27-N, R-5- |
| | | API# 30-039- 2-660 V |
| 14. | Distance in Miles from Nearest Town | 12. County 13. State |
| | 10 miles from Gobernador | Rio Arriba NM |
| 15. | Distance from Proposed Location to Nearest Property or Lease L | ine |
| 16. | Acres in Lease | 17. Acres Assigned to Well |
| | | 165.27 SE/4 |
| 18. | Distance from Proposed Location to Nearest Well, Drlg, Compl, o | |
| 19. | 75' Proposed Depth | 1853 Botom on Cobin Tools |
| | 3437' - No. 3 April 20 Personni 18 43 CPM 2105.4. | |
| | 7471 = 6845 3878-254 (4-2) (4-2) (4-2) | Rotary |
| | | |
| 21. | Elevations (DF, FT, GR, Etc.) 6453' GR | 22. Approx. Date Work will Start |
| | 6453' GR / | |
| 21. | | e december |
| 21. | Proposed Casing and Cementing Program | 22. Approx. Date Work will Start |
| 21. | Proposed Casing and Cementing Program | e december |
| 21. | Proposed Casing and Cementing Program See Operations Plan attached | HE HELTERNATE TO THE SEEM AN |
| 21. | Proposed Casing and Cementing Program See Operations Plan attached Authorized by: | |
| 21. | Proposed Casing and Cementing Program See Operations Plan attached | HE HELTERNATE TO THE SEEM AN |
| 23. | Proposed Casing and Cementing Program See Operations Plan attached Authorized by: Regulatory/Compliance Supervisor | |
| 23. | Proposed Casing and Cementing Program See Operations Plan attached Authorized by: | |

Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

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.

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

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

Instructions on back Submit to Appropriate District Office OIL CONSERVATION DIVISION PO Box 2088 200 CEC -6 PM 2: 27 Fee Lease - 3 Copies Santa Fe, NM 87504-2088

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

OTO PARAMENDED REPORT

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

| 'API Number | | ool Code | ACREAGE DEDI | 3P001 Na | | | · · · | |
|----------------------|--|--|--|----------------------|---|--------------|--|--|
| -039-266 | 0 3 85920_ | _ | Tapacito Picture | d Cliffs | | | | |
| Property Code | | *Pro | Property Name | | °Well Number | | | |
| 7454 | | | SAN JUAN 27-5 UNIT | | | | 179R Elevation | |
| OGRIO No. | | | *Operator Name N RESOURCES OIL & GAS CO | | 1 | | 453 - | |
| 4538 | | | ce Location | | | | | |
| or lot no. Section | Township Range L | ot Ion Feet from | | Feet from the | East/West | t line | County RIO | |
| J 17 | 27N 5W | . 1575 | SOUTH | 1495 | EAS | ST | ARRIBA | |
| | 11 Bottom H | ole Locatio | | | | | | |
| L or lot no. Section | Township Range | ot Ion Feet from | the North/South line | Feet from the | East/Wes | it lime | County | |
| | ¹³ Joint or Infill ¹⁴ Consolid | ation Code 15 Order | No | | | | | |
| dedicated Acres | - John D. Hill | 160 | acres for dens: acres for reve | ty purpos | es for th | he Pic | tured Clif | |
| ALL OHARLE I | WILL BE ASSIGNED | TO THIS COMP | FTION UNTIL ALL | INTERESTS | HAVE BE | | | |
| | OR A NON-STAN | NDARD UNIT HA | S BEEN APPROVED | BY THE DI | VISION | | | |
| 16 | | | | 11 1 | | | FICATION | |
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| 26 | | <u> </u> | | Signa | sture | | | |
| | | | | | y Cole ted Name | | | |
| | LOT 2 | LOT 1 | | 11 | latory S | Superv | isor | |
| | | USA | SF-079392 | Title | B . | | | |
| | 1 | 7 | : | 0 4 h | 10-7 | 20·C | <u> </u> | |
| : | 1 | 7 | | Date | IDVENOD | CEDT | IFICATIO | |
| * * | | 1 | | I here | by certify that t | the well loc | ITILATIC ation shown on this tual surveys made b | |
| LOT 3 | LOT 4 | LOT 5 | | or und cornec | er my supervision t to the best of | my belief. | the same is true an | |
| | | LAT: 36 *34.2 | · N | | | | | |
| 85 | | LONG: 107 22 | | <u> </u> | EPTEMBE | ER 13 | , 2000 | |
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| | 56.50 | ıl | 2785.86 | | tificate | | 68 | |

OPERATIONS PLAN

Well Name: San Juan 27-5 Unit #179R

Location: 1575'FSL, 1495'FEL, Section 17, T-27-N, R-5-W

Rio Arriba County, New Mexico

Latitude 36° 34.2, Longitude 107° 22.7

Formation: Tapacito Pictured Cliffs

Elevation: 6453' GL

| Formation: | Тор | Bottom | Contents |
|-----------------|---------------|---------------|----------|
| Surface | San Jose | 2626 ′ | |
| Ojo Alamo | 2626 ′ | 2726 ' | aquifer |
| Kirtland | 2726 ′ | 2825 ' | gas |
| Fruitland | 2825' | 3237 ' | gas |
| Pictured Cliffs | 3237 ' | | gas |
| Total Depth | 3437'- | | <u> </u> |

Logging Program: Surface to TD - CBL-CCL-GR

Coring Program: None

Mud Program:

| <u>Interval</u> | Type | Weight | Vis. | Fluid Loss |
|-----------------|------|---------|-------|------------|
| 0- 200' | Spud | 8.4-9.0 | 40-50 | no control |
| 200-3437' | FW | 8.4-9.0 | 32-45 | no control |

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

| Hole Size | Depth Interval | | Wt. | <u>Grade</u> |
|----------------|----------------|------------|-------|--------------|
| 8 3/4 " | 0 - 200' | 7 " | 20.0# | |
| 6 1/4" | 0 - 3437' | 2 7/8" | 6.5# | |

Float Equipment: 7" surface casing - saw tooth guide shoe. Centralizers will be run in accordance with Onshore Order #2.

2 7/8" production casing - float shoe on bottom. Three centralizers run every other joint above shoe. Seven centralizers run every 3rd joint to the base of the Ojo Alamo @ 2726'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 2726'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 7" x 2 7/8" 2000 psi screw on independent wellhead.

Cementing:

7" surface casing - cement with 76 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (90 cu.ft. of slurry, 200% excess to circulate to surface). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

2 7/8" production casing - Lead w/356 sx Class "B" w/3% sodium metasilicate, 1/2 pps Flocele and 10 pps gilsonite. Tail w/90 sx 50/50 Class "B" Poz w/2% gel, 1/4 pps Flocele, 5 pps gilsonite and 2% calcium chloride (1155 cu.ft. of slurry, 100% excess to circulate to surface). WOC 8 hrs. If cement does not circulate to surface, a CBL will be run during completion to determine TOC.

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

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.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 2000 psi/15 min.

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

Pipe rams will be actuated to 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 Pictured Cliffs formation will be completed.
- * Anticipated pore pressure for the Pictured Cliffs is 500 psi.
- * This gas is dedicated.
- * The east half of section 17 is dedicated to the Pictured Cliffs.

Drilling Engineer Date

