

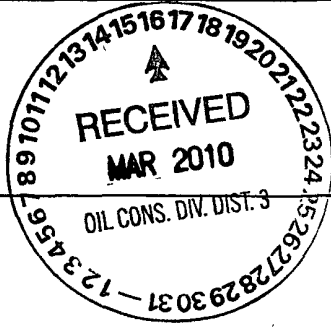
RECEIVED

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FEB 23 2010

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Bureau of Land Management  
Farmington Field Office

|                                                                                                                                             |                                                                                                                                                  |                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 1a. Type of Work<br>DRILL                                                                                                                   |                                                                 | 5. Lease Number<br>SF-080379-A<br>Unit Reporting Number |
| 1b. Type of Well<br>GAS                                                                                                                     |                                                                                                                                                  | 6. If Indian, All. or Tribe                             |
| 2. Operator<br><br><b>ConocoPhillips</b><br>Company                                                                                         |                                                                                                                                                  | 7. Unit Agreement Name<br><br>San Juan 29-6 Unit        |
| 3. Address & Phone No. of Operator<br>PO Box 4289, Farmington, NM 87499<br><br>(505) 326-9700                                               |                                                                                                                                                  | 8. Farm or Lease Name<br><br>9. Well Number<br>20C      |
| 4. Location of Well<br>Surf: Unit L (NWSW), 2359' FSL & 1300' FWL<br><br>Surf: Latitude: 36.7394241° N (NAD83)<br>Longitude: 107.4908955° W | 10. Field, Pool, Wildcat<br>Blanco MV / Basin DK<br><br>11. Sec., Twn, Rge, Mer. (NMPM)<br>L Sec. 8, T29N, R6W<br><br>API # 30-039- <b>30929</b> |                                                         |
| 14. Distance in Miles from Nearest Town<br>36 miles / Blanco                                                                                | 12. County<br>Rio Arriba                                                                                                                         | 13. State<br>NM                                         |
| 15. Distance from Proposed Location to Nearest Property or Lease Line<br>1300'                                                              |                                                                                                                                                  |                                                         |
| 16. Acres in Lease<br>1,438.60                                                                                                              |  H <sub>2</sub> S POTENTIAL EXIST                             | 17. Acres Assigned to Well<br>320.00 W/2 - MV/DK        |
| 18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease<br>894' from San Juan 29-6 Unit 246 (FC)     |                                                                                                                                                  |                                                         |
| 19. Proposed Depth<br>8128'                                                                                                                 | 20. Rotary or Cable Tools<br>Rotary                                                                                                              |                                                         |
| 21. Elevations (DF, FT, GR, Etc.)<br>6775' GL                                                                                               | 22. Approx. Date Work will Start                                                                                                                 |                                                         |
| 23. Proposed Casing and Cementing Program<br>See Operations Plan attached                                                                   |                                                                                                                                                  |                                                         |
| 24. Authorized by: <u>Crystal Tafoya</u><br>Crystal Tafoya (Regulatory Tech)                                                                |                                                                                                                                                  | Date: <u>2/23/2010</u>                                  |

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

This action is subject to technical and procedural review pursuant to 43 CFR 3165.4 and appeal pursuant to 43 CFR 3165.4  
DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

MAR 17 2010 NMOC

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

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

DISTRICT II  
1301 W. 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, N.M. 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, N.M. 87505

RECEIVED

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

Bureau of Land Management  
Farmington Field Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                         |                                                      |                                                     |
|-----------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| <sup>1</sup> API Number<br>30-039-30929 | <sup>2</sup> Pool Code<br>71599/72319                | <sup>3</sup> Pool Name<br>Basin DAKOTA / MESA VERDE |
| <sup>4</sup> Property Code<br>31326     | <sup>5</sup> Property Name<br>SAN JUAN 29-6 UNIT     | <sup>6</sup> Well Number<br>20C                     |
| <sup>7</sup> OGRID No.<br>217817        | <sup>8</sup> Operator Name<br>CONOCOPHILLIPS COMPANY | <sup>9</sup> Elevation<br>6775                      |

<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     |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| L             | 8       | 29 N     | 6 W   |         | 2359          | SOUTH            | 1300          | WEST           | RIO ARriba |

<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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L             |         |          |       |         |               |                  |               |                |        |

|                                               |                               |                                  |                         |
|-----------------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>320.00 (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

|               |                                                                                                                |          |            |              |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------|----------------------------------------------------------------------------------------------------------------|----------|------------|--------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5277.13'      | 16 N 89°44'19" E                                                                                               | 2642.11' | N 89°58' E | 2647.92' (R) | 5280' (R) | <p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Tracey N. Monroe</i> 7/14/09<br/>Signature Date<br/>Tracey N. Monroe<br/>Printed Name</p> |
|               | USA SF-080379-A                                                                                                |          |            |              |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| SECTION 8     |                                                                                                                |          |            |              | 5290.85'  | <p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>7/13/09<br/>Date of Survey<br/>Signature and Seal of Professional Surveyor<br/><i>Marshall W. Linden</i><br/>17078<br/>7-20-09<br/>17078<br/>Certificate Number</p>                                                                                                                                                                                                                    |
| 1300'         | NAD 83<br>LAT: 36.7394241° N<br>LONG: 107.4908955° W<br>NAD 27<br>LAT: 36°44.36506' N<br>LONG: 107°29.41744' W |          |            |              |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| N 0°11'39" W  | 2359'                                                                                                          |          |            |              | N 0°01' E |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| N 89°53'16" E |                                                                                                                |          |            |              |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

# PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 29-6 UNIT 20C

DEVELOPMENT

|                                                                         |                                 |                             |                          |                      |                                                                                                                                                    |
|-------------------------------------------------------------------------|---------------------------------|-----------------------------|--------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Lease:                                                                  |                                 | AFE #: WAN.CDR.9304         |                          | AFE \$: 1,490,659.34 |                                                                                                                                                    |
| Field Name: SAN JUAN                                                    |                                 | Rig: XXX 2010 Holding       |                          | State: NM            | County: RIO ARRIBA                                                                                                                                 |
| Geologist:                                                              |                                 | Phone:                      |                          | Geophysicist:        |                                                                                                                                                    |
| Geoscientist:                                                           |                                 | Phone:                      |                          | Prod. Engineer:      |                                                                                                                                                    |
| Res. Engineer:                                                          |                                 | Phone:                      |                          | Proj. Field Lead:    |                                                                                                                                                    |
| <b>Primary Objective (Zones):</b>                                       |                                 |                             |                          |                      |                                                                                                                                                    |
| Zone                                                                    | Zone Name                       |                             |                          |                      |                                                                                                                                                    |
| FRR                                                                     | BASIN DAKOTA (PRORATED GAS)     |                             |                          |                      |                                                                                                                                                    |
| RON                                                                     | BLANCO MESAVERDE (PRORATED GAS) |                             |                          |                      |                                                                                                                                                    |
| <b>Location:</b> Surface <b>Datum Code:</b> NAD 27 <b>Straight Hole</b> |                                 |                             |                          |                      |                                                                                                                                                    |
| Latitude: 36.739418                                                     | Longitude: -107.490291          | X:                          | Y:                       | Section: 08          | Range: 006W                                                                                                                                        |
| Footage X: 1300 FWL                                                     | Footage Y: 2359 FSL             | Elevation: 6775             | (FT)                     | Township: 029N       |                                                                                                                                                    |
| Tolerance:                                                              |                                 |                             |                          |                      |                                                                                                                                                    |
| Location Type: Year Round                                               |                                 | Start Date (Est.): 1/1/2011 |                          | Completion Date:     |                                                                                                                                                    |
|                                                                         |                                 |                             |                          | Date In Operation:   |                                                                                                                                                    |
| Formation Data: Assume KB = 6790      Units = FT                        |                                 |                             |                          |                      |                                                                                                                                                    |
| Formation Call & Casing Points                                          | Depth (TVD in Ft)               | SS (Ft)                     | Depletion (Yes/No)       | BHP (PSIG)           | BHT                                                                                                                                                |
| Surface Casing                                                          | 200                             | 6590                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
|                                                                         |                                 |                             |                          |                      | 12-1/4 hole. 200' 9 5/8" 32.3 ppf, H-40, STC casing. Cement with 121 cuft. Circulate cement to surface.                                            |
| NACIMIENTO                                                              | 1433                            | 5357                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
| OJO ALAMO                                                               | 2790                            | 4000                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
| KIRTLAND                                                                | 2927                            | 3863                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
| FRUITLAND                                                               | 3265                            | 3525                        | <input type="checkbox"/> |                      | Possible Gas                                                                                                                                       |
| PICTURED CLIFFS                                                         | 3702                            | 3088                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
| LEWIS                                                                   | 3815                            | 2975                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
| Intermediate Casing                                                     | 3915                            | 2875                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
|                                                                         |                                 |                             |                          |                      | 8 3/4" Hole. 7", 23 ppf, J-55, STC Casing. Cement with 882 cuft. Circulate cement to surface.                                                      |
| HUERFANITO BENTONITE                                                    | 4428                            | 2362                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
| CHACRA                                                                  | 4682                            | 2108                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
| MASSIVE CLIFF HOUSE                                                     | 5448                            | 1342                        | <input type="checkbox"/> | 507                  | Gas                                                                                                                                                |
| MENEFEE                                                                 | 5530                            | 1260                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
| POINT LOOKOUT                                                           | 5850                            | 940                         | <input type="checkbox"/> |                      |                                                                                                                                                    |
| MANCOS                                                                  | 6210                            | 580                         | <input type="checkbox"/> |                      |                                                                                                                                                    |
| UPPER GALLUP                                                            | 7095                            | -305                        | <input type="checkbox"/> |                      |                                                                                                                                                    |
| GREENHORN                                                               | 7830                            | -1040                       | <input type="checkbox"/> |                      |                                                                                                                                                    |
| GRANEROS                                                                | 7885                            | -1095                       | <input type="checkbox"/> |                      |                                                                                                                                                    |
| TWO WELLS                                                               | 7952                            | -1162                       | <input type="checkbox"/> | 3405                 | Gas                                                                                                                                                |
| UPPER CUBERO                                                            | 8015                            | -1225                       | <input type="checkbox"/> |                      |                                                                                                                                                    |
| LOWER CUBERO                                                            | 8052                            | -1262                       | <input type="checkbox"/> |                      |                                                                                                                                                    |
| Total Depth                                                             | 8128                            | -1338                       | <input type="checkbox"/> |                      |                                                                                                                                                    |
|                                                                         |                                 |                             |                          |                      | 6-1/4" hole, 4-1/2" 10.5/11.6 ppf, J-55, STC/LTC casing. Cement w/ 574 cuft. Circulate cement a minimum of 100' inside the previous casing string. |
| ENCINAL                                                                 | 8128                            | -1338                       | <input type="checkbox"/> |                      |                                                                                                                                                    |
| <b>Reference Wells:</b>                                                 |                                 |                             |                          |                      |                                                                                                                                                    |
| Reference Type                                                          | Well Name                       |                             | Comments                 |                      |                                                                                                                                                    |

## PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 29-6 UNIT 20C

DEVELOPMENT

### Logging Program:

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

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

Mud log from ~100' above the Greenhorn to TD. Mud loggers will watch tops and call final TD. Est bottom perf ~20' above the est TD.

### Additional Information:

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



**CONOCOPHILLIPS COMPANY**

**SAN JUAN 29-6 UNIT 20C**

**2359' FSL & 1300' FWL**

**LATITUDE: 36.7394241° N**

**LONGITUDE: 107.4908955° W**

**NAD 83**

**SECTION 8, T-29-N, R-6-W, N.M.P.M.**

**RIO ARRIBA COUNTY, NEW MEXICO**

FROM THE INTERSECTION OF COUNTY ROAD 4599 AND  
U.S. HIGHWAY 64 IN BLANCO, NEW MEXICO.

TRAVEL EASTERLY ON U.S. HIGHWAY 64 FOR 28.1 MILES.

TURN LEFT ONTO COUNTY ROAD 362 AND TRAVEL

NORTHWESTERLY 0.7 MILE (TOWARDS GOBERNADOR CAMP).

TURN LEFT AT A "Y" INTERSECTION & TRAVEL NORTHWESTERLY 2.5  
MILES UP FRANCES MESA.

TURN LEFT AND TRAVEL WESTERLY 3.4 MILES ALONG THE SOUTHERN  
EDGE OF FRANCES MESA.

FOLLOW MAIN ROAD TO THE RIGHT NORTHWESTERLY 0.9  
MILE TO PROPOSED

SAN JUAN 29-6 UNIT 20C ACCESS ROAD