

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	2008 SEP 21 AM 8 27 RECEIVED 070 FARMINGTON NM	5. Lease Number NMSF-079047-078459 Unit Reporting Number
1b. Type of Well GAS		6. If Indian, All. or Tribe
2. Operator Conoco Phillips	SEP 2008	7. Unit Agreement Name San Juan 32-7 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name 9. Well Number #44F
4. Location of Well Unit L (NWSW), 1972' FSL & 889' FWL, Latitude 36° 57' 49.57944 N Longitude 107° 33' 36.54879 W		10. Field, Pool, Wildcat Basin DK/Blanco MV 11. Sec., Twn, Rge, Mer. (NMPM) L Sec. 22, T32N, R07W API # 30-045-33940
14. Distance in Miles from Nearest Town 16.9 miles Ignacio		12. County San Juan
15. Distance from Proposed Location to Nearest Property or Lease Line 889'		13. State NM
16. Acres in Lease		17. Acres Assigned to Well 3 DK 326.4 - (S/2) MV 337.56 - (W/2)
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease		
19. Proposed Depth 8160'		20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6567' GL		22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: Rhonda Rogers (Regulatory Assistant)		9-19-06 Date

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

Archaeological Report attached

Threatened and Endangered Species Report attached

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.

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

NMOC

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

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Fee Lease - 3 Copies
State Lease - 7 Copies
Submit to Appropriate District Office
Revised June 10, 2003
Form C-102

2006 SEP 21 AM 8 07

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045- 33940		² Pool Code 71599/72319		³ Pool Name DAKOTA / MESAVERDE	
⁴ Property Code 31329		⁵ Property Name SAN JUAN 32-7 Unit			⁶ Well Number 44F
⁷ OGRID No. 217817		⁸ Operator Name CONOCOPHILLIPS COMPANY			⁹ Elevation 6,567.2'

¹⁰ SURFACE LOCATION

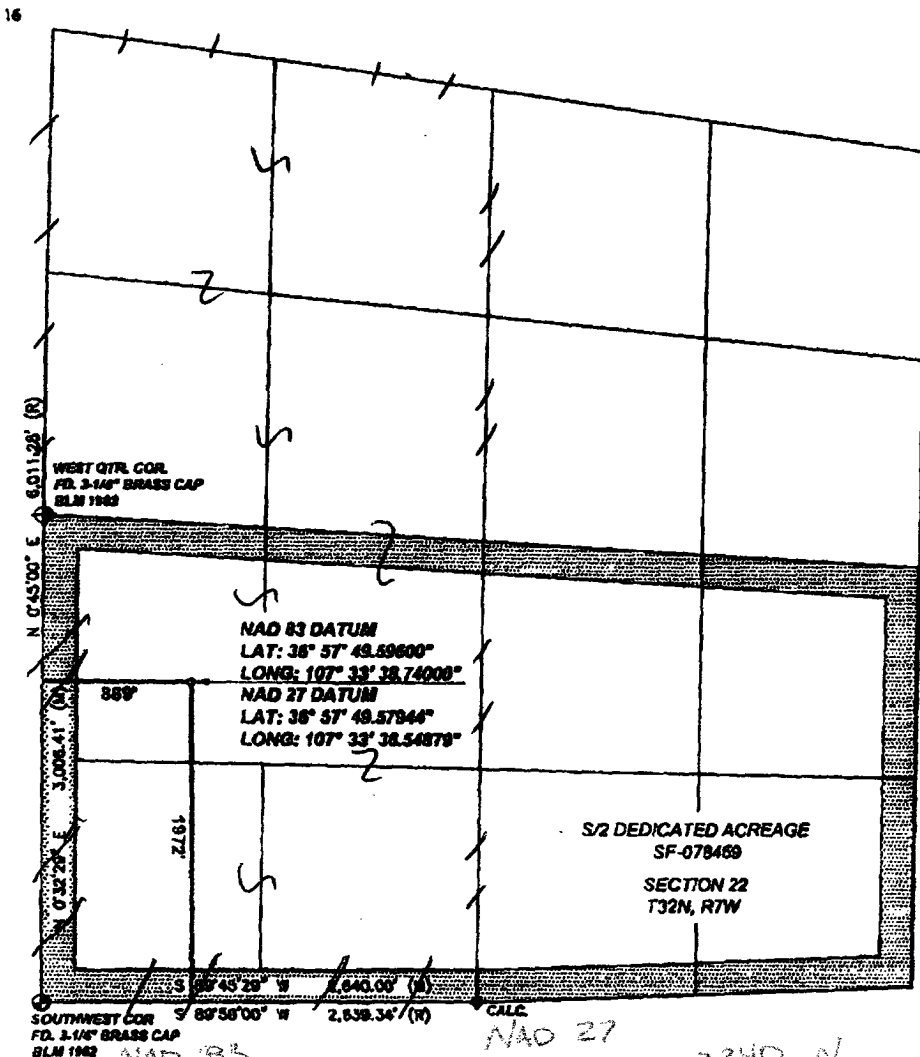
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	22	32-N	7-W		1972	SOUTH	889	WEST	SAN JUAN

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
L									

¹² Dedicated Acres S/2 328.4 - 0.0 W/2 337.56	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

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

Juanita Farrell
Signature

Juanita Farrell
Printed Name

Regulatory Specialist
Title and E-mail Address

7/26/2006
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.

Date of Survey: 6/29/06

Signature and Seal of Professional Surveyor:

Certificate Number: NM 11393

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- **33940**

5. Indicate Type of Lease

STATE ☐

FEE ☐

6. State Oil & Gas Lease No.

NMSF-079047

7. Lease Name or Unit Agreement Name

San Juan 32-7 Unit

8. Well Number

#44F

9. OGRID Number

217817

10. Pool name or Wildcat

Basin Dakota/Blanco MV

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

3. Address of Operator

3401 E. 30TH STREET, FARMINGTON, NM 87402

4. Well Location

Unit Letter L 1972' feet from the South line and 889' feet from the West line
Section 22 Township 32N Rng 07W NMPM County San Juan

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

6567

Pit or Below-grade Tank Application

☐ or Closure ☐

Pit type New Drill Depth to Groundwater >100' Distance from nearest fresh water well

>1000' Distance from nearest surface water <1000'

Pit Liner Thickness:

12

mil

Below-Grade Tank:

Volume

bbls;

Construction Material

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

P AND A ☐

CASING/CEMENT JOB ☐

OTHER:

New Drill ☒

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.

New Drill, Lined:

Burlington Resources proposes to construct a new drilling pit and an associated vent/flare pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit will be a lined pit as detailed in Burlington's Revised Drilling / Workover Pit Construction / Operation Procedures dated November 11, 2004 on file at the NMOCD office. A portion of the vent/flare pit will be designed to manage fluids and that portion will be lined as per the risk ranking criteria. Burlington Resources anticipates closing these pits according to the Drilling / Workover Pit Closure Procedure dated August 2, 2004 on file at the NMOCD office.

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 Rhonda Rogers TITLE Regulatory Assistant DATE 9/7/2006

Type or print name Rhonda Rogers E-mail address: rrogers@br-inc.com Telephone No. 505-599-4018

For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE SEP 28 2006

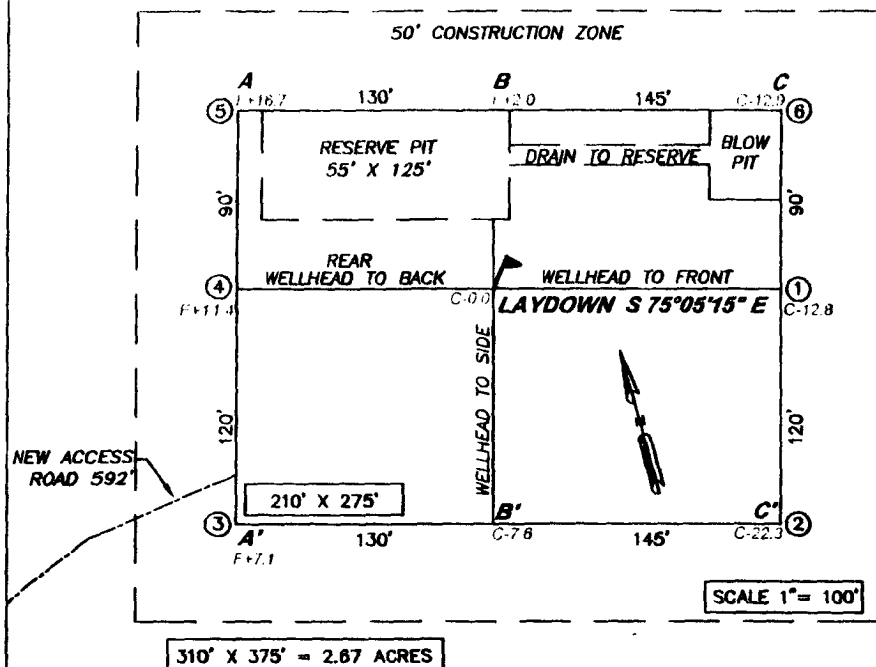
Conditions of Approval (if any):

NAD 83 DATUM
LAT: 36° 57' 49.59600"
LONG: 107° 33' 38.74000"

NAD 27 DATUM
LAT: 36° 57' 49.57944"
LONG: 107° 33' 36.54879"

CONOCOPHILLIPS COMPANY

SAN JUAN 32-7 44F
1972' FSL, 889' FWL
SECTION 22, T32N, R7W,
SAN JUAN COUNTY, NEW MEXICO
ELEV.: 6,567.2' NADV88



A - A'

C/L

6580

6570

6560

6550

B - B'

6580

6570

6560

6550

C - C'

C/L

6580

6570

6560

6550

HORIZ. SCALE 1" = 50'
VERT. SCALE 1" = 30'

HORIZ. SCALE 1" = 50'
VERT. SCALE 1" = 30'

HORIZ. SCALE 1" = 50'
VERT. SCALE 1" = 30'

NOTE: CCI IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.

CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD PRIOR TO CONSTRUCTION.

REVISIONS			
NO.	DESCRIPTION	REVISED BY	DATE

CCI

1300 W. BROADWAY
BLOOMFIELD, NM, 87413
PHONE: (505) 632-7777

CHENAUT CONSULTING INC.

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-7 44F

Lease:		AFE #: WAN.CNV.7157		AFE \$:	
Field Name: 32-7		Rig: UNSCHEDULED 32-7		State: NM County: SAN JUAN	
Geoscientist: Brain, Ted H.		Phone: 832-486-2592		Prod. Engineer: Piotrowicz, Greg M. Phone: +1 832-486-3486	
Res. Engineer:		Phone: 832 486-2651		Proj. Field Lead: Fransen, Eric E. Phone:	
Primary Objective (Zones):					
Zone	Zone Name				
R20002	MESAVERDE(R20002)				
R20076	DAKOTA(R20076)				

Location: Surface		Datum Code: NAD 27		Straight Hole	
Latitude: 36.963772	Longitude: -107.560152	X:	Y:	Section: 22	Range: 7W
Footage X: 899 FWL	Footage Y: 1972 FSL	Elevation: 6567	(FT)	Township: 32N	
Tolerance:					

Location Type: Summer Only	Start Date (Est.):	Completion Date:	Date In Operation:
Formation Data: Assume KB = 6583 Units = FT			

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	223	6360	☐			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	993	5590	☐			
OJAM	2336	4247	☐			Possible water flows.
KRLD	2427	4156	☐			
FRLD	3116	3467	☐			Possible gas.
PCCF	3448	3135	☐			
LEWS	3656	2927	☐			
Intermediate Casing	3763	2820	☐			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4728	1855	☐			
CLFH	5488	1095	☐			Gas; possibly wet
MENF	5543	1040	☐			Gas.
PTLK	5783	800	☐			Gas.
GLLP	7148	-565	☐			Gas. Possibly wet.
GRHN	7851	-1268	☐			Gas possible, highly fractured
CBBO	8020	-1437	☐			Gas
TOTAL DEPTH DK	8160	-1577	☐			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.
Total Depth	8160	-1577	☐			

Reference Wells:		
Reference Type	Well Name	Comments
Intermediate	San Juan 32 7 44	22-32N-7W, SW

M.C. Ring

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-7 44F

Logging Program:Intermediate Logs: ☐ Log only if show ☐ GR/ILD ☐ Triple ComboTD 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 - TD is 340' below the top of the Greenhorn

HOLE: 12.25 "
 CSG OD: 9.625 "
 CSG ID: 9.001 "
 WGT: 32.3 ppf
 GRADE: H-40
 EXCESS: 125 %
 DEPTH: 223'

SURFACE:
 Option 1
 141 sx
 29.3 bbls
 164.5 cuft
 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
 136 sx
 29.3 bbls
 164.5 cuft
 1.21 ft³/sx
 15.6 ppg
 5.29 gal/sx
 Standard Cement
 + 3% Calcium Chloride
 + 0.25 lb/sx Floceale

Option 3
 62 sx
 17.7 bbls
 99.6 cuft
 1.61 ft³/sx
 14.5 ppg
 7.41 gal/sx
 Type I-II Ready Mix
 + 20% Fly Ash

Comp. Strength
 8 hrs 475 psi
 24 hrs 1375 psi

INTERMEDIATE LEAD:

HOLE: 8.75 "
 CSG OD: 7 "
 CSG ID: 6.456 "
 WGT: 20 ppf
 GRADE: J-55
 EXCESS: 150 %
 TAIL: 752.6'
 DEPTH: 3763'

Option 1
 400 sx
 193.6 bbls
 1086.9 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

Option 2
 418 sx
 193.6 bbls
 1086.9 cuft
 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
 413 sx
 193.6 bbls
 1086.9 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

Comp. Strength
 3 hrs 100 psi
 24 hrs 443 psi

INTERMEDIATE TAIL:

HOLE: 6.25 "
 CSG OD: 4.5 "
 CSG ID: 4 "
 WGT: 11.6 ppf
 GRADE: N-80
 EXCESS: 50 %
 DEPTH: 8160'

Option 1
 223 sx
 52.1 bbls
 292.5 cuft
 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 Gilsomite Extender
 + 0.1% D046 Antifoamer
 + 6 lb/sx Phenoseal

Option 2
 220 sx
 52.1 bbls
 292.5 cuft
 1.33 ft³/sx
 13.5 ppg
 5.52 gal/sx
 50/50 Poz: Standard Cement
 + 2% Bentonite
 + 6.0 lb/sx Phenoseal

Option 3
 229 sx
 52.1 bbls
 292.5 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 Gilsomite Extender
 + 2% S001 Calcium Chloride
 + 0.1% D046 Antifoamer
 + 0.15% D065 Dispersant
 + 1.0 lb/bbl CemNet

Comp. Strength
 24 hrs 1850 psi
 48 hrs 3411 psi

PRODUCTION:

HOLE: 6.25 "
 CSG OD: 4.5 "
 CSG ID: 4 "
 WGT: 11.6 ppf
 GRADE: N-80
 EXCESS: 50 %
 DEPTH: 8160'

Option 1
 486 sx
 124.7 bbls
 700.4 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 Gilsomite 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
 483 sx
 124.7 bbls
 700.4 cuft
 1.45 ft³/sx
 13.1 ppg
 6.55 gal/sx
 50/50 Poz: Standard Cement
 + 3% Bentonite
 + 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
 9:32 50 psi
 12 hrs 500 psi
 13:29 1026 psi
 24 hrs 2300 psi

San Juan 32-7 #44F

HOLE: 12.25 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppf
GRADE: H-40
EXCESS: 125 %
DEPTH: 223'

SURFACE:

INTERMEDIATE LEAD:

Option 4

377 sx
193.6 bbls
1086.9 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

HOLE: 8.75 "
CSG OD: 7 "
CSG ID: 6.456 "
WGT: 20 ppf
GRADE: J-55
EXCESS: 150 %
TAIL: 752.6'
DEPTH: 3763'

Option 5

518 sx
193.6 bbls
1086.9 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

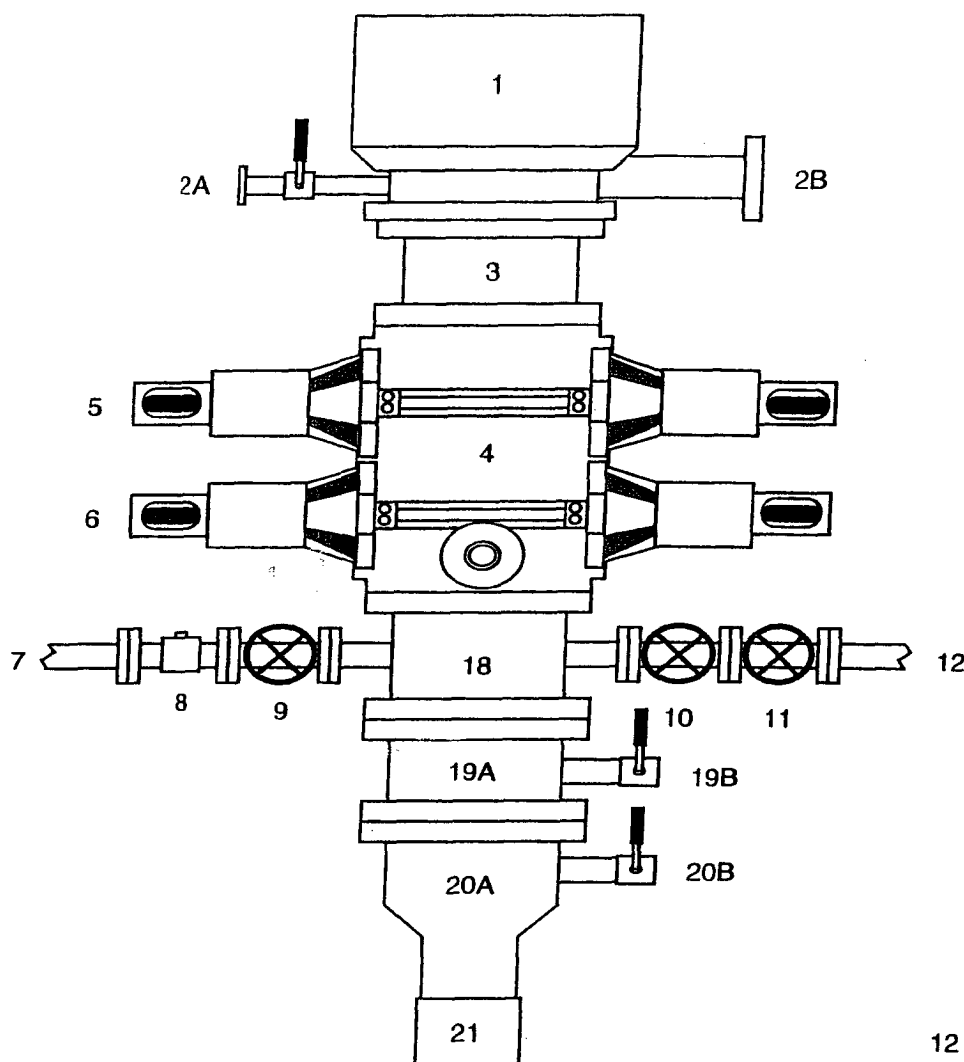
INTERMEDIATE TAIL:

PRODUCTION:

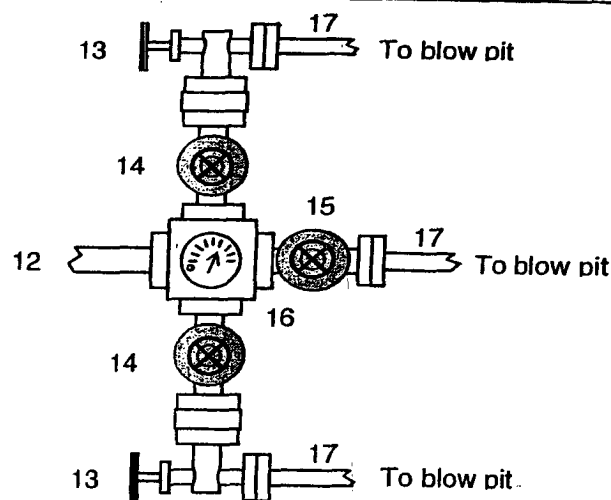
HOLE: 6.25 "
CSG OD: 4.5 "
CSG ID: 4 "
WGT: 11.6 ppf
GRADE: N-80
EXCESS: 50 %
DEPTH: 8160'

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



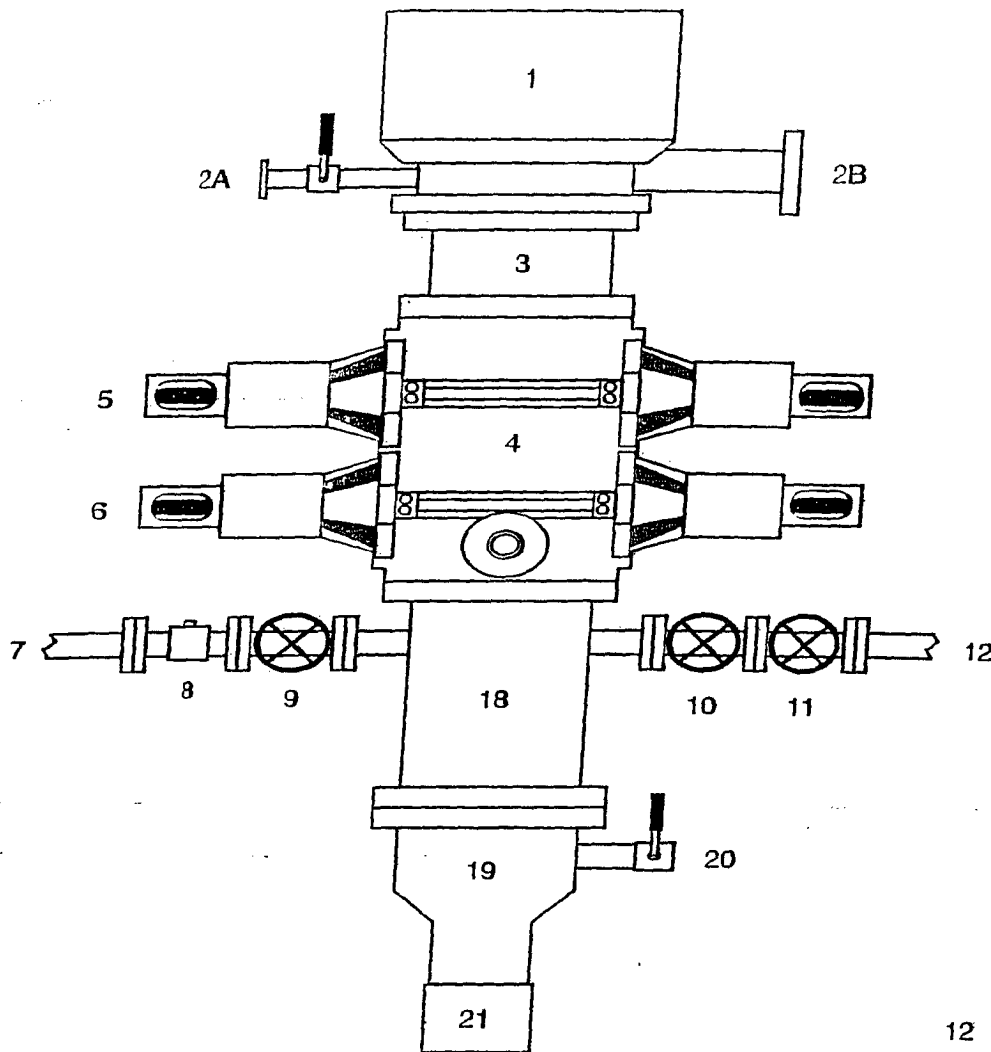
After the 7" intermediate casing has been run and cemented, the Casing Spool ("B" Section) will be installed on the wellhead ("A" Section) and the BOP will be installed on the Casing Spool. A test plug will be set in the wellhead and the pipe rams, blind rams, and choke manifold will be tested to 200 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:

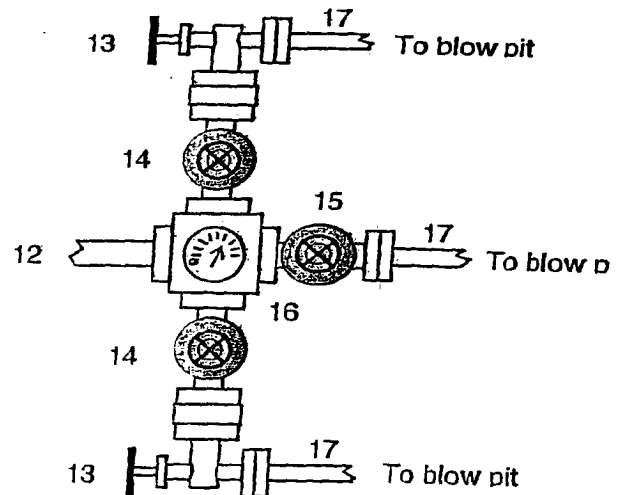
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

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



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: