Fonn 3160 -3
(February 2005)

2006 JAN 23 PM 1 LH

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
070 FARMINGTON NM

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. SF-078426

6. If Indian, Allotee or Tribe Name

Ia. Type of work: [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.

Ib. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

8. Lease Name and Well No. SAN JUAN 29-6 UNIT #63B

2. Name of Operator ConocoPhillips Company

9. API Well No. 30-039-29764

3a. Address 4001 Penbrook, Odessa, TX 79762

3b. Phone No. *(include area code)* 432-368-1230

10. Field and Pool, or Exploratory BLANCO MESAVERDE

4. Location of Well *(Report location clearly and in accordance with any State requirements, *)*

At surface SENE 2625 FNL - 940 FEL

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area SECTION 30, T29N, R6W NMPM

14. Distance in miles and direction from nearest town or post office*

12. County or Parish RIO ARRIBA

13. State NM

15. Distance from proposed* location to nearest propery or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
	1840 ACRES	320.0 ACRES - E/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
	5848'	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22 Approximate date work will start*	23. Estimated duration
6437' GL		

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	Name *(Printed/Typed)*	Date
Peggy James	Peggy James	01/19/2006
Title Sr. Associate		
Approved by *(Signature)* Wayne Townsend	Name *(Printed/Typed)* Wayne Townsend	Date 10/2/06
Title Actg 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 juris iction.

*(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.

OCT 2006
OIL CONS. DIV.
DIST. 3

NMOCD

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

2006 JAN 23 PM 1 [illegible]

☐ AMENDED REPORT

RECEIVED
070 FARMINGTON NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹API Number	²Pool Code	³Pool Name
30-039-29764	72319	BLANCO MESAVERDE

⁴Property Code	⁵Property Name	⁶Well Number
31326	SAN JUAN 29-6 UNIT	63B

⁷OGRID No.	⁸Operator Name	⁹Elevation
217817	CONOCOPHILLIPS COMPANY	6437'

¹⁰ Surface Location

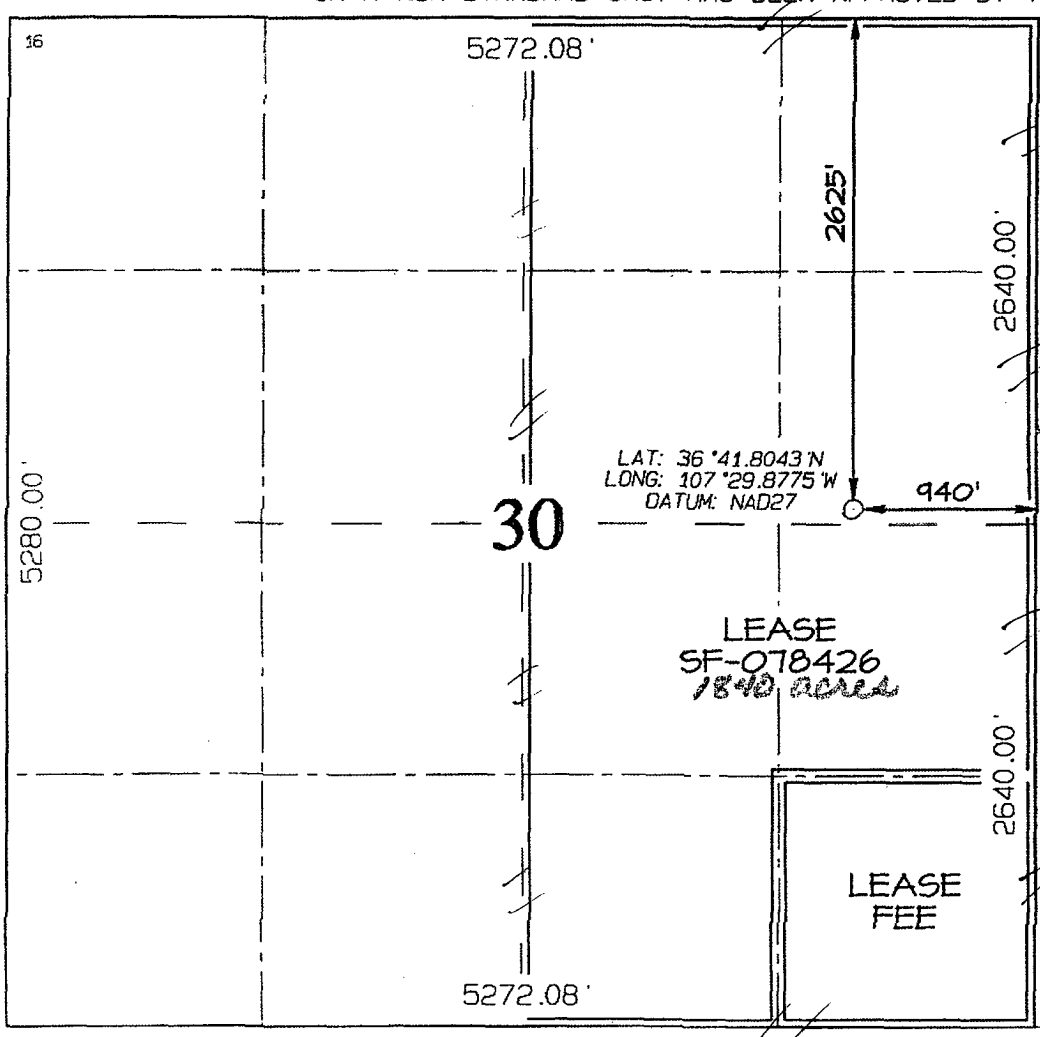
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	30	29N	6W		2625	NORTH	940	EAST	RIO ARRIBA

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	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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: Virgil E. Chavez

Printed Name: Virgil E. Chavez

Title: Projects & Operations Lead

Date: January 9, 2006

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 Revised: DECEMBER 6, 2005
Date of Survey: APRIL 28, 2005

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED 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 11
1301 W. Grand Ave., Artesia, NM 882 1 0
District III
I 000 Rio Brazos Rd., Aztec, NM 8741 0
District IV
1220 S. St. Francis Dr., Santa I e, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Fonn C- 1 03
May 27, 2004

WELL API NO.

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: SAN JUAN 29-6 UNIT

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number: 63B

2. Name of Operator: ConocoPhillips Company

9. OGRID Number: 217817

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

I 0. Pool name or Wildcat: BLANCO MESAVERDE

4. Well Location
Unit Letter H 2625 feet from the NORTH line and 940 feet from the EAST line
Section 30 Township 29N Range 6W NMPM RIO ARRIBA County

I 1. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6437' GL

Pit or Below -grade Tank Application ☒ Closure ☐

Pit type DRILL **Depth to Groundwater** ~~160'~~ > 100' **Distance from nearest fresh water well** ~~2,227'~~ > 1000' **Distance from nearest surface water** 600'

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:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:	☐			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 I 1 03. 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 rny knowledge and belief. I further certify that anv 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 for Patsy Clugston per Phone Call 10-5-06 TITLE Sr. Associate DATE 1/19/2006

Type or print name E-mail address peggy.s.james@conocophillips.com: Telephone No.: (432)368-1230

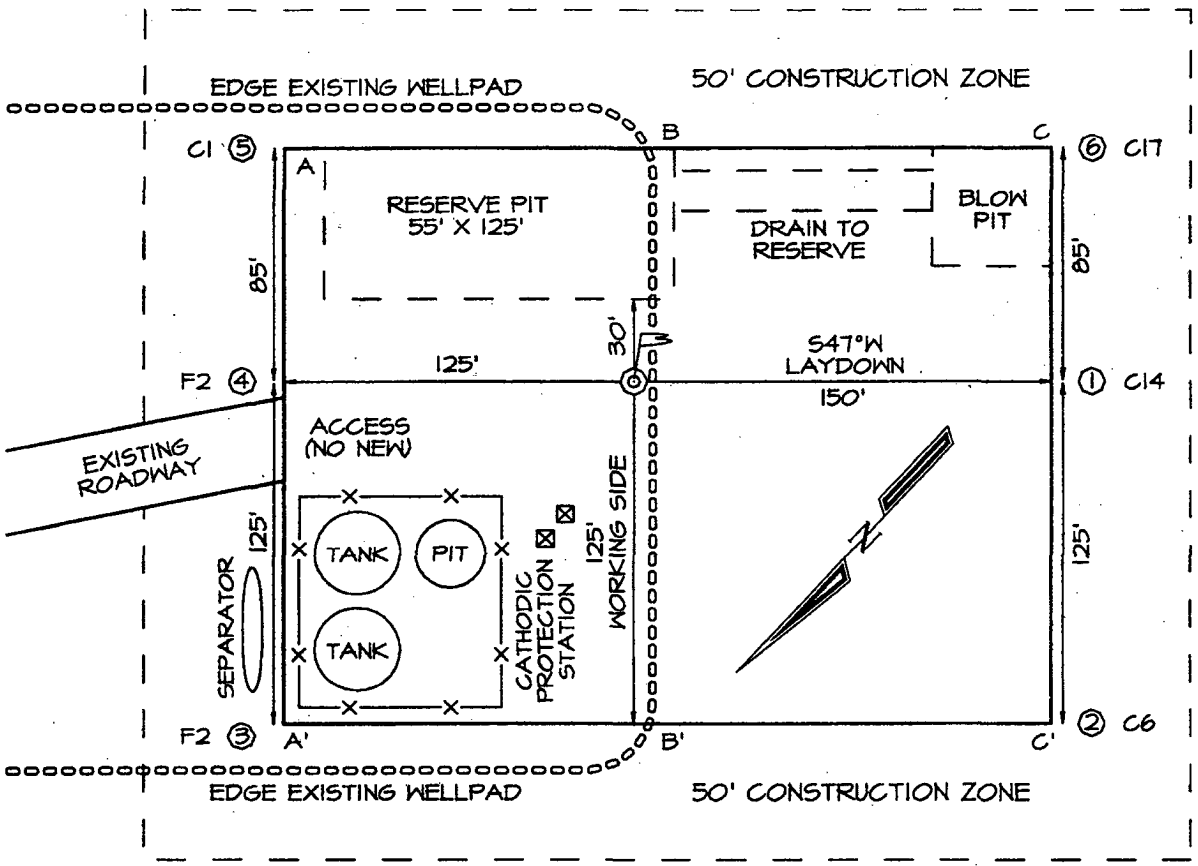
For State Use Onlv

APPROVED BY: TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE OCT 04 2006

Conditions of Approval (if any):

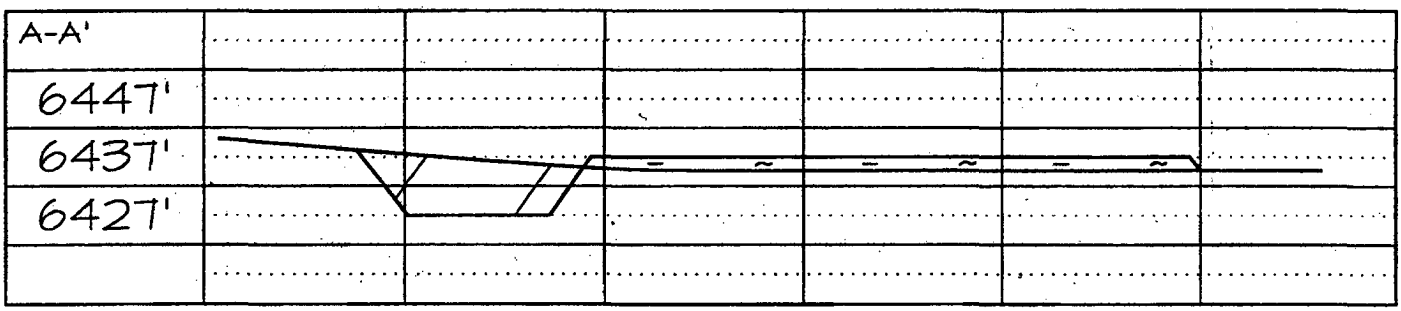
CONOCOPHILLIPS COMPANY SAN JUAN 29-6 UNIT #63B
2625' FNL & 940' FEL, SECTION 30, T29N, R6W, NMPM
RIO ARRIBA COUNTY, NEW MEXICO ELEVATION: 6437'

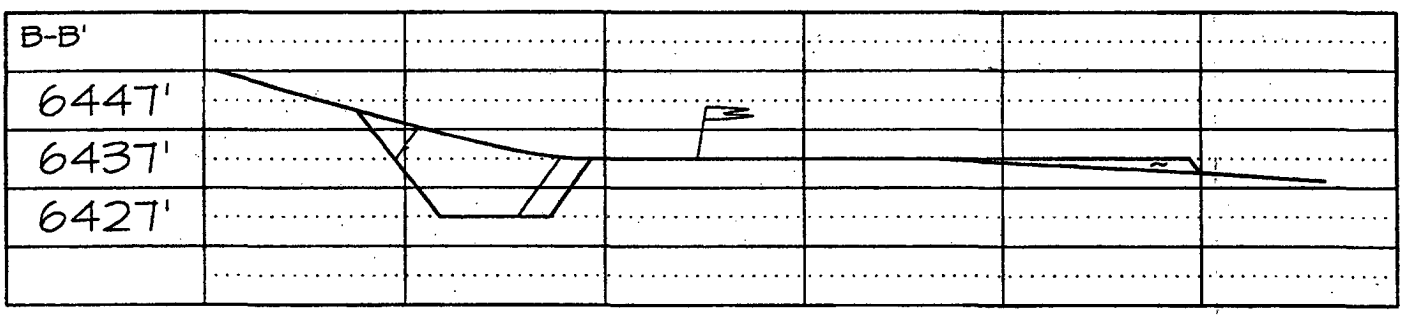
LATITUDE: 36.69674° N
LONGITUDE: 107.49796° W
DATUM: NAD1927

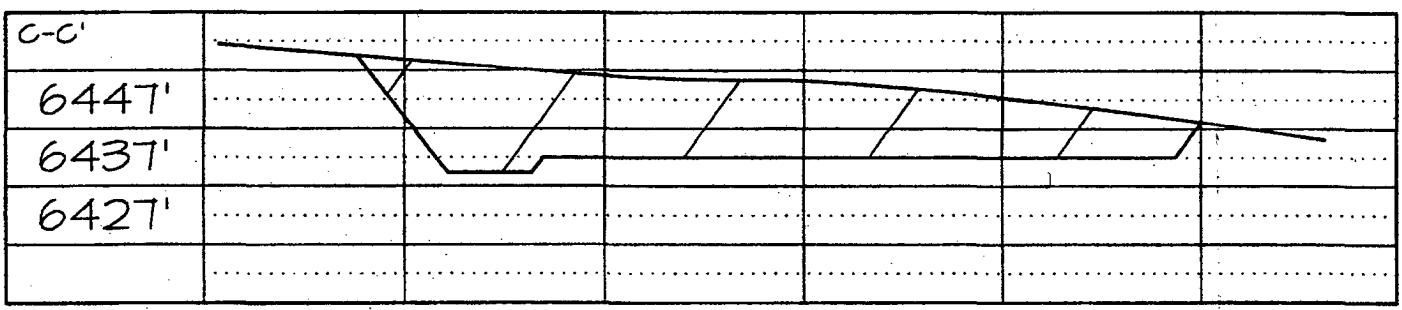


PLAT NOTE:

SURFACE OWNER Bureau of Land Management







ConocoPhillips

San Juan Business Unit

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 29-6 63B

Lease:	AFE #: WAN.CNV.6103			AFE $:
Field Name: 29-6	Rig: H&P 281	State: NM	County: RIO ARRIBA	API #:
Geoscientist: Glaser, Terry J	Phone: (281) 293 - 6538	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: 36.70	Longitude: -107.50	X:	Y:	Section: 30	Abstract: 6W
Footage X: 940 FEL	Footage Y: 2625 FNL	Elevation: 6437 (FT)	Survey: 29N		

Tolerance:

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

Formation Data: Assume KB = 6453 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SURFACE CSG	216	6237	☐			13-1/2 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1166	5287	☐			
CJAM	2417	4036	☐			Possible water flows.
KRLD	2571	3882	☐			
FRLD	3023	3430	☐			Possible gas.
PCCF	3303	3150	☐			
LEWS	3503	2950	☐			
Intermediate Casing	3603	2850	☐			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4278	2175	☐			
CLFH	5078	1375	☐			Gas; possibly wet
MENF	5153	1300	☐			Gas.
PTLK	5498	955	☐			Gas.
MNCS	5748	705	☐			
TOTAL DEPTH MV	5848	605	☐			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

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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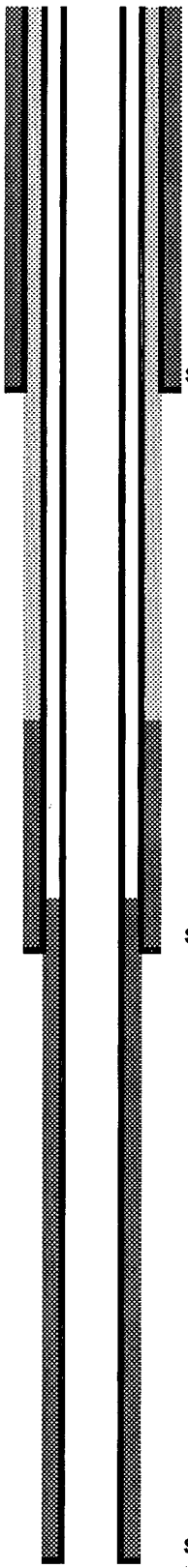
San Juan 29-6 #63B
Halliburton Cementing Program



SURFACE CASING :

Drill Bit Diameter	13.5	"	
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	
Excess Cement	125	%	
Cement Required	212	**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	3603	'	
Lead Cement Yield	2.88	cuft/sk	
Lead Cement Excess	150	%	
Tail Cement Length	720.6	'	
Tail Cement Yield	1.33	cuft/sk	
Tail Cement Excess	150	%	
Lead Cement Required	359	**sx**	
Tail Cement Required	211	**sx**	

SHOE 3603 ', 7 ", 20 ppf, J-55 STC

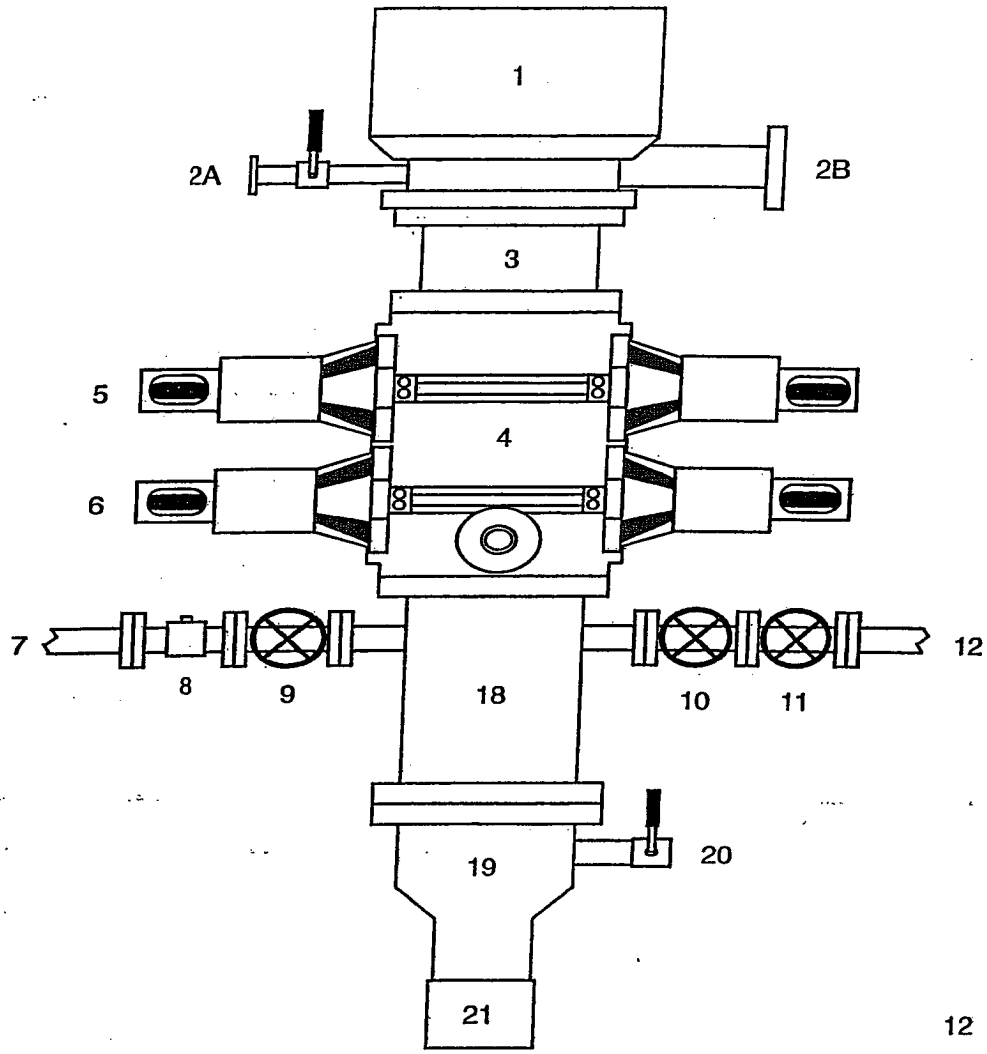
PRODUCTION CASING :

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	3403	'	200' inside intermediate casing
Shoe Depth	5848	'	
Cement Yield	1.45	cuft/sk	
Cement Excess	50	%	
Cement Required	255	**sx**	

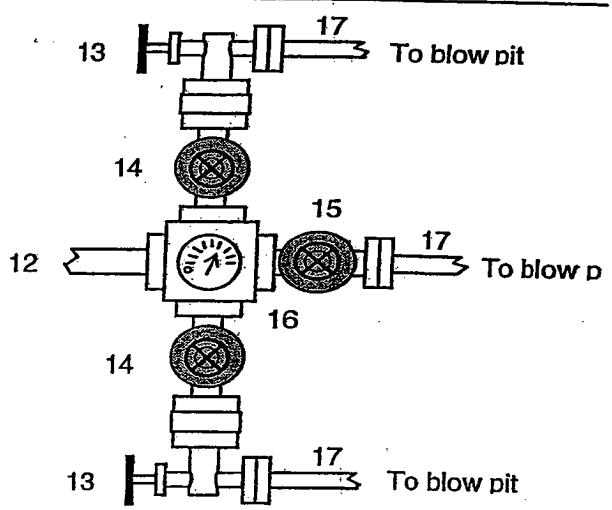
SHOE 5848 ', 4.5 ", 10.5 ppf, J-55 STC

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

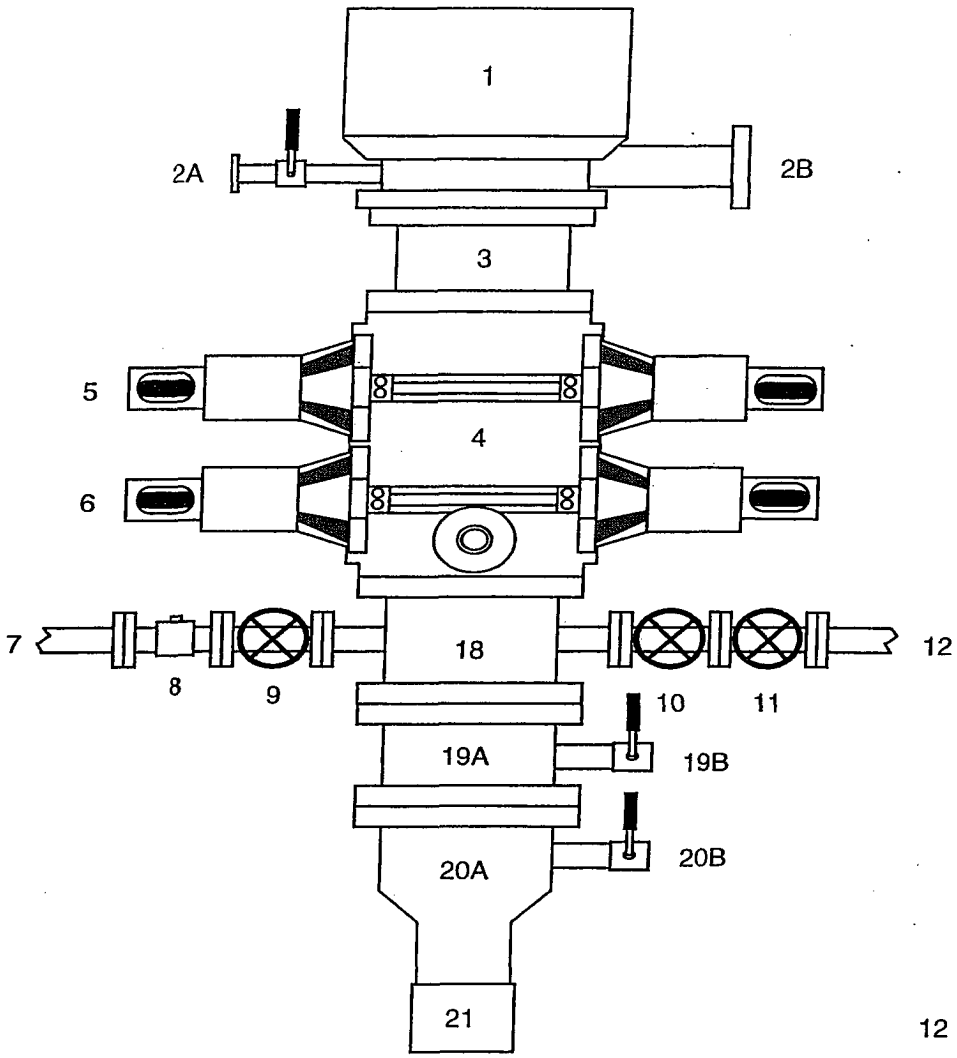


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

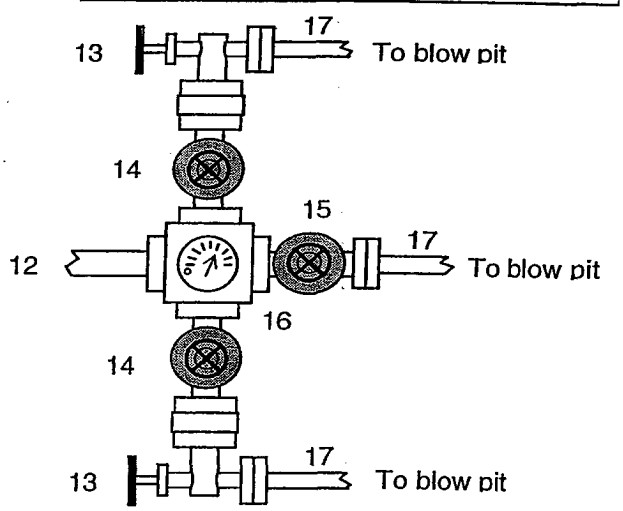
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



1. Rotating Head
2A. Fill-up Line & valve
2B. 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 : SAN JUAN 29-6 UNIT **Well #:** 63B

Surface Location:

Unit: H **Section:** 30 **Township:** 29N Range: 6W

County: RIO ARRIBA **State: New Mexico**

Footage: 2625 **from the** NORTH line, 940 **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.