

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.
SF-078641-A

6. If Indian, Allottee or Tribe Name

Navajo Tribal Trust

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
DELHI TAYLOR E #1B

9. API Well No.
30-045-33269

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

11. Sec., T. R. M. or Blk. and Survey or Area
L SEC. 4, T26N, R11W NMPM

12. County or Parish
SAN JUAN

13. State
NM

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator
ConocoPhillips Company

3a. Address
4001 Penbrook, Odessa, TX 79762

3b. Phone No. (include area code)
432-368-1352

4. Location of Well (Report location clearly and in accordance with any State requirements, *)

At surface NWSW 1685 FSL - 675 FWL

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office*

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

960.2

17. Spacing Unit dedicated to this well

W/2 320.56 ACRES

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth

1995'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6317 GL

22 Approximate date work will start*

23. Estimated duration

24. Attachments

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

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3 A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO must be filed with the appropriate Forest Service office).

4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification

6. Such other site specific information and/or plans as may be required by the
BLM~

25. Signature

Peggy James
Sr. Associate

Name (Printed/Typed)

Peggy James

Date

8/9/2005

Title

Approved by (Signature)

[Signature]
AFM

Name (Printed/Typed)

Office

FFO

Date

2/2/2011

Application approval does not warrant or certify that 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.

*(Instructions on page 2)

ConocoPhillips Company proposes to drill a vertical wellbore to the Basin Fruitland Coal formation. This well will be drilled
and equipped in accordance with the attachments submitted herewith. This application is for APD/ROW.

ConocoPhillips will use mudloggers to prevent us from accessing the Pictured Cliffs formation.

This well does not require HPA notification

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".

FEB 23 2011

NMOCB

RECEIVED FEB 23 11
OIL CONS. DIV.
DIST. 3

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

OIL CONSERVATION DIVISION

P.O. Box 208810
Santa Fe, NM 87504-2088

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

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

RECEIVED
070 FARMINGTON NM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 36045-33269	'Pool Code 71629	'Pool Name BASIN FRUITLAND COAL	
'Property Code 31858	'Property Name DELHI TAYLOR E		'Well Number 1B
'OGRID No. 217817	'Operator Name CONOCOPHILLIPS COMPANY		'Elevation 6317'

¹⁰ Surface Location

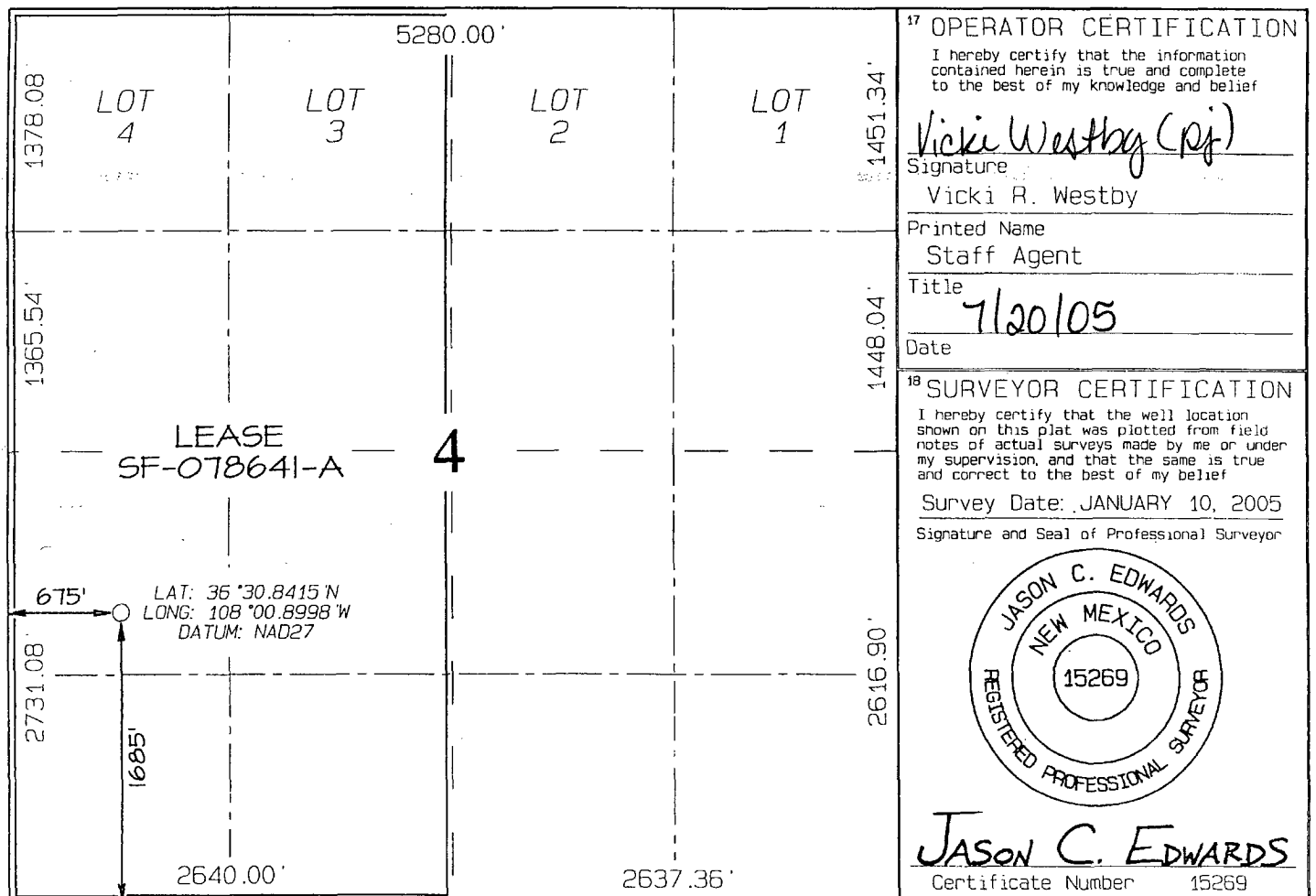
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	4	26N	11W		1685	SOUTH	675	WEST	SAN JUAN

¹¹Bottom 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
¹² Dedicated Acres					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.
320.56 Acres - (W/2)									

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

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PROJECT PROPOSAL - New Drill / Sidetrack

DELHI TAYLOR E 1B

Lease:		AFE #:		AFE \$:	
Field Name: WEST		Rig:	State: NM	County: SAN JUAN	API #:
Geoscientist: Glaser, Terry J		Phone: (832)486-2332	Prod. Engineer: Skinner, Steve E		Phone: 832 486-2651
Res. Engineer: Hensley, Dan E		Phone: 832-486-2385	Proj. Field Lead:		Phone:
Primary Objective (Zones):					
Zone	Zone Name				
JCV	BASIN FRUITLAND COAL (GAS)				
Location: Surface					
Straight Hole					
Latitude: 36.51	Longitude: -108.02	X: 0.00	Y: 0.00	Section: 4	Range: 11W
Footage X: 675 FWL	Footage Y: 1685 FSL	Elevation: 6317	(FT)	Township: 26N	
Tolerance:					
Location Type: Year Round		Start Date (Est.):	Completion Date:	Date In Operation:	
Formation Data: Assume KB = 6330 Units = FT					
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT
Surface Casing	500	5830	<input type="checkbox"/>		
OJAM	640	5690	<input type="checkbox"/>		
KRLD	790	5540	<input type="checkbox"/>		
FRLD	1480	4850	<input type="checkbox"/>		
PCCF	1745	4585	<input type="checkbox"/>		
Total Depth	1995	4335	<input type="checkbox"/>		
Remarks					
12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.					
Possible water flows.					
Possible gas.					
7-7/8" Hole. 5-1/2", 17.0 ppf, J-55, LTC casing. Circulate cement to surface.					
Reference Wells:					
Reference Type	Well Name	Comments			
Logging Program:					
Intermediate Logs: <input type="checkbox"/> Log only if show <input type="checkbox"/> GR/ILD <input type="checkbox"/> Triple Combo					
TD Logs: <input type="checkbox"/> Triple Combo <input type="checkbox"/> Dipmeter <input type="checkbox"/> RFT <input type="checkbox"/> Sonic <input type="checkbox"/> VSP <input type="checkbox"/> TDT					
Additional Information:					
Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks

Comments: Zones -

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Centralizer Program:

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints

Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

Delhi Taylor E # 1B
Halliburton Cementing Program

SURFACE CASING :

Drill Bit Diameter	12.25"	
Casing Outside Diameter	9.625"	Casing Inside Diam. 9.001"
Casing Weight	32.3	ppf
Casing Grade	H-40	
Shoe Depth	500'	
Cement Yield	1.21	cuft/sk
Cement Density	15.6	lb/gal
Excess Cement	125	%
Cement Required	298	sx

SHOE 500 ', 9.625 ", 32.3 ppf, H-40 STC

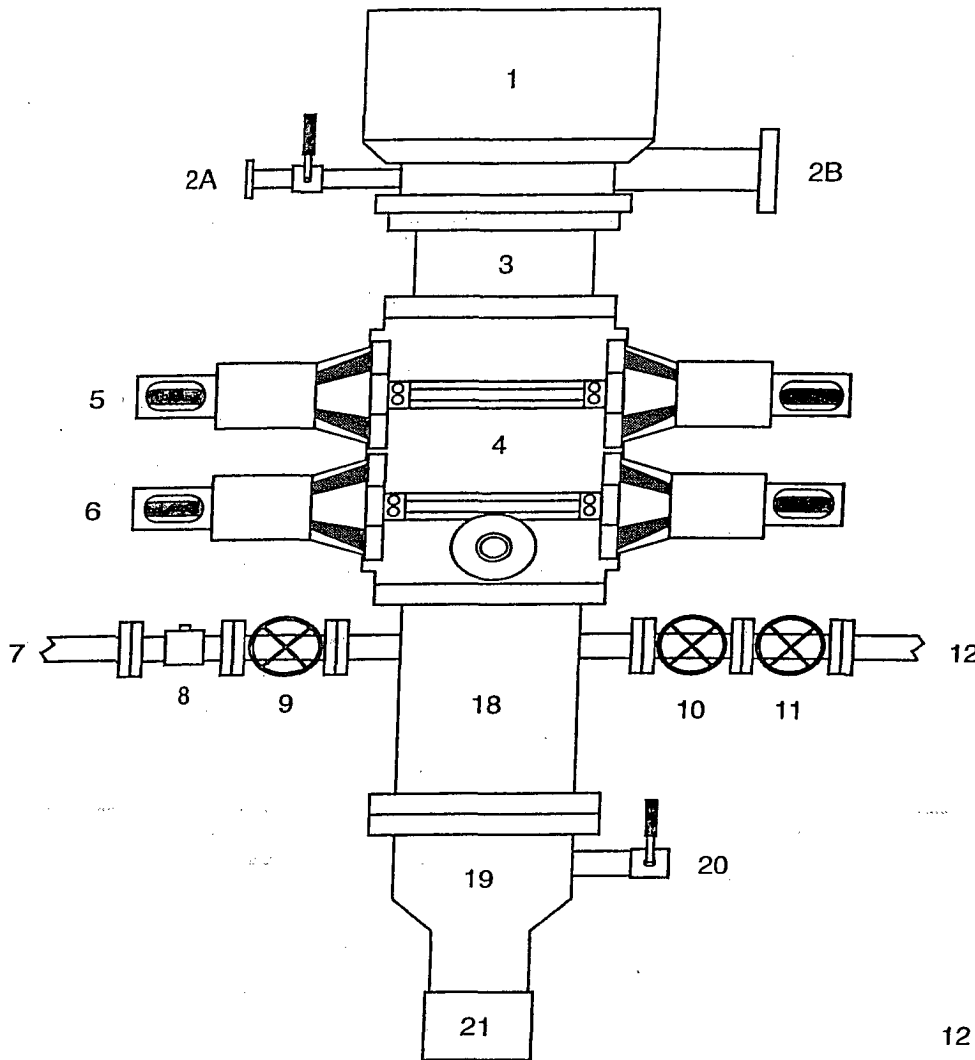
INTERMEDIATE CASING :

Drill Bit Diameter	7.875"	
Casing Outside Diameter	5.5"	Casing Inside Diam. 4.892"
Casing Weight	17	ppf
Casing Grade	J-55	
Shoe Depth	1995'	
Lead Cement Yield	2.91	cuft/sk
Lead Cement Density	11.5	lb/gal
Lead Cement Excess	160	%
Tail Cement Length	399'	
Tail Cement Yield	1.33	cuft/sk
Tail Cement Density	13.5	lb/gal
Tail Cement Excess	160	%
Lead Cement Required	216	sx
Tail Cement Required	135	sx

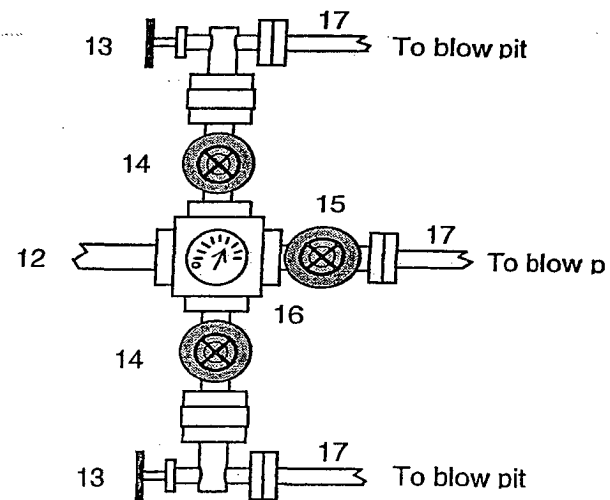
SHOE 1995 ', 5.5 ", 17 ppf, J-55 LTC

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



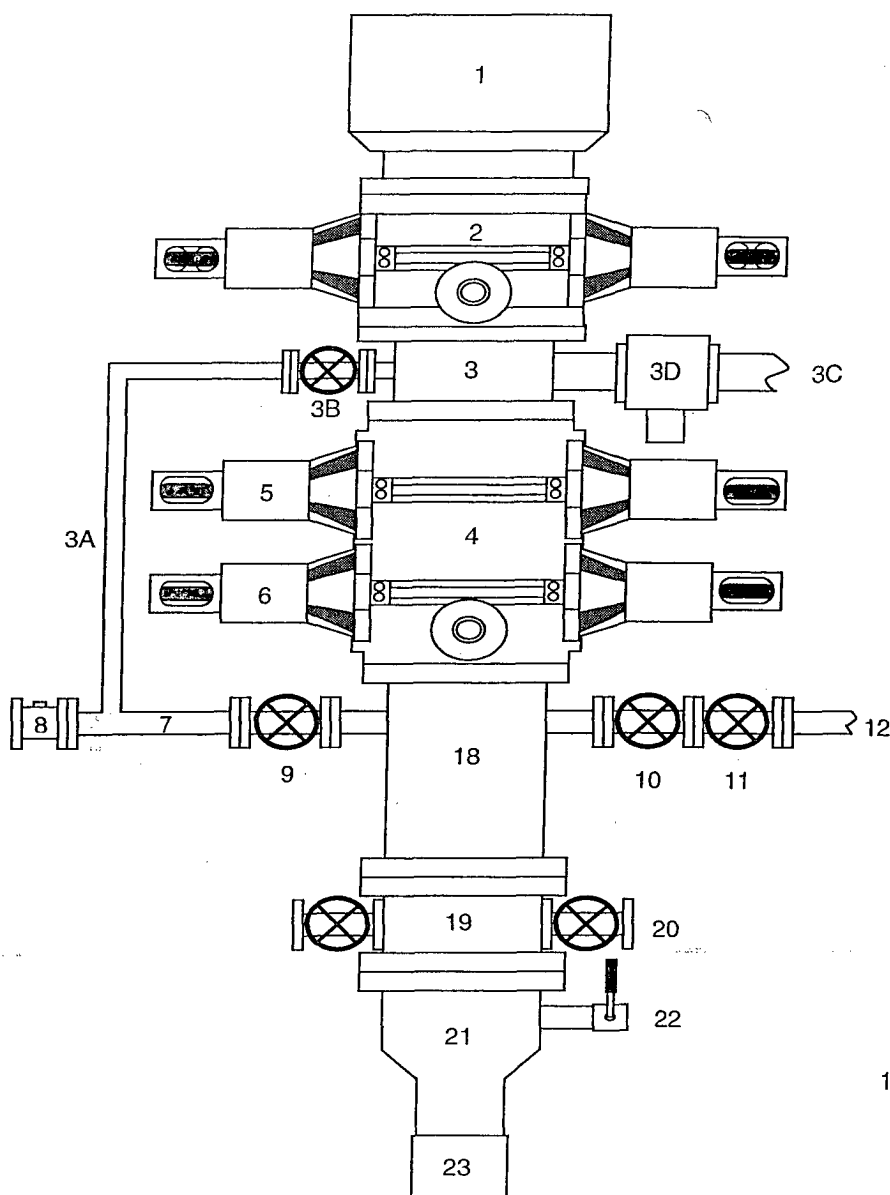
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 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 10 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). (Note: per regulatory requirements we will wait on cement at least 8 hrs after placement before testing the 9-5/8" surface casing). Then an 8-3/4" hole will be drilled to intermediate casing point and 7" intermediate casing will be run and cemented.

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

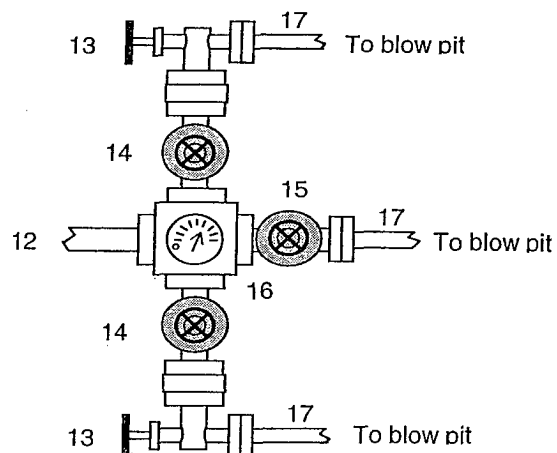
1. Upper Kelly cock Valve with handle

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Cavitation Program



1. Stripping Head
2. Single Ram BOP (7-1/16", 3M)
3. Mud Cross
- 3A. Equalizing Line (2")
- 3B. Wing Valve (2-1/16", 3M)
- 3C. Blooie Line (2 ea, 5" OD)
- 3D. HCR Valve (1 ea per line, 4-1/16")
4. Double Ram BOP (7-1/16", 3M)
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. Vent Line (2")
18. Spacer Spool
19. Tubing Head
20. Tubing Head Valves (2- 9/16")
21. Casing Head "A" Section
22. Casing Head "A" Section 2" Valve
23. 9-5/8" Casing Collar



This BOP arrangement and test program is for the cavitation program. The BOP will be installed on the tubing head. The 7" casing will be pressure tested against closed blind rams to 200 psi to 300 psi for 10 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. The pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 minutes and to 1800 psi (high pressure test) for 10 minutes - This test will be done with a test plug or possibly without a test plug (ie against casing). If we conduct this test without a test plug we will ensure that we have sufficient drillstring weight in the hole to exceed the upward force generated by the test.

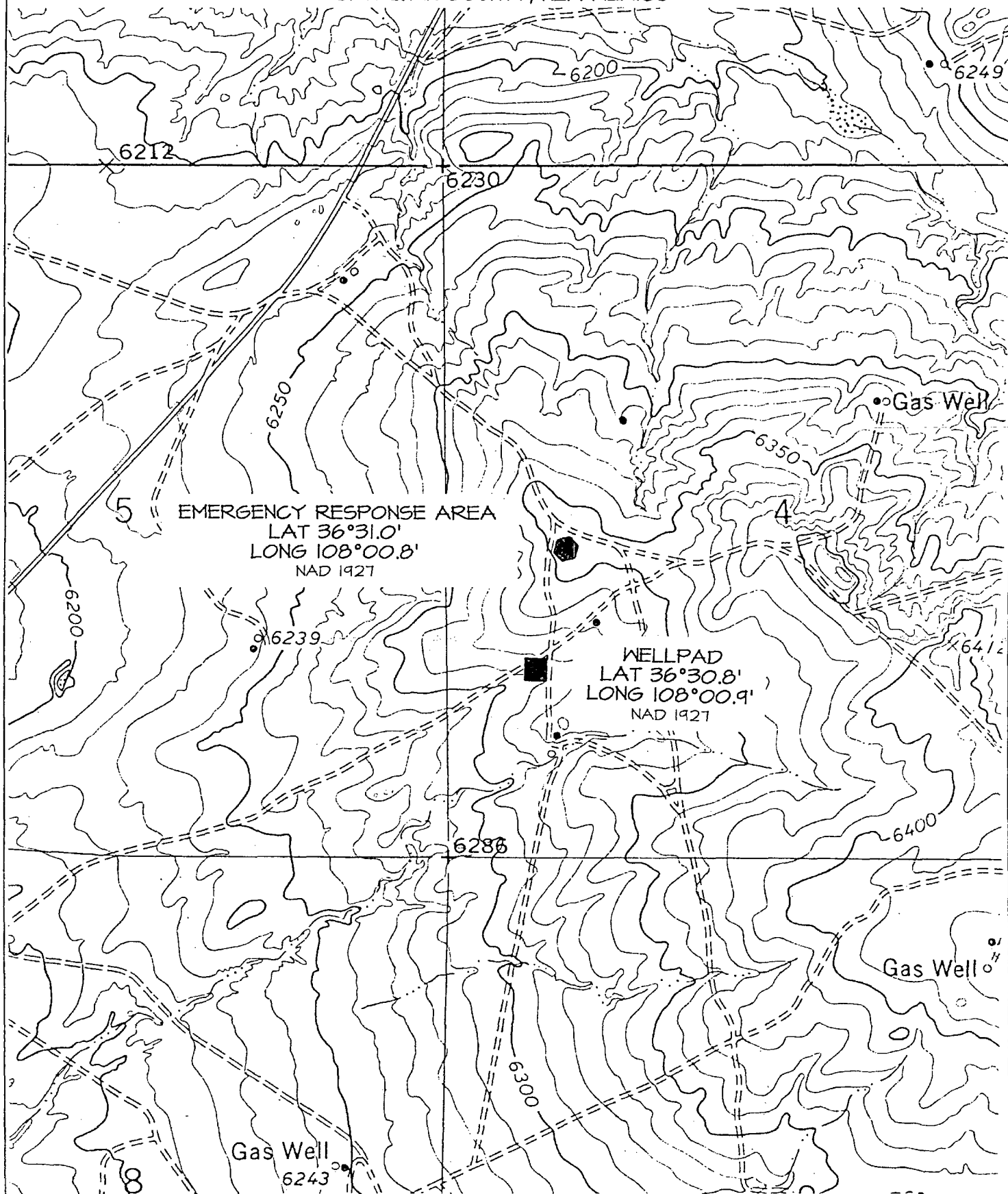
We use a power swivel and air/mist to drill the 6-1/4" hole in our cavitation program. We do not use a kelly. In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

1. String floats will be used inside the drillpipe
2. Stab-in TIW valve for all drillstrings in use
3. Each blooie line is equipped with a hydraulically controlled valve (HCR valve).

EMERGENCY RESPONSE AREA

CONOCOPHILLIPS COMPANY DELHI TAYLOR E #1B

1685' FSL & 675' FWL, SECTION 4, T26N, R11W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

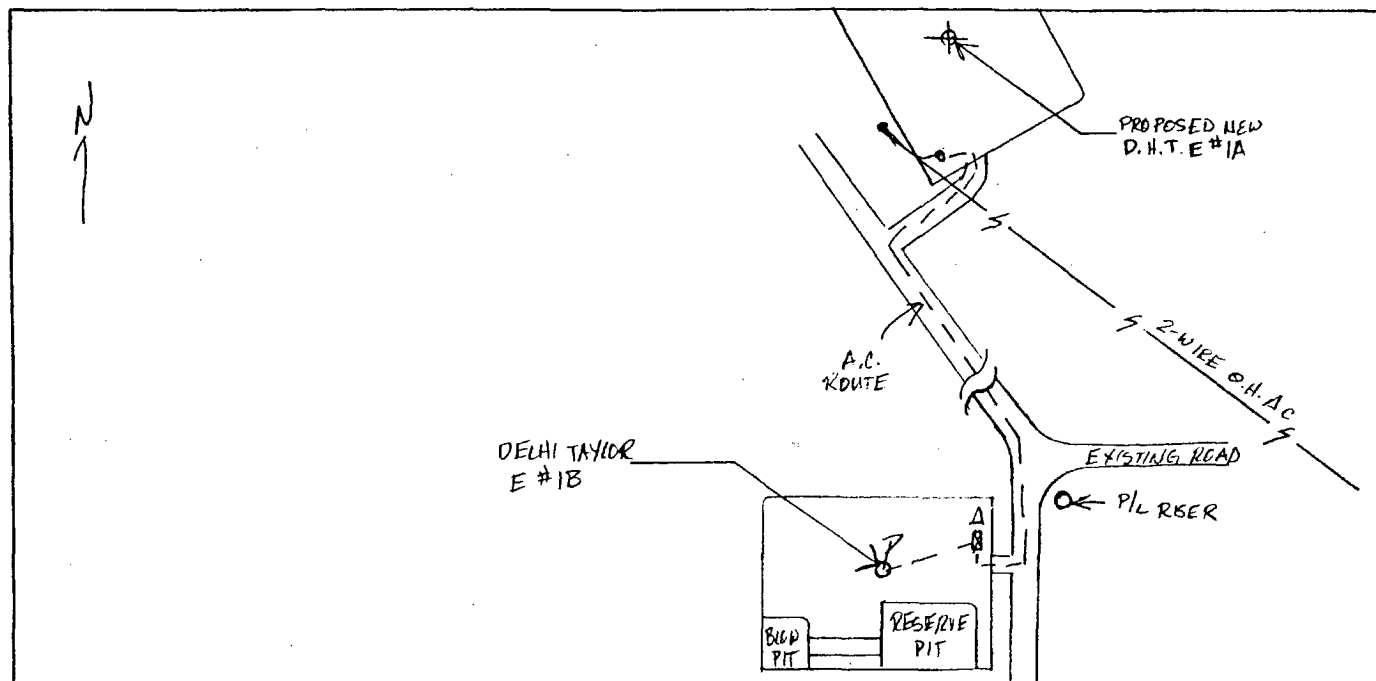


H & H TECHNICAL SERVICES A CORROSION COMPANY

CATHODIC PROTECTION PLAN FOR NEW WELLS

WELL NAME: DELHI TAYLOR E #1B LEGALS: L-4-26-11 COUNTY: SJ.

PURPOSED C.P. SYSTEM: DRILL G.B. & SET RECT @ EAST EDGE OF LOCATION. TRENCH 200' * 8" NEG
FROM RECT. TO W.H. ALSO TRENCH @ 3200' OF A.C. FROM M.P. @ PROPOSED LOCATION DELHI
TAYLOR E #1A TO RECT ON LOCATION



EXISTING WELLHEAD	METER HOUSE	G.B.	POWER SOURCE	CABLE	NEW WELL	OVERHEAD A.C.

COMMENTS: _____

NEAREST POWER SOURCE: PROPOSED M.P. @ DELHI TAYLOR E #1A DISTANCE: 3200'
 PIPELINES IN THE AREA: _____

TECHNICIAN: *Edwin J. ...* DATE: 4-17-05

Property : DELHI TAYLOR E **Well #:** 1B

Surface Location:

Unit: L **Section:** 4 **Township:** 26N **Range:** 11W

County: SAN JUAN **State:** New Mexico

Footage: 1685 **from the** SOUTH **line,** 675 **from the** WEST **line.**

CATHODIC PROTECTION

ConocoPhillips (COP) proposes to drill a cathodic protection deep well groundbed for the subject well. COP will drill a hole vertically at the surface large enough to accommodate 20 feet of 8 inch diameter PVC pipe for surface casing to assist in further drilling and loading. Casing may be cemented in place for stability if needed. COP 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 the existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.