Conocolhillips

DATE IN 6/2/06 SUSPENSE ENGINEER LOGGED IN 6/2/06 TYPE NSL APP NO DTDS0615349294

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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] [1] TYPE OF APPLICATION - Check Those Which Apply for [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 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 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. 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. Print or Type Name Signature Title Date

e-mail Address

ConocoPhillips

P.O. Box 4289 Farmington, NM 87499-4289 2006 JUN 2 AM 11 56

Sent Overnight UPS

May 31, 2006

Mr. Michael Stogner New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87504

Re:

Non-Standard Location Application San Juan 31-6 Unit #40M 1916' FNL & 469' FEL, Sec. 1, T30N, R6W API- #30-045-26932

Dear Mr. Stogner:

This is a request for administrative approval for a non-standard gas well location in the Basin Dakota and Blanco Mesaverde pools.

The San Juan 31-6 Unit #40M is staked at an unorthodox location due to large archaeological site that extends from the west edge of the proposed location, west approximately 1000 feet. As a result, no suitable location could be found within the window. Consequently, this location was staked non-standard for the Dakota and Mesaverde formations, to avoid the archaeological site. See the attached statement from the Archaeological Surveying Company for further clarification.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this non-standard location:

- 1. C102 plat showing location of the well
- 2. Copy of approved APD (top page)
- 3. Plat showing offset owners/operators,
- 4. Affidavit of notification of offset owner/operators
- 5. Statement from Archaeological Consultant verifying archeology.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection and return one copy to this office.

Sincerely

Lating Chiefston

Regulatory Specialist

Re:

San Juan 31-6 Unit #40M 1916' FNL & 469' FEL, Sec. 1, T30N, R6W API- #30-045-26932

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard well location of the above well.

BP America Production Company

August Cluster

BP America Production Company Attn Karen Clay San Juan BU West Lake 1 Room 19.179 501 Westlake Park Blvd Houston, TX 77079

Coastline Petroleum Com P.O. Box 841080 Dallas, TX 75284

Dugan Production Corporation P.O. Box 420 Farmington, NM 87499-0420

Four Star Oil & Gas Company Attn Barbara Nelms P.O. Box 36366 Houston, TX 77236

Langdon D Harrison Revoc Trust B C/O Zia Data Search Jacqueline M Harrison Succ Trustee P.O. Drawer 2188 Roswell, NM 88202

Mar Oil & Gas Corp. Inc. M A Romero President P.O. Box 5155 Santa Fe, NM 87502

Navatex Energy LP C/O Zia Data Search Corp/Agent P.O. Box 2188 Roswell, NM 88202-2188 Providence Minerals LLC 14860 Montfort Dr. Ste 209 Dallas, TX 75254

Rio Aribasgas LTD Attn Eddye Dreyer Agenat 4925 Greenville Ave Ste 900 Dallas, TX 75206

Ruth Zimmerman Trust Hazel Hart AIF 842 Muirlands Vista Way La Jolla, CA 92037

The Tinmil
C/O Robert Tinnin
500 Marquette NW Ste 1300
Albuquerque, NM 87102

Thomas P. Tinnin P.O. Box 1885 Albuquerque, NM 87103

Williams Production Company One Williams Center P.O. Box 3102 MD25-1 Tulsa, OK 74101

WORKING INTEREST OWNERS

SAN JUAN 30-5 DK, PA NUMBER 6880115001

THOMAS P TINNIN

CONOCOPHILLIPS COMPANY

DUGAN PRODUCTION CORPORATION

LANGDON D HARRISON REVOC TRUST B

MAR OIL AND GAS CORP INC

NAVATEX ENERGY LP

PROVIDENCE MINERALS LLC

RIO ARIBAGAS LTD

RUTH ZIMMERMAN TRUST

THE TINMIL

BP AMERICA PRODUCTION COMPANY

SAN JUAN 30-5 MV , PA NUMBER 6880465000

CONOCOPHILLIPS COMPANY

WILLIAMS PRODUCTION COMPANY

DUGAN PRODUCTION CORPORATION

FOUR STAR OIL & GAS COMPANY

LANGDON D HARRISON REVOC TRUST B

MAR OIL AND GAS CORP INC

NAVATEX ENERGY LP

PROVIDENCE MINERALS LLC

RIO ARIBAGAS LTD

RUTH ZIMMERMAN TRUST

THE TINMIL

THOMAS P TINNIN

COASTLINE PETROLEUM CO

State of New Mexico Energy. Minerals & Natural Resources Department

OR CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMMENDED REPORT

District_1 1825 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 No Brozos Rd., Aztec, NN 87410 **Matriet IV** 1220 S. St. Francis Dr., Santa Fe, NM 87505

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	erty Co	de	3132	8	S	AN JUA	operty Nem	UNIT			*Well Humber 40M
	7817			1	CON	OCOPH	LUPS (OMPAN	IY .		Elevation 6435
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UL or lot	BQ.	Section 1	Township 30N	06W	197	Feet from 1916	the Horth/	South One ORTH	feet from the	East/West time EAST	RIO ARRIBA
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UL or lot	no.	Section	Township	Range	Lat Ide	Faul from	the Harth/	South line	Foot from the	East West line	Count
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DAK S	MV										

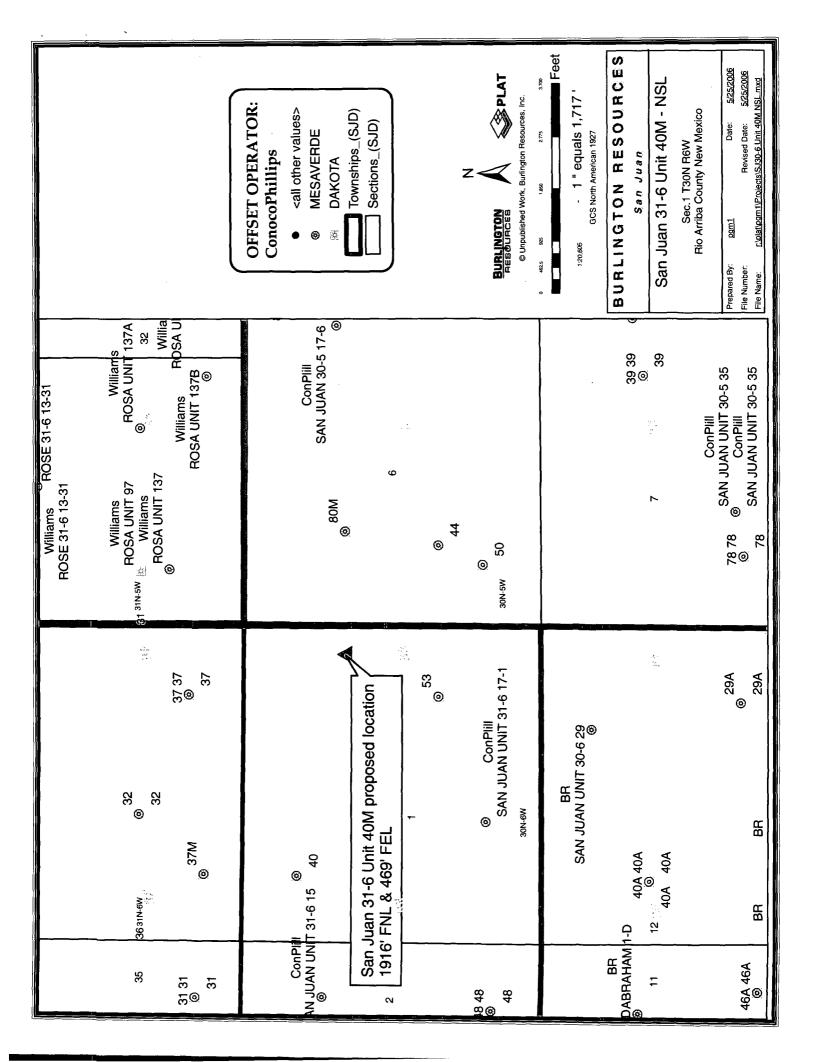
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION OPERATOR CERTIFICATION WEST 4505.16 7 LEASE 5 NM-012299 386.61 agree ConocoPhi ip slow 5280 10 & Operations Lead Unit #40 LAT: 36.84360' N LAT: 36'30'37.0" N LONG: 107.40880' W LONG: 10726'33.6" DATUM: NAD27 DATUM: NAD83 LAT: 365037.0" N 30-039-23-89 970'5 NL + 950'FUL 9 N/2 Basm Bloka RVEYOR CERTIFICATION dedication 10 San Joan 31-6 Unit 30-039-23744 1850 PSL-1000 FR 11 E/2 Blanco MU completion N89'58'W 4515.06

Fonn 3160 -3 (February 2005)					OMB N	APPROVE 0. 1004-013 March 31,	37	
UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANA	NTERIOR	36 APR	10	im g	5. Lease Serial No.	-012299		
APPLICATION FOR PERMIT TO D		REENT	ER	VID Ville	6. If Indian, Allotee			
la. Type of work: DRILL REENTE	ir.			<u>'</u>	7. If Unit or CA Agre	eement, Na	ame and No.	
						B. Lease Name and Well No. SAN JUAN 31-6 UNIT #40M		
2. Name of Operator ConocoPhillips Company					9. APLWell No.	1-2	6932	
3a. Address 4001 Penbrook, Odessa, TX 79762		10. Field and Pool, or Exploratory BLANCO MESAVERDE / BASIN DAKOTA						
4. Location of Well (Report location clearly and in accordance with any St At surface SENE 1916 FNL - 469 FE. At proposed prod. zone	_	nts, *)			I I. Sec., T. R. M. or E SECTION 1, T30N,		•	
14. Distance in miles and direction from nearest town or post office*					12. County or Parish		13. State	
15, Distance from proposed* location to nearest propery or lease line, ft. (Also to nearest drig, unit line, if any)	16. No. of acres in lease 17. Space 386.61 ACRES			17. Spacing	ng Unit dedicated to this well DK: 272.81 ACRES - N/2 MV: 226.61 ACRES - E/2			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 20. BLM.			20. BLM/B	BIA Bond No, on file			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6435' GL	22 Approximate date work will start*				23. Estimated duration			
	24. Attac	hments						
 The following, completed in accordance with the requirements of Onshore Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System L SUPO must be filed with the appropriate Forest Service office). 		4. Bond to Item:	o cover the 20 above). For certific other site sp	e operations	s torm: s unless covered by an mation and/or plans as	-	·	
25. Signature		Printed/Typ y Jame	•			Date 04 /	06/2006	
Senior Associate							,	
Approved by (Signature) Mon leslex	Name ((Printed/Ty	ped)			Date 5	18/86	
Title AFM	Office	F	20		· -			
Application approval does not warrant or certify that the applicant holds conduct operations thereon. Conditions of approval, if any, are attached.	s legal orequita	ible title to	those right	in the subje	ect lease which would e	ntitle the a	ipplicant to	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a States any false, fictitious or fraudulent statements or representations as to	crime for any poster w	person know ithin its juri	ringly and s	willfully to n	nake to any department	or agency	of the United	

*(Instructions on page 2)

ConocoPhillips Company proposes to drill a directional wellbore to the Blanco Mesaverde / Basin Dakota formations. This well will be drilled and equipped in accordance with the attachments submitted herewith. This application is for APD / ROW.

This well will be downhole commingled pursuant to the terms and conditions outlined in Order R-11363.





May 25, 2006

Ms. Patsy Clugston ConocoPhillips-Burlington Resources P.O. Box 4289 Farmington, NM 87499

RE: Proposed SJ 31-6 #40M well pad

Dear Patsy:

The SJ 31-6 Unit #40M well pad was staked and archaeologically surveyed in February and March, 2006 by personnel of La Plata Archaeological Consultants. The well was not staked at the original, standard well footages as the land surveyors saw that the well would have been within a large prehistoric archaeological site. During the subsequent archaeological survey of the well pad, which had been previously moved east to 1916 FNL/469 FEL, no cultural resources were found. The large archaeological site to the west (at about 1000 FEL) was noted, but was not recorded, as it lies west of the current survey area.

Let me know if you have any further questions concerning this matter.

Sincerely,

Steven L. Fuller

Post-it® Fax Note 7671	Date 5-25 pages /
To Patsi, Clapson	From Steve Fuller
Co./Dept.	Co.
Phone #	Phone #
Fax# 599-4062	Fax #

FORM APPROVED Fonn 3160 -3 2005 APR 10 AM OMB No. 1004-0137 Expires March 31, 2007 (February 2005) 58 UNITED STATES 5. Lease Serial No. PÄRTMENT OF THE INTERIOR NM-012299 BUREAU OF LAND MANAGEMENT 6. If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No. REENTER Ia. Type of work: XIDRILL 8. Lease Name and Well No. Oil Well Gas Well SAN JUAN 31-6 UNIT #40M Single Zone Multiple Zone lb. Type of Well: 2. Name of Operator ConocoPhillips Company 3b. Phone No. (include area code) 3a. Address RI ANCO MESAVERDE / BASIN 432-368-1230 4001 Penbrook, Odessa, TX 79762 DAKOTA I 1. Sec., T. R. M. or Blk. and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements, *) SENE 1916 FNL - 469 FEL At surface SECTION 1, T30N, R6W NMPM At proposed prod. zone 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* **RIO ARRIBA** NM 15, Distance from proposed* 16. No. of acres in lease 17. Spacing Unit dedicated to this well location to nearest properly or lease line, ft. DK: 272.81 ACRES - N/2 (Also to nearest drig. unit line, if any) 386.61 ACRES MV: 226.61 ACRES - E/2 18. Distance from proposed location*
to nearest well, drilling, completed, 19. Proposed Depth 20, BLM/BIA Bond No. on file applied for, on this lease, ft. 7951 22 Approximate date work will start 23. Estimated duration 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6435' GL 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. 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 must be filed with the appropriate Forest Service office). Such other site specific information and/or plans as may be required by the BLM~ 25. Signature Name (Printed/Typed) Date Peggy James 04/06/2006 Title Senior Associate Approved by (Signatur Name (Printed/Typed) Title Office 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 juris iction. *(Instructions on page 2) ConocoPhillips Company proposes to drill a directional well e / Basin Dakota formations. This

well will be drilled and equipped in accordance with the attachments submitted herewith. This application is for APD / ROW.

This well will be downhole commingled pursuant to the terms and conditions outlined in Order R-11363.

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".

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 June 10, 2003

1625 N. French Dr., Hobbs, NM 88240 District II

Submit to Appropriate District Office

1301 W. Grand Avenue, Artesia, NM 88210 District Ut

State Lease - 4 Copies

1000 No Brozos Rd., Aztec, NM 87410

Fee Lease - 3 Copies

District IV

N/2 272.84/2 228.6

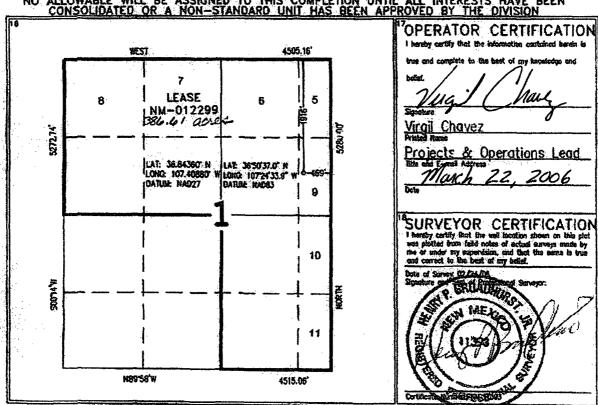
District_1

C AMMENDED REPORT

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

LOCATION AND ACREAGE DEDICATION PLAT 71629 DAKOTA / MESAVERDE 7231 0-039-26 Property Code 4650263 A650114 SAN JUAN 31-6 UNIT 40M 217817 CONOCOPHILLIPS COMPANY 6435 *Surface Location East/West line UL or lot no. 06W NORTH 30N 1916 469 EAST RIO ARRIBA Bottom Hole Different From Surface County UL or lot 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



Submit 3 Copies To Appropriate District	State of N	New Mex	ico	Form C-103				
Office District I	Energy, Minerals a	and Natura	al Resources	WELL API NO.				
1625 N. French Dr., Hobbs, NM 88240 District II		30-039-26932						
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERV			5. Indicate Type of Lease				
District III 1000 Rio Brazos Rd., Aztec, NM 87410	cis Dr.	STATE FEE						
District IV	Santa Fe	, NM 8/:	505	6. State Oil & Gas Lease No.				
1220 S. St. Francis Dr., Santa Fe, NM 87505				Federal Lease NM-012299				
SUNDRY NOT	ICES AND REPORTS ON		O D A GY TO A	7. Lease Name or	Unit Agreement Name			
(DO NOT USE THIS FORM FOR PROPODIFFERENT RESERVOIR. USE "APPL		San Juan 31-6 Unit						
PROPOSALS.)		ನಿ೦೯೩ ಕ್ರ		8. Well Number	Jan 31-0 Oint			
1. Type of Well: Oil Well ☐ Gas Well X	☐ Other				#40M			
2. Name of Operator	1 0 mos	<u> </u>		9. OGRID Numb	er			
ConocoPhillips Company	L. P. L.	BANYON		217817				
3. Address of Operator	65 36		0	10. Pool name or				
P.O. Box 4289, Farmington, NN	1 87499-4289			Blanco MV / Bas	in DK			
4. Well Location		:						
Unit Letter _H :	1916' feet from the	North	line and	469 feet from the	East line			
		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	•					
Section 1	Township 30			IMPM Rio Arriba	County			
	11. Elevation (Show wh	nether DR, 6435'		.)				
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12 Chack	Appropriate Box to In-	dicate N	ature of Notice	Report or Other	· Data			
	NTENTION TO:	dicate 14		SSEQUENT RE				
PERFORM REMEDIAL WORK			REMEDIAL WOR		ALTERING CASING			
	3 011440550440							
TEMPORARILY ABANDON] CHANGE PLANS		COMMENCE DR	RILLING OPNS.	PLUG AND ABANDONMENT			
PULL OR ALTER CASING			CASING TEST A	ND 🗆				
•	COMPLETION		CEMENT JOB					
OTHER:	Commingle	×	OTHER:					
13. Describe proposed or con	pleted operations. (Clearly	y state all p	ertinent details, a	nd give pertinent dat	es, including estimated date			
or starting any proposed vor recompletion.	vork). SEE RULE 1103. F	or Multipl	e Completions: A	ttach wellbore diagr	ram of proposed completion			
or recompleted.								
In reference to Order #R-11363 Co	onocoPhillips proposed to d	lownhole c	ommingle in the F	Basin Dakota and Bla	anco Mesaverde.			
Proposed perforations are: MV 53	351'-5871' DK 7801	1 70511						
Allocation will be test.	21,-26/1, DK /801	/331 .						
Commingling will not reduce the	value of the remaining prod	luction.						
BLM has been notified of our inter		~ .		4				
In reference to Order R - 11188 in	terest owners were not notif	fied.	1)4	1270	71Z			
I hereby certify that the information	n above is true and comple	te to the be	est of my knowled	ge and helief I furth	per certify that any nit or helaw-			
grade tank has been/will be constructed	or closed according to NMOCD	guidelines [], a general permit [or an (attached) altern	native OCD-approved plan .			
SIGNATURE Patcy	Muestr.	TITLE C.	. Regulatory Spec	ialist DATE	5105107			
SIGNATURE	000	111LE <u>- 51</u>	. Regulatory Spec	ianst DATE _	5/25/06			
Type or print name Patsy	Clugston E-mail add	dress: pcl	ugston@br-inc.com	m Telephone No.	505-326-9518			
(This space for State use)								
	7							
	\mathcal{U}_{i}	DOP I	MATTY AL					
APPPROVED BY	The	TITLE	RASH AIF & PAZ I	Mareliur, UISI. Ch	DATE MAY 3 0 2006			
Conditions of approval, if any:								
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