

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

OCT 09 2008

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|                                                                                                                           |                                                                                                                                               |                 |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1a. Type of Work<br>DRILL                                                                                                 | 5. Lease Number<br>USA SF-078138<br>Unit Reporting Number                                                                                     |                 |
| 1b. Type of Well<br>GAS                                                                                                   | 6. If Indian, All. or Tribe                                                                                                                   |                 |
| 2. Operator<br><b>BURLINGTON</b><br>RESOURCES Oil & Gas Company, LP                                                       | 7. Unit Agreement Name<br>OIL CONS. DIV.<br>DIST. 3                                                                                           |                 |
| 3. Address & Phone No. of Operator<br>PO Box 4289, Farmington, NM 87499<br>(505) 326-9700                                 | 8. Farm or Lease Name<br>Federal C<br>9. Well Number<br>#1M                                                                                   |                 |
| 4. Location of Well<br>Surf: Unit M (SWSW), 954' FSL & 950' FWL<br><br>Surf: Latitude 36.77872 N<br>Longitude 108.00180 W | 10. Field, Pool, Wildcat<br>Basin Dakota/Blanco Mesaverde<br><br>11. Sec., Twn, Rge, Mer. (NMPM)<br>Sec. 28, T30N, R11W<br>API # 30-045-34825 |                 |
| 14. Distance in Miles from Nearest Town<br>4 miles/Aztec, NM                                                              | 12. County<br>San Juan                                                                                                                        | 13. State<br>NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line<br>954'                                             | 17. Acres Assigned to Well<br>317.17 - (W/2)                                                                                                  |                 |
| 16. Acres in Lease<br><del>79.660</del> 2,063.26                                                                          |                                                                                                                                               |                 |
| 18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease<br>50' from Morris #4 PC   |                                                                                                                                               |                 |
| 19. Proposed Depth<br>6900'                                                                                               | 20. Rotary or Cable Tools<br>Rotary                                                                                                           |                 |
| 21. Elevations (DF, FT, GR, Etc.)<br>5979' GR                                                                             | 22. Approx. Date Work will Start                                                                                                              |                 |
| 23. Proposed Casing and Cementing Program<br>See Operations Plan attached                                                 |                                                                                                                                               |                 |
| 24. Authorized by: <u>Janie Goodwin</u><br>Janie Goodwin (Regulatory Technician)                                          | 10/8/08<br>Date                                                                                                                               |                 |

PERMIT NO.

APPROVAL DATE

APPROVED BY D. Montoya

TITLE AFM

DATE 10/27/08

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

Record Number NMB-00015 and NMB-000089

NOV 07 2008

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

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

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

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

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised October 12, 2005

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

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

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

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                             |  |                                      |  |                                             |                     |
|-----------------------------|--|--------------------------------------|--|---------------------------------------------|---------------------|
| *API Number<br>30-045-34825 |  | *Pool Code<br>71599/72319            |  | *Pool Name<br>BASIN DAKOTA/BLANCO MESAVERDE |                     |
| *Property Code<br>31537     |  | *Property Name<br>FEDERAL C          |  |                                             | *Well Number<br>1 M |
| *OGRID No.<br>217817        |  | *Operator Name<br>CONOCOPHILLIPS, CO |  |                                             | *Elevation<br>5979' |

<sup>10</sup> Surface Location

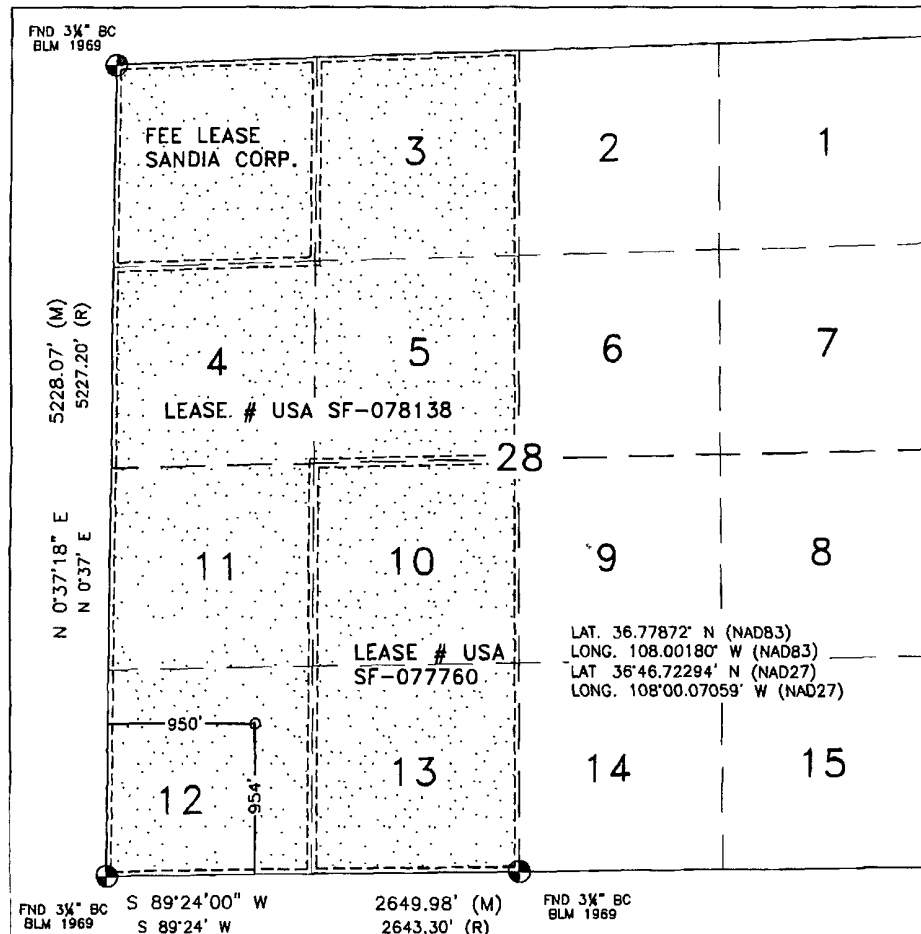
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| M             | 28      | 30N      | 11W   | 12      | 954'          | SOUTH            | 950'          | WEST           | SAN JUAN |

<sup>11</sup> 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 |
|-------------------------------------------------------|---------|----------|-------------------------------|---------|----------------------------------|------------------|-------------------------|----------------|--------|
| M                                                     |         |          |                               |         |                                  |                  |                         |                |        |
| <sup>12</sup> Dedicated Acres<br>317.77 Acres - (W/2) |         |          | <sup>13</sup> Joint or Infill |         | <sup>14</sup> Consolidation Code |                  | <sup>15</sup> Order No. |                |        |

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



<sup>17</sup> 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 or a compulsory pooling order heretofore entered by the division.

*Crystal Walker* 4/15/08  
Signature Date

Crystal Walker 4-15-08  
Printed Name

<sup>18</sup> SURVEYOR CERTIFICATION

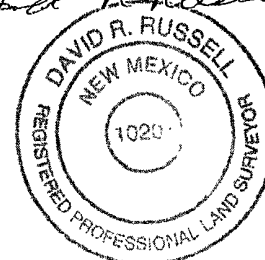
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 18, 2008

Date of Survey

Signature and Seal of Professional Surveyor:

*David R. Russell*



DAVID RUSSELL

Certificate Number

10201

**COMPANY**

BURLINGTON RESOURCES

**Charge Code**

WAN.RFE.PD08.32

**WELL NAME**

FEDERAL C # 1 M

**DATE**

4/14/2008

**DUAL WELL**

WELL NAME

**TRIPLE WELL**

WELL NAME

**COORDINATES**

| SEC  | TNSHP | RANGE |
|------|-------|-------|
| M 28 | 30 N  | 11 W  |

**LATITUDE**  
36 46.72294 N**LONGITUDE**  
108 00.07059 W**COUNTY**

SAN JUAN

RECTIFIER

| SIZE | NEEDED | EXISTING | 1 PHASE | 3 PHASE |
|------|--------|----------|---------|---------|
|------|--------|----------|---------|---------|

30/12

X

SOLARGROUND BED

X

240 V METER POLE

X

480 V METER POLED C CABLES

# 8

200'

A C CABLES

# 8

1200'

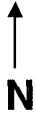
PRIMARY POWERDISTANCE TO POWER

1/2mile

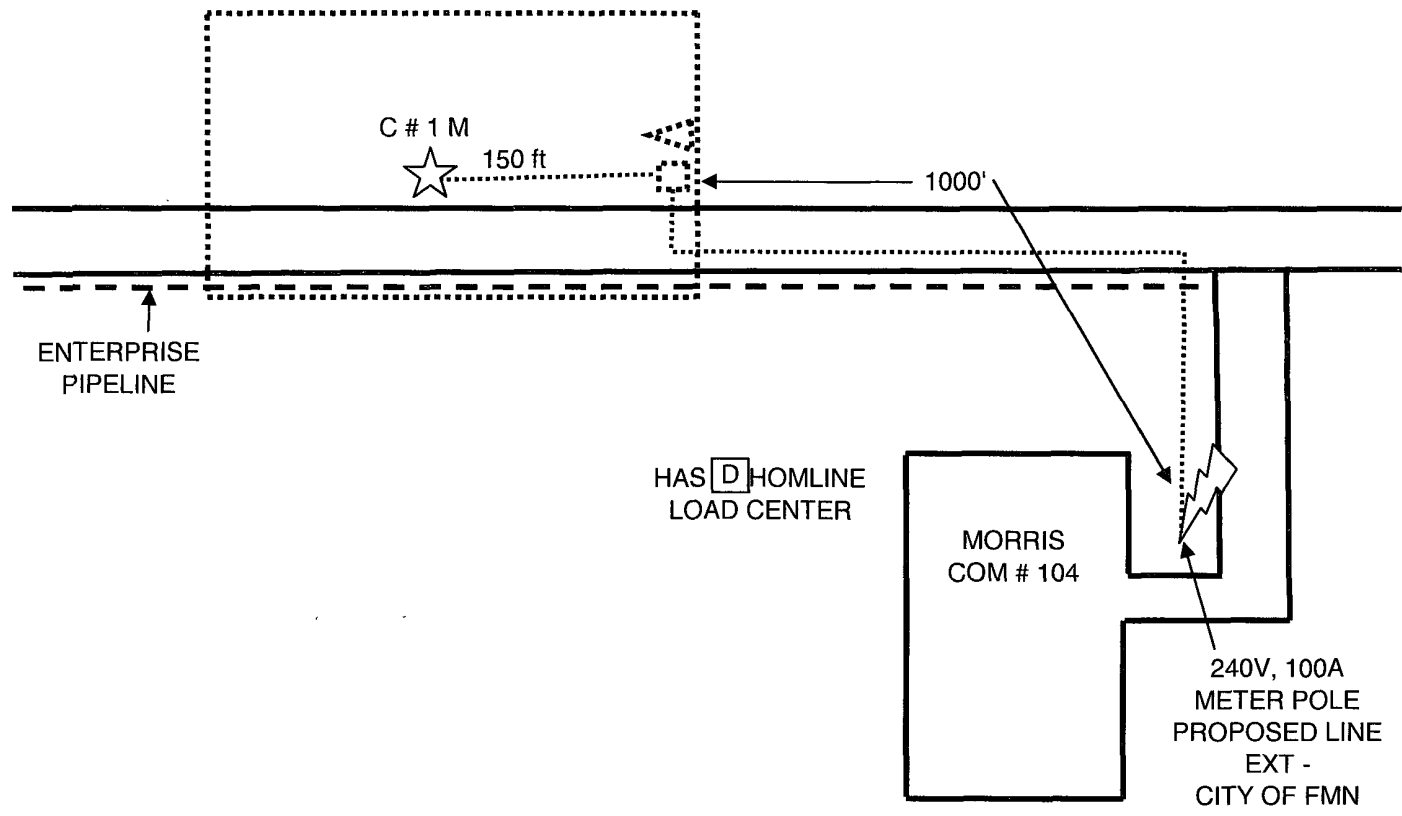
UNDERGROUNDPUMPJACKWATER PUMP**COMMENTS**

There is an existing meter pole on the Morris Com # 104 with a City Fmt line extension proposed - install breaker in existing Home line load center - plow 1000 ft UGAC to loc  
install rectifier system - sandy area -

|           |                 |
|-----------|-----------------|
| WELL NAME | FEDERAL C # 1 M |
|-----------|-----------------|



INSTALL BREAKER  
 PLOW 100' UGAC  
 INSTALL RECT SYSTEM



|                                                                                                                                                                                 |                                                                                                    |                                                                                              |                                                                                                          |                                                                                                       |                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| TANK<br>                                                                                     | SEP OR DEHY<br> | SOLAR<br> | METER POLE<br>        | PUMP JACK<br>      | GND/BED EXISTING CABLE<br> |
| RECT<br>  | PIT<br>         | WELL<br>  | proposed solar/gb<br> | PROPOSED CABLE<br> | POWER LINE<br>             |
|                                                                                                                                                                                 |                                                                                                    |                                                                                              | FOREIGN PL<br>        | CONOCO PL<br>    |                                                                                                                 |

# PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

FEDERAL C 1M

DEVELOPMENT

|                                             |                                 |                             |                          |                      |                  |                                                                                                                                           |             |
|---------------------------------------------|---------------------------------|-----------------------------|--------------------------|----------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Lease:                                      |                                 | AFE #: WAN.CDR.8030         |                          |                      |                  | AFE \$:                                                                                                                                   |             |
| Field Name: hBR_SAN JUAN                    |                                 | Rig: H&P Rig 282            |                          | State: NM            | County: SAN JUAN |                                                                                                                                           | API #:      |
| Geologist:                                  |                                 | Phone:                      |                          | Geophysicist:        |                  | Phone:                                                                                                                                    |             |
| Geoscientist: Riley, Brook                  |                                 | Phone: +1 505-324-6108      |                          | Prod. Engineer:      |                  | Phone:                                                                                                                                    |             |
| Res. Engineer: McKee, Cory J                |                                 | Phone: +1 505-326-9826      |                          | Proj. Field Lead:    |                  | Phone:                                                                                                                                    |             |
| <b>Primary Objective (Zones):</b>           |                                 |                             |                          |                      |                  |                                                                                                                                           |             |
| <b>Zone</b>                                 | <b>Zone Name</b>                |                             |                          |                      |                  |                                                                                                                                           |             |
| RON                                         | BLANCO MESAVERDE (PRORATED GAS) |                             |                          |                      |                  |                                                                                                                                           |             |
| FRR                                         | BASIN DAKOTA (PRORATED GAS)     |                             |                          |                      |                  |                                                                                                                                           |             |
| <b>Location: Surface Datum Code: NAD 27</b> |                                 |                             |                          |                      |                  |                                                                                                                                           |             |
| Latitude: 36.778716                         |                                 | Longitude: -108.001176      |                          | X:                   | Y:               | Section: 28                                                                                                                               | Range: 011W |
| Footage X: 950 FWL                          |                                 | Footage Y: 954 FSL          |                          | Elevation: 5979 (FT) |                  | Township: 030N                                                                                                                            |             |
| Tolerance:                                  |                                 |                             |                          |                      |                  |                                                                                                                                           |             |
| Location Type: Year Round                   |                                 | Start Date (Est.): 1/1/2009 |                          | Completion Date:     |                  | Date In Operation:                                                                                                                        |             |
| Formation Data: Assume KB = 5991 Units = FT |                                 |                             |                          |                      |                  |                                                                                                                                           |             |
| Formation Call & Casing Points              | Depth (TVD in Ft)               | SS (Ft)                     | Depletion (Yes/No)       | BHP (PSIG)           | BHT              | Remarks                                                                                                                                   |             |
| Surface Casing                              | 200                             | 5791                        | <input type="checkbox"/> |                      |                  | 12-1/4 hole. 200' 9 5/8" 32.3 ppf, H-40, STC casing. Cement with 159 cuft. Circulate cement to surface.                                   |             |
| OJO ALAMO                                   | 841                             | 5150                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| KIRTLAND                                    | 971                             | 5020                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| FRUITLAND COAL                              | 1961                            | 4030                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| PICTURED CLIFFS                             | 2288                            | 3703                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| LEWIS                                       | 2413                            | 3578                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| Intermediate Casing                         | 2513                            | 3478                        | <input type="checkbox"/> |                      |                  | 8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Cement with 566 cuft. Circulate cement to surface.                                             |             |
| HUERFANITO BENTONITE                        | 2961                            | 3030                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| CHACRA                                      | 3301                            | 2690                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| MASSIVE CLIFF HOUSE                         | 3951                            | 2040                        | <input type="checkbox"/> | 900                  |                  | Gas                                                                                                                                       |             |
| MENEFEE                                     | 4025                            | 1966                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| POINT LOOKOUT                               | 4623                            | 1368                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| MANCOS                                      | 4938                            | 1053                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| UPPER GALLUP                                | 5854                            | 137                         | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| GREENHORN                                   | 6597                            | -606                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| GRANEROS                                    | 6655                            | -664                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| TWO WELLS                                   | 6721                            | -730                        | <input type="checkbox"/> | 1800                 |                  | Gas                                                                                                                                       |             |
| PAGUATE                                     | 6771                            | -780                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| CUBERO                                      | 6818                            | -827                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| ENCINAL                                     | 6884                            | -893                        | <input type="checkbox"/> |                      |                  |                                                                                                                                           |             |
| Total Depth                                 | 6900                            | -909                        | <input type="checkbox"/> |                      |                  | 6-1/4" hole, 4-1/2" 10.5 ppf, J-55, STC casing. Cement w/ 597 cuft. Circulate cement a minimum of 100' inside the previous casing string. |             |
| <b>Reference Wells:</b>                     |                                 |                             |                          |                      |                  |                                                                                                                                           |             |
| Reference Type                              | Well Name                       |                             | Comments                 |                      |                  |                                                                                                                                           |             |

# PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

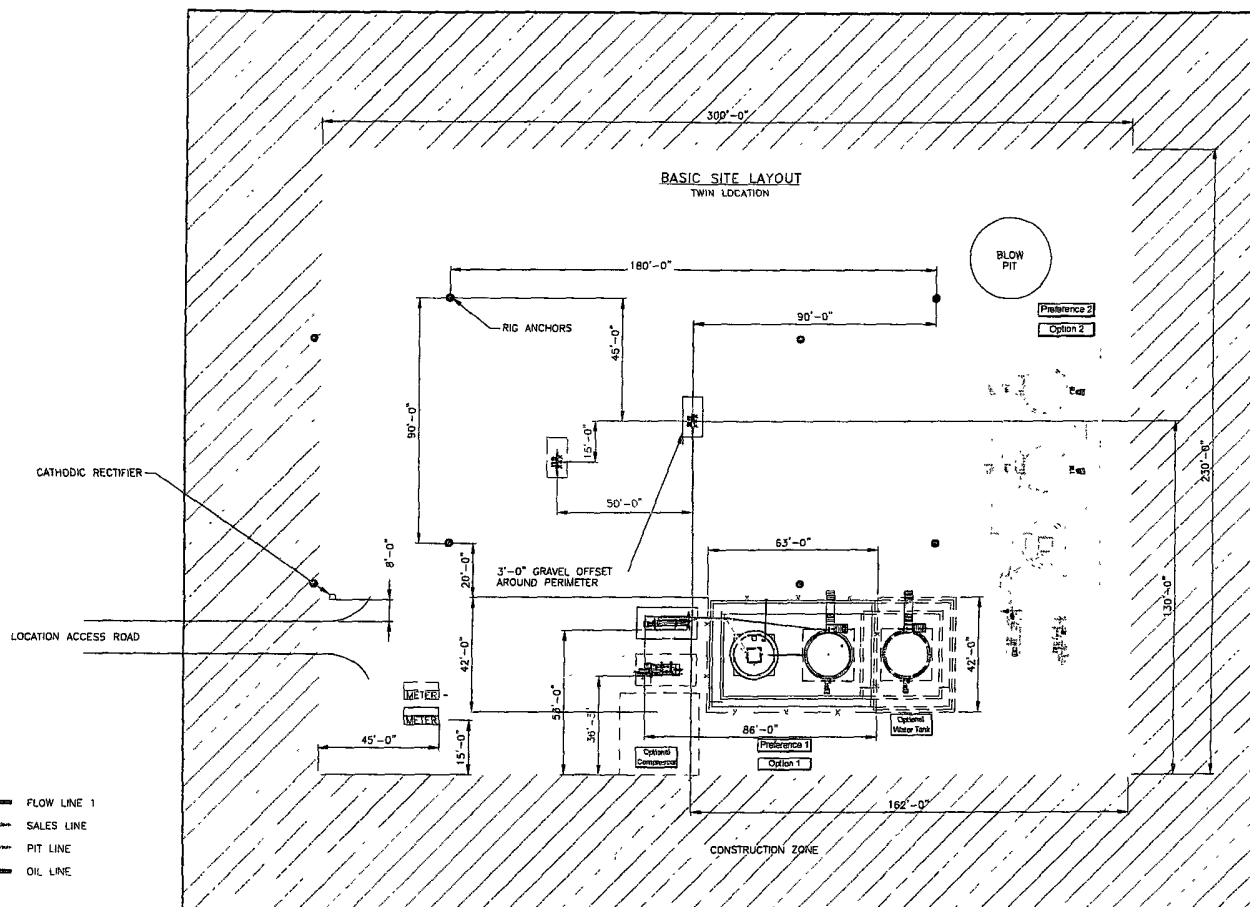
FEDERAL C 1M

DEVELOPMENT

|                         |                                           |                                 |                                       |
|-------------------------|-------------------------------------------|---------------------------------|---------------------------------------|
| <b>Logging Program:</b> |                                           |                                 |                                       |
| Intermediate Logs:      | <input type="checkbox"/> Log only if show | <input type="checkbox"/> GR/ILD | <input type="checkbox"/> Triple Combo |

|                                       |                                       |                                   |                              |                                |                              |                              |                                           |
|---------------------------------------|---------------------------------------|-----------------------------------|------------------------------|--------------------------------|------------------------------|------------------------------|-------------------------------------------|
| TD Logs:                              | <input type="checkbox"/> Triple Combo | <input type="checkbox"/> Dipmeter | <input type="checkbox"/> RFT | <input type="checkbox"/> Sonic | <input type="checkbox"/> VSP | <input type="checkbox"/> TDT | <input checked="" type="checkbox"/> Other |
| Est bottom perf ~20 above the est TD. |                                       |                                   |                              |                                |                              |                              |                                           |

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



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

SHEET 1 OF 5

|  |  |  |  |  |  |  |  |  |  |                    |          |      |                    |             |                                                             |     |                    |                                                                          |  |  |              |                        |
|--|--|--|--|--|--|--|--|--|--|--------------------|----------|------|--------------------|-------------|-------------------------------------------------------------|-----|--------------------|--------------------------------------------------------------------------|--|--|--------------|------------------------|
|  |  |  |  |  |  |  |  |  |  | ENGINEERING REVIEW |          |      | REFERENCE DRAWINGS |             | <div>ConocoPhillips</div> <div>SAN JUAN BUSINESS UNIT</div> |     |                    | CONOCOPHILLIPS<br>HIGH PRESSURE 3 PHASE<br>FACILITY DIAGRAM- SITE LAYOUT |  |  |              |                        |
|  |  |  |  |  |  |  |  |  |  | DISCIPLINE         | REVIEWED | DATE | NO.                | DESCRIPTION |                                                             |     |                    | CLIENT NO.                                                               |  |  | CLIENT APPR. | APPR. DATE.            |
|  |  |  |  |  |  |  |  |  |  | PROCESS            |          |      |                    |             |                                                             |     |                    | DRAWN BY                                                                 |  |  | SCALE: NONE  | CREATION DATE: 6/24/07 |
|  |  |  |  |  |  |  |  |  |  | MECHANICAL         |          |      |                    |             |                                                             |     |                    |                                                                          |  |  |              |                        |
|  |  |  |  |  |  |  |  |  |  | PIPING             |          |      |                    |             |                                                             |     |                    |                                                                          |  |  |              |                        |
|  |  |  |  |  |  |  |  |  |  | ELECTRICAL         |          |      |                    |             |                                                             |     |                    |                                                                          |  |  |              |                        |
|  |  |  |  |  |  |  |  |  |  | I & C              |          |      |                    |             |                                                             |     |                    |                                                                          |  |  |              |                        |
|  |  |  |  |  |  |  |  |  |  | CIVIL/STRUCTURAL   |          |      |                    |             |                                                             |     |                    |                                                                          |  |  |              |                        |
|  |  |  |  |  |  |  |  |  |  |                    |          |      |                    |             |                                                             |     |                    |                                                                          |  |  |              |                        |
|  |  |  |  |  |  |  |  |  |  | DESCRIPTION        | DATE     | BY   | CHK'D              | ENG         | DISC                                                        | PRJ | SHEET No<br>1 of 5 |                                                                          |  |  |              |                        |

ConocoPhillips

SAN JUAN BUSINESS UNIT

CONOCOPHILLIPS  
HIGH PRESSURE 3 PHASE  
FACILITY DIAGRAM- SITE LAYOUT

CLIENT No. CLIENT APPR. APPR. DATE  
DRAWN BY SCALE: NONE CREATION DATE: 6/24/07  
DWG No. HP3PHASE-REV1 SHEET No. 1 OF 5

**CONOCOPHILLIPS, CO**  
FEDERAL C #1 M  
954' FSL & 950' FWL  
LOCATED IN THE SW/4 SW/4 OF SECTION 28,  
T30N, R11W, N.M.P.M.,  
SAN JUAN COUNTY, NEW MEXICO

**DIRECTIONS**

- ) FROM AZTEC, NM POST OFFICE, TRAVEL 3.1 MILES TO DIRT ROAD 200' PAST MP 156.
- ) TURN RIGHT, TRAVEL 0.1 MILES TO "Y" INTERSECTION.
- ) TURN RIGHT, GO 0.6 MILES TO INTERSECTION.
- ) TURN LEFT, GO 0.5 MILES TO EXISTING LOCATION.

WELL FLAG LOCATED AT LAT. 36.77872°N, LONG. 108.00180°W (NAD 83).