

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2006 APR 11 PM 12 32

RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

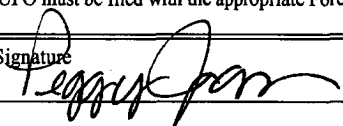
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-079004
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.
3a. Address 4001 Penbrook, Odessa, TX 79762		8. Lease Name and Well No. SAN JUAN 32-8 UNIT #21B
3b. Phone No. (include area code) 432-368-1230		9. API Well No. 30-045-33700
4. Location of Well (Report location clearly and in accordance with any State requirements, *) At surface SENE 2380 FNL - 715 FEL At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESA VERDE
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area SECTION 15, T31N, R8W NMPM H
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 840 ACRES	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.	19. Proposed Depth 6105'	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6549' 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:

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

25. Signature 	Name (Printed/Typed) Peggy James	Date 04/07/2006
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Title
Senior Associate

Approved by (Signature) Original Signed: Stephen Mason	Name (Printed/Typed)	Date JUN 21 2006
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable 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.

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

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



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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33700		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 31330	*Property Name SAN JUAN 32-8 UNIT		*Well Number 21B
*OGRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6549'

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
H	15	31N	8W		2380	NORTH	715	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

12 Dedicated Acres 320.0 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

16		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Virgil E. Chavez</i> Signature Virgil E. Chavez Printed Name Projects & Operations Lead Title March 3, 2006 Date
		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. Survey Date: SEPTEMBER 1, 2005 Signature and Seal of Professional Surveyor JASON C. EDWARDS Certificate Number 15269

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- 1 03
May 27, 2004

WELL API NO. <u>30045-33200</u>	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name SAN JUAN 32-8 UNIT	
8. Well Number	21B
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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator ConocoPhillips Company	
3. Address of Operator 4001 Penbrook, Odessa, TX 79762	
4. Well Location Unit Letter <u>H</u> <u>2380</u> feet from the <u>NORTH</u> line and <u>715</u> feet from the <u>EAST</u> line Section <u>15</u> Township <u>31N</u> Range <u>8W</u> NMPM <u>SAN JUAN</u> County	

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6549' GL

Pit or Below-grade Tank Application <input checked="" type="checkbox"/> Closure <input type="checkbox"/>	
Pit type <u>DRILL</u>	Depth to Groundwater <u>70'</u> Distance from nearest fresh water well <u>9720'</u> Distance from nearest surface water <u>200'</u>
Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume: <u>4400</u> bbls; Construction Material: <u>Synthetic</u>	

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 Senior Associate

DATE 04/07/2006

Type or print name

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

Telephone No.: (432)368-1230

For State Use Only

APPROVED BY: [Signature]

TITLE DEPUTY OIL & GAS INSPECTOR, DIST. I

DATE JUN 27 2006

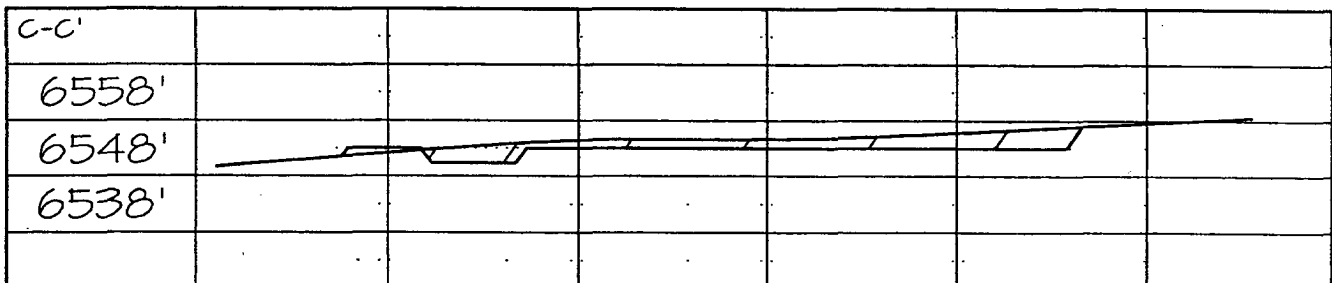
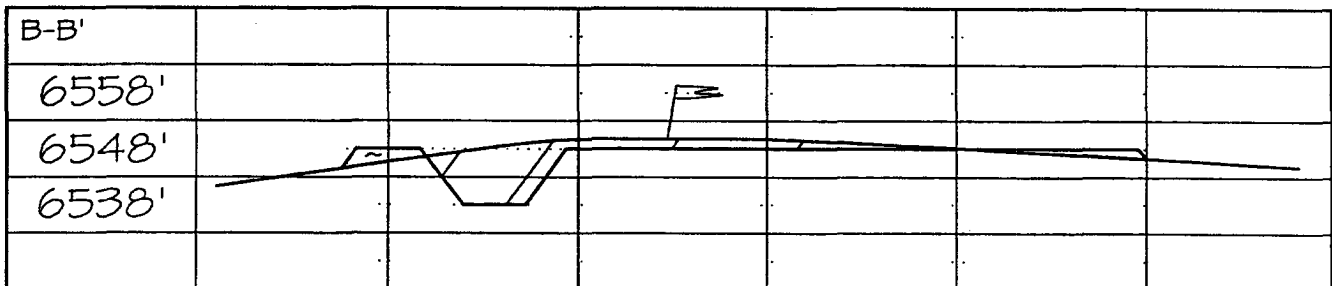
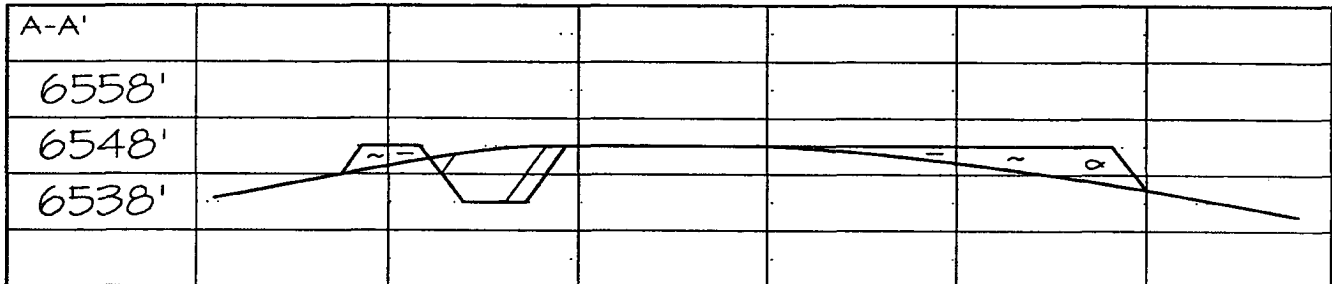
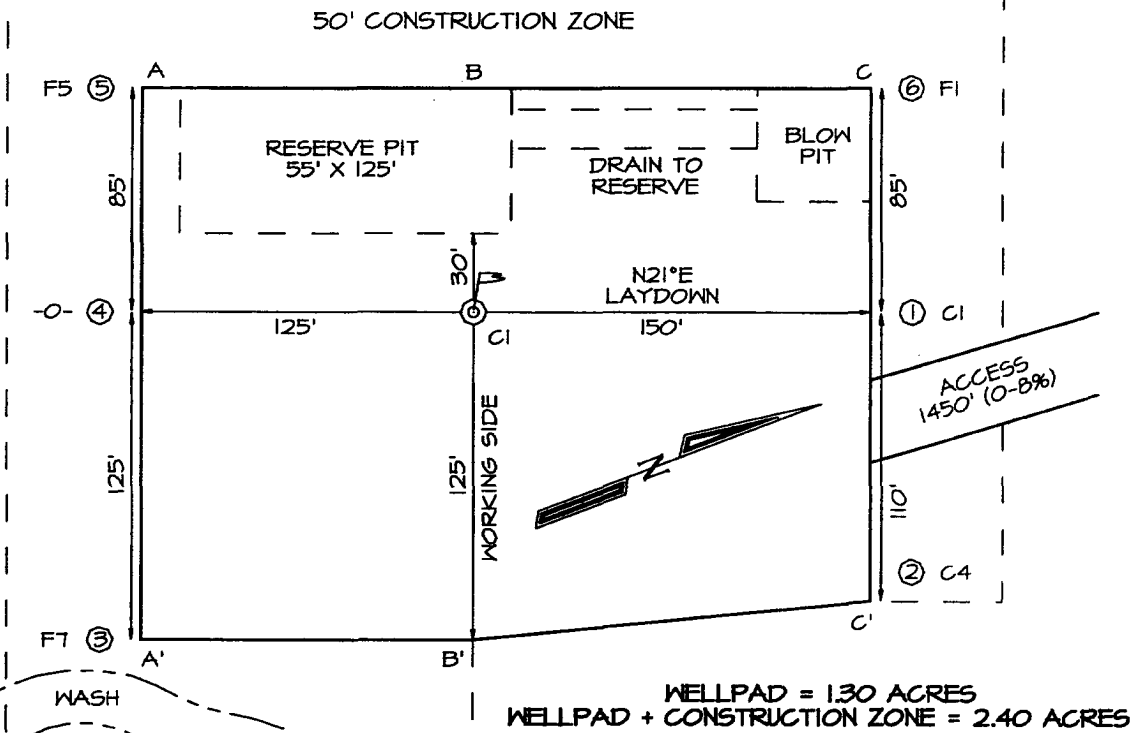
Conditions of Approval (if any):

CONOCOPHILLIPS COMPANY SAN JUAN 32-8 UNIT #21B
2380' FNL & 715' FEL, SECTION 15, T31N, R8W, NMPM
SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6549'

PLAT NOTE:

SURFACE OWNER
 Bureau of Land
 Management

LATITUDE: 36.89784° N
LONGITUDE: 107.65584° W
 DATUM: NAD1927



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-8 21B

Lease:		AFE #: WAN.CNV.6231		AFE \$:	
Field Name: 32-8	Rig: H&P 283	State: NM	County: SAN JUAN	API #:	
Geoscientist: Glaser, Terry J	Phone: (832)486-2332	Prod. Engineer: Plotrowicz, Greg M.	Phone: +1 832-486-3486		
Res. Engineer: Tomberlin, Timothy A	Phone: (832) 486-2328	Proj. Field Lead: Fransen, Eric E.	Phone:		

Primary Objective (Zones):

Zone	Zone Name
R20002	MESAVERDE(R20002)

Location: Surface		Datum Code: NAD 83		Straight Hole	
Latitude: 36.897840	Longitude: -107.655840	X:	Y:	Section: 15	Range: 8W
Footage X: 715 FEL	Footage Y: 2380 FNL	Elevation: 6549 (FT)	Township: 31N		

Tolerance:		Location Type: Summer Only		Start Date (Est.):		Completion Date:		Date In Operation:	
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Formation Data: Assume KB = 6565 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	216	6349	<input type="checkbox"/>			13-1/2 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	865	5700	<input type="checkbox"/>			
CJAM	2255	4310	<input type="checkbox"/>			Possible water flows.
KRLD	2365	4200	<input type="checkbox"/>			
FRLD	3095	3470	<input type="checkbox"/>			Possible gas.
PCCF	3435	3130	<input type="checkbox"/>			
LEWS	3635	2930	<input type="checkbox"/>			
Intermediate Casing	3735	2830	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4595	1970	<input type="checkbox"/>			
CLFH	5380	1185	<input type="checkbox"/>			Gas; possibly wet
MENF	5440	1125	<input type="checkbox"/>			Gas.
PTLK	5755	810	<input type="checkbox"/>			Gas.
MNCS	6005	560	<input type="checkbox"/>			
Total Depth	6105	460	<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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HOLE: 13.5 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppf
GRADE: H-40
EXCESS: 125 %
DEPTH: 235'

SURFACE:
Option 1
222 sx
Comp. Strength
6 hrs 250 psi
8 hrs 500 psi
1.17 ft³/sx
15.8 ppg
4.973 gal/sx
Class G Cement
+ 3% S001 Calcium Chloride
+ 0.25 lb/sx D029 Cellophane Flakes

Option 2
214 sx
Comp. Strength
6 hrs 250 psi
8 hrs 500 psi
1.21 ft³/sx
15.6 ppg
5.29 gal/sx
Standard Cement
+ 3% Calcium Chloride
+ 0.25 lb/sx Flocele

INTERMEDIATE TAIL:

Option 1
396 sx
Comp. Strength
9 hrs 300 psi
48 hrs 525 psi
1.076.1 cuft
2.72 ft³/sx
11.7 ppg
15.74 gal/sx
Class G Cement
+ 3% D079 Extender
+ 0.20% D046 Antifoam
+ 10 lb/sx Phenoseal
8.75 "
7 "
6.456 "
20 ppf
J-55
150 %
TAIL: 747'
DEPTH: 3735'

Option 2
414 sx
Comp. Strength
1:47 hrs 50 psi
12 hrs 350 psi
24 hrs 450 psi
2.60 ft³/sx
11.5 ppg
14.62 gal/sx
Type III Ashgrove Cement
+ 30 lb/sx San Juan Poz
+ 3% Bentonite
+ 5.0 lb/sx Phenoseal

Option 3
409 sx
Comp. Strength
3 hrs 100 psi
24 hrs 443 psi
191.7 bbls
1076.1 cuft
2.63 ft³/sx
11.7 ppg
15.92 gal/sx
Class G Cement
+ 3% D079 Extender
+ 0.20% D046 Antifoam
+ 1.0 lb/bbl CemNet

INTERMEDIATE TAIL:

Option 1
222 sx
Comp. Strength
3:53 500 psi
8:22 1000 psi
24 hrs 3170 psi
1.31 ft³/sx
13.5 ppg
5.317 gal/sx
50/50 Poz: Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% S001 Calcium Chloride
+ 2% D020 Bentonite
+ 1.5 lb/sx D024 Gilsontite Extender
+ 0.1% D046 Antifoamer
+ 6 lb/sx Phenoseal
6.25 "
4.5 "
4.052 "
10.5 ppf
J-65
50 %
DEPTH: 6105'

Option 2
218 sx
Comp. Strength
2:05 50 psi
4:06 500 psi
12 hrs 1250 psi
24hrs 1819 psi
5.52 gal/sx
50/50 Poz: Standard Cement
+ 2% Bentonite
+ 6.0 lb/sx Phenoseal

Option 3
227 sx
Comp. Strength
24 hrs 1850 psi
48 hrs 3411 psi
51.7 bbls
290.4 cuft
1.28 ft³/sx
13.5 ppg
5.255 gal/sx
50/50 Poz: Class G Cement
+ 2% D020 Bentonite
+ 5.0 lb/sx D024 Gilsontite Extender
+ 2% S001 Calcium Chloride
+ 0.1% D046 Antifoamer
+ 0.15% D065 Dispersant
+ 1.0 lb/bbl CemNet

PRODUCTION:

Option 1
270 sx
Comp. Strength
7 hrs 500 psi
24 hrs 2100 psi
388.3 cuft
1.44 ft³/sx
13.0 ppg
6.47 gal/sx
50/50 Poz: Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% D020 Bentonite
+ 1.0 lb/sx D024 Gilsontite Extender
+ 0.25% D167 Fluid Loss
+ 0.25% D065 Dispersant
+ 0.1% D800 Retarder
+ 0.1% D046 Antifoamer
+ 3.5 lb/sx Phenoseal

Option 2
268 sx
Comp. Strength
9:32 50 psi
12 hrs 500 psi
13:29 1026 psi
24 hrs 2300 psi
6.55 gal/sx
50/50 Poz: Standard Cement
+ 3% Bentonite
+ 0.2% CFR-3 Friction Reducer
+ 0.1% HR-5 Retarder
+ 0.8% Helad-9 Fluid Loss Additive
+ 3.5 lb/sx Phenoseal

Option 3
227 sx
Comp. Strength
24 hrs 1850 psi
48 hrs 3411 psi
51.7 bbls
290.4 cuft
1.28 ft³/sx
13.5 ppg
5.255 gal/sx
50/50 Poz: Class G Cement
+ 2% D020 Bentonite
+ 5.0 lb/sx D024 Gilsontite Extender
+ 2% S001 Calcium Chloride
+ 0.1% D046 Antifoamer
+ 0.15% D065 Dispersant
+ 1.0 lb/bbl CemNet

San Juan 32-8 #21B

SURFACE:

HOLE: 13.5 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppf
GRADE: H-40
EXCESS: 125 %
DEPTH: 235'

INTERMEDIATE LEAD:

Option 4
374 sx
191.7 bbls
1076.1 cuft
2.88 ft³/sx
11.5 ppg
16.85 gal/sx
Standard Cement
+ 3% Econolite (Extender)
+ 10 lb/sx Phenoseal
Comp. Strength
1:47 50 psi
12 hrs 350 psi
24 hrs 450 psi
Option 5
512 sx
191.7 bbls
1076.1 cuft
2.10 ft³/sx
11.7 ppg
11.724 gal/sx
75% Type XI / 25% Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% D079 Extender
+ 0.20% D046 Antifoam
Comp. Strength
10:56 500 psi
42 hrs 1012 psi

INTERMEDIATE TAIL:

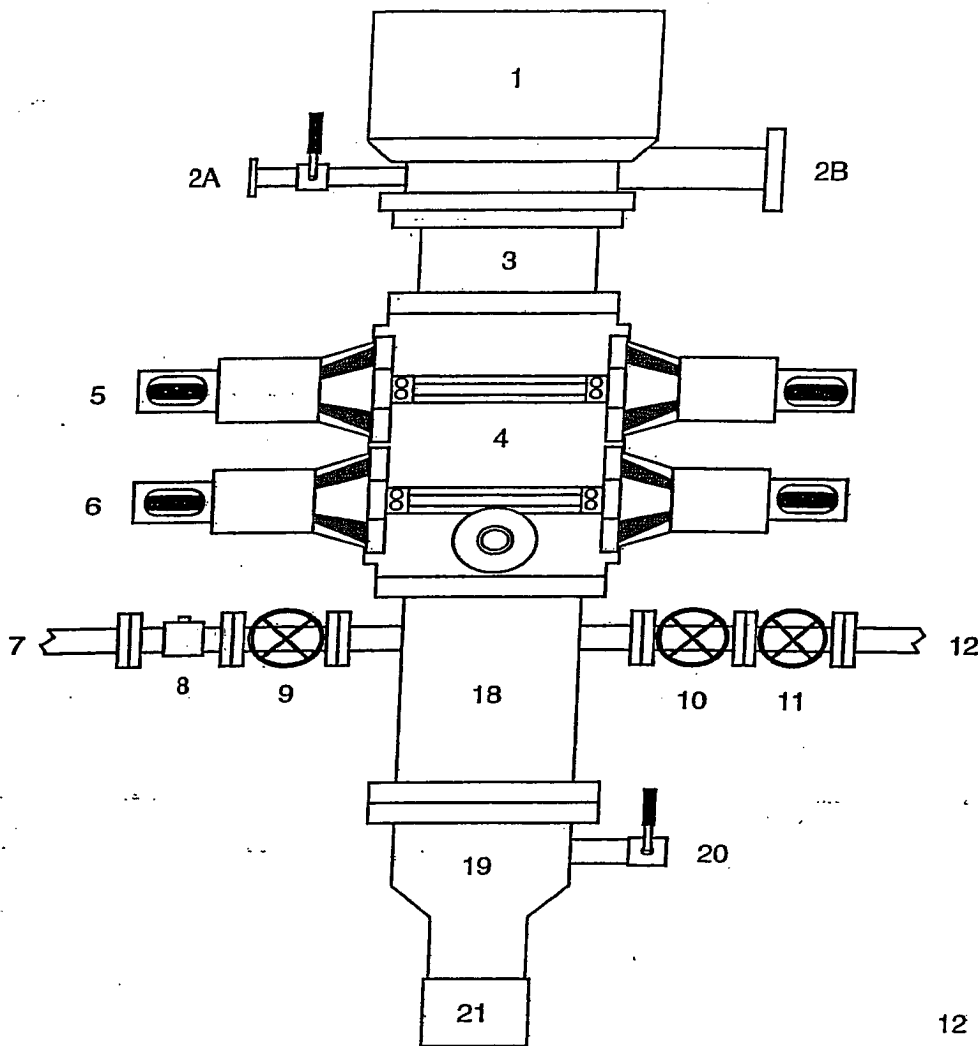
TAIL: 747'
DEPTH: 3735'

PRODUCTION:

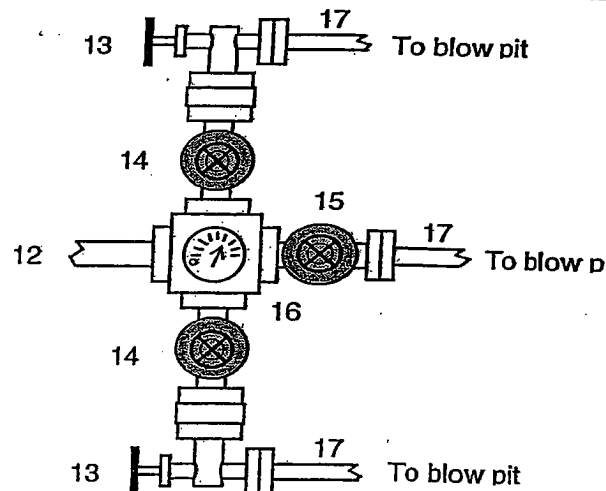
HOLE: 6.25 "
CSG OD: 4.5 "
CSG ID: 4.052 "
WGT: 10.5 ppf
GRADE: J-55
EXCESS: 50 %
DEPTH: 6105'

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

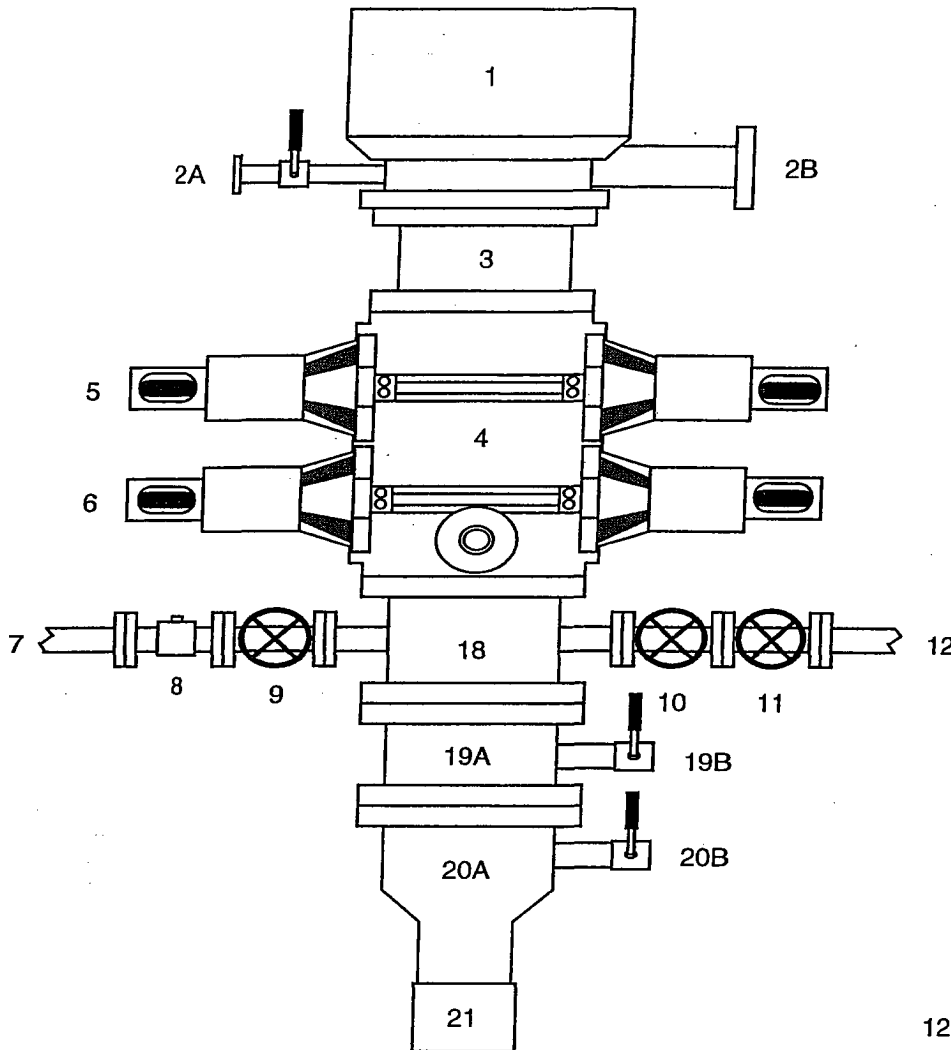


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

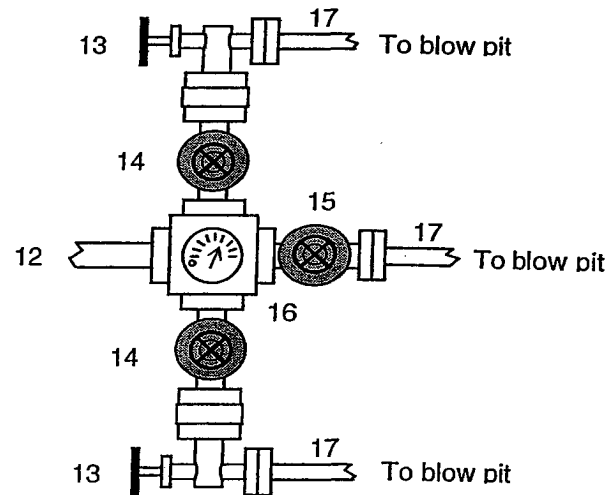
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Bleeie 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 32-8 UNIT **Well #:** 21B

Surface Location:

Unit: H **Section:** 15 **Township:** 31N **Range:** 8W

County: SAN JUAN **State:** New Mexico

Footage: 2380 **from the** NORTH **line,** 715 **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.