Form 3160-3

FORM APPROVED

| (August 1999) UNITED ST | | OMB No. 1004-0136 Expires November 30, 2000 | | | |
|--|---|--|--------------------|--|--|
| DEPARTMENT OF T BUREAU OF LAND I | 5. Lease Serial No. SF-078410 | | | | |
| APPLICATION FOR PERMIT | TO DRILL OR REENTER | 6. If Indian, Allottee or Tribe | Name | | |
| 1a. Type of Work: ☑ DRILL ☐ REENTER | | 7. If Unit or CA Agreement, | Name and No. | | |
| 1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Oti | ner 🗀 Single Zone 🔀 Multiple Zone | 8. Lease Name and Well No. SAN JUAN 29-5 UNIT 2 | | | |
| , | VICKI WESTBY E-Mail: Vicki.R.Westby@conocophillips.com | 9. API Well No. 30-039-2° | 7468 | | |
| 3a. Address 4001 PENBROOK ODESSA, TX 79762 | 3b. Phone No. (include area code) Ph: 915.368.1352 | 10. Field and Pool, or Explor BLANCO MESAVERI | atory | | |
| 4. Location of Well (Report location clearly and in accorded | unce with any State requirements.*) | 11. Sec., T., R., M., or Blk. a | nd Survey or Area | | |
| At surface NWNW 140FNL 895FWL At proposed prod. zone NWNW 140FNL 895FWL | (18 1675) () () () () () () () () () | Sec 8 T29N R5W Me | r NMP | | |
| 14. Distance in miles and direction from nearest town or post | office* (50 AT 2005 | 12. County or Parish RIO ARRIBA | 13. State NM | | |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) | 16. No. of Acres in Lease 800.90 | 17. Spacing Unit dedicated to | this well | | |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth S | 20. BLM/BIA Bond No. on f | īle | | |
| 21. Elevations (Show whether DF, KB, RT, GL, etc. 6601 GL | 22. Approximate date work will start | 23. Estimated duration | | | |
| | 24. Attachments | | | | |
| The following, completed in accordance with the requirements of | f Onshore Oil and Gas Order No. 1, shall be attached to t | his form: | | | |
| Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syst SUPO shall be filed with the appropriate Forest Service Of | Item 20 above). em Lands, the 5. Operator certification | ns unless covered by an existing | , | | |
| 25. Signature (Electronic Submission) | Name (Printed/Typed) VICKI WESTBY Ph: 915.368.1352 | | Date 02/18/2005 | | |
| Title AGENT | | | | | |
| Approved by (Signature) Man Lie Co | Name (Printed/Typed) | | Date 4-14-05 | | |
| Title AFM | Office FFO | | | | |
| Application approval does not warrant or certify the applicant ho | lds legal or equitable title to those rights in the subject lea | ase which would entitle the appl | icant to conduct | | |

Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #54291 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Farmington

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

2643.96

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

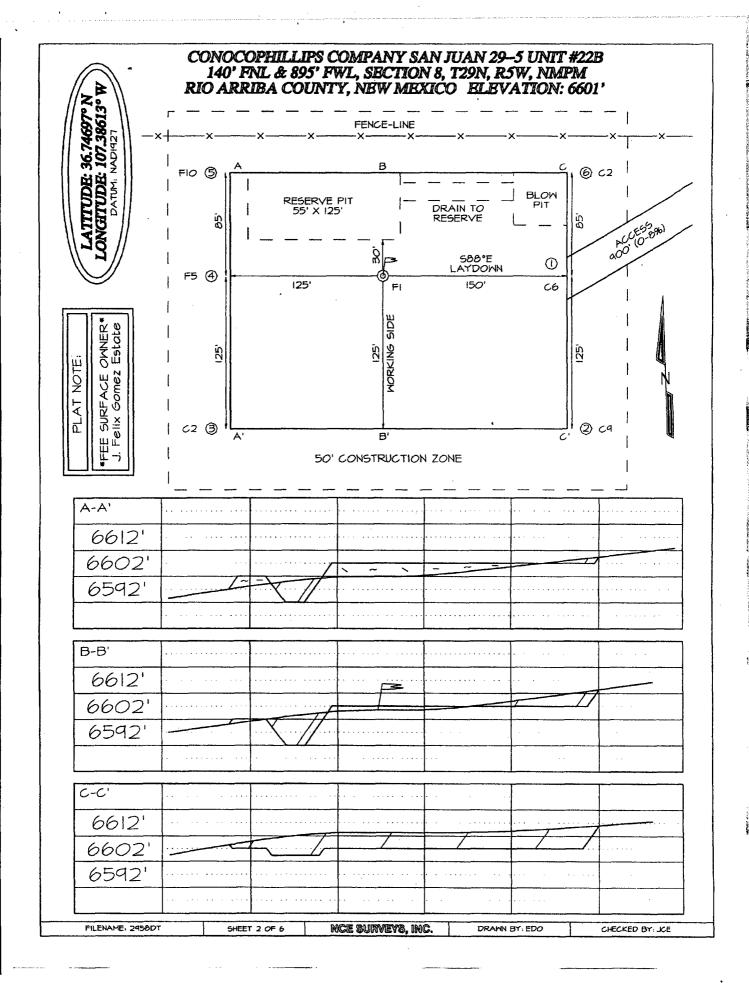
Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

| District IV PO Box 2088, Santa Fe | , NM 87504 | -2088 | | | | | | AMENDE | D REPORT |
|--------------------------------------|---------------------------------------|--|----------------------------|--|----------------------------------|--|---|---|---|
| | | WELL | LOCATIO | A DNA NC | CREAGE DED: | ICATION | N PLAT | | |
| 30-037-29 | 3468 | *Pool 72: | Code 319 | | BLA | Pool NE | ame SAVERDE | | |
| ¹Property Code 31325 | | | S | Property AN JUAN 2 | | | | 1 | 11 Number 22B |
| 'OGRID No. 217817 | | | CON | Operator OCOPHILL | Name PS COMPANY | | | } | levation 5501` |
| | · · · · · · · · · · · · · · · · · · · | | 10 | Surface | Location | *************************************** | | l | |
| UL or lot ro. Settion | Township 29N | Range 5W | Lot Idn | Feet from the | North/South line NORTH | Feet from 895 | ľ | st line | County RIO ARRIBA |
| | | Bottom | | ocation I | | From S | Surface | | |
| Ut, or lot no. Section | Township | Range | Lat Idn | Feet from the | North/South line | Feet from | the East/We | est line | County |
| 12 Dedicated Acres |] 20.0 Acr | es - W/ | | ³ Joint or Infill | ³⁴ Consolidation Code | ¹⁵ Order No. | | | |
| NO ALLOWABLE V | VILL BE OR A | ASSIGNEI NON-ST | L D TO THIS D DRADNA | S COMPLETI NIT HAS BE | ON UNTIL ALL EEN APPROVED | INTERES BY THE (| TS HAVE BE | EEN CON | SOL IDATED |
| SF-0 | A 8183 N 23.1678 W NAD27 | · ———————————————————————————————————— | 8 | APT APT OF THE PARTY OF THE PAR | 2005 | Sign V Print Start | UAVEYOR ereby certify the mon on this plate who on this plate so of actual sure supervision, and correct to the covey Date: nature and Seal | century CERTIF at the well was plotte veys made I that the s of Profess EDWA MEXICO | FICATION I Coation I from field by me or under ame is true belief 7, 2004 I conal Surveyor |

2643.96

Certificate Number

| Submit 3 Copies To Appropriate District Office | State of New Mexico | Forun C-1 03 May 27, 2004 |
|--|---|--|
| <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 | Energy, Minerals and Natural Resources | WELL APINO. |
| District 11 1301 W. Grand Ave., Artesia, NM 882 1 0 | OILCONSERVATIONDIVISION | 5. Indicate Type of Lease |
| <u>District III</u> I 000 Rio Brazos Rd., Aztec, NM 8741 0 | 1220 South St. Francis Dr. | STATE FEE |
| <u>District IV</u> 1220 S. St. Francis Dr., Santa I e, NM | Santa Fe, NM 87505 | 6. State Oil & Gas Lease No. |
| | CESANDREPORTSON WELLS | 7. Lease Name or Unit Agreement Name |
| DIFFERENT RESERVOIR USE APPLIC | SALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A ATION FOR PERMIT (FORM C-101) FOR SUCH | SAN JUAN 29-5 UNIT |
| 1. Type of Went On Went | Gas Well 🛛 Other | 8. Well Number 22B |
| 2. Name of Operator | ConocoPhillips Company | 9. OGRID Number 217817 |
| 3. Address of Operator | • • • | I 0. Pool name or Wildcat |
| | 4001 Penbrook, Odessa, TX 79762 | BLANCO MESAVERDE |
| 4. Well Location | | |
| Unit Letter D | 140 feet from the North line and | 895 feet from the West line |
| Section 8 | Township 29N Range 5W | NMPM Rio Arriba County |
| | I 1. Elevation (Show whether DR, RKB, RT, GR, 6601 G | etc.) |
| Pit or Below -grade Tank Application 🛛 C | | |
| Pit type DRILL Depth to Groundwa | | E Distance from nearest surface water 300' |
| Liner Thickness: mil | | Construction Material |
| 12 Check A | ppropriate Box to Indicate Nature of Notic | |
| 12. CICK 1 | 47x Official Dox to fix needed 1 venture of 1 voice | 2, report of Ours Demi |
| NOTICE OF IN | | UBSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK | PLUG AND ABANDON REMEDIAL W | |
| TEMPORARILY ABANDON DULLOR ALTER CASING | CHANGE PLANS COMMENCE MULTIPLE COMPL CASING/CEM | DRILLING OPNS. P AND A |
| FOLLORALIER CASING [| WIDETIFLE COVIFE CASING/CEIVI | EN1 JOB L |
| OTHER: | OTHER: | |
| | letted operations. (Clearly state all pertinent details, | |
| or starting any proposed wor or recompletion. | rk). SEE RULE I 1 03. For Multiple Completions: | Attach wellbore diagram of proposed completion |
| or recompletion. | | • |
| | | |
| | | |
| The nit will be constructed and closed in | accordance with Rule 50 and as per the Nov. 1, 2004 C | Fuidelines See the attached diagram that details the |
| | posed wellhead. The drill pit will be lined. The drill pit | |
| The solids left after the water has been | n disposed of will be sampled and NMOCD approv | /al will be obtained prior to closure of this pit. |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| I hereby certify that the information ab grade tank has been/will be constructed or cle | ove is true and complete to the best of my knowledgosed according to NMOCD guidelines 🔼, a general permit | e and belief. I further certify that anv pit or below- or an (attached) alternative OCD-approved plan |
| SIGNATURE Vicki Westby | TITLE Staff Agent | DATE 2/16/05 |
| Type or print name | E-mail address: | Telephone No. |
| For State Use Only | / | |
| APPROVED BY: Conditions of Approval (if any): | TITLE TITLE GAS | INSPECTOR, DIST. & DATE PR 1 5 2005 |
| Conduction reproved (It dity). | VI Y | |
| • | ▼ | |





PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 29-5 22B

| Lease: | | | | А | FE #: | | | | | AFE \$: |
|----------------------|--------------|----------------|-----------|--------------|--|-------|------------------------|-----------------------------|--|--|
| Field Name: hPH | ILLIPS 29-5 | | Rig: | | | | State: | NM Coun | ty: RIO ARRIBA | API #: |
| Geoscientist: Gla | ser, Terry J | | Phone: | (832)486-23 | 332 | Prod. | . Engineer: | Moody, Ci | raig E. | Phone: (281) 293 - 6559 |
| Res. Engineer: Jo | hnson, Tom | В. | Phone: | (832)-486-2 | 347 | Proj. | Field Lead: | | | Phone: |
| eginary Oscat | ve (Zones) | | | | ja julia | | 1.00 | | | |
| Zone | Zone Nam | ne | | | | | | | | |
| RON | BLANCO M | MESAVERDE (P | RORATE | D GAS) | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Location, School | e e | | | | | | | | | Stadin Tole |
| Latitude: 36.75 | Long | itude: -107.39 | Х | : | | Y: | 200 | Sect | ion: 8 | Range: 5W |
| Footage X: 895 F | WL Foota | age Y: 140 FNL | . Е | levation: 66 | 01 | (FT) | Township: | 29N | A.**1.11 | |
| Tolerance: | | | | | | | | | | |
| Location Type: Su | mmer Only | | Start Da | te (Est.): | | Co | mpletion Da | te: | Date In (| Operation: |
| Formation Data: | Assume KB | 3 = 6614 L | Jnits = F | T | | | | | | |
| Formation Call & | | Depth | SS | Depletion | BHP | T | T | | | |
| Casing Points | . <u></u> | (TVD in Ft) | (Ft) | (Yes/No) | (PSIG) | BHT | | | Remarks | |
| SURFACE CSG | | 213 | 6401 | | | | 12 1/4" H cement to | ole. 9 5/8" surface. | 32.3 ppf, H-40, S | TC casing. Circulate |
| NCMT | | 1434 | 5180 | | | | | | | |
| MACO | | 2714 | 3900 | | | | Possible w | ater flows. | | |
| KRLD | | 2864 | 3750 | | | | | | | |
| FRLD | | 3204 | 3410 | | | | Possible g | as. | | |
| PCCF | | 3554 | 3060 | Н | | | | | | |
| LEWS | ~ | 3854 | 2760 | | | | 0 2 /시키 되지 | a 7" 20 n | nf lee etc cod | ing Circulate compaths |
| Intermediate Casing | 9 | 3954 | 2660 | | | | surface. | e. 7,20 p | pi, 1-55, 51C Casi | ing. Circulate cement to |
| CHRA | | 4559 | 2055 | | | | | | | |
| CLFH | | 5419 | 1195 | | | | Gas; possi | bly wet | | |
| MENF | | 5464 | 1150 | | | ٠ | Gas. | | | |
| PTLK | | 5729 | 885 | | 2000 | | Gas. | - 41(0): 4 | 10 = 11 /6 3 = = | TO 100 00 10 |
| Total Depth | | 6079 | 535 | U | | | cement a | e. 4-1/2", 1 minimum of | 10.5 lb/π, J-55, Si f 100' inside the p | TC casing. Circulate revious casing string. No |
| | · | | | | | | open hole | logs. Case | d hole TDT to 150 |)' above the Ojo Alamo & |
| / Reserve je a Weste | | | | | | 1 | GR to Suri | ace, CDL (C | 250' above top o | or cement. |
| Reference Type | | | | Comments | ************************************** | | | | | |
| | | | | | | | | | | |
| Legging Progran | | | | e di interna | | 11.1 | 1.039 | | determination | |
| Intermediate Logs: | Log on | ly if show | GR/ILD | Triple (| Combo | | | | | |
| | | | | | - | | | | | |
| TD Logs: | ☐ Triple (| Combo 🔲 Dir | meter | □ RFT □ | Sonic [| 7 VSP | ✓ TDT I | Other | | , |
| | Cement Bo | | | | 25.110 | | | | | |
| Additional Informat | | - | | | | | | · · · · · · · · · | · | |
| , adicolor throritie | CI | | | | | | | • | | |
| Log Type | Stage | From (| Ft) | To (Ft) | | Tool | Type/Name | | Remarks | |

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PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 29-5 22B

Comments: General/Work Description -

Drilling Mud Program:

Surface: Spud Mud.
Intermediate: Fresh water mud with bentonite and polymer as needed.

Below intermediate: Air drilling media.

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San Juan 29-5 # 22B Halliburton Cementing Program

SURFACE CASING:

| Drill Bit Diameter | 12.25 | | |
|-------------------------|-------|---------|---------------------------|
| Casing Outside Diameter | 9.625 |]" | Casing Inside Diam. 9.001 |
| Casing Weight | 32.3 | ppf | |
| Casing Grade | H-40 | } | |
| Shoe Depth | 230 |]' | |
| Cement Yield | | cuft/sk | |
| Cement Density | 15.6 | lb/gal | |
| Excess Cement | 125 | % | • |
| Cement Required | 140 | sx | |
| | | | |

SHOE

230 ', 9.625 ", 32.3 ppf, H-40 STC

INTERMEDIATE CASING:

| Drill Bit Diameter Casing Outside Diameter Casing Weight | 8.75 7 20 J-55 | " Casing Inside Diam. 6.456" ppf |
|--|-------------------------|-------------------------------------|
| Casing Grade Shoe Depth | 3954 | |
| Lead Cement Yield | | cuft/sk |
| Lead Cement Density | 11.5 | lb/gal |
| Lead Cement Excess | 150 | % |
| Tall Cement Length | 790.8 | i]' |
| Tail Cement Yield | 1.33 | cuft/sk |
| Tail Cement Density | 13.5 | ib/gal |
| Tail Cement Excess | 150 | % |
| Lead Cement Required | 397 |]sx |
| Tail Cement Required | 231 |]sx |
| | | |

SHOE

3954 ',

7 ".

20 ppf,

J-55 STC

PRODUCTION CASING:

| Drill Bit Diameter | 6.25 " |
|-------------------------|--------------------------------------|
| Casing Outside Diameter | 4.5 " Casing Inside Diam. 4.000" |
| Casing Weight | 10.5 ppf |
| Casing Grade | J-55 |
| Top of Cement | 3754 200' inside intermediate casing |
| Shoe Depth | 6079 |
| Cement Yield | 1.45 cuft/sk |
| Cement Density | 13.1 lb/gal |
| Cement Excess | 50 % |
| Cement Required | 242 sx |

SAN JUAN 29-5 #22B

| 0 | P ⁻ | ΓI | \cap | N | 1 |
|---|----------------|----|--------|---|---|
| | | | | | |

| | OI HOIV | | | | |
|----------------|----------------------|-------------|--|--|--|
| | 9-5/8 Surface Casing |] | | | |
| | Standard Cement | | | | |
| Cement Recipe | + 3% Calcium Chlori | ide | | | |
| • | + 0.25 lb/sx Flocele | | | | |
| Cement Volume | 140 | SX | | | |
| Cement Yield | 1.21 | cuft/sx | | | |
| | 171.5 | cuft | | | |
| Slurry Volume | 30.6 | bbls | | | |
| Cement Density | 15.6 | ppg | | | |
| Water Required | 5.29 | 5.29 gal/sx | | | |
| Water Required | 5.29 | gal/sx | | | |

| | 7" Intermediate Casin | g |
|-----------------|-----------------------|---------|
| | Lead Slurry | |
| | Standard Cement | |
| Cement Recipe | + 3% Econolite (exte | ender) |
| | + 10 lb/sx Pheno Se | al |
| Cement Required | 397 | SX |
| Cement Yield | 2.88 | cuft/sx |
| | 1143.0 | cuft |
| Slurry Volume | 203.6 | bbls |
| Cement Density | 11.5 | ppg |
| Water Required | 16.85 | gal/sx |

| | 7" Intermediate Casin | 9 | | | | |
|-----------------|-----------------------|----------------|--|--|--|--|
| | Tail Slurry | | | | | |
| | 50 / 50 POZ:Standar | rd Cement | | | | |
| Cement Slurry | + 2% Bentonite | + 2% Bentonite | | | | |
| | + 6 lb/sx Pheno Seal | | | | | |
| Cement Required | 231 | SX | | | | |
| Cement Yield | 1.33 | cuft/sx | | | | |
| | 306.9 | cuft | | | | |
| Slurry Volume | 54.7 | bbls | | | | |
| Cement Density | 13.5 | ppg | | | | |
| Water Required | 5.52 | gal/sx | | | | |

| | 4.4/0" Production Cooing | | | | | | |
|-----------------|---------------------------------------|--|--|--|--|--|--|
| | 4-1/2" Production Casing | | | | | | |
| Cement Recipe | 50 / 50 POZ:Standard Cement | | | | | | |
| | + 3% Bentonite | | | | | | |
| | + 3.5 lb/sx PhenoSeal | | | | | | |
| | + 0.2% CFR-3 Friction Reducer | | | | | | |
| | + 0.1% HR-5 Retarder | | | | | | |
| | + 0.8% Halad(R)-9 Fluid Loss Additive | | | | | | |
| Cement Quantity | 242 sx | | | | | | |
| Cement Yield | 1.45 cuft/sx | | | | | | |
| 0 | 350.6 cuft | | | | | | |
| Cement Volume | 62.4 | | | | | | |
| Cement Density | 13.1 ppg | | | | | | |
| Water Required | 6.55 gal/sx | | | | | | |

OPTION 2

| | 9-5/8 Surface Casing | , | |
|----------------|-------------------------------------|---------|--|
| Cement Recipe | Class G Cement | | |
| | + 3% S001 Calcium Chloride | | |
| | + 0.25 lb/sx D029 Cellophane Flakes | | |
| Cement Volume | 148 | sx | |
| Cement Yield | 1.16 | cuft/sx | |
| Cement Volume | 171.5 | cuft | |
| Cement Density | 15.8 | ppg | |
| Water Required | 4.983 | gal/sx | |

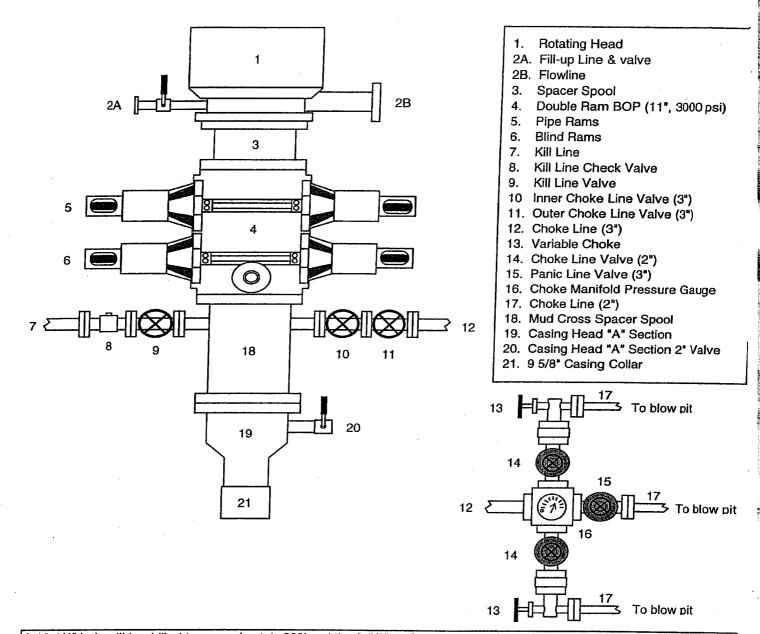
| | 7" Intermediate Casin | g | |
|-----------------|-------------------------------------|---------|--|
| | Lead Slurry | | |
| Cement Recipe | Class G Cement | | |
| | + 0.25 lb/sx D029 Cellophane Flakes | | |
| | + 3% D079 Extender | | |
| | + 0.20% D046 Antifoam | | |
| | + 10 lb/sx Pheno Seal | | |
| Cement Required | 420 | SX | |
| Cement Yield | 2.72 | cuft/sx | |
| Slurry Volume | 1143.0 | cuft | |
| | 203.6 | bbls | |
| Cement Density | 11.7 | ppg | |
| Water Required | 15.74 | gal/sx | |

| | 7" Intermediate Casin | g | |
|-----------------|-------------------------------------|---------|--|
| | Tail Slurry | | |
| Cement Slurry | 50 / 50 POZ:Class G Cement | | |
| | + 0.25 lb/sx D029 Cellophane Flakes | | |
| | + 2% D020 Bentonite | | |
| | + 1.5 lb/sx D024 Gilsonite Extender | | |
| | + 2% S001 Calcium Chloride | | |
| | + 0.10% D046 Antifoam | | |
| | + 6 lb/sx Pheno Sea | | |
| Cement Required | 0 | SX | |
| Cement Yield | 234 | cuft/sx | |
| Slurry Volume | 0.0 | cuft | |
| | 306.9 | bbls | |
| Cement Density | 54.7 | ppg | |
| Water Required | 5.317 | gal/sx | |

| 4.4/01 D / / / / | | | | |
|--------------------------|-------------------------------------|---------|--|--|
| 4-1/2" Production Casing | | | | |
| Cement Recipe | 50 / 50 POZ:Class G Cement | | | |
| | + 3% D020 Bentonite | | | |
| | + 1.0 lb/sx D024 Gilsonite Extender | | | |
| | + 0.25 lb/sx D029 Cellophane Flakes | | | |
| | + 3.5 lb/sx PhenoSeal | | | |
| | + 0.25% D167 Fluid Loss | | | |
| | + 0.15% D065 Dispersant | | | |
| | + 0.1% D046 Antifoamer | | | |
| | | | | |
| Cement Quantity | 245 | sx | | |
| Cement Yield | 1.43 | cuft/sx | | |
| Cement Volume | 350.6 | cuft | | |
| | 62.4 | | | |
| Cement Density | 13 | ppg | | |
| Water Required | 6.51 | gal/sx | | |

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing



A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 minutes and to 1000 psi (high pressure test) for 10 minutes. Then the test plug will be removed, and the 9-5/8" casing will be pressure tested against closed blind rams to 200 psi to 300 psi for 10 minutes and to 1000 psi for 30 minutes (this value is one 44% of the minimum internal yield pressure of the 9-5/8" casing). (Note: per regulatory requirements we will wait on cement at least 8 hrs after placement before testing the 9-5/8" surface casing). Then an 8-3/4" hole will be drilled to intermediate casing point and 7" intermediate casing will be run and cemented.

In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

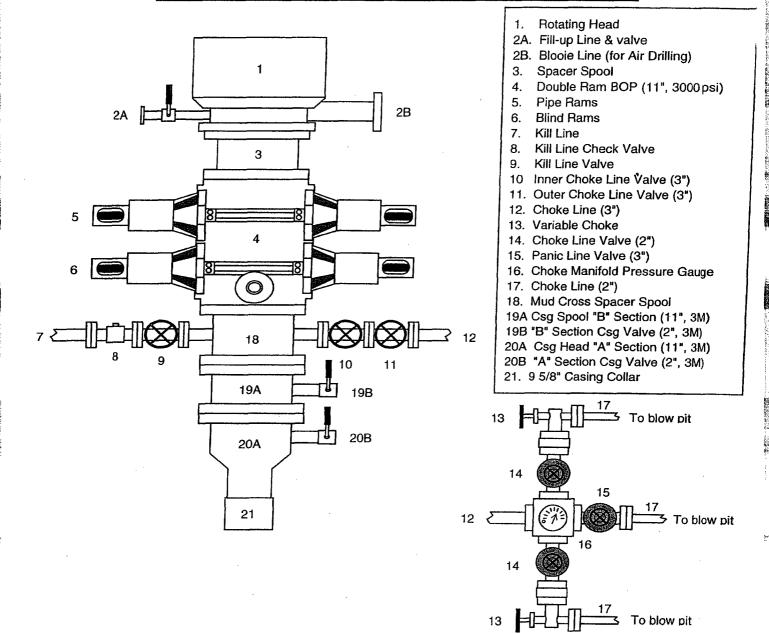
- 1. Upper Kelly cock Valve with handle
- 2. Stab-in TIW valve for all drillstrings in use

Revision Date: September 1, 2004

1

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



After the 7" intermediate casing has been run and cemented, the Casing Spool ("B" Section) will be installed on the wellhead ("A" Section) and the BOP will be installed on the Casing Spool. A test plug will be set in the wellhead and the pipe rams, blind rams, and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 minutes and to 3000 psi (high pressure test) for 10 minutes. Then the test plug will be removed and the 7" casing will be pressure tested against closed blind rams to 200 psi to 300 psi for 10 minutes and to 1800 psi for 30 minutes - this test pressure is 48% of the minimum internal yield strength of 3740 psi for the 7", 20#, J-55, STC casing. Then we will air drill the 6-1/4" hole to TD and run and cement the 4-1/2" casing.

In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

- 1. Upper Kelly cock Valve with handle
- 2. Stab-in TIW valve for all drillstrings in use

| Property: SAN JUAN 29-5 UNIT | | | | Well # | • | 22B | | |
|------------------------------|---------|------------------|-------------------|--------|---------|----------|------|-------|
| Surface Loc | cation: | | | | | | | |
| Unit:D | Secti | on: <u>8</u> Tov | vnship:_ | 29N | _Range: | 5W | | |
| County: Rio Arriba | | | State: New Mexico | | | | | |
| Footsge | 140 | from the | North | line | 895 | from the | West | line. |

CATHODIC PROTECTION

ConocoPhillips (COP) proposes to drill a cathodic protection deep well groundbed for the subject well. COP will drill a hole vertically at the surface large enough to accommodate 20 feet of 8 inch diameter PVC pipe for surface casing to assist in further drilling and loading. Casing may be cemented in place for stability if needed. COP will drill a 6-7/8" hole to an anticipated minimum depth of 300' (maximum depth of 500'). Cement plugs will not be used unless more than one water zone is encountered. Prior drilling history for the area indicates only one zone to that depth. If more than one water zone is encountered, notification will be made and details of cement and casing will be provided.

All drilling activity will remain on the existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.