State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division

New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: 12/10/12
Well information;
Operator Burlington, Well Name and Number Thompson 10N

API# 30-045-35501, Section 27, Township 31 (N)S, Range 12 E(W)

Conditions of Approval:
(See the below checked and handwritten conditions)

- ✓ Notify Aztec OCD 24hrs prior to casing & cement.
- o Hold C-104 for directional survey & "As Drilled" Plat
- o Hold C-104 for NSL, NSP, DHC
- o Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- o Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
  - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
  - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
  - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- o Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- o Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils

Charlie Perrin
NMOCD Approved by Signature

4-17-2014
Date AV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
DEC 11 2012
Farmington Field Office
Bureau of Land Management

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL

5. Lease Number
NM-01614
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

RCVD APR 9 '14
OIL CONS. DIV.

3. Address & Phone No. of Operator
PO Box 4289, Farmington, NM 87499

(505) 326-9700

8. Farm or Lease Name
THOMPSON

DIST. 3

9. Well Number
10N

4. Location of Well
Surface: Unit F(SE/NW), 1585' FNL & 2120' FWL

Surface: Latitude: 36.872882° N (NAD83)
Longitude: 108.087445° W

10. Field, Pool, Wildcat
BASIN DK / BLANCO MV

11. Sec., Twn, Rge, Mer. (NMPM)
Sec. 27, T31N, R12W

API # 30-045-35501

14. Distance in Miles from Nearest Town
7.0 miles from Flora Vista, NM

12. County
San Juan

13. State
NM

15. Distance from Proposed Location to Nearest Property or Lease Line
1585'

16. Acres in Lease
2,560.000

17. Acres Assigned to Well
DK 320.00 ACRES N/2
MV 320.00 ACRES N/2

18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease
1174' from BROG / THOMPSON # 10 (MV)

19. Proposed Depth
7259'

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

20. Rotary or Cable Tools
Rotary

21. Elevations (DF, FT, GR, Etc.)
6193' GL

22. Approx. Date Work will Start
DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

23. Proposed Casing and Cementing Program
See Operations Plan attached

24. Authorized by: Marie E. Jaramillo (Staff Regulatory Tech) 12/10/12
Date

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE AFM DATE 4/7/14

Archaeological Report attached
Threatened and Endangered Species Report attached
A gas recovery unit may or may not be used on this location.

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 NMB-000015 and NMB-000089**

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

NMOCD

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

DISTRICT II
1301 West 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

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

Form C-102 Revised
July 16, 2010
Submit one copy to appropriate
District Office

RECEIVED
DEC 11 2012
Farmington Field Office
Bureau of Land Management

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-35501	71599/72319	BASIN DAKOTA/BLANCO MESAVERDE

[4] Property Code	[5] Property Name	[6] Well Number
18628	THOMPSON	10N

[7] OGRID No.	[8] Operator Name	[9] Elevation
14538	BURLINGTON RESOURCES OIL & GAS COMPANY LP	6193'

[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
F	27	31-N	12-W		1585	NORTH	2120	WEST	SAN JUAN

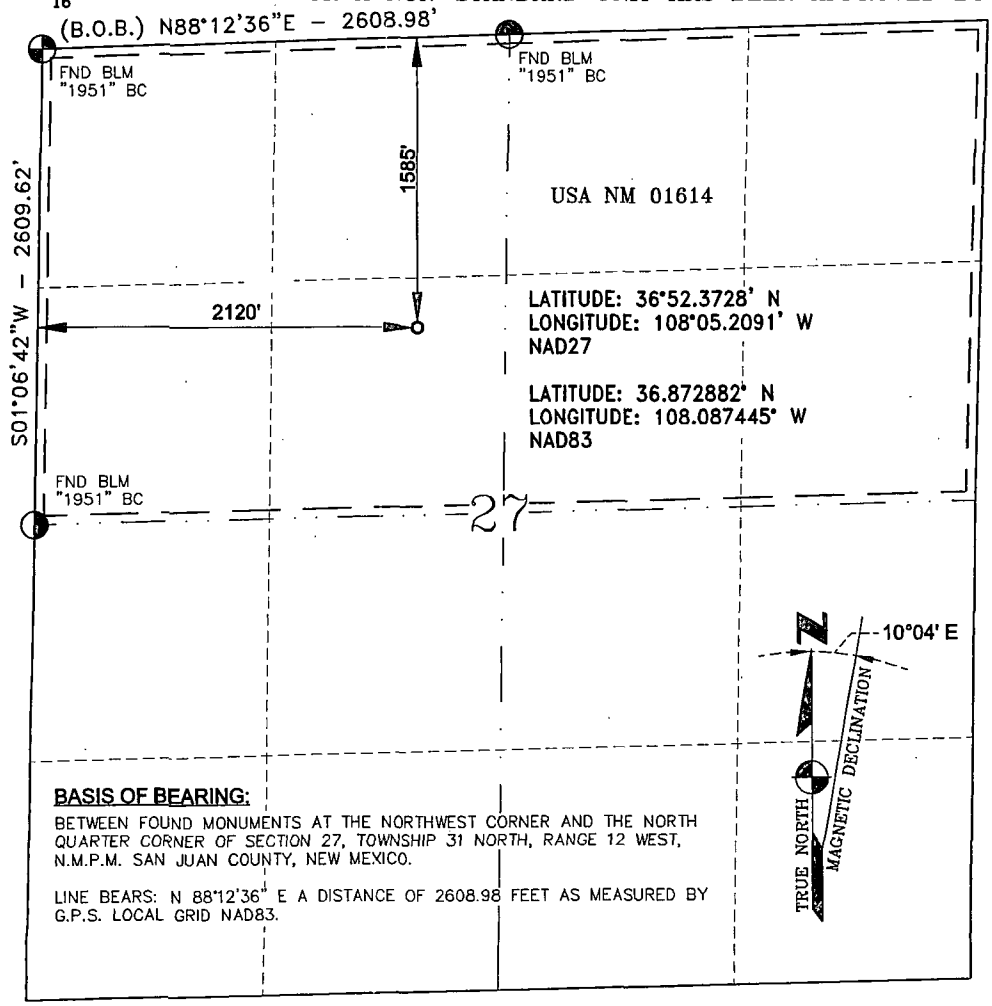
[11] Bottom Hole Location If Different From Surface

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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
DK 320.00 ACRES N/2 MV 320.00 ACRES N/2			

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



BASIS OF BEARING:

BETWEEN FOUND MONUMENTS AT THE NORTHWEST CORNER AND THE NORTH QUARTER CORNER OF SECTION 27, TOWNSHIP 31 NORTH, RANGE 12 WEST, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO.

LINE BEARS: N 88°12'36" E A DISTANCE OF 2608.98 FEET AS MEASURED BY G.P.S. LOCAL GRID NAD83.

[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 a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Arleen Kellywood 4/15/11

Signature Date

Arleen Kellywood

Printed Name

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.

APRIL 13, 2011

Date of Survey

Signature and Seal of Professional Surveyor:

GLEN W. RUSSELL NEW MEXICO 15703 LICENSED PROFESSIONAL SURVEYOR

GLEN W. RUSSELL

Certificate Number 15703

ConocoPhillips

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

THOMPSON 10N **DEVELOPMENT**

Lease:	AFE #: WAN.CDR.1010			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
RON	BLANCO MESAVERDE (PRORATED GAS)
FRR	BASIN DAKOTA (PRORATED GAS)

Location: Surface	Datum Code: NAD 27				**Straight Hole**
Latitude: 36.872880	Longitude: -108.086818	X:	Y:	Section: 27	Range: 012W
Footage X: 2120 FWL	Footage Y: 1585 FNL	Elevation: 6193 (FT)	Township: 031N		
Tolerance:					

Location Type: Year Round Start Date (Est.): 1/1/2015 Completion Date: Date In Operation:

Formation Data: Assume KB = 6208 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	MD (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
NACIMIENTO	15	6193		☐			Ground water @ md: 80', ss: 5950 2 miles away Taliaferro 4E.
Surface Casing	200	6008		☐		56	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	969	5239		☐			
KIRTLAND	1035	5173		☐		73	
FRUITLAND	1976	4232		☐			Possible Gas
PICTURED CLIFFS	2599	3609		☐	909		
LEWIS	2758	3450		☐		107	
HUERFANITO BENTONITE	3333	2875		☐			
CHACRA	3695	2513		☐			
UPPER CLIFF HOUSE	4043	2165		☐		137	Gas
MASSIVE CLIFF HOUSE	4243	1965		☐	582		Gas
MENEFEE	4350	1858		☐			Got wet in East 5B last 30' (31n 12w 24), Trying to get wet in Federal G 1M (31n 12w 35)
Intermediate Casing	4500	1708		☐		139	8 3/4" Hole. 7", 20/23 ppf, J-55, STC/LTC Casing. Cement with 1014 cuft. Circulate cement to surface.
POINT LOOKOUT	4933	1275		☐			
MANCOS	5283	925		☐			
UPPER GALLUP	6226	-18		☐		177	
GREENHORN	6968	-760		☐			
GRANEROS	7024	-816		☐			
TWO WELLS	7085	-877		☐	2054	194	Gas
PAGUATE	7150	-942		☐			Gas
LOWER CUBERO	7184	-976		☐			Gas - Bottom perf ~-1036 (~60' below top cbrl) base on offset well.
Total Depth	7259	-1051		☐		196	6-1/4" hole, 4-1/2" 11.6 ppf, L-80, LTC casing. Cement w/ 380 cuft. Circulate cement a minimum of 100' inside the previous casing string.

Printed on: 12/7/2012 8:14:12 AM

ConocoPhillips

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

THOMPSON 10N **DEVELOPMENT**

BURRO CANYON	7308	-1100	☐	Got wet in Federal G 1N (31n 12w 35)
MORRISON	7333	-1125	☐	199

Reference Wells:

Reference Type	Well Name	Comments
Production	THOMPSON 10	

Logging Program:

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

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT ☑ Other

GR/CBL.
Mud log ~100' above Gallup down to TD.
Mudlogger will call TD.
Bottom perf ~15' above TD.

Additional Information:

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

6. Construction Materials

Most of the construction materials will be obtained from the location site. The fill dirt that will be used during construction for the berms around production tanks and for the padding for pipe as well as the gravel to use on the berms and around production facilities will come from one of the four listed companies below. The construction material that will be brought in could be $\frac{3}{4}$" rock or $\frac{3}{4}$" road base and good fill dirt.

Sky Ute Sand and Gravel
Four Corners Materials
Foutz & Bursum gravel pit
Paul & Sons
or Gosney and Son Construction

7. Methods for Handling Waste

A. The drill cuttings, drill water and completion fluids will be placed in a lined reserve pit, if required. The reserve pit will be fenced on three sides away from the pad during drilling and the fourth side fenced as soon as the rig moves out. The reserve pit will be allowed to dry or the free fluids will be removed or the free fluids may be trucked and reused in drilling operations or trucked to an approved disposal facility as indicated in Burlington Drilling / Workover Pit Closure Procedure dated August 2, 2004 on file at the NMOCD office in Aztec, NM.
B. All garbage and trash will be hauled away by Burlington to an approved landfill.
C. Chemical toilets will be provided and maintained during drilling operations and construction activity.
D. Any brush, small trees and limbs will be used as erosion control throughout the project area as discussed during the BLM on-site.

8. Ancillary Facilities

Plans are to use the proposed well pad for staging the drilling and construction equipment to facilitate the drilling of the well. If we find that we need more space for staging we will us the temporary use area indicated on the topo map. Any temporary use area will be returned to the same or better condition than before operations began. This location may be used for staging purposes for any other operation as needed.

9. Well Site Layout

A. Drilling Operations - The Plat 1 Map shows the location and orientation of the proposed drill pad; includes reserve pit / blooie line/ flare pit location, access road entry points and any obvious topographic features. The orientation of the drilling rig is indicated by the wellhead and will be between the anchors as indicated on the diagram.
B. The well layout for the production phase of the well is indicated on the Site Facility Diagram attached. Proposal 1 works for approximately 80% of our locations, but proposal 2 may be used on a coal wells for safety reasons. Production equipment will be painted Juniper Green or Tan.

10. Plans for Surface Restoration

The area of construction will be cleared and grubbed using adequate equipment and processes. Stockpile areas will be cleared, grubbed, and leveled before placement of stockpile. Topsoil will be identified, stockpiled, and protected from erosion effects in the best manner possible. Mixing of the subsoil and topsoil will be kept to a minimum through the proper selection of equipment, short pushing, or handling through pick and carry

method. Topsoil will be stockpiled in the construction zone for later use in reclamation with quantities large enough to complete interim and final reclamation. Removal and stockpiling of topsoil will only be accomplished in conditions and weather that promote maintaining the integrity of the topsoil. Proper drainage control will be accomplished on all stockpiles and stockpiles delineated.

In all instances Burlington will try to minimize any areas of disturbance. Minimization of disturbance will be accomplished through sound construction planning and staking of proposed location. A variety of factors will always be considered while planning the construction layout of a location in order to minimize disturbances. Adequate storm water diversions will be construction to protect location after construction and minimize disturbance to natural drainage structures in place.

Pit Closures will require that pits are restored to a safe and stable condition. All liquids from pits will be removed and disposed of properly until only drilling mud and cuttings remain (see item number 7 above for more details). Solidification of the material in the pit will be accomplished using natural drying methods and mechanical stirring. All trash and debris will be removed before backfilling begins. Frozen material i.e., chunks of frozen materials will not used for backfill. All pit liners will be cut at the mud level and removed prior to backfilling. Backfilling materials generated from site will be deposited in lifts to accomplish the complete backfilling, contouring, and drainage control for both the Flare pit and the Reserve Pit. Backfill shall placed to match fit, form and line of existing terrain i.e., natural appearance.

Standard redistribution of topsoil will be accomplished using standard industry methods. The topsoil will be placed on reclamation areas with adequate depth and uniformity. Care will be taken not to compact the topsoil unnecessarily. All surfaces (not including all weather surfaces needed for production and safety) will have topsoil redistributed within a few feet of production facilities. Care will be taken not to contaminate or mix topsoil with subsoil or other foreign matter during the redistribution. Subsoil or subsurface will be prepared to accept topsoil i.e., ruts, holes, will be bladed out to smooth shape before topsoil is redistributed.

Standard location seeding will be accomplished following best industry practices. The site will be evaluated for plant community. In place topsoil will be tilled, ripped, or disked dependent upon need. Recommendations for the seasons to plant, the seed mix to be used, and the re-vegetation method will be followed. Seeding will be accomplished by drilling except in those areas where methods such as dozer track-walking followed by broadcast seeding are more practical. Seeding will be performed in conditions and seasons that are conducive to successful re-vegetation.

Topography will to the best means possible, match or blend with the topography surrounding the area, the blend as much as possible will present a seamless appearance to the surrounding environment. Fill sections will be uniform and smooth without foreign material protrusions. Re-shaping will also be functional in drainage control. Natural drainages will be unimpeded with contours to match. Water bars will be placed in areas where needed to prevent erosion on a large scale (water bars to be removed upon re-vegetation). Ditches shall direct water off working surface of location and off access roads.

BURLINGTON
RESOURCES

Operator Certification

Operator Information:

Burlington Resources Oil & Gas, LP
P.O. Box 4289
Farmington, NM 87499-4289
505-326-9700

Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provision of 18 U.S.C. 1001 for the filing of false statements.

Executed this 20 day of November, 2012.

Marie E. Jaramillo
Staff Regulatory Technician
On behalf of Heather McDaniel and Doug Elston

The person who can be contacted concerning compliance of the APD is:

Heather McDaniel,
Regulatory Supervisor
ConocoPhillips Company
P.O. Box 4289
Farmington, NM 87499-4289
505-326-9507

The Field Representative who can be contacted concerning compliance of the enclosed Surface Use Plan is:

Doug Elston,
Supt. Capital Projects
ConocoPhillips Company
P.O. Box 4289
Farmington, NM 87499-4289
505-599-4004

Directions from the Intersection of
Highway 516 & CR 3535 in Flora Vista, NM
to
BURLINGTON RESOURCES OIL & GAS COMPANY LP
THOMPSON #10N
1585' FNL & 2120' FWL,
Section 27, T31N, R12W, N.M.P.M.,
San Juan County, New Mexico
Latitude: 36° 52'22.376" N
Longitude: 108° 05'14.802" W
Nad 83

Go north on CR 3535 for 1.7 miles,
stay left (northwesterly) on CR 3536 for 2.6 miles,
turn right @ y-intersection (northeast) 1.6 miles,
turn right (southeasterly) 0.5 miles,
turn left (northeasterly) 0.4 miles,
to beginning of new access on right (east) side of the
existing well location THOMPSON #10,
from which the new access begins and continues
for 1006.56' to newly staked location.