

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JAN 28 2010

Bureau of Land Management
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	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	5. Lease Number SF-078738 Unit Reporting Number NMNM-78419A NMNM123317 (DK)
1b. Type of Well GAS		6. If Indian, All. or Tribe
2. Operator ConocoPhillips Company		7. Unit Agreement Name San Juan 30-5 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name RCVD FEB 17 '10 OIL CONS. DIV. DIST. 3
4. Location of Well Surf: Unit L (NWSW), 1770' FSL & 779' FWL Bottomhole: Unit N (SESW), 1100' FSL & 1845' FWL Surf: Latitude: 36.781270° N (NAD83) Longitude: 107.351105° W Bottomhole: Latitude: 36.779432° N (NAD83) Longitude: 107.347466° W		10. Field, Pool, Wildcat Blanco MV / Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) L Sec. 27, T30N, R5W API # 30-039- 30913
14. Distance in Miles from Nearest Town 59 miles / Bloomfield		12. County Rio Arriba 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 779'		
16. Acres in Lease 2,219.760		17. Acres Assigned to Well 320.00 W/2 - MV/DK
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 52' from San Juan 30-5 Unit 81 (DK)		
19. Proposed Depth 7690'		20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6551' GL		22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Crystal Tafoya</u> Crystal Tafoya (Regulatory Technician)		Date <u>1/28/2010</u>

PERMIT NO.

APPROVAL DATE

APPROVED BY [Signature]

TITLE A.F.M.

DATE 2/16/2010

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

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

Hold C164
for Directional Survey
and "As Drilled" plat

FEB 25 2010

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

NOTIFY AZTEC OGD 24 HRS.
PRIOR TO CASING & CEMENT

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 & 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 - 7 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-039- 30913	² Pool Code 71599/72319	³ Pool Name BASIN DAKOTA / BLANCO MESAVERDE
⁴ Property Code 31327	⁵ Property Name SAN JUAN 30-5 UNIT	
⁷ OGRID No. 217817	⁸ Operator Name CONOCOPHILLIPS COMPANY	
		⁶ Well Number 81Q
		⁹ Elevation 6551

¹⁰ SURFACE LOCATION

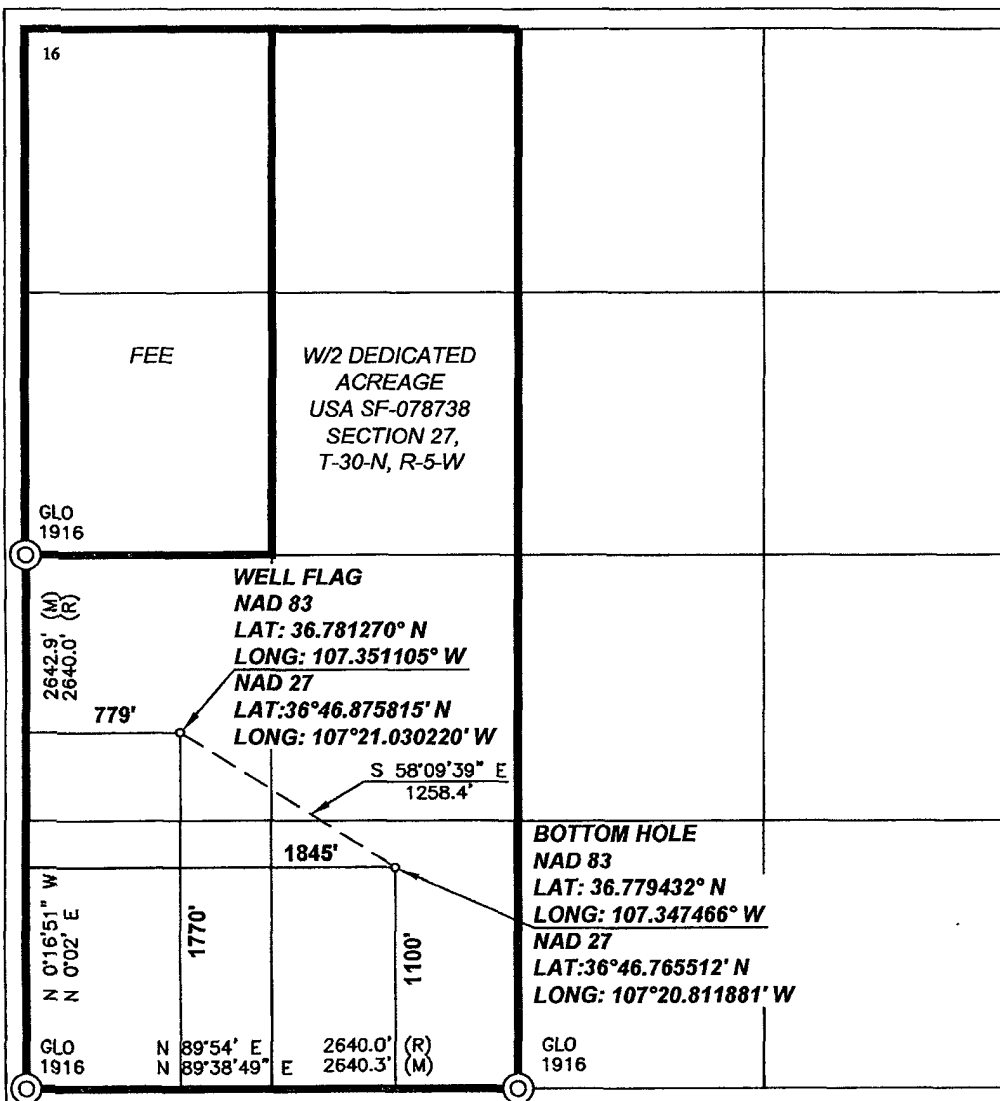
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	27	30-N	5-W		1770	SOUTH	779	WEST	RIO ARRIBA

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
N	27	30-N	5-W		1100	SOUTH	1845	WEST	RIO ARRIBA

¹² Dedicated Acres 320.00	¹³ Joint or Infill (W/2)	¹⁴ Consolidation Code	¹⁵ Order No.
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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, 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.

Crystal Tafoya 3/4/09
Signature

Crystal Tafoya
Printed Name

Regulatory Technician
Title and E-mail Address

March 4th, 2009
Date

Signature and Seal of Professional Surveyor:

March 4th, 2009
Date

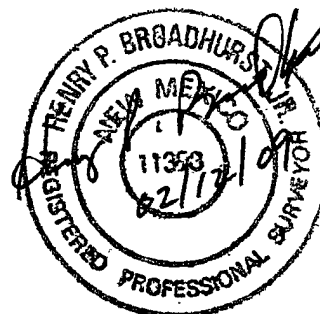
Signature and Seal of Professional Surveyor:

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: 1/14/09

Signature and Seal of Professional Surveyor:



Certificate Number: NM 11393

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 30-5 UNIT 81Q

DEVELOPMENT

Lease:		AFE #: WAN.CDR.8484		AFE \$: 1,803,342.68	
Field Name: SAN JUAN		Rig: H&P Rig 282		State: NM	County: RIO ARRIBA
Geologist:		Phone:	Geophysicist:		Phone:
Geoscientist:		Phone:	Prod. Engineer:		Phone:
Res. Engineer:		Phone:	Proj. Field Lead:		Phone:
Primary Objective (Zones):					
Zone	Zone Name				
FRR	BASIN DAKOTA (PRORATED GAS)				
RON	BLANCO MESAVERDE (PRORATED GAS)				
Location: Surface					
Datum Code: NAD 27		Directional			
Latitude: 36.781263	Longitude: -107.350503	X:	Y:	Section: 27	Range: 005W
Footage X: 779 FWL	Footage Y: 1770 FSL	Elevation: 6551 (FT)	Township: 030N		
Tolerance:					
Location: Bottom Hole					
Datum Code: NAD 27		Directional			
Latitude: 36.779425	Longitude: -107.346864	X:	Y:	Section: 27	Range: 005W
Footage X: 1845 FWL	Footage Y: 1100 FSL	Elevation:	(FT)	Township: 030N	
Tolerance:					
Location Type: Restricted		Start Date (Est.): 1/1/2010		Completion Date:	
				Date In Operation:	
Formation Data: Assume KB = 6566 Units = FT					
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT
Surface Casing	199	6367	☐		
12-1/4 hole. 200' 9 5/8" 32.3 ppf, H-40, STC casing. Cement with 160 cuft. Circulate cement to surface.					
OJO ALAMO	2705	3861	☐		
KIRTLAND	2808	3758	☐		
FRUITLAND	2870	3696	☐	230	Possible Gas
PICTURED CLIFFS	3497	3069	☐	1120	
LEWIS	3592	2974	☐		
Intermediate Casing	3692	2874	☐		
8 3/4" Hole. 7", 23 ppf, J-55, LTC Casing. Cement with 892 cuft. Circulate cement to surface.					
HUERFANITO BENTONITE	4258	2308	☐		
CHACRA	4558	2008	☐		
MASSIVE CLIFF HOUSE	5428	1138	☐	700	Gas
MENEFEE	5466	1100	☐		
POINT LOOKOUT	5678	888	☐		
MANCOS	6100	466	☐		
UPPER GALLUP	6934	-368	☐		
GREENHORN	7670	-1104	☐		
GRANEROS	7726	-1160	☐		
PAGUATE	7839	-1273	☐	3320	Gas
UPPER CUBERO	7855	-1289	☐		
LOWER CUBERO	7892	-1326	☐		
Total Depth	7960	-1394	☐		
6-1/4" hole, 4-1/2" 11.6 ppf, L-80, LTC casing. Cement w/ 581 cuft. Circulate cement a minimum of 100' inside the previous casing string.					
ENCINAL	7960	-1394	☐		TD at top of Encinal with bottom perf 20' off bottom.

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 30-5 UNIT 81Q

DEVELOPMENT

Reference Wells:		
Reference Type	Well Name	Comments
Production	100	NE34 30-5
Production	95	NE28 30-5
Production	81 & 94	section 27 30-5

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

TD Logs:	☐ Triple Combo	☐ Dipmeter	☐ RFT	☐ Sonic	☐ VSP	☐ TDT	☒ Other
No OH logs. Mudlog from top of Greenhorn to TD - loggers will call TD.							

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

Comments: Location/Tops/Logging - MV/DKNM030N005W27SW2 Avoid L - MV/DK wells are located there already. Could surface twin SJ 30-5 Unit 31 (MV) with a BHL of 660' FSL & 1980' FWL (unit letter N). Prefer N, M, K.

Zones - MV/DKNM030N005W27SW2

General/Work Description - 9/10/09 Lewis Reserves Added in PEEP wfp

2/26/09-per MMegorden - keep stked at DD - ROR is poor wfp

2/2/09-no longer economic as DD with Jan 09 price decks and DK assessment - must be vertical wfp

1/30/09-GW Test Well needed per const wfp-3/19/09-GW test results = GW at 79 ft wfp

LEWIS INCLUDED

12/1/08 Economic with directional and closed loop costs (if closed loop is needed). Current PEEP case includes the additional \$400M. pshory

9/1/09.- Drilling Cost Estimate: Base Line of \$129.02/ft for 1258.5 ft step out, casing set at 150 ft TVD in Lewis and 11.6#/ft, L-80 good for production strina. added \$10K for strapping land on location. Estimated 15 days. Cost changed to \$133.54/ft. JCedeno



ConocoPhillips or its affiliates
Planning Report

Database:	EDM Central Planning	Local Co-ordinate Reference:	Well SJ 30-5 #81Q
Company:	ConocoPhillips SJB	TVD Reference:	RKB @ 6566 0ft (Original Well Elev)
Project:	San Juan Basin - New Mexico Wells	MD Reference:	RKB @ 6566 0ft (Original Well Elev)
Site:	San Juan 30 Wells	North Reference:	True
Well:	SJ 30-5 #81Q	Survey Calculation Method:	Minimum Curvature
Wellbore:	Principal Wellbore		
Design:	Plan #1		

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
5,697.7	5,428.0	Mass Cliffhouse		0.00		
8,108.7	7,839.0	Paguate		0.00		
8,124.7	7,855.0	Upper Cubero		0.00		
		Upper Cliffhouse		0.00		
5,947.7	5,678.0	Point Lookout		0.00		
5,735.7	5,466.0	Menefee		0.00		
4,527.7	4,258.0	Huerfanito Bentonite		0.00		
7,939.7	7,670.0	Greenhorn		0.00		
3,861.7	3,592.0	Lewis		0.00		
		Nacimiento		0.00		
3,042.7	2,808.0	Kirtland		0.00		
		Two Wells		0.00		
8,161.7	7,892.0	Lower Cubero		0.00		
3,766.4	3,497.0	Pictured Cliffs		0.00		
4,827.7	4,558.0	Chacra		0.00		
6,369.7	6,100.0	Mancos		0.00		
8,229.7	7,960.0	Encinal		0.00		
2,926.8	2,705.0	Ojo		0.00		
7,203.7	6,934.0	Upper Gallup		0.00		
3,111.9	2,870.0	Fruitland		0.00		
7,995.7	7,726.0	Graneros		0.00		

REFERENCE INFORMATION

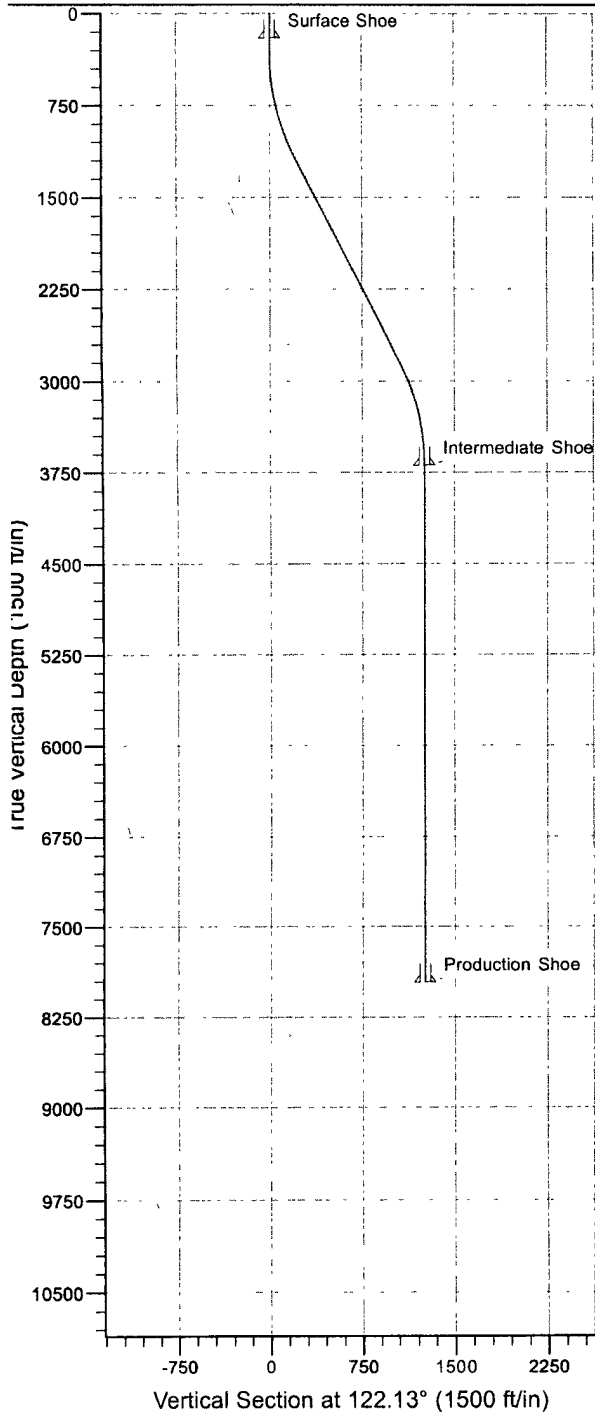
RKB @ 6566.0ft (Original Well Elev)
Ground Elevation 6551.0
Reference Lat: 36° 46' 52.549 N
Reference Long: 107° 21' 1.813 W

Project: San Juan Basin - New Mexico Wells
Site: San Juan 30 Wells
Well: SJ 30-5 #81Q
Wellbore: Principal Wellbore
Design: Plan #1



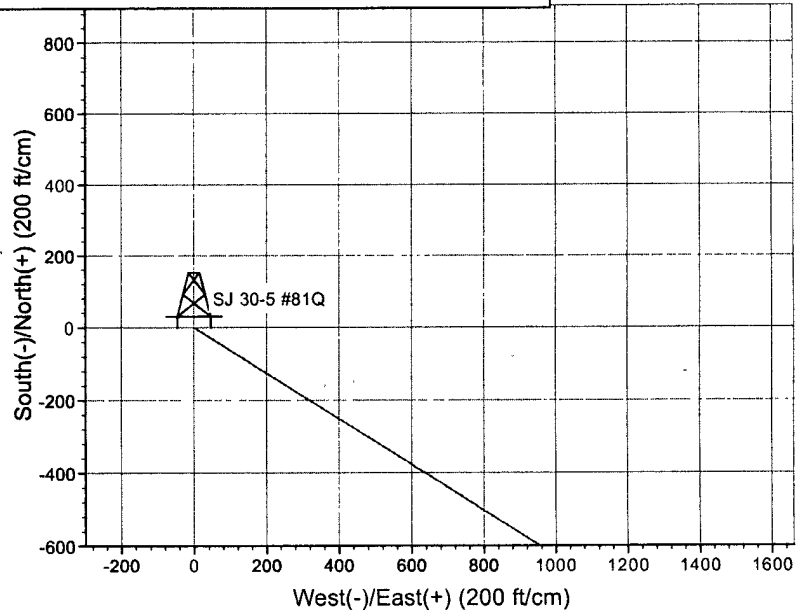
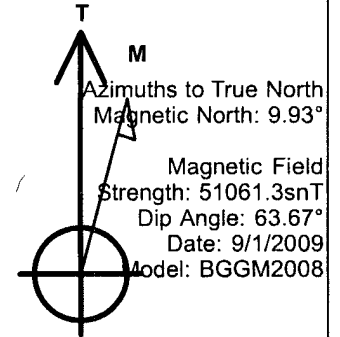
SECTION DETAILS

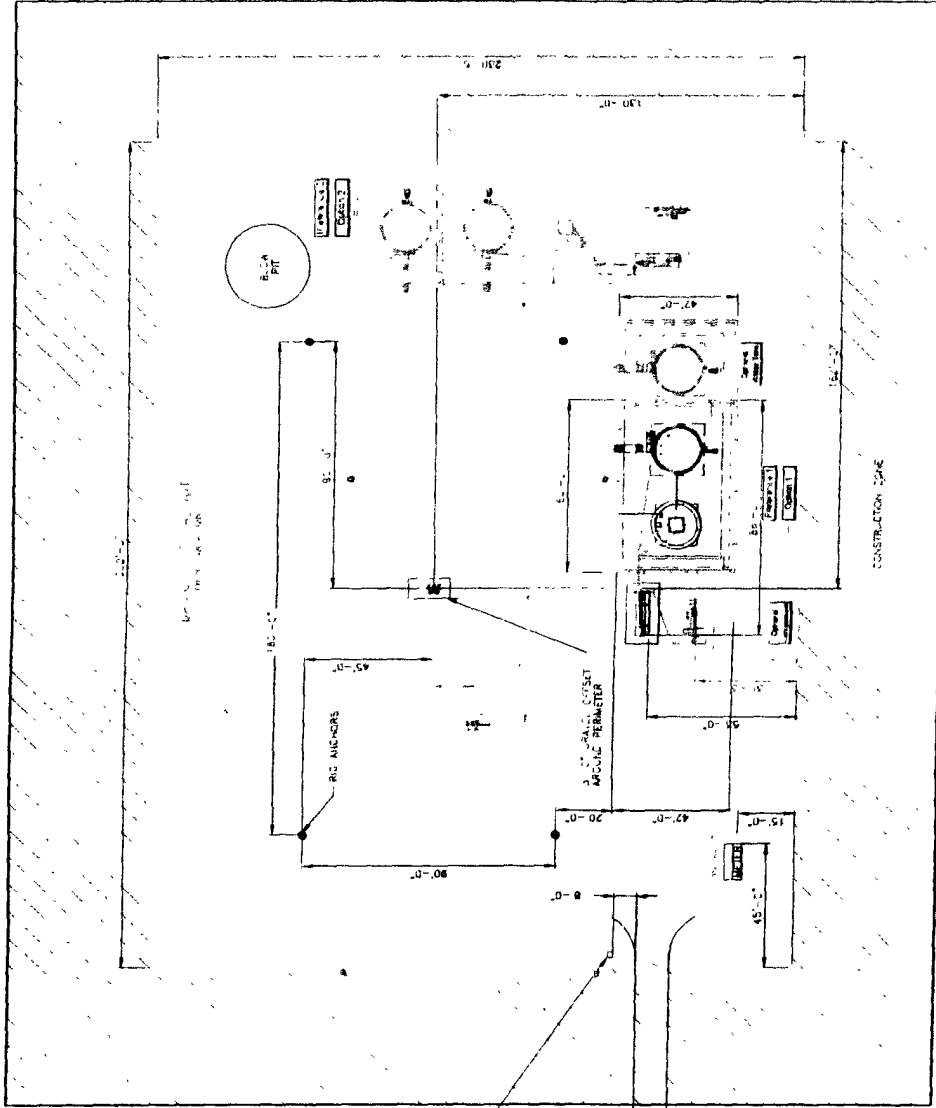
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	320.0	0.00	0.00	320.0	0.0	0.0	0.00	0.00	0.0	
3	1227.1	27.21	122.13	1193.3	-112.4	179.0	3.00	122.13	211.4	
4	3054.6	27.21	122.13	2818.7	-556.9	886.8	0.00	0.00	1047.1	
5	3961.7	0.00	0.00	3692.0	-669.3	1065.8	3.00	180.00	1258.5	SJ 30-5 #81Q ICP
6	8229.7	0.00	0.00	7960.0	-669.3	1065.8	0.00	0.00	1258.5	SJ 30-5 #81Q PCP



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
		Nacimiento
		Two Wells
		Upper Cliffhouse
2789.0	2926.8	Ojo
2892.0	3042.7	Kirtland
2954.0	3111.9	Fruitland
3581.0	3766.4	Pictured Cliffs
3676.0	3861.7	Lewis
4342.0	4527.7	Huerfano Bentonite
4642.0	4827.7	Chacra
5512.0	5697.7	Mass. Cliffhouse
5550.0	5735.7	Menefee
5762.0	5947.7	Point Lookout
6184.0	6369.7	Mancos
7018.0	7203.7	Upper Gallup
7754.0	7939.7	Greenhorn
7810.0	7995.7	Graneros
7923.0	8108.7	Paguate
7939.0	8124.7	Upper Cubero
7976.0	8161.7	Lower Cubero
8044.0	8229.7	Encinal





FLOW LINE
 SALES LINE
 PIT LINE
 ON LINE

SEE SHEET 1.1 & 1.2 FOR PIPING LAYOUT
 ALL DIMENSIONS ARE IN FEET UNLESS OTHERWISE NOTED

CONSTRUCTION										SAN JUAN BUSINESS UNIT										CONSTRUCTION									
FACILITY										CONSTRUCTION										FACILITY									
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CONOCOPHILLIPS COMPANY

SAN JUAN 30-5 UNIT #81Q

1770' FSL, 779' FWL

SECTION 27, T-30-N, R-5-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

NAD 83 LAT.: 36.781270°N LONG.: 107.351105°W

ELEV.: 6551 NAVD88

NO NEW ACCESS

FROM BLOOMFIELD, NEW MEXICO:

- GO 37.7 MI. ON HWY. 64 (MILE MARKER 102.3) TURN LEFT (NORTH) ON HWY. 527, ALSO KNOWN AS (SIMMS MARINA ROAD).
- GO 8.0 MI. NORTH ON HWY. 527. TURN RIGHT ONTO ROSA ROAD.
- GO 6.4 MI. ALONG ROSA ROAD, CROSSING LA JARA WASH. TURN RIGHT (EASTERLY) AT BLM/ FOREST SERVICE WARNING SIGN.
- GO 4.7 MI., CROSSING LA FRAGUA WASH, STAYING ON MAIN ROAD EAST. TURN RIGHT (SOUTHEAST) INTO MANUEL CANYON, TOWARD ESPINOSA RANCH.
- GO 0.8 MI. SOUTHEAST TO THE ESPINOSA RANCH, HOMESTEAD TO THE LEFT SIDE OF ROAD.
- GO 0.9 MI. SOUTHEAST FROM THE ESPINOSA RANCH HOUSE, INTO MANUEL CANYON. TURN RIGHT JUST PAST SJ 30-5 UNIT #236 WELL.
- GO 0.2 MI. SOUTH AND WEST, THROUGH SJ 30-5 UNIT #231 WELL, AND INTO SJ 30-5 UNIT #81 LOCATION. SJ 30-5 UNIT #81Q IS TWINNED HERE.