Susana Martinez Governor

David Martin Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey, Division Director Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: 9-25-14Well information; Operator <u>Conoco</u>, Well Name and Number Fogelson 35 # <u>LE</u>

API#<u>30-045-35600</u>, Section<u>35</u>, Township <u>30</u> \mathbb{N} S, Range <u>11</u> \mathbb{E}

Conditions of Approval:

(See the below checked and handwritten conditions)

- Notify Aztec OCD 24hrs prior to casing & cement.
- o Hold C-104 for directional survey & "As Drilled" Plat
- Hold C-104 for NSL, NSP, DHC
- Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84

Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.

Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

NMOCD Approved by Signature

10-29-14

Date

1220 South St. Francis Drive • Santa Fe, New Mexico 87505 Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

Form 3160-3		х I					
(March 2012)							
11. 1		UNITI	FORM APPROVED				
		DEPARTMENT	OMB No. 1004-0137				
			ND MANAGEMENT	· · · · · · · · · · · · · · · · · · ·	Expires: October	31, 2014	
	APPLICA	TION FOR PER	RMIT TO DRILL OR REENTER	5. Lease Seri			
		1 1	SED-9x-3m		SF-0799		
1a. Type of Work							
b. Type of Well:	Oil Well	X Gas Well	Ferrar Cirle 1	· ~			
	Other		Ferringian Finisie Burshu of Lend Linge	7. Unit or CA	Agreement N	Name and No.	
	Other:	······································	······				
2. Name of Operato			_	8. Lease Nan			
3. Addres:	Con	ocoPhillips (Company 3a. Phone No. (include area code)	9. API Well N	Fogelson	35 1E	
	Formington	NIRE 97400	, , ,	19. API Well N		= 2 1 MM	
PO Box 4289			(505) 326-9700 accordance with Federal requirements)*	10. Field and	Pool or Expl	5-35600	
	(report location				anco MV / I		
At surface	Unit P (SES	E), 789' FSL	& 1147' FEL			and Survey or Area	
Lattiude	36.763391	14 (NAD 83)	OIL CONS. DIV DIST. 3	Suf: Sec.	35, T30N,	R11W	
Longitude	107.95552	252 (NAD 83)		BHL: NH/A			
At BHL	N/A		OCT 28 2014	12. County c	r Parish	13. State	
Lattitude	n/a			San	Juan	New Mexico	
Longitude	n/ a						
14. Distance in mile	es from Nearest	Town 1	5. Distance from Proposed Location to	-l	16. Acres in	n Lease	
6 miles fro	n Aztec		Nearest Property or Lease Line: 78	9'		593.53	
17. Acres Assigned	to Well.:	18	3. Distance from Proposed Location to Ne	arest Well,	19. Proposed Depth		
320 - S 1/2	(DK)		Drlg, Compl, or Applied for on this lease	6760'			
316.83 - \$ *			718' from Payne 2 (FC/PC)				
20. Rotary or Cable	10015	. 2	1. Elevations (DF, FT, GR, Etc.)		22. Approx.	Date Work will Start	
Rotary			5850'				
23. Proposed Casir See Operations	ng and Cementi s Plan attached	ng Program					
24. Authorized by:	_ Arles	en Which	tı	9/25	114		
	Arleen White	e (S	Staff Regulatory Tech)	· [Date		
PERMIT NO.		1	APPI	ROVAL DATE			
	CA	$M_{\rm a}$ (strution	
APPROVED BY: _	- 29/	1 aule	elee TITLE AT	۹	DATE	0/24/14	
Archaeological Repo Threatened and End		Report attach		overy unit may o	or may not be	used on this location.	
NOTE: This format is iss			γ u				
			erson knowingly and willfully to make to any de	·	ncy of the Unite	ed States	
•		•		E50085			
Example Mas			Bond Numbers N	IMB-00001	5 and NA	AB-000089 *	
ACTION DOES N OPERATOR FROM AUTHORIZATION	OT RELIEVE M OBTAININC N REQUIRED I	THE LESSEE A ANY OTHER FOR OPERATI	AND				
ON FEDERAL AN	ID INDIAN LA	NDS					
			NMOCD				
This action is subject technical and proce				DRILLING OPP	RATIONS AUTHO	RIZED	
pursuant to 43 CFR					TO COMPLIANC		

appeal pursuant to 43 CFR 3165.4

ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

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11-1-11 State of New Mexico DISTRICT I Form C-102 1625 N. French Dr., Hobbs, N.M. 88240 Energy, Minerals & Natural Resources Department Phone: (575) 393-6161 Fax: (575) 393-0720 Revised August 1, 2011 DISTRICT II Bill S. First St., Artesia, N.M. 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 SEP 25 2014 one copy to appropriate OIL CONSERVATION DIVISION District Office DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410 Phone: (505) 334-8178 Fax: (505) 334-8170 1220 South St. Francis Dr. Fariting for Frid Cilles Santa Fe, N.M. 87505 Euro an of Lending DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, N.M. 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 ···· WELL LOCATION AND ACREAGE DEDICATION PLAT ¹API Number ^aPool Code Pool Name 30-045-35600 72319 / 71599 BLANCO MESA VERDE / BASIN DAKOTA Well Number *Property Code ⁶Property Name 31550 FOGELSON 35 1F OGRID No. ^eOperator Name Elevation 217817 CONOCOPHILLIPS COMPANY 5850 ¹⁰ Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line East/West line Feet from the County LOT 12 789 SOUTH · 1147 Ρ 35 30 N 11 W EAST SAN JUAN ¹¹ Bottom Hole Location If Different From Surface Feet from the North/South line | Feet from the UL or lot no. Section Range Lot Idn Township East/West line County OIL CONS DIV DIST 3 Dedicated Acres 18 Joint or Infill ¹⁴ Consolidation Code 16 Order No. 390 (S I/2) DK 316.83 (S I/2) MV NCT 28 2014 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 S 89°40'22" W 2600.01 N 89°19'04" W 2601.92 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is BEARINGS & DISTANCES true and complete to the best of my knowledge and belief. SHOWN ARE REFERENCED TO and that this organisation either owns a working interest -00'04'23 or unleased mineral interest in the land including the THE NEW MEXICO COORDINATE 8 G.N.=GRID NORTH . 9 20 20 proposed bottom hole location or has a right to drill this SYSTEM, WEST ZONE, NAD 83, 2660. T.N.=TRUE NORTH well at this location pursuant to a contract with an UNLESS OTHERWISE NOTED. 2655. owner of such a mineral or working interest, or to a CONVERGENCE AT voluntary pooling agreement or a compulsory pooling orde LOT 2 (39.85) USA NMSF-079962 (39.99) heretofore entered by the division. ≷ ш 57° ור WOOD UNIT 2R 32' FORREST 1 SECTION 35 Meen .21000 (P&A) 🦄 00°05' WOOD UNIT 2 Signature Arleen White USA NMNM LOT 3 (39.85) LOT 5 (39.75) z Printed Name LOT 4 (39.99) 04601 7 arleen.r.white@conocophillips.com E-mail Address USA NMSF-080469 USA NMSF-079962 SURFACE 18 SURVEYOR CERTIFICATION LAT: 36.7633914° N LONG: 107.9555252° W hereby certify that the well location s LOT 7 (39.76) LOT 8 (39.77) vas plotted from field notes of actual surveys made by m **NAD 83** 96 or under my supervision, and that the same is true and **USA NMNM** LAT: 36°45.80320' N 2652. correct to the best of my belief. FORREST 4 4060I-B 2661 LONG: 107°57.29419' W NAD 27 LOT 6 (39.37) 04/25/2014 ≥ ш LEGEND: Date of Survey ţ, llĽ¢ O = SURFACE LOCATION 45, Signature and Seal FOGELSON PAYNE 2 = FOUND 1969 B.L.M. BRASS CAP 35-1 20 ħ III 000 () = FOUND NAIL & ROCK PILE 1147' USA NMNM စ္စိ ☆ = EXISTING WELL 079962 = POSITION CALCULATED FROM 7 Z 98 WITNESS CORNER LOT 10 (39.76) LOT 12 LOT 11 (39.22) LOT 9 (39.18) 17078 (39.77)N 89°52'54" W 2602.08 Certificate Number S 89°56'15" W 2561.75



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

FOGELSON 35 1E

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DEVELOPMENT

Lease:						AFE #:WA	AN.CDR.	4002			AFE \$:	
Field Name: SAN	JUAN			Rig: 2	016 Pushin	ng Rig		State	: NM	County: SAN JUAN	API #:	
Geologist: Phone			e:		Geophysicist:				Phone:			
Geoscientist: Phone				:	Prod. Engineer:				Phone:			
Res. Engineer: Phone:					Proj. Field Lead: Pho				hone:			
Primary Object	1		Le La State			<u></u>		Ť IŤ	G2			
Zone	Zone											
RON			AVERDE (PR		·····							
FRR BASIN DAKOTA (PRORATED GAS)												
Location: Surfac	cę	S. 83	Datum Co	de: N/	AD 27				a di		Straight Hole	
Latitude:		Longit	ude:		X:		Y:			Section: 35	Range: 011W	
Footage X: 1147	FEL	Footag	je Y: 789 FSI	-	Elevation: 5850		(FT)	Townshi	ip: 030N	l		
Tolerance:												
Location Type: Y	ear Roi	und		Start I	Date (Est.)	: 1/1/2016	Cor	npletion	Date:	Date In C	peration:	
Formation Data:	Assu	me KB :	= 5865	Units =	FT							
Formation Call & Casing Points			Depth (TVD in Ft)	SS (Ft)	MD (Ft)	Depletion (Yes/No)	BHP (PSIG)	внт		Remar	ks	
NACIMIENTO			0	5865			(=-)		Surface	geology		
Surface Casing			200	5665					12-1/4 hole. 200' 9 5/8" 32.3 ppf, H-40, STC casing.			
OJO ALAMO			863	5002	,				Cement	with 112 cuft. Circulate	cement to surface.	
KIRTLAND			986	4879		<u> </u>				······································	······································	
FRUITLAND			1627	4238		<u> </u>		·	Possible	Gas		
PICTURED CLIFFS			2185	3680		<u> </u>	165	103	1000000			
LEWIS			2307	3558						· · · · · · · · · · · · · · · · · · ·		
HUERFANITO BEN	ITONIT	E	2926	2939		<u> </u>		· · ·				
CHACRA			3211	2654		<u> </u>						
UPPER CLIFF HOL	JSE		3779	2086					Gas			
MASSIVE CLIFF H			3869	1996			493		Gas			
MENEFEE			3922	1943								
Intermediate Casi	ng		4072	1793						Hole. 7", 23 ppf, J-55, L t. Circulate cement to su	TC Casing. Cement with	
POINT LOOKOUT			4499	136	5				910 Cui			
MANCOS			4884	981								
UPPER GALLUP	_		5755	110	ł							
GREENHORN			6485	-620)				•			
GRANEROS			6545	-680)							
TWO WELLS			6605	-74()				Gas			
PAGUATE			6655	-790)							
CUBERO			6715	-850)			195	Est bot	tom perf 15' below the te	op of Cubero.	
Total Depth			6760	-89!	5				Cemen		I/L-80, LTC/BTC casing. ement a minimum of 100' 1.	
ENCINAL			6770		5					is 10' from Encinal top.		
Réference We	lls:	19			-		· · · · ·				and the second s	



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

FOGELSON 35	1E		DEVELOPMENT								
Reference Type	Well Name		Comments	и старахи лини и солука старахи и на конструкции и на конструкции и на конструкции и на конструкции и на констр		an a					
Logging Progra	m				. 40 						
Intermediate Log	s: 🔲 Log only i	f show 🔲 GR/ILD	Triple Com	bo							
				<u> </u>							
TD Logs:		nbo 🔄 Dipmeter		nic 🗋 VSP 🗌 TDT 🗹 Othe	r						
	Mud log from	1~100' above the Up	oper Gallup to TD	. Mud loggers will call final TD.							
Additional Inform	nation:			· · ·	· · · · · · · · · · · · · · · · · · ·						
-											
Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks						

Printed on: 9/24/2014 12:54:49 PM

K. All operations will be conducted in such a manner that full compliance is made with the applicable laws and regulations, the Application for Permit to Drill, and applicable Notice(s) to Lessees.

VII. Methods for Handling Waste

A. Cuttings, Drilling Fluids, and Flowback Water - The drill cuttings, drill water and completion fluids will be placed in a lined reserve pit. The pit will be lined with 20m gage pit liner. The reserve pit will be fenced on three sides away from the pad during drilling and the fourth side fenced as soon as the rig moves out. The free fluids will be removed after completion or may be trucked and reused in drilling operations or trucked to an approved disposal facility as indicated in ConocoPhillips Drilling / Workover Pit Closure Procedure dated June 28, 2013 on file at the NMOCD office in Aztec, NM.

B. Garbage and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash container during drilling and completion operations. The accumulated trash will be removed, as needed, and will be disposed of at an authorized sanitary landfill. No trash will be buried or burned on location.

C. Sewage – self-contained, chemical toilets will be provided for human waste disposal. The toilet holding tanks will be pumped, as needed, and the contents thereof disposed of in an approved sewage disposal facility. The toilets will be onsite during all operations.

D. Immediately after drilling and completing activities have ceased, all debris and other waste materials not contained in the trash containers will be cleaned up and removed from the well location.

VIII. Ancillary Facilities

A. The proposed areas and access roads listed below could be utilized for staging of construction, drilling, and completion equipment to facilitate drilling operations. Additionally, staging could occur, within the permitted right-of-way, along the route shown on Sheet B and described on Sheet C. Staging could take place when the rig moves in or off location. Any proposed temporary use area will be returned to same or better condition than before operations began and will comply with the BLM FFO Bare Soil Reclamation Procedures.

CONOCOPHILLIPS COMPANY

FOGELSON 35 1E

789' FSL & 1147' FEL

LATITUDE: 36.7633914° N

LONGITUDE: 107.9555252° W

NAD 83

SECTION 35, T-30-N, R-11-W, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO

FROM THE INTERSECTION OF NEW MEXICO STATE HIGHWAY 516 AND THE U.S. HIGHWAY 550 IN AZTEC, NEW MEXICO.

TRAVEL SOUTHERLY ON U.S. HIGHWAY 550, 4.0 MILES. TURN LEFT ±200' BEFORE REACHING BLOOMFIELD CITY LIMITS SIGN AND TRAVEL NORTHEASTERLY 0.2 MILE. TURN RIGHT AND TRAVEL SOUTHEASTERLY 0.2 MILE. PASSING THROUGH 4-WAY INTERSECTION. CONTINUE SOUTHEASTERLY 0.1 MILE. PASSING CATTLE GUARD. TRAVEL SOUTHEASTERLY 1.0 MILE TO 4-WAY INTERSECTION. CONTINUE SOUTHEASTERLY 0.3 MILE TO PROPOSED ACCESS ROAD LEADING TO FOGELSON 35 1E WELL LOCATION.

SHEET C

United Field Services, Inc. - Project Number: 10743 - 05/01/14- II.S.