

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

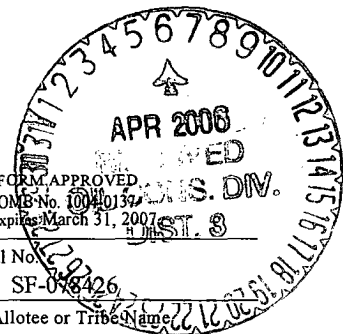
APPLICATION FOR PERMIT TO DRILL OR REENTER

2006 JAN 23 PM 4:30

RECEIVED

OTD EAST WING

FORM APPROVED
OMB No. 1040-137
Expires March 31, 2007
U.S. DIV.
DIST. 3



1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-078426
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator ConocoPhillips Company		7. If Unit or CA Agreement, Name and No. 30-039-29765
3a. Address 4001 Penbrook, Odessa, TX 79762		8. Lease Name and Well No. SAN JUAN 29-6 UNIT #60C
3b. Phone No. (include area code) 432-368-1230		9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements, *) At surface NESE 1740 FSL - 15 FEL At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area SECTION 18, T29N, R6W NMPM I
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 1840 ACRES	12. County or Parish RIO ARRIBA
17. Spacing Unit dedicated to this well 320.0 ACRES - E/2	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 5774'	13. State NM
19. Proposed Depth	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6389' GL	22. Approximate date work will start*	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service office). | 6. Such other site specific information and/or plans as may be required by the BLM~ |

25. Signature 	Name (Printed/Typed) Peggy James	Date 01/19/2006
Title Sr. Associate		

Approved by (Signature) 	Name (Printed/Typed) AFM	Date 4/9/06
Title Office FFO		

Application approval does not warrant or certify that the applicant holds legal orequitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
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.

*(Instructions on page 2)

ConocoPhillips Company proposes to drill a vertical wellbore to the Blanco Mesaverde formation. This well will be drilled and equipped in accordance with the attachments submitted herewith. This application is for APD / ROW.

NMOCD

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

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

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

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2006 JAN 23 PM 1 13 AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-039-29756	'Pool Code 72319	'Pool Name BLANCO MESAVERDE
'Property Code 31326 ✓	'Property Name SAN JUAN 29-6 UNIT ✓	'Well Number 60C ✓
'OGRID No. 217817 ✓	'Operator Name CONOCOPHILLIPS COMPANY ✓	'Elevation 6389' ✓

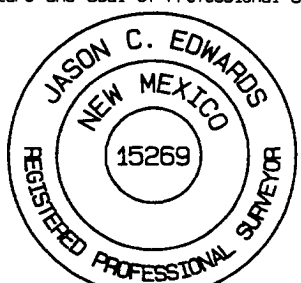
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	18	29N	6W		1740	SOUTH	15	EAST	RIO ARRIBA

¹¹Bottom 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.		
320.0 Acres — E/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	2635.38'	2635.38'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Virgil E. Chavez</u> Signature Virgil E. Chavez Printed Name Projects & Operations Lead Title <u>January 11, 2006</u> Date	
5280.00'	18	LEASE NM SF-078426 1840 acres	15' 5280.00'	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: JUNE 27, 2005 Signature and Seal of Professional Surveyor
5277.36'		LEASE FEE		 <u>JASON C. EDWARDS</u> Certificate Number 15269
		LAT: 36°43.3937' N LONG: 107°29.6875' W DATUM: NAD27	1740'	

Submit 3 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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-103

May 27, 2004

WELL API NO.

30-039-29765

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SAN JUAN 29-6 UNIT

8. Well Number 60C

9. OGRID Number 217817

10. Pool name or Wildcat

BLANCO MESAVERDE

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
ConocoPhillips Company

3. Address of Operator
4001 Penbrook, Odessa, TX 79762

4. Well Location

Unit Letter I 1740 feet from the SOUTH line and 15 feet from the EAST line
Section 18 Township 29N Range 6W NMPM RIO ARRIBA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6389' GL

Pit or Below-grade Tank Application ☒ Closure ☐

Pit type DRILL Depth to Groundwater 60' Distance from nearest fresh water well 7,080' Distance from nearest surface water 340'
Liner Thickness: 12 mil Below-Grade Tank: Volume 4400 bbls; Construction Material SYNTHETIC

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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.

The pit will be constructed and closed in accordance with Rule 50 and as per COPC June 2005 General Pit Plan on file with the NMOCD. See the attached diagram that details the location of the pit in reference to the proposed wellhead. The drill pit will be lined. The drill pit will be closed after the well has been completed

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 Peggy James TITLE Sr. Associate DATE 01/19/2006

Type or print name

E-mail address peggy.s.james@conocophillips.com:

Telephone No.: (432)368-1230

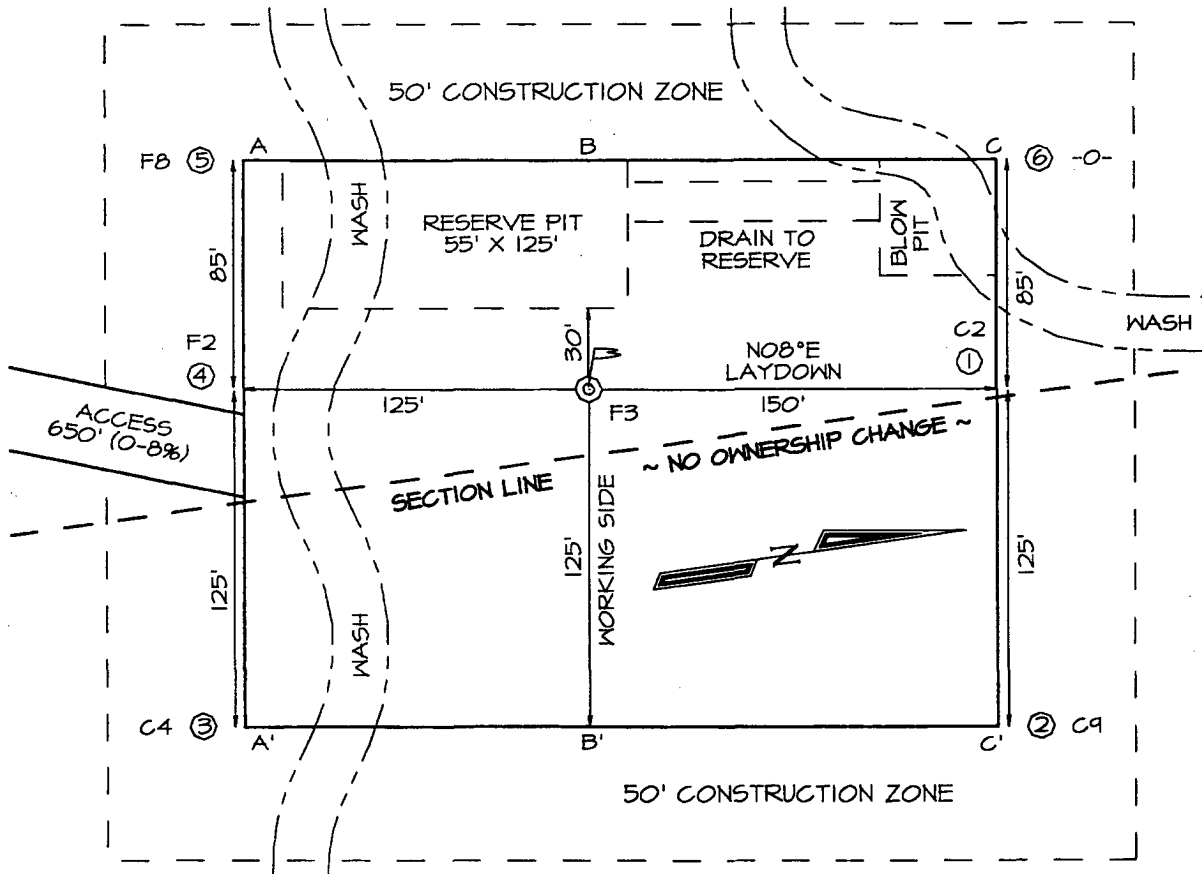
For State Use Only

APPROVED BY: TITLE DEPUTY OIL & GAS INSPECTOR, DIST. III DATE APR 06 2006

Conditions of Approval (if any):

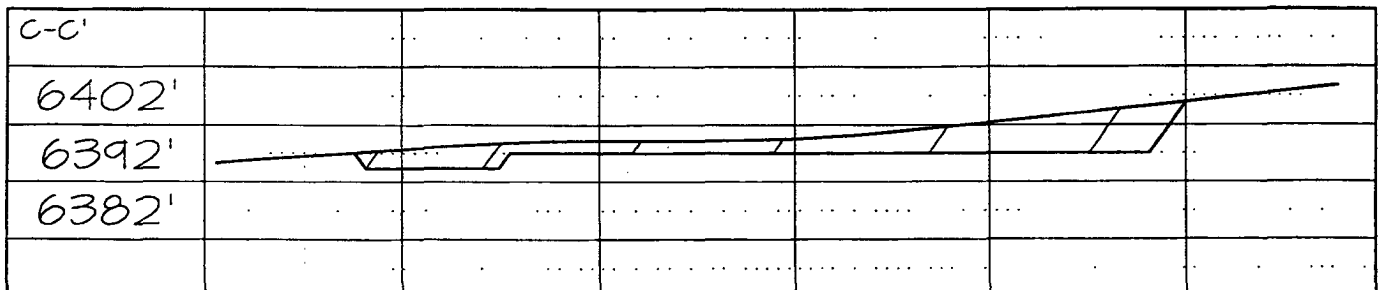
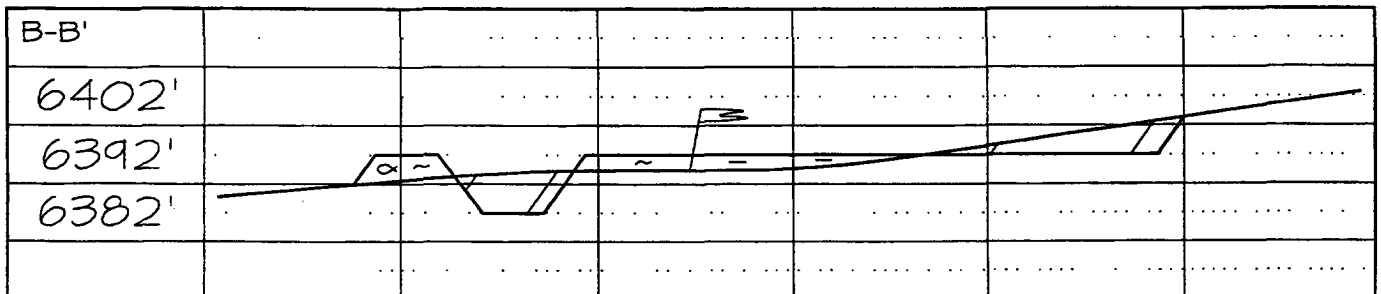
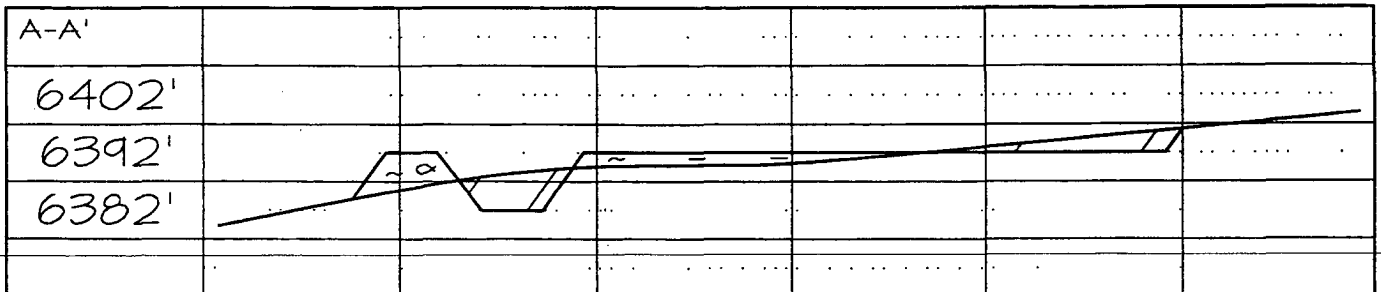
CONOCOPHILLIPS COMPANY SAN JUAN 29-6 UNIT #60C
1740' FSL & 15' FEL, SECTION 18, T29N, R6W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6389'

LATITUDE: 36.72323° N
LONGITUDE: 107.49479° W
 DATUM: NAD1927



PLAT NOTE:

SURFACE OWNER
 Bureau of Land
 Management



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 29-6 60C

Lease:		AFE #: WAN.CNV.6106		AFE \$:	
Field Name: 29-6		Rig: H&P 281		State: NM County: RIO ARRIBA	
Geoscientist: Glaser, Terry J		Phone: (832)486-2332		Prod. Engineer: Moody, Craig E. Phone: 486-2334	
Res. Engineer: Hensley, Dan E		Phone: 832-486-2385		Proj. Field Lead: Fransen, Eric E. Phone:	

Primary Objective (Zones):

Zone	Zone Name
RON	BLANCO MESAVERDE (PRORATED GAS)

Location: Surface Straight Hole

Latitude: 36.72	Longitude: -107.49	X:	Y:	Section: 18	Range: 6W
Footage X: 15 FEL		Footage Y: 1740 FSL		Elevation: 6389 (FT)	Township: 29N

Tolerance:

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

Formation Data: Assume KB = 6404 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	215	6189	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1214	5190	<input type="checkbox"/>			
CJAM	2384	4020	<input type="checkbox"/>			Possible water flows.
KRLD	2524	3880	<input type="checkbox"/>			
FRLD	2994	3410	<input type="checkbox"/>			Possible gas.
PCCF	3284	3120	<input type="checkbox"/>			
LEWS	3484	2920	<input type="checkbox"/>			
Intermediate Casing	3584	2820	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4244	2160	<input type="checkbox"/>			
CLFH	5009	1395	<input type="checkbox"/>			Gas; possibly wet
MENF	5099	1305	<input type="checkbox"/>			Gas.
PTLK	5424	980	<input type="checkbox"/>			Gas.
TOTAL DEPTH MV	5774	630	<input type="checkbox"/>			6-1/4" Hole. 4-1/2", 10.5 ppf, J-55, STC casing. Circulate cement a minimum of 100' inside the previous casing string. No open hole logs. Cased hole TDT with GR to surface.

Reference Wells:

Reference Type	Well Name	Comments
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Logging Program:

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

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☒ TDT

Additional Information:

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks
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PROJECT PROPOSAL - New Drill / Sidetrack**SAN JUAN 29-6 60C**

Comments: Zones - Drill and equip the SAN JUAN 29-6 60C well as an 80-acre Mesaverde/Lewis infill well, to be located 10 FEL & 2300 FSL of Section 18-T29N-R6W, Rio Arriba County, NM. Once established and adequately tested, production will be from Mesaverde/Lewis only.

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist drilling media with foamer, polymer, & corrosion inhibitor as needed

Centralizer Program:

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints

Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

General/Work Description - Drill and equip the SAN JUAN 29-6 60C well as an 80-acre Mesaverde/Lewis infill well, to be located 10 FEL & 2300 FSL of Section 18-T29N-R6W, Rio Arriba County, NM. Once established and adequately tested, production will be from Mesaverde/Lewis only.

San Juan 29-6 #60C
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	235'	
Cement Yield	123	cuft/sk
Excess Cement	125	%
Cement Required	141	sx

SHOE 235 ', 9.625 ", 32.3 ppf, H-40 STC

INTERMEDIATE CASING :

Drill Bit Diameter	8.75"	
Casing Outside Diameter	7"	Casing Inside Diam. 6.456"
Casing Weight	20	ppf
Casing Grade	J-55	
Shoe Depth	3584'	
Lead Cement Yield	288	cuft/sk
Lead Cement Excess	150	%
Tail Cement Length	746.8'	
Tail Cement Yield	133	cuft/sk
Tail Cement Excess	150	%
Lead Cement Required	357	sx
Tail Cement Required	210	sx

SHOE 3584 ', 7 ", 20 ppf, J-55 STC

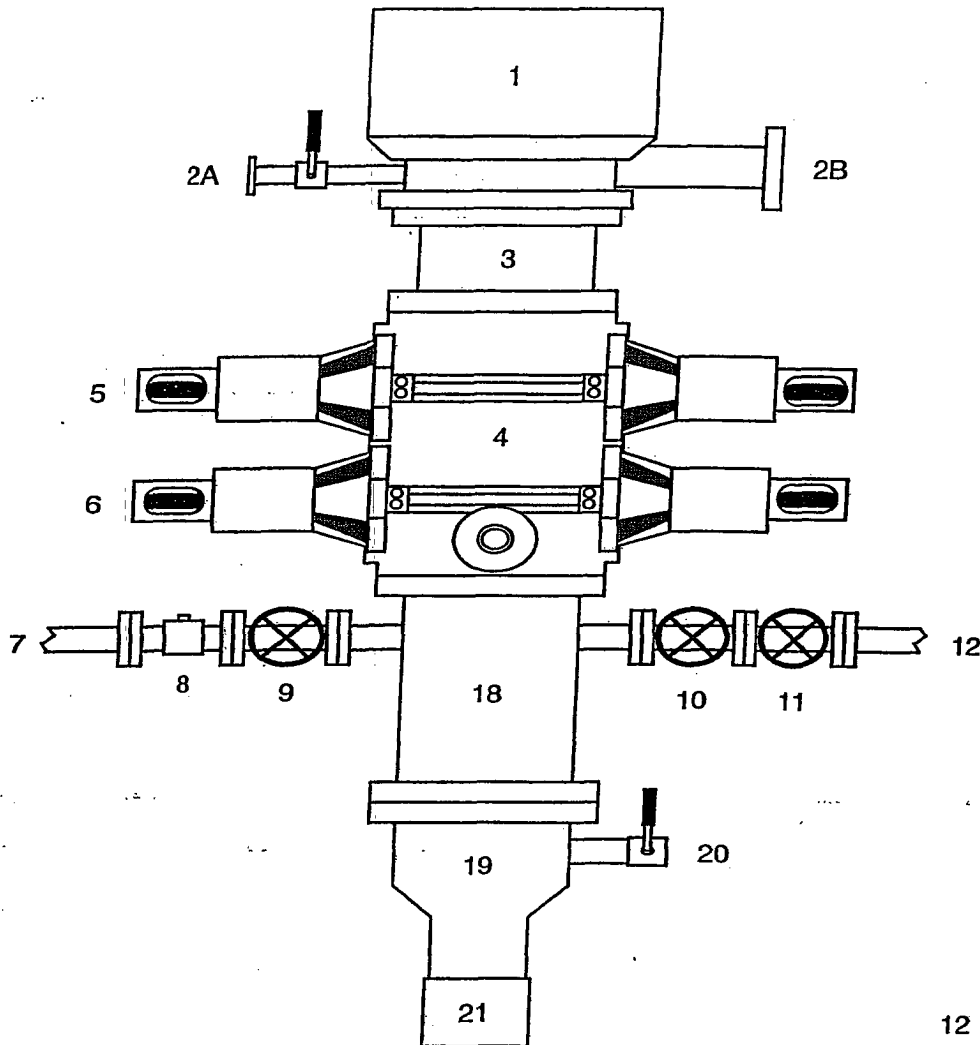
PRODUCTION CASING :

Drill Bit Diameter	6.25"	
Casing Outside Diameter	4.5"	Casing Inside Diam. 4.052"
Casing Weight	10.5	ppf
Casing Grade	J-55	
Top of Cement	3884'	200' inside intermediate casing
Shoe Depth	5774'	
Cement Yield	145	cuft/sk
Cement Excess	50	%
Cement Required	249	sx

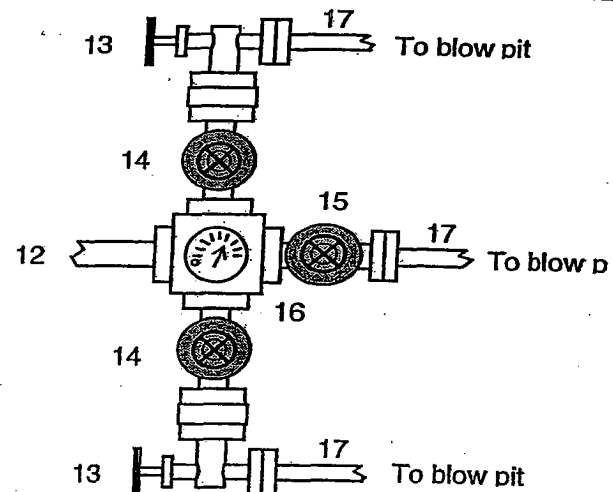
SHOE 5774 ', 4.5 ", 10.5 ppf, J-55 STC

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

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



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Flowline
3. Spacer Spool
4. Double Ram BOP (11", 3000 psi)
5. Pipe Rams
6. Blind Rams
7. Kill Line
8. Kill Line Check Valve
9. Kill Line Valve
10. Inner Choke Line Valve (3")
11. Outer Choke Line Valve (3")
12. Choke Line (3")
13. Variable Choke
14. Choke Line Valve (2")
15. Panic Line Valve (3")
16. Choke Manifold Pressure Gauge
17. Choke Line (2")
18. Mud Cross Spacer Spool
19. Casing Head "A" Section
20. Casing Head "A" Section 2" Valve
21. 9 5/8" Casing Collar

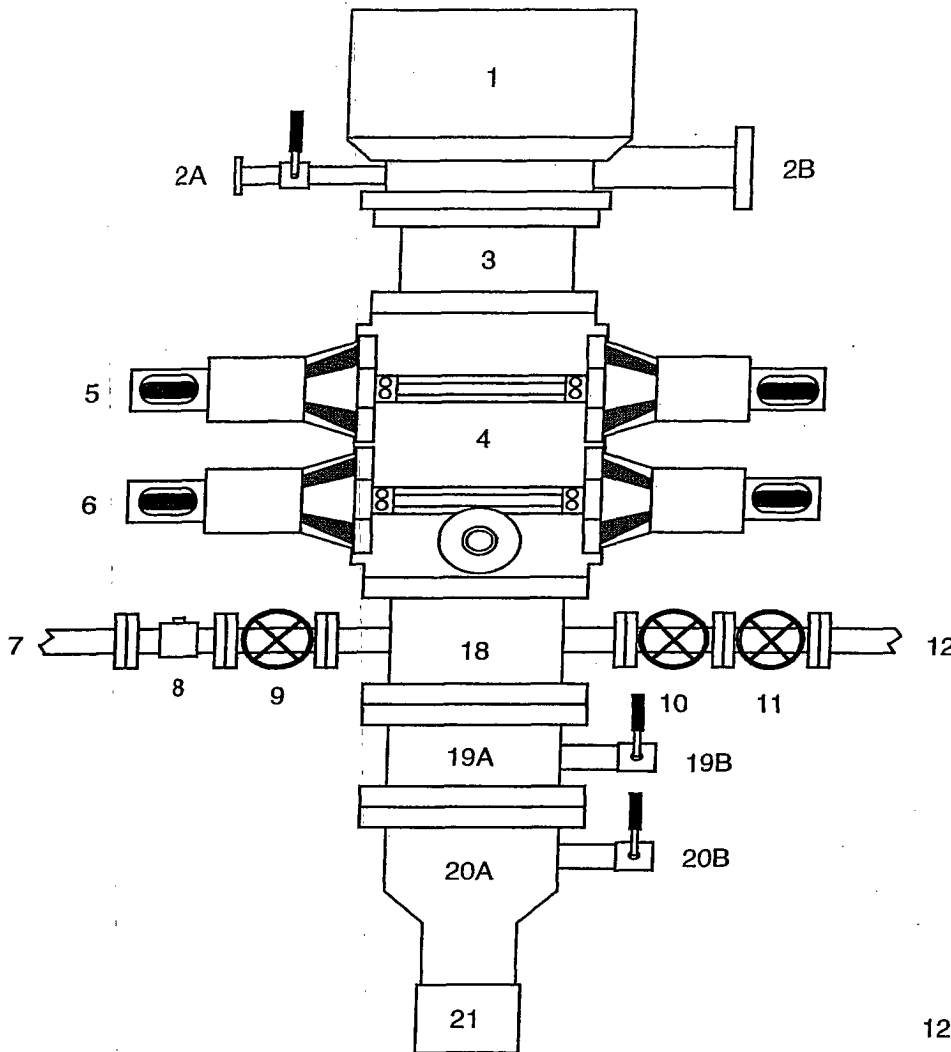


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe 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.

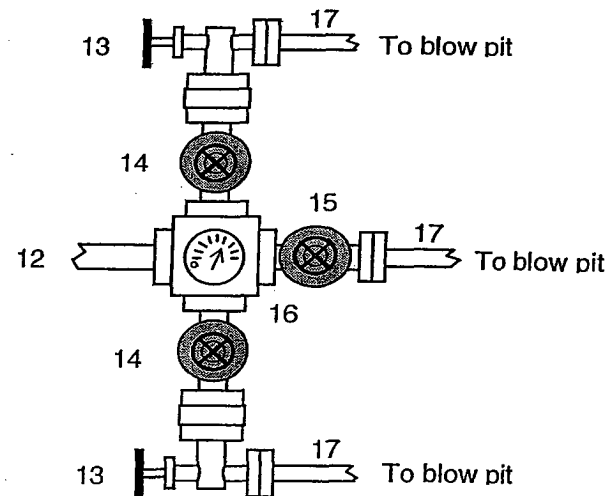
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Bloopie Line (for Air Drilling)
3. Spacer Spool
4. Double Ram BOP (11", 3000 psi)
5. Pipe Rams
6. Blind Rams
7. Kill Line
8. Kill Line Check Valve
9. Kill Line Valve
10. Inner Choke Line Valve (3")
11. Outer Choke Line Valve (3")
12. Choke Line (3")
13. Variable Choke
14. Choke Line Valve (2")
15. Panic Line Valve (3")
16. Choke Manifold Pressure Gauge
17. Choke Line (2")
18. Mud Cross Spacer Spool
- 19A Csg Spool "B" Section (11", 3M)
- 19B "B" Section Csg Valve (2", 3M)
- 20A Csg Head "A" Section (11", 3M)
- 20B "A" Section Csg Valve (2", 3M)
21. 9 5/8" Casing Collar



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 29-6 UNIT Well #: 60C

Surface Location:

Unit: I Section: 18 Township: 29N Range: 6W

County: RIO ARRIBA State: New Mexico

Footage: 1740 from the SOUTH line, 15 from the EAST 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.