

DATE IN 8/23/06	SUSPENSE 9-12-06	ENGINEER MIKE STOGNER	LOGGED IN 8/24/06	TYPE NSL	APP NO. PTDS0623651744
--------------------	---------------------	--------------------------	----------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
e-mail Address			

BURLINGTON

RESOURCES

San Juan Division

Sent Federal Express

August 21, 2006

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

2006 AUG 23 AM 9 57

Re: Luthy #3
760' FSL, 370' FEL
Section 12 T26N R8W San Juan County
30-045-33585

Dear Mr. Stogner:

Burlington Resources proposes to drill the above referenced well location in the Basin Fruitland Coal and Ballard Pictured Cliffs formations and is applying for administrative approval of an unorthodox gas well location.

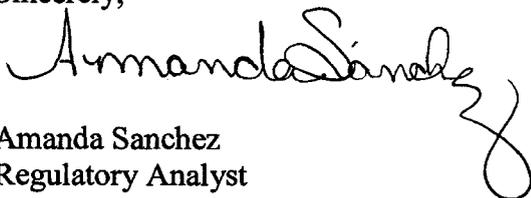
The subject well was staked 760' FSL and 370' FEL due to steep cliffs and rugged terrain encompassing a majority of the area within the legal spacing window for the Fruitland Coal and Pictured Cliffs formations, as shown on the attached aerial photography and topography map. Burlington Resources is requesting this proposed location to be staked on the edge of the existing Lively Production well site, the Lively #20, to avoid further surface disturbance.

The following attachments are for your review:

- Approved Application for Permit to Drill
- Approved sundry of moved location and revised C-102 at referenced location
- Offset operators
- 9 Section plat
- Topographic Map
- Aerial Photography Map
- Well pad Layout Sheet

Copies of this application are being submitted to offset operator/working interest owners by certified mail. Please let me know if you have any questions about this application.

Sincerely,



Amanda Sanchez
Regulatory Analyst

Re: Luthy #3
760' FSL, 370' FEL
Section 12 T26N R8W San Juan County
30-045-33585

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 location of the above well.

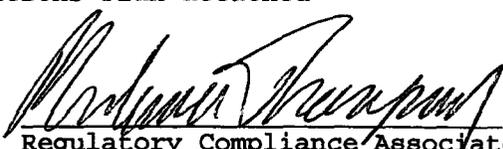
Dominion Oklahoma Texas
Exploration & Production Inc.
Attn: Rusty Waters
1400 Quail Springs Pkwy Ste 600
Oklahoma City, OK 73134-2600

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2006 FEB 8 PM 3 53

2006 AUG 23 57 RECEIVED
SEP 7 8 22
UNIT REPORTING NUMBER 070 FARMINGTON NM

1a. Type of Work DRILL	5. Lease Number 57
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company LP	7. Unit Agreement Name Luthy
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name
4. Location of Well Unit P (SESE) 890' FSL & 465' FEL, 760' FSL 370' FEL Lat. 36*29.7788'N Long. 107*37.6024'W	9. Well Number #3
14. Distance in Miles from Nearest Town 23.6 miles to Blanco, NM	10. Field, Pool, Wildcat Ballard PC/ Basin FC
15. Distance from Proposed Location to Nearest Property or Lease Line 465'	11. Sec., TwN, Rge, Mer. (NMPM) Sec. 12, T26N, R8W
16. Acres in Lease	12. County San Juan
17. Acres Assigned to Well FC 320 E2 / PC 160 SE4	13. State NM
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 52'	14. API # 30-045-33585
19. Proposed Depth 2386'	15. Rotary or Cable Tools Rotary
20. Elevations (DF, FT, GR, Etc.) 6216' GR	16. 22. Approx. Date Work will Start
21. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by:  Regulatory Compliance Associate III	2/8/06 Date

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY  TITLE **AFM** DATE **4/7/06**

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.
This well is NOT in the HPA area.
 OPERATOR

THIS FORM AND ITS USE IS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS". This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

1. Type of Well
GAS

2. Name of Operator
BURLINGTON
RESOURCES OIL & GAS COMPANY LP

3. Address & Phone No. of Operator
PO Box 4289, Farmington, NM 87499 (505) 326-9700

4. Location of Well, Footage, Sec., T, R, M
Sec., T—N, R—W, NMPM
Unit P (SESE), 760' FSL & 370' FEL, Sec. 12, T26N, R8W NMPM

5. Lease Number
SF-78622
6. If Indian, All. or
Tribe Name
7. Unit Agreement Name

8. Well Name & Number
Luthy #3
9. API Well No.
30-045-33585
10. Field and Pool
Ballard PC/ Basin FC
11. County and State
San Juan, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission:

- Notice of Intent
 Subsequent Report
 Final Abandonment

Type of Action:

- Abandonment
 Recompletion
 Plugging
 Casing Repair
 Altering Casing
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-off
 Conversion to Injection

Other : Change of footages

13. Describe Proposed or Completed Operations

5/19/06 This location was moved ~~130' FSL & 95'~~ FEL, due to steep cliffs and rugged terrain encompassing a majority of the area within the legal spacing window for the FC and PC formations. Burlington will use 30' of new access road and 2.39 total acres disturbed.
Was: 890' FSL 465' FEL TO: 760' FSL 370' FEL

14. I hereby certify that the foregoing is true and correct.

Signed Philana Thompson Philana Thompson Title Regulatory Analyst Date 5/26/06

(This space for Federal or State Office use)
APPROVED BY [Signature] Title Branch Chief Date 7/31/06
CONDITION OF APPROVAL, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPERATOR

DISTRICT I
25 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South 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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33585		² Pool Code 71439/71629		³ Pool Name Ballard PC/ Basin FC	
⁴ Property Code 7275		⁵ Property Name LUTHY			⁶ Well Number 3
⁷ GRID No. 14538		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP			⁹ Elevation 6209'

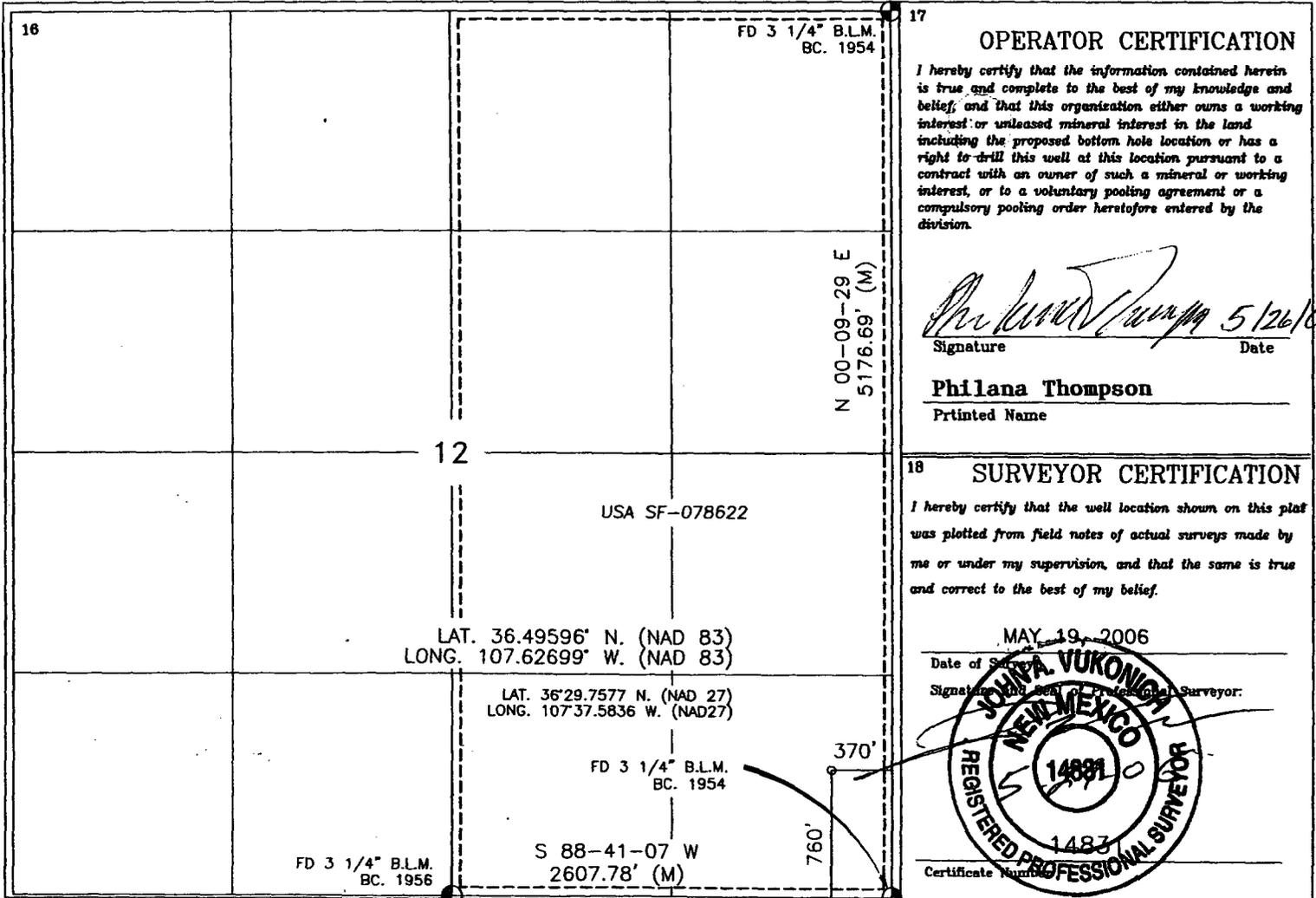
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	26-N	8-W		760	SOUTH	370	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
¹² Dedicated Acres FC 320 E2 PC 160 SE4		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



Standard 640-acre Section

DOMINION OKLAHOMA
TEXAS EXPL & PRO
M K L 2-9

6

BR
LUTHY 2

1

BR
LUTHY 1

DOMINION OKLAHOMA
TEXAS EXPL & PRO
M K L 3-10

BR
26N-7W

7

DOMINION OKLAHOMA
TEXAS EXPL & PRO
M K L 4-11

BR

18

MCELVAIN

**LUTHY 3 - proposed location
760' FSL & 370' FEL**

26N-8W

11

12

BR
Great Western
13 BOND FEDERAL 2

14

Legend

OFFSET OPERATOR:
Dominion Oklahoma Texas Exp. & Prod. Inc.

-  FRUITLAND COAL
-  PICTURED CLIFFS
-  Townships_(SJD)
-  Sections_(SJD)



BURLINGTON
RESOURCES

© Unpublished Work, Burlington Resources, Inc.



1:15,963 - 1" equals 1,329'
GCS North American 1927

BURLINGTON RESOURCES

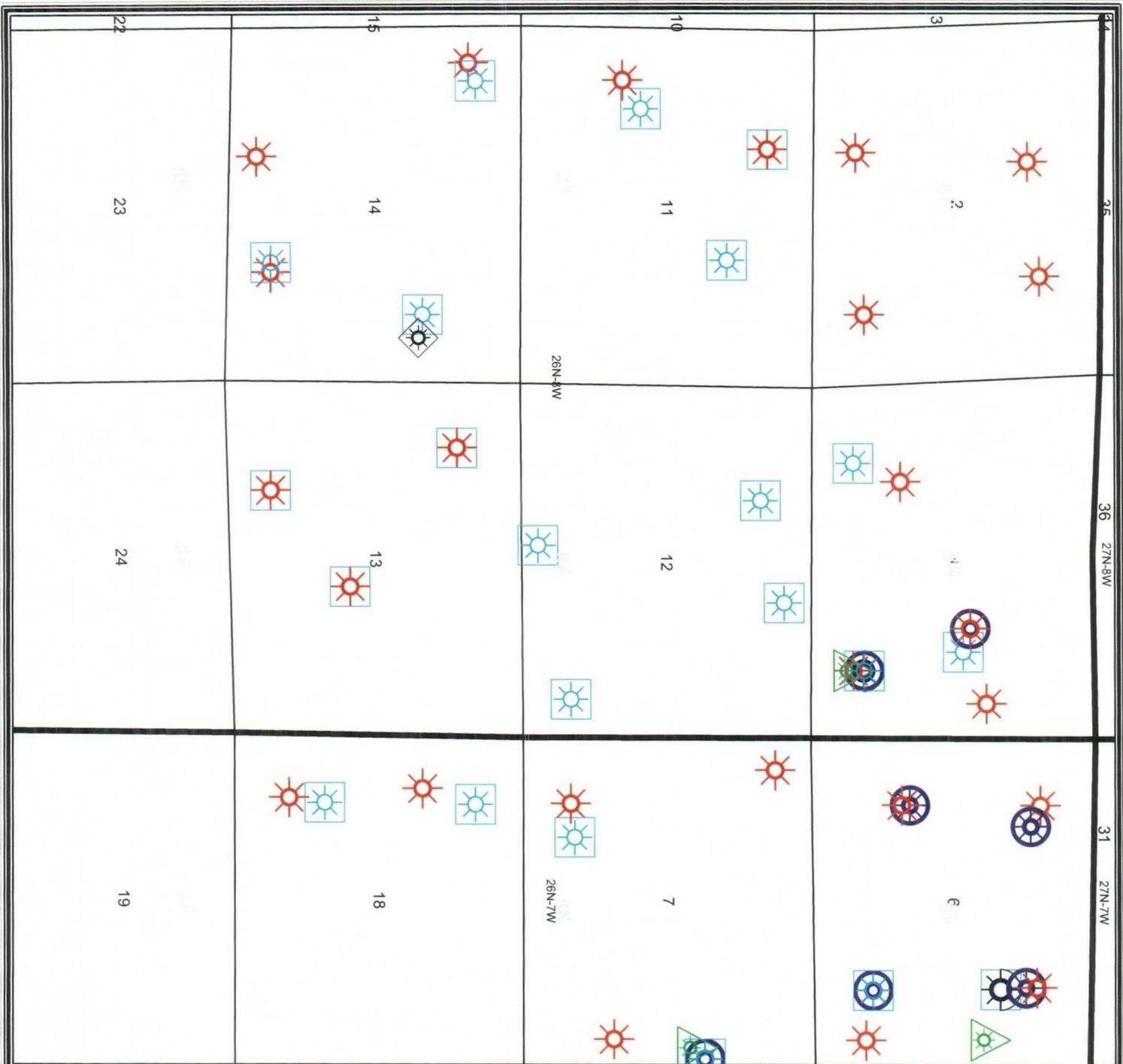
San Juan

Luthy 3 - NSL

OFFSET OPERATOR MAP
Sec. 12 T26N R8W

San Juan County, New Mexico

Prepared By: pgg1 Date: 5/24/2006
 File Number: Revised Date: 5/24/2006
 File Name: r:\platt\pgm1\Projects\Luthy3\NSL.mxd



Legend

- <all other values>
- ▲ FRUITLAND COAL
- ☀ PICTURED CLIFFS
- ⊙ CHACRA
- ⊙ MESAVERDE
- ⊙ GALLUP
- ⊙ GALLUP /SD/ SH/ DAKOTA
- U. S. Cities (SJD)
- ▭ Sections_(SJD)
- ▭ Townships_(SJD)

BURLINGTON RESOURCES

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PLAT

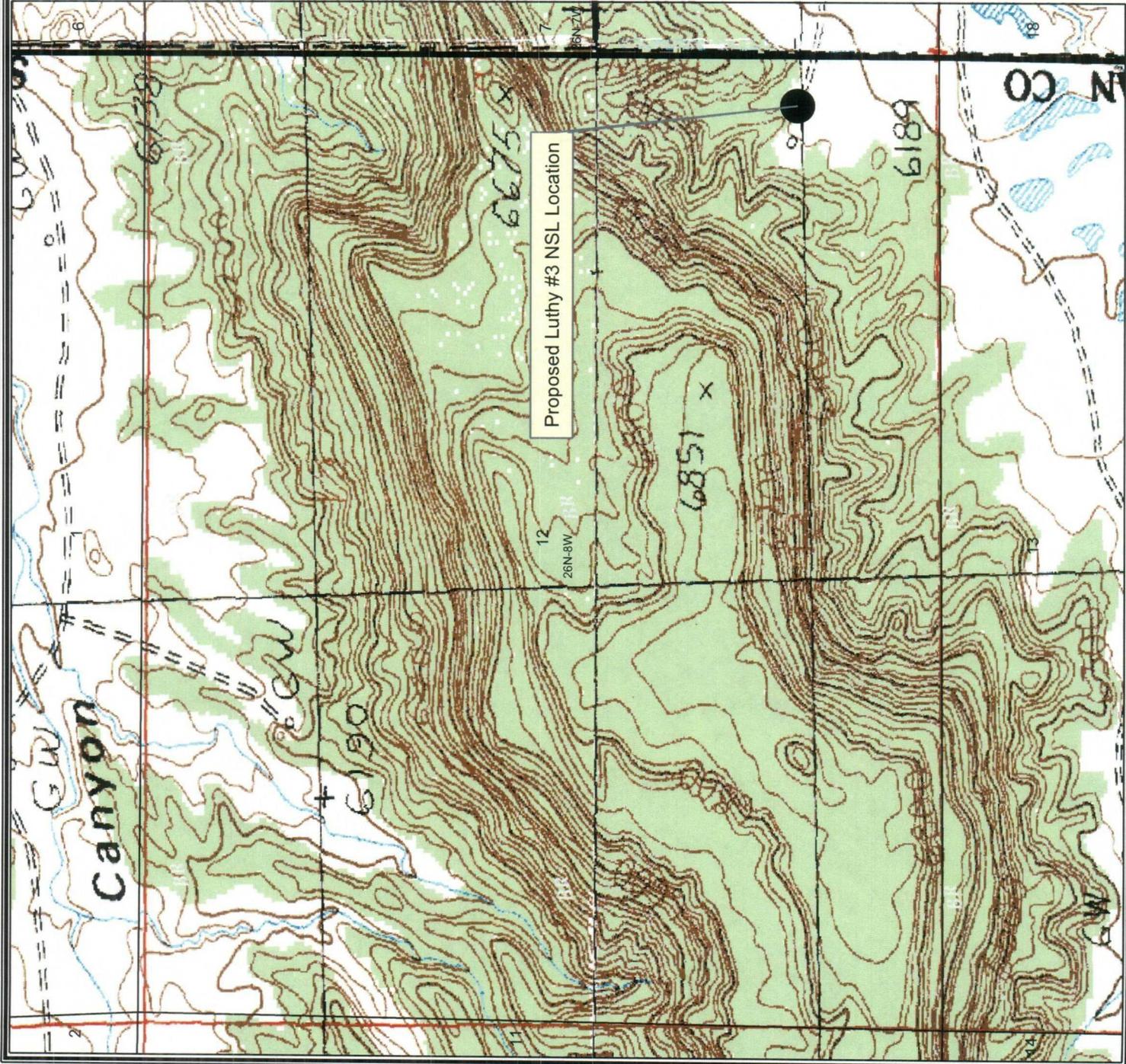
N



BURLINGTON RESOURCES
San Juan

Luthy #3
9 Section Plat

Prepared By: JXC3 Date: 6/5/2006
 File Number: Revised Date: 6/5/2006
 File Name: \\platt\Public\Projects\PL Sundries_tlv\PL Sundries_tlv.mxd



BURLINGTON RESOURCES
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1:11,627 - 1" equals 969'
 GCS North American 1927

BURLINGTON RESOURCES
 San Juan

**Luthy #3 NSL
 Topographic Map**
 Sec 12, T26N, R8W, NMPM

Prepared By: *ixc3* Date: 6/5/2006
 File Number: Revised Date: 6/5/2006
 File Name: c:\plat\Public\Projects\Plat Sundries tlv\Plat Sundries tlw.mxd



**BURLINGTON
RESOURCES**

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1:5,665

GCS North American 1927

BURLINGTON RESOURCES
San Juan

Luthy #3 NSL Aerial Photography Map

Date: 6/5/2006
Revised Date: 6/5/2006

Prepared By: [XC3]
File Number: [XC3]
File Name: [XC3]Public\Projects\Pit Sundries [XW]Pit Sundries [XW].MX

Proposed Luthy #3 NSL Location

12

13

18

BR

BR

BR

BR

26N-8W

BR

BR

BR

BR

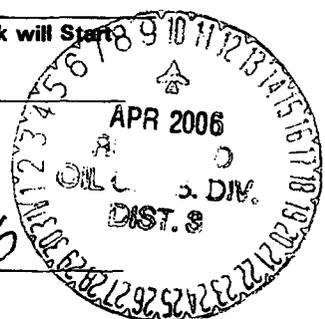
BR

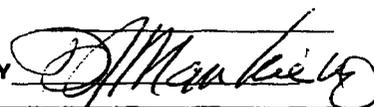
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2006 FEB 8 PM 3 53
RECEIVED
OTO FARMINGTON NM

1a. Type of Work DRILL	5. Lease Number SF078622 Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company LP	7. Unit Agreement Name Luthy
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name 9. Well Number #3
4. Location of Well Unit P (SESE) 890' FSL & 465' FEL, Lat. 36*29.7788'N Long. 107*37.6024'W	10. Field, Pool, Wildcat Ballard PC/ Basin FC 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 12, T26N, R8W API # 30-045-3 3585
14. Distance in Miles from Nearest Town 23.6 miles to Blanco, NM	12. County San Juan
15. Distance from Proposed Location to Nearest Property or Lease Line 465'	13. State NM
16. Acres in Lease	17. Acres Assigned to Well FC 320 E2 / PC 160 SE4
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 52'	
19. Proposed Depth 2386'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6216' GR	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by:  Regulatory Compliance Associate III	2/8/06 Date



PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY  TITLE **AFM** DATE **4/7/06**

Archaeological Report attached
Threatened and Endangered Species Report attached **HOLD C104 FOR NSL**
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.
This well is NOT in the HPA area.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

This action is subject to technical and
procedural review pursuant to 43 CFR 1185.3
and appeal pursuant to 43 CFR 3100.4

NMOCD

✓

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1501 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87506

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87506

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease --3 Copies

2006 FEB 8 PM 3 54

AMENDED REPORT

RECEIVED
OIL CONSERVATION DIVISION
SANTA FE, NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33585		*Pool Code 71439/71629	*Pool Name Ballard Pictured Cliffs/Basin Fruitland Coal
*Property Code 7275 ✓	*Property Name LUTHY ✓		*Well Number 3 ✓
*GRID No. 14538 ✓	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP ✓		*Elevation 6216' ✓

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot km	Feet from the	North/South line	Feet from the	East/West line	County
P	12	26-N	8-W		890	SOUTH	465	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot km	Feet from the	North/South line	Feet from the	East/West line	County
P									
*Dedicated Acres FC 320 E2 PC 160 ac SE4			*Joint or Infill		*Consolidation Code		*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

16	12	FD 3 1/4" B.L.M. BC. 1954	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Patsy Clugston</i> Signature Patsy Clugston Printed Name Sr. Regulatory Specialist Title 01/26/2006 Date APR 2006	
		N 00-09-29 E 5176.69' (M)		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. Date of Survey: 2006 Signature and Title of Professional Surveyor: REGISTERED PROFESSIONAL SURVEYOR Certificate Number: 14831
		USA SF-078622 LAT. 36.49631' N. (NAD 83) LONG. 107.62730' W. (NAD 83) LAT. 36°29.7788 N. (NAD 27) LONG. 107°37.6024 W. (NAD27) FD 3 1/4" B.L.M. BC. 1954 S 88-41-07 W 2607.78' (M)		465' 890'

Submit 3 Copies To Appropriate District Office

State of New Mexico

Form C-103

Energy, Minerals and Natural Resources

May 27, 2004

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO.	30-045-
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	--
	Federal sf-78622
7. Lease Name or Unit Agreement Name	Luthy
8. Well Number	#3
9. OGRID Number	14538
10. Pool name or Wildcat	Ballard PC/ Basin FC

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well Gas Well Other

2. Name of Operator
BURLINGTON RESOURCES OIL & GAS COMPANY LP

3. Address of Operator
3401 E. 30TH STREET, FARMINGTON, NM 87402

4. Well Location
Unit Letter P : 890 feet from the South line and 465 feet from the East line
Section 12 Township 26N Rng 8W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6216' GR

Pit or Below-grade Tank Application or Closure

Pit type new drill Depth to Groundwater <100 Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	New Drill Pit <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

New Drill, Lined:

Burlington Resources proposes to construct a new drilling pit and an associated vent/flare pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit will be a lined pit as detailed in Burlington's Revised Drilling / Workover Pit Construction / Operation Procedures dated November 11, 2004 on file at the NMOCD office. A portion of the vent/flare pit will be designed to manage fluids and that portion will be lined as per the risk ranking criteria. Burlington Resources anticipates closing these pits according to the Drilling / Workover Pit Closure Procedure dated August 2, 2004 on file at the NMOCD office.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Philana Thompson TITLE Regulatory Compliance Associate III DATE 2/7/2006

Type or print name Philana Thompson E-mail address: pthompson@br-inc.com Telephone No. 505-326-9530

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 49 DATE APR 10 2006

Conditions of Approval (if any):

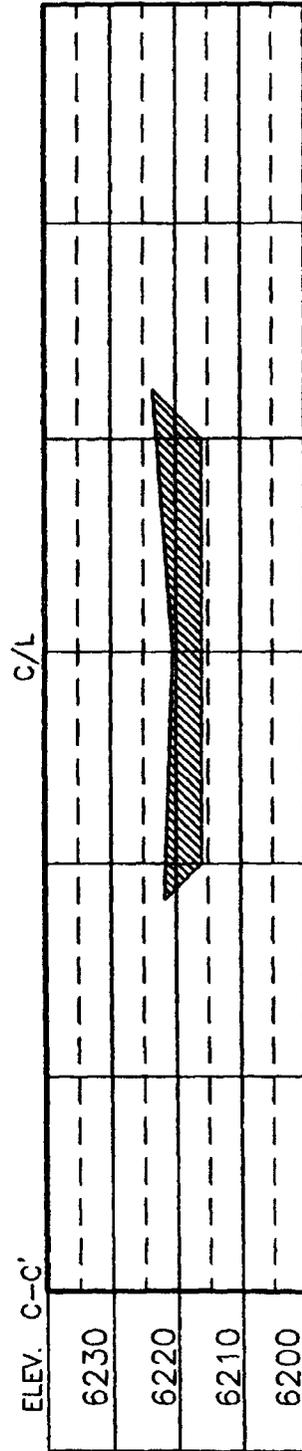
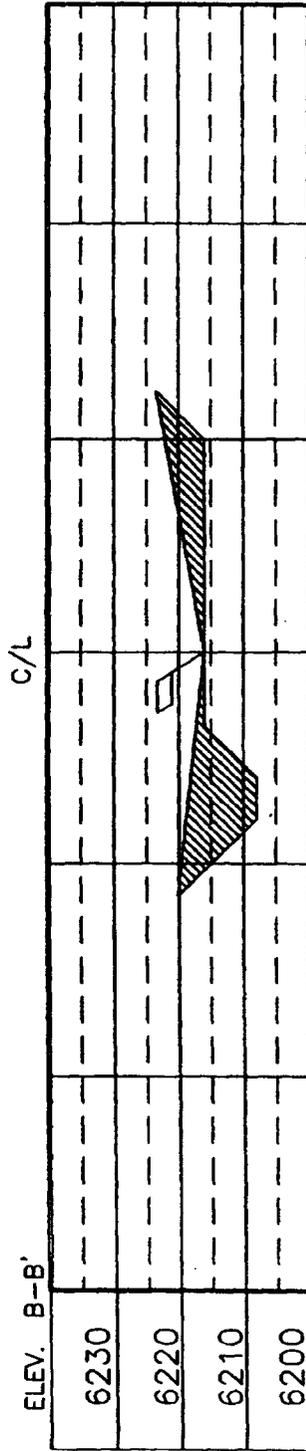
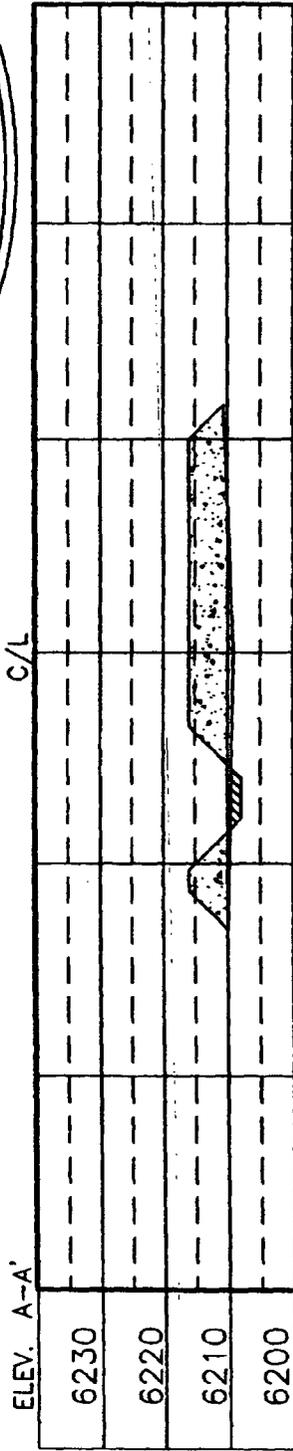
BURLINGTON RESOURCES OIL & GAS COMPANY LP

LUTHY No. 3, 890 FSL 465 FEL

SECTION 12, T-28-N, R-8-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

GROUND ELEVATION: 6216, DATE: JANUARY 12, 2006

NAD 83
 LAT. = 36.49631° N.
 LONG. = 107.62730° W.
 NAD 27
 LAT. = 36°28.7788' N.
 LONG. = 107°37.6024' W.



NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION:	DATE:	DESIGNED BY:
		
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. 14831		
CREATED BY: G.V.	CADFILE: BR812.C37	DATE: 07/19/06
PROJECT: BR812		

OPERATIONS PLAN

Well Name: Luthy #3
Location: Unit P (SESE) 890' FSL & 465' FEL, Section 12, T26N, R8W
 San Juan County, New Mexico
 Latitude 36° 29.7788'N; Longitude 107° 37.6024'W
Formation: Ballard Pictured Cliffs/ Basin Fruitland Coal
Elevation: 6216' GR

Formation:	Top	Bottom	Contents
Surface	San Jose		
Ojo Alamo	1400'		
Kirtland	1514'	4714'	gas
T/Fruitland	2008'		gas
Pictured Cliffs	2186'		
Total Depth	2386'		

Note:

Logging Program: None

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis. Fluid Loss</u>
0- 120'	Spud/Air/Air Mist	8.4-8.9	40-50 no control
120-2386'	Non-dispersed	8.4-9.5	30-60 no control

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
8 3/4"	0 - 120'	7"	20.0#	J-55
6 1/4"	0 - 2386'	4 1/2"	10.5#	J/K-55

Tubing Program:

0 - 2386'	2 3/8"	4.7#	J-55
-----------	--------	------	------

Float Equipment: 7" surface casing - guide shoe. Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe and float collar on bottom. Centralizers run every third joint above shoe to the base of the Ojo Alamo @ 1400'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1400'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 7" x 4 1/2" x 2 3/8" x 11" 2000 psi xmas tree assembly.

February 7, 2006

Cementing:

7" surface casing Pre-Set Drilled - Cement with Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.28 cu ft per sack yield. (Bring cement to surface). Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface.

7" surface casing - Cement with 42 sx Type III cement with 0.25 pps Celloflake, 3% CaCl. (54cu ft of slurry @ 1.28 yield). 200% excess, bring cement to surface. Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under surface. WOC until cement establishes 250 psi compressive strength prior to NU of BOPE.

4 1/2" production casing - Cement with 114sx (243 cu ft of slurry @ 2.13 yield) Premium Lite with 3% calcium chloride, 5 pps LCM-1, and 1/4#/sack celloflake, 0.4% FL-52, & 0.4% SMS. Tail with 90sx (124cu ft of slurry @ 1.38 yield) Type III cmt with 1% calcium chloride, 1/4#/sack Celloflake and 0.2% FL-52. Total of 367 cf - 50% excess to circulate to surface.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test rams to 600 psi/30 min.

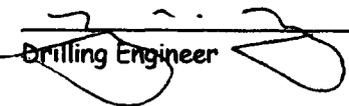
Completion - 6" 2000 psi (minimum double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 1500 psi/30 min.

From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated at 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.

Additional information:

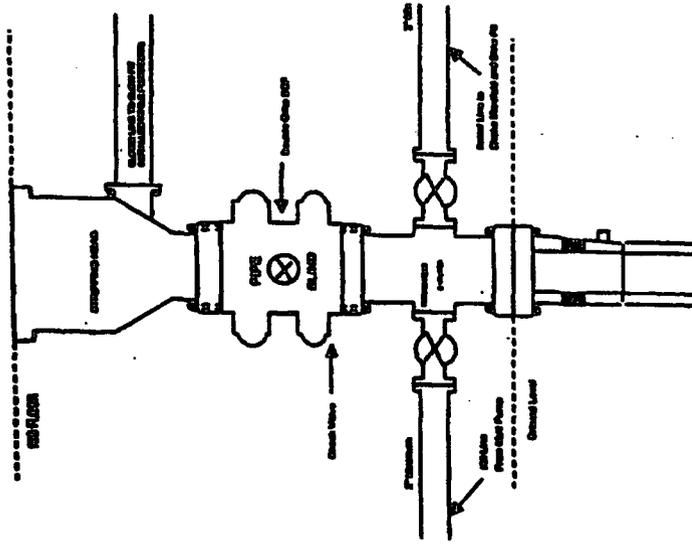
- * The Fruitland Coal formation will be completed.
- * Anticipated pore pressure for the Fruitland is between 600 - 700 psi.
- * This gas is dedicated.
- * The southwest quarter of section 19 is dedicated to the Basin Fruitland Coal.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.


Drilling Engineer

2/7/06
Date

BURLINGTON RESOURCES

**Completion/Workover Rig
BOP Configuration
2,000 psi System**

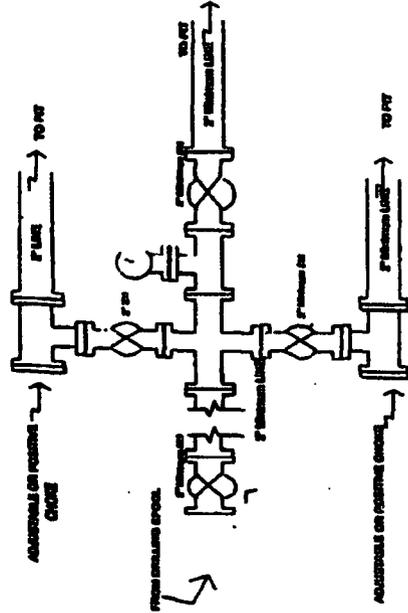


Minimum BOP Isolation for all Completion/Workover Operations. 7-1/8" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe stems. A choking head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater including 600 psi choking head.

Figure #2

BURLINGTON RESOURCES

**Drilling Rig
Choke Manifold Configuration
2000 psi System**

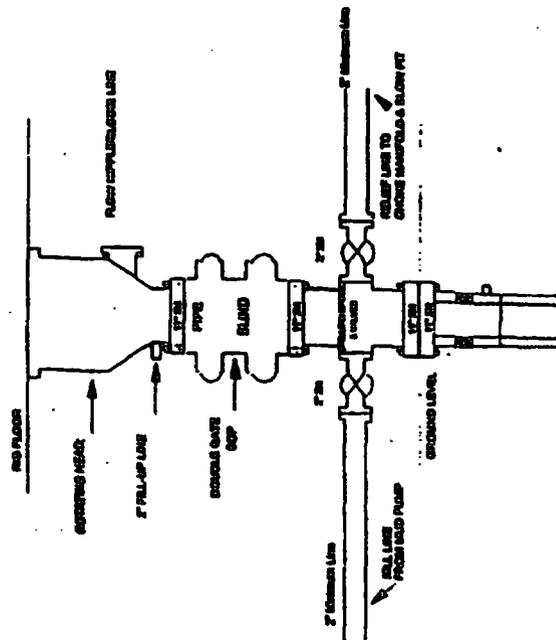


Choke manifold Isolation from Surface Choking Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

Burlington Resources

**Drilling Rig
2000 psi System**



BOP Isolation from Surface Choking Point to Total Depth. 1 7/8" Bore 20' Minimum, 2000 psi working pressure double gate BOP to be equipped with blind and pipe stems. A 600 psi choking head on top of the BOP. All BOP equipment is 2,000 psi working pressure.

Figure #1

Submit 5 Copies to Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., 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 and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-33585
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. SF-78622
7. Lease Name or Unit Agreement Name Luthy
8. Well Number #3
9. OGRID Number 14538
10. Pool name or Wildcat Ballard PC/Basin FC

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Burlington Resources Oil & Gas Company LP

3. Address of Operator
3401 E. 30th Street, Farmington, NM 87402

4. Well Location
 Unit Letter P : 760 feet from the South line and 370 feet from the East line
 Section 12 Township 26N Range 8W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

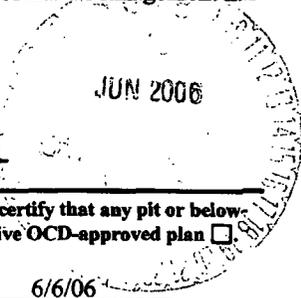
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Commingle <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

It is intended to commingle the subject well in the Ballard Pictured Cliffs (Pool Code 71280) and the Basin Fruitland Coal (Pool Code 71629). The Production will be commingled according to Oil Conservation Division Order Number 11363. Allocation and methodology will be provided after the work is completed. Commingling will not reduce the value of the production. Bureau of Land Management has been notified in writing of this application.

Interest is common. No notification is necessary.

DHC 2312AZ



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Joni Clark TITLE Regulatory Analyst DATE 6/6/06

Type or print name Joni Clark E-mail address: jclark@br-inc.com Telephone No. 505-326-9700

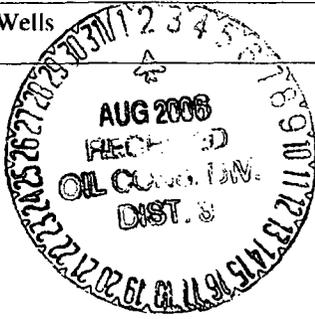
APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 5 DATE JUN 07 2006

Conditions of Approval (if any):

[Handwritten mark]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells



2008 JUL 1 9 53 AM
RECEIVED
OTC PERMITS SECTION
5. Lease Number SF-78622
6. If Indian, All. or Tribe Name
7. Unit Agreement Name

1. Type of Well
GAS

2. Name of Operator
BURLINGTON
RESOURCES OIL & GAS COMPANY LP

3. Address & Phone No. of Operator
PO Box 4289, Farmington, NM 87499 (505) 326-9700

4. Location of Well, Footage, Sec., T, R, M
Sec., T—N, R—W, NMPM
Unit P (SESE), 760' FSL & 370' FEL, Sec. 12, T26N, R8W NMPM

8. Well Name & Number
Luthy #3
9. API Well No.
30-045-33585
10. Field and Pool
Ballard PC/ Basin FC
11. County and State
San Juan, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission:

- Notice of Intent
- Subsequent Report
- Final Abandonment

Type of Action:

- Abandonment
- Recompletion
- Plugging
- Casing Repair
- Altering Casing
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-off
- Conversion to Injection

Other : Change of footages

13. Describe Proposed or Completed Operations

5/19/06 This location was moved ~~130' FSL & 95' FEL~~ 760' FSL & 370' FEL, due to steep cliffs and rugged terrain encompassing a majority of the area within the legal spacing window for the FC and PC formations. Burlington will use 30' of new access road and 2.39 total acres disturbed.
Was: 890' FSL 465' FEL TO: 760' FSL 370' FEL

14. I hereby certify that the foregoing is true and correct.

Signed Philana Thompson Philana Thompson Title Regulatory Analyst Date 5/26/06

(This space for Federal or State Office use)

APPROVED BY [Signature] Title Branch Chief Date 7/31/06

CONDITION OF APPROVAL, if any:
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOC

[Handwritten mark]

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South 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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33585		² Pool Code 71439/71629		³ Pool Name Ballard PC/ Basin FC	
⁴ Property Code 7275		⁵ Property Name LUTHY			⁶ Well Number 3
⁷ GRID No. 14538		⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP			⁹ Elevation 6209'

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
P	12	26-N	8-W		760	SOUTH	370	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
¹² Dedicated Acres FC 320 E2 PC 160 SE4					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

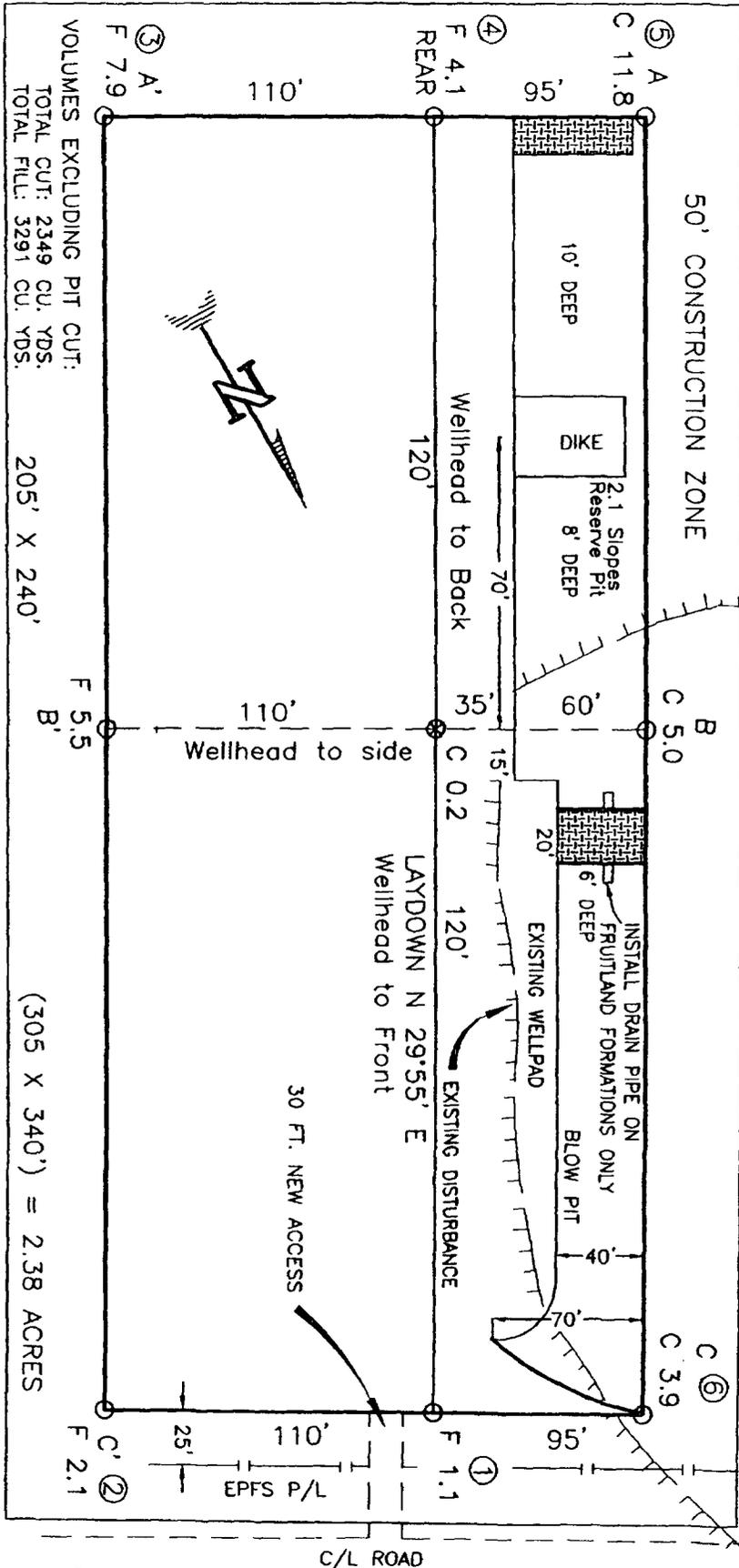
<p>18</p> 	<p>FD 3 1/4" B.L.M. BC. 1954</p>	<p>17</p> <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Philana Thompson</i> 5/26/06 Signature Date</p> <p>Philana Thompson Printed Name</p>
<p>12</p>	<p>USA SF-078622</p> <p>LAT. 36.49596' N. (NAD 83) LONG. 107.62699' W. (NAD 83)</p> <p>LAT. 36°29.7577' N. (NAD 27) LONG. 107°37.5836' W. (NAD27)</p> <p>FD 3 1/4" B.L.M. BC. 1954</p> <p>S 88-41-07 W 2607.78' (M)</p>	<p>18</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 19, 2006 Date of Survey</p> <p><i>Julia Vuokona</i> Signature</p> <p>JULIA VUOKONA REGISTERED PROFESSIONAL SURVEYOR 14891</p> <p>370' 760'</p>

BURLINGTON RESOURCES OIL & GAS COMPANY LP

SECTION 12, T-26-N, R-8-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO
LUTHY No. 3, 760 FSL 370 FEL

GROUND ELEVATION: 6209, DATE: MAY 19, 2006

NAD 83
LAT. = 36.49596° N.
LONG. = 107.62699° W.
NAD 27
LAT. = 36°29.7577' N.
LONG. = 107°37.5836' W.



VOLUMES EXCLUDING PIT CUT:
TOTAL CUT: 2349 CU. YDS.
TOTAL FILL: 3291 CU. YDS.
205' X 240' (305 X 340') = 2.38 ACRES

RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.
NOTE: ESTIMATED VOLUMES CALCULATED BY AVERAGE END AREA AT CROSS-SECTION SHOWN

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

DATE	REVISED BY
5/27/06	GV
LOCATION	RESTRICTION
NEW MEXICO	

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 326-1172 • Fax (505) 326-6019
NEW MEXICO L.S. 14831
CART# BR812-213
DATE: 01/18/06

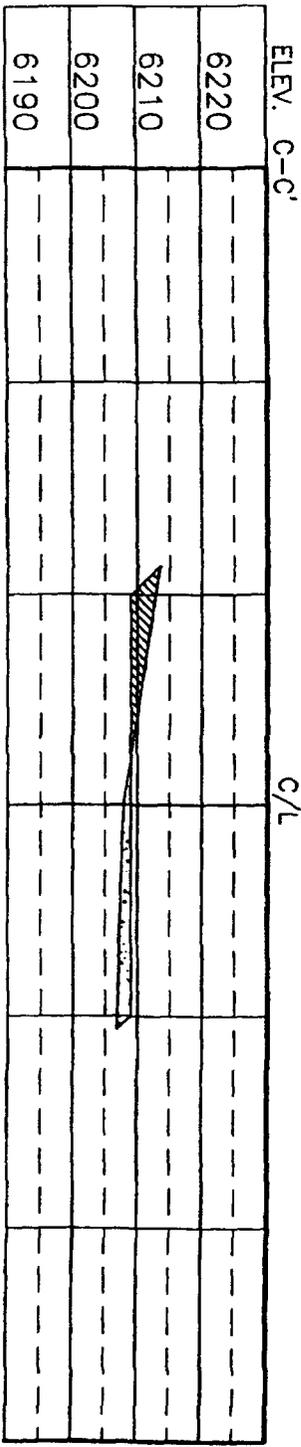
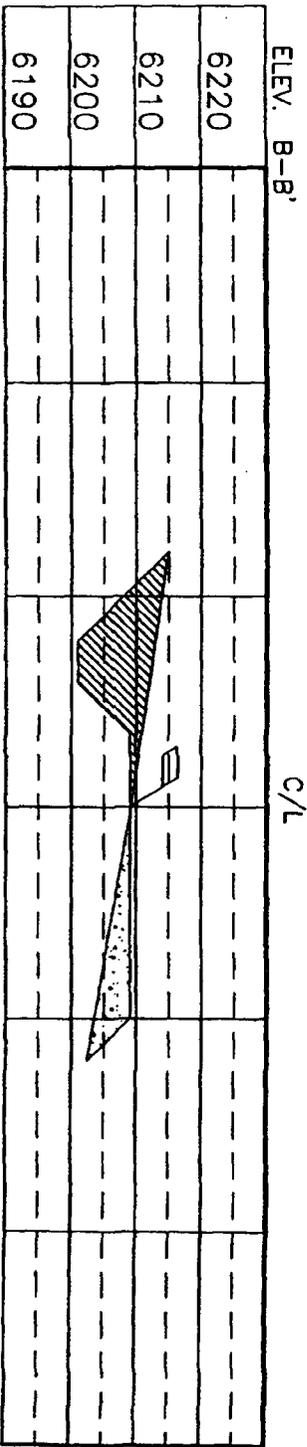
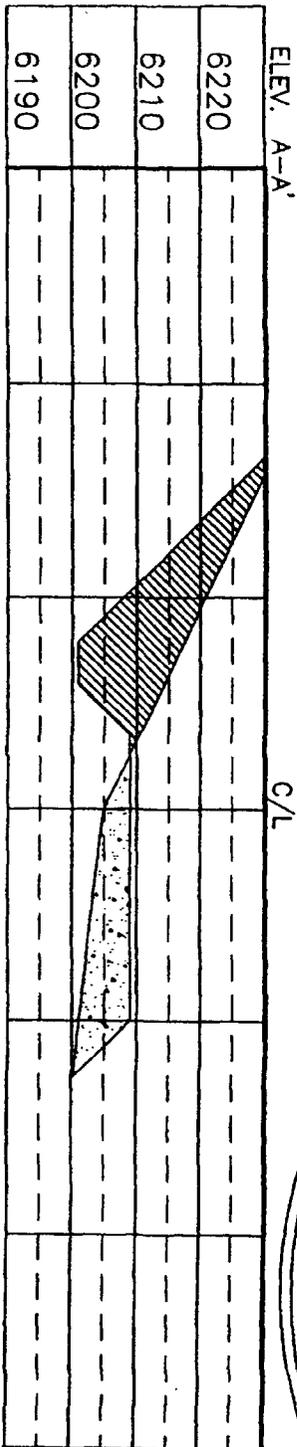
BURLINGTON RESOURCES OIL & GAS COMPANY LP

LUTHY No. 3, 760 FSL 370 FEL

SECTION 12, T-26-N, R-8-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

GROUND ELEVATION: 6209, DATE: MAY 19, 2006

NAD 83
 LAT. = 36.49596° N.
 LONG. = 107.62699° W.
 NAD 27
 LAT. = 36°29'7577" N.
 LONG. = 107°37'5836" W.



NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15088 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. 14831	DATE: 5/22/06 REVISION: 1
LOCATION RESTATED	DATE: 01/18/06
DATE: 01/18/06	REVISION: 1