

BURLINGTON RESOURCES

San Juan Division

Rec'd 6-8-2005
Suf. 6-28-2005
PMEBO-518645700

Sent Federal Express

June 7, 2005

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RECEIVED

JUN 8 2005

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application for NSL approval for the EPNG B #1A
Unit B, 10160' FNL & 2140' FEL, Section 28, T32N, R6W
San Juan County, New Mexico
API # - 30-045-26548

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of a non-standard gas well location for Basin Dakota formation. On June 7, 2005 certified copies of this letter was sent to Susanna P Kelly, ConocoPhillips Company, Charles Kelly, Castle Inc, BP America Production Company and Andrew Kelly Jr. per the attached plat.

This well was a Mesaverde completion that we are planning to deepen to include the Dakota interval and then commingling. The original NSL approval for the Mesaverde formation was granted 9/27/85 per Order NSL-2154. The reason given with original NSL application for the Mesaverde formation was the presence of Navajo Lake made it impossible to build an orthodox gas well location in this section. We respectfully request NSL approval on the Dakota interval also. Economics make it more feasible to deepen the existing well rather than drill a new well.

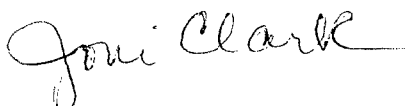
The Dakota and Mesaverde have a standard spacing unit of 320 acres, encompassing the E/2 of Section 28. We appreciate your consideration of this matter. Please let me know if you have questions or concerns.

To comply with the New Mexico Oil Conservation Division requirements for NSL, see attached:

- Copy of application for Permit to Deepen and C102 plat showing location of the well
- Topo Map of Section 28
- 9 Section Plat showing offset owners/operators

If there is anything else that will be needed please call me at 505-326-9701. Thank you for considering this application.

Sincerely,



Joni Clark
Sr. Regulatory Specialist

EPNG B #1A
Unit B, 1060' FNL 7 2140' FEL
San Juan, CO

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard well locations of the above stated well.

Susanna P. Kelly
Bar K Ranch
Box 147
Cameron MT 59720

Jane Phillips
530 N. Main St. Apt 310
Butler, PA 16001-4319

ConocoPhillips Company
Attn: Chief Landman
P.O. Box 2197
Houston, TX 77252-2197

Charles Kelly
1648 Ellis St. Ste 302
Bozeman, MT 59715-8811

Castle Inc.
502 Keystone Drive
Warrendale, PA 15086

BP America Production Company
Attn: John Larson
San Juan BU
West Lake 1 Room 1-158
501 Westlake Park Blvd
Houston, TX 77079

Andrew Kelly Jr.
2575 Sunset Drive
Atlanta, GA 30345

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DEEPEN	5. Lease Number NM12014 Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name EPNG B 9. Well Number 1A
4. Location of Well 1060' FNL, 2140' FEL Latitude 36° 57.33', Longitude 107° 27.67'	10. Field, Pool, Wildcat Blanco MV/Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) Sec 28, T-32-N, R-6-W API # 30-045-26548
14. Distance in Miles from Nearest Town 6 miles south of Arboles, Co	12. County San Juan
	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1060'	
16. Acres in Lease	17. Acres Assigned to Well 320
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease	
19. Proposed Depth 8106'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6426'	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Frances Bond</u> Regulatory Specialist	<u>5-3-05</u> Date

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report Attached

Threatened and Endangered Species Report Attached

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
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-26548		² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 6977	⁵ Property Name EPNG B		⁶ Well Number 1A
⁷ OGRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS CO LP		⁹ Elevation 6426

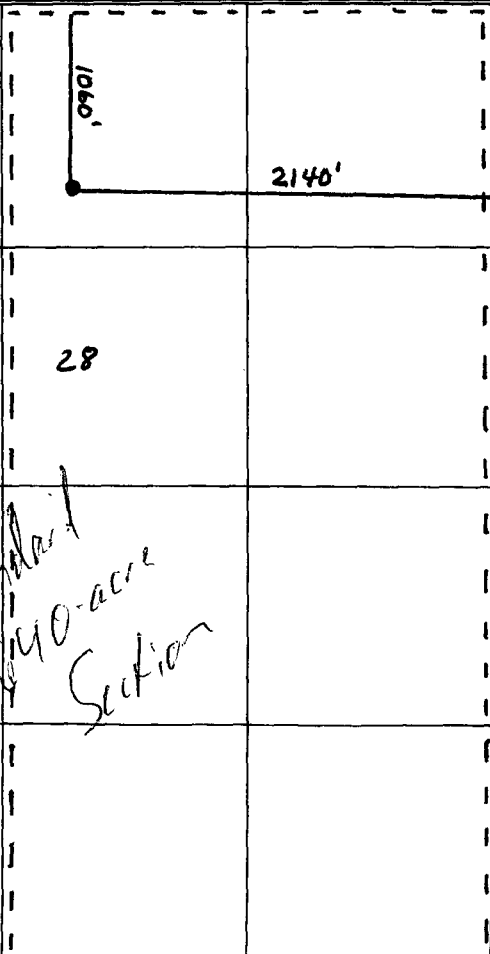
¹⁰ Surface Location

UL or lot no. B	Section 28	Township 32N	Range 6W	Lot Idn	Feet from the 1060	North/South line North	Feet from the 2140	East/West line East	County San Juan
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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
¹² Dedicated Acres 320 E/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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

<div><div>16</div><div></div></div>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Frances S. Bond</i> Signature Frances Bond Printed Name Regulatory Specialist Title and E-mail Address 5-3-05 Date
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 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. May 31 1985 Date of Survey Signature and Seal of Professional Surveyor: Fred B Kerr Jr 3950 Certificate Number

OPERATIONS PLAN FOR EPNG B #1A

Well: EPNG B #1A
Location: T-32-N, R-6-W, Sect. 28, Unit B; 1060' FNL, 2140' FEL
San Juan County, NM
Latitude 36° 57.33' Longitude 107° 27.67'

Formation: Blanco Mesaverde and Basin Dakota

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose		---
Ojo Alamo	2322'	2452'	aquifer
Kirtland	2452'	3066'	gas
Fruitland	3066'	3357'	gas
Pictured Cliffs	3357'	3503'	gas
Lewis	3503'	4197'	gas
Huerfanito Bentonite	4197'	4650'	gas
Chacra	4650'	5380'	gas
Massive Cliff House	5380'	5424'	gas
Menefee	5424'	5644'	gas
Massive Point Lookout	5644'	6128'	gas
Mancos	6128'	7023'	gas
Gallup	7023'	7753'	gas
Greenhorn	7753'	7803'	gas
Graneros	7803'	7913'	gas
Paguate	7913'	7922'	gas
Cubero	7922'	7967'	gas
Lower Cubero	7967'	8033'	gas
Encinal	8033'		gas
Total Depth	8106'		

Logging program:

Cased hole - CBL-CCL-GR - TD to 6650'

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
6149' - 8106'	Air/Nitrogen	n/a	n/a	n/a

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg.Size</u>	<u>Wt.</u>	<u>Grade</u>
3-7/8"	~6135' - 8106'	3-1/2" Flush	9.3#/'	L-80

Tubing Program:

<u>Tubing Program:</u>	<u>Tbg. Size</u>	<u>Wt.</u>	<u>Grade</u>
0' – total depth	2-1/16"	3.25#	J-55

Operations:

It is intended to deepen the subject well to the Dakota formation by the following procedure:

1. MIRU completion rig. TOOH with tubing.
2. Set retrievable bridge plug at +/- 4270'.
3. Pressure test casing to 1000 psi for 15 minutes. TOOH with bridge plug.
4. Lay in acid soluble cement across entire Mesaverde interval. WOC.
5. Drill out cement. Test casing to 500 psi for 15 minutes. Repeat cement work until pressure test holds.
6. Drill out shoe. Drill Dakota formation to approximately 8106' with mud logger to call final total depth. TOOH.
7. TIH with 3-1/2" flush joint pipe and set at total depth.
8. Cement with 28 sxs of type III cement (1.39 yield, 14.5 ppg). WOC. Run CBL. TOC @ 6713'.
9. Perforate and fracture stimulate the Dakota formation. Flow back Dakota.
10. Set composite plug 50' above top Dakota perforation.
11. Chemical cut 3-1/2" casing at +/- 6135'.
12. Acidize Mesaverde interval to restore production.

13. Drill out composite plug above the Dakota. Clean out to PBTD.
14. Land 2-1/16" IJ tubing.
15. RDMO rig. Return well to production as a commingled MV/DK producer.

BOP Specifications, Wellhead and Tests:**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 #4). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 3000 psi for 15 minutes.

Wellhead:

9 5/8" x 7" x 4 1/2" x 2 1/16" x 3000 psi tree assembly.

General Information:

- 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.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with hand wheels.

Cementing:**3-1/2" Production Liner**

Cement to cover minimum of 1200' above the Dakota formation. Minimum TOC @ 6713'. 28 sxs type III cement (1.39 yield, 14.5 ppg). WOC a minimum of 18 hrs prior to completing.

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.
- 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.

Additional Information:

- The Mesaverde and/or Dakota formations will be completed and commingled if both formations are completed.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:
Dakota 2700 psi

Angela Ibara
Sr. Staff Engineer

4/25/05
Date

EPNG B #1A

1060' FNL , 2140' FEL
Unit B, Section 28, T32N, R06W
San Juan County, NM

LAT: 36 deg 57.33 min

LONG: 107 deg 27.67 min

GL = 6,426'

KB= 6,438'

Current Wellbore Diagram

Surface Casing:

9-5/8" 32.3# H-40
Set @ 211'
TOC @ circ to surf

Intermediate Casing:

7" 20# K-55
Set @ 3,656'
TOC @ 2150' TS

Tubing:

2-3/8" 4.7# J-55
Set @ 6114
SN @ 6112

Production Liner:

4-1/2" 10.5# K-55
Set @ 3474' - 6149'
SN @ Lnr top, CBL

Ojo Alamo	2,322'
Kirtland	2,452'
Fruitland	3,066'
Pictured Cliffs	3,357'
Heur Bent.	4,197'
Chacra	4,650'
Cliffhouse	5,380'
Menefee	5,424'
Point Lookout	5,644'
Mancos	6,128'
Gallup	7,023'
Greenhorn	7,753'
Graneros	7,803'
Paguate	7,913'

Lewis

4300' - 4930'
22,000# sand, 44,050 gal slickwater

Point Lookout - Cliff House

5442' - 5736'
58,500# sand, 32,955 gal 30# linear gel

Point Lookout

5764' - 6124'
61,000# sand, 121,800 gal slickwater

3474' - 6149'

PBTD= 6,128'
TD= 6,150'

PLO: 5764', 86', 94', 5814', 67', 71', 5908', 17', 26', 52', 68', 85', 98',
6023', 32', 54', 6110', 24'

PLO-CH: 5442', 50', 69', 75', 97', 5503', 09', 15', 21', 78', 87', 92',
5650', 55', 60', 65', 70', 78', 5702', 07', 12', 16', 29', 36'

LW: 4300', 03', 06', 72', 76', 80', 84', 4450', 54', 58', 62', 86', 90', 94', 4632', 36',
40', 55', 60', 65', 70', 75', 80', 84', 4720', 23', 26', 62', 66', 75', 80', 85', 90', 4803',
07', 11', 27', 30', 33', 58', 62', 66', 70', 74', 4906', 08', 22', 26', 30'

ARI 04/25/05

EPNG B #1A

1060' FNL , 2140' FEL
Unit B, Section 28, T32N, R06W
San Juan County, NM

LAT: 36 deg 57.33 min

LONG: 107 deg 27.67 min

GL = 6,426'

KB= 6,438'

Proposed Wellbore Diagram

Surface Casing:

9-5/8" 32.3# H-40
Set @ 211'
TOC @ circ to surf

Intermediate Casing:

7" 20# K-55
Set @ 3,656' 248 sxs
TOC @ 2150' TS

Tubing:

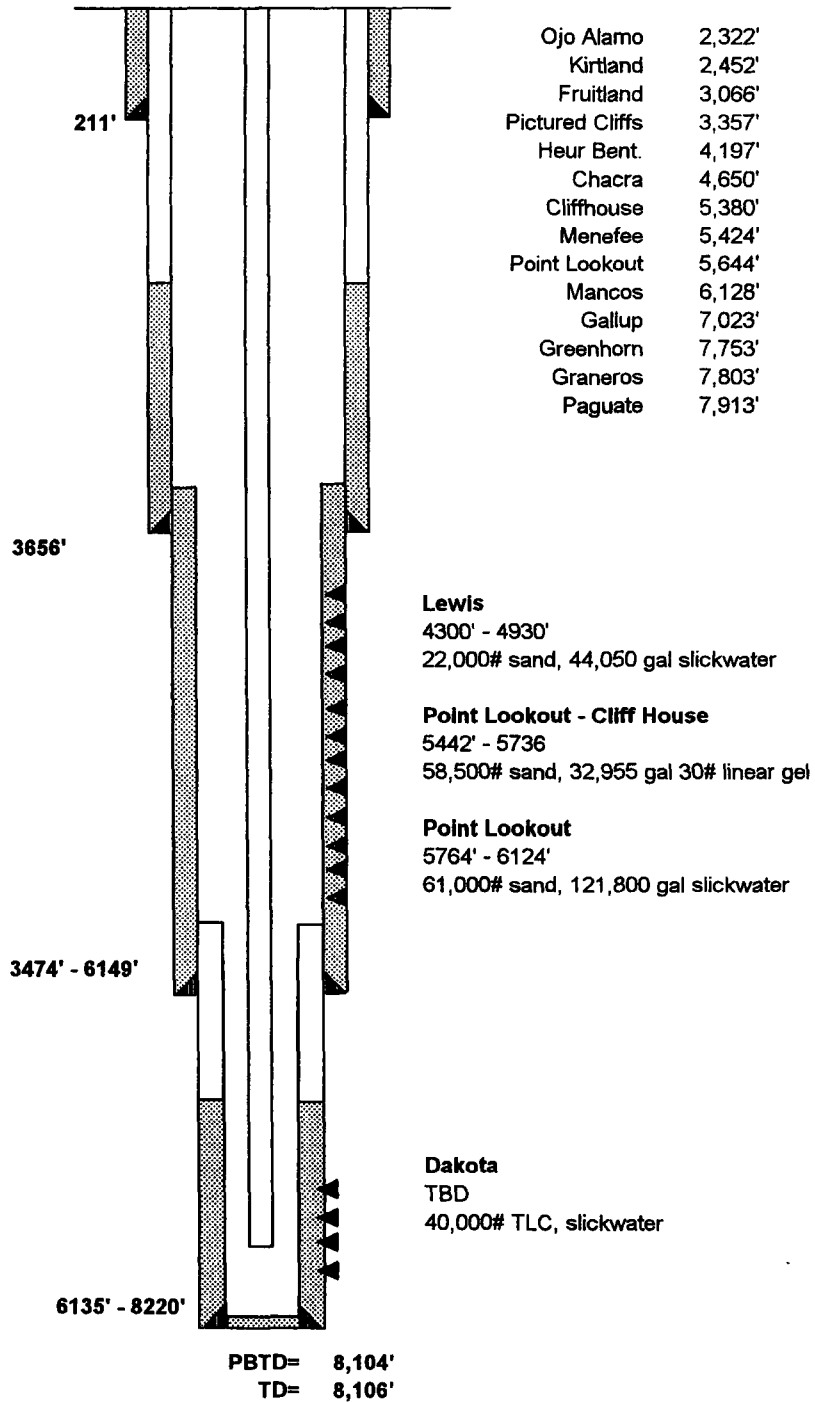
2-1/16" 3.25 J-55 IJ
Set @ TBD
SN @ TBD

Production Liner:

4-1/2" 10.5# K-55
Set @ 3474' - 6149'
SN @ Lnr top, CBL

Proposed Production Liner:

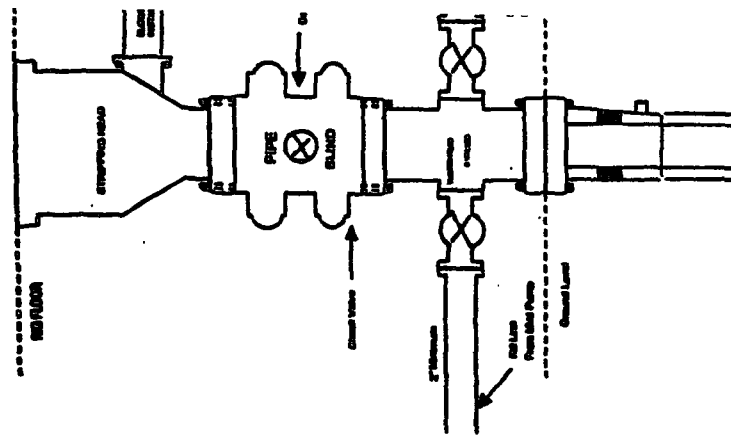
3-1/2" FLS
Set @ 6135' - 8220'
TOC @ 6,713'



Deepening Project

BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System

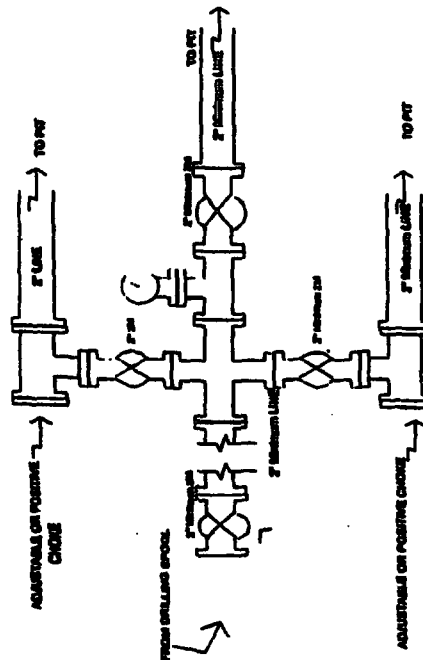


Minimum BOP Installation for all Completions Operations. 7-1/16" bore, 2000 psi minimum pressure double gate BOP to be equipped pipe rams. A stopping head to be installed the BOP. All BOP equipment is 2000 psi pressure or greater excluding 500 psi sub

Figure 1

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System

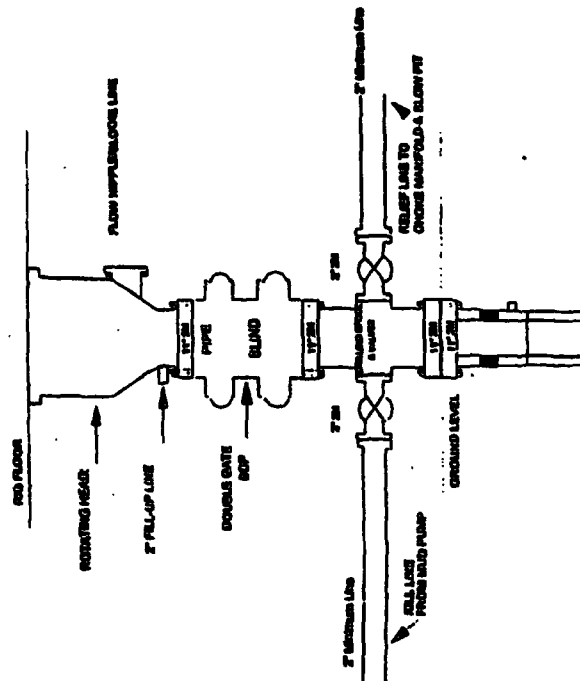


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure 2

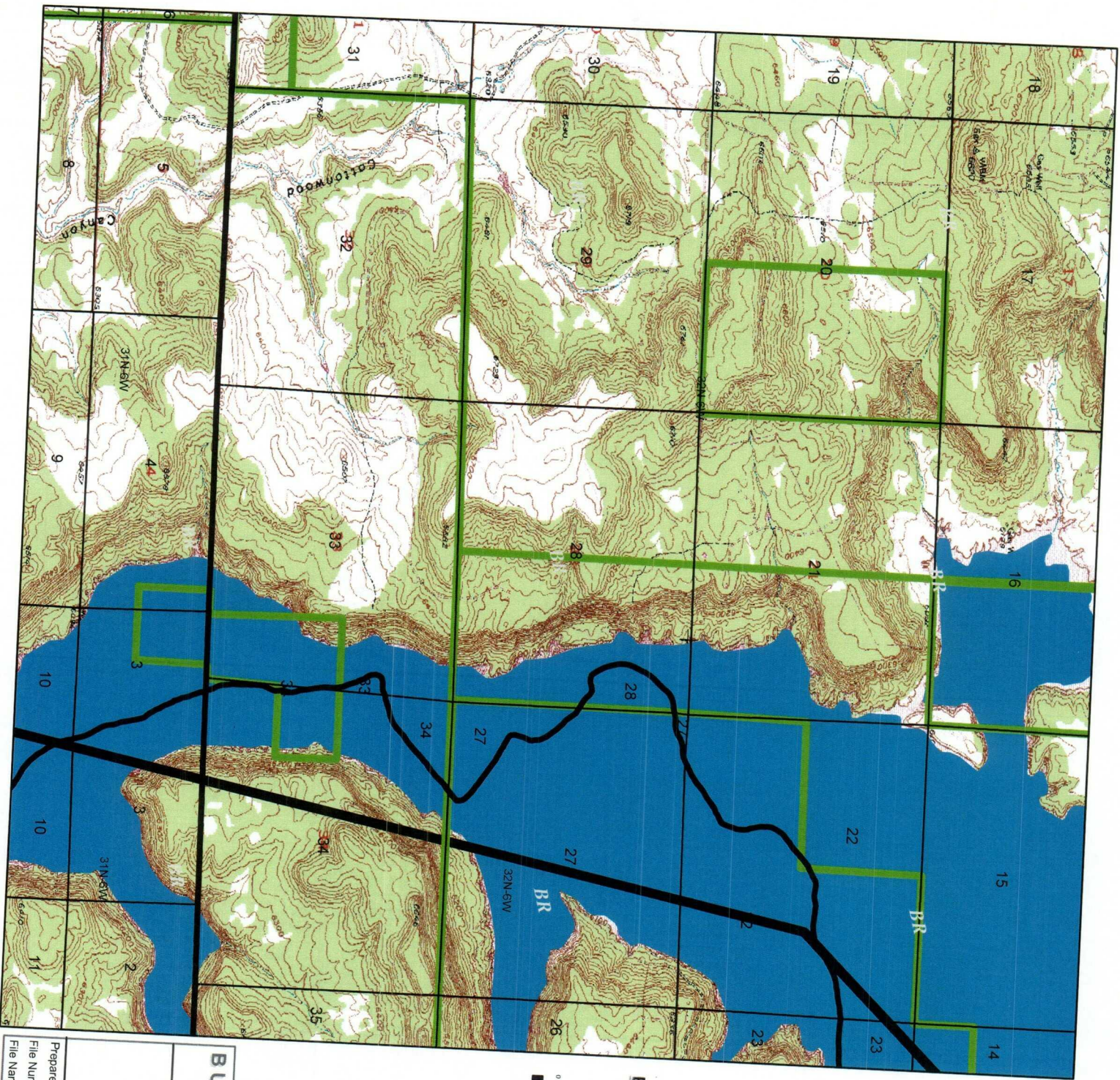
Burlington Resources

Drilling Rig
2000 psi System

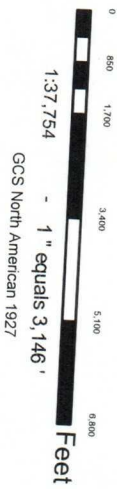


BOP Installation from Surface Casing Point to Total Depth. 11" Bore 150' Northward, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 500 psi ramming head on top of ram preventer. All BOP equipment is 2,000 psi working pressure.

Figure 3



BURLINGTON
RESOURCES



BURLINGTON RESOURCES
San Juan

EPNG B #1A Topo

Sec. 28, T32N, R6W

Prepared By: plc1 Date: 5/17/2005
File Number: EPNG B #1A Revised Date: 5/17/2005
File Name: plattPublic\Projects\San Juan Basin area\San Juan Basin area.mxd

LEGEND

MESAVERDE

DAKOTA

pa-mesaverde

pa-dakota

SJD State Names

SJD County Names

Sections_(SJD)

Townships_(SJD)

San Juan Federal Units

U.S. Water Bodies (SJD)

PROPOSED DK DEEPENING

OFFSET OPERATOR:

BURLINGTON (See attached working interest owner list).



BURLINGTON
RESOURCES



BURLINGTON RESOURCES

San Juan

EPNG B 1A - DK NSL

SEC 28, T32N, R6W
SAN JUAN COUNTY, NM

Prepared By: Mae Tsosie

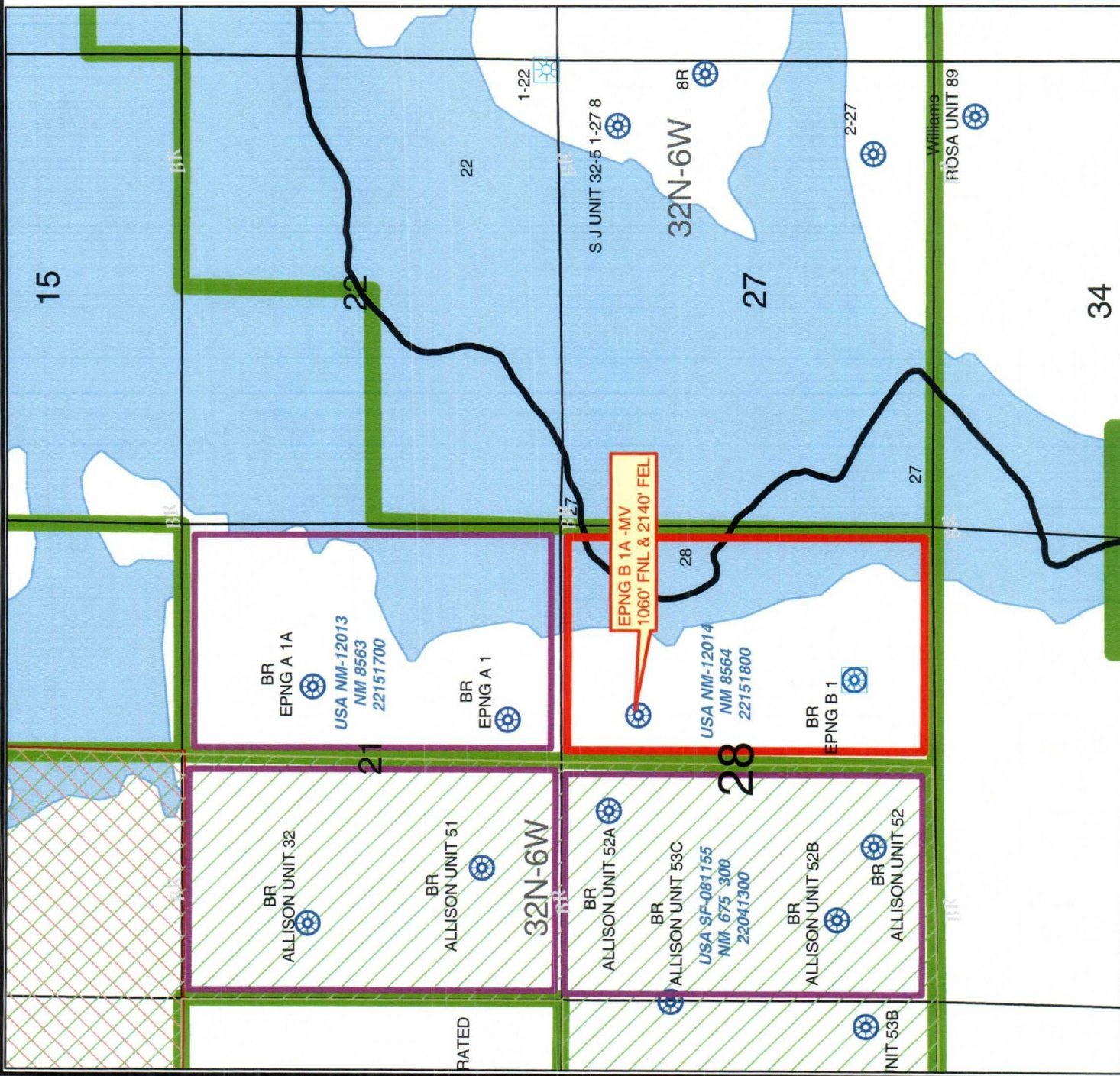
Date: 6/6/2005

File Number:

Revised Date:

6/6/2005

File Name: \\atlantim\projects\EPNG B 1A - DK NSL\EPNG B 1A - DK NSL.mxd



WORKING INTEREST OWNERS

ALLISON UNIT - MV , PA NUMBER 0120465000

SUSANNA P KELLY

JANE PHILLIPS

CONOCOPHILLIPS COMPANY

CHARLES KELLY

CASTLE INC

BP AMERICA PRODUCTION COMPANY

ANDREW KELLY JR