

| | | | | | |
|------------------------|----------|--------------------|--------------------------|-----------------|---------------------------|
| DATE IN 2.24.12 | SUSPENSE | ENGINEER DB | LOGGED IN 2.24.12 | TYPE NSL | APP NO. 1205543970 |
|------------------------|----------|--------------------|--------------------------|-----------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



217817
Conoco Phillips
San Juan 30-5U #47N

ADMINISTRATIVE APPLICATION CHECKLIST *30039-30932*

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

6571

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Patsy Clugston

Print or Type Name

Patsy Clugston
 Signature

Sr. Regulatory Specialist

Title

2/22/12

Date

Patsy.L.Clugston@conocophillips.com

e-mail Address

San Juan 30-5 Unit 47N
 API - 30-039-30933

L-17-30N-5-U
 RECEIVED
 MAR 24 11:02
Fed/Rio



3401 East 30th Street
Farmington, NM 87402

February 22, 2012
Sent Overnight UPS

New Mexico Oil Conservation Division
NSL Examiner
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: San Juan 30-5 Unit 47N – NSL application for Mancos Pool
Unit L (NWSW), 1376' FSL & 1148' FWL, Section 17, T30N, R5W, Surface Location
Unit K (NESW), 1350' FSL & 2370' FWL, Sec. 17, T30N, R5W, BH
API – 30-039-30933

Dear Sir:

This is a request for administrative approval for a non-standard gas well location in the Basin Mancos Pool.

The proposed San Juan 30-5 Unit 47N was originally staked as a commingled MV/DK well and a decision was made to also add the Mancos pool, see sundry attached dated 1/23/12. The well's bottomhole location is in the NESW/4 of Section 17, T30N, R5W. The placement of the well is non-standard for the Mancos pool per Order R-12984 because a Mancos Participating Area (PA) does not exist in this unit. Both the Mesaverde and the Dakota are within a PA therefore both are considered standard locations as per Order R-10987-A (1) for Mesaverde and Order R-10987-B (2) for Dakota. The well was staked with the bottomhole closer than 660' from the half section line therefore it is considered non-standard in the Mancos pool.

The San Juan 30-5 Unit 47N surface location was selected due to existing topography, utilities and the BLM wildlife area. The bottomhole location was selected as the best place to insure production success for the MV and DK production. The production success for both the existing MV and DK wells in this quarter section indicates hydrocarbons have been pulled from a fairly sizable area. Putting another take point too close to these wells causes the new well to be in direct competition for most of the same reserves. The bottomhole location was chosen as a balance between getting far enough away from the existing wells to allow the new well to capture some new and unique reserves, but also not too far away to inflate the cost of directional drilling. An ideal bottomhole location would actually push the take point a little farther away. Attached diagram will help illustrate.

Production from the Basin Dakota, Basin Mancos and Blanco Mesaverde are included in the 320.00 acre gas spacing unit W/2 Section 17, T30N, R5W.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following to help with your decision process:

San Juan 30-5 Unit 47N – NSL application for Mancos Pool
Unit L (NWSW), 1376' FSL & 1148' FWL, Section 17, T30N, R5W, Surface Location
Unit K (NESW), 1350' FSL & 2370' FWL, Sec. 17, T30N, R5W, BH
API – 30-039-30933
Page 2 of NSL application

1. Approved APD cover page and sundry adding the Mancos formation and its C102 plat showing both the surface and bottomhole locations
2. 9 Section Plat showing wells in the area
3. Offset Operator plat for Section 17, of T30N, R5W
4. Topo and aerial maps showing the location of the well
5. Geology draining diagram for the MV and DK pools

There is not an offset operator in the east half of section 17, because there are no Mancos wells in that half section. BP America owns the Mancos leasehold in the E/2 of Section therefore notice will be give to BP America. Please let me know if you have any questions about this application by calling me at 505-326-9518.

Respectfully,

A handwritten signature in cursive script, reading "Patsy Clugston".

Patsy Clugston
Sr. Regulatory Specialist



3401 East 30th Street
Farmington, New Mexico 87402

San Juan 30-5 Unit 47N – NSL application for Mancos Pool
Unit L (NWSW), 1376 FSL & 1148' FWL, Sec. 17, T30N, R5W, Surface location
Unit K (NESW), 1350' FSL & 2370' FWL, Sec. 17, T30N, R5W, Bottomhole location
API # - 30-039-30933

I hereby certify that the Mancos Leasehold Operator has been notified by certified mail of our application for administrative approval for non-standard well location for the above well.

BP American Production Company
Attn: Craig Carley
501 West Lake Park Blvd.
Houston, TX 77079

Patsy Clugh
2-22-12

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FEB 24 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-078994 Unit Reporting Number |
| 1b. Type of Well GAS | | 6. Indian, All. or Tribe |
| 2. Operator ConocoPhillips Company | | 7. Unit Agreement Name San Juan 30-5 Unit |
| 3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 | | 8. Farm or Lease Name RCUD MAR 18 '10 OIL CONS. DIV. DIST. 3 |
| 4. Location of Well Surf: Unit L (NWSW), 1376' FSL & 1148' FWL Bottomhole: Unit K (NESW), 1350' FSL & 2370' FWL Surf: Latitude: 36.809159° N (NAD83) Longitude: 107.385764° W Bottomhole: Latitude: 36.809088° N (NAD83) Longitude: 107.381590° W | | 10. Field, Pool, Wildcat Blanco MV / Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) L Sec. 17, T30N, R5W API # 30-039-30933 |
| 14. Distance in Miles from Nearest Town 56 miles / Bloomfield | | 12. County Rio Arriba |
| | | 13. State NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line 1148' | | |
| 16. Acres in Lease 1,080.00 | | 17. Acres Assigned to Well 320.00 3/2 - MV/DK wla |
| 18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 52' from San Juan 30-5 Unit 224 (FC) | | |
| 19. Proposed Depth 7928' | | 20. Rotary or Cable Tools Rotary |
| 21. Elevations (DF, FT, GR, Etc.) 6394' GL | | 22. Approx. Date Work will Start |
| 23. Proposed Casing and Cementing Program See Operations Plan attached | | |
| 24. Authorized by: <u>Crystal Tafoya</u> Crystal Tafoya (Regulatory Tech) | | Date <u>2/24/2010</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

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

MAR 19 2010

NMOC

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

Hold C104

for Directional Survey
and "As Drilled" plat

NOTIFY AZTEC OGD 24 HRS.
PRIOR TO CASING & CEMENT

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 7 Copies
Fee Lease - 3 Copies

FEB 24 2010

Bureau of Land Management
Energy Field Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAN

| | | |
|--|---|--|
| ¹ API Number 30-039-30933 | ² Pool Code 71599/72319 | ³ Pool Name BASIN DAKOTA / BLANCO MESAVERDE |
| ⁴ Property Code 31327 | ⁵ Property Name SAN JUAN 30-5 UNIT | ⁶ Well Number 47N |
| ⁷ OGRID No. 217817 | ⁸ Operator Name CONOCOPHILLIPS COMPANY | ⁹ Elevation 6394 |

¹⁰ SURFACE LOCATION

| | | | | | | | | | |
|---------------------------|----------------------|-------------------------|---------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------------|
| UL or lot no. L | Section 17 | Township 30-N | Range 5-W | Lot Idn | Feet from the 1376 | North/South line SOUTH | Feet from the 1148 | East/West line WEST | County RIO ARRIBA |
|---------------------------|----------------------|-------------------------|---------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------------|

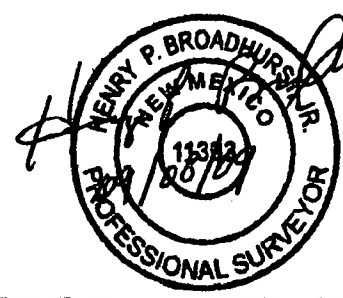
¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|---------------------------|----------------------|-------------------------|---------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------------|
| UL or lot no. K | Section 17 | Township 30-N | Range 5-W | Lot Idn | Feet from the 1350 | North/South line SOUTH | Feet from the 2370 | East/West line WEST | County RIO ARRIBA |
|---------------------------|----------------------|-------------------------|---------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------------|

| | | | |
|--|-------------------------------|----------------------------------|------------------------|
| ¹² Dedicated Acres 320.00 E/2 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No |
|--|-------------------------------|----------------------------------|------------------------|

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

| | | |
|--|--|---|
| ¹⁶ FEE W/2 DEDICATED ACREAGE USA SF-078994 SECTION 17, T-30-N, R-5-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>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> <i>Ethel Tally</i> Signature Ethel Tally Printed Name Staff Regulatory Tech Title and E-mail Address 9-23-09 Date |
| WELL FLAG NAD 83 LAT: 36.809159° N LONG: 107.385764° W NAD 27 LAT: 36°48.549144' N LONG: 107°23.109733' W | BOTTOM HOLE NAD 83 LAT: 36.809088° N LONG: 107.381590° W NAD 27 LAT: 36°48.544939' N LONG: 107°22.859290' W | ¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey: 8/18/09 Signature and Seal of Professional Surveyor:  Certificate Number: NM 11393 |

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

RECEIVED

Sundry Notices and Reports on Wells

JAN 23 2012

Farmington Field Office
Bureau of Land Management
Lease Number
SP-078994

1. **Type of Well**
GAS

6. **If Indian, All. or
Tribe Name**

2. **Name of Operator**

ConocoPhillips

7. **Unit Agreement Name**
San Juan 30-5 Unit

3. **Address & Phone No. of Operator**

PO Box 4289, Farmington, NM 87499 (505) 326-9700

8. **Well Name & Number**
San Juan 30-5 Unit 47N

9. **API Well No.**

30-039-30933

4. **Location of Well, Footage, Sec., T, R, M**

Surface: Unit L (NWSW), 1376' FSL & 1148' FWL, Section 17, T30N, R5W, NMPM
Surface: Unit K (NESW), 1350' FSL & 2370' FWL, Section 17, T30N, R5W, NMPM

10. **Field and Pool**
Blanco MV/Basin DK/
Basin Mancos

11. **County and State**
Rio Arriba, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

| Type of Submission | Type of Action | | | |
|--|--|--|---|-------------------------------------|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans | <input checked="" type="checkbox"/> Other - | <input type="checkbox"/> Add Mancos |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion | <input type="checkbox"/> New Construction | | |
| <input type="checkbox"/> Final Abandonment | <input type="checkbox"/> Plugging | <input type="checkbox"/> Non-Routine Fracturing | | |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut off | | |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection | | |

13. Describe Proposed or Completed Operations

ConocoPhillips would also like to complete the Basin Mancos formations and trimingle production on this well (DK/MV/Mancos). Attached is a new plat that includes the Basin Mancos and C107A will be submitted and approval received before the well is commingled.

**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**

14. I hereby certify that the foregoing is true and correct.

Signed Arleen Kellywood Arleen Kellywood Title Staff Regulatory Technician Date 1/23/12

(This space for Federal or State Office use)

APPROVED BY Troy L Salvers Title Petroleum Engineer Date 1/26/2012

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

OPERATOR

PC

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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

RECEIVED

State Lease - 7 Copies

Fee Lease - 3 Copies

JAN 23 2012 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION

| | | | | | |
|---|--|--|--|---|--|
| ¹ API Number 30-039-30933 | | ² Pool Code 71599/72319/97232 | | Bureau of Land Management BASIN DAKOTA / BLANCO MESAVERDE / BASIN MANCOS | |
| ⁴ Property Code 31327 | | ⁵ Property Name SAN JUAN 30-5 UNIT | | ⁶ Well Number 47N | |
| ⁷ OGRID No. 217817 | | ⁸ Operator Name CONOCOPHILLIPS COMPANY | | ⁹ Elevation 6394 | |

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 | 17 | 30-N | 5-W | | 1376 | SOUTH | 1148 | WEST | RIO ARRIBA |

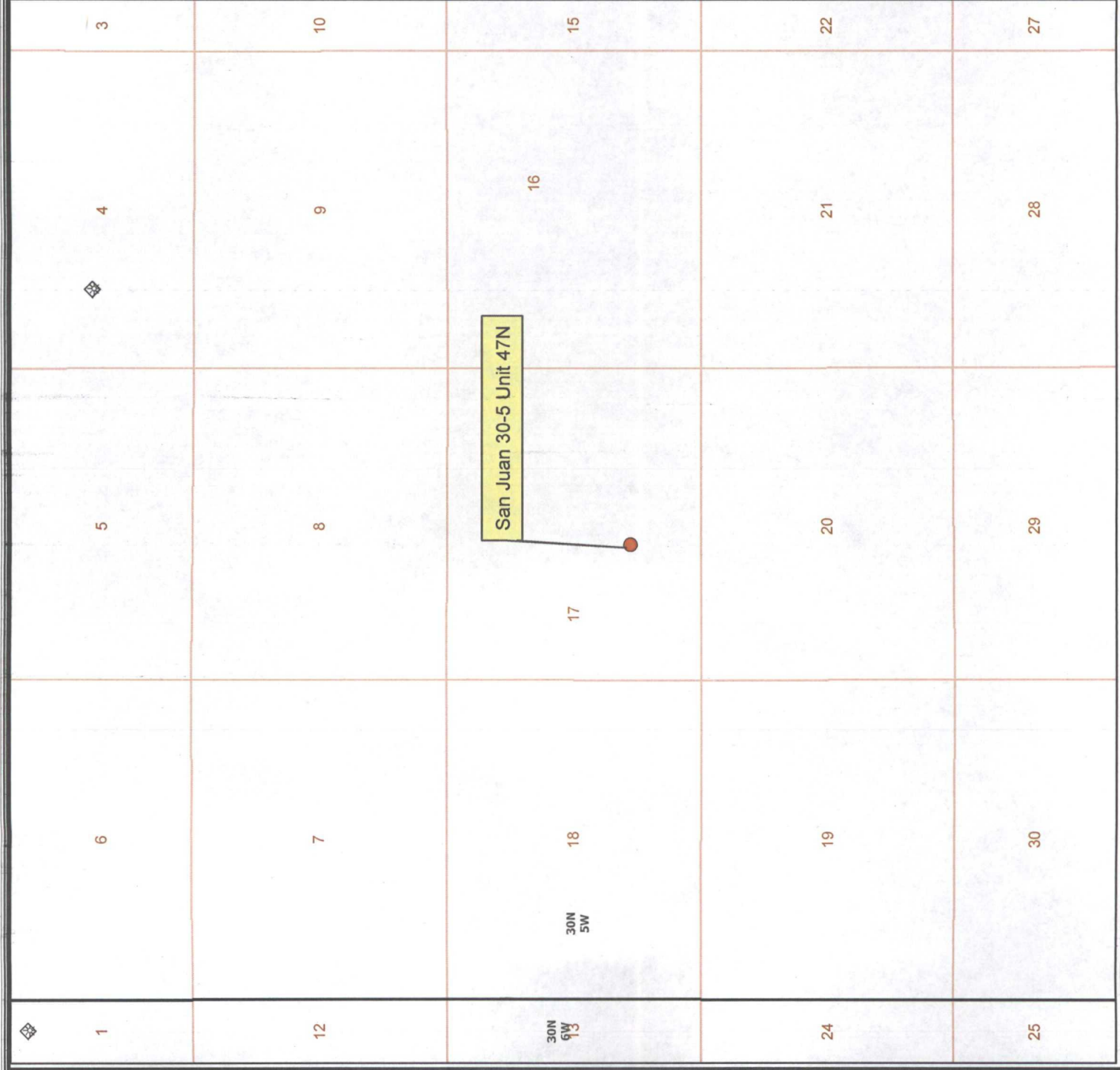
¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| K | 17 | 30-N | 5-W | | 1350 | SOUTH | 2370 | WEST | RIO ARRIBA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.00 w/2 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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

| | | |
|--|--|--|
| ¹⁶ | | 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. Signature Arleen Kellywood Printed Name arleen.r.kellywood@conocophillips.com Title and E-mail Address 1/23/12 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: 8/18/09 Signature and Seal of Professional Surveyor: Certificate Number: NM 11393 | | |



Legend

9 Section Plat.shp

P2000_Well_Headers_Formations

FORMATION1

MANCOS

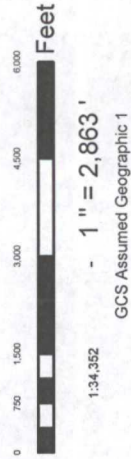
MANCOS B

MANCOS / GALLUP

GALLUP

GALLUP /SD/ SH/

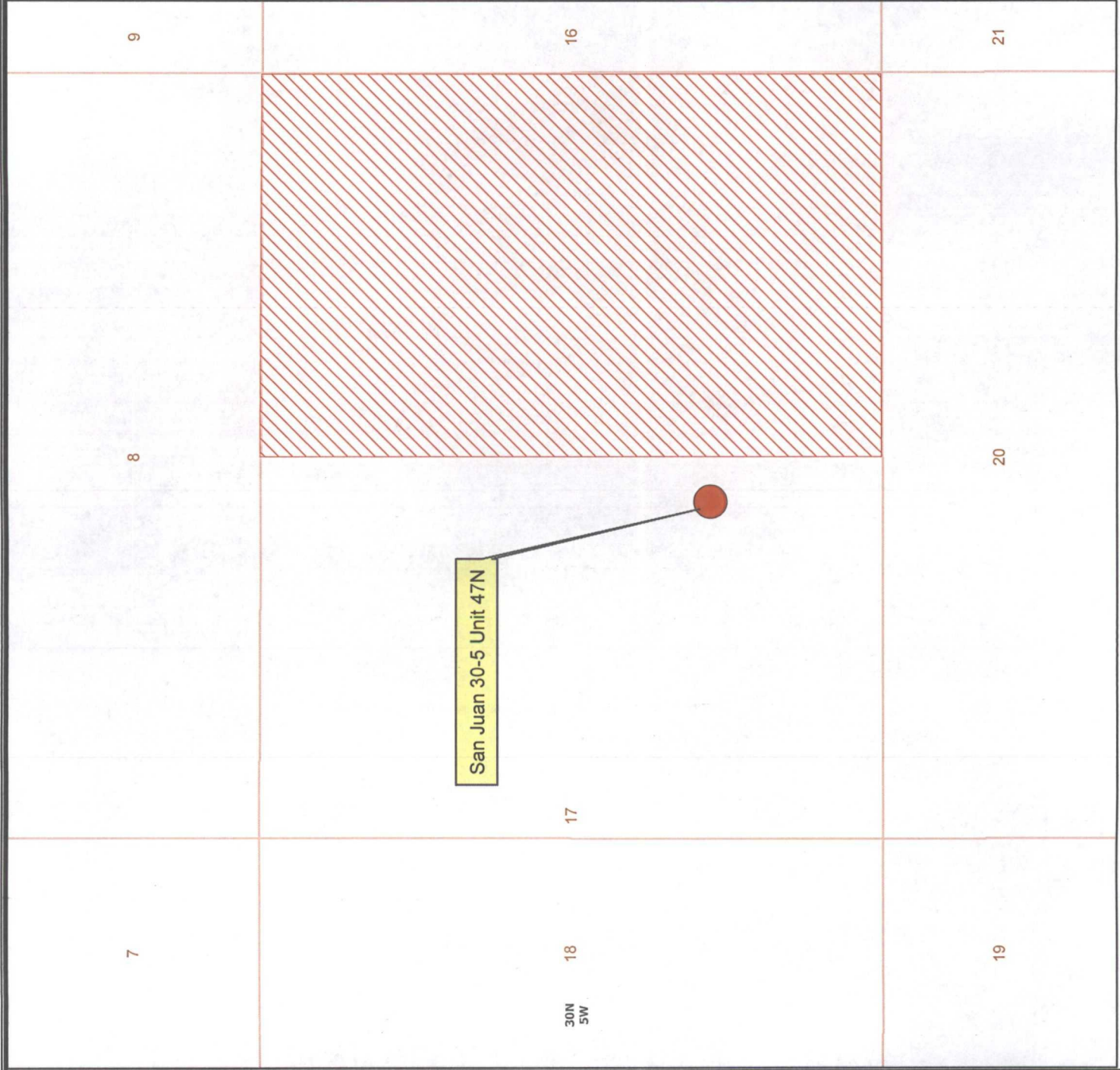
GALLUP LOWER



ConocoPhillips
© Unpublished Work, ConocoPhillips

San Juan 30-5 Unit 47N
Sec. 17, T30N, R5W
Nine Section plat

| | |
|--|----------------|
| Author: Richard Davis | Date: 2/1/2012 |
| Compiled by: | Scale: |
| Project File: platdavis\Project\and Template\Template1.mxd | |



Legend

- 9 Section Platship
- P2000_Well_Headers_Formations
- FORMATION1
- MANCOS
- MANCOS B
- MANCOS / GALLUP
- GALLUP
- GALLUP /SD/ SH/
- GALLUP LOWER



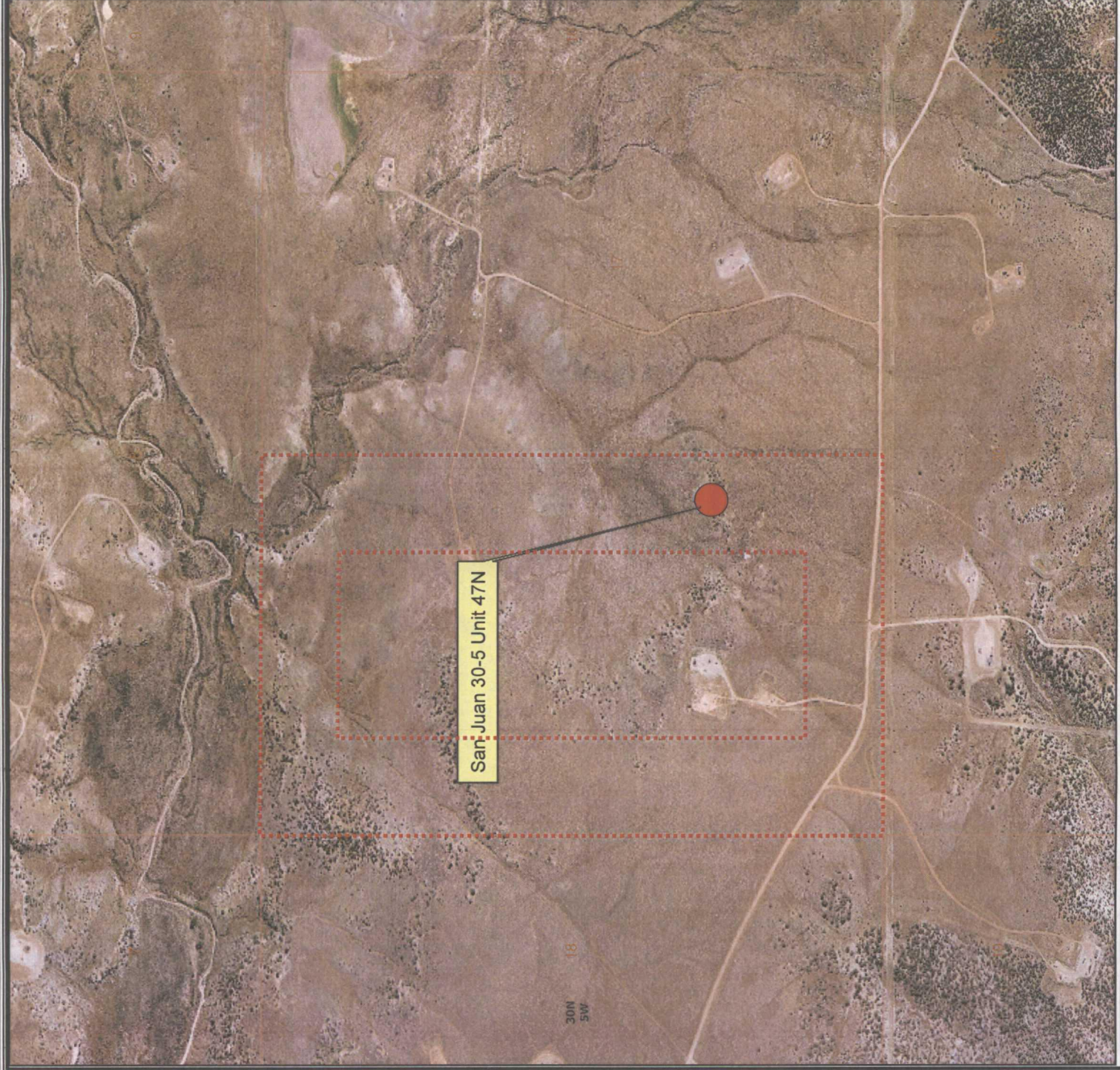
No Offset Operator. There are no Mancos wells in this Section. BP owns the Mancos leasehold in the E2 of this Section.



ConocoPhillips
© Unpublished Work, ConocoPhillips

San Juan 30-5 Unit 47N
Sec. 17, T30N, R5W
Offset Map

| | | | |
|---|---------------|--------|----------|
| Author: | Richard Davis | Date: | 2/1/2012 |
| Compiled by: | | Scale: | |
| Project File: Phillips\offset\Project\Title and Template\Template 1.mxd | | | |



30N
5W
18

San Juan 30-5 Unit 47N

- Legend**
- 9 Section Plat.shp
 - P2000_Well_Headers_Formations
 - FORMATION1
 - MANCOS
 - MANCOS B
 - MANCOS / GALLUP
 - GALLUP
 - GALLUP / SD / SH /
 - GALLUP LOWER



660 Setback



1:14,087 - 1" = 1,174'

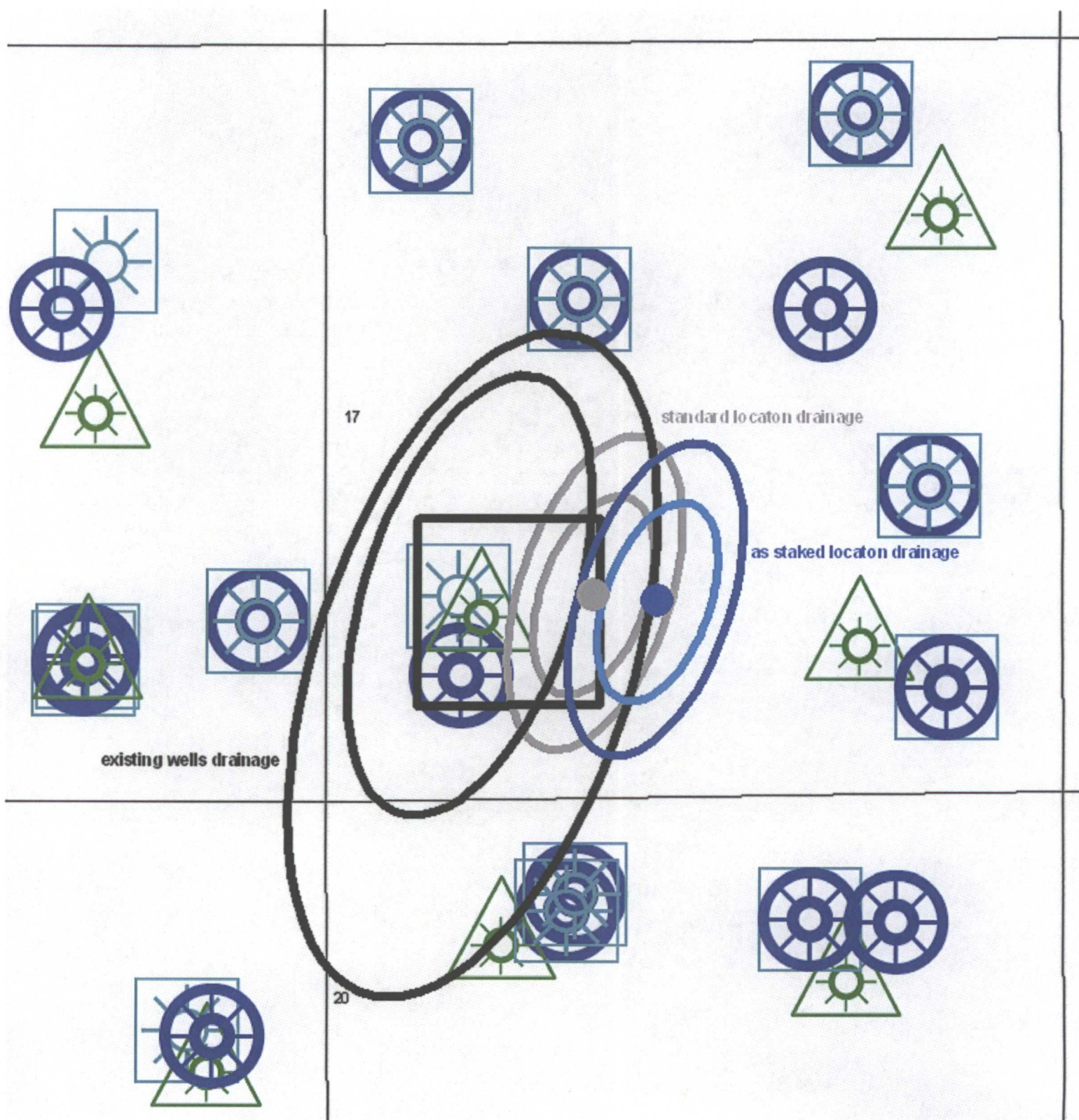
GCS Assumed Geographic 1



ConocoPhillips
© Unpublished Work, ConocoPhillips

San Juan 30-5 Unit 47N
Sec. 17, T30N, R5W
BHL: 1350' FSL, 2370' FWL
Aerial Map

| | | | |
|---------------|---|--------|----------|
| Author: | Richard Davis | Date: | 2/1/2012 |
| Compiled by: | | Scale: | |
| Project File: | Unpublished\Projects\and Templates\Template 1.mxd | | |





3401 East 30th Street
Farmington, NM 87402

February 22, 2012

BP America Production Company
501 West Lake Park Blvd.
Houston, TX 77079

San Juan 30-5 Unit 47N – NSL application for Mancos Pool
Unit L (NWSW), 1376 FSL & 1148' FWL, Sec. 17, T30N, R5W, Surface location
Unit K (NESW), 1350' FSL & 2370' FWL, Sec. 17, T30N, R5W, Bottomhole location
API # - 30-039-30933

Dear BP America Production Company:

Attached you will find a copy of our NSL (non-standard location) application to the NMOCD office in Santa Fe, NM and according to NMOCD Rule 104.E (4) be advised that BP America Production Company has a 20 day time frame from the date this notice is received to let the NMOCD know that you have objection to having the San Juan 30-5 Unit 47N drilling in the currently staked location.

Attached is a copy of the NSL application that was originally submitted to the NMOCD. If you are so inclined, please sign the attached waiver and return it to my attention either by mail at the address shown above or by fax @ 505-599-4062. If the 20 day waiting period expires the NMOCD will conclude that your company has no objection and the NSL approval will be granted to ConocoPhillips Company. If you do have an objection to the staked location on this well, please advise the NMOCD and us as soon as possible. If you have questions concerning this application please feel free to call me 505-326-9518.

Respectfully,

A handwritten signature in black ink, appearing to read 'Patsy Clugston', written in a cursive style.

Patsy Clugston
Sr. Regulatory Specialist
ConocoPhillips Company

Waiver to NSL – San Juan 30-5 Unit 47N

BP America Production Company does not object to ConocoPhillips drilling the San Juan 30-5 Unit 47N at the current non-standard bottomhole location for the Mancos pool at Unit K (NESW), 1350' FSL 7 2370' FWL, Sec. 17, T30N, R5W in Rio Arriba County, New Mexico.
API – 30-039-30933.

Offset Operator

Date

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

71791000164203193800

| | | |
|---|---------|--|
| Postage | \$ 0.90 | 30-5 #47N Postmark Here 2-22-12 p/c |
| Certified Fee | 2.95 | |
| Return Receipt Fee (Endorsement Required) | 2.35 | |
| Restricted Delivery Fee (Endorsement Required) | 0.00 | |
| Total Postage & Fees | \$ 6.20 | |

Sent To **Craig Carley**
BP America Production Company
501 West Lake Park Blvd.
Houston, TX 77079
 Street, Apt. No.;
 or PO Box No.
 City, State, Zip+4

PS Form 3800, August 2006 See Reverse for Instructions

Code: NSL - SJ 30-5 Unit 47N-A. Kellywood

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

0 71791000164203193800 5 12

| | | |
|---|---------|--|
| Postage | \$ 0.90 | 30-5 #47N Postmark Here 2-22-12 p/c |
| Certified Fee | 2.95 | |
| Return Receipt Fee (Endorsement Required) | 2.35 | |
| Restricted Delivery Fee (Endorsement Required) | 0.00 | |
| Total Postage & Fees | \$ 6.20 | |

Sent To **Craig Carley**
BP America Production Company
501 West Lake Park Blvd.
Houston, TX 77079
Street, Apt. No.,
or PO Box No.
City, State, Zip+4

PS Form 3800, August 2006 See Reverse for Instructions

Code: NSL - SJ 30-5 Unit 47N-A Kellywood