

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAR 02 2010

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Bureau of Land Management
Farmington Field Office

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-078460**
Unit Reporting Number **NHNM78423B (MV)**

1b. Type of Well **GAS** 6. If Indian, All. or Tribe

2. Operator **ConocoPhillips** 7. Unit Agreement Name **San Juan 32-7 Unit**

Company

ROYAL MAR 18 '10
OIL CONS. DIV.
DIST. 3

3. Address & Phone No. of Operator **PO Box 4289, Farmington, NM 87499** 8. Farm or Lease Name

(505) 326-9700 9. Well Number **7B**

4. Location of Well 10. Field, Pool, Wildcat
Surf: Unit E(SWNW), 1727' FNL & 1135' FWL **Blanco MV / Basin DK**
Bottomhole: Unit F(SENW), 1730' FNL & 1740' FWL
Surf: Latitude: 36.983367° N (NAD83) 11. Sec., Twn, Rge, Mer. (NMPM)
Longitude: 107.595907° W **E Sec. 17, T32N, R7W**
Bottomhole: Latitude: 36.983676° N (NAD83)
Longitude: 107.593852° W **API # 30-045-35116**

14. Distance in Miles from Nearest Town 12. County 13. State
20 miles / Ignacio, CO **San Juan** **NM**

15. Distance from Proposed Location to Nearest Property or Lease Line
1135'
16. Acres in Lease 17. Acres Assigned to Well
2,484.350 **342.62 W/2 - MV/DK**

18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease
68' from San Juan 32-7 Unit 244A (FC)
19. Proposed Depth 20. Rotary or Cable Tools
7963' **Rotary**

21. Elevations (DF, FT, GR, Etc.) 22. Approx. Date Work will Start
6349' GL

23. Proposed Casing and Cementing Program
See Operations Plan attached

24. Authorized by: Crystal Tafoya
Crystal Tafoya (Regulatory Technician)

3/1/2010
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

Hold C104
for Directional Survey
and "As Drilled" plat

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

MAR 19 2010

NMOCD

NOTIFY AZTEC OCD 24 HR
PRIOR TO CASING & CEME

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

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

VISION CENTER Submit

MAR 02 2010

Fee Lease - 3 Copies

☐ AMENDED REPORT

¹ API Number 30-045-35116	² Pool Code 71599/72319	³ Pool Name BASIN DAKOTA / BLANCO MESAVERDE
⁴ Property Code 31329	⁵ Property Name SAN JUAN 32-7 UNIT	⁶ Well Number 7B
⁷ OGRID No. 217817	⁸ Operator Name CONOCOPHILLIPS COMPANY	⁹ Elevation 6349

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	17	32-N	7-W		1727	NORTH	1135	WEST	SAN JUAN

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	32-N	7-W		1730	NORTH	1740	WEST	SAN JUAN

¹² Dedicated Acres 342.62	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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16

BLM 1962

BLM 1962

LOT 1

LOT 2

LOT 3

LOT 4

LOT 5

LOT 6

LOT 7

LOT 8

LOT 9

LOT 10

LOT 11

LOT 12

LOT 13

LOT 14

LOT 15

LOT 16

2723.9' (M)
2717.9' (R)

S 78°58'04" W
S 79°04' W

N 507' W
N 519'00" W

1727'

1730'

1740'

1135'

N 79°14'28" E
610.6'

**BOTTOM HOLE
NAD 83
LAT: 36.983676° N
LONG: 107.593852° W
NAD 27
LAT: 36°59.020324° N
LONG: 107°35.594520° W**

**WELL FLAG
NAD 83
LAT: 36.983367° N
LONG: 107.595907° W
NAD 27
LAT: 36°59.001789° N
LONG: 107°35.717801° W**

5383.6' (R)
5382.4' (M)

BLM 1962

W/2 DEDICATED
ACREAGE
USA SF-078460
SECTION 17,
T-32-N, R-7-W

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.

Signature

Tracey N. Monroe

Printed Name _____

Staff Reg Tech

Title and E-mail Address

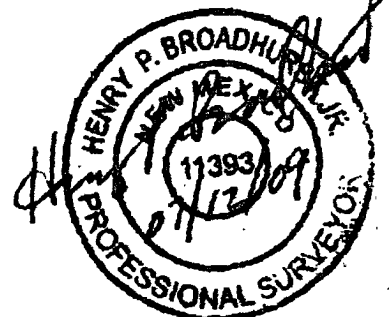
7/24/09

Date

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: 7/6/09

Signature and Seal of Professional Surveyor:



Certificate Number: NM 11393

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-7 UNIT 7B

DEVELOPMENT

Lease:		AFE #: WAN.CDR.9119		AFE \$: 1,616,816.96	
Field Name: SAN JUAN		Rig: Aztec Riq 711		State: NM	County: SAN JUAN
Geologist:		Phone:		Geophysicist:	
Geoscientist:		Phone:		Prod. Engineer:	
Res. Engineer:		Phone:		Proj. Field Lead:	
Primary Objective (Zones):					
Zone	Zone Name				
FRR	BASIN DAKOTA (PRORATED GAS)				
RON	BLANCO MESAVERDE (PRORATED GAS)				
Location: Surface					
Datum Code: NAD 27		Directional			
Latitude: 36.983363	Longitude: -107.595297	X:	Y:	Section: 17	Range: 007W
Footage X: 1135 FWL	Footage Y: 1727 FNL	Elevation: 6349	(FT)	Township: 032N	
Tolerance:					
Location: Bottom Hole					
Datum Code: NAD 27		Directional			
Latitude: 36.983672	Longitude: -107.593242	X:	Y:	Section: 17	Range: 007W
Footage X: 1740 FWL	Footage Y: 1730 FNL	Elevation:	(FT)	Township: 032N	
Tolerance:					
Location Type: Restricted		Start Date (Est.): 1/1/2012		Completion Date:	
				Date In Operation:	
Formation Data: Assume KB = 6364 Units = FT					
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT
Surface Casing	210	6154	☐		
NACIMIENTO	504	5860	☐		
OJO ALAMO	2024	4340	☐		
KIRTLAND	2071	4293	☐		
FRUITLAND	2604	3760	☐		Possible Gas
PICTURED CLIFFS	3209	3155	☐		
LEWIS	3374	2990	☐		
Intermediate Casing	3474	2890	☐		
HUERFANITO BENTONITE	4046	2318	☐		
CHACRA	4499	1865	☐		
MASSIVE CLIFF HOUSE	5212	1152	☐	950	Gas
MENEFEE	5306	1058	☐		
POINT LOOKOUT	5521	843	☐		
MANCOS	5961	403	☐		
UPPER GALLUP	6909	-545	☐		
GREENHORN	7634	-1270	☐		
GRANEROS	7684	-1320	☐		
TWO WELLS	7792	-1428	☐	3030	Gas
PAGUATE	7801	-1437	☐		
UPPER CUBERO	7807	-1443	☐		
LOWER CUBERO	7852	-1488	☐		
ENCINAL	7928	-1564	☐		

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-7 UNIT 7B

DEVELOPMENT

Total Depth	7963	-1599	☐	6-1/4" hole, 4-1/2", 11.6 ppf, L-80, LTC casing. Cement w/ 610 cuft. Circulate cement a minimum of 100' inside the previous casing string.
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Reference Wells:		
Reference Type	Well Name	Comments

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 call final TD at ~35' below the top of Encinal. Est bottom perf ~20' above the est TD.	

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



ConocoPhillips or its affiliates
Planning Report

Database: EDM Central Planning
Company: ConocoPhillips SJBU
Project: San Juan Basin - New Mexico Wells
Site: San Juan 32 Wells
Well: SJ 32-7 #7B
Wellbore: Wellbore #1
Design: Plan #1

Local Co-ordinate Reference: Well SJ 32-7 #7B
TVD Reference: RKB @ 6364.0ft (Original Well Elev)
MD Reference: RKB @ 6364.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
8,002.4	7,928.0	Encinal		0.00		
7,875.4	7,801.0	Paguate		0.00		
5,595.4	5,521.0	Point Lookout		0.00		
3,282.5	3,209.0	Pictured Cliffs		0.00		
2,658.9	2,604.0	Fruitland		0.00		
4,120.4	4,046.0	Huerfano Bentonite		0.00		
5,286.4	5,212.0	Mass Cliffhouse		0.00		
5,380.4	5,306.0	Menefee		0.00		
7,926.4	7,852.0	Lower Cuberol		0.00		
2,106.3	2,071.0	Kirtland		0.00		
7,758.4	7,684.0	Graneros		0.00		
6,983.4	6,909.0	Upper Gallup		0.00		
7,866.4	7,792.0	Two Wells		0.00		
7,708.4	7,634.0	Greenhorn		0.00		
504.0	504.0	Nacimiento		0.00		
2,057.6	2,024.0	Ojo		0.00		
6,035.4	5,961.0	Mancos		0.00		
7,881.4	7,807.0	Cubero		0.00		
3,448.3	3,374.0	Lewis		0.00		
4,573.4	4,499.0	Chacra		0.00		

REFERENCE INFORMATION

RKB @ 6364.0ft (Original Well Elev)
Ground Elevation 6349.0
Reference Lat: 36° 59' 0.107 N
Reference Long: 107° 35' 43.068 W

Project: San Juan Basin - New Mexico Wells

Site: San Juan 32 Wells

Well: SJ 32-7 #7B

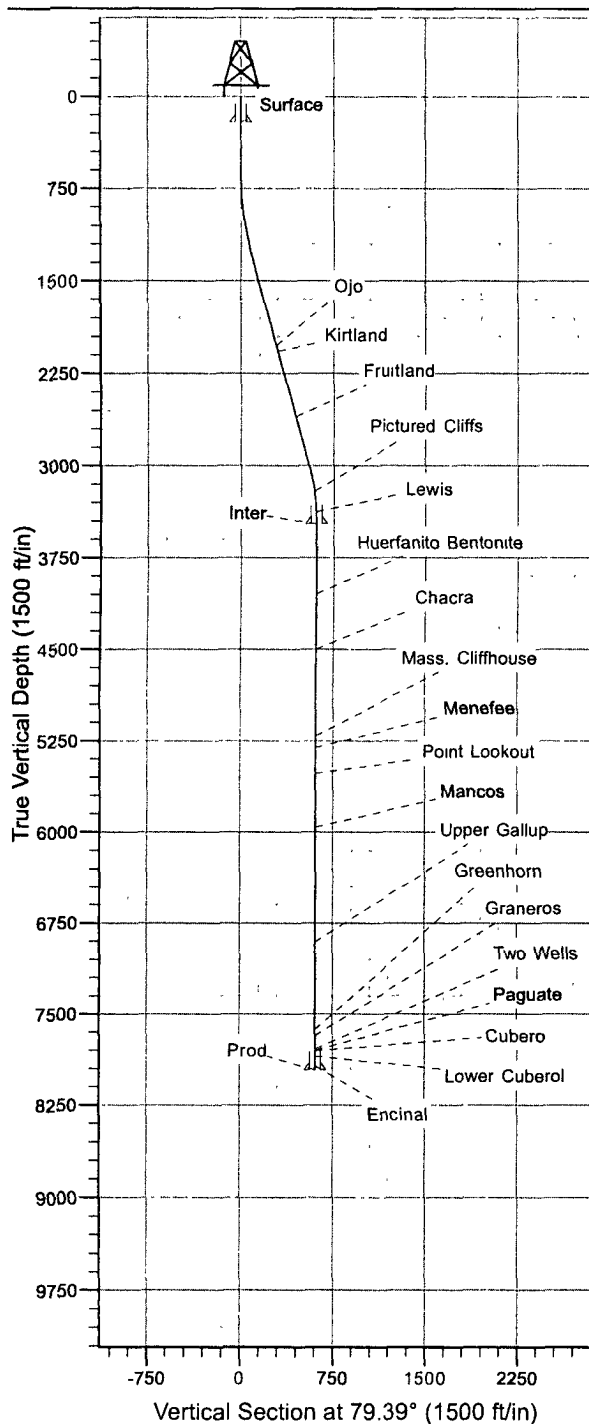
Wellbore: Wellbore #1

Design: Plan #1

ConocoPhillips

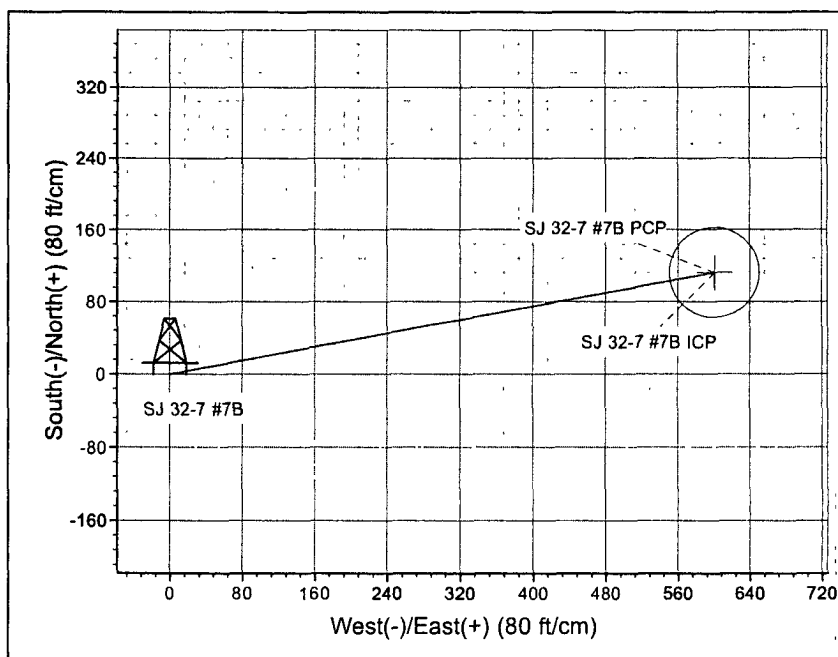
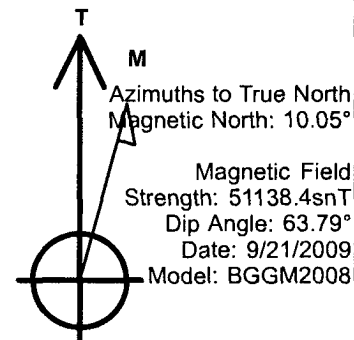
SECTION DETAILS

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	600.0	0.00	0.00	600.0	0.0	0.0	0.00	0.00	0.0	
3	1364.7	15.29	79.39	1355.7	18.7	99.7	2.00	79.39	101.5	
4	3038.5	15.29	79.39	2970.2	100.0	533.7	0.00	0.00	543.0	
5	3548.4	0.00	0.00	3474.0	112.5	600.2	3.00	180.00	610.6	SJ 32-7 #7B ICP
6	8037.4	0.00	0.00	7963.0	112.5	600.2	0.00	0.00	610.6	SJ 32-7 #7B PCP



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
436.0	504.0	Nacimiento
1956.0	2057.6	Ojo
2003.0	2106.3	Kirtland
2536.0	2658.9	Fruitland
3141.0	3282.5	Pictured Cliffs
3306.0	3448.3	Lewis
3978.0	4120.4	Huerfanito Bentonite
4431.0	4573.4	Chacra
5144.0	5286.4	Mass. Cliffhouse
5238.0	5380.4	Menefee
5453.0	5595.4	Point Lookout
5893.0	6035.4	Mancos
6841.0	6983.4	Upper Gallup
7566.0	7708.4	Greenhorn
7616.0	7758.4	Graneros
7724.0	7866.4	Two Wells
7733.0	7875.4	Pagate
7739.0	7881.4	Cubero
7784.0	7926.4	Lower Cuberol
7860.0	8002.4	Encinal



CONOCOPHILLIPS COMPANY

**SAN JUAN 32-7 UNIT #7B
1727' FNL, 1135' FWL
SECTION 17, T-32-N, R-7-W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO
NAD 83 LAT.: 36.983367°N LONG.: 107.595907°W
ELEV.: 6349 NAVD88
NEW ACCESS 93.9'**

FROM IGNACIO, COLO.:

- GO 10.0 MI. EAST ON HWY. 151 TOWARD ALLISON, COLORADO. TURN RIGHT (SOUTH) ON LA PLATA C.R. 328. (C.R. 328 BECOMES SAN JUAN C.R. 4010 IN NEW MEXICO.)
- GO 4.3 MI., UP ONTO MESA TO THE INTERSECTION OF SJ C.R. 4010 & 4008. TURN RIGHT ONTO C.R. 4008.
- GO 1.0 MI. WEST TO C.R. 4004. STAY RIGHT AT "Y".
- GO 1.3 MI. WEST TO COMPRESSOR STATION. CONTINUE ON C.R. 4004.
- GO 1.3 MI. SOUTHERLY DOWN HILL OFF MESA (EVENTUALLY MAKING A SHARP TURN DRIVING NORTH WESTERLY), TURN RIGHT AT EXISTING ROAD (NORTH EAST)
- GO 450 FT. ON EXISTING ACCESS ROAD TO SJ 32-7 UNIT #7A LOCATION. BEGIN RE-ROUTED ACCESS FROM THE NORTHEAST EDGE OF #7A LOCATION TO EXISTING SJ 32-7 #244A. NEW WELL SJ 32-7 UNIT #7B TWINNED HERE.