

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

DEC 16 2011

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-078097	Farmington Field Office Bureau of Land Management Unit Reporting Number
1b. Type of Well GAS		6. If Indian, All. or Tribe	
2. Operator ConocoPhillips 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 Heaton LS	
		9. Well Number 1M	
4. Location of Well Surface: Unit O (SWSE), 720' FSL & 1537' FEL BHL : Unit P (SESW), 710' FSL & 710' FEL Surface: Latitude: 36.86473° N (NAD83) Longitude: 107.99290° W BHL : Latitude: 36.86474° N (NAD83) Longitude: 107.99007° W		10. Field, Pool, Wildcat Blanco MV/Basin DK/Basin MC	
		11. Sec., Twn, Rge, Mer. (NMPM) Sec. 28, T31N, R11W	
		API # 30-045-	35337
14. Distance in Miles from Nearest Town 6 miles from Aztec		12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 710'			
16. Acres in Lease 2475.610	 H ₂ S POTENTIAL EXIST	17. Acres Assigned to Well 320.00 Acres - E/2	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1190' from Heaton LS 1A - MV			
19. Proposed Depth 7074'		20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 5869' GL		22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached			
24. Authorized by: <u>Arleen Kellywood</u> Arleen Kellywood (Staff Regulatory Tech)		<u>12/16/11</u> Date	

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

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

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

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

ca JUN 14 2012

NMOC

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

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

Hold CIP4
for Directional Survey
and "As Drilled" plat

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

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

RECEIVED

Form C-102
Revised July 10, 2010

DEC 16 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

Farmington Field Office

Bureau of Land Management

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-35337		*Pool Code 72319/71599/97232	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA / MANCOS	BASIN
*Property Code 31748	*Property Name HEATON LS			*Well Number 1M
*OGRD No. 21787	*Operator Name CONOCOPHILLIPS COMPANY			*Elevation 5869'

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
0	28	31N	11W		720'	SOUTH	1537'	EAST	SAN JUAN

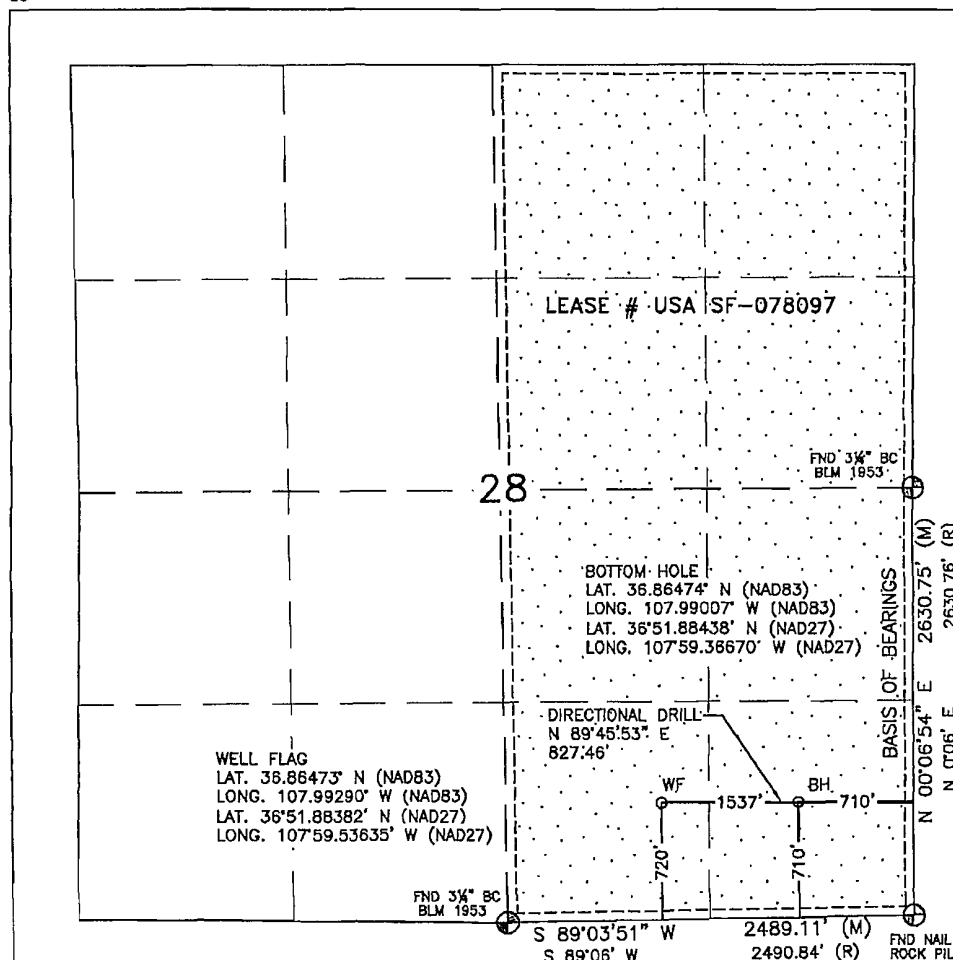
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	31N	11W		710'	SOUTH	710'	EAST	SAN JUAN

¹² Dedicated Acres 320.00 ACRES - E/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

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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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Arleen Kellywood 11-14-11
Signature Date

Arleen Kellywood
Printed Name

arleen.r.kellywood@conocophillips.com

E-mail Address

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.

AUGUST 5, 2011

Date of Survey

Signature and Seal of Professional Surveyor:

DAVID R. RUSSELL
REGISTERED PROFESSIONAL LAND SURVEYOR
NEW MEXICO
10201

Certificate Number

10201

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

HEATON LS 1M

DEVELOPMENT

Lease:		AFE #: WAN.CDR.1089				AFE \$:	
Field Name: SAN JUAN		Rig: Aztec Rig 730		State: NM	County: SAN JUAN		API #:
Geologist:		Phone:		Geophysicist:		Phone:	
Geoscientist:		Phone:		Prod. Engineer:		Phone:	
Res. Engineer:		Phone:		Proj. Field Lead:		Phone:	
Primary Objective (Zones):							
Zone	Zone Name						
FRR	BASIN DAKOTA (PRORATED GAS)						
RON	BLANCO MESAVERDE (PRORATED GAS)						
RCO085	MANCOS(RCO085)						
Location: Surface Datum Code: NAD 27 Directional:							
Latitude: 36.864727	Longitude: -107.992277	X:	Y:	Section: 28	Range: 011W		
Footage X: 1537 FEL	Footage Y: 720 FSL	Elevation: 5869	(FT)	Township: 031N			
Tolerance:							
Location: Bottom Hole Datum Code: NAD 27 Directional:							
Latitude: 36.864737	Longitude: -107.989447	X:	Y:	Section: 28	Range: 011W		
Footage X: 710 FEL	Footage Y: 710 FSL	Elevation:	(FT)	Township: 031N			
Tolerance:							
Location Type: Year Round		Start Date (Est.): 1/1/2012		Completion Date:		Date In Operation:	
Formation Data: Assume KB = 5884 Units = FT							
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	MD (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	200	5684	200	☐			12-1/4 hole. 200' 9 5/8" 32.3 ppf, H-40, STC casing. Cement with 121 cuft. Circulate cement to surface.
OJO ALAMO	944	4940		☐			
KIRTLAND	1004	4880		☐			
FRUITLAND	1884	4000		☐			Possible Gas
PICTURED CLIFFS	2441	3443		☐			
LEWIS	2576	3308		☐			
HUERFANITO BENTONITE	3168	2716		☐			
CHACRA	3515	2369		☐			
UPPER CLIFF HOUSE	3882	2002		☐			
MASSIVE CLIFF HOUSE	4057	1827		☐	547		Gas; Cliffhouse is wet
MENEFEE	4242	1642		☐			Est. Top Perf - 4244 (1640)
Intermediate Casing	4392	1492	4536	☐		144	8 3/4" Hole. 7", 23 ppf, J-55, LTC Casing. Cement with 1022 cuft. Circulate cement to surface.
POINT LOOKOUT	4737	1147		☐			
MANCOS	5054	830		☐			
UPPER GALLUP	6017	-133		☐			
GREENHORN	6744	-860		☐			
GRANEROS	6801	-917		☐			
TWO WELLS	6856	-972		☐	2496		Gas
PAGUATE	6933	-1049		☐			
LOWER CUBERO	6962	-1078		☐			Est. Btm Perf - 7054 (- 1170) based on offset wells
UPPER CUBERO	6962	-1078		☐			

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

HEATON LS 1M

DEVELOPMENT

ENCINAL	7034	-1150		☐	TD - 40' Below T/ENCN
Total Depth	7074	-1190	7218	☐	202 6-1/4" hole, 4-1/2" 11.6 ppf, L-80, LTC casing. Cement w/ 361 cuft. Circulate cement a minimum of 100' inside the previous casing string.

Reference Wells:		
Reference Type	Well Name	Comments
Production	FEDERAL-100B	31N 11W 27
Production	HEATON-16	31N 11W 28 NW SW
Production	HEATON COM-B-3-E	31N 11W 33 SE NW NE

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

TD Logs:	☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT ☒ Other
	Cased Hole GR / CBL
	Mudlog from 100' above top of GLLP to TD - mudlogger will call TD.

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

ConocoPhillips or its affiliates

Planning Report

Database:	EDM Central Planning	Local Co-ordinate Reference:	Well Heaton LS #1M
Company:	ConocoPhillips SJB	TVD Reference:	WELL @ 5884.0ft (Original Well Elev)
Project:	San Juan Basin - New Mexico West Wells	MD Reference:	WELL @ 5884.0ft (Original Well Elev)
Site:	Other Named Wells	North Reference:	True
Well:	Heaton LS #1M	Survey Calculation Method:	Minimum Curvature
Wellbore:	Heaton LS #1M		
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:	Other Named Wells
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Site Position:		Northing:	2,108,178.26 ft	Latitude:	36° 47' 33.793 N
From:	Lat/Long	Easting:	643,887.63 ft	Longitude:	107° 20' 30.932 W
Position Uncertainty:	15.0 ft	Slot Radius:	6-1/8"	Grid Convergence:	0.29°

Well:	Heaton LS #1M				
Well Position	+N/-S	0.0 ft	Northing:	2,134,062.61 ft	Latitude: 36° 51' 53.029 N
	+E/-W	0.0 ft	Easting:	453,505.24 ft	Longitude: 107° 59' 32.181 W
Position Uncertainty	3.5 ft		Wellhead Elevation:	ft	Ground Level: 5,869.0 ft

Wellbore:	Heaton LS #1M
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	BGGM2011	12/7/2011	9.95	63.52	50,705

Design:	Plan #1
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Audit Notes:	
Version:	Phase: PLAN Tie On Depth: 0.0

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	89.76

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	
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,678.8	23.58	89.76	2,645.8	1.0	239.1	2.00	2.00	0.00	89.76	
3,750.6	23.58	89.76	3,628.1	2.8	667.8	0.00	0.00	0.00	0.00	
4,536.4	0.00	0.00	4,392.0	3.4	827.2	3.00	-3.00	0.00	180.00	Heaton LS #1M ICF
7,218.4	0.00	0.00	7,074.0	3.4	827.2	0.00	0.00	0.00	0.00	Heaton LS #1M PC

ConocoPhillips or its affiliates

Planning Report

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Project:	San Juan Basin - New Mexico West Wells	MD Reference:	WELL @ 5884.0ft (Original Well Elev)
Site:	Other Named Wells	North Reference:	True
Well:	Heaton LS #1M	Survey Calculation Method:	Minimum Curvature
Wellbore:	Heaton LS #1M		
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	
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00	
Surface										
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00	
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00	
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00	
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00	
944.0	0.00	0.00	944.0	0.0	0.0	0.0	0.00	0.00	0.00	
Ojo Alamo										
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,004.0	0.00	0.00	1,004.0	0.0	0.0	0.0	0.00	0.00	0.00	
Kirtland										
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00	
1,600.0	2.00	89.76	1,600.0	0.0	1.7	1.7	2.00	2.00	0.00	
1,700.0	4.00	89.76	1,699.8	0.0	7.0	7.0	2.00	2.00	0.00	
1,800.0	6.00	89.76	1,799.5	0.1	15.7	15.7	2.00	2.00	0.00	
1,885.2	7.70	89.76	1,884.0	0.1	25.9	25.9	2.00	2.00	0.00	
Fruitland										
1,900.0	8.00	89.76	1,898.7	0.1	27.9	27.9	2.00	2.00	0.00	
2,000.0	10.00	89.76	1,997.5	0.2	43.5	43.5	2.00	2.00	0.00	
2,100.0	12.00	89.76	2,095.6	0.3	62.6	62.6	2.00	2.00	0.00	
2,200.0	14.00	89.76	2,193.1	0.4	85.1	85.1	2.00	2.00	0.00	
2,300.0	16.00	89.76	2,289.6	0.5	111.0	111.0	2.00	2.00	0.00	
2,400.0	18.00	89.76	2,385.3	0.6	140.2	140.2	2.00	2.00	0.00	
2,458.8	19.18	89.76	2,441.0	0.7	159.0	159.0	2.00	2.00	0.00	
Pictured Cliffs										
2,500.0	20.00	89.76	2,479.8	0.7	172.8	172.8	2.00	2.00	0.00	
2,600.0	22.00	89.76	2,573.2	0.9	208.6	208.6	2.00	2.00	0.00	
2,603.1	22.06	89.76	2,576.0	0.9	209.7	209.7	2.00	2.00	0.00	
Lewis										
2,678.8	23.58	89.76	2,645.8	1.0	239.1	239.1	2.00	2.00	0.00	
2,700.0	23.58	89.76	2,665.2	1.0	247.6	247.6	0.00	0.00	0.00	
2,800.0	23.58	89.76	2,756.9	1.2	287.6	287.6	0.00	0.00	0.00	
2,900.0	23.58	89.76	2,848.6	1.4	327.6	327.6	0.00	0.00	0.00	
3,000.0	23.58	89.76	2,940.2	1.5	367.6	367.6	0.00	0.00	0.00	
3,100.0	23.58	89.76	3,031.9	1.7	407.6	407.6	0.00	0.00	0.00	
3,200.0	23.58	89.76	3,123.5	1.8	447.6	447.6	0.00	0.00	0.00	
3,248.5	23.58	89.76	3,168.0	1.9	467.0	467.0	0.00	0.00	0.00	
Huerfano Bentonite										
3,300.0	23.58	89.76	3,215.2	2.0	487.6	487.6	0.00	0.00	0.00	
3,400.0	23.58	89.76	3,306.8	2.2	527.6	527.6	0.00	0.00	0.00	
3,500.0	23.58	89.76	3,398.5	2.3	567.6	567.6	0.00	0.00	0.00	
3,600.0	23.58	89.76	3,490.1	2.5	607.6	607.6	0.00	0.00	0.00	
3,627.1	23.58	89.76	3,515.0	2.5	618.4	618.4	0.00	0.00	0.00	
Chacra										

ConocoPhillips or its affiliates

Planning Report

Database:	EDM Central Planning	Local Co-ordinate Reference:	Well Heaton LS #1M
Company:	ConocoPhillips SJBU	TVD Reference:	WELL @ 5884 0ft (Original Well Elev)
Project:	San Juan Basin - New Mexico West Wells	MD Reference:	WELL @ 5884 0ft (Original Well Elev)
Site:	Other Named Wells	North Reference:	True
Well:	Heaton LS #1M	Survey Calculation Method:	Minimum Curvature
Wellbore:	Heaton LS #1M		
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)
3,700.0	23.58	89.76	3,581.8	2.7	647.6	647.6	0.00	0.00	0.00
3,750.6	23.58	89.76	3,628.1	2.8	667.8	667.8	0.00	0.00	0.00
3,800.0	22.09	89.76	3,673.7	2.8	687.0	687.0	3.00	-3.00	0.00
3,900.0	19.09	89.76	3,767.3	3.0	722.1	722.1	3.00	-3.00	0.00
4,000.0	16.09	89.76	3,862.6	3.1	752.4	752.4	3.00	-3.00	0.00
4,020.2	15.49	89.76	3,882.0	3.1	757.8	757.9	3.00	-3.00	0.00
Upper Cliff House									
4,100.0	13.09	89.76	3,959.4	3.2	777.6	777.6	3.00	-3.00	0.00
4,199.7	10.10	89.76	4,057.0	3.3	797.6	797.6	3.00	-3.00	0.00
Massive Cliff House									
4,200.0	10.09	89.76	4,057.3	3.3	797.6	797.7	3.00	-3.00	0.00
4,300.0	7.09	89.76	4,156.2	3.4	812.6	812.6	3.00	-3.00	0.00
4,386.3	4.50	89.76	4,242.0	3.4	821.3	821.3	3.00	-3.00	0.00
Menefee									
4,400.0	4.09	89.76	4,255.7	3.4	822.3	822.3	3.00	-3.00	0.00
4,500.0	1.09	89.76	4,355.6	3.4	826.9	826.9	3.00	-3.00	0.00
4,536.4	0.00	0.00	4,392.0	3.4	827.2	827.2	3.00	-3.00	-246.37
Intermediate - Heaton LS #1M ICP									
4,600.0	0.00	0.00	4,455.6	3.4	827.2	827.2	0.00	0.00	0.00
4,700.0	0.00	0.00	4,555.6	3.4	827.2	827.2	0.00	0.00	0.00
4,800.0	0.00	0.00	4,655.6	3.4	827.2	827.2	0.00	0.00	0.00
4,881.4	0.00	0.00	4,737.0	3.4	827.2	827.2	0.00	0.00	0.00
Pt. Lookout									
4,900.0	0.00	0.00	4,755.6	3.4	827.2	827.2	0.00	0.00	0.00
5,000.0	0.00	0.00	4,855.6	3.4	827.2	827.2	0.00	0.00	0.00
5,100.0	0.00	0.00	4,955.6	3.4	827.2	827.2	0.00	0.00	0.00
5,198.4	0.00	0.00	5,054.0	3.4	827.2	827.2	0.00	0.00	0.00
Mancos Shale									
5,200.0	0.00	0.00	5,055.6	3.4	827.2	827.2	0.00	0.00	0.00
5,300.0	0.00	0.00	5,155.6	3.4	827.2	827.2	0.00	0.00	0.00
5,400.0	0.00	0.00	5,255.6	3.4	827.2	827.2	0.00	0.00	0.00
5,500.0	0.00	0.00	5,355.6	3.4	827.2	827.2	0.00	0.00	0.00
5,600.0	0.00	0.00	5,455.6	3.4	827.2	827.2	0.00	0.00	0.00
5,700.0	0.00	0.00	5,555.6	3.4	827.2	827.2	0.00	0.00	0.00
5,800.0	0.00	0.00	5,655.6	3.4	827.2	827.2	0.00	0.00	0.00
5,900.0	0.00	0.00	5,755.6	3.4	827.2	827.2	0.00	0.00	0.00
6,000.0	0.00	0.00	5,855.6	3.4	827.2	827.2	0.00	0.00	0.00
6,100.0	0.00	0.00	5,955.6	3.4	827.2	827.2	0.00	0.00	0.00
6,161.4	0.00	0.00	6,017.0	3.4	827.2	827.2	0.00	0.00	0.00
Gallup									
6,200.0	0.00	0.00	6,055.6	3.4	827.2	827.2	0.00	0.00	0.00
6,300.0	0.00	0.00	6,155.6	3.4	827.2	827.2	0.00	0.00	0.00
6,400.0	0.00	0.00	6,255.6	3.4	827.2	827.2	0.00	0.00	0.00
6,500.0	0.00	0.00	6,355.6	3.4	827.2	827.2	0.00	0.00	0.00
6,600.0	0.00	0.00	6,455.6	3.4	827.2	827.2	0.00	0.00	0.00
6,700.0	0.00	0.00	6,555.6	3.4	827.2	827.2	0.00	0.00	0.00
6,800.0	0.00	0.00	6,655.6	3.4	827.2	827.2	0.00	0.00	0.00
6,888.4	0.00	0.00	6,744.0	3.4	827.2	827.2	0.00	0.00	0.00
Greenhorn									
6,900.0	0.00	0.00	6,755.6	3.4	827.2	827.2	0.00	0.00	0.00
6,945.4	0.00	0.00	6,801.0	3.4	827.2	827.2	0.00	0.00	0.00
Graneros									

ConocoPhillips or its affiliates
Planning Report

Database:	EDM Central Planning	Local Coordinate Reference:	Well Heaton LS #1M
Company:	ConocoPhillips SJB	TVD Reference:	WELL @ 5884.0ft (Original Well Elev)
Project:	San Juan Basin - New Mexico West Wells	MD Reference:	WELL @ 5884.0ft (Original Well Elev)
Site:	Other Named Wells	North Reference:	True
Well:	Heaton LS #1M	Survey Calculation Method:	Minimum Curvature
Wellbore:	Heaton LS #1M		
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)
7,000.0	0.00	0.00	6,855.6	3.4	827.2	827.2	0.00	0.00	0.00
7,000.4	0.00	0.00	6,856.0	3.4	827.2	827.2	0.00	0.00	0.00
Two Wells									
7,077.4	0.00	0.00	6,933.0	3.4	827.2	827.2	0.00	0.00	0.00
Paugate									
7,100.0	0.00	0.00	6,955.6	3.4	827.2	827.2	0.00	0.00	0.00
7,106.4	0.00	0.00	6,962.0	3.4	827.2	827.2	0.00	0.00	0.00
Cubero									
7,178.4	0.00	0.00	7,034.0	3.4	827.2	827.2	0.00	0.00	0.00
Encinal									
7,200.0	0.00	0.00	7,055.6	3.4	827.2	827.2	0.00	0.00	0.00
7,218.4	0.00	0.00	7,074.0	3.4	827.2	827.2	0.00	0.00	0.00
Production - Heaton LS #1M PCP									

Targets									
Target Name	hit/miss target	Dip Angle (°)	Dip Dir (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude Longitude
Heaton LS #1M PCP	- plan hits target center	0.00	0.00	7,074.0	3.4	827.2	2,134,064.64	454,332.38	36° 51' 53.063 N 107° 59' 22.002 W
- Point									
Heaton LS #1M ICP	- plan hits target center	0.00	0.00	4,392.0	3.4	827.2	2,134,064.65	454,332.38	36° 51' 53.063 N 107° 59' 22.002 W
- Point									

Casing Points					
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)	
200.0	200.0	Surface	9-5/8	12-1/4	
4,536.4	4,392.0	Intermediate	7	8-3/4	
7,218.4	7,074.0	Production	4-1/2	6-1/4	

ConocoPhillips or its affiliates

Planning Report

Database:	EDM Central Planning	Local Co-ordinate Reference:	Well Heaton LS #1M
Company:	ConocoPhillips SJBU	TVD Reference:	WELL @ 5884.0ft (Original Well Elev)
Project:	San Juan Basin - New Mexico West Wells	MD Reference:	WELL @ 5884.0ft (Original Well Elev)
Site:	Other Named Wells	North Reference:	True
Well:	Heaton LS #1M	Survey Calculation Method:	Minimum Curvature
Wellbore:	Heaton LS #1M		
Design:	Plan #1		

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Direction	(°)
6,888.4	6,744.0	Greenhorn				
2,458.8	2,441.0	Pictured Cliffs				
6,161.4	6,017.0	Gallup				
6,945.4	6,801.0	Graneros				
2,603.1	2,576.0	Lewis				
7,178.4	7,034.0	Encinal				
944.0	944.0	Ojo Alamo				
7,077.4	6,933.0	Panguate				
4,020.2	3,882.0	Upper Cliff House				
7,000.4	6,856.0	Two Wells				
3,627.1	3,515.0	Chacra				
4,386.3	4,242.0	Menefee				
1,885.2	1,884.0	Fruitland				
1,004.0	1,004.0	Kirtland				
5,198.4	5,054.0	Mancos Shale				
4,199.7	4,057.0	Massive Cliff House				
7,106.4	6,962.0	Cubero				
3,248.5	3,168.0	Huerfanito Bentonite				
4,881.4	4,737.0	Pt. Lookout				

REFERENCE INFORMATION

WELL @ 5884.0ft (Original Well Elev)
Ground Elevation 5869.0
Reference Lat: 36° 51' 53.029 N
Reference Long: 107° 59' 32.181 W

Project: San Juan Basin - New Mexico West W
Site: Other Named Wells
Well: Heaton LS #1M
Wellbore: Heaton LS #1M
Design: Plan #1

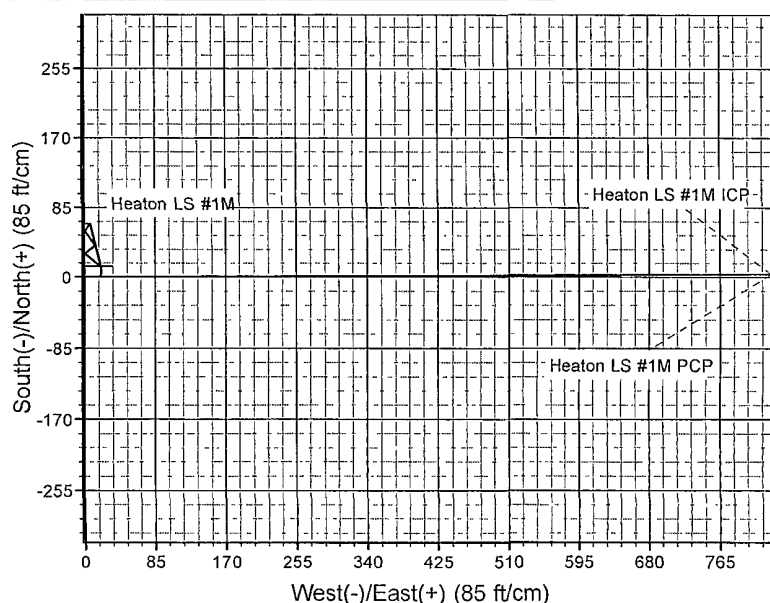
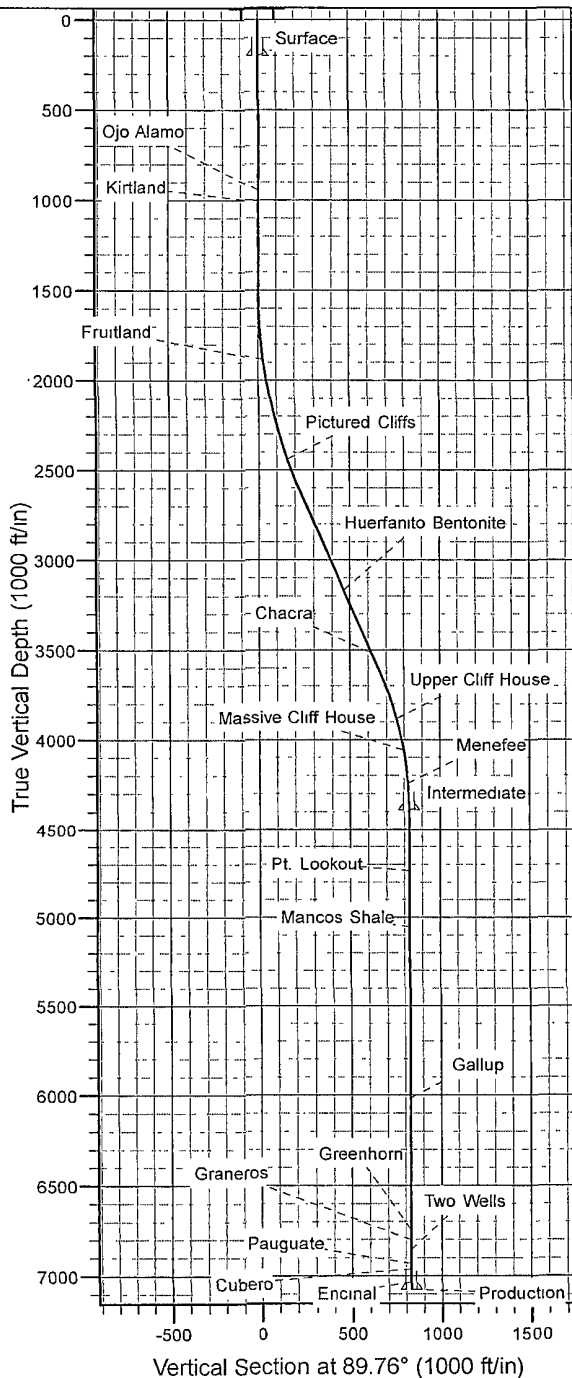
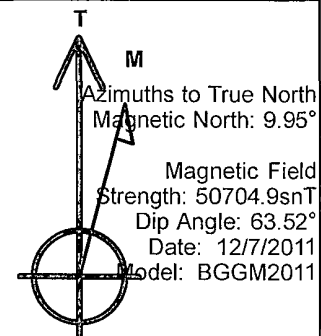


SECTION DETAILS

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	1500.0	0.00	0.00	1500.0	0.0	0.0	0.00	0.00	0.0	
3	2678.8	23.58	89.76	2645.8	1.0	239.1	2.00	89.76	239.1	
4	3750.6	23.58	89.76	3628.1	2.8	667.8	0.00	0.00	667.8	
5	4536.4	0.00	0.00	4392.0	3.4	827.2	3.00	180.00	827.2	Heaton LS #1M ICP
6	7218.4	0.00	0.00	7074.0	3.4	827.2	0.00	0.00	827.2	Heaton LS #1M PCP

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
944.0	944.0	Ojo Alamo
1004.0	1004.0	Kirtland
1884.0	1885.2	Fruitland
2441.0	2458.8	Pictured Cliffs
2576.0	2603.1	Lewis
3168.0	3248.5	Huerfano Bentonite
3515.0	3627.1	Chacra
3882.0	4020.2	Upper Cliff House
4057.0	4199.7	Massive Cliff House
4242.0	4386.3	Menefee
4737.0	4881.4	Pt. Lookout
5054.0	5198.4	Mancos Shale
6017.0	6161.4	Gallup
6744.0	6888.4	Greenhorn
6801.0	6945.4	Graneros
6856.0	7000.4	Two Wells
6933.0	7077.4	Pauguate
6962.0	7106.4	Cubero
7034.0	7178.4	Encinal



CERTIFICATION OF ACTUAL NOTICE

Heaton LS 1M

O (SWSE), 28, T31N, R11W 30-045-35337

San Juan County, NM

This Certification of Actual Notice serves to state that in accordance with OCD Rule 19.15.15.12 B BP America Production Company, an Operator in the above referenced drillblock has entered into a Letter Agreement dated May 3, 2011 with the Applicant, ConocoPhillips, wherein BP America Production Company has agreed to allow ConocoPhillips "to propose, drill, test and operate" the above referenced well at the above referenced location. Please see attached signature page from the Letter Agreement. Based on this Letter Agreement actual notice has been given to BP America Production Company and therefore, the notice requirements have been fulfilled.



Arleen Kellywood
Staff Regulatory Tech
ConocoPhillips, SJBU
(505) 326-9517

RCUD JUN 14 '12
OIL CONS. DIV.

DIST. 3

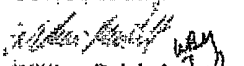
Letter Agreement -- Delhi Taylor Operating Agreement
May 3, 2011

withhold. In the event COPC desires to change the bottom hole location from the Proposed Bottom Hole location, it will provide BP with a written notification explaining why the change is being requested and delineating the alternative bottom hole location. If BP does not object in writing to the alternative bottom hole location within thirty (30) days from its receipt of the change request, it will be conclusively presumed to be an approval of such alternative location.

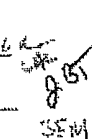
Please evidence your consent and approval by forwarding one fully executed original of this Letter Agreement to the attention of Terry Ruby at the Letterhead address. Any questions may be directed to Mr. Ruby at 505-326-9519. Thank you for your consideration of this request. We will appreciate your favorable response by May 14, 2011.

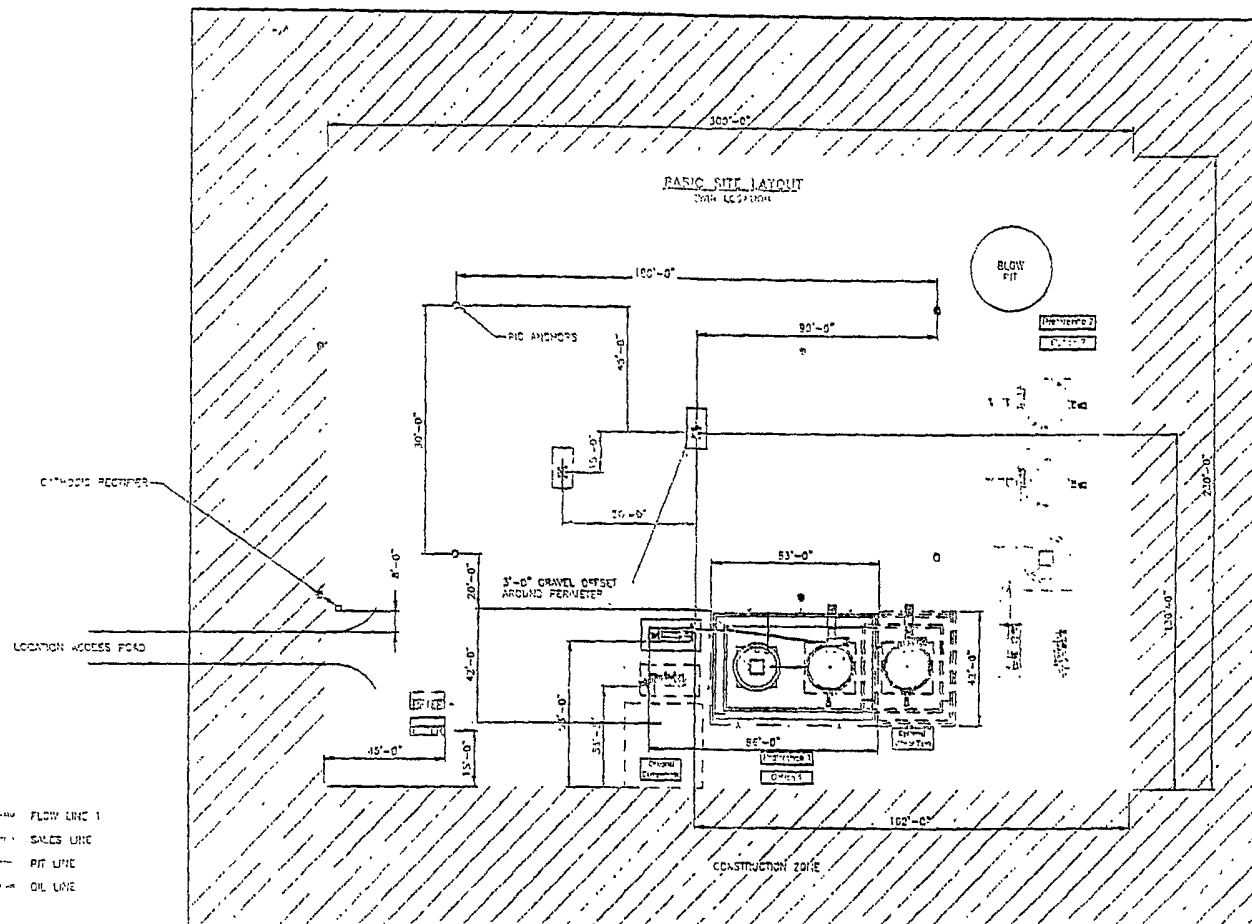
Respectfully,

CONOCOPHILLIPS COMPANY


William Rainbolt
Attorney-in-Fact

AGREED TO AND ACCEPTED THIS 12th DAY OF MAY, 2011.
BP AMERICA PRODUCTION CO.

Name: Delecia Bacon
Title: Attorney-in-Fact

SEM



FLOW LINE 1
 SALES LINE
 PIT LINE
 OIL LINE

SEE SHEET 3 & 4 FOR PAVING DETAILS
 ALL DIMENSIONS ARE TO BE CORRECTED TO A MIN. OF 3'-0" FOR

SHEET 1 OF 3

ENGINEERING REVIEW										REFERENCE CHANGES		CenocoPhillips		CONOCOPhillips HIGH PRESSURE 3 PHASE FACILITY DIAGRAM- SITE LAYOUT	
NO.	DATE	BY	CHKD	APPD	REV	DESCRIPTION	REASON	DATE	BY	NO.	DESCRIPTION				
1												SAN JUAN BUSINESS UNIT		SHEET 1 OF 3 HPSPHASE-REV: 1/1/00	
2															

CONOCOPHILLIPS COMPANY
HEATON LS #1M
720' FSL & 1537' FEL
LOCATED IN THE SW/4 SE/4 OF SECTION 28,
T31N, R11W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

DIRECTIONS

- 1) FROM POST OFFICE IN AZTEC, TRAVEL NORTH ON HIGHWAY 550 TO HIGHWAY 516.
- 2) TURN LEFT ONTO HIGHWAY 516 AND TRAVEL 0.8 MILES TO HIGHWAY 574 (LIGHT PLANT ROAD).
- 3) TURN RIGHT ONTO HIGHWAY 574 AND TRAVEL 1.9 MILES.
- 4) CONTINUE LEFT AND GO 1.1 MILES TO "Y" INTERSECTION.
- 5) TURN RIGHT AND TRAVEL 1.5 MILES.
- 6) TURN RIGHT AND 0.3 MILES TO THE PnA MARKER ON THE LEFT WHERE THE NEW LOCATION IS STAKED.

WELL FLAG LOCATED AT LAT. 36.86473° N, LONG. 107.99290° W (NAD 83).

JOB No.: COPC442
DATE: 08/11/11.



Russell Surveying
1409 W. Aztec Blvd. #2
Aztec, New Mexico 87410
(505) 334-8637