JNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

		CATION FOR PERMIT TO DRILL, DI	<u>': 50</u>
	Type of Work		5. Lease Number
	DRILL	56 76 7	NMSF077652
		23/201	Unit Reporting Number
٠.	Type of Well		6. \f Indian, All. or Tribe
•	GAS	√° JUL 2	· · · · · · · · · · · · · · · · · · ·
	GAD	() JUL 2	494 4 (13)
	Operator	2	7. Unit Agreement Name
	BURLINGT	ON	<i>i</i>
	RESOURCE	Oil & Gas Company	
_	Address & Phone No.	of Operator	8. Farm or Lease Name
		Farmington, NM 87499	East
	FO BOX 4200,	Turing out, and over a second	9. Well Number
	(505) 326-970	10	11M
			40 Pint Dark Maridan
	Location of Well		10. Field, Pool, Wildcat
	1555'FSL, 1800'	FEL	Blanco Mesa Verde/
			Basin Dakota
		11.4	11. Sec., Twn, Rge, Mer. (NMPM)
	Latitude 36 ⁰ 52	2.53, Longitude 108 ⁰ 02.46	J Sec. 24, T-31-N, R-12-W
			J API# 30-045- 30 + 47
	Distance in Miles from	m Nearest Town	12. County 13. State
•	6 miles to Azte		San Juan NM
i.		osed Location to Nearest Property or L	ease Line
	1555'		17. Acres Assigned to Well
	Acres in Lease		320 E/2
			320 2/2
	Distance from Propo	osed Location to Nearest Well, Drig, Co	ompl, or Applied for on this Lease
•	814'	Charles were and the sample of the last way	
9.	Proposed Depth	procedured review purposers to do s	Note the 20. Rotary of Cable 1001s
	7129'	and appeal pursuant to 43 CFR 31	&i.4. Rotary
			22. Approx. Date Work will Start
	Elevations (DF, FT, C 6012' GR	JR, Etc.)	22. Applox. Date Work will our
•	hlll/' lak		
1.	0012 011		
		d Cementing Program	
	Proposed Casing an	nd Cementing Program ns Plan attached	
	Proposed Casing an	nd Cementing Program ns Plan attached	
	Proposed Casing an	nd Cementing Program ns Plan attached	The same of the sa
	Proposed Casing an	nd Cementing Program ns Plan attached	"GENERAL REGULEMENTS"
3.	Proposed Casing an See Operation	nd Cementing Program ns Plan attached	· · · · · · · · · · · · · · · · · · ·
3.	Proposed Casing an See Operation	nd Cementing Program ns Plan attached gulatory/Compliance Supervi	"SEMERAL REQUIREMENTS"
3.	Proposed Casing an See Operation	Ins Plan attached	"SEMERAL REQUIREMENTS". I - Q - O sor Date
3. 4.	Proposed Casing an See Operation Authorized by:	ns Plan attached July au gulatory/Compliance Supervi	"SEMERAL REQUIREMENTS". I - Q - O sor Date
•	Proposed Casing an See Operation	ns Plan attached July au gulatory/Compliance Supervi	"SEMERAL REQUIREMENTS"

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.

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DISTRICT I 1625 M. Franch Dr., Hobbs, N.M. 86240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

DISTRICT II 811 South First, Artesia, N.M. 58210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

1:50

DISTRICT III 1000 Rio Brazos Rd., Astec, N.M. 87410

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

2040 South Pacheco Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	"HE DOULTON IN	ID MONDINGE DEDICATION I TO	
1 API Number	* Pool Code	⁹ Pool Name	_
30-045 3099	72319/71599	Blanco MesaVerde/Basin Dako	
⁴ Property Code		Property Name	* Well Number
18517		EAST	11M
OGRID No.		Operator Name	* Elevation
14538	BURLINGTON RES	OURCES OIL AND GAS, INC.	6012'
	10 9	hirface Location	

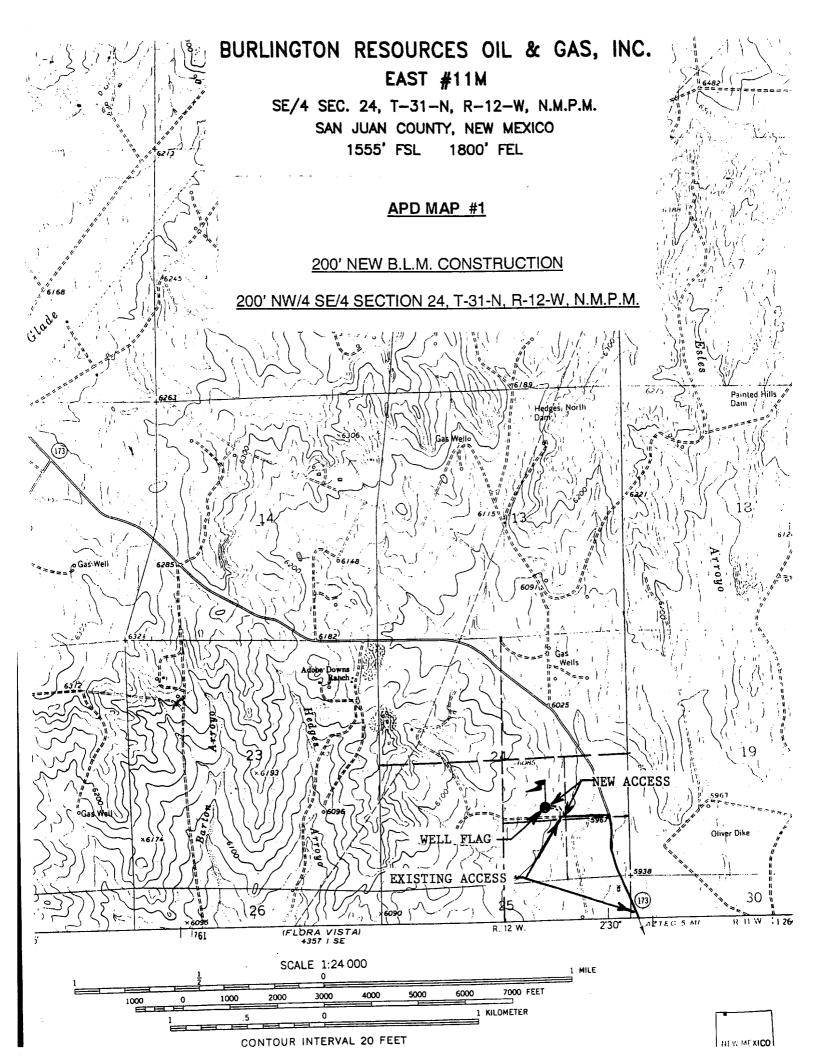
North/South line Feet from the Bast/Vest line Range County Township Lot Idn Feet from the UL or lot no. Section **EAST** SAN JUAN 1800' 31-N 12-W 1555' SOUTH 24

¹¹ Bottom Hole Location If Different From Surface North/South line Feet from the Bast/Vest line County Feet from the UL or lot no. Section Township Range M Order No. ¹³ Joint or Infill ¹⁴ Consolidation Code Dedicated Atres MV-E/320 DK-E/320

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		Br July	Su Su	FD B.L.M. 19	BC 951 (N)	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my inecologic and belief
			-SF-07765		5264.37' (Signature Cale Peggy Cole
I AT-	36°52'53" N	4 —	1077*	Bm	-41-23 E	Peggy Cole Printed Name Regulatory Supervisor Title
LONK	36"52"53" N. 3: 108"02"46" W. 1927	12		1800'	-00 N	I hereby certify that the well incested about an olde y was plotted from field notes of actual surveys made is no or under my supervision, and that the same is trivial account to the test of my helic. The same is trivial to the test of my helic. The same is trivial to the test of my helic. The same is trivial to the test of my helic. The same is trivial to the test of my helic. The same is trivial to the test of my helic.
		239'	OLIVER, V	WES ET AL	- !]	COSSIONAL TO STORY OF THE PROPERTY OF THE PROP
	FD BC B.L.M. 1951		S 88-15- 2641.83		FD IRON PIN	Cartificate Number

	•



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OPERATIONS PLAN

Well Name: East #11M

Location: 1555'FSL, 1800'FEL, Sec 24, T-31-N, R-12-W

San Juan County, NM

Latitude 36° 52.53, Longitude 108° 02.46

Formation: Blanco Mesaverde/Basin Dakota

Elevation: 6012 GL

Formation Tops:	Top	Bottom	<u>Contents</u>
Surface	San Jose	764'	
Ojo Alamo	764'	894 '	aquifer
Kirtland	894′	1894′	gas
Fruitland	1894'	2499'	gas
Pictured Cliffs	2499'	2614'	gas
Lewis	2614'	3219'	gas
Mesa Verde	3219'	3574 ′	gas
Chacra	3574 ′	4114'	gas
Massive Cliff House	4114'	4269'	gas
Menefee	4269'	4789 '	gas
Intermediate TD	4419'		
Massive Point Lookout	4789'	5190'	gas
Mancos	5190 ′	6112 '	gas
Gallup	6112 '	6829 '	gas
Greenhorn	6829'	6884'	gas
Graneros	6884'	6944'	gas
Dakota	6944'		gas
TD	7129'		

Logging Program:

Cased hole - CBL-CCL-GR - TD to surface Open hole - none Cores - none

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
	Spud	8.4-9.0	40-50	no control
320- 4419'	LSND	8.4-9.0	30-60	no control
4419- 7129'	Air/N2	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):

Hole Size	Depth Interval	Csg.Size	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 320'	9 5/8"	32.3#	
8 3/4"	0' - 4419'	7"	20/23#	J55
6 1/4"	4319' - 7129'	4 1/2"	10.5#	J-55

Tubing Program:

0' - 7129' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 3000 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" 3000 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, 3000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

7 1/16" 3000 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 3000 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 drilling crew.
- All BOP tests and 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 255 sx Class "B" cement with 1/4# celloflake/sx and 3% calcium chloride (301 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/554 sx 50/50 Class G/TXI lightweight w/1.75% sodium metasilicate, 8# gilsonite/sx, 1/2# celloflake/sx, 0.2% defoamer and 0.15% retarder. Tail w/95 sx 50/50 Class "G" Poz w/2% gel, 1/4 pps celloflake, 5 pps gilsonite, 0.1% antifoam agent, 0.1% retarder and 0.1% dispersant (1328 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 during completion operations 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 1794'. First stage: cement with 616 sx 50/50 Class "G" Poz w/2% calcium chloride, 2% gel, 1/4 pps celloflake, 5 pps gilsonite, 0.1% antifoam agent. Second stage: 209 sx 50/50 Class G/TXI lightweight w/2.5% sodium metasilicate, 2% calcium chloride, 10% gilsonite/sx and 1/2# celloflake/sx (1328 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 894'. Two turbolating centralizers at the base of the Ojo Alamo at 894'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

- 4 1/2" Production Casing Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Lead
 with 280 sx 50/50 Class "G" Poz with 5% gel, 0.25#
 celloflake/sx, 5# gilsonite/sx, 0.1% retardant and 0.25% fluid
 loss additive, 0.15% dispersant, 0.1% antifoam agent (404
 cu.ft.), 40% excess to cement 4 1/2" x 7" overlap). WOC a
 minimum of 18 hrs prior to completing.
- 4 1/2" production casing alternative: Lead w/84 sx 9.5 PPG Litecrete Blend w/0.11% dispersant, 0.5% fluid loss. Tail w/154 sx Class G 50/50 poz w/5% gel, 0.25 pps celloflake, 5 pps gilsonite, 0.25% fluid loss, 0.15% dispersant, 0.1% retarder, 0.1% antifoam (432 cu.ft., 50% excess to cement 4 ½" x 7" overlap).

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

Cement float shoe on bottom with float collar spaced on top of float shoe.

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, a long string of 4 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 4 1/2" x 7" casing strings. After completion of the well, a 4 1/2" retrievable bridge plug will be set below the top of cement in the 4 1/2" x 7" overlap. The 4 1/2" casing will then be backed off above the top of cement in the 4 1/2" x 7" overlap and laid down. The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.

• 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 (Gas/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.
- Deduster equipment will be utilized.
- 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.