UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

1a.	Type of Work DRILL	5. Lease Number NM-03862
		Unit Reporting Number
1b.	Type of Well GAS	6. If Indian, All. or Tribe
2.	Operator BURLINGTON	7. Unit Agreement Name
	RESOURCES Oil & Gas Company	San Juan 28-4 Unit
3.	Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 10 71 7	8. Farm or Lease Name San Juan 28-4 Unit
	(505) 326-9700 AUG 2000	9. Well Number 1A
4.	Location of Well 1785' FNL, 2515' FWL	10. Field, Pool, Wildcat Blanco Mesaverde
	Latitude 36° 39.9, Longitude 107° 17.5	11. Sec., Twn, Rge, Mer. (NMPM) Sec. 18, T-28-N, R-
	Con W	API # 30-039- 26-46-5
14.	Distance in Miles from Nearest Town 11 miles from Gobernador	12. County 13. State Rio Arriba NM
15.	Distance from Proposed Location to Nearest Property or Lea	se Line
16.	Acres in Lease	17. Acres Assigned to Well 319.48 N/2
18.	Distance from Proposed Location to Nearest Well, Drlg, Con	npl, or Applied for on this Lease
19.	Proposed Depth percedural review pursuant to 43 CFR 3180	R 3166.3 20. Rotary or Cable Tools
21.	Elevations (DF, FT, GR, Etc.) 7518' GR	22. Approx. Date Work will Start
23.	See Operations Fran accading	SHAMA THE TOTAL AUTHORIZED ARE WOSED TO COMPLAINOS WITH ATTACHED BENERAL REQUIREMENTS"
24.	Authorized by: Jack ale	5-3-00
<u>.</u>	Regulatory/Compliance Supervis	sor Date
DEDM	IIT NO. APPROV	/AL DATE
LEUIA		s, Petroleum Menegement DATE AUG - 8

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 B8241-1980

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

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

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

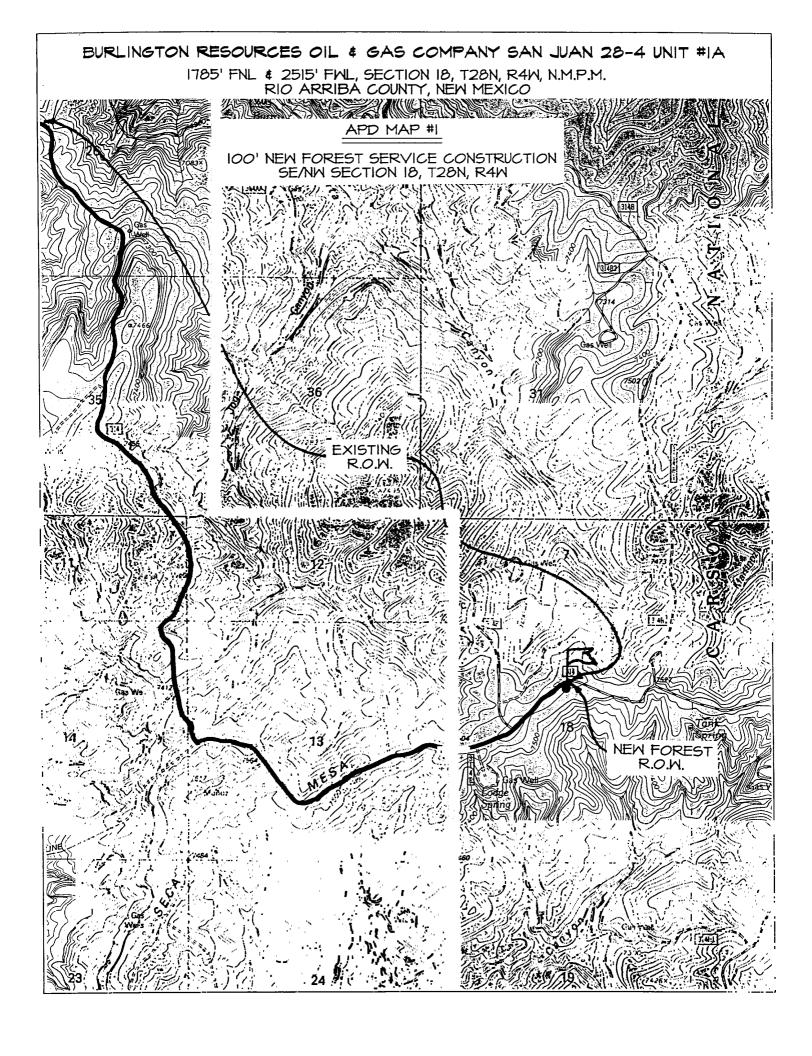
State of New Mexico Energy, Minerals & Natural Resources Department

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

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

PC) Box	2088. 5	Santa Fe,	NM 87504-	2088									
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H	30-039-26465 Property Code			0.3	7231	19		perty		<u>:</u>		"Well Number		
	-	7459				S	AUU NA	1 58	3-4 UNIT	1A				
		OGRID N 4538	10.					Operator Name JRCES OIL & GAS COMPANY			MPANY		*Elevation 7518	
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Г	JL or	lot no.	Section	11 Township	Range	Hole L	_ocation		Different North/South line		M Surf	ace East/Wes	t line	County
,	2 Dedica	ated Acres	·	¹³ Joint or In	fill ¹⁴ Cons	solidation Code	¹⁵ Order No).	· · · · · · · · · · · · · · · · · · ·			•		
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OPERATIONS PLAN

Well Name: San Juan 28-4 Unit #1A

Location: 1785'FNL, 2515'FWL, Section 18, T-28-N, R-4-W

Rio Arriba County, New Mexico

Latitude 36° 39.9, Longitude 107° 17.5

Formation: Blanco Mesa Verde

Elevation: 7518'GL

Formation Tops:	<u>Top</u>	Bottom	<u>Contents</u>
Surface	San Jose	3880′	
Ojo Alamo	3880'	4069'	aquifer
Kirtland	4069'	4324'	
Fruitland	4324'	4531'	gas
Pictured Cliffs	4531'	4651'	gas
Lewis	4651'	5514′	gas
Intermediate TD	4751'		
Chacra	5514'	6316'	gas
Massive Cliff House	6316′	6370′	gas
Menefee	6370'	6697'	gas
Point Lookout	6697'	6914′	gas
Mancos	6914′		
Total Depth	7000'		

Logging Program:

Mud Logs/Coring/DST -

Mud logs - none Coring - none

DST - none

Wireline - Platform Express - 4500' to TD

Cased hole - Gamma Ray, Cement bond - surface to TD

Mud Program:

Interval- MD	Type	<u>Weight</u>	<u>Vis.</u>	Fluid Loss
0- 200'	Spud	8.4-9.0	40-50	no control
200- 4751'	LSND	8.4-9.0	30-60	no control
4751- 7000'	Air/Mist	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):

Mea	su	re	d
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Hole Size	<u>Depth</u>	<u>Csq Size</u>	<u>Weight</u>	<u>Grade</u>
12 1/4"	0' - 200'	9 5/8"	32.3#	H-40
8 3/4"	0' - 4000'	7"	20.0#	J-55
8 3/4"	4000' - 4751'	7"	23.0#	J-55
6 1/4"	4651' - 7000'.	4 1/2"	10.5#	J-55

<u>Tubing Program:</u> 0' - 7000' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 2000 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" 2000 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.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

7 1/16" 2000 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 2000 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
- BOP pit level drill will be conducted weekly for each drill crew.
- All BOP tests & 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 159 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (188 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/447 sx Class "B" w/3% sodium metasilicate, 5# gilsonite/sx and 0.5# flocele/sx. Tail w/90 sx 50/50 Class "B" Poz w/6% gel, 2% calcium chloride, 5# gilsonite/sx and 0.25# flocele/sx (1429 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 to determine TOC. Test casing to 1500 psi for 30 minutes.

7" intermediate casing alternative two stage: Stage collar at 4224'. First stage: cement with 243 sx Class "B" 50/50 poz w/2% gel, 7 pps Gilsonite, 1% calcium chloride, 0.5 pps Cellophane. Second stage: 248 sx Class "B" with 3% sodium metasilicate, 1/2 pps Cellophane, 7 pps Gilsonite (1429 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 4069'. Two turbolating centralizers at the base of the Ojo Alamo at 4069'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Liner -

Cement to circulate liner top. Pump 266 sx 50/50 Class "B" Poz w/1/4# flocele/sx, 2% gel, 0.1% retardant, 5# gilsonite/sx and 0.4% fluid loss additive (338 cu.ft., 40% excess to circulate liner top). WOC a minimum of 18 hrs prior to completing.

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. The liner hanger will have a rubber packoff.

• 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 (Air/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.
- 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.

Additional Information:

- The Mesa Verde formation will be completed.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

Fruitland Coal 300 psi Pictured Cliffs 600 psi Mesa Verde 700 psi

- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The north half of Section 18 is dedicated to the Mesa Verde.
- This gas is dedicated.

Drilling Engineer

Data