UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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	5. Lease Number NMSF-078417 Unit Reporting Number 070 FARMINGTON 6. If Indian, All. or Tribe 7. Unit Agreement Name San Juan 28-7 Unit 8. Farm or Lease Name
3. Address & Phone No. of Operator	San Juan 28-7 Unit
3. Address & Phone No. of Operator	San Juan 28-7 Unit
. Address & Phone No. of Operator	
	8. Farm or Lease Name
(505) 326-9700	9. Well Number #20B
Location of Well Unit N (SESW), 515' FSL & 2615' FWL	10. Field, Pool, Wildcat Blanco MV
Latitude 36° 66985'N Longitude 107° 59698'W	11. Sec., Twn, Rge, Mer. (NMPM) N Sec. 8, T28N, R07W
hongitude 10/~ 59698/w	API # 30-039-29951
4. Distance in Miles from Nearest Town	12. County 13. State Rio Arria NM
5. Distance from Proposed Location to Nearest Property or Lea	ase Line
6. Acres in Lease	17. Acres Assigned to Well MV 304.04 whole section
8. Distance from Proposed Location to Nearest Well, Drlg, Cor	mpl, or Applied for on this Lease
9. Proposed Depth 5781'	20. Rotary or Cable Tools Rotary
1. Elevations (DF, FT, GR, Etc.) 6625' GL	22. Approx. Date Work will Start
3. Proposed Casing and Cementing Program See Operations Plan attached	
4. Authorized by: Sr. Regulatory Analyst	6/8/06 Date
PERMIT NO. APPROV	VAL DATE
APPROVED BY SHAME OF TITLE	154 DATE 7/20/06

Archaeological Report attached

Enviromental Assessment is 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.

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

District II PO Drawer DD. 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

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

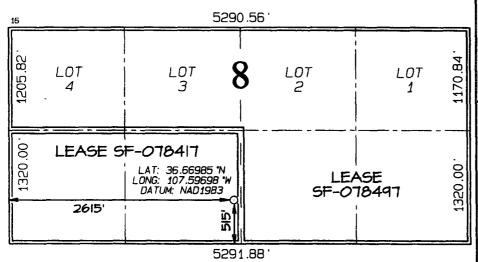
AMENDED REPORT

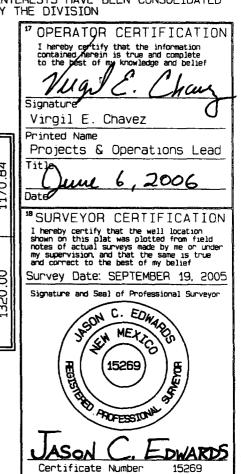
WELL LOCATION AND ACREAGE DEDICATION PLAT

30-039-29951	72319	BLANCO MESAVERDE				
*Property Code 31739	*Prope SAN JUAN	Well Number 20B				
'OGRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY					
UL or lot no. Section Township	10 Sunface	C Location	ine County			

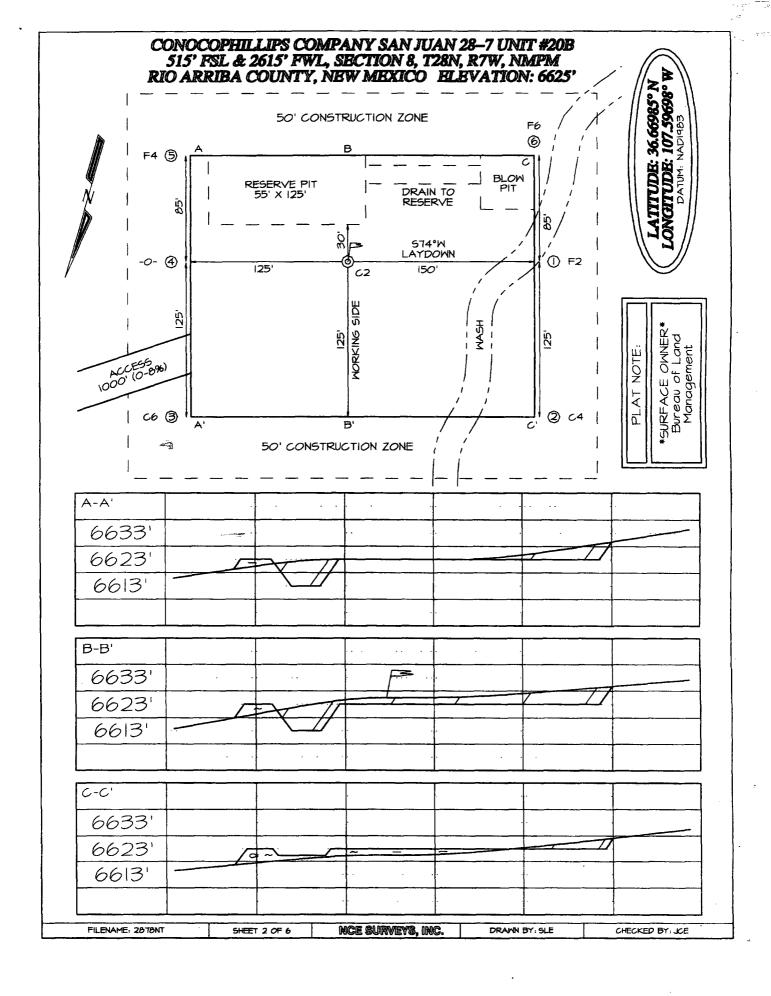
RIO 515 **SOUTH** 8 28N 7W 2615 WEST Ν ARRIBA ¹¹Bottom Hole Location If Different From Surface UL or lot no. Lot Idn North/South line County ¹⁹Joint or Infill ¹² Dedicated Acres ⁴ Consolidation Code Order No. 304.04 Acres Entire Section

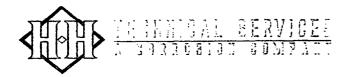
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





Submit 3 Copies To Appropriate District Office	State of New Mexico		Form C-103		
District I	Energy, Minerals and Natural Resou	rces	May 27, 2004		
1625 N. French Dr., Hobbs, NM 88240 District II		WELL API NO.	0-039- 2995		
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISI	ON 5. Indicate Type of Lease			
District III	1220 South St. Francis Dr.	STATE	FEE		
1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u>	Santa Fe, NM 87505	6. State Oil & Gas Lease I Federal Leas	No. se SF-078417		
1220 S. St. Francis Dr., Santa Fe, NM 8750					
1 · · · · · · · · · · · · · · · · · · ·	ES AND REPORTS ON WELLS TO DRILL OR TO DEEPEN OR PLUG BACK TO A	7. Lease Name or Unit Agr	reement Name		
DIFFERENT RESERVOIR. USE "APPLICATION	N FOR PERMIT" (FORM C-101) FOR SUCH	San Juan	San Juan 28-7 Unit		
PROPOSALS.) 1. Type of Well:		8. Well Number	8. Well Number		
Oil Well Gas Well X	Other	#2	#20B		
2. Name of Operator	coPhillips Company	9. OGRID Number	7817		
3. Address of Operator		10. Pool name or Wildcat	017		
3401 E. 30TH STRE 4. Well Location	EET, FARMINGTON, NM 87402	Blanco N	Mesaverde		
	15 feet from the South line a	nd feet from the _	West line		
Section 8	Township 28N Rng Elevation (Show whether DR, RKB, RT, GR, etc.		inty Rio Arriba		
	devation (Snow whether DR, RRB, R1, GR, etc. 6625' GL				
Pit or Below-grade Tank Application	or Closure		1200		
Pit type New Drill Depth to Groundwa					
Pit Liner Thickness: 12	mil Below-Grade Tank: Volume	bbls; Construction Mat			
	appropriate Box to Indicate Nature o	-			
NOTICE OF IN		SUBSEQUENT REF	ALTERING CASING		
TEMPORARILY ABANDON		MENCE DRILLING OPNS.	P AND A		
PULL OR ALTER CASING	MULTIPLE COMPL CAS	ING/CEMENT JOB			
OTHER: New I	Drill X OTH	ER:			
	d operations. (Clearly state all pertinent details				
or recompletion.	SEE RULE 1103. For Multiple Completions:	Attach wendore diagram of propo	ised completion		
We are constructing Drilling and wor	kover pits as per our General plan on file with	he OCD dated June 2005 and we a	re closing all pits as per the		
November 1, 2004 Guidelines. Pleas	e be sure to include this language on all pit NO	I's and C-144's.			
I hereby certify that the information abo	ve is true and complete to the best of my know	edge and helief. I further certify that	any nit or helow-		
1/ } , /	ed according to NMOCD guidelines, a general peri	ut [A] or an (attached) afternative OC			
STONE STATE !	The true	_	CD-approved plan .		
SIGNATURE Fatsy (according to NMOCD guidelines, a general period, TITLE	Sr. Regulatory Analyst			
Type or print name Patsy	lugtm TITLE_	_	DATE 6/8/2006 No. 505-326-9518		
	Clugston E-mail address: plclu	Sr. Regulatory Analyst gston@br-inc.com Telephone N	DATE 6/8/2006 No. 505-326-9518		
Type or print name For State Use Only APPPROVED BY	lugtm TITLE	Sr. Regulatory Analyst	DATE 6/8/2006 No. 505-326-9518		
Type or print name Patsy For State Use Only	Clugston E-mail address: plclu	Sr. Regulatory Analyst gston@br-inc.com Telephone N	DATE 6/8/2006 No. 505-326-9518		





CATHODIC PROTECTION PLAN FOR NEW WELLS

ELL NAME 51.	78-7#20B		LEGA	LS N-8-28-7	COUNTY	R.A.	
JRPOSED C.P. S	SYSYTEM: L	PRILL G.B \$ 51	ET RECT P. 1 ·C. FROM	AST LOGE OF LE U.G.A.C. ON	C. RENLA ROW. NOR	10200 *8NI	EG FRO
I		Ac. 7 Row.		TAP WTO AT	<u>*Poj</u> 0-"-	511-CD-N-	` `
	<i>01</i> · 10			TAP DAC	5.J.28-7:		`
ं ऋषु	ā	_	\ //	/// \.	J.J.28-71	- — /	
		£					
	80.	2.9.					
SITEMS WELLHEAD MET	ER HOUSE	G.B.	POWER SOURCE	CABLE	KESNI WEST.	ONERHEAD A.C.	_
OMMENTS:							
EAREST POWE		U-6-A-C-			_ DISTANC	E: 1450'	
ECHNICIAN 5	di gly			DATE: 4	906		
	U	S CD SA	12 BL OOM	IFI D N M 874	13		

6 CR 5412 BLOOMFIELD, N.M. 87413 OFFICE: 505-634-0271 CELL: 505-793-6953



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 28-7 20B

Lease:				. Al	 FE #:						AFE	« -
Field Name: 28-7		Pin•	H&P 28				State:	NM C	County: RIO Al	PRIRA	API	
	or Town!				CE30	Drod I				KKIDA		
Geoscientist: Glas				l) 293 - (Engineer:		not, Jessie C	<u> </u>		+1 832-486-3483
Res. Engineer: Joh Primary Objectiv	The state of the s	Pnor	e: (832	2)-486-23	547	Proj. F	ield Lead:	Franse	en, Eric E.		Phone:	
Zone	Zone Name											
R20002	MESAVERDE(R20	0002)										
Location: Surface		um Code: N										traight Hole
Latitude: 36.66985		-107.596980	+			Y:			Section: 8		Ra	ange: 7W
Footage X: 2615 F	WL Footage Y:	515 FSL	Eleva	tion: 662	25 (FT)	Township:	28N				
Tolerance:												
Location Type: Yea	ar Round	Start	Date (f	≣st.):		Con	pletion Da	ate:		Date In	Operation	on:
Formation Data:												
Formation Call & Casing Points		Depth SS D in Ft) (F		epletion es/No)	BHP (PSIG)	внт			R	Remarks	i	
Surface Casing		216 642	25				12-1/4 ho to surface		5/8" 32.3 ppf,	H-40, S	TC casin	g. Circulate ceme
NCMT	;	1141550	10									
CJAM		2341 430	0				Possible 1	water flo	ows.			
KRLD	:	2491 41!	50									
FRLD	;	3021 362	20				Possible (gas.				
PCCF	;	3286 33!	55									
LEWS	;	3486 31!	55									
Intermediate Casing	9 :	3586 30	55				8 3/4" Ho surface.	ole. 7",	20 ppf, J-55,	STC Ca	sing. Ci	rculate cement to
CHRA		4231 24:	.0									-
CLFH		4931 17:	.0				Gas; pos	sibly we	et .			•
MENF	!	5086 15	55				Gas.					
PTLK	!	5481 110	50				Gas					
MNCS	:	5731 91	0									
TOTAL DEPTH MV	!	5781 86	0				of 100' in	iside the		sing stri		cement a minimum open hole logs.
Reference Wells							Caseu III	AC IDI	MILLI OK W SU	HIGUE.		
	Well Name		Со	mments								
Logging Program	u:											
Intermediate Logs		how GR/	ILD [] Triple	Combo							
										-		
TD Logs:	Trinle Comb	o 🔲 Dipme	her 🗆	RFT [] Sonic [7 ver	TOT	· · · · · · · · · · · · · · · · · · ·				
······································			<u>~</u>				الاا ب					<u> </u>
Additional Informa	ition:						-					<u> </u>
las Tres	Stere	Energy (PA)	T	To ITA		To -:	T 51		1 ===			
Log Type	Stage	From (Ft)	ì	To (Ft)		1001	Type/Nan	rie	Rema	arks		

Printed on: 6/8/2006 8:43:20 AM

p. Strength 475 psi 1375 psi	Comp. Strength irs 100 psi hrs 443 psi	Comp. Strength hrs 1850 psi hrs 3411 psi nder	
Comp. Strength 8 hrs 475 psi 24 hrs 1375 psi	Comp. St 3 hrs 100 24 hrs 443	Comp. Stre 24 hrs 1850 48 hrs 3411 t t t	
Option 3 65 sx 18.6 bbls 104.3 cuft 1.61 ft ³ /sx 14.5 ppg 7.41 gal/sx Type I-II Ready Mix + 20% Fly Ash	392 sx 392 sx 183.7 bbls 1031.3 cuft 2.63 ft ³ /sx 11.7 ppg 15.92 gal/sx Class G Cement + 3% D079 Extender + 0.20% D046 Antifoam + 1.0 lb/bbl CemNet	Option 3 218 sx 224 hrs 24 hrs 24 hrs 24 hrs 24 hrs 1.28 gr ³ /sx 1.28 gr ³ /sx 1.26 gal/sx 50/50 poz. Class G cement + 2% DO20 Bentonite + 5.0 lb/sx DO24 Gilsonite Extender + 2% SO01 Calcium Chloride + 0.1% DO46 Antithamer + 0.1% DO46 Antithamer + 0.1% DO46 CemNet	
ength psi psi	ength psi psi	ength psi 0 psi 9 psi	ength psi 6 psi 0 psi
Comp. Strength rs 250 ps rs 500 ps	Comp. Strength 1:47 hrs 50 ps 12 hrs 350 ps 24 hrs 450 ps	Comp. Strength 5 50 ps 6 50 ps hrs 1250 ps hrs 1819 ps	Comp. Strength 2 50 ps hrs 500 ps 29 1026 ps hrs 2300 ps rr
6 4 8	42 T 2 4 2 4 2 4 4 4 4 4 4 4 4 4 4 4 4 4	8844	8.4 8.4
Option 2 143 sx 30.8 bbls 172.9 cuft 1.21 ft ³ (sx 15.6 ppg 5.29 gal/sx Standard Coment + 3% Calcium Chloride + 0.25 lb/sx Flocele	Option 2 397 sx 397 sx 183.7 bbls 1031.3 cuft 2.60 ft²lsx 11.5 ppg 14.62 gal/sx Type III Ashgrove Cement + 30 lb/sx San Juan Poz + 3% Bentonite + 5.0 lb/sx Phenoseal	210 sx 210 sx 49.7 bbls 279.2 cuff 4 1.33 ff sx 11.35 ppg 5.52 gallsx 50/50 poz: Standard Cement + 2% Bentonite + 6.0 lb/sx Phenoseal	249 sx Com 249 sx Com 64.4 bbis 9:32 361.3 cuft 12 hrs 1.45 ft²/sx 13:29 13.1 ppg 24 hrs 6.55 gal/sx 50/50 Poz. Standard Cernent + 3% Bentonite + 0.2% CFR-3 Friction Reducer + 0.1% HR-5 Retarder + 0.1% HR-5 Retarder + 0.8% Hallad-9 Fluid Loss Additive + 3.5 lb/sx Phenoseel
ength psi psi	ength psi psi	ength psi psi	ength psi
Comp. Strength rs 250 psi rs 500 psi psi Plakes	Comp. Strength irs 300 psi hrs 525 psi	Comp. Strength 3 500 psi 3 500 psi hrs 3170 psi hrs 5399 psi hrs 5399 psi nder	Comp. Strength is 500 psi hrs 2100 psi hrs 2100 psi hrs Elakes
Co 6 hrs 8 hrs oride	Con 9 hrs 48 hrs	Con 3:53 8:22 24 hrs 48 hrs 48 hrs hent Flaki hane Flaki e Extendel	Cor 7 hrs 24 hrs 24 hrs 14 hrane Flak thane Flak thane Flak
SURFACE: Option 1 148 sx Comp. 30.8 bbs 6 hrs 2: 172.9 cuff 8 hrs 54 1.17 ft ³ (sx 15.8 ppg 4.973 gal(sx Class G Cement + 3% S001 Calcium Chloride + 0.25 blxx D029 Cellophane Flakes	INTERMEDIATE LEAD:	INTERMEDIATE TAIL:	251 sx Comp 64.4 bbls 7 hrs 5 361.3 cuft 24 hrs 5 361.3 cuft 24 hrs 2 1.44 ft³/sx 13.0 ppg 6.47 gal/sx 50/56 Pcz. Class G Cement + 0.25 lb/sx D029 Cellophane Flakes + 3.0 D020 Bentonite + 1.0 lb/sx D024 Gilsonite Extender + 0.25% D056 Dispersant + 0.1% D040 Antifoamer + 0.1% D046 Antifoamer + 3.5 lb/sx Phenoseal
12.26 ° 9.625 ° 9.03 ° 9.33 prf H.40 ° 125 %	8.75 " 7 " 6.456 " 20 ppf 1-55 150 %	6.25 " 4.5 " 4.052 "	% 09
HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS:	HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS: TAIL:	HOLE: CSG OD: CSG ID: WGT:	DEPTH:
		and the second of the second	
			haran an

	Comp. Strength 10:56 500 psi 42 hrs 1012 psi	ass G Cement lophane Flakes Im		
ं व्य	Option 5 491 sx 183.7 bbls 1031.3 bbls 2.10 f ² /sx 11.7 ppg 11.724 galfsx	75% Type XI 125% Class G Cement + 0.25 lb/sx D029 Cellophane Flakes + 3% D079 Extender + 0.20% D046 Antifoam		
. 	es exemples			
	rength isq isd			
	Comp. Strength 1:47 50 psi 12 hrs 350 psi 24 hrs 450 psi			
<u>SURFACE:</u>	INTERMEDIATE LEAD:	Standard Cement + 3% Econolite (Extender) + 10 tb/sx Phenoseal	INTERMEDIATE TAIL:	PRODUCTION:
12.25 ° 9.625 ° 9.625 ° 9.001 ° 32.3 ppf H40 125 %	8.75 " 6.456 "	20 ppf J-55 150 % 777.2		6.25 " 4.65 " 4.052 ppf 10.5 ppf J-55 50 %
HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS:	10LE: \$6 0D:	WGT: GRADE: EXCESS: TAIL: DEPTH:		HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS:

TOPSET FRUITLAND COAL Wells: (topset casing above coal to prepare for cavitation/DO/UR)

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist/nitrogen drilling media with foamer, polymer, & corrosion inhibitor as needed

Centralizer Program:

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, &

10th joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

CASE & FRAC FRUITLAND COAL Wells: (casing set below coal to prepare for frac completion)

Drilling Mud Program:

Surface: spud mud

Production: fresh water mud with bentonite and polymer as needed

Centralizer Program:

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints Production: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, 8th,

10" joints

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

MESA VERDE Vells:

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist drilling media with foamer, polymer, & corrosion inhibitor as needed

Centralizer Program:

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3'd, & 4th joints Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, 8th,

10th joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

DAKOTA Wells:

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist/nitrogen drilling media with foamer, polymer, & corrosion inhibitor as needed

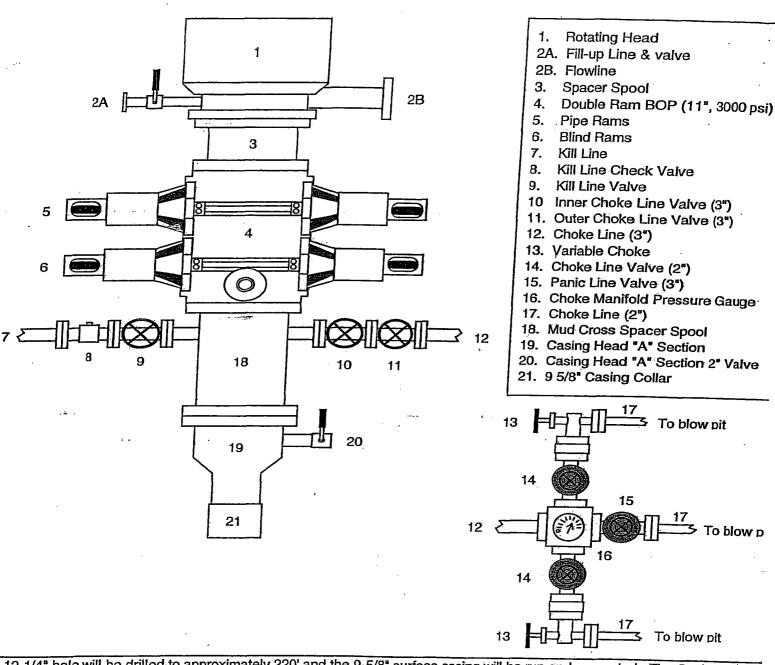
Centralizer Program:

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, &

10th joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing

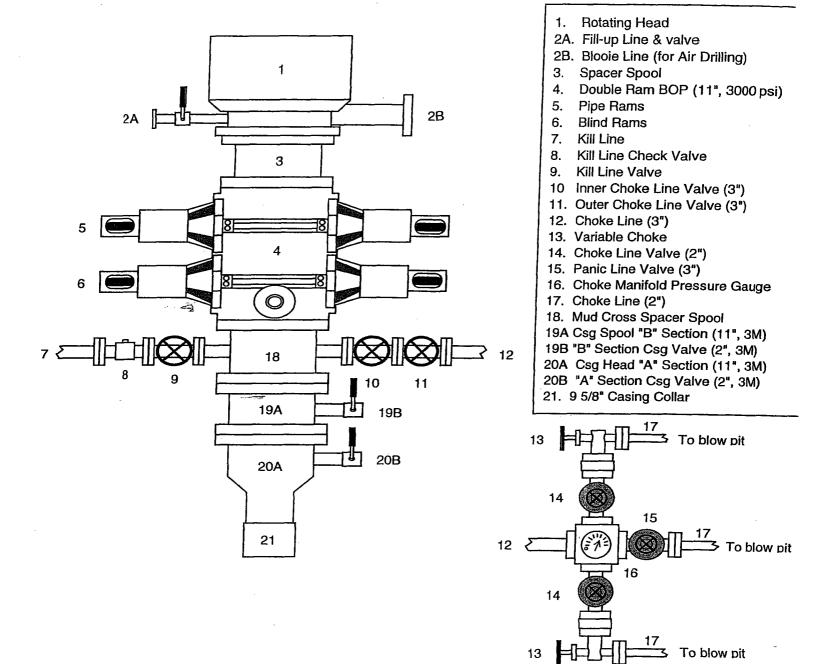


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 minutes and to 1000 psi (high pressure test) for 10 minutes. Then the test plug will be removed, and the 9-5/8" casing will be pressure tested against closed blind rams to 200 psi to 300 psi for 10 minutes and to 1000 psi for 30 ninutes (this value is one 44% of the minimum internal yield pressure of the 9-5/8" casing). (Note: per regulatory equirements we will wait on cement at least 8 hrs after placement before testing the 9-5/8" surface casing). Then an 8-3/4" note will be drilled to intermediate casing point and 7" intermediate casing will be run and cemented.

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

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



After the 7" intermediate casing has been run and cemented, the Casing Spool ("B" Section) will be installed on the wellhead ("A" Section) and the BOP will be installed on the Casing Spool. A test plug will be set in the wellhead and the pipe rams, blind rams, and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 minutes and to 3000 psi (high pressure test) for 10 minutes. Then the test plug will be removed and the 7" casing will be pressure tested against closed blind rams to 200 psi to 300 psi for 10 minutes and to 1800 psi for 30 minutes - this test pressure is 48% of the minimum internal yield strength of 3740 psi for the 7", 20#, J-55, STC casing. Then we will air drill the 6-1/4" hole to TD and run and cement the 4-1/2" casing.

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

- 1. Upper Kelly cock Valve with handle
- 2. Stab-in TIW valve for all drillstrings in use