

4/21/08 DATE IN	SUSPENSE	W Jones ENGINEER	4/30/08 LOGGED IN	PC TYPE	PKV20812143105 APP NO.
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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]

- [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 **E 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

Regulatory Specialist

Title

clugspl@conocophillips.com

e-mail Address

4/28/08

Date

RECEIVED
2008 APR 29 PM 3 10



3401 East 30th Street
Farmington, NM 87402

April 28, 2008

New Mexico Oil Conservation Division
Attn: Will Jones
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

PC-1200

Re: Surface Commingling - 5 wells in Section 22, T28N, R7W
SJ 28-7 Unit #220F, 255M, 220G, 159G, and 220M
Rio Arriba County, NM

Dear Mr. Jones:

This is a request from administrative approval to surface commingle five wells (1 existing and 4 new drills) in the SJ 28-7 Unit from the Blanco Mesaverde and the Basin Dakota pools.

ConocoPhillips has directional drilled and is in the process of completing four MV/DK wells in which we utilized an existing well's location. The intent of the multi-well location was to minimize surface disturbance which is recognized as an industry best management practice. Also utilizing a multi-well location reduces costs by allowing us to build fewer roads, minimizing rig move time and operate with less facility equipment by commingling fluids. These advantages result in lower operating costs and less gas used to run the facility equipment.

The reference wells are all being completed in the Dakota and Mesaverde intervals and we have received downhole commingling approvals (see attached copies). We also feel that commingling (surface or downhole) will not reduce the value of the remaining production. Until the wells have been completed we won't know how much production there will be, but all were deemed economical from the beginning.

The entire flue to be commingled is from a common source of supply, the Mesaverde and Dakota formations. All of the wells involved lie within the Mesaverde and Dakota PA for the SJ 28-7 Unit, therefore we feel that no notification of the surface commingling needs to occur since commingling notification was given at the time of the Downhole commingle application prior to DHC approval.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this Surface Commingling application.

1. C107B Surface Commingling Application for Diverse Ownership
2. Spreadsheet detailing the pool commingling information as well as the well name and numbers, lease names, API and DHC numbers and Pool Commingling Information.
3. Copies of approved CHC applications and C102 plats for wells to be surface commingled
4. Lease Map indicating the leases involved and placement of the BH location of the wells
5. Mesaverde and Dakota PA maps showing the wells permitting with this application fall within the PA for each formation.
6. Allocation method for the oil, previously approved with Order R-12237
7. Schematic of facility, including legal description of the location & equipment spec sheet

OIL ALOC PROC
SAN JUAN 29-7 UNIT

GOOD FOR

Surface Commingling
SJ 28-7 Unit #220M, 220F, 255M, 220G, 159G
April 28, 2008
Page 2

Please let us know if there are issues that we may have inadvertently failed to address. Thank you for considering our Surface Commingling Application.

Sincerely,

A handwritten signature in cursive script that reads "Patsy Clugston".

Patsy Clugston
Sr. Regulatory Specialist
ConocoPhillips Company
505-326-9518

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised June 10, 2003

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: ConocoPhillips Company
OPERATOR ADDRESS: 3501 East 30th Street, Farmington, NM 87402
APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING - SEE ATTACHED SPREADSHEET

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING N/A

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Patsy Clugston TITLE: Regulatory Specialist DATE: 4/28/08

TYPE OR PRINT NAME Patsy Clugston TELEPHONE NO: 505-326-9518

E-MAIL ADDRESS: clugspl@conocophillips.com

Equipment Specifications

Tank sizes

- 1 - 500 bbls water tank
- 2 - 400 bbls oil tanks
- 3 - 120 bbl pit tank

Separator Information

All five separators are independent units and each has its own burner. Burner sizes are listed below.

Well #	Item	Burner Size (BTU/HR)
#220M	1000# Indirect Fired Separator	#250MBtu/hr
#159G	L-PUD Indirect Fired Separator	#250MBtu/hr
#220G	L-PUD Indirect Fired Separator	#250MBtu/hr
#255M	L-PUD indirect Fired Separator	#250MBtu/hr
#220F	L-PUD Indirect Fired Separator	#250MBtu/hr
	500 BBL water Tank	#325MBtu/hr

ESTIMATED MONTHLY PRODUCTION

Pool Names and Codes	Well Name	API number	Lease Number	DHC approval Number	Gravities / BTU of non-commingle production	API of non-commingle production	Net Oil Volumes (bpd)	Gross Oil Volumes (bpd)
1 Mesaverde - 72319	San Juan 28-7 Unit #220M	30-039-25398	SF-078417-A	DHC-1826	N/A	approx. 48 @ 60F	1.2	1.2
Dakota - 71599	San Juan 28-7 Unit #220M	30-039-25398	SF-078417-A	DHC-1826	N/A	approx. 48 @ 60F	0.1	0.1
2 Mesaverde - 72319	San Juan 28-7 Unit #220G	30-039-30276	SF-078417-A	DHC-2649AZ	N/A	approx. 48 @ 60F	43.475	43.475
Dakota - 71599	San Juan 28-7 Unit #220G	30-039-30276	SF-078417-A	DHC-2649AZ	N/A	approx. 48 @ 60F	3.525	3.525
3 Mesaverde - 72319	San Juan 28-7 Unit #159G	30-039-30262	SF-079289-A	DHC-2635AZ	N/A	approx. 48 @ 60F	12.95	12.95
Dakota - 71599	San Juan 28-7 Unit #159G	30-039-30262	SF-079289-A	DHC-2635AZ	N/A	approx. 48 @ 60F	1.05	1.05
4 Mesaverde - 72319	San Juan 28-7 Unit #220F	30-039-30289	SF-079289	DHC_2646AZ	N/A	approx. 48 @ 60F	10.175	10.175
Dakota - 71599	San Juan 28-7 Unit #220F	30-039-30289	SF-079289	DHC- 2646AZ	N/A	approx. 48 @ 60F	0.825	0.825
5 Mesaverde - 72319	San Juan 28-7 Unit #255M	30-039-30288	SF-079289-A	DHC-2650AZ	N/A	approx. 48 @ 60F	4.1625	4.1625
Dakota - 71599	San Juan 28-7 Unit #255M	30-039-30288	SF-079289-A	DHC-2650AZ	N/A	approx. 48 @ 60F	0.3375	0.3375

* - Average API (at given temperature) for these wells

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2007 JUN 11 PM 3:48

1a. Type of Work DRILL	5. Lease Number SF-078417-A Unit Reporting Number NMNM-78413A-DIV NMNM-7841C-DK
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator ConocoPhillips	7. Unit Agreement Name San Juan 28-7 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name 9. Well Number #220G
4. Location of Well Surf: Unit F (SENW), 1665' FNL & 1910' FWL, BH: Unit L (NWSW), 2500' FSL & 1000' FWL Surf: Latitude 36° 38.9636 N Longitude 107° 33.7662 W BH: Latitude 36° 38.7824 N Longitude 107° 33.9519 W	10. Field, Pool, Wildcat Blanco MV/Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 22, T28N, R7W API # 30-039-30276
14. Distance in Miles from Nearest Town 24 miles/Blanco	12. County Rio Arriba 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1000'	
16. Acres in Lease	17. Acres Assigned to Well DK & MV - 320 - (W/2)
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 230' from San Juan 28-7 #220M	
19. Proposed Depth 7962' (TVD)/8253' (TMD)	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6805' GL	22. Approx. Date Work will Start RCVD JUL 23 07 OIL CONS. DIV. DIST. 3
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: Rhonda Rogers (Regulatory Technician)	6-8-07 Date

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

NOTIFY AZTEC OCD 24 HRS.

PRIOR TO CASING & CEMENT

NMOC

7-24-07
BH

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2007 JUN 11 PM 7:18
☐ AMENDED REPORT
RECEIVED
210 EAST WASHINGTON ST. SANTA FE, NM 87501

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30276		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 31739	*Property Name SAN JUAN 28-7 UNIT		*Well Number 220G
*GRID No 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6805

10 Surface Location

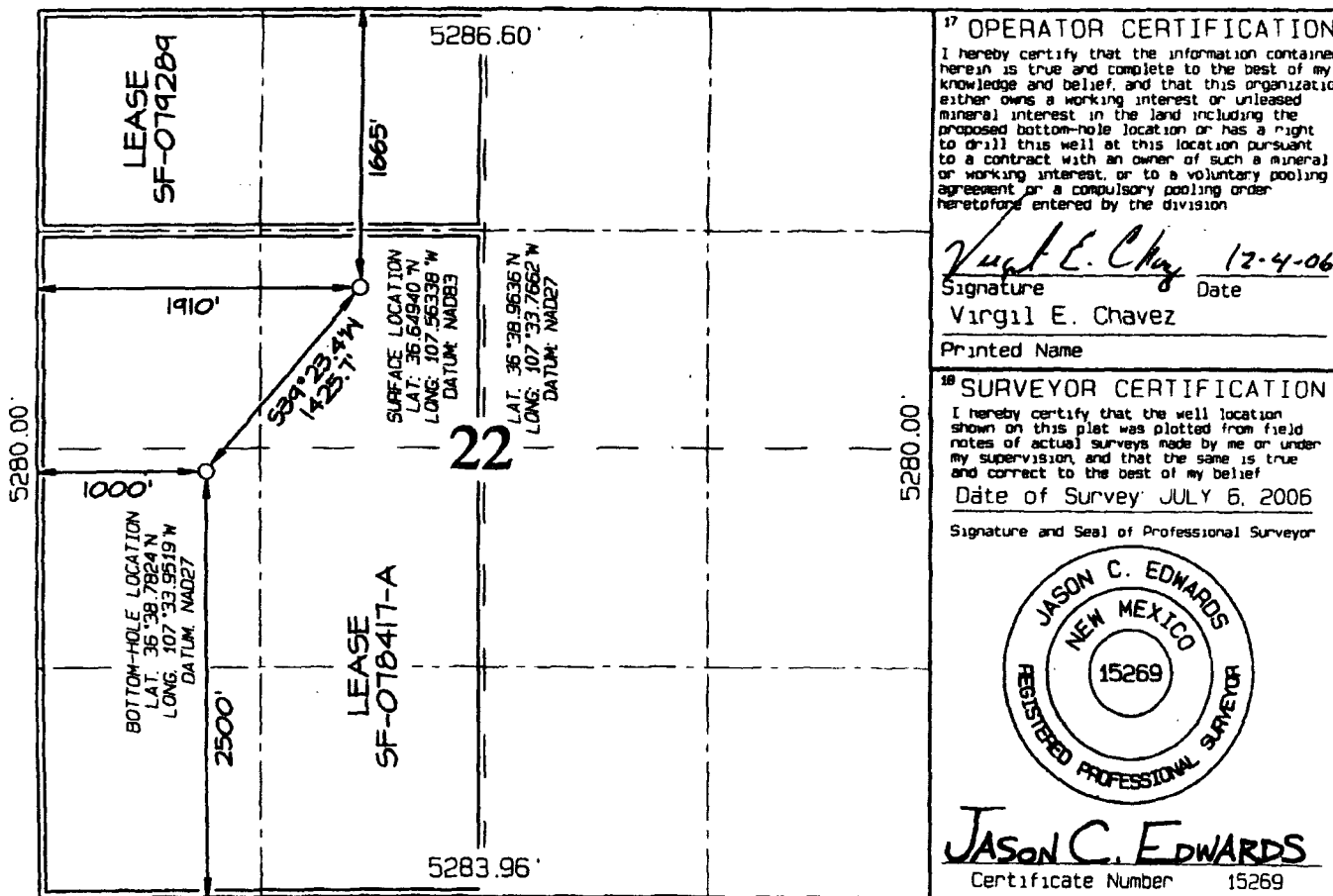
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	22	28N	7W		1665	NORTH	1910	WEST	RIO ARriba

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
L	22	28N	7W		2500	SOUTH	1000	WEST	RIO ARriba

12 Dedicated Acres	320.0 Acres - W/2 (MV)	13 Joint or Infill	14 Consolidation Code	15 Order No
	320.0 Acres - W/2 (DK)			

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 Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
March 4, 2004

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

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-039-30276
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator ConocoPhillips Company		6. State Oil & Gas Lease No. Federal Lease SF-078417-A
3. Address of Operator P.O. Box 4289, Farmington, NM 87499-4289		7. Lease Name or Unit Agreement Name San Juan 28-7 Unit
4. Well Location Unit Letter <u>F</u> : <u>1665</u> feet from the <u>North</u> line and <u>1910</u> feet from the <u>West</u> line Section <u>22</u> Township <u>28N</u> Range <u>7W</u> NMPM Rio Arriba County		8. Well Number #220G
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6805'		9. OGRID Number 217817
		10. Pool name or Wildcat Blanco MV / Basin DK

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In reference to Order #R-11363 ConocoPhillips proposed to downhole commingle in the Basin Dakota and Blanco Mesaverde.

Existing perforations are: MV - 5021' - 5962'; DK - 7738' - 7962'
Allocation will be tested.
Commingle will not reduce the value of the remaining production.
The BLM has been notified of our intent.
As referenced in Order R - 10476-B interest owners were not re-notified.

RCVD JUL 30 '07
OIL CONS. DIV.
DIST. 3

0HC 2649AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Rhonda Rogers TITLE Regulatory Technician DATE 7-27-07
Type or print name Rhonda Rogers E-mail address: rogerrs@conocophillips.com Telephone No. 505-599-4018

(This space for State use)

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE AUG 01 2007
Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NMSF 1079289 A Unit Reporting Number	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator ConocoPhillips	7. Unit Agreement Name San Juan 28-7 Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name 9. Well Number #159G	
4. Location of Well Surf: Unit F (SENW), 1705' FNL & 1945' FWL, BH: Unit B (NWNE), 400' FNL & 2400' FEL Surf: Latitude 36° 38.9575 N Longitude 107° 33.7594 W BH: Latitude 36° 39.1728 N Longitude 107° 33.5684 W	10. Field, Pool, Wildcat Blanco MV/Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) F Sec. 22, T28N, R7W API # 30-039-30262	
14. Distance in Miles from Nearest Town 46 miles	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1705'	17. Acres Assigned to Well DK & MV - 320 - (E/2)	
16. Acres in Lease	18. Distance from Proposed Location to Nearest Well, Drig. Compl. or Applied for on this Lease 280' from San Juan 28-7 Unit 220M	
19. Proposed Depth 8306' (TVD) / 8645' (TMD)	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6806' GL	22. Approx. Date Work will Start RCVD JUN25'07 OIL CONS. DIV. DIST. 3	
23. Proposed Casing and Cementing Program See Operations Plan attached	24. Authorized by: Rhonda Rogers (Regulatory Technician) 5-11-07 Date	

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

NOTIFY ARLS OGD 24 HRS.

PRIOR TO CASHING & CEMENT

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 IN COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

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
Instructions on back
Submit to Appropriate District Office
State Lease 73 Copies
Fee Lease 73 Copies

212
RECEIVED
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-302162	² Pool Code 72319 / 71599	³ Pool Name BLANCO MESAVERDE / BASIN DAKOTA
⁴ Property Code 31739	⁵ Property Name SAN JUAN 28-7 UNIT	⁶ Well Number 1596
⁷ GRID No. 217817	⁸ Operator Name CONOCOPHILLIPS COMPANY	⁹ Elevation 5806'

¹⁰ Surface Location


UL or lot no.	Section	Township	Range	Lot 101	Feet from the	North/South line	Feet from the	East/West line	County
F	22	28N	7W		1705	NORTH	1945	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 101	Feet from the	North/South line	Feet from the	East/West line	County
B	22	28N	7W		400	NORTH	2400	EAST	RIO ARriba

¹² Dedicated Acres	320.0 Acres - E/2 (MV)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
	320.0 Acres - E/2 (DK)			

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

<p>16</p> <p>2643.30'</p> <p>1705'</p> <p>1945'</p> <p>5280.00'</p> <p>5283.96'</p> <p>22</p> <p>LEASE SF-079289-A</p> <p>SURFACE LOCATION LAT: 36°38.9575' N LONG: 107°33.7594' W DATUM: NAD27</p> <p>BOTTOM-HOLE LOCATION LAT: 36°39.1728' N LONG: 107°33.5684' W DATUM: NAD27</p> <p>400'</p> <p>2643.30'</p> <p>2400'</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Virgil E. Chavez</i> 12-4-06 Signature Date Virgil E. Chavez Printed Name</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: JULY 6, 2006</p> <p>Signature and Seal of Professional Surveyor</p> <p></p> <p><i>JASON C. EDWARDS</i> Certificate Number 15269</p>
---	---

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Ave., Artesia, NM 88210
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District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

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

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-039-30262
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator ConocoPhillips Company		6. State Oil & Gas Lease No. Federal Lease NMSF-079289-A
3. Address of Operator P.O. Box 4289, Farmington, NM 87499-4289		7. Lease Name or Unit Agreement Name San Juan 28-7 Unit
4. Well Location Unit Letter <u>F</u> : <u>1705</u> feet from the <u>North</u> line and <u>1945</u> feet from the <u>West</u> line Section <u>22</u> Township <u>28N</u> Range <u>7W</u> NMPM Rio Arriba County		8. Well Number #159G
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5825'		9. OGRID Number 217817
		10. Pool name or Wildcat Blanco MV / Basin DK

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: Commingle <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In reference to Order #R-11363 ConocoPhillips proposed to downhole commingle in the Basin Dakota and Blanco Mesaverde.

Existing perforations are: MV - 5030' - 5979'; DK - 7754' - 8306'
Allocation will be tested.
Commingle will not reduce the value of the remaining production.
The BLM has been notified of our intent.
as referenced in Order R - 10476-B interest owners were not re-notified.

RCVD JUL 5 '07
OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Rhonda Rogers TITLE Regulatory Technician DATE 7/3/2007
Type or print name Rhonda Rogers E-mail address: rogerr@conocophillips.com Telephone No. 505-599-4018

(This space for State use)

DHC 2635A2

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector,
Conditions of approval, if any: District #3 DATE JUL 12 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number 8F-079289 Unit Reporting Number	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator ConocoPhillips	7. Unit Agreement Name San Juan 28-7 Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name 9. Well Number #220F	
4. Location of Well Surf: Unit F (SENW), 1590' FNL & 1845' FWL, Unit D (NWNW), 1000' FNL & 500' FWL, Surf: Latitude 36° .649602 N Longitude 107° 562993 W BH: Latitude 36° .653337 N Longitude 107° .567555 W	10. Field, Pool, Wildcat Blanco MV/Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) F Sec. 22, T28N, R7W API # 30-039- 20289	
14. Distance in Miles from Nearest Town 24 miles/Blanco	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 500'		
16. Acres in Lease 1304.48	17. Acres Assigned to Well MV/DK 320 (W/2)	
18. Distance from Proposed Location to Nearest Well, Drig. Compl. or Applied for on this Lease 130' from San Juan 28-7 220M		
19. Proposed Depth 7952' (TVD)/8288' (TMD)	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6805' GL	22. Approx. Date Work will Start RCVD JUL 23 '07 OIL-CONS. DIV. DIST. 3	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: Rhonda Rogers (Regulatory Technician)	6-25-07 Date	

PERMIT NO. APPROVAL DATE
APPROVED BY: [Signature] TITLE: [Signature] DATE: 7/19/07

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

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

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

HOLD OVER FOR Directional Survey
DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

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

District II
PO Drawer 00, 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
Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

RECEIVED
210 EAST 2100
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30289	*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 31739	*Property Name SAN JUAN 28-7 UNIT	*Well Number 220F
*GRID No 217817	*Operator Name CONOCOPHILLIPS COMPANY	*Elevation 6805

10 Surface Location

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	22	28N	7W		1590	NORTH	1845	WEST	RIO ARriba

11 Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	22	28N	7W		1000	NORTH	500	WEST	RIO ARriba

*Dedicated Acres	320.0 Acres - W/2 (MV)	*Joint or Infill	*Consolidation Code	*Order No.
	320.0 Acres - W/2 (DK)			

BOTTOM-HOLE LOCATION
LAT: 36°39.0729'N
LONG: 107°34.0553'W
DATUM: NAD27

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

	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>Virgil E. Chavez</i></p> <p>Printed Name: Virgil E. Chavez</p> <p>Title: Projects & Operations Lead</p> <p>Date: December 1, 2007</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: JULY 6, 2006</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>JASON C. EDWARDS</i></p> <p>Certificate Number: 15269</p>
--	--

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
March 4, 2004

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

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-039-30289
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator ConocoPhillips Company		6. State Oil & Gas Lease No. Federal Lease SF-079289
3. Address of Operator P.O. Box 4289, Farmington, NM 87499-4289		7. Lease Name or Unit Agreement Name San Juan 28-7 Unit
4. Well Location Unit Letter <u>F</u> : <u>1590</u> feet from the <u>North</u> line and <u>1845</u> feet from the <u>West</u> line Section <u>22</u> Township <u>28N</u> Range <u>7W</u> NMPM Rio Arriba County		8. Well Number #220F
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6805'		9. OGRID Number 217817
		10. Pool name or Wildcat Blanco MV / Basin DK

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In reference to Order #R-11363 ConocoPhillips proposed to downhole commingle in the Basin Dakota and Blanco Mesaverde.

Existing perforations are: MV - 5108' - 5963'; DK - 7738' - 7952'

Allocation will be tested.

Commingle will not reduce the value of the remaining production.

The BLM has been notified of our intent.

As referenced in Order R - 10476-B interest owners were not re-notified.

RCVD JUL30'07
OIL CONS. DIV.

DIST. 3

DHC2646AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Rhonda Rogers TITLE Regulatory Technician DATE 7-27-07

Type or print name Rhonda Rogers E-mail address: rogerr@conocophillips.com Telephone No. 505-599-4018

(This space for State use)

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE AUG 02 2007
Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2007 JUN 26 PM 4:11

1a. Type of Work
DRILL

1b. Type of Well
GAS

2. Operator
ConocoPhillips

3. Address & Phone No. of Operator
PO Box 4289, Farmington, NM 87499
(505) 326-9700

4. Location of Well
Surf: Unit F (SENW), 1630' FNL & 1880' FWL
BH: Unit N (SESW), 60' FSL & 1880' FWL
Surf: Latitude 36° 38.9698 N
Longitude 107° 33.7729 W
BH: Latitude 36° 39.2483 N
Longitude 107° 33.7742 W

5. Lease Number
SF-079289-A
Unit Reporting Number

6. If Indian, All. or Tribe

7. Unit Agreement Name
San Juan 28-7 Unit

8. Farm or Lease Name

9. Well Number
#255M

10. Field, Pool, Wildcat
Blanco MV/Basin DK

11. Sec., Twn, Rge, Mer. (NMPM)
Surf: Sec. 22, T28N, R7W
BH: Sec. 15, T28N, R7W
API # 30-039-30288

12. County
Rio Arriba

13. State
NM

14. Distance in Miles from Nearest Town
24 mile/Blanco

15. Distance from Proposed Location to Nearest Property or Lease Line
60'

16. Acres in Lease
1252.8

17. Acres Assigned to Well
MV-DK 320 (W/2)

18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease
180' from San Juan 28-7 Unit 220M

19. Proposed Depth
7971' (TVD)/8348' (TMD)

20. Rotary or Cable Tools
Rotary

21. Elevations (DF, FT, GR, Etc.)
6805' GL

22. Approx. Date Work will Start
RCUD JUL 26 '07
OIL CONS. DIV.
DIST. 3
6-26-07
Date

23. Proposed Casing and Cementing Program
See Operations Plan attached

24. Authorized by: Rhonda Rogers (Regulatory Technician)

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

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

08-01-07 NMOCD

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

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

Test BOPE minimum 750 psi

HOLD ON FOR directional survey

has drilled
#2102 for BNL

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
JUL 26 PM 4:11

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

RECEIVED ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30288	*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 31739	*Property Name SAN JUAN 28-7 UNIT	*Well Number 255M
*OGRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY	*Elevation 6805'

10 Surface Location

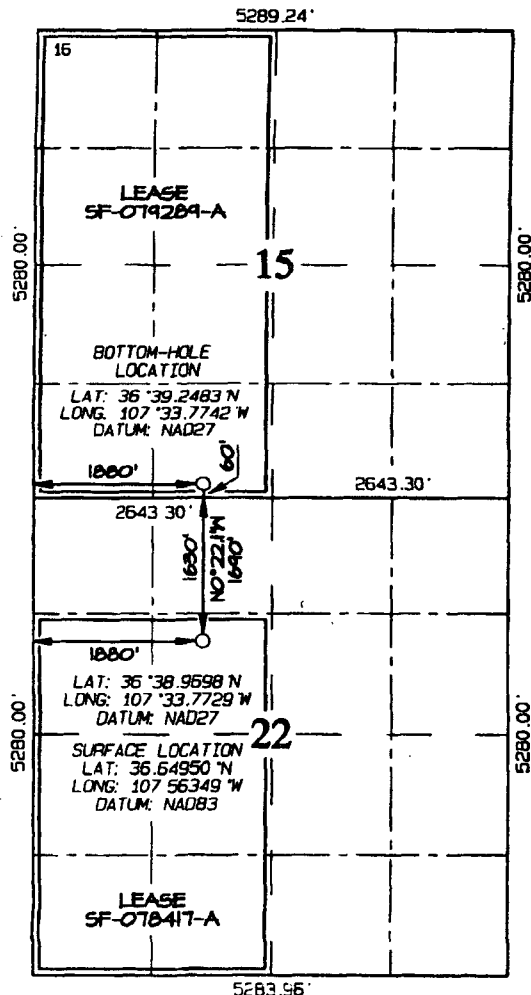
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	22	28N	7W		1630	NORTH	1880	WEST	RIO ARriba

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
N	15	28N	7W		60	SOUTH	1880	WEST	RIO ARriba

*Dedicated Acres 320.0 Acres - (W/2)	*Joint or Infill	*Consolidation Code	*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



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.

Rhonda Rogers 7-6-06
Signature Date

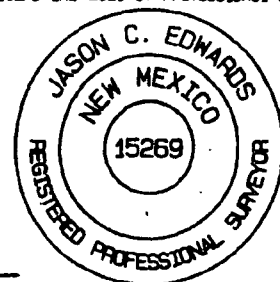
Rhonda Rogers
Printed Name

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 Revised: FEBRUARY 20, 2007
Date of Survey: JULY 6, 2006

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
March 4, 2004

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

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-039-30288
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator ConocoPhillips Company		6. State Oil & Gas Lease No. Federal Lease SF-079289-A
3. Address of Operator P.O. Box 4289, Farmington, NM 87499-4289		7. Lease Name or Unit Agreement Name San Juan 28-7 Unit
4. Well Location Unit Letter <u>F</u> : <u>1630'</u> feet from the <u>North</u> line and <u>1880'</u> feet from the <u>West</u> line Section <u>22</u> Township <u>28N</u> Range <u>7W</u> NMPM Rio Arriba County		8. Well Number #255M
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6805'		9. OGRID Number 217817
		10. Pool name or Wildcat Blanco MV / Basin DK

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Commingle</u>	<input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In reference to Order #R-11363 ConocoPhillips proposed to downhole commingle in the Basin Dakota and Blanco Mesaverde.

Existing perforations are: MV - 5029' - 5978'; DK - 7753' - 7971'

Allocation will be tested.

Commingling will not reduce the value of the remaining production.

The BLM has been notified of our intent.

As referenced in Order R - 10476-B interest owners were not re-notified.

RCVD AUG 07
OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Rhonda Rogers TITLE Regulatory Technician DATE 8-3-07

Type or print name Rhonda Rogers E-mail address: rogersr@conocophillips.com Telephone No. 505-599-4018

(This space for State use)

DHC 2650AZ

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE AUG 07 2007
Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐
SINGLE ZONE ☐ MULTIPLE ZONE ☒

2. NAME OF OPERATOR
Amoco Production Company
Attention: Julie L. Acevedo

3. ADDRESS AND TELEPHONE NO.
P.O. Box 800, Denver, Colorado 80201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 1490 FNL 1800 FWL
At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.
SF-078417-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
San Juan 28-7 Unit

8. FARM OR LEASE NAME, WELL NO.
San Juan 28-7 Unit 220M

9. API WELL NO.
30-039-25398

10. FIELD AND POOL, OR WILDCAT
Blanco Basin Dakota/Mesaverde 72319

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 22
Township 28N Range 7W

12. COUNTY OR PARISH
Rio Arriba

13. STATE
New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
13 miles from Aztec, N.M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)

16. NO. OF ACRES IN LEASE
320

17. NO. OF ACRES ASSIGNED TO THIS WELL
320 W/2 3 20W/2

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
8017'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR., etc.)
6807' GR

22. APPROX. DATE WORK WILL START

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

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	11 3/4"	47#	250'	245 cf CI B W/2% CaCl2 (Cement to surface)
10 5/8"	8 5/8"	24#	3818'	2139' cf CI B (Cement to surface)
7 7/8"	5 1/2"	15.5#	8017'	1244 cf CL B (Cint to surface)

Notice of Staking was submitted on 2/24/94.

Lease Description: T28N-R7W

Sec 18: E/2NW/4

Sec 22: SW/4,S/2NW/4

RECEIVED
APR 28 1994
OIL CON. DIV.
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Sr. Staff Assistant DATE 02-24-1994

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

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:

APPROVED BY

TITLE

AMOCO

*See Instructions On Reverse Side

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 representations as to any matter within its jurisdiction.

APPROVED
AS AMENDED

APR 25 1994

DISTRICT MANAGER

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

54 MAR -2 PM 12:52

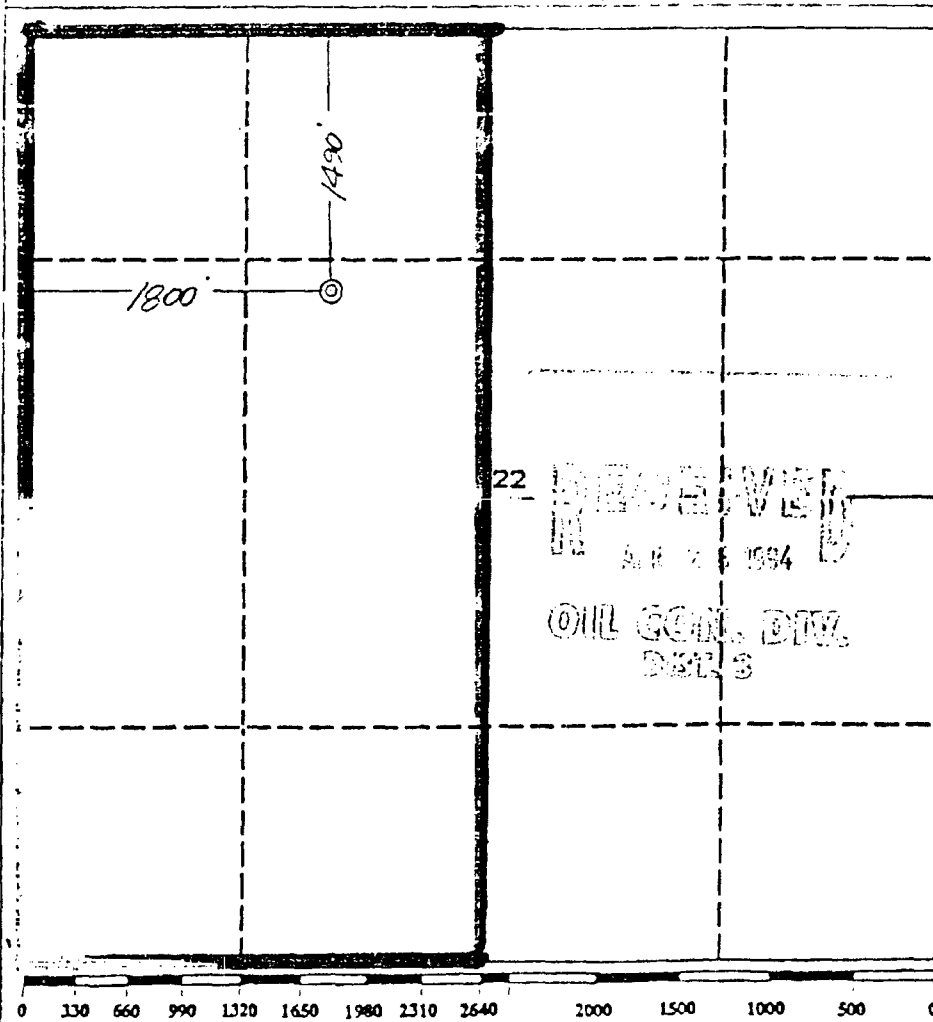
070 FARMINGTON, NM

Operator AMOCO PRODUCTION COMPANY			Lease San Juan 28-7		Well No. #230M
Unit Letter F	Section 22	Township 28 NORTH	Range 7 WEST	County RIO ARriba	
Actual Location of Well: 1490 feet from the NORTH line and 1800 feet from the WEST line					
Ground level Elev. 4807	Producing Formation Basin Dakota		Pool Basin Dakota	Dedicated Acreage: 1/2 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____
No allowance will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a well-standard unit, encompassing such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Julie L. Acevedo
Printed Name
Julie L. Acevedo
Position
Senior Staff Assistant
Company
Amoco Production Company
Date
February 24, 1994

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
October 15, 1993
Signature & Seal of Professional Surveyor
GARY D. VANN
7016
7016

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
P.O. Box 2220, Artesia, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator AMOCO PRODUCTION COMPANY			Lease San Juan 28-7		Well No. R2230M
Unit Letter F	Section 22	Township 28 NORTH	Range 7 WEST	County RIO ARriba	
Actual Footage Location of Well: 1490 feet from the NORTH line and 1800 feet from the WEST line					
Ground level Elev. 6807	Producing Formation Mesaverde		Pool Blanco Mesaverde		Dedicated Acreage: 10/2 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

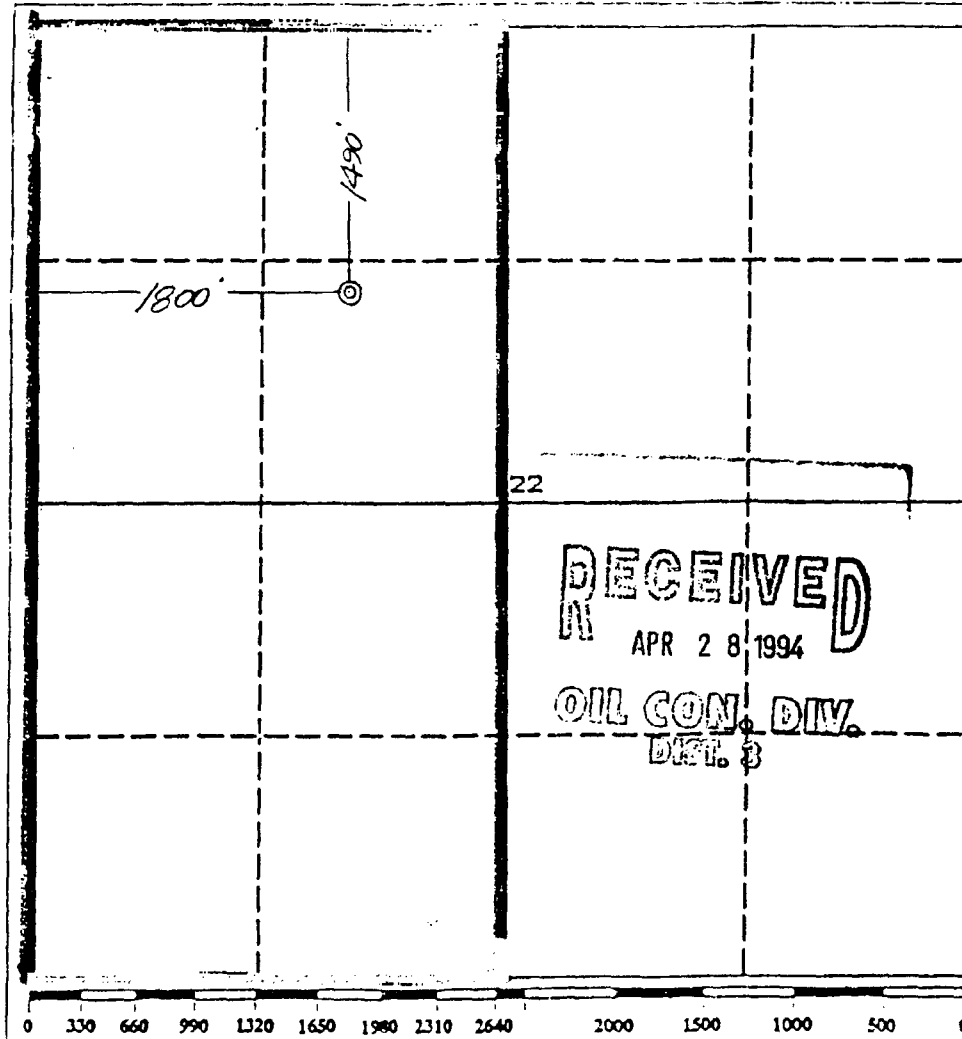
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a good standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

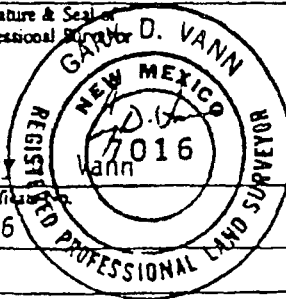
Signature
Julie L. Acevedo
Printed Name
Julie L. Acevedo
Position
Senior Staff Assistant
Company
Amoco Production Company
Date
February 24, 1994

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Date Surveyed
October 15, 1993

Signature & Seal of
Professional Surveyor
GARY D. VANN
7016
Certification
7016





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-1826

Conoco Inc.
10 Desta Drive
Suite 100W
Midland, Texas 79705-4500

Attention: Ms. Kay Maddox

OIL CON. DIV.
JAN 3

San Juan 28-7 Unit No. 220M
API No. 30-039-25398
Unit F, Section 22, Township 28 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools

Dear Ms. Maddox:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blanco-Mesaverde Gas Pool	Oil 95 %	Gas 55 %
Basin-Dakota Gas Pool	Oil 5 %	Gas 45 %

Administrative Order DHC-1826

Conoco Inc.

February 26, 1998

Page 2

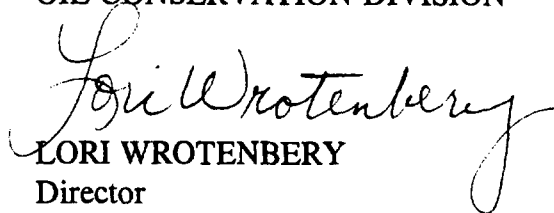
The allocation method established herein may be altered at some time subsequent to initiating downhole commingling operations upon request by the operator and for good cause shown.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 26th day of February, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Aztec /
Bureau of Land Management-Farmington



Legend

- USA SF-079289.shp
- USA SF-078417-A.shp
- USA SF-079289-A.shp



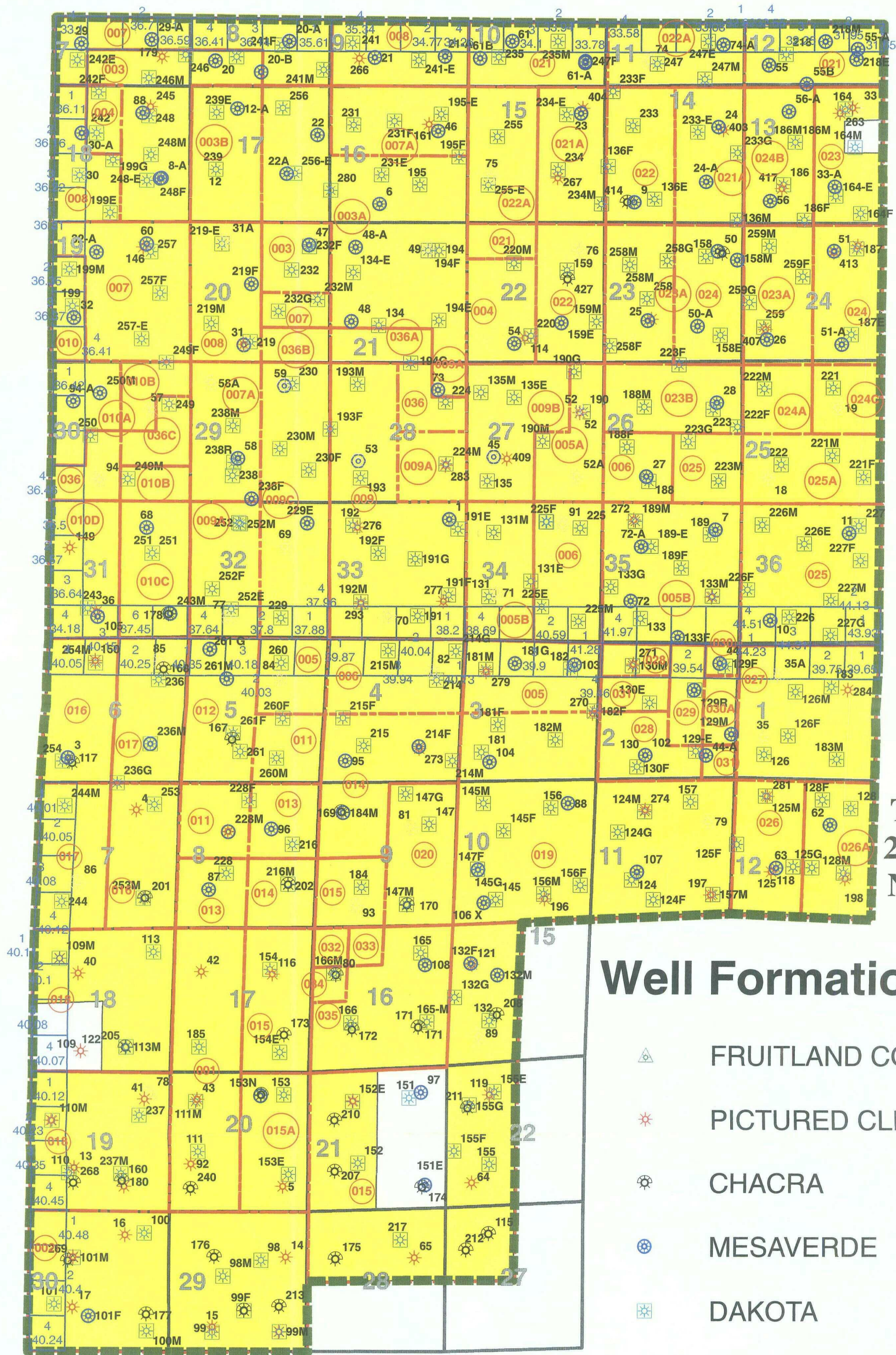
ConocoPhillips
© Unpublished Work, ConocoPhillips



**Township 28 North, Range 7 West
Sections 15, 22
Leases**

Author:	Date:
Compiled by:	Scale: <Scale>
R:\Projects\San Juan Basin Template.mxd	

R7W



Well Formation

- FRUITLAND COAL
- PICTURED CLIFFS
- CHACRA
- MESAVERDE
- DAKOTA

GALLUP

ConocoPhillips

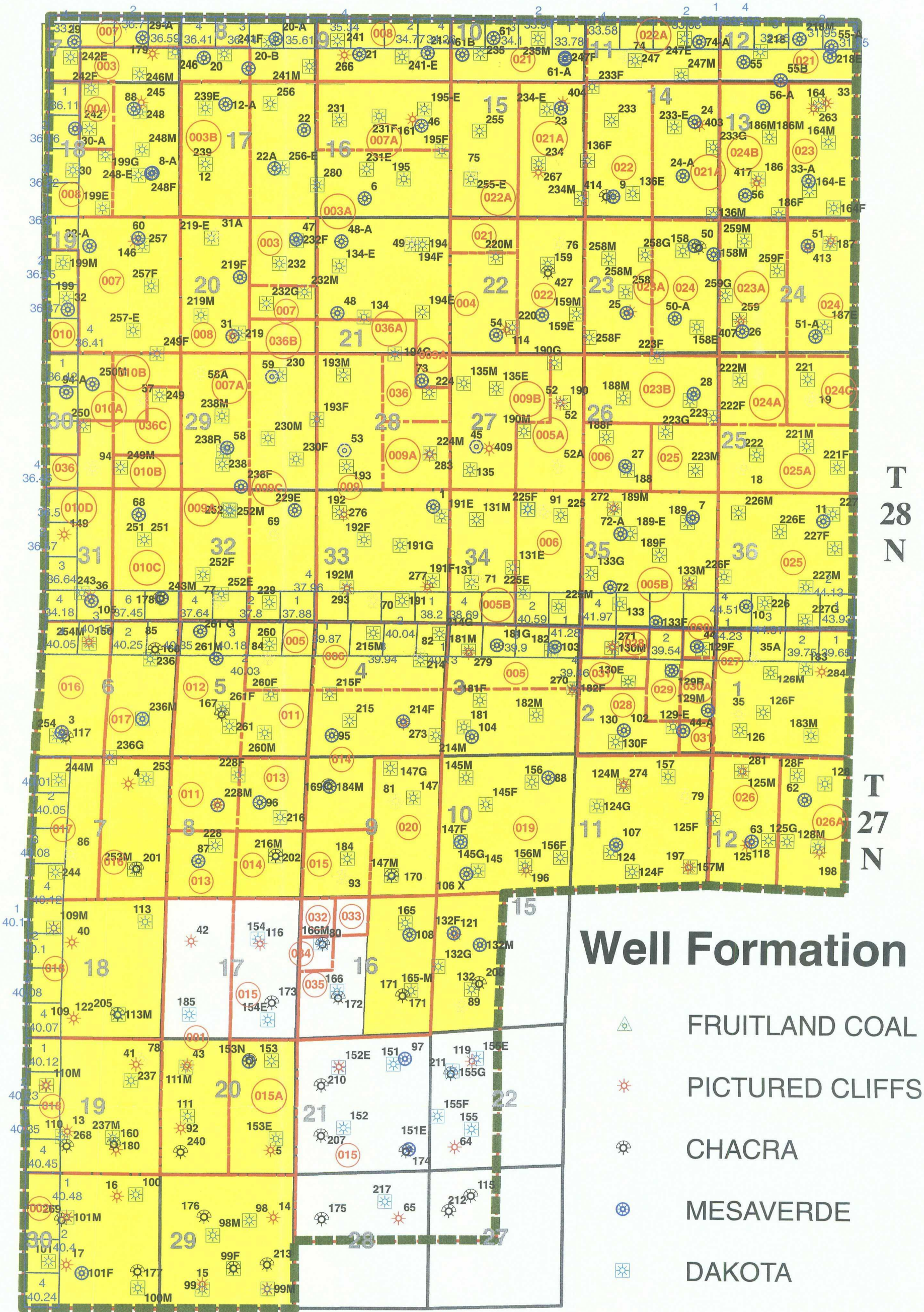
San Juan Business Unit
Farmington, New Mexico
04/2008

San Juan 28-7 Unit

Dakota PA

Approved 27th Expan., Effective 7/1/1975

R7W



ConocoPhillips

San Juan Business Unit
Farmington, New Mexico
04/2008

San Juan 28-7 Unit

Mesaverde PA

Approved 45th Expan., Effective 1/1/2002



3401 East 30th Street
Farmington, NM 87402

Oil and Gas Allocation Procedure

The following procedure will be used to allocate the oil production from the San Juan 28-7 Unit 220M (existing), 220F, 255M, 220G, and 159G.

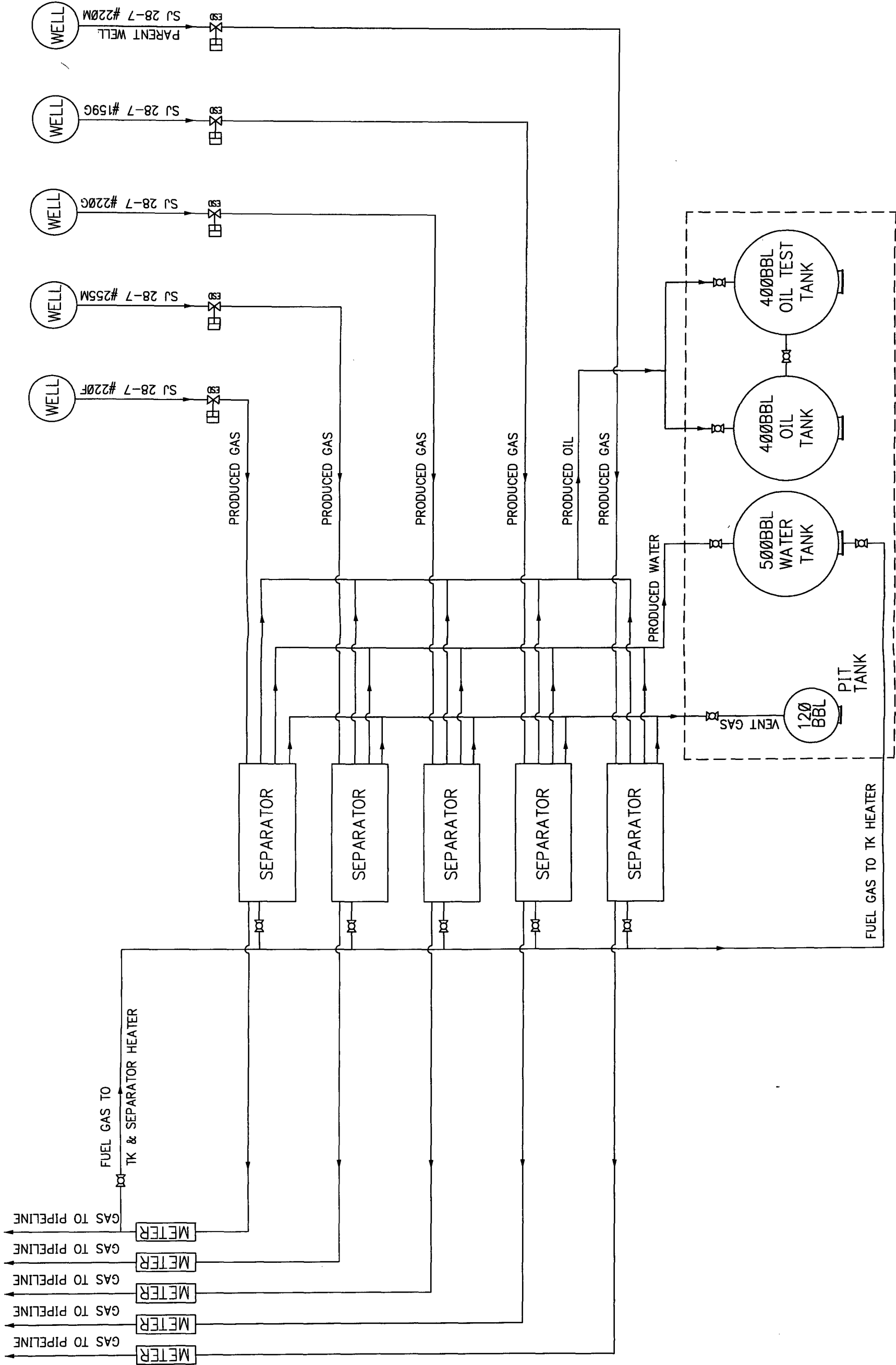
- 1) Produce the four new wells for a minimum of 90 days (stabilization period).
- 2) During the stabilization period, oil production will be allocated to each well equally if both zones are anticipated to produce oil; otherwise all the oil will be allocated only to the zone that is anticipated to produce oil.
- 3) Direct tank measurements will be taken from each of all three new wells for a 24 hour period after stabilization. This will be accomplished by isolating each of the new wells and obtaining direct tank measurements to verify oil production (see attached schematic for isolation clarification). Historic oil production from the existing well (the San Juan 28-7 Unit #220M) will be used.
- 4) The direct measurements will be totaled with the historical production (from the 220M) and the oil production will be allocation based on the percent contribution from each well.

The gas production will be allocated as follows:

- 1) A separator test will be utilized to determine the allocation for each formation within each of the well-bores.
- 2) Each well will be metered downstream of the separator, to determine total production from that well.
- 3) All five wells will be individually metered.

Fuel Gas

Fuel gas for pumping units and separators will be supplied from each individual well prior to the meter.



SJBU SJ 28-7 220F 255M 220G 159G 220M MULTIPLE WELL LOCATION PERMANENT INSTALLATION					ConocoPhillips San Juan Business Unit					REFERENCE DRAWINGS					DESCRIPTION					NO.					DATE					BY					CHK'D					ENG					DISC					PRJ					ISSUED FOR REVIEW					0					REV					DESCRIPTION					NO 744 / 2000 - 87-03-11					CLIENT No.: URAMIN BY-LAR					CLIENT APPL: SCALE: N/A					APPR. DATE: 3/13/08					CREATION DATE: 3/13/08					DWG. NO.: PID-SJ28-XXXX					SHEET NO. REV. 2 of 2				
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- (d) a request to surface commingle this type of production would be made to the Aztec District Office of the Division on Form C-103 (Sundry Notices and Report on Wells); and
- (e) notice would be provided to all interest owners in the wells to be surface commingled.

(20) Burlington has also devised similar methods of production allocation in those instances where: i) two new wells are drilled on a location with no existing well; ii) a new well is drilled on a location that contains multiple existing producing wells; and iii) multiple new wells are drilled on a location with an existing well. A complete description of these allocation methods is attached to this order as Exhibit "A".

(21) Division Rule No. 303.B(4)(a) provides sufficient latitude for the Division to approve Burlington's proposed alternate method of production allocation for this type of surface commingling.

(22) The evidence demonstrates that all of Burlington's various allocation methods are fair, reasonable and should be adopted for this type of surface commingling.

(23) Burlington testified that over the next several years, it has identified approximately 250 twin well projects that are potential candidates for this type of surface commingling.

(24) Burlington's proposal to change the method by which this type of surface commingling is processed and approved or denied by the Division constitutes a major revision to the procedures set forth by Division Rule No. 303.B(4)(d), is beyond the call and notice of this application, does not provide the opportunity for comment or objection by interest owners that may be affected, and should therefore be denied.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Burlington Oil and Gas Company, L.P., is hereby authorized to surface commingle liquids production originating from the Blanco-Pictured Cliffs Pool within the San Juan 29-7 Unit Well No. 191 located 1855 feet from the South line and 1755 feet from the East line (Unit J), and originating from the Blanco-Mesaverde Pool within the San Juan 29-7 Unit Well No. 65A located 1840 feet from the South line and 1760 feet from the East line (Unit J), both in Section 22, Township 29 North Range 7

West, NMPM, Rio Arriba County, New Mexico. Oil production from each of these wells shall be allocated on the basis of a fixed percentage to be determined in accordance with the procedure set forth in Exhibit "A" attached to this order. The centralized tank battery shall be located at the twin well location within the NW/4 SE/4 of Section 22.

(2) The applicant, Burlington Oil and Gas Company, L.P., is hereby further authorized to surface commingle liquids production originating from the South Blanco-Pictured Cliffs Pool within the San Juan 29-7 Unit Well No. 193 located 875 feet from the South line and 785 feet from the East line (Unit P), and originating from the Blanco-Mesaverde Pool within the San Juan 29-7 Unit Well No. 55A located 910 feet from the South line and 790 feet from the East line (Unit P), both in Section 36, Township 29 North Range 7 West, NMPM, Rio Arriba County, New Mexico. Oil production from each of these wells shall be allocated on the basis of a fixed percentage to be determined in accordance with the procedure set forth in Exhibit "A" attached to this order. The centralized tank battery shall be located at the twin well location within the SE/4 SE/4 of Section 36.

(3) Subsequent to determining the fixed allocation percentages for each of the subject well pairs, the applicant shall provide this information to the Division and to each party owning an interest in the production to be commingled.

(4) Pursuant to the provisions of Division Rule No. 303.B(4)(a), the applicant's request to establish an alternate method of production allocation for the commingling of oil production within the San Juan Basin, all as shown on Exhibit "A" attached to this order, is hereby approved.

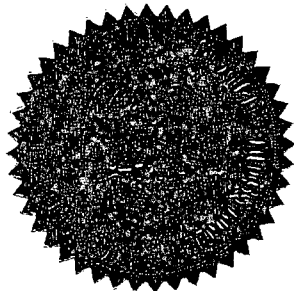
(5) Any operator filing a Form C-107-B (Application for Surface Commingling - Diverse Ownership) and requesting approval to surface commingle oil production within the San Juan Basin may cite this Division order to request an alternate method of production allocation. The Division, upon review of the application, may approve the proposed alternate method of production allocation in lieu of requiring that the production be separately metered prior to commingling.

(6) The applicant's request to establish an approval process for the surface commingling of oil production within the San Juan Basin that would allow the filing of a Division Form C-103 (Sundry Notices and Reports on Wells) instead of a Form C-107-B, is hereby denied.

Case No. 13314
Order No. R-12237
Page -9-

(7) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MARK E. FESMIRE, PE
Director

Exhibit "A" Case No. 13314
Division Order No. R-12237

Two new wells (no existing well) on a location:

1. Produce the new wells for 90 days, (stabilization period)
2. During the stabilization period, oil production will be allocated to each well equally if both zones are anticipated to produce oil, otherwise all the oil will be allocated only to zone which is anticipated to produce oil.
3. Direct measurement for one well for a 24 hour period.
4. Subtract the tested direct measurement from the total oil production of both wells.
5. Future oil allocation will be calculated utilizing above #4 test data creating a percentage ratio for each well.

Existing well with the addition of one new well on location:

1. Determine a daily oil rate (using the last 12 months of production) from the existing well.
2. Produce the new well for 90 days, (stabilization period)
3. During the stabilization period, the oil production will be allocated based upon the subtraction method.
4. The historical production will be subtracted from the total production of both wells.
5. Future oil allocation will be calculated utilizing above #4 test data creating a percentage

Existing multiple wells with the addition of a new well on location:

1. Determine a daily oil rate (using the last 12 months of production) from the existing well.
2. Produce the new well for 90 days (stabilization period)
3. During the stabilization period, oil production will be allocated to the new well based upon the subtraction of the historical oil production from existing wells.
4. The historical production from existing wells will be subtracted from the total production of all wells.
5. Future oil allocation will be calculated utilizing above #4 test data creating a percentage ratio for each well.

Existing well with the addition of multiple new wells on location:

1. Determine a daily oil rate (using the last 12 months of production) from the existing well.

2. Produce the new well for 90 days, (stabilization period).
3. During the stabilization period, oil production will be allocated to each new well equally based upon the subtraction of the historical oil production from existing well if each new well is anticipated to produce oil, otherwise all the oil will be allocated equally only to the new well(s) which are anticipated to produce oil.
4. Direct measurement for each new well for a 24 hour period.
5. Subtract the tested direct measurement from the total oil production from all wells.
6. Future oil allocation will be calculated utilizing above #4 test data creating a percentage ratio for each well.

Note: All allocations for surface commingling of oil production will be in addition to downhole commingling allocations if applicable.