UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| la. | Type of Work | 5. Lease Number |
|-----|--|---|
| a. | DRILL | NMNM-02758 |
| | DRIDD | Unit Reporting Number |
| b. | Type of Well | 6. If Indian, All. or Tribe |
| | GAS | |
| ·• | Operator | 7. Unit Agreement Name |
| | BURLINGTON RESOURCES Oil & Gas Company | |
| 3. | Address & Phone No. of Operator | 8. Farm or Lease Name |
| | PO Box 4289, Farmington, NM 87499 | Murphy D |
| | (505) 206 0500 | 9. Well Number 1Y |
| | (505) 326-9700 | 11 |
| 4. | Location of Well | 10. Field, Pool, Wildcat |
| | 1090'FSL, 1605'FEL | Aztec Pictured Cliffs |
| | | 11. Sec., Twn, Rge, Mer. (NMPM) |
| | Latitude 36 ⁰ 46.7, Longitude 107 ⁰ 58 | .5 |
| | | API# 30-049- 3/132 |
| 14. | Distance in Miles from Nearest Town | 12. County 13. State |
| | 3.4 miles from Aztec, NM Post Office | s San Juan NM |
| 15. | Distance from Proposed Location to Nearest Prop | erty or Lease Line |
| | 1090' | da Arman Anglamed An Math |
| 16. | Acres in Lease | 17. Acres Assigned to Well 158.66 SE/4 |
| 18. | Distance from Proposed Location to Nearest Well, | Drig. Compl. or Applied for on this Lease |
| 10. | 754' This action is subject to technical and | |
| 19. | Proposed Depth Finderfural review pursuant to 43 CFF | 3185.3 20. Rotary or Cable Tools |
| | 2574' 6. c. appea, Jursuant to 43 CFR 3165. | 4 Rotary |
| 21. | Elevations (DF, FT, GR, Etc.) | 22. Approx. Date Work will Start |
| | 5955' GR | |
| 23. | Proposed Casing and Cementing Program | DIVILLING OPERATIONS AUTHORIZED ARE |
| | See Operations Plan attached | SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS" |
| | | "GENERAL REQUIREMENTS". |
| | | 6-17-02 |
| 24. | Authorized by: Algeria | |
| | Regulatory/Compliance St | upervisor Date |
| | | |
| | MIT NO. | APPROVAL DATE |

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

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT N P.O. Drawer DD, Artesia, N.M. 88211-0719

P.G. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT III 1000 Rlo Brazos Rd., Aziec, N.M. 87410

PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number | ² Pool Code | ³ Pool Name | | |
|----------------------------|-----------------------------|------------------------|-------------|--|
| 30-045- 3((うく | 71280 Aztec Pictured Cliffs | | | |
| ⁴ Property Code | | *Property Name | Well Number | |
| 7339 | MURPHY D | | 1Y | |
| ⁷ OGRID No. | | *Operator Name | * Elevation | |
| 14538 | BURLINGTON RES | SOURCES OIL & GAS INC. | 5955 | |

¹⁰ Surface Location

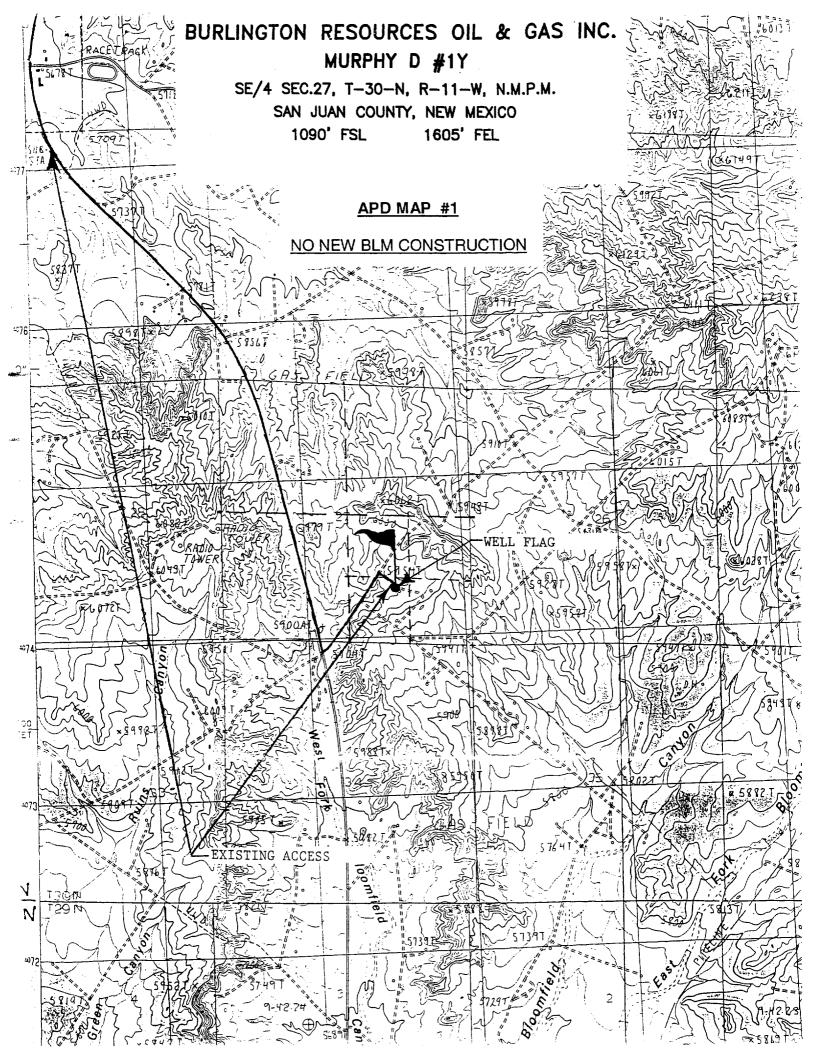
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| 0 | 27 | 30-N | 11-W | | 1090 | SOUTH | 1605 | EAST | SAN JUAN |

¹¹ Rottom 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 |
|--------------------|---------|----------|----------------|---------|--------------------------------|------------------|---------------|----------------|--------|
| 12 Dedicated Acres | | 13 J. | oint or Infill | 1 | ¹⁴ Consolidation Co | ide | 18 Order No. | <u> </u> | ··· |
| SE/158.66 | | | | | | | | | |

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 | S 88°C CORNER 2591.8 1/4" 1969 B.C. | 04'15" E 32' (M) | QTR. CORNER S 88'0 FD 3 1/4" 2589.2 BLM 1969 B.C. | 2'10" E SEC. CORNER 16' (M) FD 3 1/4" BLM 1969 B.C. | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief |
|-----------------------|--|-------------------------------|---|--|--|
| 722'31" E .97' (M) | LOT 4 | LOT 3 | LOT 2 | 723'31" W TOT 1 Y4'. (M) | |
| S 00 S 076.3 | 1/4" | LOT 6 | LOT 7 | FOT 8 | Signature Peggy Cole Printed Name Regulatory Supervisor Title 6-17-02 |
| 99" E (M) | 918 B.C. | LOT 11 | 27 | QTR. CORNER FD 3 1/4" BLM 1969 B.C. LOT 9 (X) 10758.5' W. QTR. CORNER FD 3 1/4" BLM 1969 B.C. (X) 10758.5' W. 10758.5' W. 10758.5' W. | Date 18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plot 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. Date of Survey |
| FD 3 | CORNER 1/4* N 88' 1969 B.C. 2586. | LOT-14 22'02" W 28' (M) | O O O O O O O O O O O O O O O O O O O | LOT 16 LOT 16 SEC. CORNER FD 3 1/4" BLM 1969 B.C. 88°22'19" W 596,27' (M) | Signature and Seed of 1 482 of |



OPERATIONS PLAN

Well Name: Murphy D #1Y

1090'FSL, 1605'FEL, Section 27, T-30-N, R-11-W Location:

San Juan County, New Mexico Latitude 36° 46.7'N, Longitude 107° 58.5'W

Formation: Aztec Pictured Cliffs

Elevation: 5955'GR

| Formation: | Тор | Bottom | Contents |
|-----------------|---------------|---------------|----------|
| Surface | San Jose | 970 ′ | |
| Ojo Alamo | 970 ′ | 1075 ′ | aquifer |
| Kirtland | 1075 ′ | 1739' | gas |
| Fruitland | 1739' | 2299' | gas |
| Pictured Cliffs | 2299' | | gas |
| Total Depth | 2574′ | | |

Logging Program: cased hole - CBL/GR/CCL TD to surface

Coring Program: None

Mud Program:

| Interval | Type | Weight | <u>Vis.</u> | Fluid Loss |
|-----------|------|---------|-------------|------------|
| 0- 120' | Spud | | 40-50 | no control |
| 120-2574' | FW | 8.4-9.0 | 32-45 | no control |

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

| Hole Size | Depth Interval | <u>Csg.Size</u> | Wt. | Grade |
|-----------|-------------------|-----------------|------|-------|
| 9 7/8" | 0 - 120' | 7" | 20# | J-55 |
| 6 1/4" | 0 - 2574 ′ | 2 7/8" | 6.5# | J-55 |

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. Fourteen centralizers run every 3rd joint to the base of the Ojo Alamo @ 1075'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1075'. 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 27 sx Class A, B Portland Type I, II cement (32 cu.ft. of slurry, bring cement to surface through 34" line). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

2 7/8" production casing - Lead w/248 sx Premium Lite cement w/3% calcium chloride, 1/4 pps cello-flake, 5 pps LCM-1, 0.4% FL-52, and 0.4% SMS. Tail w/90 sx Type III cement w/1% calcium chloride, 1/4 pps celloflake, and 0.2% FL-52 (651 cu.ft. of slurry, 50% excess to circulate to surface).

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). Prior to drilling out surface casing, test rams to 600 psi/30 min.

Completion - 7 1/16" 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.

BOP and tests (If a coiled tubing drilling (CTD) rig is utilized.):

Surface to TD: 7-1/16" 2000 psi (minimum) Torus annular BOP stack (Reference Figure #1b). Prior to drilling out surface casing, test annular BOP to 600psi/30 min.

Completion: 7-1/16" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test blind rams and casing to 1500 psi for 30 minutes; all pipe rams and casing to 1500 psi for 30 minutes each. Same as in original APD operations plan.

From surface to TD: choke manifold (Reference Figure #3). Same as in original APD operations plan.

The annular BOP will be actuated to close on drill pipe (coiled tubing) at least once each day and to close on open hole once each trip to test proper functioning.

Additional information:

- * The Pictured Cliffs formation will be completed.
- * Anticipated pore pressure for the Pictured Cliffs is 500 psi.
- * This gas is dedicated.
- * The southeast quarter of Section 27 is dedicated to the Pictured Cliffs.

Lean & longs
Drilling Engineer

June 17, 2002