

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 25 2010

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number SF-078998 Unit Reporting Number	Bureau of Land Management Farmington Field Office
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator ConocoPhillips Company	7. Unit Agreement Name San Juan 32-7 Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name RCVD APR 9 '10 OIL CONS. DIV. DIST. 3	
4. Location of Well Surf: Unit A(NENE), 833' FNL & 857' FEL Bottomhole: Unit B(NWNE), 710' FNL & 1919' FEL Surf: Latitude: 36.904490° N (NAD83) Longitude: 107.588329° W Bottomhole: Latitude: 36.904828° N (NAD83) Longitude: 107.591960° W	10. Field, Pool, Wildcat Blanco MV / Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) A Sec. 17, T31N, R7W API # 30-045-35131	
14. Distance in Miles from Nearest Town 24 miles / Ignacio, CO	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 710'		
16. Acres in Lease 1,718.910	17. Acres Assigned to Well 320.00 E/2 - MV/DK	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 72' from San Juan 32-7 Unit 17 (MV)		
19. Proposed Depth 8226' This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6582' GL	22. Approx. Date Work will Start DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Crystal Tafoya</u> Crystal Tafoya (Regulatory Technician)	<u>3/25/2010</u> Date	

PERMIT NO.

APPROVAL DATE

APPROVED BY D. Montecinos

TITLE AFM

DATE 4/6/2010

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

NMOC

Hold C104

for Directional Survey
and "As Drilled" plat

NOTIFY AZTEC OOD 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

APR 13 2010

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

RECEIVED Form C-102
Revised October 12, 2005
MAR 25 2010
Bureau of Land Management
Farmington Field Office
State Lease - 7 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

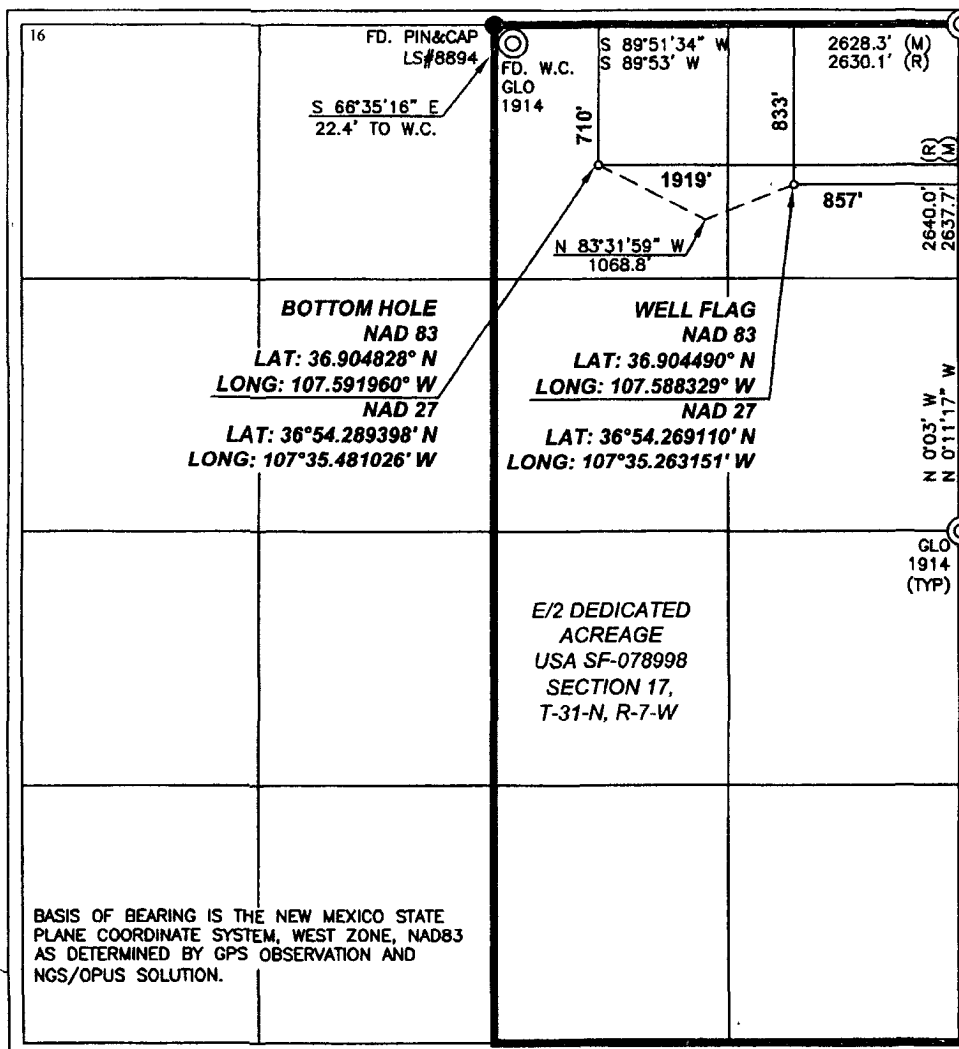
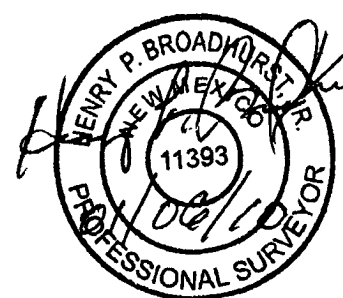
¹ API Number 30-045- 35131		² Pool Code 71599 / 72319		³ Pool Name BASIN DAKOTA / BLANCO MESAVERDE	
⁴ Property Code 31329		⁵ Property Name SAN JUAN 32-7 UNIT			⁶ Well Number 17B
⁷ OGRID No. 217817		⁸ Operator Name CONOCOPHILLIPS COMPANY			⁹ Elevation 6582

¹⁰ SURFACE LOCATION									
UL or lot no. A	Section 17	Township 31-N	Range 7-W	Lot Idn	Feet from the 833	North/South line NORTH	Feet from the 857	East/West line EAST	County SAN JUAN

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 17	Township 31-N	Range 7-W	Lot Idn	Feet from the 710	North/South line NORTH	Feet from the 1919	East/West line EAST	County SAN JUAN

¹² Dedicated Acres 320.00 (E/2)	¹³ Joint or Infill	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

¹⁶  BOTTOM HOLE NAD 83 LAT: 36.904828° N LONG: 107.591960° W NAD 27 LAT: 36°54.289398' N LONG: 107°35.481026' W WELL FLAG NAD 83 LAT: 36.904490° N LONG: 107.588329° W NAD 27 LAT: 36°54.269110' N LONG: 107°35.263151' W E/2 DEDICATED ACREAGE USA SF-078998 SECTION 17, T-31-N, R-7-W BASIS OF BEARING IS THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, WEST ZONE, NAD83 AS DETERMINED BY GPS OBSERVATION AND NGS/OPUS SOLUTION.		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. <i>Crystal Tafoya</i> 1/12/2010 Signature Crystal Tafoya Printed Name Regulatory Technician Title and E-mail Address January 12, 2010 Date
		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: 12/16/09 Signature and Seal of Professional Surveyor:  Certificate Number: NM 11393

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-7 UNIT 17B

DEVELOPMENT

Lease:		AFE #: WAN.CDR.9325		AFE \$: 989,553.18	
Field Name: SAN JUAN		Rig: Aztec Rig 730		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: 36.904485	Longitude: -107.587719	X:	Y:	Section: 17	Range: 007W
Footage X: 857 FEL	Footage Y: 833 FNL	Elevation: 6582	(FT)	Township: 031N	
Tolerance:					
Location: Bottom Hole Datum Code: NAD 27 Directional					
Latitude: 36.904823	Longitude: -107.591350	X:	Y:	Section: 17	Range: 007W
Footage X: 1919 FEL	Footage Y: 710 FNL	Elevation:	(FT)	Township: 031N	
Tolerance:					
Location Type: Restricted		Start Date (Est.): 1/1/2010		Completion Date:	
				Date In Operation:	
Formation Data: Assume KB = 6598 Units = FT					
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT
Surface Casing	200	6398	☐		
12-1/4 hole. 200' 9 5/8" 32.3 ppf, H-40, STC casing. Cement with 121 cuft. Circulate cement to surface.					
NACIMIENTO	972	5626	☐		
OJO ALAMO	2352	4246	☐		
KIRTLAND	2470	4128	☐		
FRUITLAND	2974	3624	☐		Possible Gas
PICTURED CLIFFS	3498	3100	☐		
LEWIS	3578	3020	☐		
Intermediate Casing	3678	2920	☐		
8 3/4" Hole. 7", 23 ppf, J-55, LTC Casing. Cement with 872 cuft. Circulate cement to surface.					
HUERFANITO BENTONITE	4258	2340	☐		
CHACRA	4665	1933	☐		
UPPER CLIFF HOUSE	5115	1483	☐		Gas; Est. Top Perf - 5115 (1481)
MASSIVE CLIFF HOUSE	5466	1132	☐	684	Gas
MENEFEE	5494	1104	☐		
POINT LOOKOUT	5762	836	☐		
MANCOS	6162	436	☐		
UPPER GALLUP	7079	-481	☐		
GREENHORN	7835	-1237	☐		
GRANEROS	7892	-1294	☐		
TWO WELLS	7987	-1389	☐	3452	Gas
PAGUATE	8004	-1406	☐		
UPPER CUBERO	8012	-1414	☐		
LOWER CUBERO	8040	-1442	☐		

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-7 UNIT 17B

DEVELOPMENT

ENCINAL	8090	-1492	☐	Est. Btm Perf - 8158 (-1562) based on offset wells
BURRO CANYON	8202	-1604	☐	
MORRISON	8226	-1628	☐	TD - T/MRSN
Total Depth	8226	-1628	☐	6-1/4" hole, 4-1/2" 11.6 ppf, J-55/L-80 LTC casing. Cement w/ 618 cuft. Circulate cement a minimum of 100' inside the previous casing string.

Reference Wells:		
Reference Type	Well Name	Comments
Production	Blanco NE 78A	31N 7W 21 C NW NW
Production	SJ 32-7 Unit 71A	31N 7W 9 NW SE NE
Production	SJ 32-7 Unit 229	31N 7W 9 SE NW NE
Production	SJ 32-7 Unit 18M	31N 7W 5 NE SW SE

Logging Program:

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

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

Cased Hole GR / CBL

Mudlog from 100' above top of GRHN to TD - mudlogger will call 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 SJB Project: San Juan Basin - New Mexico Wells Site: San Juan 32 Wells Well: SJ 32-7 #17B Wellbore: Principal Wellbore Design: Plan #1	Local Co-ordinate Reference: Well SJ 32-7 #17B TVD Reference: RKB @ 6598.0ft (Original Well Elev) MD Reference: RKB @ 6598.0ft (Original Well Elev) North Reference: True Survey Calculation Method: Minimum Curvature	
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Casing Points					
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")	
8,428.6	8,226.0	Production	4-1/2	6-1/4	
200.0	200.0	Surface	9-5/8	12-1/4	
3,880.6	3,678.0	Intermediate	7	8-3/4	

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
3,780.6	3,578.0	Lewis		0.00		
977.8	972.0	Nacimiento		0.00		
8,428.6	8,226.0	Morrison		0.00		
8,242.6	8,040.0	Lower Cubero		0.00		
8,214.6	8,012.0	Upper Cubero		0.00		
7,281.6	7,079.0	Upper Gallup		0.00		
5,317.6	5,115.0	Upper Cliff house		0.00		
5,696.6	5,494.0	Menefee		0.00		
3,700.3	3,498.0	Pictured Cliffs		0.00		
5,964.6	5,762.0	Point Lookout		0.00		
2,605.4	2,470.0	Kirtland		0.00		
8,189.6	7,987.0	Two Wells		0.00		
2,475.3	2,352.0	Ojo Alamo		0.00		
6,364.6	6,162.0	Mancos		0.00		
5,668.6	5,466.0	Massive Cliffhouse		0.00		
8,094.6	7,892.0	Graneros		0.00		
4,867.6	4,665.0	Chacra		0.00		
8,037.6	7,835.0	Greenhorn		0.00		
8,292.6	8,090.0	Encinal		0.00		
4,460.6	4,258.0	Huefanito Bentonite		0.00		
3,159.6	2,974.0	Fruitland		0.00		
8,206.6	8,004.0	Paguate		0.00		
8,404.6	8,202.0	Burro Canyon		0.00		

REFERENCE INFORMATION

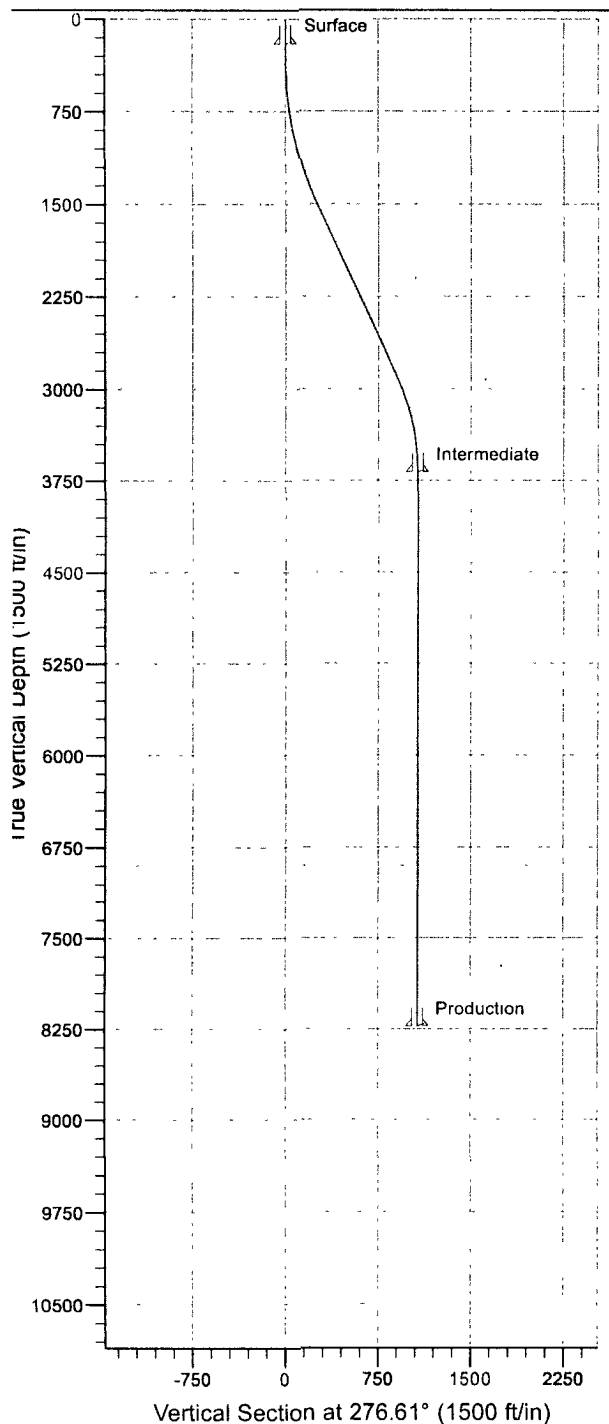
RKB @ 6598.0ft (Original Well Elev)
Ground Elevation 6582.0
Reference Lat: 36° 54' 16.147 N
Reference Long: 107° 35' 15.789 W

Project: San Juan Basin - New Mexico Wells
Site: San Juan 32 Wells
Well: SJ 32-7 #17B
Wellbore: Principal Wellbore
Design: Plan #1



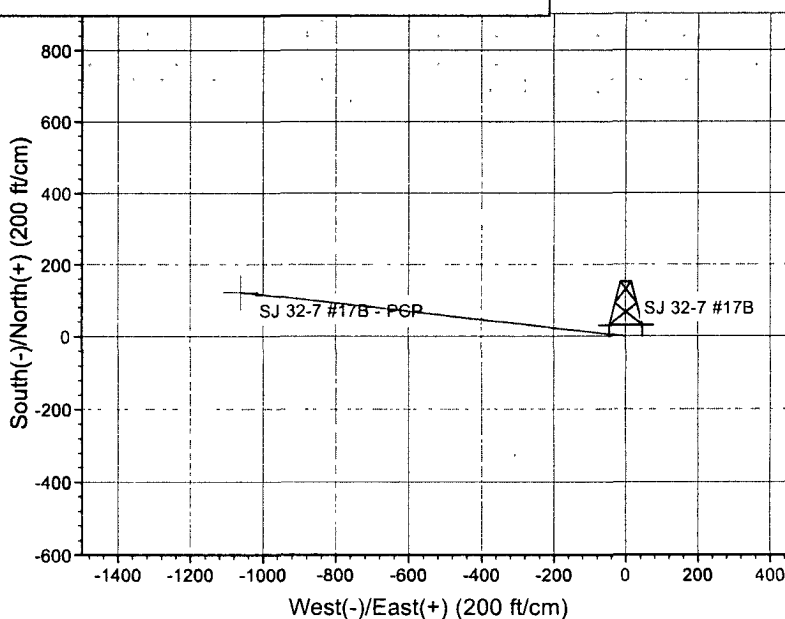
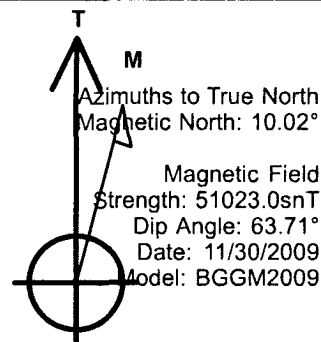
SECTION DETAILS

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	1564.1	24.88	276.61	1525.4	30.6	-264.2	2.00	276.61	265.9	
4	3051.2	24.88	276.61	2874.4	102.7	-885.7	0.00	0.00	891.6	
5	3880.6	0.00	0.00	3678.0	123.1	-1061.8	3.00	180.00	1068.9	SJ 32-7 #17B - ICP
6	8428.6	0.00	0.00	8226.0	123.1	-1061.8	0.00	0.00	1068.9	SJ 32-7 #17B - PCP



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
972.0	977.8	Nacimiento
2352.0	2475.3	Ojo Alamo
2470.0	2605.4	Kirtland
2974.0	3159.6	Fruitland
3498.0	3700.3	Pictured Cliffs
3578.0	3780.6	Lewis
4258.0	4460.6	Huefanito Bentonite
4665.0	4867.6	Chacra
5115.0	5317.6	Upper Cliff house
5466.0	5668.6	Massive Cliffhouse
5494.0	5696.6	Menefee
5762.0	5964.6	Point Lookout
6162.0	6364.6	Mancos
7079.0	7281.6	Upper Gallup
7835.0	8037.6	Greenhorn
7892.0	8094.6	Graneros
7987.0	8189.6	Two Wells
8004.0	8206.6	Paguate
8012.0	8214.6	Upper Cubero
8040.0	8242.6	Lower Cubero
8090.0	8292.6	Encinal
8202.0	8404.6	Burro Canyon
8226.0	8428.6	Morrison



CONOCOPHILLIPS COMPANY

SAN JUAN 32-7 UNIT #17B

833' FNL, 857' FEL

SECTION 17, T-31-N, R-7-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

NAD 83 LAT.: 36.904490°N LONG.: 107.588329°W

ELEV.: 6582 NAVD88

NO NEW ACCESS

FROM IGNACIO, COLORADO:

- GO 11.9 MI. SOUTHEASTERLY TOWARDS ALLISON ON HWY. 151. TURN RIGHT (SOUTH) ON C.R. 330.
- GO 2.0 MI. SOUTH. TURN RIGHT (WEST) ON C.R. 4020.
- GO 2.0 MI. WEST AND SOUTH UPHILL ON C.R. 4020. CONTINUE STRAIGHT (SOUTH) AT ROAD INTERSECTION (BY SELFS PROPERTY GATE).
- CONTINUE 5.6 MI. SOUTH AND SOUTHEAST ON PINE RIVER ROAD TO C.R. 4000 INTERSECTION.
- GO 2.5 MI. SOUTH ON C.R. 4000. TURN RIGHT (WEST) ON ACCESS ROAD TO WELL LOCATION SJ 32-7 UNIT #17.
- GO 0.2 MI. SOUTHWEST, TURN LEFT INTO SJ 32-7 UNIT #17 PAD.
- NEW WELL IS TWINNED HERE.