UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

-,		ATION FOR PERMIT TO DRILL, DEEP	
1a.	Type of Work ORILL	216 OGT 20 EM 5 47	5. Lease Number SF-078414 Unit Reporting Number
1b.	Type of Weil	CTA Zaman	6. If Indian, All. or Tribe
2.	Operator		7. Unit Agreement Name
	ConocoPhillips		
3.	Address & Phone No. o	f Operator armington, NM 87499	8. Farm or Lease Name Day B
	(505) 326-9700		9. Well Number #17
4.	' Location of Well Sudf Unit I (NES) Bott	E), 1381' FSL & 899' FEL,	10. Field, Pool, Wildcat Fruitland Coal
	Latitude 360' 39	.266 64″ N	11. Sec., Twn, Rge, Mer. (NMPM)
	Longitude 1070,		Sec. 8 T29N, R8W, NMPM
			API# 30-045- 340
14.	Distance in Miles from 1.7 miles to Blo		12. County 13. State San Juan NM
15.	Distance from Proposed	i Location to Nearest Property or Lease L	ine
16.	Acres in Lease		17. Acres Assigned to Well 312.43 E/2
18.	Distance from Proposed	Location to Nearest Well, Drlg, Compl,	or Applied for on this Lease
19.	Proposed Depth		20. Rotary or Cable Tools Rotary
21.	Elevations (DF, FT, GR, 6379.7' GL 63	•	22. Approx. Date Work will Start
23.	Proposed Casing and Co See Operations		, ,
24.	Authorized by:	Athy (MC9/)W	10/20/06 Date
PERM	IT NO.	APPROVAL	DATE
APPR	OVED BY / m /	old TITLE Acting	AFM DATE 12/7/
	eological Report submitted mental Assessment is atta		
NOTE:	This format is issued in lieu	of U.S. BLM Form 3160-3	ifully to make to any department or agency of t
United	Stares any false, fictitious or	fraudulent statements or presentations as to	any matter within its jurisdiction.

DREAD AG CREMATIONS AUTHORIZED ARE SUBCREPTED COMPENSAGE WITH ATTACHED "GENERAL REQUIREMENTS".

This action is subject to technical and procedural review pursuant to 43 CFR 3165.8 and arrival pursuant to 43 CFR 3165.4

NMOCD 10 10/06

| District I | 1625 N. French Dr., Hobbs, NM 88240 | District II | 1301 W. Grand Avenue, Artesia, NM 88210 | District III | 1000 Rio Brazos Rd., Aztoc, NM 87410

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

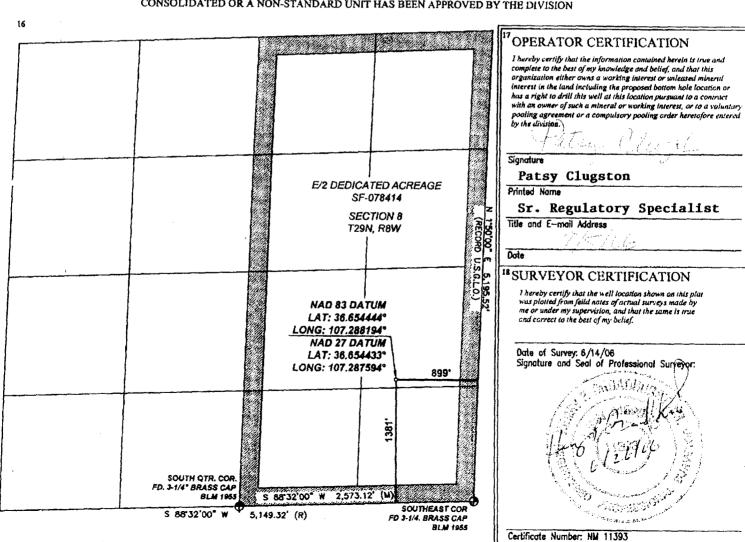
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 2000 DOT 20 FM 8 57

☐ AMMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-045- 34024			² Poo 716		Sa	ool Name D COAL		
Property Code 31519					perty Name DAY B		⁶ Well Number 17	
7 OGRID No. 217817				8 Ope CONOCOPH		6,3797.6380		
				10 SURFAC	E LOCATION			
UL or lot no.	Section	Township	Range L	ot Idn Feet from the	North/South line	Feet from the	East/West line	County
1:	8	29-N	8-W	1381	SOUTH	899	EAST	SAN JUAN
			11 Botto	om Hole Locatio	n If Different Fro	m Surface		<u> </u>
UL or lot no.	Section	Township		ot Idn Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 312.43 E 13 Joint or Infill 14 Consolidation Co				Order No.		_1		L

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

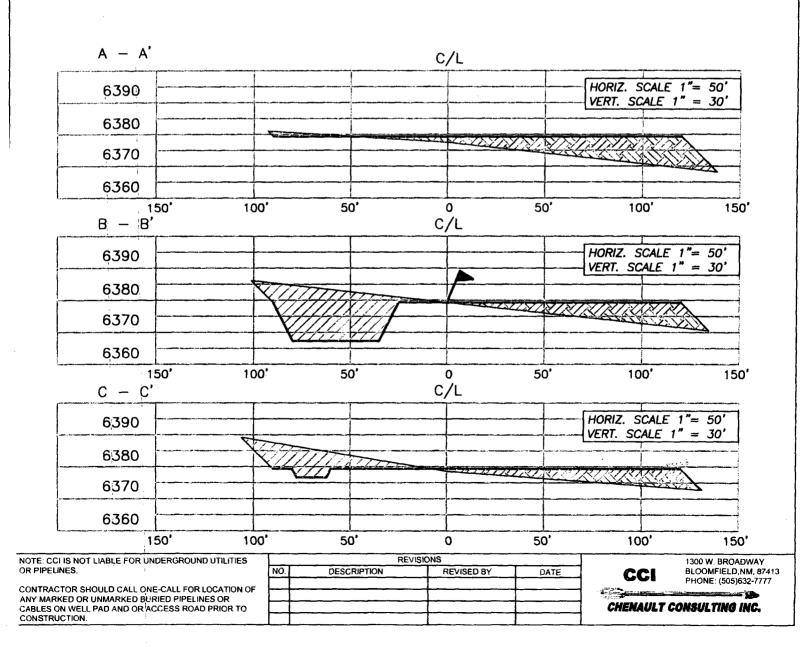


Submit 3 Copies To Appropriate District	State of New Mexico	Form C-103
Office <u>District I</u>	Energy, Minerals and Natural Resources	May 27, 2004
1625 N. French Dr., Hobbs, NM 88240 District II		WELL API NO. 30-045-
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISION	5. Indicate Type of Lease
District III	1220 South St. Francis Dr.	STATE FEE
1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u>	Santa Fe, NM 87505	6. State Oil & Gas Lease No. Federal Lease SF-078414
1220 S. St. Francis Dr., Santa Fe, NM 8750		
	ES AND REPORTS ON WELLS TO DRILL OR TO DEEPEN OR PLUG BACK TO A	7. Lease Name or Unit Agreement Name
DIFFERENT RESERVOIR. USE "APPLICATIO		Day B
PROPOSALS.) 1. Type of Well:		8. Well Number
Oil Well Gas Well X	Other	#17
2. Name of Operator	N.W. G	9. OGRID Number
3. Address of Operator	coPhillips Company	217817 10. Pool name or Wildcat
3401 E. 30TH STR	EET, FARMINGTON, NM 87402	Basin Fruitland Coal
4. Well Location Unit Letter I 1	381 feet from the South line and	899 feet from the <u>East</u> line
Section 8	Township 29N Rng 8W	
	Elevation (Show whether DR, RKB, RT, GR, etc.) 6397' GL	
Pit or Below-grade Tank Application	or Closure	2200
Pit type New Drill Depth to Groundwa	ater >100' Distance from nearest fresh water well	>1000' Distance from nearest surface water <1000'
Pit Liner Thickness: 12	mil Below-Grade Tank: Volume 440	bbls; Construction Material Synthetic
NOTICE OF IN PERFORM REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING	PLUG AND ABANDON CHANGE PLANS MULTIPLE COMPL REMEDIA COMMEN CASING/O	SUBSEQUENT REPORT OF:
OTHER: New	Drill X OTHER: d operations. (Clearly state all pertinent details, and pertinent details)	give portional dates including estimated date
	SEE RULE 1103. For Multiple Completions: Atta	
or recompletion.		
New Drill, Lined:		
interpretation of the Ecosphere's risk General Plan dated June 2005 on file	ranking criteria, the new drilling pit and pre-set mud	t will be designed to manage fluids and that portion will
I hereby certify that the information abo	ve is true and complete to the best of my knowledge a	and belief. I further certify that any nit or below-
grade tank has been/will be constructed or close	d according to NMOCD guidelines \square , a general permit \square	or an (attached) alternative OCD-approved plan
SIGNATURE PALSAY	<u> In saka / TITLE Sr. R</u>	egulatory Specialist DATE 10/20/2006
Type or print name Patsy (For State Use Only	<i>U</i>	
	Clugston E-mail address: <u>lugspl@con</u>	ocophillips.con Telephone 505-326-9518
APPPROVED BY	\wedge	ocophillips.con Telephone 505-326-9518 & GAS INSPECTOR, DIST. P. DEC 1 2 200

50' CONSTRUCTION ZONE LAT: 36° 44' 9.97912' 145 **(6)** BLOW RESERVE PIT DRAIN TO RESERVE 55' X 125' WELLHEAD TO FRONT REAR WELLHEAD TO BACK (4) LAYDOWN S 30°48'01" E ONG: 107 41'31.00000 ACCESS 17 ģ 3 145 130 **B'** F+8.1 **A'** F+9.9 EDGE OF HWY SCALE 1"= 100"

CONOCOPHILLIPS COMPANY

DAY B 17 1381' FSL, 899' FEL SECTION 08, T29N, R08W, SAN JUAN, NEW MEXICO ELEV.: 6,379.7' NADV88 NEW ACCESS 17'





PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

DAY B 17

Lease:			Al	E #:WAI	N.CNV.7	106			AF	E \$:
Field Name: NEW M	EXICO-EAST	Rig: A	ztec Rig 580			State: N	NM	County:	AP	I #:
Geoscientist: Brain, Ted H. Phone:			: 832-486-259	2	Prod. E	ngineer:			Phone	: 486-2334
Res. Engineer: Harrington, Tim R. Phone:			: 832-486-220	7			Frar	nsen, Eric E.	Phone	:
Primary Objective	VICTOR DE L'ANNE			1					15 (17)	
Zone Z	one Name			7						
	RUITLAND COAL	(R20001)		1						
Location: Surface		ım Code: N	AD 27							Straight Hole
Latitude: 36.736105	Longitude:	-107.691300	X:		Y:			Section: 8		Range: 8W
Footage X: 899 FEL	Footage Y:	1381 FSL	Elevation: 638	30 ((FT)	Township:	29N			
Tolerance:										
Location Type: Year	Round	Start I	Date (Est.):		Com	pletion Dat	te:	Dat	te In Opera	tion:
Formation Data: A	ssume KB = 639	6 Units =	FT							·
Formation Call & Casing Points		epth SS o in Ft) (Ft)	Depletion (Yes/No)	BHP (PSIG)	внт		,	Ren	narks	
216	2	216 6180						1/4 hole. 9 5/8" 3	2.3 ppf, H-4	0, STC casing.
NCMT	6	586 5710				Circulate c	æme	nt to surface.		1
KRLD		136 4260								
MALC	2	151 4245				Possible w	ater	flows.		
FRLD	2	701 3695				Possible ga	as.			
PCCF	30	039 3357	' 🗆							
Total Depth	3	239 3157				7-7/8" hole surface.	e, 5-	1/2" 17#/ft, N-80	LTC casing.	Circulate cement to
Reference Wells:								County States		
Reference Type W	ell Name		Comments							
Logging Program:								2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		
Intermediate Logs: [1	ow 🔲 GR/IL	D Triple	Combo						
TD Logs: [Triale Comba		r 🗌 RFT 🗀	1 a	7 ,,,,,,,	[] -n-				
TD LOGS. [ITIPIE COMBO	Dipmete	RFI L	J Sonic L	VSP	✓ TDT				
Additional Information	on:									
Log Type S	Stage	From (Ft)	To (Ft)	· · · · · · · · · · · · · · · · · · ·	Tool	Гуре/Name		Remark	<u> </u>	
	-	1 (- 4)	1,0(,0)		1.50.	. , , , , , , , , , , , , , , , , , , ,		Itomark		
Commented Landing	(Tonoth a ! !	COMMODULE	NAOCE1							
Comments: Location	/ rops/Logging - i	-CNMU29N008	SWU8SE1							

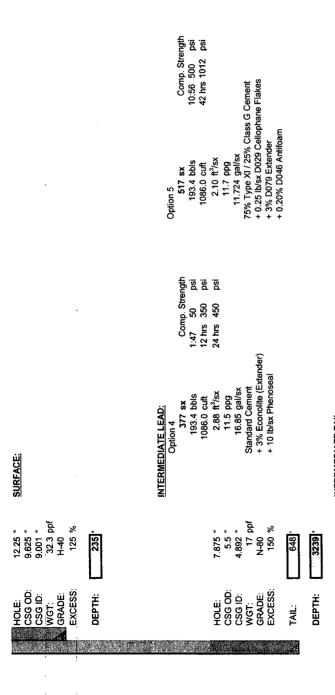
Zones - FCNM029N008W08SE1

General/Work Description - 12/4/06 PAS: AT 100% GWI, ECONOMICS MAY BE MARGINAL BUT IT IS A STRATEGIC WELL.

Printed on: 12/4/2006 4:30:42 PM

Comp. Strength 8 hrs 475 psi 24 hrs 1375 psi	Comp. Strength 3 hrs 100 psi 24 hrs 443 psi	Comp Strength 24 hrs 1850 psi 48 hrs 3411 psi ent ent e Extender int
Option 3	Option 3 413 sx 193.4 bbls 1086.0 cuft 2.63 ft²/sx 11.7 ppg 15.92 gal/sx Class G Cement + 3% D079 Extender + 0.20% D046 Antifoam + 1.0 lb/bbl CemNet	Option 3 224 sx Com 51.0 bbls 24 hrs 28.0 cuft 48 hrs 1.28 ft³/sx 13.5 ppg 5.25 gal/sx 50/50 Poz. Class G Cement + 2% D020 Bentonite + 5.0 lb/sx D024 Gilsonite Extender + 2% S001 Calcium Chloride + 0.1% D046 Antificamer + 0.1% D045 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 ent	Comp. Strength 2:05 50 psi 4:06 500 psi 12 hrs 1250 psi 24hrs 1819 psi ement
Option 2 143 sx 30.8 bbls 172.9 cuft 1.2.1 ft ³ /sx 15.6 ppg 5.29 gal/sx Standard Cement + 3% Calcium Chloride + 0.25 lb/sx Flocele	Option 2 418 sx 193.4 bbls 1086.0 cuff 2.60 ft²/sx 11.5 ppg 14.62 ppg 14.62 pgg/sx Type III Ashgrove Cement + 30 lb/sx San Juan Poz + 3% Bentonite + 5.0 lb/sx Phenoseal	215 sx 215 sx 215 sx 51.0 bbls 2 286.2 cuff 4 1.33 ff ³ /sx 1 1.35 ppg 2 5.52 gal/sx 50/50 Poz: Standard Cement + 2% Bentonitie + 6.0 lb/sx Phenoseal
Comp. Strength 6 hrs. 250 psi 8 hrs. 500 psi psi loride	Comp. Strength 9 hrs 300 psi 48 hrs 525 psi n	Comp Strength 3:53 500 psi 8:22 1000 psi 24 hrs 3170 psi 48 hrs 5399 psi ment phane Flakes lloride sir
SURFACE:	PRODUCTION LEAD:	PRODUCTION TAIL.: Option 1 218 sx Comp. 218 sx Comp. 219 sx 3:53 50 286.2 cuff 8:22 10 1.31 ft²/sx 24 hrs 31 1.3.5 ppg 48 hrs 53 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 Glisonite Extender + 0.1% D046 Antifoamer + 6 lb/sx Phenoseal
12.25 " 9.625 " 9.001 " 32.3 ppf H-40 125 %	7.875 " 5.5 " 4.892 " 17 ppf N-80 150 %	
HOLE: CSG OD: CSG ID: WGT: WGT: EXCESS: EXCESS:	HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS: TAIL: DEPTH:	·

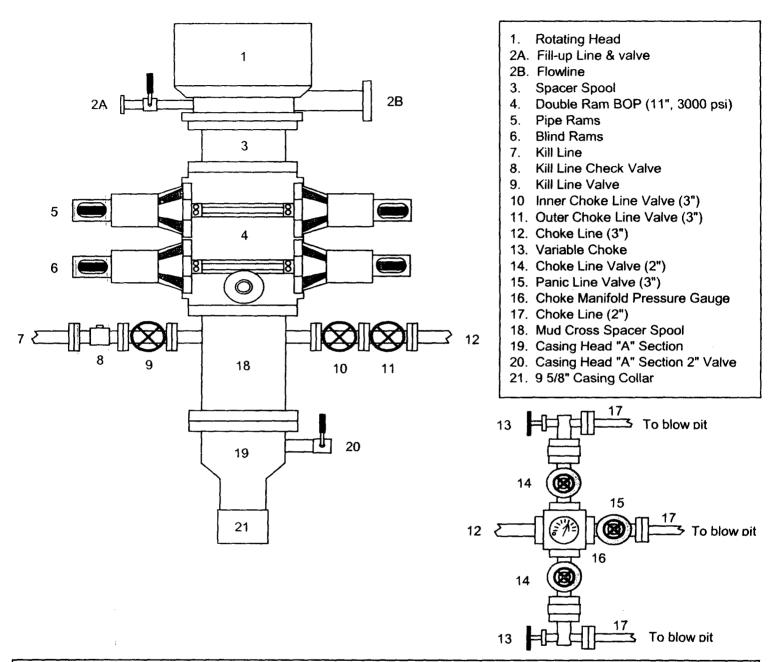
STDJC 124/AG



INTERMEDIATE TAIL:

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing



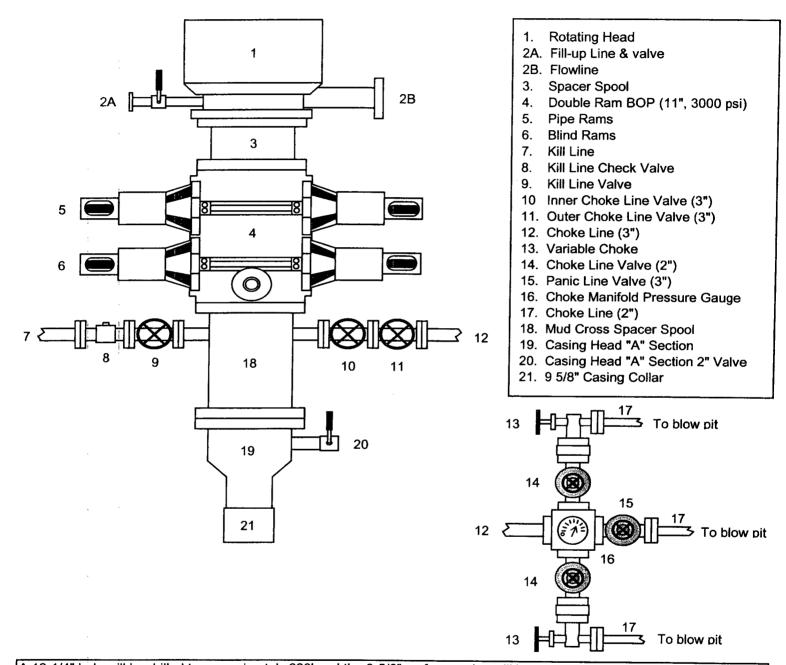
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 5 1/2" 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 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 a 7-7/8" hole will be drilled to production casing point and 5 1/2" 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
- 2. Stab-in TIW valve for all drillstrings in use

Form 3160-5	
(April2004)	

FORMAPPROVED OM B No. 1004-0137 Expires: March 31, 200	CUD DECE OF
	

UNITEDSTATES DEPARTMENT OF THE INTERIOR	5. Lease Serial No. SF078414		
BUREAU OF LAND MANAGEMENT			
SUNDRY NOTICES AND REPORTS ON WELLS			
not use this form for proposals to drill or to re-enter an	6. If Indian, Allottee or Tribe Name		

· · · · · · · · · · · ·	OF LAND MA	MAGEMENT	•	5. Lease Serial No.	
SUNDRY	NOTICES AND RI	EPORTS ON WE	LS	SF078414	
	is form for proposals ell. Use Form 3160 - 3			6. If Indian, Allottee or Tribe Nam	le final
SUBMIT IN TRI	PLICATE - Other ins		se side. 2000 DEC	7. If Unit or CA/Agreement, Nam 5 PM 3 51	ne and/or No.
2. Nameof Operator ConocoPhillips Company 3a. Address		3b. PhoneNo. (include	070 F	8. Well Name and No. DAY B 17 9. API Well No. 30-045-	
PO BOX 4289 Farmingto	n NM 87499	(505)326-95		10. Field and Pool, or Exploratory	Δrea
4. Location of Well (Footage, Sec		<u></u>		FRUITLAND COAL	, Alca
UNIT I (NESÉ), 1381' FS SEC. 8 T29N R8W NMPI	L & 899' FEL	. ,		11. County or Parish, State SAN JUAN NM	
12. CHECK AF	PROPRIATE BOX(ES)T	O INDICATE NATUR	E OF NOTICE, R	EPORT, OR OTHER DATA	
TYPEOF SUBMISSION		TYI	PEOF ACTION		
X Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice	Acidize AlterCasing Casing Repair Change Plans Convert to Injection	Deepen FractureTreat New Construction Plug and Abandon Plug Back	Production (State Reclamation Recomplete Temporarily Ab	Well Integrity X Other Change pandon Depth	Total
If the proposal is to deepen dire Attach the Bond under which t following completion of the in-	ectionally or recomplete horizor the work will be performed or p volved operations. If the operational hal Abandonment Notices shall by for final inspection.) O change TD for this v	ntally, give subsurface location or the Bond No. on file ion results in a multiple complete be filed only after all require well from 3031' to 3	ons and measured and t with BLM/BIA. Requipletion or recompletion ements, including reclaim	any proposed work and approximate durue vertical depths of all pertinent marking subsequent reports shall be filed whim a new interval, a Form 3160-4 shall mation, have been completed, and the o	ers and zones. And the state of
				·	

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	1			
Juanita Farrell	Title Regulatory Specialist			
Signature June 1	Date 12/04/2006			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE				
Approved by Title Alma AM Date 12/7/06				
Conditions of approval, if any, are attached. Approval of this notice does not want certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon.				
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for a	ny 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.