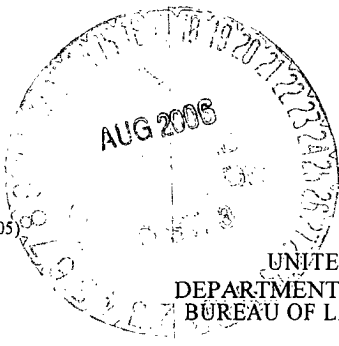


Form 3160-3
(February 2005)



7005 OCT 20 PM 1 11

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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-078146
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. NEWBERRY #1F
3b. Phone No. (include area code) 432-368-1230		9. API Well No. 30-045-33387
4. Location of Well (Report location clearly and in accordance with any State requirements, *) At surface SWNE 2100 FNL - 1900 FEL At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESA VERDE / BASIN DAKOTA
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area SECTION 17, T31N, R12W NMPM G
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 2240 ACRES	12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well MV - E/2 - 320.0 ACRES DK - E/2 - 320.0 ACRES	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 7156'	13. State NM
19. Proposed Depth	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6006GL	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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM~

25. Signature <i>Peggy James</i>	Name (Printed/Typed) Peggy James	Date 10/19/2005
-------------------------------------	-------------------------------------	--------------------

Title
Sr. Associate

Approved by (Signature) <i>Wayne Townsend</i>	Name (Printed/Typed) Wayne Townsend	Date 8/17/06
--	--	-----------------

Title Acting AFM	Office FFO
---------------------	---------------

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

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

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

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

NMOCD

B2

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

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

OIL CONSERVATION DIVISION

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

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

PO Box 2088
Santa Fe, NM 87504-2088

2005 OCT 20 20:11

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

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACB/EAGE DEDICATION PLAT

*API Number 30-045-33387	*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 31839	*Property Name NEWBERRY	*Well Number 1F
*GRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY	*Elevation 6006'

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
G	17	31N	12W		2100	NORTH	1900	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 (MV) 320.0 Acres - E/2 (DK)					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

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	<div><p>5264.82'</p><p>2100'</p><p>LAT: 36°54.0492'N LONG: 108°06.9747'W DATUM: NAD27</p><p>1900'</p><p>5210.04'</p><p>5276.70'</p><p>5287.92'</p><p>17</p><p>LEASE SF-078146</p></div>	<div><p>¹⁷ OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p><p><i>Virgil E. Chavez</i> Signature Virgil E. Chavez Printed Name Projects & Operations Lead Title <i>October 4, 2005</i> Date</p><p>¹⁸ SURVEYOR CERTIFICATION</p><p>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.</p><p>Survey Date: AUGUST 12, 2005</p><p>Signature and Seal of Professional Surveyor</p><div><p>JASON C. EDWARDS NEW MEXICO 15269 REGISTERED PROFESSIONAL SURVEYOR</p></div><p><i>JASON C. EDWARDS</i> Certificate Number 15269</p></div>
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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

Form C-103
May 27, 2004

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

WELL API NO. 30-045-33387	
5. Indicate Type of Lease 1 STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name NEWBERRY #1F	
8. Well Number	
9. OGRID Number 217817	
10. Pool name or Wildcat BLANCO MESAVERDE / BASIN DAKOTA	

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 G 2100 feet from the NORTH line and 1900 feet from the EAST line
Section 17 Township 31N Range 12W NMPM SAN JUAN County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6006' GL

Pit or Below-grade Tank Application <input checked="" type="checkbox"/> Closure <input type="checkbox"/>	
Pit type <u>DRILL</u>	Depth to Groundwater <u>0-50'</u>
Distance from nearest fresh water well <u>>1000'</u>	
Distance from nearest surface water <u>200'</u>	
Liner Thickness: <u>mil</u>	Below-Grade Tank: Volume <u>bb1s</u> ; Construction Material

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 10/18/2005

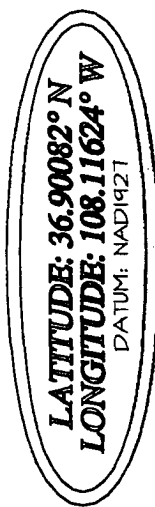
Type or print name E-mail address: Telephone No.

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 8 DATE AUG 16 2006
Conditions of Approval (if any):

PLAT NOTE:

SURFACE OWNER
Bureau of Land
Management



C-C'							
6016'							
6006'							
5996'							

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

NEWBERRY 1F

Lease:		AFE #: WAN.CNV.5139		AFE \$:	
Field Name: NEW MEXICO-NORTH	Rig: 320-2419	State: NM	County: SAN JUAN	API #:	
Geoscientist: Glaser, Terry J	Phone: (832)486-2332	Prod. Engineer: Piotrowicz, 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
FRR	BASIN DAKOTA (PRORATED GAS)
RON	BLANCO MESAVERDE (PRORATED GAS)

Location: Surface

Latitude: 36.90	Longitude: -108.12	X:	Y:	Section: 17	Range: 12W
Footage X: 1900 FEL	Footage Y: 2100 FNL	Elevation: 6006 (FT)	Township: 31N		

Tolerance:

Location Type: Summer Only	Start Date (Est.):	Completion Date:	Date In Operation:
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Formation Data: Assume KB = 6026 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SURFACE CSG	213	5813	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
CJAM	1276	4750	<input type="checkbox"/>			Possible water flows.
KRLD	1426	4600	<input type="checkbox"/>			
FRLD	1966	4060	<input type="checkbox"/>			Possible gas.
PCCF	2416	3610	<input type="checkbox"/>			
LEWS	2616	3410	<input type="checkbox"/>			
Intermediate Casing	2716	3310	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	3521	2505	<input type="checkbox"/>			
CLFH	4121	1905	<input type="checkbox"/>			Gas; possibly wet
MENF	4221	1805	<input type="checkbox"/>			Gas.
PTLK	4766	1260	<input type="checkbox"/>			Gas.
CLLP	6101	-75	<input type="checkbox"/>			Gas. Possibly wet.
CRHN	6806	-780	<input type="checkbox"/>			Gas possible, highly fractured
TWLS	6926	-900	<input type="checkbox"/>			Gas
PAGU	7001	-975	<input type="checkbox"/>			Gas. Highly Fractured.
Total Depth	7156	-1130	<input type="checkbox"/>			6-1/4" Hole. 4-1/2", 11.6 ppf, N-80, LTC casing. Circulate cement a minimum of 100' inside the previous casing string. No open hole logs. Cased hole TDT with GR to surface.

2500 psi

Reference Wells

Reference Type	Well Name	Comments
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PROJECT PROPOSAL - New Drill / Sidetrack

NEWBERRY 1F

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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Comments: Location/Tops/Logging - Cliff House may be wet

General/Work Description -

Funds in the amount of \$1,095,687 gross (\$821,765 COPC net) are requested to drill and equip the referenced well as an 7,156' MV-80/DK-80 acre infill well, to be located 2,100' FNL & 1,900' FEL of Section 17-T31N-R12W, San Juan Co., NM. Production will be DHC'd. COPC has 75.00/53.125% in the MV and 75/64.375% in the DK. The pre-drill charge code is WAN.RFE.PD06.78. The subject well is scheduled to spud on November 2, 2005.

It is estimated that this well will get 0.874 Bcf EUR from the MV and 0.546 Bcf EUR in the Dakota. The Mesaverde flowstream is based on a 70/30% new reserves/acceleration split, with an IP of 350 mcf/d. The Dakota is based on a 65/35% new reserves/acceleration split, with an IP of 180 mcf/d. The 10/13% economic indicators generated by these flowstreams are: PI 1.38/1.17, NPV \$433M/\$232M, AARR of 16.6%.

Newberry #1F
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	1.21	cuft/sk
Cement Density	15.6	lb/gal
Excess Cement	125	%
Cement Required	124	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	2716'	
Lead Cement Yield	2.88	cuft/sk
Lead Cement Density	11.5	lb/gal
Lead Cement Excess	150	%
Lead Cement Required	267	sx
Tail Cement Length	543.2'	
Tail Cement Yield	1.33	cuft/sk
Tail Cement Density	13.5	lb/gal
Tail Cement Excess	150	%
Tail Cement Required	154	sx

SHOE 2716', 7", 20 ppf, J-55 STC

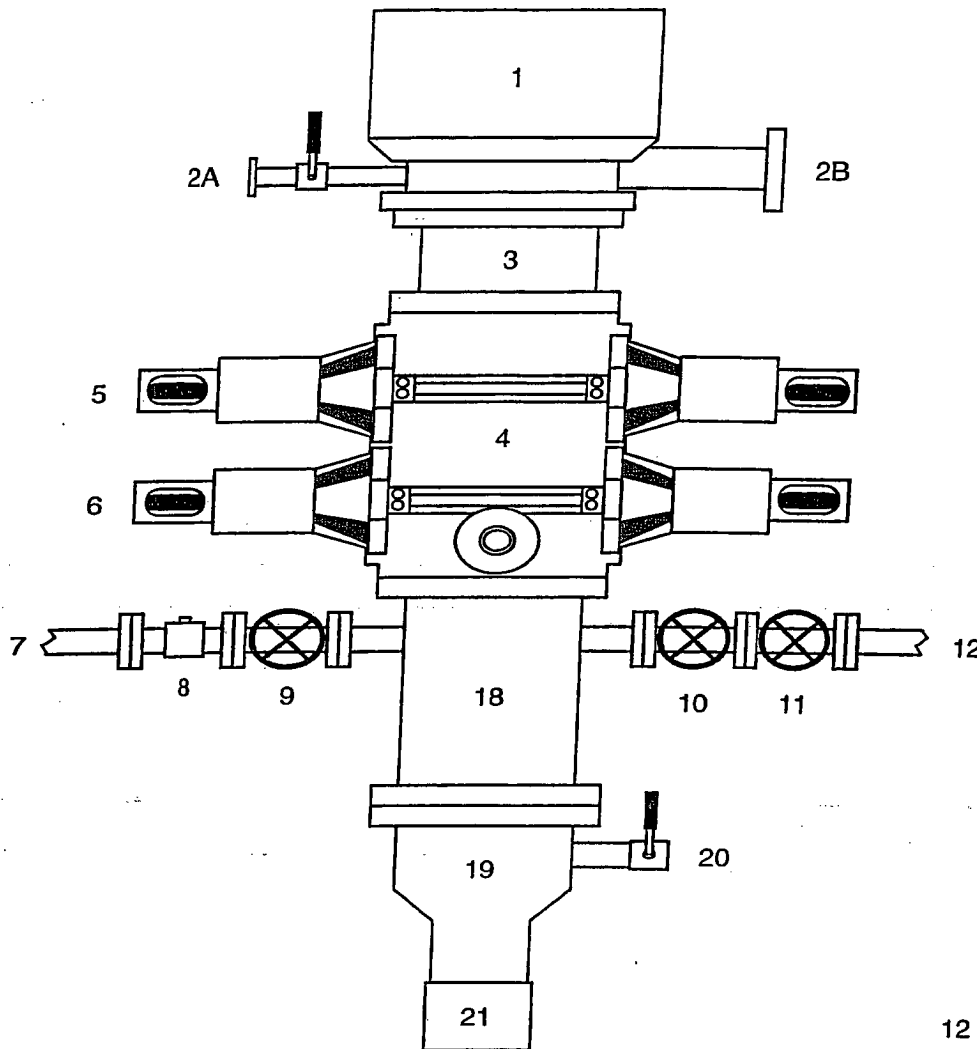
PRODUCTION CASING :

Drill Bit Diameter	6.25"	
Casing Outside Diameter	4.5"	Casing Inside Diam. 4.000"
Casing Weight	11.6	ppf
Casing Grade	N-80	
Top of Cement	2516'	200' inside intermediate casing
Shoe Depth	7156'	
Cement Yield	1.45	cuft/sk
Cement Density	13.1	lb/gal
Cement Excess	50	%
Cement Required	248	sx

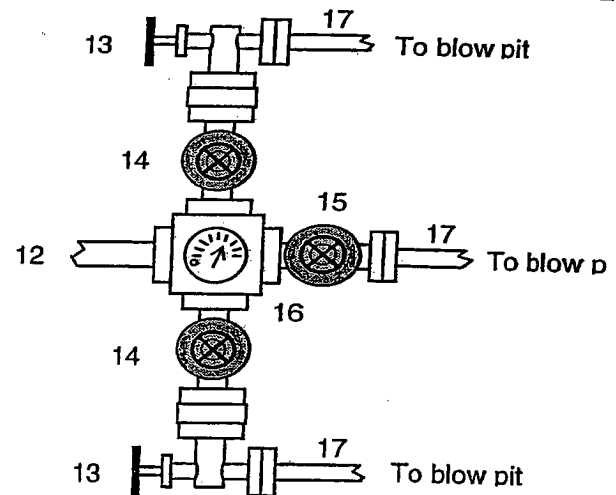
SHOE 7156', 4.5", 11.6 ppf, N-80 LTC

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

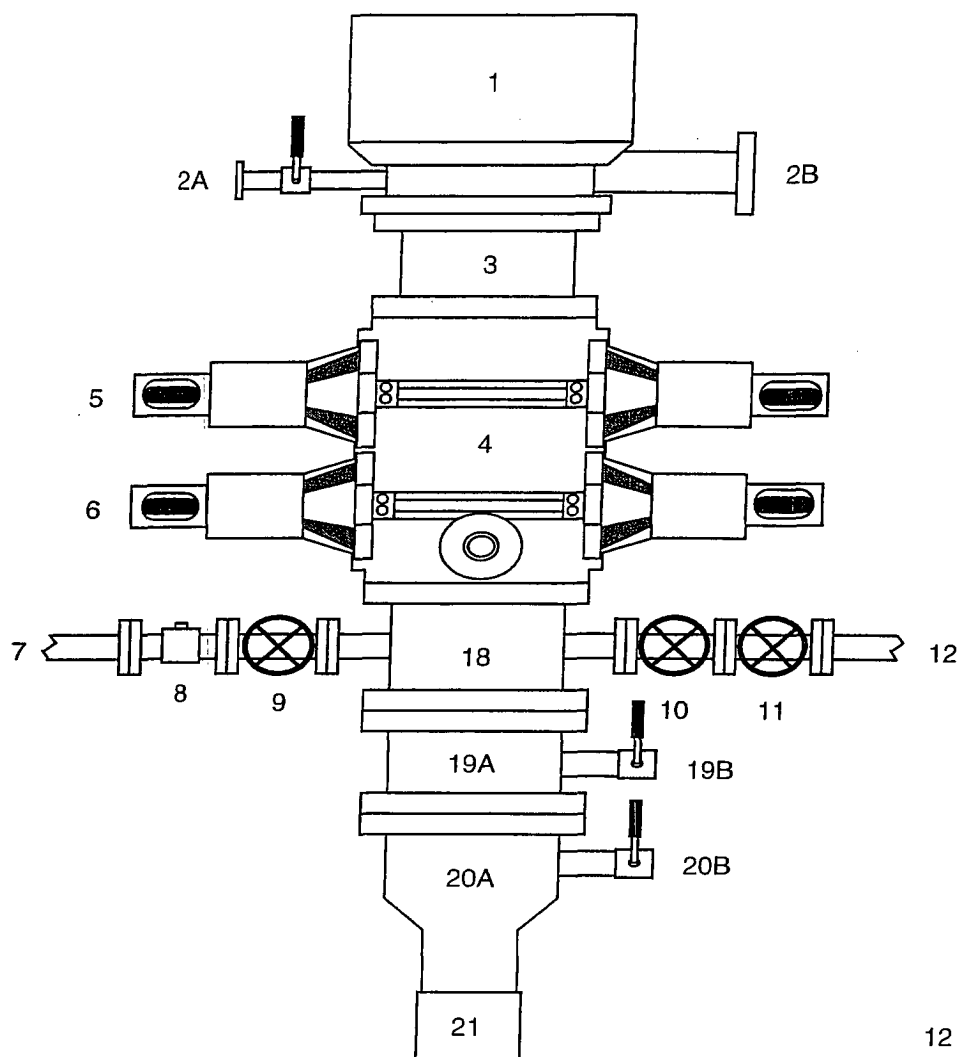


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

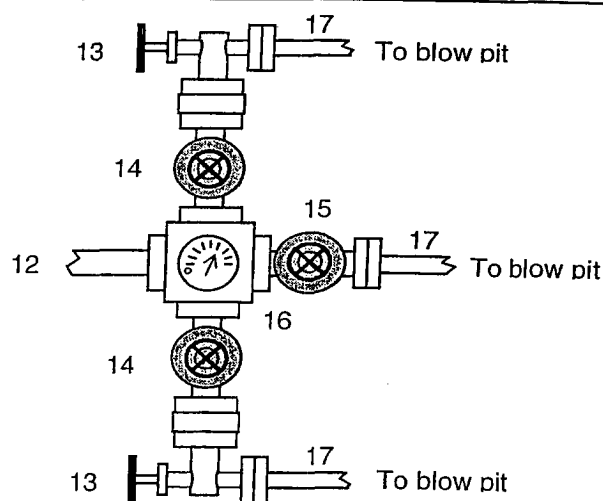
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

1. Upper Kelly cock Valve with handle

For Drilling to TD and Setting 4.5 inch Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Blooie 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 : NEWBERRY Well #: 1F

Surface Location:

Unit: G Section: 17 Township: 31N Range: 12W

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

Footage: 2100 from the NORTH line, 1900 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.