UN. ED STATES **DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT**

| | APPLICATION FOR PERMIT TO DRILL, D | EEPEN, OR PLUG BACK |
|-----------|--|---|
| 1a. | Type of Work DRILL Orilling operations authorized are Subject to compliance with attached | 5. Lease Number NM-04207 Unit Reporting Number |
| 1b. | Type of Well GAS GAS | If Indian, All. or Tribe This action is subject to technical and procedural review pursuant to 43 CFR 3165 |
| 2. | Operator BURLINGTON RESOURCES Oil & Gas Company | and/appens/pursuanttol456EFR 3165.4 Allison Unit |
| 3. | Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 | 3) 2001 8. Farm or Lease Name Allison Unit 9. Well Number #38B |
| 4. | Location of Well 2315'FSL, 250'FEL Latitude 36° 58.8'N, Longitude 107° 28.4'W | 10. Field, Pool, Wildcat Blanco Mesaverde 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 17, T-32-N, R-6-W API # 30-045- 3 0 5 () |
| 14. | Distance in Miles from Nearest Town 12 miles from Aztec | 12. County 13. State San Juan NM |
| 15. | Distance from Proposed Location to Nearest Property or L 250' | ease Line |
| 16. | Acres in Lease | 17. Acres Assigned to Well 320 E/2 |
| 18. | Distance from Proposed Location to Nearest Well, Drlg, Co | ompl, or Applied for on this Lease |
| 19. | Proposed Depth 5712' | 20. Rotary or Cable Tools Rotary |
| 21. | Elevations (DF, FT, GR, Etc.) 6166' GR | 22. Approx. Date Work will Start |
| 23. | Proposed Casing and Cementing Program See Operations Plan attached | |
| 24. —— | Authorized by: Regulatory/Compliance Supervis | |
| PERN | MIT NO APPRO | VAL DATE |
| APPR | ROVED BY | 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 PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

District II PO Drawer DD, Artesia, NM 88211-0719 Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87504-2088

AMENDED REPORT

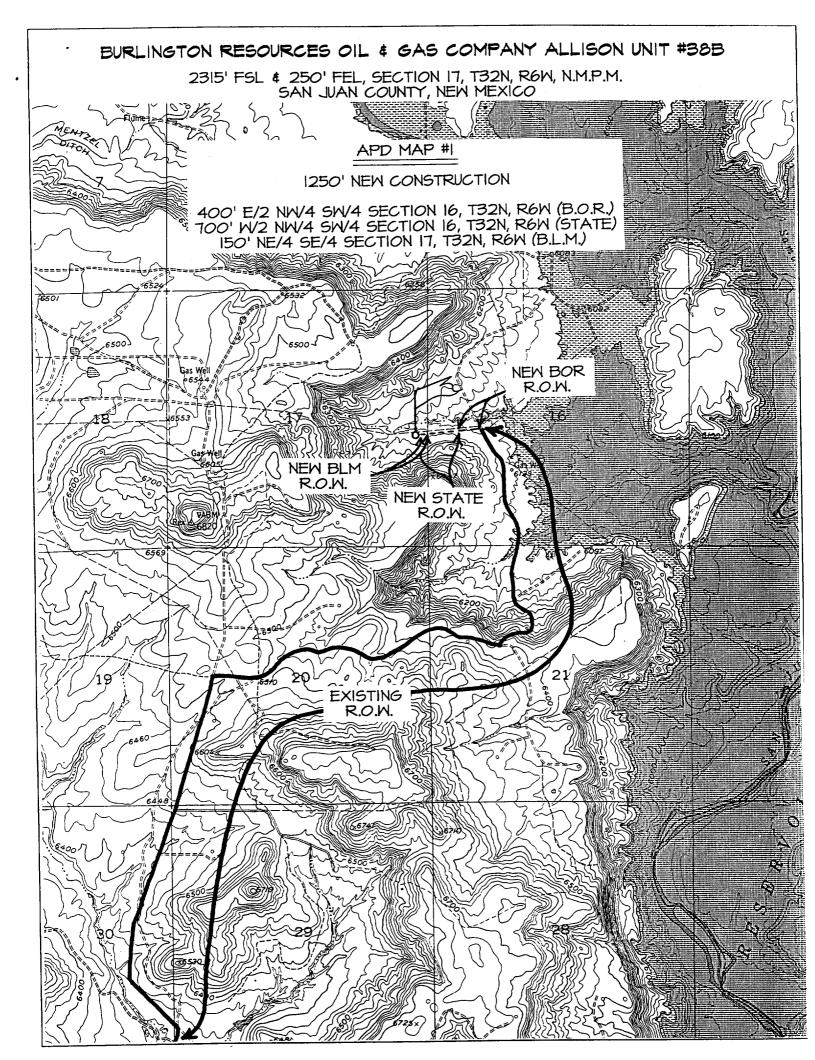
District IV PO Box 2088, Santa Fe, NM 87504-2088

| | W | ELL LOCATION A | ND ACREAGE DEDICATION PLAT | |
|---------------------------------------|------|----------------|----------------------------|---------------------------------------|
| 'API Number | | *Pool Code | Pool Name | |
| 30-045- 3 0 | 2571 | 72319 | Blanco Mesaverde | |
| Property Code | | *Well Number | | |
| 6784 | | 38B | | |
| 'OGRID No. | | *Elevation | | |
| BURLINGTON RESOURCES OF & GAS COMPANY | | | 6166 | |
| | | 10 Sur | face Location | • • • • • • • • • • • • • • • • • • • |

| 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 |
| I | 17 | 32N | 6W | | 2315 | SOUTH | 250 | EAST | 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 |
| | | | | | | | | <u> </u> | |
| 12 Dedicated Acres 12 Joint or Infill 14 Consolidation Code 15 Order-No. | | | | | | | | | |
| E/320 | | | <u> </u> | | | | | | |

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

| 16 | 2622.18 | 2698.74 | 158 | 17 OPERATOR CERTIFICATION Thereby certify that the information contained herein is true and complete to the best of my knowledge and belief |
|--------|-----------------------|---------------------------------------|--|--|
| | | | | true and complete to the best of my knowledge and belief |
| . 96 . | NOY | 2001 | | Jean Cale |
| 2676 | | USA NM-04207 | | Signature Peggy Cole Printed Name |
| | | | .08 | Regulatory Supervisor Title |
| | $-\frac{1}{\sqrt{2}}$ | 7 + - | —————————————————————————————————————— | Date 18 SURVEYOR CERTIFICATION |
| | | | 36 '58.8 N 107 '28.4 N | I hereby certify that the well location shown on this ol- was plotted from field notes of actual surveys made by m or under my supervision, and that the same is true and correct to the best of my belief. |
| 74. | | | LAT: LONG: | NOVEMBER 17, 2000 Date of Survey |
| 2632. | | | 2315' | NOVEMBER 17, 2000 Date of Survey Signature and Serve Creston NET COMPANY REPORT RE |
| | t unusum | · · · · · · · · · · · · · · · · · · · | | 2 (6857) |
| | 53 | 50.52 | | Certificate Congression 685 |



OPERATIONS PLAN

Well Name:

Allison Unit #38B

Surface Location:

2315'FSL, 250'FEL, Section 17, T-32-N, R-6-W

San Juan County, New Mexico

Latitude 36° 58.8'N, Longitude 107° 28.4'W

Formation: Elevation: Blanco Mesaverde

6166'GR

| Formation Tops: | <u>Top</u> | Bottom | Contents |
|---------------------|---------------|---------------|-----------------|
| | | | |
| Surface | San Jose | 1941' | aquifer |
| Ojo Alamo | 1941' | 2053 ′ | aquifer |
| Kirtland | 2053 ′ | 2469' | gas |
| Fruitland | 2469 ' | 2818' | gas |
| Pictured Cliffs | 2818' | 3158 ' | gas |
| Lewis | 3158 ′ | 3868 ′ | gas |
| Intermediate TD | 3408' | | |
| Mesa Verde | 3868 ' | 4318' | gas |
| Chacra | 4318′ | 5093 ′ | gas |
| Massive Cliff House | 5093 ' | 5118 ' | gas |
| Menefee | 5118 ′ | 5312' | gas |
| Point Lookout | 5312' | | gas |
| Total Depth | 5712' | | |

Logging Program:

Cased hole logging - Gamma Ray, Cement bond from surface to TD Open hole logging - none Mud Logs/Coring/DST - none

Mud Program:

| Interval- MD | Type | Weight | Vis. | Fluid Loss |
|---------------------|----------|-----------|-------|------------|
| 0- 200' | Spud | 8.4 - 9.0 | 40-50 | no control |
| 200- 3408' | LSND | 8.4-9.0 | 30-60 | no control |
| 3408- 5712 ' | 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):

| | Measured | | | |
|----------|---------------|----------|--------|-------|
| Hole Siz | e Depth | Csg Size | Weight | Grade |
| 12 1/4" | 0' - 200' | 9 5/8" | 32.3# | H-40 |
| 8 3/4" | 0' - 3408' | 7 " | 20.0# | J-55 |
| 6 1/4" | 3308' - 5712' | 4 1/2" | 10.5# | J-55 |

Tubing Program: 0' - 5712' 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.

BOP Specifications, Wellhead and Tests (cont'd):

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 times.
- 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/353 sx 50/50 Class "G"/Trinity Light with 2.5% sodium metasilicate, 2% calcium chloride, 10 pps Gilsonite, 0.5 pps Flocele. Tail with 90 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps Gilsonite, 0.1% antifoam and 0.25 pps Flocele (1025 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.

See attached Alternative Intermediate Lead Slurry.

7" intermediate casing alternative two stage: Stage collar at 2369'. First stage: cement w/276 sx 50/50 Class "G" poz w/28 gel, 28 calcium chloride, 5 pps Gilsonite, 0.1% antifoam and 0.25 pps Flocele. Second stage: w/244 sx 50/50 Class "G"/Trinity Light with 2.5% sodium metasilicate, 28 calcium chloride, 10 pps Gilsonite, 0.5 pps Flocele (1025 cu.ft. of slurry, 100% excess to circulate to surface).

Operations Plan - Allison Unit #38B

Page Three

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 2053'. Two turbolating centralizers at the base of the Ojo Alamo at 2053'. 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 - 100 minute Cement to circulate liner top. Pump 242 sx Class "G" 50/50 poz w/4.5% gel, 0.25 pps Flocele, 5 pps Gilsonite, 0.25% fluid loss, 0.1% retardant (345 cu.ft., 50% excess to circulate liner). WOC a minimum of 18 hrs prior to completing.

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

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 150 psi Pictured Cliffs 260 psi Mesa Verde 375 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 east half of Section 17 is dedicated to the Mesa Verde.
- This gas is dedicated.

Mudually 1/15/01
Drilling Engineer Date