78 29 30 311 7 3	·					
Fonn 3160 (February 2005)  DEPAREMENT OF THE I BUREAU OF LAND MAN	NTERIOR IAGEMENT	S APR 19 F		28 OMB Expires  5. Lease Serial No. NM.	1-012641	37 2007
APPLICATION FOR PERMIT TO I	DRILL OR	REENTER	GIOH	6. If Indian, Allote	e or Tribe	Name
Ia. Type of work: DRILL REENTI	ER		<del></del>	7. If Unit or CA Age	reement, Na	ame and No.
lb. Type of Well: Oil Well Gas Well Other	Si	ngle Zone Multi	ple Zone	8. Lease Name and BLA	Well No. NCO #1	3
2. Name of Operator ConocoPhillips Company				9. API Well No.	(-3	37/2
3a. Address 4001 Penbrook, Odessa, TX 79762		(include area code) 68-1230		10. Field and Pool, o BLANCO ME		
4. Location of Well (Report location clearly and in accordance with any S  At surface NWSE 2170 FSL - 1955 F  At proposed prod. zone		nts, *)		I 1. Sec., T. R. M. or SECTION 26, T31		
14. Distance in miles and direction from nearest town or post office*				12. County or Parish		13. State
15 Distance from proposed#	I 16 No of a	oraș în lassa	17 Spacin	SAN JUA		NM
<ul> <li>15, Distance from proposed*         location to nearest propery or lease line, ft.         (Also to nearest drig. unit line, if any)     </li> </ul>	cres in lease					
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed		BIA Bond No. on file			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6328' GL	22 Approxin	iate date work will star	t*	23. Estimated duration	on	
	24. Attac					
The following, completed in accordance with the requirements of Onshor	e Oil and Gas	Order No. 1, must be at	tached to th	is form:		
Well plat certified by a registered surveyor.     A Drilling Plan.		4. Bond to cover the Item 20 above).	e operation	s unless covered by an	existing b	ond on file (see
3 A Surface Use Plan (if the location is on National Forest System I SUPO must be filed with the appropriate Forest Service office).	Lands, the	5. Operator certific		rmation and/or plans a	s may be re	equired by the
25. Signature		(Printed/Typed)  yy James			Date 4/1	18/2006
Senior Associate	•					,
Approved by (Signature)	Name	(Printed/Typed)			Date	26/0
Title AFM	Office	FFO	)	, , , , , ,		
Application approval does not warrant or certify that the applicant hold conduct operations thereon. Conditions of approval, if any, are attached.	s legal orequit	able title to those right:	s in the subj	ect lease which would	entitle the a	applicant to
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a States any false, fictitious or fraudulent statements or representations as to	crime for any o any matter w	person knowingly and vithin its juris iction.	willfully to	make to any department	l or agency	of the United
*(Instructions on page 2)	1.	/				
ConocoPhillips Company proposes to drill a direction	<i>ل</i> al welibore	to the Blanco M	esaverde	/ Basin Dakota fe	ormation	ıs. This

This well will be downhole commingled pursuant to the terms and conditions outlined in Order R-11363.

The notice of staking for this well was filed as the Blanco 11C - single Mesaverde completion. The well has since become a Mesaverde/Dakota completion and the well number has changed to the #13 well.

well will be drilled and equipped in accordance with the attachments submitted herewith. This application is for APD / ROW.





Form C-102 District I State of New Mexico PO Box 1980, Hobbs, NM 88241-1980 Revised February 21, 1994 Energy, Minerals & Natural Resources Department Instructions on back District II PO Drawer DD, Artesia, NM 88211-0719 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies OIL CONSERVATION DIVISION PO Box 2088 District III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87504 REPORT District IV PO Box 2088, Santa Fe, NM B7504-2088 RECEIVED WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name 'API Number 72319 / 71599 BLANCO MESAVERDE / BASIN DAKOTA Well Number Property Name Property Code 13 31323 **BLANCO** Elevation OGRID No. \*Operator Name 217817 CONOCOPHILLIPS COMPANY 6328 <sup>10</sup> Surface Location Lot Ion Feet from the North/South line County UL or lot no. Range East/West line Sect ion Township Feet from the 8W 2170 SOUTH 1955 **EAST** SAN JUAN 26 31N <sup>11</sup>Bottom Hole Location Different From Surface Ιf North/South line Feet from the Lot Idn County UL or lot no. Section Township Range Feet from the East/West line 13 Joint or Infill Consolidation Code <sup>15</sup> Order No. <sup>12</sup> Dedicated Acres 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 OPERATOR CERTIFICATION 5212.68 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief nav Signature 88 Virgil E. Chavez Printed Name Projects & Operations Lead Title *ouch* 2006 LEASE Date NM-012641 1280 acres \*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 5186. Survey Date: JANUARY 4, 2006 1955 Signature and Seal of Professional Surveyor LAT: 36.86761 N LONG: 107.64258 W SON C. EDWARD DATUM: NAD83 SEW MEXIC 86

9

5235.12

2587

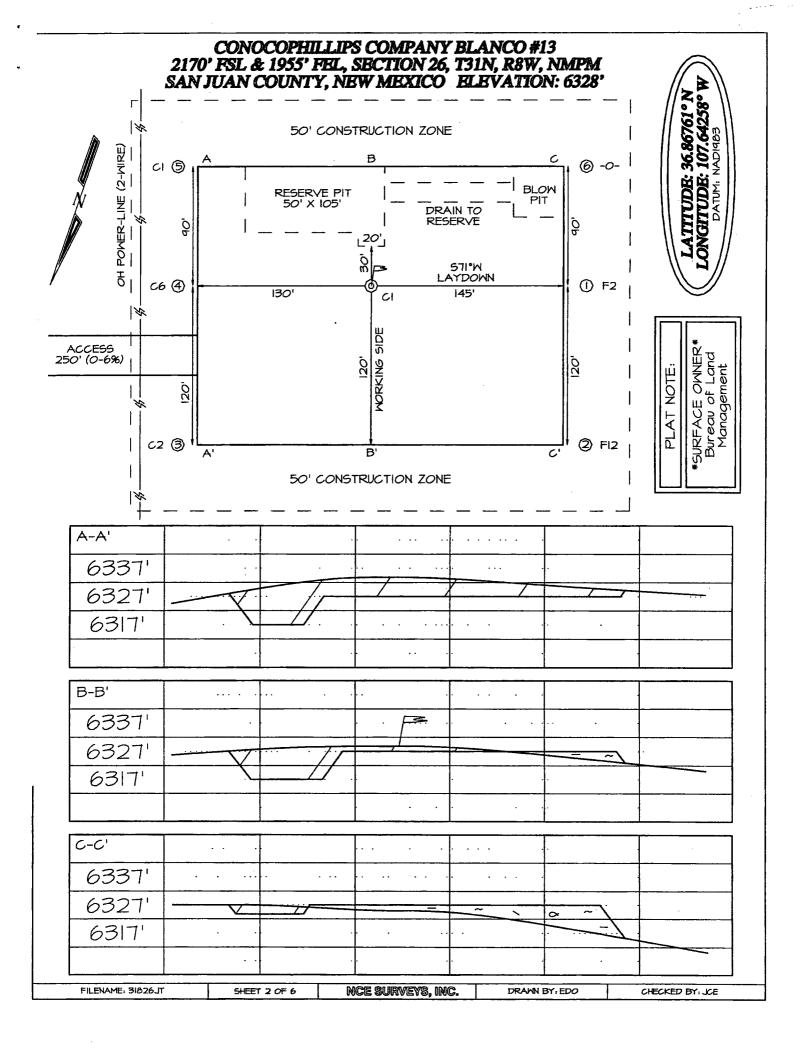
AND ESSTAN

Certificate Number

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15269

Office Submit 3 Copies 10 Appropriate District	State of New Mexico	Fonn C- 1 03
District I	Energy, Minerals and Natural Resources	May 27, 2004
1625 N. French Dr., Hobbs, NM 88240 District 11		WELL API NO. 30-045-33712
1301 W. Grand Ave., Artesia, NM 882 1 0 District III	OIL CONSERVATION DIVISION 1220 South St. Francis Dr.	5. Indicate Type of Lease
I 000 Rio Brazos Rd., Aztec, NM 8741 0 District IV	Santa Fe, NM 87505	STATE FEE  6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa I e, NM	5unu 1 0, 1111 0 7 0 0 0	6. State Off & Gas Lease No.
87505 SUNDRY NOTI	CES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOSED DIFFERENT RESERVOIR, USE "APPLIC		
PROPOSALS.)	· · · · · · · · · · · · · · · · · · ·	BLANCO 8. Well Number
1. Type of Well: Oil Well 2. Name of Operator	Gas Well Other	0 OGRID Number
Conoc	coPhillips Company	217817
3. Address of Operator	enbrook, Odessa, TX 79762	I 0. Pool name or Wildcat
4. Well Location		BLANCO MESAVERDE / BASIN DAKOTA
Unit Letter J	2170 feet from the SOUTH line and	1955 feet from the EAST line
Section 26	Township 31N Range 8W	NMPM SAN JUAN County
	I 1. Elevation (Show whether DR, RKB, RT, GR, etc.)	County
Pit or Below -grade Tank Application 🛛 C	6328' GL	
Pit type DRILL Depth to Groundwa		Distance from nearest surface water 727'
Liner Thickness: 12 mil		Construction Material: Synthetic
12. Check A	ppropriate Box to Indicate Nature of Notice, l	Report or Other Data
NOTICE OF IN	TENTION TO:   SUR	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK	PLUG AND ABANDON   REMEDIAL WORK	
TEMPORARILY ABANDON	CHANGE PLANS  COMMENCE DRIL	_
PULL OR ALTER CASING	MULTIPLE COMPL CASING/CEMENT	JOB
OTHER:	□ OTHER:	
13. Describe proposed or compl	eted operations. (Clearly state all pertinent details, and	
of starting any proposed wo or recompletion.	rk). SEE RULE I 1 03. For Multiple Completions: Atta	ach wellbore diagram of proposed completion
or recompletion.		
The pit will be constructed a	nd closed in accordance with Rule 50 and as per COPC	C June 2005 General Pit Plan on file
with the NMOCD See the	attached diagram that details the location of the pit in re	eference to the proposed wellhead.
The drill pit will be lined. The	ne drill pit will be closed after the well has been comple	rted
I hereby certify that the information at	pove is true and complete to the best of rny knowledge an	nd belief. I further certify that any pit or below-
grade tank has been/will be constructed or c	closed according to NMOCD guidelines , a general permit c	or an (attached) alternative OCD-approved plan
SIGNATURE POGGY FOR	Peggy James TITLE Senior Ass	sociate DATE 4/18/2006
Type or print name	E-mail address peggy.s.james@conocophi	illips.com: Telephone No.: (432)368-1230
For State Use Only	Like .	JUN 2 8 2006
APPROVED BY: Conditions of Approval (If any):	TITLE CEPUTY ONL 8 GAS INS	SPECTOR, DIST. & DATE





## PROJECT PROPOSAL - New Drill / Sidetrack

### San Juan Business Unit

**BLANCO 13** 

Lease:					AFI	E #:WA	N.CNV.	5135		AFE	\$:
Field Name: NEW	MEXICO-NOF	RTH	Rig: I	-1&P 281				State: NM County: SAN JUAN API #:			#:
Geoscientist: Brain	n, Ted H.		Phone	e: 832-486-2	2592	2	Prod. I	Engineer: Piotrowicz, Greg M. Phone: +1 832-486-3			
Res. Engineer: Skir	nner, Steve E	<b>=</b>	Phone	e: 832 486-2	2651		Proj. F	ield Lead: Koll	o, Kelly B.	Phone:	505-320-4785
Pinns Ogeir	e( <b>(Zones</b> )):										
Zone	Zone Name	<u> </u>				]					
R20002	MESAVERDI	E(R20002)									
R20076	DAKOTA(R2	0076)									
						-					
(क्टल्नाकेट) संश्वीमहरू (बंद		Daure Co	(ic)	4(8)27,8						,	វិទៅបាលវិទាខ
Latitude: 36.86761	Recorded Representation and the second	ude: -107.64	60 P (10 P)	X:			Y:		Section: 26	a contribute of the Book	ange: 8W
Footage X: 1955 F	———— <del>-</del>	ge Y: 2170 F:		Elevation:	6328			Township: 31N			anger ov
Tolerance:		,	<u> </u>		-		( / ]	TOWNSHIPT STR			
Location Type: Yea	r Round		Start	Date (Est.):			Corr	pletion Date:	Date I	In Operati	on:
	Assume KB =	- 6344	Units =								O11.
Formation Call &	Assume ND -					DUD					···
Casing Points		Depth (TVD in Ft)	SS (Ft)	Depletio (Yes/No		BHP (PSIG)	BHT		Remark	ks	
Surface Casing		216	6128	3 🗆	L		1	13-1/2" hole.	9 5/8" 32.3 ppf, H-40	, STC cas	ing. Circulate
NCAT		4404						cement to surf	ace.		
NCMT CJAM		1124	5220	=				Dossible water	flows		
KRLD		2424	3920					Possible water	nows.		
FRLD		262 <del>4</del> 3019	3720 3325	=				Possible gas.			
PCCF		3269	3075	=				1 033ibic gas.			
LEWS		3469	2875								
Intermediate Casing		3569	2775					8 3/4" Hole. 7	", 20 ppf, J-55, STC (	Casing. C	rculate cement to
CLIDA				_				surface.		•	
CHRA CLFH		4364	1980	=				Casa assaibh			
MENF		515 <del>4</del> 5204	1190 1140					Gas; possibly v			
PTLK		5534	810	=				Gas, possibly v	VEC		
MNCS		578 <del>4</del>	560					- Cu3.			
CLLP		6794	- <b>4</b> 50	=			•	Gas. Possibly	wet.		
CRHN		754 <del>4</del>	-120	=				•	nighly fractured		
CBBO		7749	-140					Gas	- ,		
Total Depth		7894	-155	0 🗍					-1/2", 11.6 ppf, N-80		
								a minimum of logs. Cased bo	100' inside the previo le TDT with GR to sur	us casing	string. No open he
Reference Wells								.0901 0.300 110	.c. 151 mar on to sur		
Reference Type \	and the control of the same of			Commen	its		and the second s				
			en marzeta (			a depthis para and an	our en tro-colores			et souther war.	N. S. 110
Logging Rogian											
Intermediate Logs:	Log only	y if show 🔲	GR/IL	D 🗌 Trip	le C	ombo					
TD Logs:	Triple Co	ombo 🔲 D	ipmete	r 🔲 RFT	$\Box$	Sonic F	7 VSP	✓ TDT			
					<u> </u>	JOHN E	•				

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### PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

**BLANCO 13** 

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

Comments: General/Work Description - Funds in the amount of \$1,182,552 gross (\$1,182,552 COPC net) are requested to drill and equip the referenced well as an 7,894' MV 80-acre/DK 320-acre well, to be located 2170' FSL & 1955' FEL of Section 26-T31N-R8W in San Juan Co., NM. COPC has 100/82.0% in both the MV & DK.

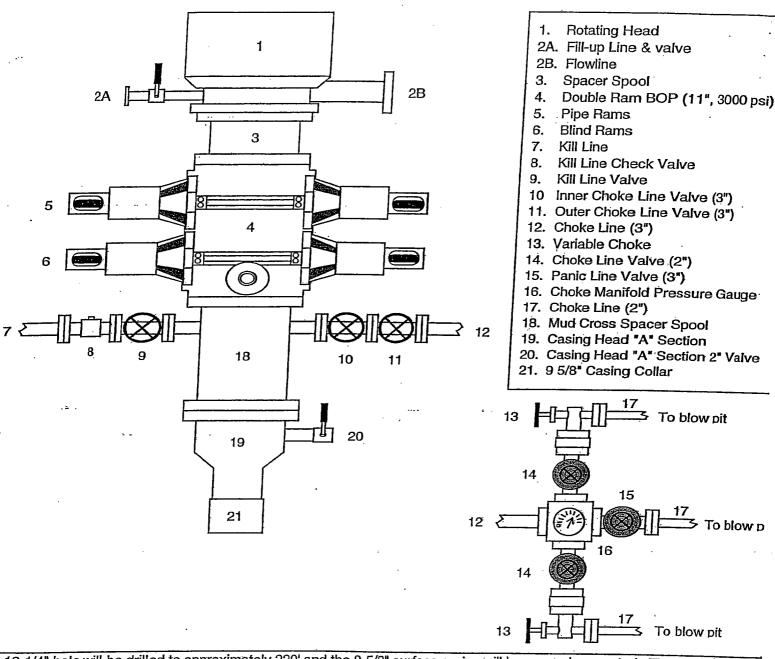
Section 26-T31N-R8W is in an area with well-developed pay in the Mesaverde Group and potential for development in the Dakota based of offset production. It is estimated that this well will produce 1.34 Bcf EUR, 1.04 Bcf from the Mesaverde and 0.3 from the Dakota. The commingled flowstream has an IP of 531 mcf/d and production for 40 years. The 13% economic indicators generated are: PI 1.13, NPV \$139M, AARR of 17.4%.

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	Comp. Strength 3 hrs 100 psi 24 hrs 443 psi	Comp. Strength 24 hrs 1850 psi 48 hrs 3411 psi nent te Extender oride r int
	Option 3  390 sx  182.8 bbls 1026.2 cuft 2.63 ft²/sx 11.7 ppg 15.92 gal/sx Class G Cement + 3% D079 Extender + 0.20% D046 Antifram + 1.0 lb/bbl CemNet	217 sx Com 49.5 bbls 24 hrs 27.9 cuff 48 hrs 1.28 ft <sup>3</sup> /sx 13.5 ppg 5.255 gal/sx 50/50 Paz: Class G Cement + 2% D020 Bentonite + 5.0 lb/sx D024 Glacium Chloride + 0.1% D046 Antifoamer + 0.1% D046 Antifoamer + 0.1% D065 Dispersant + 1.0 lb/bbl CemNet
Comp. Strength 6 hrs 250 psi 8 hrs 500 psi	Comp. Strength 1:47 hrs 50 psi 12 hrs 350 psi 24 hrs 450 psi at	Comp. Strength 2:05 50 psi 4:06 500 psi 12 hrs 1250 psi 24hrs 1819 psi nent  Comp. Strength 9:32 50 psi 13:29 1026 psi 13:29 1026 psi nent educer ss Additive
Option 2 214 sx 46.2 bbls 259.5 cuft 1.21 ft <sup>3</sup> /sx 15.6 ppg 5.29 gal/sx Standard Cement + 3% Calcium Chloride + 0.25 lb/sx Flocele	Option 2 395 sx 182.8 bbls 1026.2 cuft 2.60 ft <sup>2</sup> /sx 11.5 ppg 14.62 galsx Type III Ashgrove Cement + 30 lb/sx San Juan Poz + 3% Bentonite + 5.0 lb/sx Phenoseal	Option 2  209 sx  49.5 bbls  27.5 outh 4.06  1.33 ft³/sx 12 hrs 5.52 gal/sx 50/50 Poz. Standard Cement + 2% Bentonite + 6.0 lb/sx Phenoseal  Option 2  475 sx 689.3 cuft 12 hrs 1.45 ft³/sx 13.29 13.1 ppg 6.55 gal/sx 50/50 Poz. Standard Cement + 3% Bentonite + 0.2% CFR-3 Friction Reducer + 0.2% CFR-3 Friction Reducer + 0.1% HR-5 Retarder + 0.8% Halad-9 Fluid Loss Additive + 3.5 lb/sx Phenoseal
Comp. Strength 6 hrs 250 psi 8 hrs 500 psi psi hloride	Comp. Strength 9 hrs 300 psi 48 hrs 525 psi 11 m	Comp. Strength 3:53 500 psi 8:22 1000 psi 24 hrs 3170 psi 48 hrs 5399 psi sment ophane Flakes hioride Comp. Strength 7 hrs 500 psi 24 hrs 2100 psi 24 hrs 2100 psi sment ophane Flakes antt
SURFACE:	INTERMEDIATE LEAD: Option 1 377 sx 182.8 bbis 1026.2 cuft 2.72 ft²sx 11.7 ppg 15.74 galdsx Class G Cement + 3% D079 Extender + 0.20% D046 Antiform + 10 lb/sx Phenoseal	NTERMEDIATE TAIL.:   Option 1
13.5 ° 9.625 ° 9.001 ° 32.3 ppf H-40 ° 125 %	8.75 * 7 7 8.456 * 20 ppf 1-55 150 % 150 %	6.25 " 4.5 " 11.6 ppf N-80 50 % 50 %
HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS:	HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS: TAIL:	HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS:

	Option 5  489 ex  Comp. Strength 182.8 bbls 10:56 500 psi 10:06.2 cuft 2.10 ft/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		
SURFACE:	Option 4  356 sx	INTERMEDIATE TAIL:	PRODUCTION:
HOLE: 13.5 ** S CSG OD: 9.625 ** S CSG ID: 9.001 ** WGT: 32.3 ppf GRADE: H-40 EXCESS: 12.5 % DEPTH: [************************************	HOLE: 8.75 " CSG OD: 7 " CSG ID: 6.456 " WGT: 20 ppf GRADE: J-55 EXCESS: 150 %	DEP7H:35691	HOLE: 6.25 " CSG OD: 4.5 " CSG ID: 4 " WGT: 11.6 ppf GRADE: N-80 EXCESS: 50 %
		9 Proj.	

# BLOWOUT PREVENTER ARRANGEMENT & PROGRAM For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing

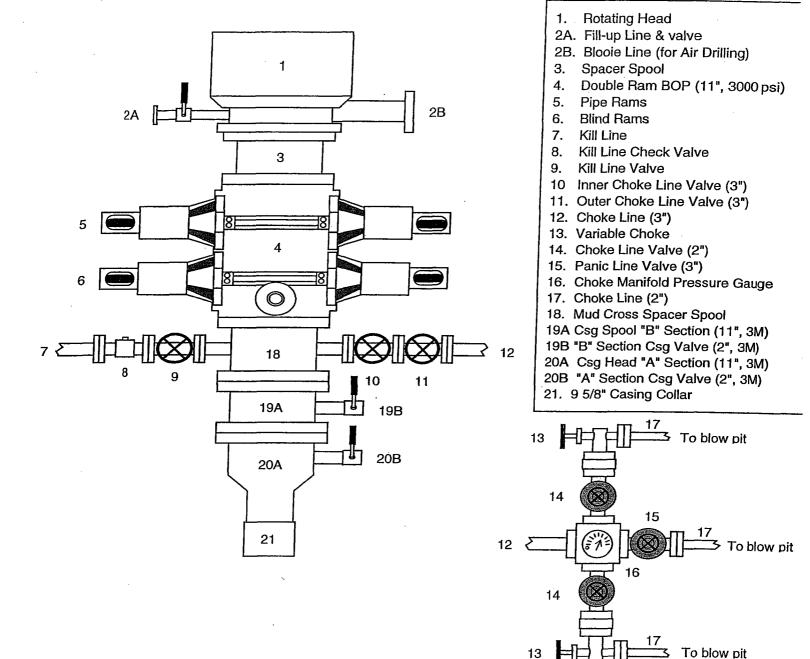


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head 'A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A est plug will be set in the wellhead and the pipe rams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

a addition to the equipment in the above diagram the following equipment will comprise the ROP systems

### 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 :		BLANC	<u>O</u>		Well #	13		
Surface Lo	cation:					•		
Unit:J	Section	on: 26 To	wnship:	31N	_Range:	8W		
County: S	AN JUA	N		State	: New M	exico		
Footage:	2170	from the	SOUTH	line	1955	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.