

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

SEP 09 2011

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG, BACKSPLITTING Field Office
Bureau of Land Management

1a. Type of Work DRILL	BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS	5. Lease Number SF-079289-A Unit Reporting Number
1b. Type of Well GAS		6. If Indian, All. or Tribe
2. Operator ConocoPhillips Company		7. Unit Agreement Name San Juan 28-7 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name 9. Well Number 430H
4. Location of Well Surface: Unit M(SWSW), 738' FSL & 881' FWL BHL: Unit L(NWSW), 1692' FSL & 710' FWL Surface: Latitude: 36.670502° N (NAD83) Longitude: 107.530851° W BHL: Latitude: 36.673124° N (NAD83) Longitude: 107.549473° W		10. Field, Pool, Wildcat Fruitland Coal 11. Sec., Twn, Rge, Mer. (NMPM) Surf: Sec. 12, T28N, R7W BHL: Sec. 11, T28N, R7W API # 30-039-31082
14. Distance in Miles from Nearest Town 40.5 miles Bloomfield	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 710'		
16. Acres in Lease 1252.800	17. Acres Assigned to Well 292.8	
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 52' from SJ 28-7 55 (MV)		
19. Proposed Depth 3379	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6590' GL	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		RCVD OCT 31 '11 OIL CONS. DIV.
24. Authorized by: <u>Arleen Kellywood</u> Arleen Kellywood (Staff Regulatory Tech)		9/8/11 DIST. 3 Date

PERMIT NO.

APPROVAL DATE

APPROVED BY [Signature]

TITLE AFM

DATE 10/27/11

Archaeological Report attached

A gas recovery unit may or may not be used on this location.

Threatened and Endangered Species Report attached

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

NOV C-104 FOR DS/AS Drilled C-10

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.

Example Master Plan Type 3

Bond Numbers ES-0048 and ES-0085

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

NMOC
NOV 07 2011

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

PC

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

RECEIVED

SEP 09 2011

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

Farmington Field Office
Bureau of Land Management AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039- 31082	² Pool Code 71629	³ Pool Name Basin FRUITLAND COAL
⁴ Property Code 31739	⁵ Property Name SAN JUAN 28-7 UNIT	
⁷ OGRID No. 217817	⁸ Operator Name CONOCOPHILLIPS COMPANY	⁶ Well Number 430H
		⁹ Elevation 6590

¹⁰ SURFACE LOCATION

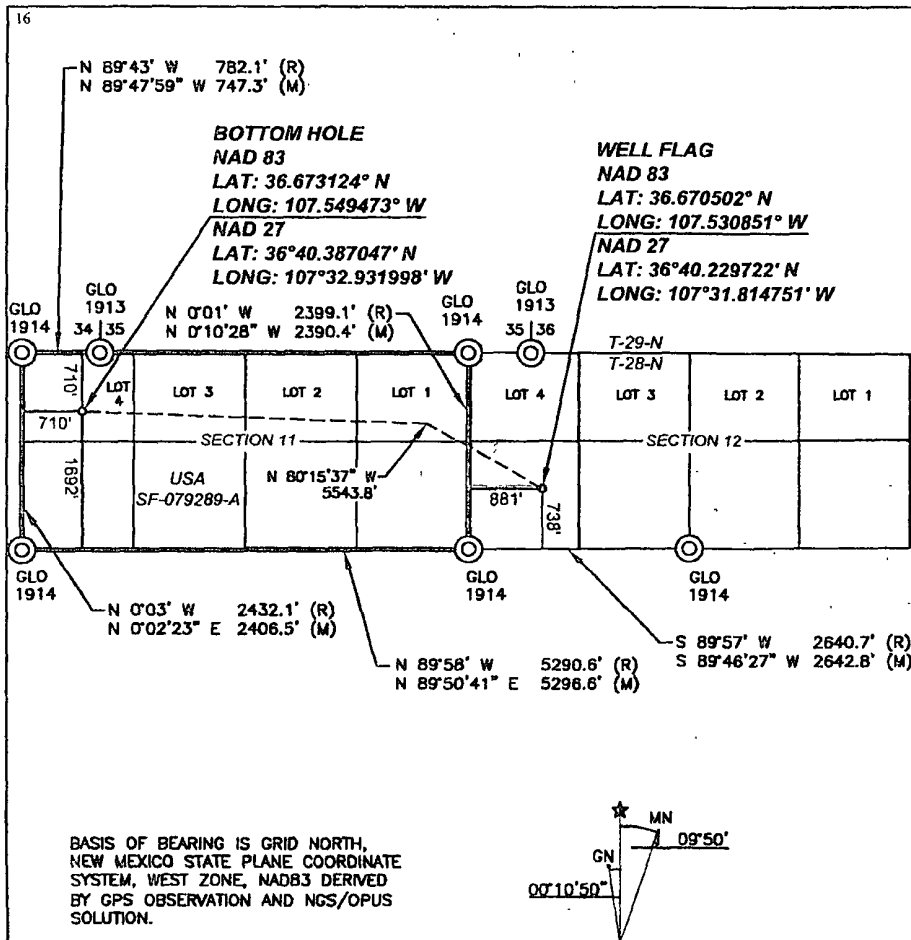
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	28-N	7-W		738	SOUTH	881	WEST	RIO ARRIBA

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
L	11	28-N	7-W		1692	SOUTH	710	WEST	RIO ARRIBA

¹² Dedicated Acres 292.8 (WHOLE SEC.)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. HORIZONTAL R-12868-C R-10476-B
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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

¹⁷ OPERATOR CERTIFICATION

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.

Signature: *Brandie Blakley* Date: 4-11

Printed Name: Brandie Blakley

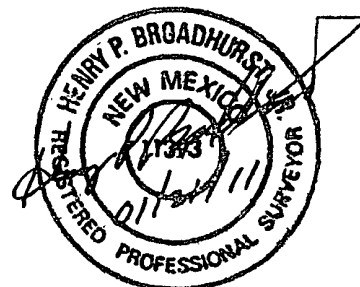
E-mail Address: blaklbn@conocophillips.com

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: 1/07/11

Signature and Seal of Professional Surveyor:



Certificate Number: NM 11393

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 28-7 UNIT 430H

DEVELOPMENT

Lease:		AFE #: WAN.CDR.0134				AFE \$:	
Field Name: SAN JUAN		Rig: Aztec Rig 730		State: NM	County: RIO ARRIBA		API #:
Geologist:		Phone:		Geophysicist:		Phone:	
Geoscientist:		Phone:		Prod. Engineer:		Phone:	
Res. Engineer:		Phone:		Proj. Field Lead:		Phone:	
Primary Objective (Zones):							
Zone	Zone Name						
R20001	FRUITLAND COAL(R20001)						
Location: Surface Datum Code: NAD 27 Horizontal							
Latitude: 36.670495		Longitude: -107.530245		X:	Y:	Section: 12	Range: 007W
Footage X: 881 FWL		Footage Y: 738 FSL		Elevation: 6590 (FT)		Township: 028N	
Tolerance:							
Location: Bottom Hole Datum Code: NAD 27 Horizontal							
Latitude: 36.673117		Longitude: -107.548866		X:	Y:	Section: 11	Range: 007W
Footage X: 710 FWL		Footage Y: 1692 FSL		Elevation:		(FT) Township: 028N	
Tolerance:							
Location Type: Year Round		Start Date (Est.): 1/1/2012		Completion Date:		Date In Operation:	
Formation Data: Assume KB = 6605 Units = FT							
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	MD (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	200	6405		☐			12-1/4" hole, 9-5/8" 32.3 ppf, H-40, STC casing. Cement w/ 108 cuft. Circulated Cmt to surface.
NACIMIENTO	1054	5551		☐			
OJO ALAMO	2466	4139		☐			
KIRTLAND	2599	4006		☐			
FRUITLAND	2923	3682		☐			
PRODUCTION CASING	3333	3272	8190	☐			6.25" hole, 4.5" L-80 LTC 11.6 lb/ft with swell packers
PATH AT BH LATERAL	3333	3272		☐	600		
PATH 3500' F/SHL LATERAL	3335	3270		☐			
PATH 3000' F/SHL LATERAL	3338	3267		☐			
PATH 2500' F/SHL LATERAL	3339	3266		☐			
PATH 2000' F/SHL LATERAL	3341	3264		☐			
Intermediate Casing	3344	3261	4268	☐			8.75" hole, 7" 23 ppf, J-55, LTC casing. Cement w/ 890 cuft. Circulated Cmt to surface.
PATH 1500' F/SHL LATERAL	3345	3260		☐			
PATH 1000' F/SHL LATERAL	3349	3256		☐			
PATH 500' F/SHL LATERAL	3355	3250		☐			
PATH 100' F/SHL LATERAL	3358	3247		☐			
TOP TARGET COAL	3361	3244		☐			
BASE TARGET COAL	3379	3226		☐			
Reference Wells:							
Reference Type	Well Name		Comments				
Production	SJ 28-7 UNIT-247E		28N 7W 11 SE				

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 28-7 UNIT 430H

DEVELOPMENT

Production	SJ 28-7 UNIT-74-A	28N 7W 11 SW NE SE
Production	SJ 28-7 UNIT-247M	28N 7W 11 SE SW SE

Logging Program:	
Intermediate Logs:	☐ Log only if show ☐ GR/ILD ☐ Triple Combo

TD Logs:	☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT ☒ Other
MWD - Gamma Ray from start of open hole section to TD	
Mudlog from kick off point to TD	

Additional Information:					
Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks

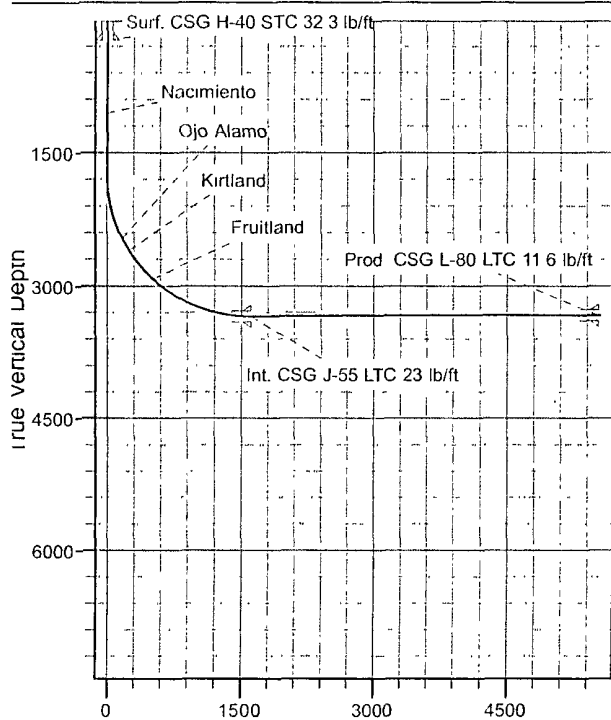
KB @ 6605.0ft (AWS 730)
 Ground Elevation 6590.0
 Reference Lat: 36° 40' 13.783 N
 Reference Long: 107° 31' 48.885 W

Project: San Juan Basin - New Mexico west W
 Site: San Juan 28 Wells
 Well: SJ 28-7 Unit 430H
 Wellbore: Original Hole
 Design: Plan #1

ConocoPhillips

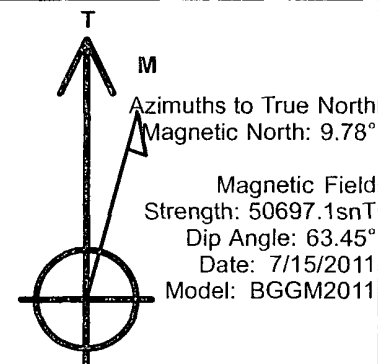
SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	1750.0	0.00	0.00	1750.0	0.0	0.0	0.00	0.00	0.0	
3	4268.9	90.54	278.62	3344.0	241.3	-1590.8	3.59	278.62	1608.6	Coal Entry pt
4	8205.3	89.78	282.28	3333.0	955.2	-5461.2	0.09	101.61	5544.1	BHL @ TD



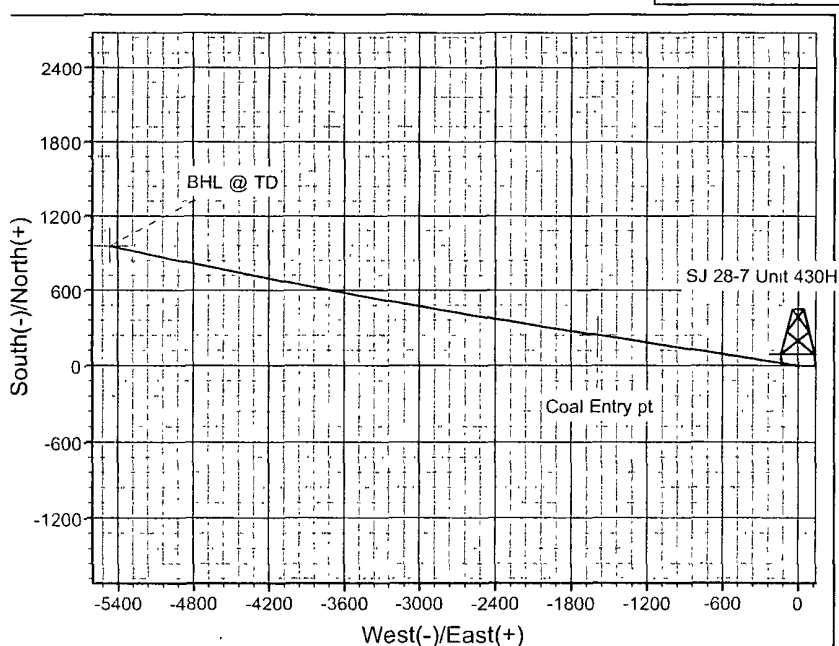
FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1054.0	1054.0	Nacimiento
2466.0	2492.6	Ojo Alamo
2599.0	2645.3	Kirtland
2923.0	3068.2	Fruitland



CASING DETAILS

TVD	MD	Name	Size
230.0	230.0	Surf. CSG H-40 STC 32.3 lb/ft	9-5/8
3344.0	4268.0	Int. CSG J-55 LTC 23 lb/ft	7
3332.9	8190.0	Prod. CSG L-80 LTC 11.6 lb/ft	4-1/2



-Note: Same mud will be used per APD Master Plan, except in certain situations salt may be used for weight, salt will be contained in steel pits on surface and properly disposed of

-Note: Same BOP stack will be used per APD Master Plan

- 9 5/8" csg cemented w/ 108 cu. ft. Circulate cmt to surface

- 7" csg cemented w/ 890 cu. ft. Circulate cmt to surface

- 4 1/2" Production casing will be uncemented with swell packers in preparation for multi-stage frac

ConocoPhillips or its affiliates

Planning Report

Database:	EDM Central Planning	Local Co-ordinate Reference:	Well SJ 28-7 Unit 430H
Company:	ConocoPhillips SJB	TVD Reference:	KB @ 6605.0ft (AWS 730)
Project:	San Juan Basin - New Mexico West Wells	MD Reference:	KB @ 6605.0ft (AWS 730)
Site:	San Juan 28 Wells	North Reference:	True
Well:	SJ 28-7 Unit 430H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan #1		

Project:	San Juan Basin - New Mexico West Wells, New Mexico, Directional "S"		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico West 3003		Using geodetic scale factor

Site:	San Juan 28 Wells
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Site Position:		Northing:	2,042,566.26 ft	Latitude:	36° 36' 47.901 N
From:	Lat/Long	Easting:	563,690.29 ft	Longitude:	107° 36' 58.757 W
Position Uncertainty:	15.0 ft	Slot Radius:	"	Grid Convergence:	0.13 °

Well	SJ 28-7 Unit 430H, UPE Horizontal					
Well Position	+N/-S	0.0 ft	Northing:	2,063,453.90 ft	Latitude:	36° 40' 13.783 N
	+E/-W	0.0 ft	Easting:	588,886.71 ft	Longitude:	107° 31' 48.885 W
Position Uncertainty		3.0 ft	Wellhead Elevation:	0.0 ft	Ground Level:	6,590.0 ft

Wellbore:	Original Hole
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	BGGM2011	7/15/2011	9.78	63.45	50,697

Design:	Plan #1
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Audit Notes:

Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
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Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	279.92

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,750.0	0.00	0.00	1,750.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,268.9	90.54	278.62	3,344.0	241.3	-1,590.8	3.59	3.59	-3.23	278.62	Coal Entry pt
8,205.3	89.78	282.28	3,333.0	955.2	-5,461.2	0.09	-0.02	0.09	101.61	BHL @ TD

ConocoPhillips or its affiliates

Planning Report

Database:	EDM Central Planning	Local Co-ordinate Reference:	Well SJ 28-7 Unit 430H
Company:	ConocoPhillips SJB	TVD Reference:	KB @ 6605.0ft (AWS 730)
Project:	San Juan Basin - New Mexico West Wells	MD Reference:	KB @ 6605.0ft (AWS 730)
Site:	San Juan 28 Wells	North Reference:	True
Well:	SJ 28-7 Unit 430H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Original Hole		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
230.0	0.00	0.00	230.0	0.0	0.0	0.0	0.00	0.00	0.00
Surf. CSG H-40 STC 32.3 lb/ft									
1,054.0	0.00	0.00	1,054.0	0.0	0.0	0.0	0.00	0.00	0.00
Nacimiento									
1,750.0	0.00	0.00	1,750.0	0.0	0.0	0.0	0.00	0.00	0.00
2,492.6	26.69	278.62	2,466.0	25.5	-167.9	169.8	3.59	3.59	0.00
Ojo Alamo									
2,645.3	32.18	278.62	2,599.0	36.7	-242.1	244.8	3.59	3.59	0.00
Kirtland									
3,068.2	47.38	278.62	2,923.0	77.2	-508.8	514.5	3.59	3.59	0.00
Fruitland									
4,268.0	90.50	278.62	3,344.0	241.1	-1,589.9	1,607.7	3.59	3.59	0.00
Int. CSG J-55 LTC 23 lb/ft									
4,268.9	90.54	278.62	3,344.0	241.3	-1,590.8	1,608.6	3.59	3.59	0.00
8,190.0	89.79	282.26	3,332.9	951.9	-5,446.3	5,528.8	0.09	-0.02	0.09
Prod. CSG L-80 LTC 11.6 lb/ft									
8,205.3	89.78	282.28	3,333.0	955.2	-5,461.2	5,544.1	0.09	-0.02	0.09

Targets

Target Name	hit/miss/target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
BHL @ TD	- plan hits target center - Circle (radius 5.0)	0.00	0.00	3,333.0	955.2	-5,461.2	2,064,391.72	583,422.93	36° 40' 23.223 N	107° 32' 55.920 W
Coal Entry pt	- plan hits target center - Point	0.00	0.00	3,344.0	241.3	-1,590.8	2,063,690.12	587,295.29	36° 40' 16.169 N	107° 32' 8.411 W
		230.0	230.0	Surf. CSG H-40 STC 32.3 lb/ft					9-5/8	12-1/4
		4,268.0	3,344.0	Int. CSG J-55 LTC 23 lb/ft					7	8-3/4
		8,190.0	3,332.9	Prod. CSG L-80 LTC 11.6 lb/ft					4-1/2	6-1/4

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,054.0	1,054.0	Nacimiento		0.00	
2,645.3	2,599.0	Kirtland		0.00	
3,068.2	2,923.0	Fruitland		0.00	
2,492.6	2,466.0	Ojo Alamo		0.00	

CONOCOPHILLIPS COMPANY
SAN JUAN 28-7 UNIT 430H
738' FSL, 881' FWL
SECTION 12, T-28-N, R-7-W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
NAD 83 LAT.: 36.670502°N LONG.: 107.530851°W
ELEV.: 6590 NAVD88
NO NEW ACCESS (TWINNED WITH SJ 28-7 #55)

DRIVING DIRECTIONS START FROM BLOOMFIELD, NEW MEXICO AT THE INTERSECTION OF HWY. 550 AND HWY. 64. TRAVEL EAST ON HWY. 64 FOR 31.7 MILES (MILE POST 96.2). TURN RIGHT AT "29-6 WATER HOLE".

- GO 2.0 MILES SOUTHEAST ON C.R. 495. TURN RIGHT AT "PIG LAUNCHER" AND HEAD SOUTHWEST UP "SNAKE HILL."
- GO 1.2 MILES SOUTH UP "SNAKE HILL" ONTO "DEVILS SPRINGS MESA." TURN RIGHT ON "RIDGE ROAD."
- GO 4.8 MILES WEST ON "DEVILS SPRINGS MESA" (RIDGE ROAD) AND TURN RIGHT HEADING NORTH.
- GO 0.7 MILES NORTH. TURN LEFT ONTO WELL LOCATION SJ28-9 #55. WELL STAKED AS TWIN HERE.