RCVD MAR9'07
OIL CONS. DIV.
DIST. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2007 FEB 20 PM 4:10

RECEIVED
070 FARMINGTON NM

1a. Type of Work
DRILL

1b. Type of Well
GAS

5. Lease Number
NMSF-078417
Unit Reporting Number
NMNM-78413C-DK NMNM-78413A-MV

6. If Indian, All. or Tribe

2. Operator
ConocoPhillips

7. Unit Agreement Name
San Juan 28-7 Unit

3. Address & Phone No. of Operator
PO Box 4289, Farmington, NM 87499
(505) 326-9700

8. Farm or Lease Name

9. Well Number
#248F

4. Location of Well
Surf: Unit I (NESE), 1710' FSL & 1160' FEL,
BH: Unit P (SESE), 500' FSL & 500' FEL

SURF:Latitude 36° 39.5180 N
Longitude 107° 36.5518W
BH: Latitude 36° 39.3189 N
Longitude 107° 36.4165W

10. Field, Pool, Wildcat
Basin Dakota/Blanco MV

11. Sec., Twn, Rge, Mer. (NMPM)
I Sec. 18, T28N, R7W
Sec. 18, T28N, R7W

API # 30-039- 30204

14. Distance in Miles from Nearest Town
21 miles/Blanco

12. County
Rio Arriba

13. State
NM

15. Distance from Proposed Location to Nearest Property or Lease Line
1160'

16. Acres in Lease

17. Acres Assigned to Well
DK & MV - 320 - (E/2)

18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease
53' San Juan 28-7 Unit 8A

19. Proposed Depth
8020' (TVD)/8137' (TMD)

20. Rotary or Cable Tools
Rotary

21. Elevations (DF, FT, GR, Etc.)
6903' GL

22. Approx. Date Work will Start

23. Proposed Casing and Cementing Program
See Operations Plan attached

NOTIFY AZTEC OCD 24 hrs
IN TIME TO WITNESS Csg & Cement

24. Authorized by: Rhonda Rogers (Regulatory Technician)
2-19-07
Date

PERMIT NO.
APPROVED BY
TITLE Acting AFM Minerals
APPROVAL DATE
DATE 3/8/07

Archaeological Report attached
Threatened and Endangered Species Report attached
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3
HOLD C104 FOR directional survey & Status of 28-7 #8A

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.

Example Master Plan Type 3

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

NMOCD
B 3/13

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

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 West Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 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

Form C-102
Revised October 12, 2005

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

2007 FEB 20 PM 4:10

☐ AMENDED REPORT

RECEIVED
070 FARMINGTON NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-039- 30204	72319/71599	Blanco Mesaverde / Basin Dakota

4 Property Code	5 Property Name	6 Well Number
31739	SAN JUAN 28-7	248F

7 OGRID No.	8 Operator Name	9 Elevation
217817	CONOCOPHILLIPS COMPANY	6903'

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
I	18	28-N	7-W		1710'	SOUTH	1160'	EAST	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

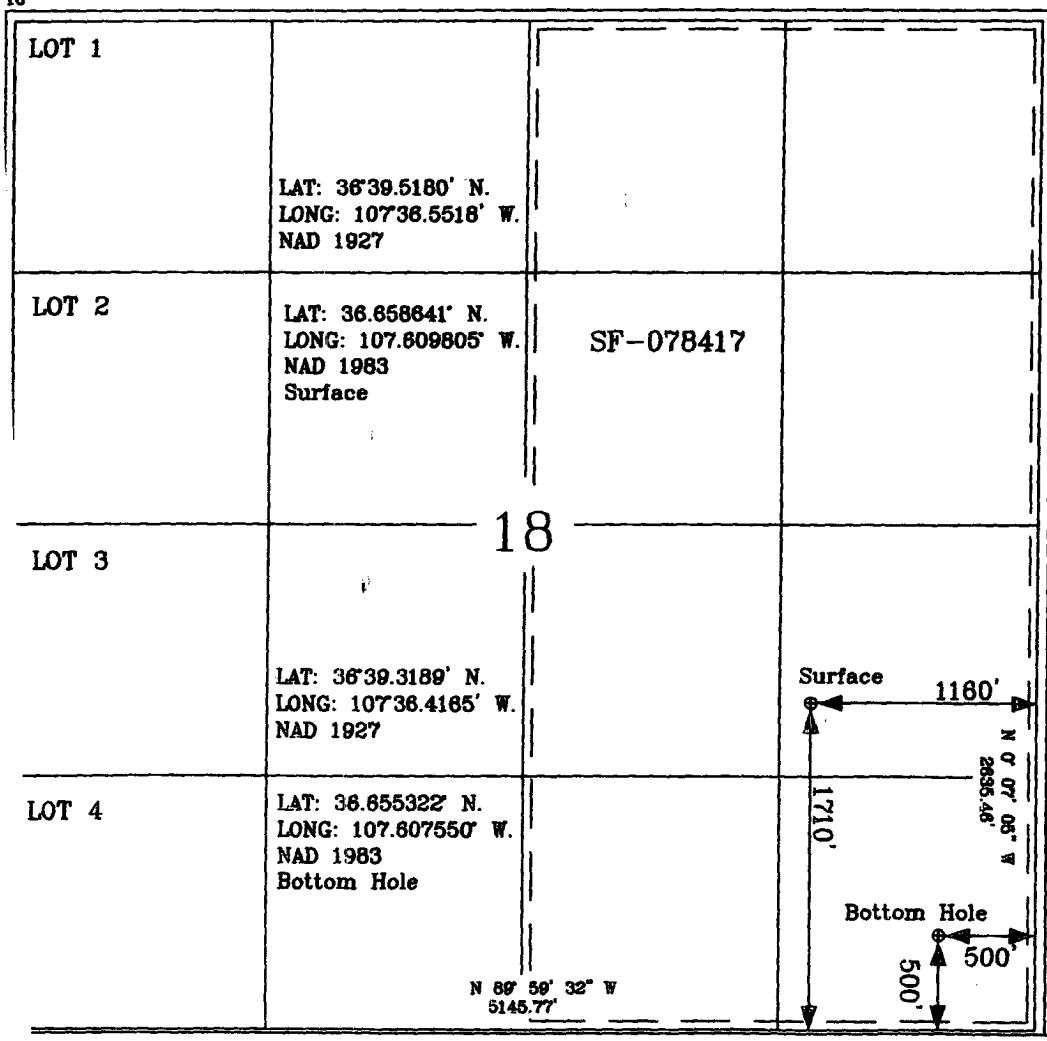
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	28-N	7-W		500'	SOUTH	500'	EAST	RIO ARRIBA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320 acres E/2			

RCVD MAR 9 '07
OIL CONS. DIV.
DIST. 3

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



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

Signature

Patsy Clugston/Sr. Regulatory Specialist
Printed Name

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.

8-15 AUGUST 2006
Date of Survey

Signature and Seal of Professional Surveyor:

NEW MEXICO 15703 LICENSED PROFESSIONAL SURVEYOR

Certificate Number 15703

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

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

Form C-103
May 27, 2004

WELL API NO. 30-039- 30204

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No. SF-078417

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 28-7 Unit

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

8. Well Number: 248F

2. Name of Operator: ConocoPhillips

9. OGRID Number: 217817

3. Address of Operator: 3401 E. 30TH STREET, FARMINGTON, NM 87402

10. Pool name or Wildcat: Basin DK/Blanco MV

4. Well Location
Unit Letter I : 1710' feet from the South line and 1160' feet from the East line
Section 28 Township 29N Rng 9W NMPM County Rio Arriba

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6903'

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:				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:		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:

ConocoPhillips 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 Technician DATE 2-19-07

Type or print name Rhonda Rogers E-mail address: rhonda.s.rogers@conocophillips.com Telephone No. 505-599-4018

For State Use Only

APPPROVED BY _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE 3/13/07

Conditions of Approval (if any):

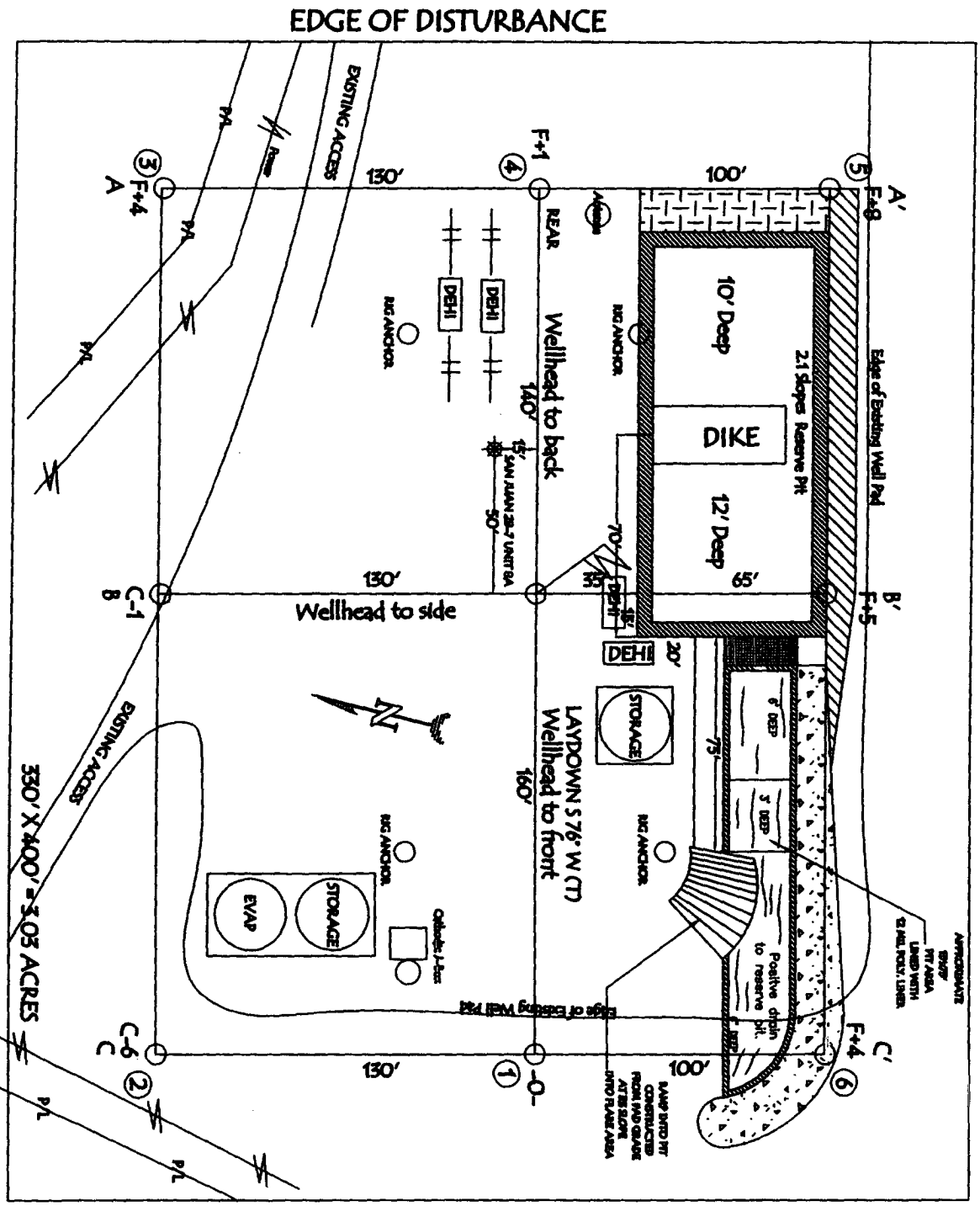
RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).

CONOCOPHILLIPS COMPANY

SAN JUAN 28-7 UNIT 248F, 1710' FSL & 1160' FEL

SECTION 18, T-28- N, R-7-W, NMPM, RIO ARRIBA COUNTY, NM

GROUND ELEVATION: 6903', DATE: JUNE 27, 2006



LATITUDE: 36° 39.5180'N LONGITUDE: 107° 36.5518'W NAD27

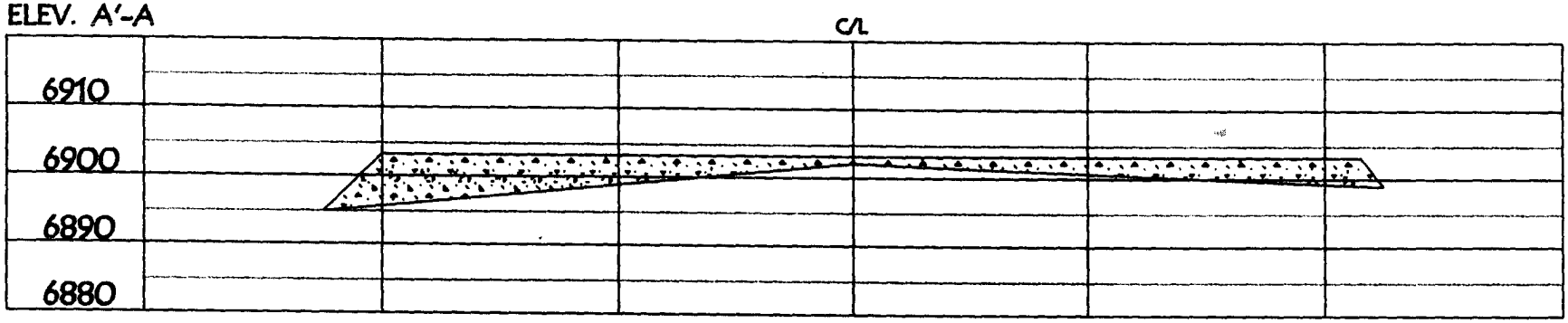
NOTE: VECTOR SURVEYS LLC IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.

CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPLINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

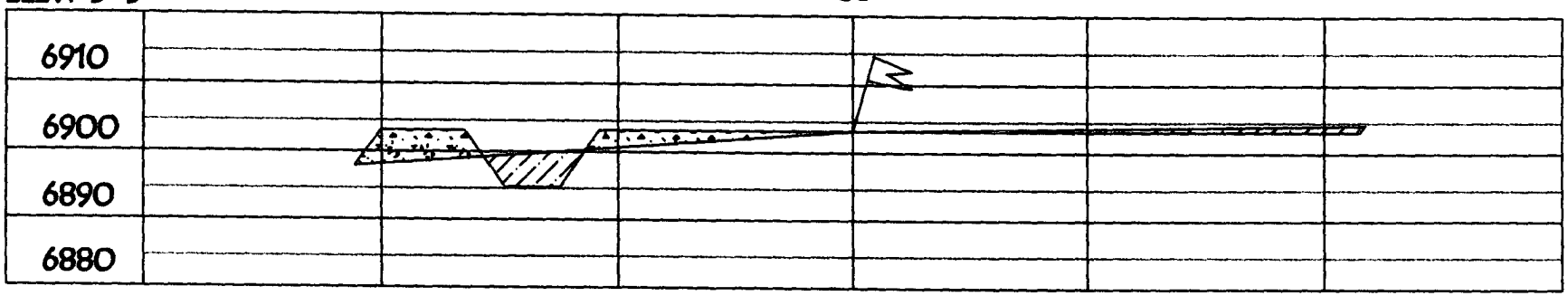
CONOCOPHILLIPS COMPANY

SAN JUAN 28-7 248F, 1710' FSL & 1160' FEL
SECTION 18, T-28- N, R-7-W, NMPM, RIO ARRIBA COUNTY, NM
GROUND ELEVATION: 6903', DATE: JUNE 27, 2006

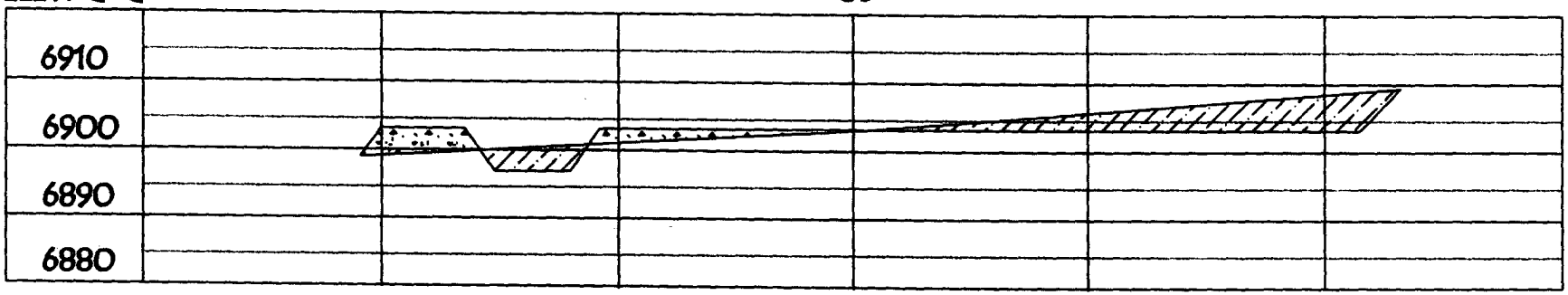
ELEV. A'-A



ELEV. B'-B



ELEV. C'-C



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CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED
PIPLINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

ConocoPhillips

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 28-7 248F

Lease:	AFE #: WAN.CNV.7175			AFE $:
Field Name: 28-7	Rig: Aztec Rig 673		State: NM	County: RIO ARRIBA	API #:
Geoscientist: Glaser, Terry J	Phone: (281) 293 - 6538	Prod. Engineer: Fontenot, Jessie C		Phone: +1 832-486-3483
Res. Engineer: Johnson, Tom B.	Phone: (832)-486-2347	Proj. Field Lead: Fransen, Eric E.		Phone:

Primary Objective (Zones):

Zone	Zone Name
R20002	MESAVERDE(R20002)
R20076	DAKOTA(R20076)

(36 39 22.7988 , 107 36 33.1092) (36 39.37998 , 107 36.55182)

Location: Surface	Datum Code: NAD 27				**Deviated**
Latitude: 36.656333	Longitude: -107.609197	X:	Y:	Section: 18	Range: 7W
Footage X: 1160 FEL	Footage Y: 1710 FSL	Elevation: 6903 (FT)	Township: 28N		

Tolerance: (36 39 19.134 , 107 36 24.9876) (36 39.3189 , 107 36.41646)

Location: Bottom Hole	Datum Code: NAD 27				**Deviated**
Latitude: 36.655315	Longitude: -107.606941	X:	Y:	Section: 18	Range: 7W
Footage X: 500 FEL	Footage Y: 500 FSL	Elevation: (FT)	Township: 28N		

Tolerance:

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

Formation Data: Assume KB = 6919 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
NCMT	1319	5600	☐			
OJAM	2559	4360	☐			Possible water flows.
KRLD	2709	4210	☐			
FRLD	3209	3710	☐			Possible gas.
PCCF	3509	3410	☐			Gas. Highly Fractured.
LEWS	3709	3210	☐			
CHRA	4429	2490	☐			
CLFH	5139	1780	☐			Gas; possibly wet
MENF	5309	1610	☐			Gas.
PTLK	5744	1175	☐			Gas.
GLLP	6994	-75	☐			Gas. Possibly wet.
GRHN	7705	-786	☐			Gas possible, highly fractured
GRRS	7768	-849	☐			
TWLS	7805	-886	☐			Gas
PAGU	7905	-986	☐			Gas. Highly Fractured.
CBBO	7936	-1017	☐			Gas
CBRL	7970	-1051	☐			
TD	8020	-1101	☐			

Reference Wells:

Reference Type	Well Name	Comments
Intermediate	SJ 28-7 199G	18-28N-7W-SW, KB = 6899
Intermediate	SJ 28-7 248E	18-28N-7W-SE, KB = 6891

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ConocoPhillips

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 28-7 248F

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

Comments: Location/Tops/Logging - TD is 315' below GRHN

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ConocoPhillips

Survey Report

Company:	ConocoPhillips Lower 48	**Local Co-ordinate Reference:**	Well SJ 28-7 #248F
Project:	San Juan Basin	**TVD Reference:**	WELL @ 6918.0ft (Original Well Elev)
Site:	MV/DK	**MD Reference:**	WELL @ 6918.0ft (Original Well Elev)
Well:	SJ 28-7 #248F	**North Reference:**	Grid
Wellbore:	SJ 28-7 #248F	**Survey Calculation Method:**	Minimum Curvature
Design:	SJ 28-7 #248F	**Database:**	EDM Central Planning

Planned Survey

Measured Depth (ft)	Inclination (d)	Azimuth (d)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (d/100ft)	Build Rate (d/100ft)	Turn Rate (d/100ft)
8,242.7	0.00	0.00	7,970.0	-1,210.0	660.0	1,378.3	0.00	0.00	0.00
Lower Cubero									
8,292.7	0.00	0.00	8,020.0	-1,210.0	660.0	1,378.3	0.00	0.00	0.00
TD - SJ 28-7 #248F - PCP									

Targets

Target Name - hit/miss target - Shape	Dip Angle (d)	Dip Dir. (d)	TVD (ft)	+N/-S ft	+E/-W ft	Northing (ft)	Easting (ft)	Latitude	Longitude
SJ 28-7 #248F - PCI - plan hits target - Point	0.00	0.00	8,020.0	-1,210.0	660.0	2,057,024.63	566,404.66	36° 39' 10.818" N	107° 36' 25.044" W
SJ 28-7 #248F - ICF - plan hits target - Point	0.00	0.00	4,150.0	-1,210.0	660.0	2,057,024.63	566,404.66	36° 39' 10.818" N	107° 36' 25.044" W

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (d)	Dip Direction (d)
1,373.1	1,319.0	Naciemento		0.00	
2,731.0	2,559.0	Ojo Alamo		0.00	
2,895.3	2,709.0	Kirtland		0.00	
3,442.9	3,209.0	Fruitland		0.00	
3,769.0	3,509.0	Pictured Cliffs		0.00	
3,977.6	3,709.0	Lewis		0.00	
4,701.7	4,429.0	Chacra		0.00	
5,411.7	5,139.0	Cliffhouse		0.00	
5,581.7	5,309.0	Menefee		0.00	
6,016.7	5,744.0	Pt. Lookout		0.00	
7,266.7	6,994.0	Gallup		0.00	
7,977.7	7,705.0	Greenhorn		0.00	
8,040.7	7,768.0	Graneros		0.00	
8,077.7	7,805.0	Two Wells		0.00	
8,177.7	7,905.0	Paguate		0.00	
8,208.7	7,936.0	Upper Cubero		0.00	
8,242.7	7,970.0	Lower Cubero		0.00	
8,292.7	8,020.0	TD		0.00	

Checked By: _____ Approved By: _____ Date: _____

SJ 28-7 #248F OPERATIONS PLAN

Well Name: SJ 28-7 #248F

Objective: Mesa Verde/Dakota

Location: Rio Arriba NM

Elevation: 6903'

Surface Coordinates/Footages
T - 28 N R - 7 W Sec.: 18
1710' FSL 1160' FEL
Latitude: 36° 39.3799' N
Longitude: 107° 36.5518' W

Bottom Hole Coordinates/Footages
T - 28 N R - 7 W Sec.: 18
500' FSL 500' FEL
Latitude: 36° 39.1803' N
Longitude: 107° 36.4174' W

Formation	Top (TMD)	Top (TVD)	Contents
San Jose	0	0	
Nacimiento	1373'	1319'	
Ojo Alamo	2731'	2559'	aquifer
Kirtland	2895'	2709'	
Fruitland	3443'	3209'	gas
Pictured Cliffs	3769'	3509'	
Lewis	3978'	3709'	
Chacra	4702'	4429'	
Massive Cliff House	5412'	5139'	gas
Menefee	5582'	5309'	gas
Massive Point Lookout	6017'	5744'	gas
Gallup	7267'	6994'	gas
Greenhorn	7978'	7705'	gas
Graneros	8041'	7768'	
Two Wells	8078'	7805'	gas
Paguate	8178'	7905'	gas
Cubero	8209'	7936'	gas
Lower Cubero	8243'	7970'	
Total Depth:	***8293'***	***8020'***	gas

Logging Program:
Cased Hole: CBL-GR
Open Hole: None

Mud Program:	Interval (TMD)	Type	Weight (ppg)	Vis. (s/qt)	Fluid Loss (cc/30min)
	0' - 200'	Spud	8.4-9.0	40-50	No control
	200' - 4423'	Non-dispersed	8.4-9.0	30-60	Less than 8
	4423' - 8293'	Air/Air Mist/Nitrogen	n/a	n/a	n/a

Casing program:	Interval (TMD)	Hole Size	Casing Size	Weight	Grade
	0' - 200'	12 1/4"	9 5/8"	32.3#	H-40
	200' - 4423'	8 3/4"	7"	23.0#	L-80
	4423' - 8293'	6 1/4"	4 1/2"	11.6#	L-80

Tubing program:	Interval (TMD)	Hole Size	Casing Size	Weight	Grade
	0' - 8293'	Cased	2 3/8"	4.7#	J-55

Wellhead Equipment
9 5/8" x 7" X 4 1/2" x 2 3/8" – 11" (2000 psi) wellhead assembly

Drilling: *Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.*

Surface

Drill to surface casing point of 200' and set 9.625" casing.

Intermediate

Mud drill to kick off point of 350'. At this point the well will be directionally drilled by building 4 degrees per 100' with an azimuth of 151.39 degrees. The end of the build will be at a TVD of 934', a TMD of 951', a reach of 124', and an inclination of 24.05 degrees. This angle and azimuth will be held to a TVD of 3372', a TMD of 3621', and a reach of 1213'. At this point the well will be drilled with a drop of 3 degrees per 100'. The end of the drop will be at a TVD of 4150', a TMD of 4423', a reach of 1379', and an angle of 0.0 degrees. 7" casing will be set at this point.

Production

From the shoe of the intermediate string, the well will be drilled vertically with an air hammer to a TVD of 8020' (TMD of 8293'). 4.5" casing will be set at this point.

Cementing

9.625" surface casing conventionally drilled: **200%** excess cement to bring cement to surface.
Run 188 cu.ft. (147 sks) Type III cement with 3% CaCl2 and 1/4 pps celloflake (1.28 sks/ cu.ft.). Wait on cement appropriate time until cement achieves 250 psi compressive strength at 60° F prior to nipple up of BOPE. Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under surface.

7" intermediate casing: **50%** excess cement to bring cement to surface.
Lead with 874 cu.ft. (410 sks) Premium Lite w/ 3% CaCl2, 0.25 pps Cello-Flake, 5 pps LCM-1, 0.4% FL-52 and 0.4% SMS (2.13 sks/ft3). Tail with 124 ft3 (90 sks) Type III cmt. w/ 1% CaCl2, 0.25 pps Cello-Flake and 0.2% FL-52 (1.38 sks/ft3). If cement does not circulate to surface, a CBL or a temperature survey will be run to determine TOC.

4.5" production casing: **30%** excess cement to achieve 100' overlap with intermediate casing.
Run 528 cu.ft. (267 sks) Premium Lite HS FM + 0.25pps Cello-Flake, 0.3% CD-32, 6.25pps LCM-1, 1% FL-52 (1.98 sks/ft3.)

BOP and Tests

Surface to Total Depth – 11", 2000 psi double gate BOP stack (Reference Figure #1).
Surface to Total Depth – choke manifold (Reference Figure #2).
Prior to drilling out surface casing, test BOPE and casing to 600 psi for 30 minutes.
Pipe rams will be actuated at least once each day and blind rams will be actuated once each trip to test proper functioning. A Kelly cock valve and drill string safety valves to fit each drill string will be maintained and available on the rig floor.
BOPE tests will be performed using an appropriately sized test plug and test pump and will be recorded using calibrated test gauges and a properly calibrated strip or chart recorder. The test will be recorded in the driller's log and will include a low pressure test requirement of 250 psig held for five minutes and a high pressure test requirement held for ten minutes as described in Onshore Order No. 2 or otherwise noted in the APD. A successful BOPE test using a test plug is considered when no pressure drop occurs over the duration of the test. Test gauges and recorders must be of the proper range and resolution commensurate with the authorized test pressure. Where the intermediate casing strings are used, only one BOPE test will be necessary contingent upon the test being conducted to the highest approved test pressure to which BOPE will be exposed. Casing pressure tests must be held for 30 minutes with no more than 10 percent pressure drop during the duration of the test.

Additional Information:

- No gas dedication.
- New casing will be utilized.
- Pipe movement (reciprocation) will be done if hole conditions permit.
- No abnormal pressure zones are expected.
- BHP is expected to be 2000 psi.

Drilling Engineer 2/27/07 **Date**