

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | |
|---|--|-----------------|
| 1a. Type of Work DRILL | 5. Lease Number NMSF-078996 | |
| 1b. Type of Well GAS | Unit Reporting Number 6. If Indian, All. or Tribe | |
| 2. Operator ConocoPhillips | 7. Unit Agreement Name OIL CONS. DIV. San Juan 32-7 Unit DIST. 3 | |
| 3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 | 8. Farm or Lease Name 9. Well Number #19A | |
| 4. Location of Well Unit G (SWNE), 661' FNL & 1450' FEL, Latitude 36.929250'N Longitude 107.572361'W | 10. Field, Pool, Wildcat Blanco MV/Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 4, T31N, R7W API # 30-045-34475 | |
| 14. Distance in Miles from Nearest Town 18.8 miles from Ignacio, CO | 12. County San Juan | 13. State NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line 661' | 17. Acres Assigned to Well MV/DK 323.15 see plat | |
| 16. Acres in Lease 2537.370 acres | 18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 831' from 32-7 #217 | |
| 19. Proposed Depth 8266' | 20. Rotary or Cable Tools Rotary | |
| 21. Elevations (DF, FT, GR, Etc.) 6679' GL | 22. Approx. Date Work will Start | |
| 23. Proposed Casing and Cementing Program See Operations Plan attached | 10/22/07 | |
| 24. Authorized by: Patsy Clugston Patsy Clugston, Regulatory Specialist | 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.

Example Master Plan Type 3

Bond Numbers ES-0048 and ES-0085

DEC 13 2007

NMOC

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".

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesa, 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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OCT 22 2007
Bureau of Land Management
Farmington Field Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|---|--|---|---|
| ¹ API Number 30-045-34475 | | ² Pool Code 72319 / 71599 | ³ Pool Name BLANCO MESAVERDE / BASIN DAKOTA |
| ⁴ Property Code 31329 | ⁵ Property Name SAN JUAN 32-7 UNIT | | ⁶ Well Number 19A |
| ⁷ OGRID No. 217817 | ⁸ Operator Name CONOCOPHILLIPS COMPANY | | ⁹ Elevation 6679 |

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 | 4 | 31-N | 7-W | | 661 | NORTH | 1450 | EAST | SAN JUAN |

¹¹ Bottom Hole Location If Different From Surface

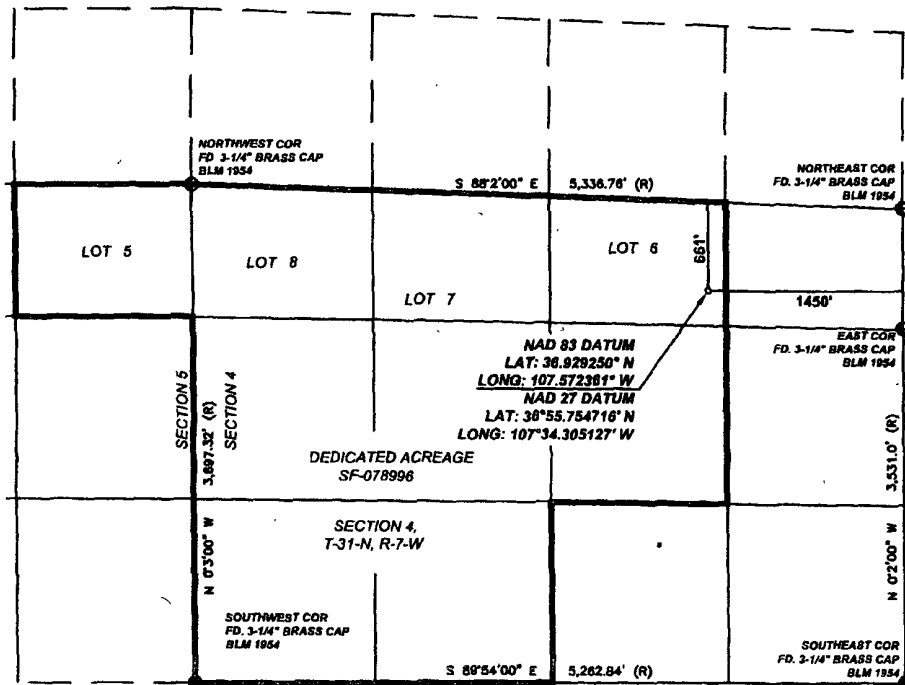
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|---|-------------------------------|----------------------------------|---|
| ¹² Dedicated Acres 323.15 MV 323.15 DK | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. MV-R-1066 (G), DK-2046 (E) |
|---|-------------------------------|----------------------------------|---|

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
MV-Sec. 4 SW/4, NW/4 SE/4 & lots 6, 7, 7

Sec. 5, Lot 5

DK - same as above

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 the division.

Patsy Clugston
Signature

Patsy Clugston

Printed Name

Regulatory Specialist

Title and E-mail Address

10-22-07

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: 10/19/06

Signature and Seal of Professional Surveyor:



Certificate Number: NM 11393

May 27, 2004

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-045- 34475

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

NMSE-078996

7. Lease Name or Unit Agreement Name

San Juan 32-7 Unit

8. Well Number

#19A

9. OGRID Number

217817

10. Pool name or Wildcat

Basin DK/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 G : 661' feet from the North line and 1450' feet from the East line
Section 4 Township 31N Rng 7W NMPM County San Juan

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

6679' GL

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 ☐TEMPORARILY ABANDON ☐PULL OR ALTER CASING ☐PLUG AND ABANDON ☐CHANGE PLANS ☐MULTIPLE COMPL ☐

OTHER:

New Drill ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐COMMENCE DRILLING OPNS ☐CASING/CEMENT JOB ☐ALTERING CASING ☐P AND A ☐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 NMOCDD 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 NMOCDD 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 NMOCDD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Patsy Clugston TITLE Regulatory Specialist DATE 10/22/2007Type or print name Patsy Clugston E-mail address: clugspl@conocophillips.com Telephone No. 505-326-9518
For State Use OnlyAPPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE DEC 13 2007

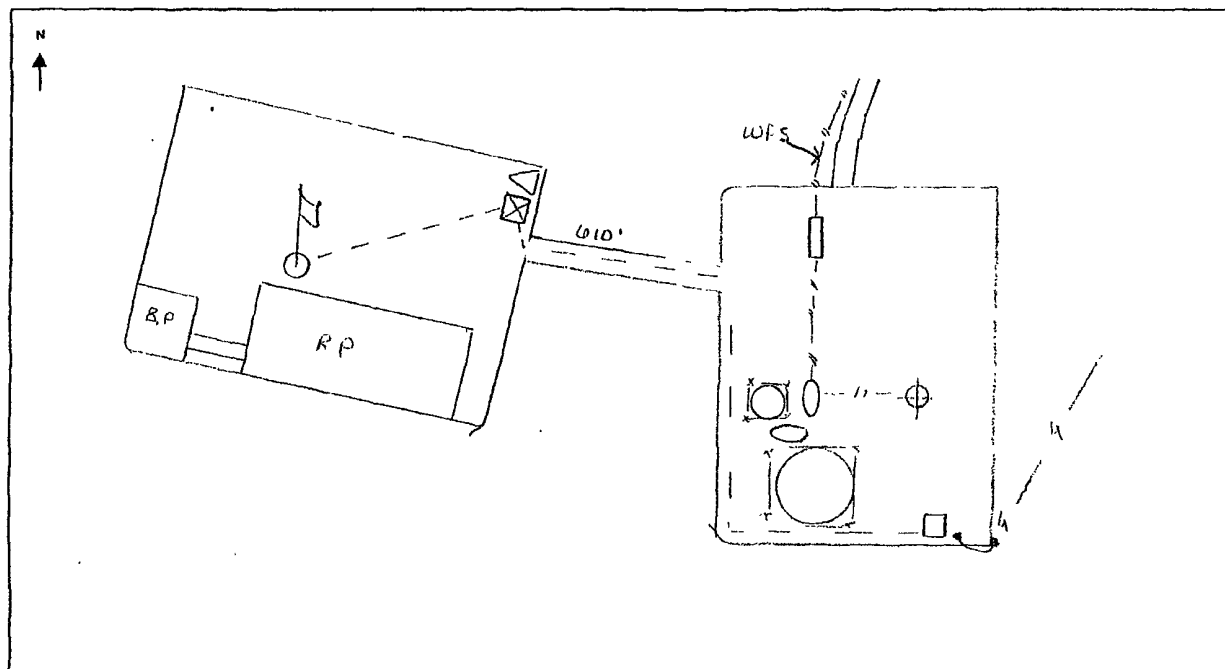
Conditions of Approval (if any):



CATHODIC PROTECTION PLAN FOR NEW WELLS

WELL NAME SJ 32-7 #217 19A LEGALS G-4-31-7 COUNTY San Juan

PURPOSED C.P. SYSTYEM: Drill G.B. and set rectifier on N.E. corner of location. Trench approx. 200' at #8 neg. cable from rectifier to well head. Trench approx 1250' at A/C from existing meter house of SJ 32-7 #217 to new rectifier.



| EXISTING WELLHEAD | METER HOUSE | G.B. | POWER SOURCE | CABLE | NEW WELL | OVERHEAD A.C. |
|-------------------|-------------|------|--------------|-------|----------|---------------|
| | | | | | | |

COMMENTS:

NEAREST POWER SOURCE SJ 32-7 #217 (MP) DISTANCE: 1260'
PIPELINES IN AREA: WFS PL

TECHNICIAN: William H. Hingston DATE: 11/16/2006

6 CR 5412 BLOOMFIELD, N.M. 87413
OFFICE: 505-634-0271 CELL: 505-793-6953

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-7 UNIT 19A

DEVELOPMENT

| | | | | | | |
|--|------------------------|------------------------------------|--------------------------|------------------|------------------|--|
| Lease: | | AFE #: WAN.CNV.7159 | | | AFE \$: | |
| Field Name: 32-7 | | Rig: Aztec Rig 184 | | State: NM | County: SAN JUAN | API #: |
| Geologist: | Phone: | Geophysicist: | | Phone: | | |
| Geoscientist: Pippin, Eddie A | Phone: 505-326-9780 | Prod. Engineer: | | Phone: | | |
| Res. Engineer: | Phone: | 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: 36.929245 | Longitude: -107.571752 | X: | Y: | Section: 04 | Range: 007W | |
| Footage X: 1450 FEL | Footage Y: 661 FNL | Elevation: 6679 | (FT) | Township: 031N | | |
| Tolerance: | | | | | | |
| Location Type: Restricted | | Start Date (Est.): 1/1/2008 | | Completion Date: | | Date In Operation: |
| Formation Data: Assume KB = 6693 Units = FT | | | | | | |
| Formation Call & Casing Points | Depth (TVD in Ft) | SS (Ft) | Depletion (Yes/No) | BHP (PSIG) | BHT | Remarks |
| SURFACE CSG | 216 | 6477 | <input type="checkbox"/> | | | 12-1/4" hole. 9-5/8", 32.3 ppf, H-40, STC casing. Cement w/ 171 cu ft. Circulate cement to surface. |
| NCMT | 1113 | 5580 | <input type="checkbox"/> | | | |
| OJAM | 2394 | 4299 | <input type="checkbox"/> | | | Possible water flows. |
| KRLD | 2501 | 4192 | <input type="checkbox"/> | | | |
| FRLD | 3140 | 3553 | <input type="checkbox"/> | | | Possible gas. |
| PCCF | 3550 | 3143 | <input type="checkbox"/> | | | |
| LEWS | 3687 | 3006 | <input type="checkbox"/> | | | |
| Intermediate Casing | 3787 | 2906 | <input type="checkbox"/> | | | 8-3/4" hole. 7", 20 ppf, J-55, STC casing. Cement w/ 852 cu ft. Circulate cement to surface. |
| HURF | 4332 | 2361 | <input type="checkbox"/> | | | |
| CHRA | 4793 | 1900 | <input type="checkbox"/> | | | |
| UCLFH | 5216 | 1477 | <input type="checkbox"/> | | | |
| CLFH | 5555 | 1138 | <input type="checkbox"/> | 970 | | Gas; possibly wet |
| MENF | 5592 | 1101 | <input type="checkbox"/> | | | Gas. |
| PTLK | 5850 | 843 | <input type="checkbox"/> | | | Gas. |
| MANCOS | 6308 | 385 | <input type="checkbox"/> | | | |
| UPPER GALLUP | 7199 | -506 | <input type="checkbox"/> | | | |
| GREENHORN | 7921 | -1228 | <input type="checkbox"/> | | | |
| GRANEROS | 7980 | -1287 | <input type="checkbox"/> | | | |
| PAGUATE | 8096 | -1403 | <input type="checkbox"/> | 2800 | | |
| UPPER CUBERO | 8105 | -1412 | <input type="checkbox"/> | | | |
| LOWER CUBERO | 8151 | -1458 | <input type="checkbox"/> | | | |
| ENCINAL | 8217 | -1524 | <input type="checkbox"/> | | | |
| TOTAL DEPTH DK | 8266 | -1573 | <input type="checkbox"/> | | | 6-1/4" hole. 4-1/2", 10.5/11.6 ppf, J-55, STC/LTC casing. Cement with 609 cu ft. Circulate cement a minimum of 100' inside the previous casing string. |
| Reference Wells: | | | | | | |
| Reference Type | Well Name | | Comments | | | |

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-7 UNIT 19A

DEVELOPMENT

| | | |
|--------------|------------|------------------------|
| Intermediate | SJ 32-7 74 | 4-31N-7W-SE, KB = 6785 |
|--------------|------------|------------------------|

Logging Program:

Intermediate Logs: ☐ Log only if show ☐ GR/ILD ☐ Triple Combo

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT ☒ Other

GR/CBL. Mudlog from ~100' above the Greenhorn to TD. Mudloggers will call TD.

Additional Information:

| Log Type | Stage | From (Ft) | To (Ft) | Tool Type/Name | Remarks |
|----------|-------|-----------|---------|----------------|---------|
|----------|-------|-----------|---------|----------------|---------|

Comments: Location/Tops/Logging - Keep at 661' FNL & 1450' FEL.

Zones - DKNM031N007W04NE1 MVNM031N007W04NE1

General/Work Description - 4/11/07 name changed again from SJ 32-7 Unit 74A to 19A, re-released to stake on 7/12/07 (dlb)

4/11/07 name changed again from SJ 32-7 Unit 74M.

4/11/07 name changed once again from SJ 32-7 Unit 74A per Land (wfp)

3/9/07 name changed from SJ 32-7 Unit 74B per Land (wfp)

2/2/07 PAS added the DK formation.

10/26/2006 cjm: hCOP wanted to drill and complete the following wells in 2007:

31N07W04NE1- Defer to 2008 (P1)

31N07W04NW1- Drill in 2007 (BDS)

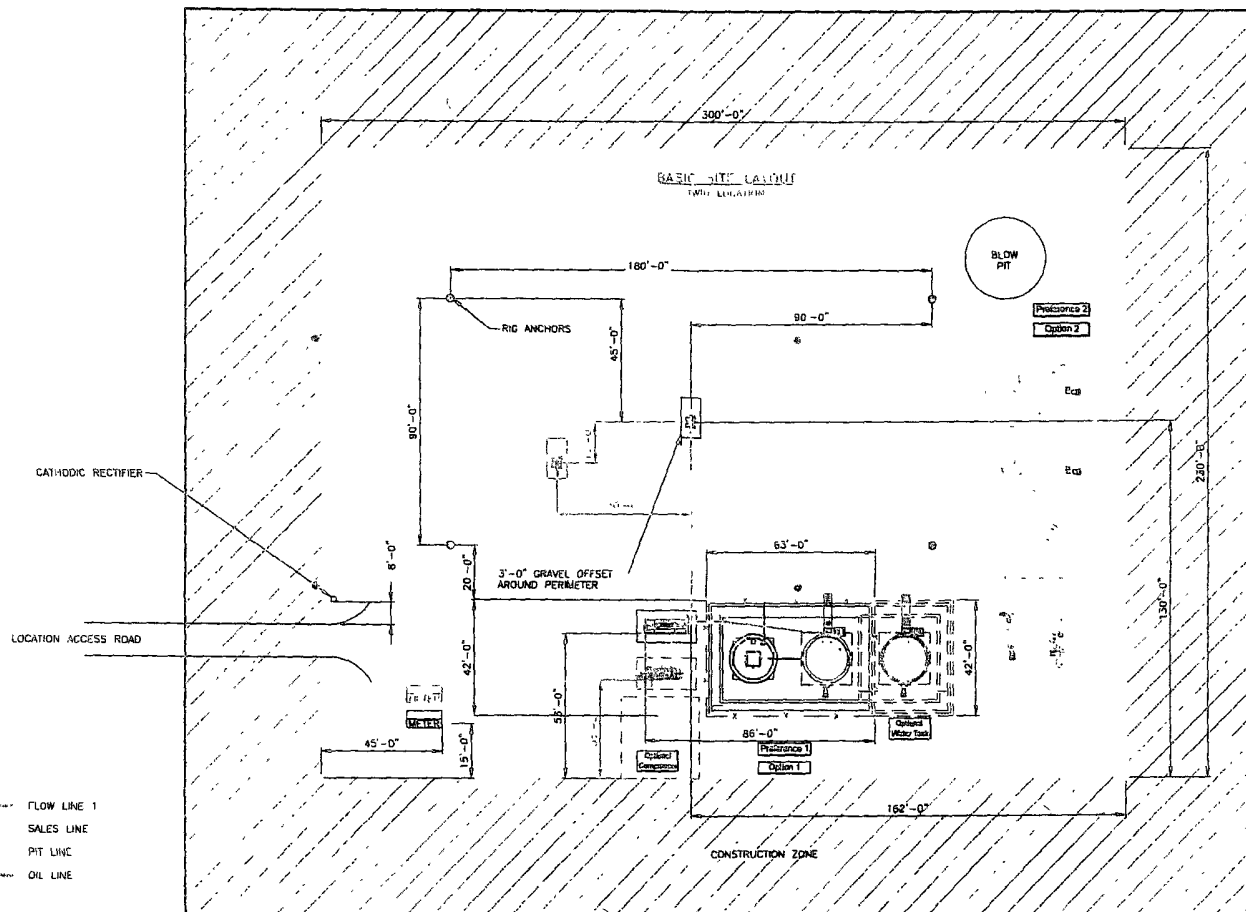
31N07W05NW1- Defer to 2008 (P1)

Update this case with results from the 31N07W04NW1 at Accountability time.

Using the hBR resource assessment information we decided to drill the well in section 4 in the NW to the DK and Commingle with the MV.

WE WANT LAYER PRESSURE TESTING AND ELECTRIC LOGS.

We are on the edge of the MV development (hBR maps) for this area and this is a good test for the Dakota as a stepout from 32-7 Section 33. If the Dakota is productive, the other two wells will also be drilled to the DK in 2008. The well in the NW of section 5 should be a good well but the well in Section 4 NE has some risk as a standalone MV well. The NW well in Section 4 seems to be the better well to drill for the MV in 2007 but not move too far away for the DK stepout.



- - - - - FLOW LINE 1
 - - - - - SALES LINE
 - - - - - PIT LINE
 - - - - - OIL LINE

SEE SHEET 3 & 4 FOR PIPING DETAILS
 ALL UNDERGROUND PIPE IS TO BE BURIED A MIN. OF 3'-0" DEEP

SHEET 1 OF 5

| ENGINEERING REVIEW | | | | | | | REFERENCE DRAWINGS | | CONOCOPhillips | CONOCOPhillips HIGH PRESSURE 3 PHASE FACILITY DIAGRAM- SITE LAYOUT | | |
|--------------------|----------|------|-----|-------------|--|--|--------------------|--|----------------|--|-------------|------------|
| DISCIPLINE | REVIEWED | DATE | NO. | DESCRIPTION | | | | | | CLIENT NAME | CLIENT ADDR | APPRO DATE |
| PROCESS | | | | | | | | | | CLIENT NAME | CLIENT ADDR | APPRO DATE |
| MECHANICAL | | | | | | | | | | CLIENT NAME | CLIENT ADDR | APPRO DATE |
| PIPELINE | | | | | | | | | | CLIENT NAME | CLIENT ADDR | APPRO DATE |
| ELECTRICAL | | | | | | | | | | CLIENT NAME | CLIENT ADDR | APPRO DATE |
| I & C | | | | | | | | | | CLIENT NAME | CLIENT ADDR | APPRO DATE |
| CIVIL/STRUCTURAL | | | | | | | | | | CLIENT NAME | CLIENT ADDR | APPRO DATE |
| PROJECT | | | | | | | | | | CLIENT NAME | CLIENT ADDR | APPRO DATE |

SAN JUAN BUSINESS UNIT

CONOCOPhillips
HIGH PRESSURE 3 PHASE
FACILITY DIAGRAM- SITE LAYOUT

CLIENT NAME: _____ CLIENT ADDR: _____ APPRO DATE: _____
 ORDER BY: _____ SCALE: NONE CHECKED DATE: 06/20/07
 ISSUE NO: HP3PHASE-REV1 SHEET NO: 1 OF 5

CONOCOPHILLIPS COMPANY

SAN JUAN 32-7 UNIT 19A

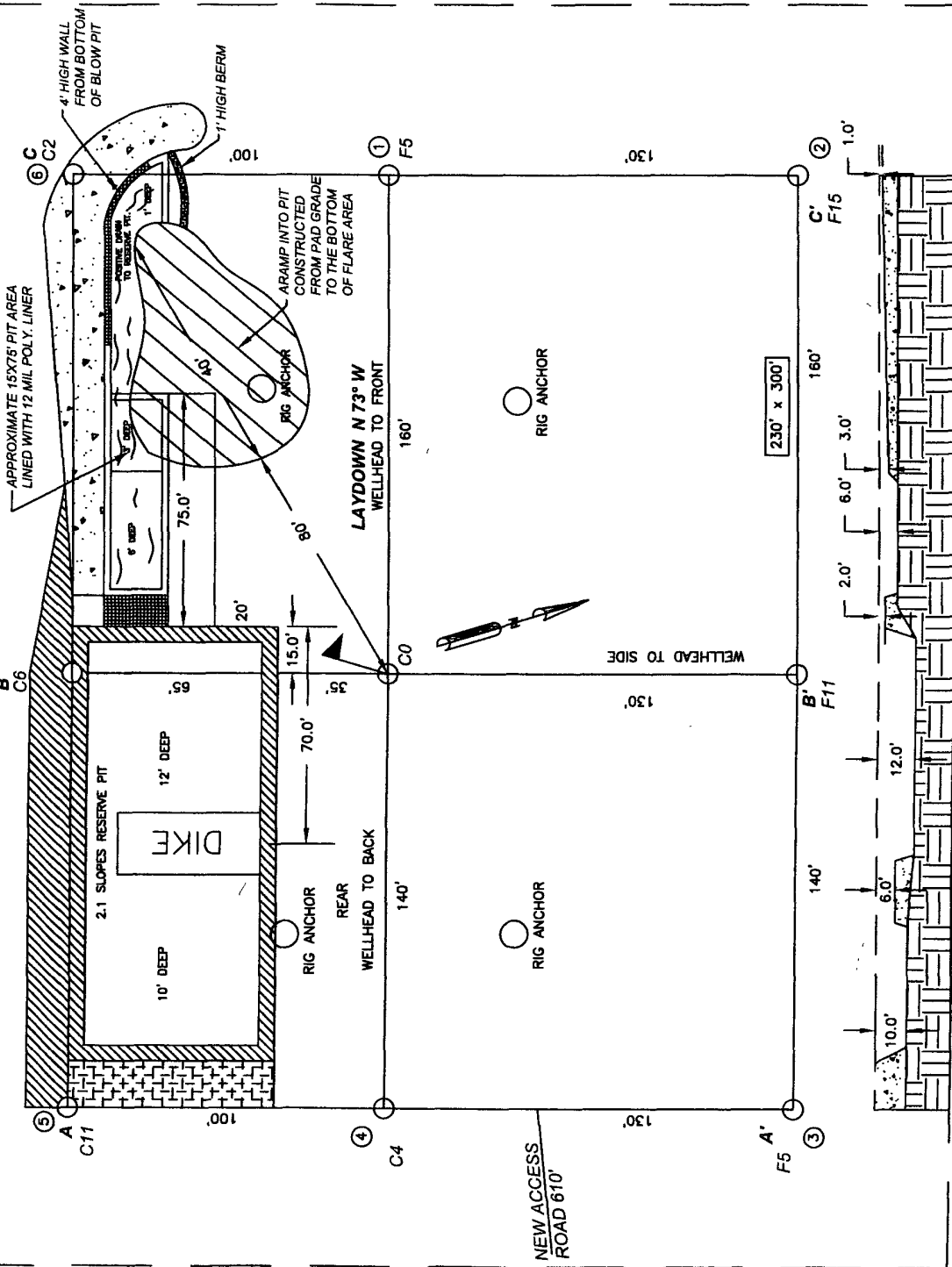
661' FNL, 1450' FEL

SECTION 4, T-31-N, R-7-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

GROUND ELEV.: 6679 NAVD88 DATE: OCTOBER 19, 2006

NEW ACCESS ROAD 610'



CCI

CHENAULT CONSULTING INC.
P.O. BOX 328
BLOOMFIELD, NM, 87413
PHONE: (505)325-7707

PIT CROSS SECTION

NAD 83 LAT.: 36.929250° N LONG.: 107.572361° W

NOTES:

1. RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW-3' WIDE AND 1' ABOVE SHALLOW SIDE).
2. C.C.I. SURVEYS 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 AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

50' EDGE OF DISTURBANCE

CONOCOPHILLIPS COMPANY

SAN JUAN 32-7 UNIT 19A

661' FNL, 1450' FEL

SECTION 4, T-31-N, R-7-W, N.M.P.M.,

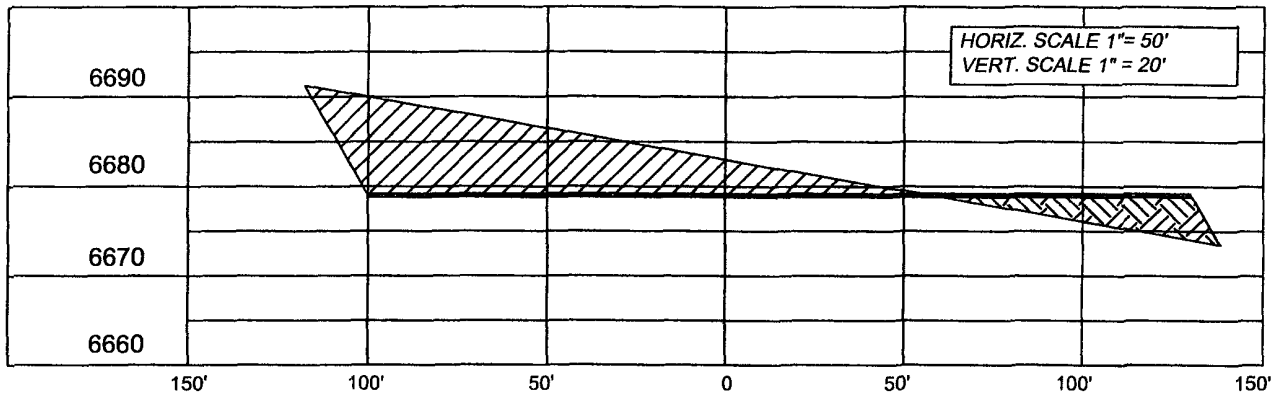
SAN JUAN COUNTY, NEW MEXICO

ELEV.: 6679 NAVD88

NEW ACCESS ROAD 610'

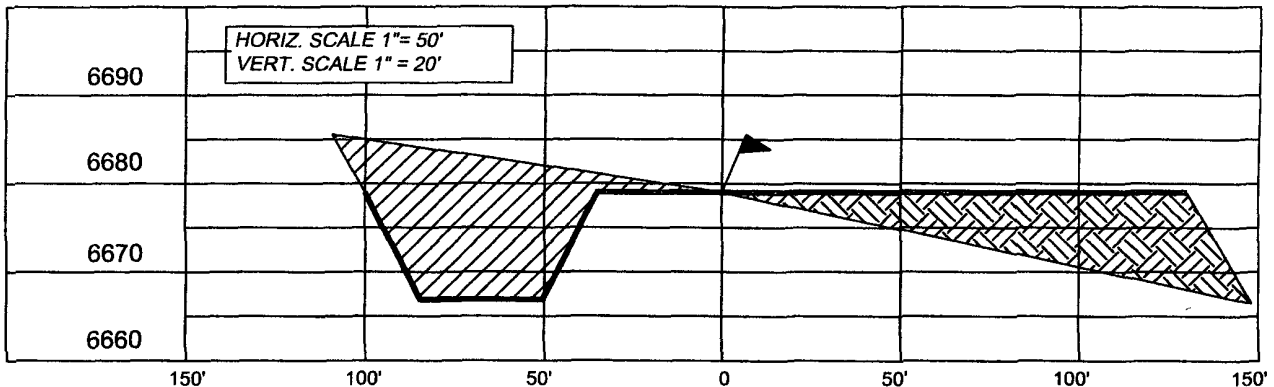
A - A'

C/L



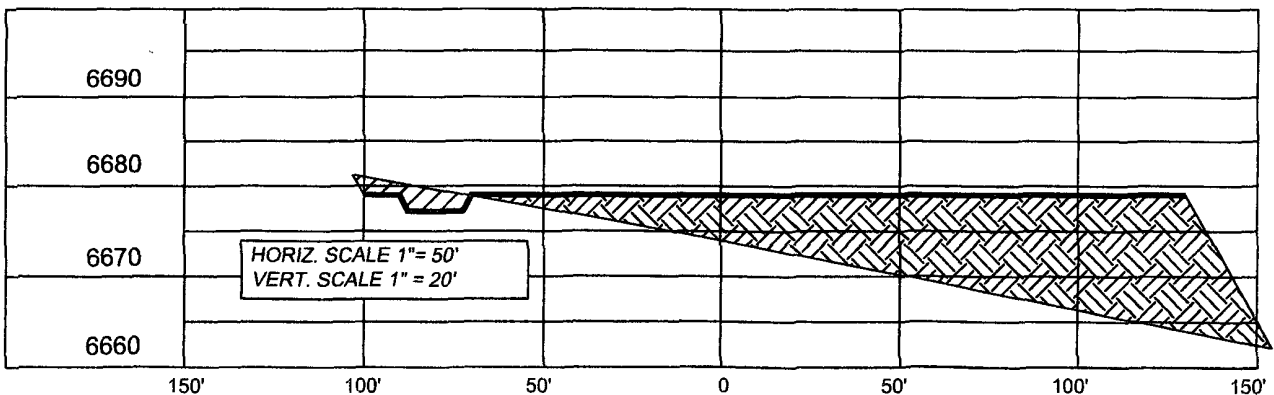
B - B'

C/L



C - C'

C/L



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 |
|-----|-----------------------|------------|----------|
| 1 | ISSUE FOR REVIEW | L.H | 10/19/08 |
| 2 | NAME CHANGE/FORMATION | L.H | 7/18/07 |

CCI

P O BOX 328
BLOOMFIELD, NM, 87413
PHONE: (505)325-7707

CHENAULT CONSULTING INC.