

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

|  |   |   |
|--|---|---|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER   |   | 5. Lease Serial No.<br>NMSF078284   |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single-Zone <input checked="" type="checkbox"/> Multiple-Zone |   | 6. If Indian, Allottee or Tribe Name  |
| 2. Name of Operator<br>CONOCOPHILLIPS COMPANY  |   | 7. If Unit or CA Agreement, Name and No.  |
| Contact: PATSY CLUGSTON<br>E-Mail: pclugs@ppco.com   |   | 8. Lease Name and Well No.<br>SAN JUAN 29-6 UNIT 75M                                      |
| 3a. Address<br>5525 HWY.<br>FARMINGTON, NM 87401   | 3b. Phone No. (include area code)<br>Ph: 505.599.3454<br>Fx: 505-599-3442 | 9. API Well No.<br>3003927553   |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *)<br>At surface SESE 10FSL 655FEL 36.70394 N Lat, 107.42499 W Lon<br>At proposed prod. zone                               |   | 10. Field and Pool, or Exploratory<br>BASIN DK & BLANCO MV                                |
| 14. Distance in miles and direction from nearest town or post office*  |   | 11. Sec., T., R., M., or Blk. and Survey or Area<br>p Sec 23 T29N R6W Mer NMP<br>SME: BLM |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)   | 16. No. of Acres in Lease   | 12. County or Parish<br>RIO ARRIBA  |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.  | 19. Proposed Depth<br>7861 MD<br>7861 TVD                                 | 13. State<br>NM   |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.)<br>6448 GL  | 22. Approximate date work will start<br>02/01/2004                        | 17. Spacing Unit dedicated to this well<br>320.00 E/2                                     |
|  |   | 20. BLM/BIA Bond No. on file<br>ES0085  |
|  |   | 23. Estimated duration<br>30 DAYS   |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

|  |  |                     |
|--|--|---------------------|
| 25. Signature<br>(Electronic Submission)       | Name (Printed/Typed)<br>PATSY CLUGSTON | Date<br>12/05/2003  |
| Title<br>AUTHORIZED REPRESENTATIVE             |  |                     |
| Approved by (Signature)<br>David S. Markiewicz | Name (Printed/Typed)                   | Date<br>JAN 12 2004 |
| Title  |  | Office              |

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #25793 verified by the BLM Well Information System  
For CONOCOPHILLIPS COMPANY, sent to the Farmington

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

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

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

INTROD

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer DD, Artesia, NM 88211-0719

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

|  |   |  |
|--|---|--|
| <sup>1</sup> ADP Number<br><b>30-039-27553</b> | <sup>2</sup> Pool Code<br><b>72319 \ 71599</b>              | <sup>3</sup> Pool Name<br><b>BLANCO MESAVERDE \ BASIN DAKOTA</b> |
| <sup>4</sup> Property Code<br><b>31326</b>     | <sup>5</sup> Property Name<br><b>SAN JUAN 29-6 UNIT</b>     | <sup>6</sup> Well Number<br><b>75M</b>                           |
| <sup>7</sup> GRID No.<br><b>217817</b>         | <sup>8</sup> Operator Name<br><b>CONOCOPHILLIPS COMPANY</b> | <sup>9</sup> Elevation<br><b>6448'</b>                           |


#### <sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot 30N | Feet from line | North/South line | Feet from line | East/West line | County     |
|---------------|---------|----------|-------|---------|----------------|------------------|----------------|----------------|------------|
| P             | 23      | 29N      | 6W    |         | 10             | SOUTH            | 655            | EAST           | RIO ARriba |

#### <sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no.   | Section | Township                      | Range | Lot 30N                          | Feet from line | North/South line        | Feet from line | East/West line | County |
|---|---------|-------------------------------|-------|----------------------------------|----------------|-------------------------|----------------|----------------|--------|
|   |         |                               |       |                                  |                |                         |                |                |        |
| <sup>12</sup> Dedicated Acres<br><b>320.0 Acres - E/2 (MV)<br/>320.0 Acres - E/2 (DK)</b> |         | <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

|   |  |
|---|--|
| <sup>16</sup><br>H.E. 017433<br><br>LEASE<br>SF-078284<br><br>23<br><br>5280.00<br><br>5277.36<br><br>10'<br>655' | <sup>17</sup> OPERATOR CERTIFICATION<br>I hereby certify that the information<br>contained herein is true and complete<br>to the best of my knowledge and belief.<br><br><i>Vicki Westby</i><br>Signature<br>Vicki R. Westby<br>Printed Name<br>Sr. Analyst<br>Title<br>December 5, 2003<br>Date   |
|   | <sup>18</sup> SURVEYOR CERTIFICATION<br>I hereby certify that the well location<br>shown on this plat was plotted from field<br>notes of actual surveys made by me or under<br>my supervision and that the same is true<br>and correct to the best of my belief.<br>Survey Date: NOVEMBER 5, 2003<br>Signature and Seal of Professional Surveyor<br><br><br><b>JASON C. EDWARDS</b><br>Certificate Number 15269 |

CONOCOPHILLIPS COMPANY

WELL NAME: San Juan 29-6 Unit #75M (MV/DK)

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit P, 10' FSL & 655' FEL  
Section 23, T29N, R6W
2. Unprepared Ground Elevation: @ 6448' (unprepared)
3. The geological name of the surface formation is San Jose.
4. Type of drilling tools will be rotary.
5. Proposed drilling depth is 7861'.
6. The estimated tops of important geologic markers are as follows:

|                                |                                    |
|--------------------------------|------------------------------------|
| <u>Nacimiento - 1236'</u>      | <u>Menefee - 5231'</u>             |
| <u>Ojo Alamo - 2571'</u>       | <u>Pt. Lookout - 5541'</u>         |
| <u>Kirtland Sh - 2721'</u>     | <u>Mancos Shale - 5791'</u>        |
| <u>Fruitland Fm. - 3101'</u>   | <u>Gallup - 6821'</u>              |
| <u>Pictured Cliffs - 3351'</u> | <u>Greenhorn - 7511'</u>           |
| <u>Lewis Shale - 3551'</u>     | <u>Two Wells - 7636'</u>           |
| <u>Chacra - 4341'</u>          | <u>Cubero - 7711'</u>              |
| <u>Cliffhouse - 5071'</u>      | <u>Intermediate Casing - 3651'</u> |
|                                | <u>T.D. - 7861'</u>                |
7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

|              |  |
|--------------|--|
| Water:       | <u>Ojo Alamo - 2571' - 2721'</u>       |
| Gas & Water: | <u>Fruitland - 3101' - 3351'</u>       |
| Gas:         | <u>Pictured Cliffs - 3351' - 3551'</u> |
|              | <u>Mesaverde - 3551' - 5791'</u>       |
|              | <u>Dakota - 7636' - 7861'</u>          |
8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3# H-40 @ 166' \*

Intermediate String: 7", 20#, J-55 @ 3651' (J-55 will be used, unless the K-55 is the only casing available)

Production String: 4-1/2", 11.6#, I-80 @ 7861' (TD)

\* The surface casing will be set at a minimum of 166', but could be set deeper if required to maintain hole stability.

## 9. Cement Program:

Surface String:

110 sx 50/50 POZ, + 2% Bentonite, 3% CaCl<sub>2</sub>, 5#/sx Gilsonite, 0.25#/sx Cellophane flakes, & 0.2% CFR-3 Friction Reducer (1.34 yield = 147 cf); Cement density - 13.5 ppg. Water required 5.39 gal/sx. Compressive Strength - Sample cured at 70 deg F for 8 hours; 3 hrs 05 min. 50 psi; 7 hrs 45 min 500 psi; cement to surface w/150% excess of casing/hole annulus volume.

Intermediate String:

Lead Cement: 369 sx Standard cement + 3% Econolite (extender) + 10#/sx Pheno-seal; (2.88 yield = 1061 cf). Cement Density 11.5 ppg; Water required - 16.91 gal/sx. Compressive strength - Sample cured at 130 deg F for 24 hrs - 1 hr 47 min - 50 psi; 12 hrs - 350 psi; 24 hrs - 450 psi; Cement to surface with 150% excess of casing/hole annulus volume.

Tail Cement: 214 sx 50/50 POZ - Standard cement + 2% Bentonite + 6#/sx Pheno Seal; (1.33 yield = 284 cf); Cement Density - 13.5 ppg; Water required - 5.52 gal/sx; Compressive strength - Sample cured at 130 deg F for 24 hrs - 2 hrs 5 min - 50 psi; 2 hr 6 min - 500 psi; 12 hr - 1250 psi; 24 hrs - 1819 Cement to surface with 150% excess of casing/hole annulus volume.

Production String\*:

Cement: 463 sx 50/50 POZ - Standard cement + 3% Bentonite + 5#/sx PhenoSeal + 0.2% CFR-3 Friction Reducer + 0.1% HR-5 Retarder + 0.8% Halad-9 Fluid Loss Additive (1.45 Yield - 671.6 cf) Cement density - 13.1 ppg; Water required 6.47 gal/sx; Compressive Strength - Sample cured at 200 de F for 23 hrs; 9 hr 50 min - 50 psi; 13 hrs 45 min - 500 psi; 16 hrs - 1500 psi; 23 hrs 2525 psi.

\*The production casing cement is calculated to cover the openhole interval with 50% excess and annular volume 200' within intermediate shoe. Depending on hole conditions, the well may be cemented in a single stage or two staged.

Centralizer Program:Surface:

Total four (4) - 1<sup>st</sup> joint - 10' above the shoe & 1 at the top of the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> joints latched over the casing collar

Intermediate:

Total seven (9) - 10' above shoe, top of 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, & 8<sup>th</sup>, 10<sup>th</sup> jts & 10<sup>th</sup> 1 jt. above surface casing, and on first two casing collars below the wellhead.

Production:

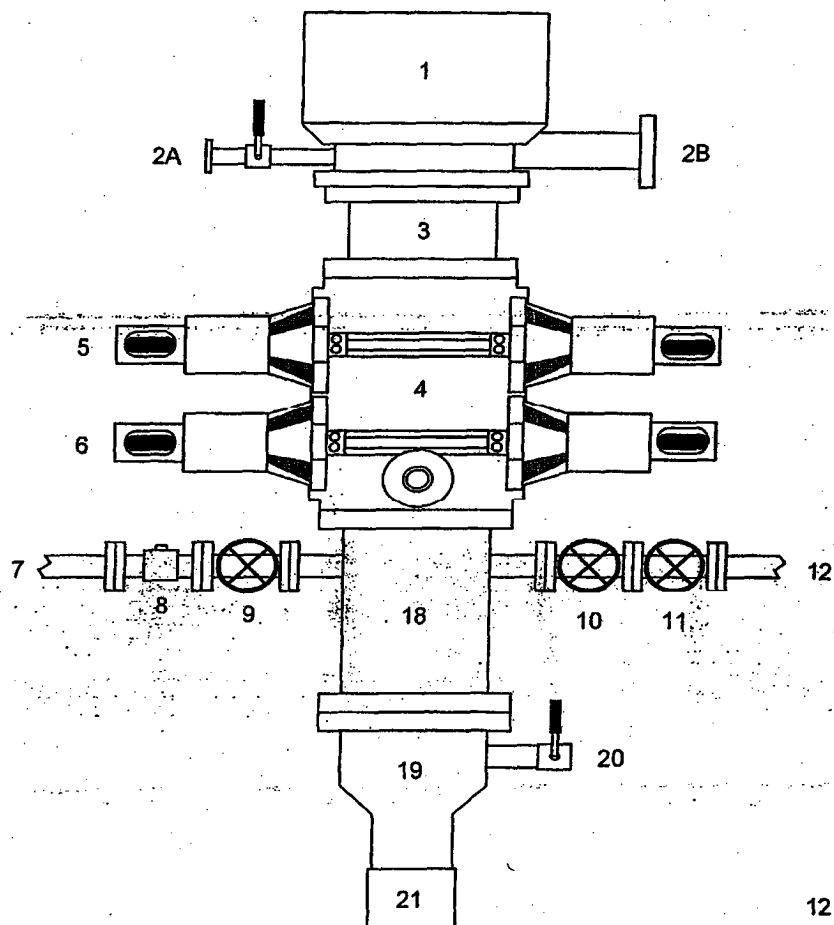
None planned.

Turbulators:

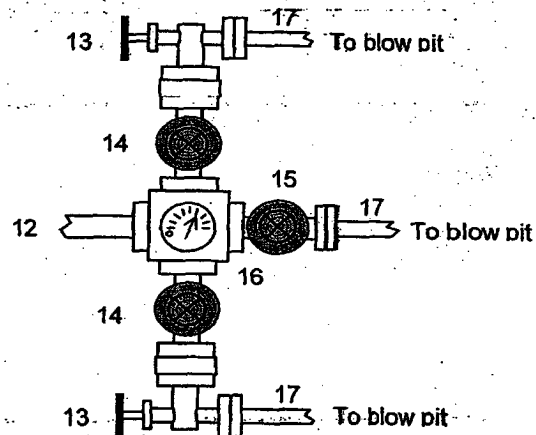
Total Three (3) - on intermediate casing at 1<sup>st</sup> jt. below the Ojo Alamo and next 2 jts up.

# BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Flowline
3. Spacer Spool
4. Double Ram BOP (11", 3000 psi)
5. Pipe Rams
6. Blind Rams
7. Kill Line
8. Kill Line Check Valve
9. Kill Line Valve
10. Inner Choke Line Valve (3")
11. Outer Choke Line Valve (3")
12. Choke Line (3")
13. Variable Choke
14. Choke Line Valve (2")
15. Panic Line Valve (3")
16. Choke Manifold Pressure Gauge
17. Choke Line (2")
18. Mud Cross Spacer Spool
19. Casing Head "A" Section
20. Casing Head "A" Section 2" Valve
21. 9 5/8" Casing Collar



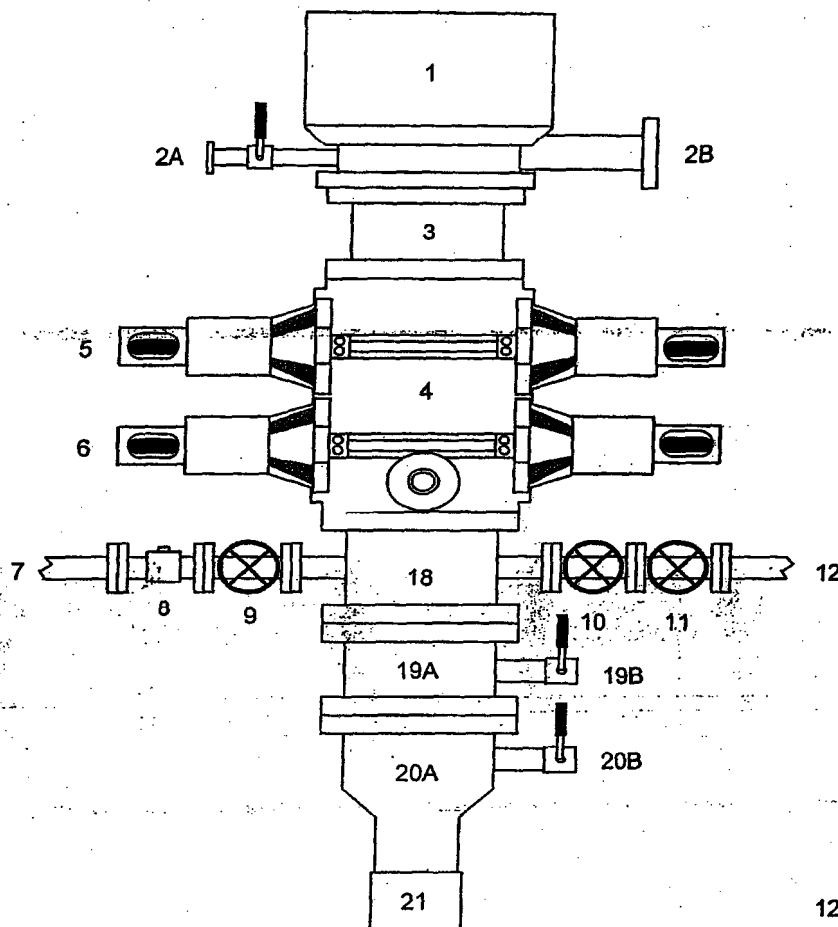
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 2-3 minutes and to 1000 psi (high pressure test) for 10 minutes. Then the test plug will be removed and the 9-5/8" casing will be pressure tested against closed blind rams to 200 psi to 300 psi for 2-3 minutes and to 1000 psi for 30 minutes (this value is one 44% of the minimum internal yield pressure of the 9-5/8" casing). An 8-3/4" hole will be drilled to intermediate casing point and 7" casing will be run and cemented.

In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

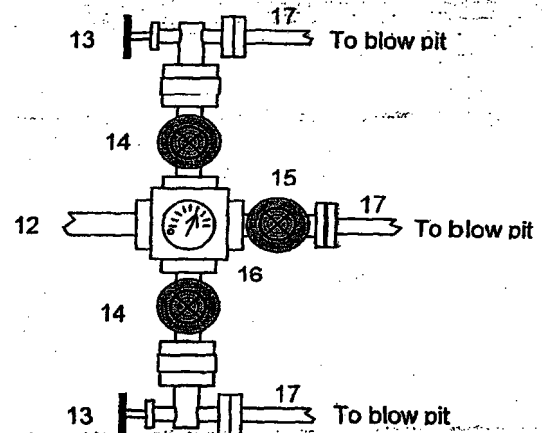
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

## BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Bleeble Line (for Air Drilling)
3. Spacer Spool
4. Double Ram BOP (11", 3000 psi)
5. Pipe Rams
6. Blind Rams
7. Kill Line
8. Kill Line Check Valve
9. Kill Line Valve
10. Inner Choke Line Valve (3")
11. Outer Choke Line Valve (3")
12. Choke Line (3")
13. Variable Choke
14. Choke Line Valve (2")
15. Panic Line Valve (3")
16. Choke Manifold Pressure Gauge
17. Choke Line (2")
18. Mud Cross Spacer Spool
- 19A Csg Spool "B" Section (11", 3M)
- 19B "B" Section Csg Valve (2", 3M)
- 20A Csg Head "A" Section (11", 3M)
- 20B "A" Section Csg Valve (2", 3M)
21. 9 5/8" Casing Collar



After the 7" intermediate casing has been run and cemented, the Casing Spool ("B" Section) will be installed on the wellhead ("A" Section) and the BOP will be installed on the Casing Spool. A test plug will be set in the wellhead and the pipe rams, blind rams, and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 2-3 minutes and to 3000 psi (high pressure test) for 10 minutes. Then the test plug will be removed and the 7" casing will be pressure tested against closed blind rams to 200 psi to 300 psi for 2-3 minutes and to 1800 psi for 30 minutes - this test pressure is 48% of the minimum internal yield strength of 3740 psi for the 7", 20#, J-55, STC casing. Then we will air drill the 6-1/4" hole to TD and run and cement the 4-1/2" casing.

In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

**San Juan 29-6 Unit #75M  
NMSF078284; Unit P, 10' FSL & 655' FEL  
Section 23, T29N, R6W; Rio Arriba County, NM**

**Cathodic Protection**

ConocoPhillips proposes to drill a cathodic protection deep well groundbed for the subject well. Will drill a 6-7/8" hole to an anticipated minimum depth of 300' (maximum depth of 500'). Cement plugs will not be used unless more than one water zone is encountered. Prior drilling history for the area indicates only one zone to that depth. If more than one water zone is encountered, notification will be made and details of cement and casing will be provided.

All drilling activity will remain on existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.

See attached drawing on proposed placement of groundbed & underground AC & DC cables and rectifier.