Fonn 3160-3
(February 2005)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2006 APR 4 AM 10 1[illegible]
RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
SF-078284

6. If Indian, Allotee or Tribe Name

Ia. Type of work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
NMNM-078416B-DK NMNM078414A-MV

Ib. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
SAN JUAN 29-6 UNIT #76F

2. Name of Operator
ConocoPhillips Company

9. API Well No.
30-039-29866

3a. Address
4001 Penbrook, Odessa, TX 79762

3b. Phone No. *(include area code)*
432-368-1230

10. Field and Pool, or Exploratory
BLANCO MESAVERDE / BASIN DAKOTA

4. Location of Well *(Report location clearly and in accordance with any State requirements, *)*
At surface NWSW 1885 FSL - 1100 FWL
At proposed prod. zone NWSW 2100 FSL - 500 FWL

11. Sec., T. R. M. or Blk. and Survey or Area
SECTION 23, T29N, R6W NMPM
L

14. Distance in miles and direction from nearest town or post office*

12. County or Parish
RIO ARRIBA

13. State
NM

15, Distance from proposed* location to nearest propery or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
	1273.24 ACRES	MV & DK - 320.0 ACRES - W/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
	8103' TVD	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22 Approximate date work will start*	23. Estimated duration
6697' GL		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM~

25. Signature	Name *(Printed/Typed)*	Date
Peggy James	Peggy James	4/03/2006

Title
Senior Associate

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ Duane W. Spencer		9/14/06

Title
AFM

Office
FFO

Application approval does not warrant or certify that the applicant holds legal orequitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its juris iction.

*(Instructions on page 2)

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

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

PA
HOLD C104 FOR directional survey

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

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

NMOCD

3

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

2006 APR 4 AM 10 11 ☐ AMENDED REPORT

RECEIVED
070 FARMINGTON NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-039-29866	72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA

4 Property Code	5 Property Name	6 Well Number
31326	SAN JUAN 29-6 UNIT	76F

7 OGRID No.	8 Operator Name	9 Elevation
217817	CONOCOPHILLIPS COMPANY	6697'

10 Surface Location

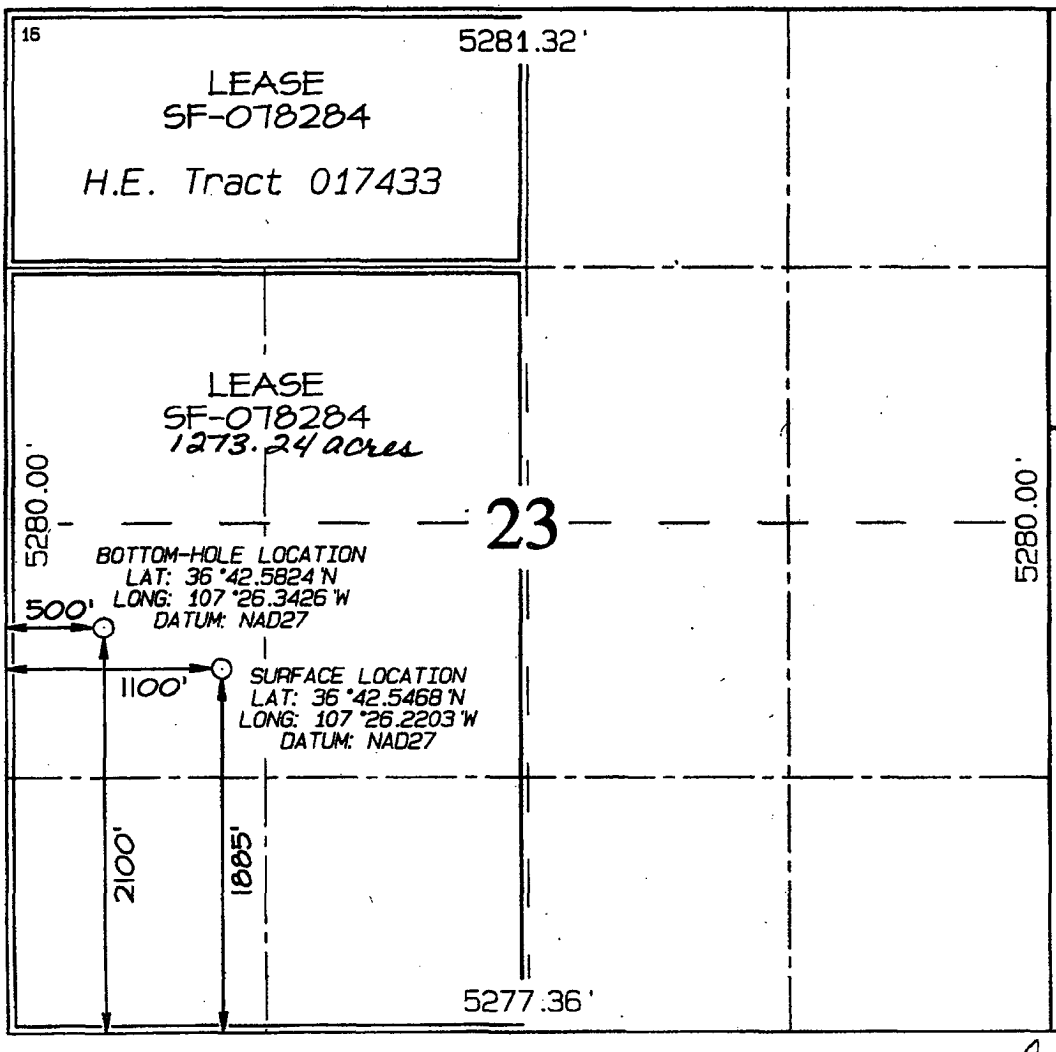
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	23	29N	6W		1885	SOUTH	1100	WEST	RIO ARRIBA

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	23	29N	6W		2100	SOUTH	500	WEST	RIO ARRIBA

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



17 OPERATOR CERTIFICATION

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

Virgil E. Chavez
Signature

Virgil E. Chavez
Printed Name

Projects & Operations Lead
Title

December 27, 2005
Date

18 SURVEYOR CERTIFICATION

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

Survey Date: OCTOBER 28, 2005

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
Certificate Number 15269

8

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District 11
1301 W. Grand Ave., Artesia, NM 882 1 0
District III
I 000 Rio Brazos Rd., Aztec, NM 8741 0
District IV
1220 S. St. Francis Dr., Santa I e, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Fonn C- 1 03
May 27, 2004

WELL API NO. 30-039-29860
5. Indicate Type of Lease STATE ☐ FEE ☐
6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: SAN JUAN 29-6
1. Type of Well: Oil Well ☐ Gas Well ☒ Other
8. Well Number: 76F
2. Name of Operator: ConocoPhillips Company
9. OGRID Number: 217817
3. Address of Operator: 4001 Penbrook, Odessa, TX 79762
I 0. Pool name or Wildcat: BLANCO MESAVERDE / BASIN DAKOTA

4. Well Location
Unit Letter L 1885 feet from the SOUTH line and 1100 feet from the WEST line
Section 23 Township 29N Range 6W NMPM RIO ARRIBA County

I 1. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6697' GL

Pit or Below -grade Tank Application ☒ Closure ☐
Pit type DRILL Depth to Groundwater 90' >100 Distance from nearest fresh water well ~~3261'~~ >1000 Distance from nearest surface water 475'
Liner Thickness: 12 mil Below-Grade Tank: Volume: 4400 bbls; Construction Material: Synthetic

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
OTHER: ☐		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 I 1 03. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The pit will be constructed and closed in accordance with Rule 50 and as per COPC June 2005 General Pit Plan on file with the NMOCD.. See the attached diagram that details the location of the pit in reference to the proposed wellhead. The drill pit will be lined. The drill pit will be closed after the well has been completed

I hereby certify that the information above is true and complete to the best of rny knowledge and belief. I further certify that anv 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 Peggy James TITLE Senior Associate DATE 4/03/2006

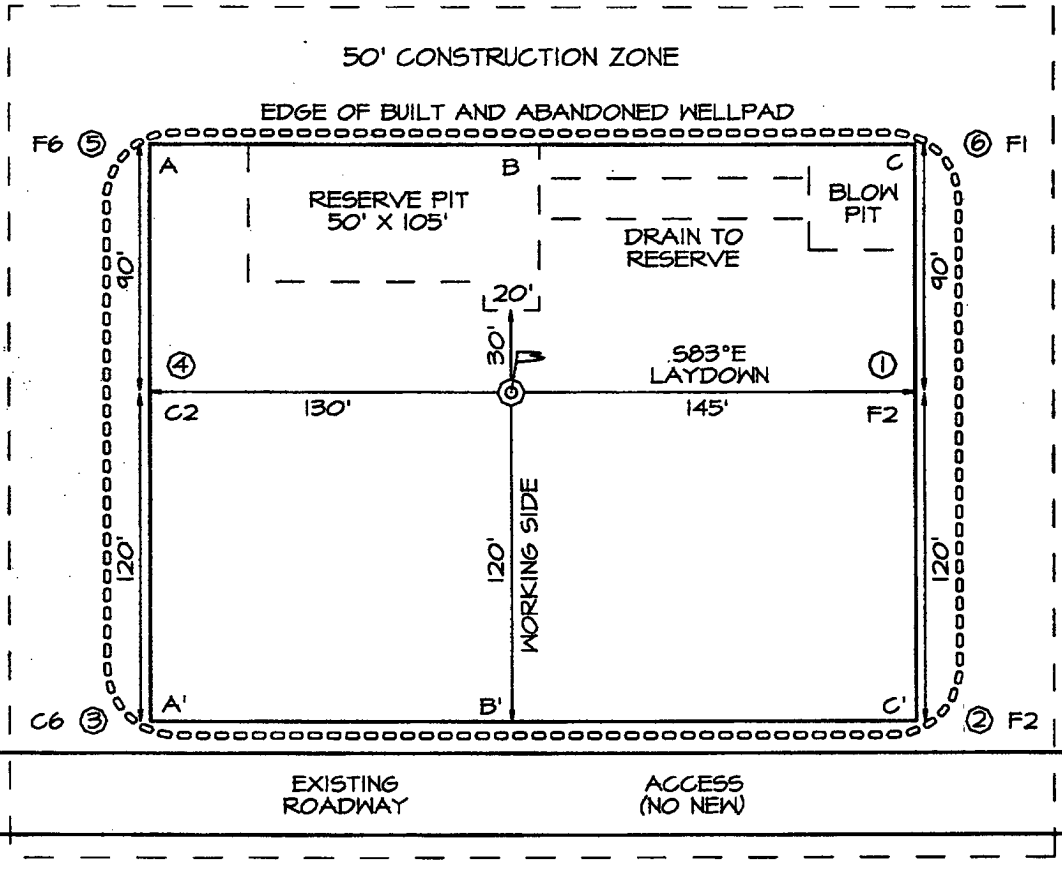
Type or print name E-mail address peggy.s.james@conocophillips.com: Telephone No.: (432)368-1230

For State Use Onlv

APPROVED BY: TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE SEP 18 2006
Conditions of Approval (if any):

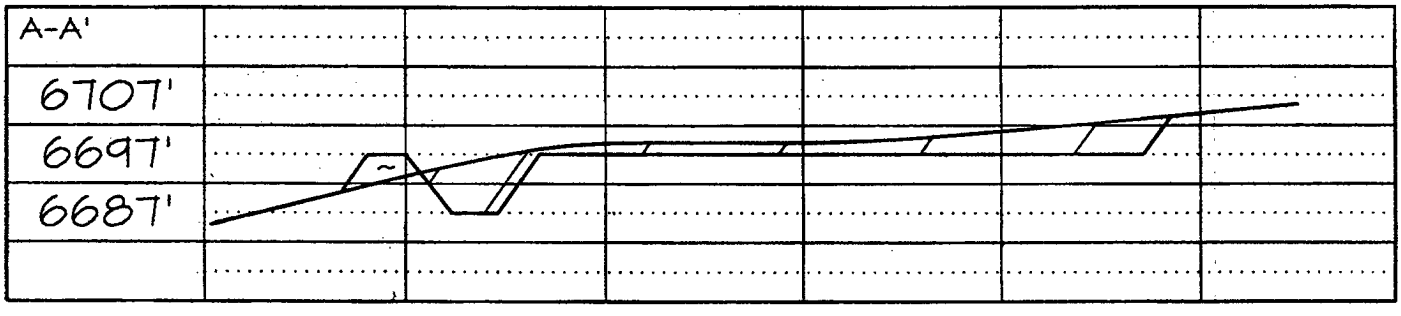
CONOCOPHILLIPS COMPANY SAN JUAN 29-6 UNIT #76F
1885' FSL & 1100' FWL, SECTION 23, T29N, R6W, NMPM
RIO ARRIBA COUNTY, NEW MEXICO ELEVATION: 6697'

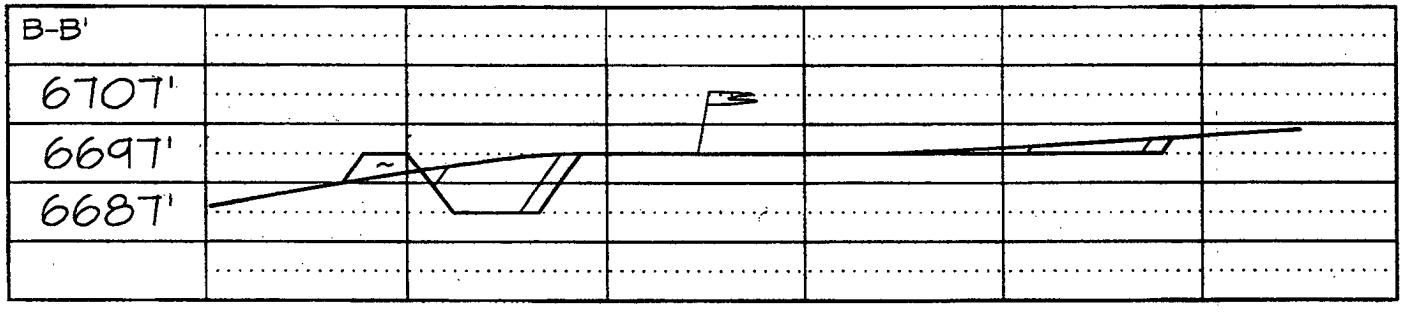
LATITUDE: 36.70911° N
LONGITUDE: 107.43701° W
DATUM: NAD1927

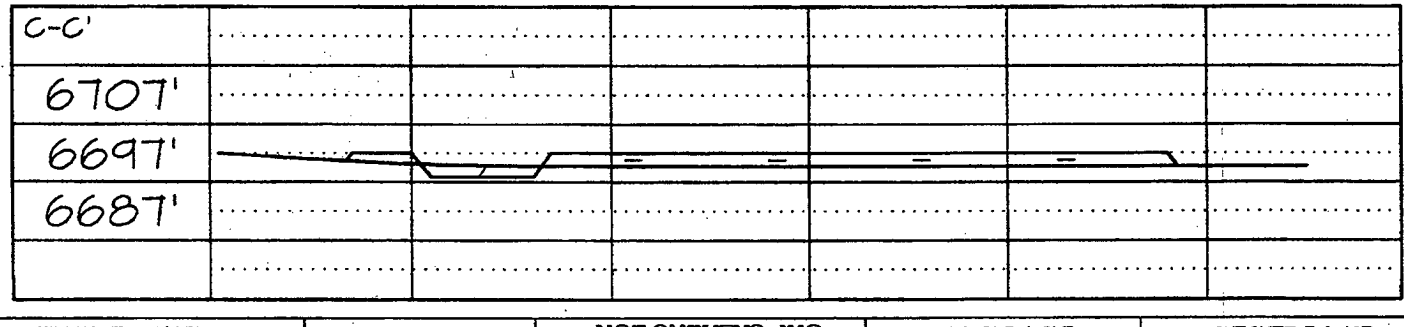


PLAT NOTE:

SURFACE OWNER Bureau of Land Management







ConocoPhillips

San Juan Business Unit

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 29-6 76F

Lease:	AFE #:			AFE $:
Field Name: 29-6	Rig: H&P 283	State: NM	County: RIO ARRIBA	API #:
Geoscientist: Glaser, Terry J	Phone: (281) 293 - 6538	Prod. Engineer: Moody, Craig E.		Phone: 486-2334
Res. Engineer: Johnson, Tom B.	Phone: (832)-486-2347	Proj. Field Lead: Fransen, Eric E.		Phone:

Primary Objective (Zones):

Zone	Zone Name
R20002	MESAVERDE(R20002)
R20076	DAKOTA(R20076)

Location: Surface	**Datum Code: NAD 27**				**Deviated**
Latitude: 36.708994	Longitude: -107.437035	X:	Y:	Section: 23	Range: 6W
Footage X: 1100 FWL	Footage Y: 1885 FSL	Elevation: 6697 (FT)	Township: 29N		
Tolerance:					
Location: Bottom Hole	**Datum Code: NAD 27**				**Deviated**
Latitude: 36.709599	Longitude: -107.439684	X:	Y:	Section: 23	Range: 6W
Footage X: 500 FWL	Footage Y: 2100 FSL	Elevation:	(FT) Township: 29N		
Tolerance:					

Location Type: Year Round	Start Date (Est.):	Completion Date:	Date In Operation:

Formation Data: Assume KB = 6713 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	216	6497	☐			13-1/2" hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1473	5240	☐			
CJAM	2753	3960	☐			Possible water flows.
KRLD	2923	3790	☐			
FRLD	3288	3425	☐			Possible gas.
PCCF	3588	3125	☐			
LEWS	3788	2925	☐			
Intermediate Casing	3888	2825	☐			8 3/4" Hole. 7", 23 ppf, J-55, LTC Casing. Special drift to 6.25". Circulate cement to surface.
CHRA	4583	2130	☐			
CLFH	5403	1310	☐			Gas; possibly wet
MENF	5483	1230	☐			Gas.
PTLK	5773	940	☐			Gas.
CLLP	7023	-310	☐			Gas. Possibly wet.
CRHN	7753	-1040	☐			Gas possible, highly fractured
CBBO	7943	-1230	☐			Gas
TOTAL DEPTH DK	8103	-1390	☐			6-1/4" Hole. 4-1/2", 11.6 ppf, N-80, LTC casing. Circulate cement a minimum of 100' inside the previous casing string. No open hole logs. Cased hole TDT with GR to surface.

Reference Wells:

Reference Type	Well Name	Comments

ConocoPhillips

San Juan Business Unit

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 29-6 76F

Logging Program:

Intermediate Logs: ☐ Log only if show ☐ GR/ILD ☐ Triple Combo

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☑ TDT

Additional Information:

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks

Comments:

San Juan 29-6 #76F

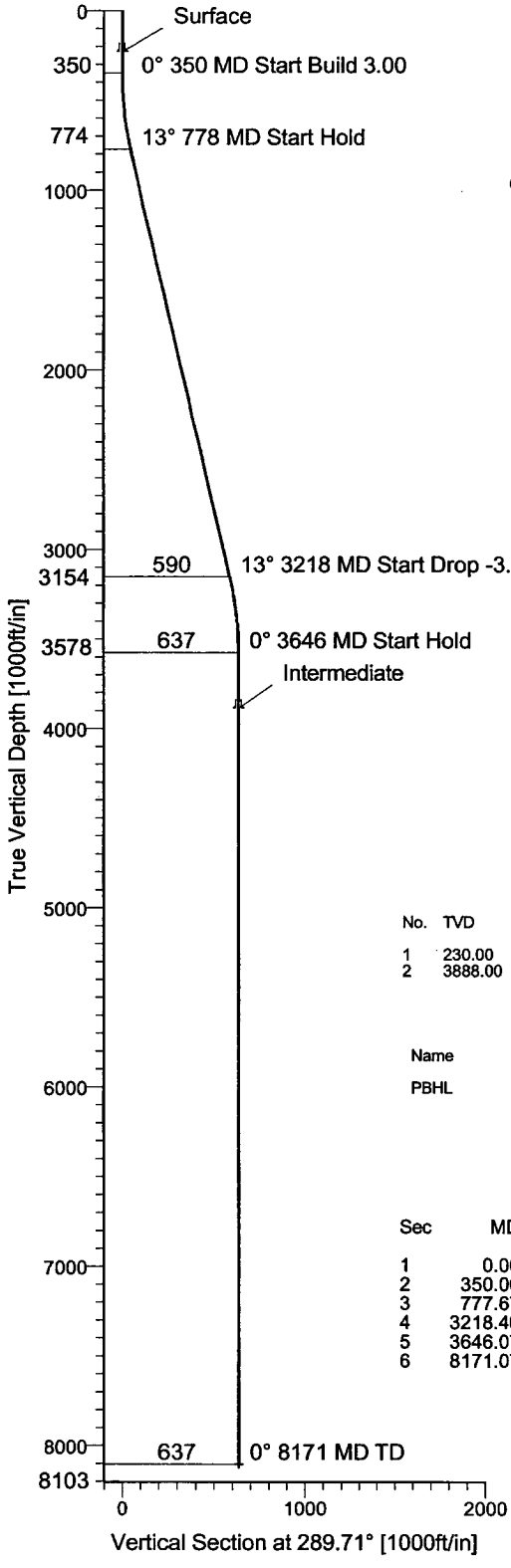
TVD - MD Formation Tops

Formation	TVD	MD
San Jose	13	13
Surface Casing	213	213
NCMT	1473	1494.46
OJAM	2753	2807.24
KRLD	2923	2981.59
FRLD	3288	3354.84
PCCF	3588	3600.00
Lewis	3788	3520.00
Intermediate Casing	3888	3956.00
Chacra	4583	4651.07
Cliffhouse	5403	5471.07
Menefee	5483	5551.07
Point Lookout	5773	5841.07
Gallup	7023	7091.07
Greenhorn	7753	7821.07
Paguate	7943	8011.07
TD	8103	8171.00

ConocoPhillips

ConocoPhillips

Field: Rio Arriba County, NM
Site: San Juan 29-6 #76F
Well: Well #76F
Wellpath: Original Hole
Plan: Plan #1



FIELD DETAILS

Rio Arriba County, NM
USA

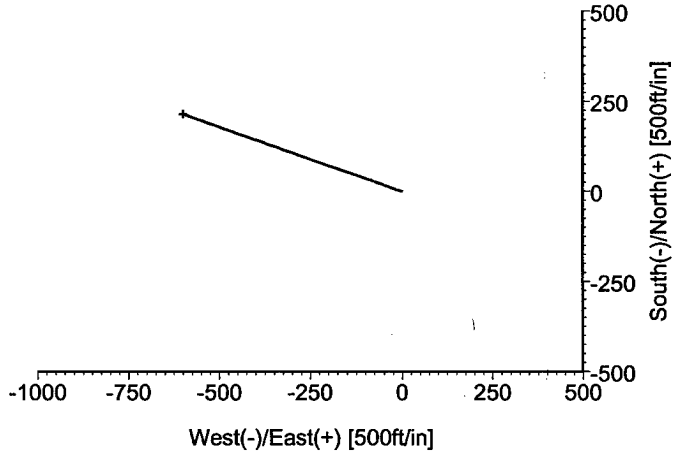
Geodetic System: US State Plane Coordinate System 1927
Ellipsoid: NAD27 (Clarke 1866)
Zone: New Mexico, Western Zone
Magnetic Model: igrf2005

System Datum: Mean Sea Level
Local North: Grid North

SITE DETAILS

San Juan 29-6 #76F
Sec. 23, T29N, R6W
Rio Arriba County

Water Depth: 0.00
Positional Uncertainty: 0.00
Convergence: 0.00



CASING DETAILS

No.	TVD	MD	Name	Size
1	230.00	230.00	Surface	9.625
2	3888.00	3956.07	Intermediate	7.000

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Shape
PBHL	8103.00	215.00	-600.00	Point

WELLPATH DETAILS

Original Hole

Rig:
Ref. Datum: SITE 0.00ft

V.Section Angle	Origin +N/-S	Origin +E/-W	Starting From TVD
289.71°	0.00	0.00	8103.00

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	289.71	0.00	0.00	0.00	0.00	0.00	0.00	
2	350.00	0.00	289.71	350.00	0.00	0.00	0.00	0.00	0.00	
3	777.67	12.83	289.71	774.10	16.09	-44.89	3.00	289.71	47.68	
4	3218.40	12.83	289.71	3153.90	198.91	-555.11	0.00	0.00	589.67	
5	3646.07	0.00	289.71	3578.00	215.00	-600.00	3.00	180.00	637.36	
6	8171.07	0.00	289.71	8103.00	215.00	-600.00	0.00	0.00	637.36	PBHL

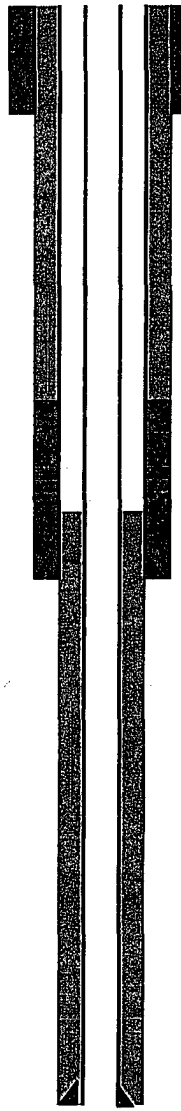
Ryan Energy Technology
19510 Oil Center Blvd
Houston, TX 77073
Ph: 281-443-1414
Fx: 281-443-1676

Ryan The leader in UNDERGROUND INTELLIGENCE™

Plan: Plan #1 (Well #76F/Original Hole)
Created By: Jeff T. Kirchhoff Date: 3/31/2006
Checked: _____ Date: _____
Reviewed: _____ Date: _____
Approved: _____ Date: _____

San Juan 29-6 #76F

APD Cement Calculations



HOLE:	13.5 "
CSG OD:	9.625 "
CSG ID:	9.001 "
WGT:	32.3 ppf
GRADE:	H-40
EXCESS:	125 %
DEPTH:	**235** '

SURFACE:

Option 1				Option 2			
222 sx	Comp. Strength			**214 sx**	Comp. Strength		
46.2 bbls	6 hrs	250	psi	46.2 bbls	6 hrs	250	psi
259.5 cuft	8 hrs	500	psi	259.5 cuft	8 hrs	500	psi
1.17 ft^3/sx			psi	1.21 ft^3/sx			
15.8 ppg				15.6 ppg			
4.973 gal/sx				5.29 gal/sx			
Class G Cement				Standard Cement			
+ 3% S001 Calcium Chloride				+ 3% Calcium Chloride			
+ 0.25 lb/sx D029 Cellophane Flakes				+ 0.25 lb/sx Flocele			

HOLE:	8.75 "
CSG OD:	7 "
CSG ID:	6.25 "
WGT:	23 ppf
GRADE:	J-55
EXCESS:	150 %
TAIL:	791.2 '
DEPTH:	**3956** '

INTERMEDIATE LEAD:

Option 1				Option 2				Option 3			
420 sx	Comp. Strength			**439 sx**	Comp. Strength			**434 sx**	Comp. Strength		
203.5 bbls	9 hrs	300	psi	203.5 bbls	1:47 hrs	50	psi	203.5 bbls	3 hrs	100	psi
1142.6 cuft	48 hrs	525	psi	1142.6 cuft	12 hrs	350	psi	1142.6 cuft	24 hrs	443	psi
2.72 ft^3/sx				2.60 ft^3/sx	24 hrs	450	psi	2.63 ft^3/sx			
11.7 ppg				11.5 ppg				11.7 ppg			
15.74 gal/sx				14.62 gal/sx				15.92 gal/sx			
Class G Cement				Type III Ashgrove Cement				Class G Cement			
+ 3% D079 Extender				+ 30 lb/sx San Juan Poz				+ 3% D079 Extender			
+ 0.20% D046 Antifoam				+ 3% Bentonite				+ 0.20% D046 Antifoam			
+ 10 lb/sx Phenoseal				+ 5.0 lb/sx Phenoseal				+ 1.0 lb/bbl CemNet			

HOLE:	6.25 "
CSG OD:	4.5 "
CSG ID:	4 "
WGT:	11.6 ppf
GRADE:	N-80
EXCESS:	50 %
DEPTH:	**8171** '

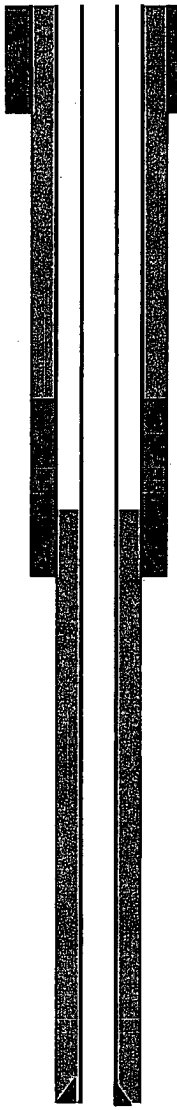
INTERMEDIATE TAIL:

Option 1				Option 2				Option 3			
234 sx	Comp. Strength			**230 sx**	Comp. Strength			**239 sx**	Comp. Strength		
54.6 bbls	3:53	500	psi	54.6 bbls	2:05	50	psi	54.6 bbls	24 hrs	1850	psi
306.4 cuft	8:22	1000	psi	306.4 cuft	4:06	500	psi	306.4 cuft	48 hrs	3411	psi
1.31 ft^3/sx	24 hrs	3170	psi	1.33 ft^3/sx	12 hrs	1250	psi	1.28 ft^3/sx			
13.5 ppg	48 hrs	5399	psi	13.5 ppg	24hrs	1819	psi	13.5 ppg			
5.317 gal/sx				5.52 gal/sx				5.255 gal/sx			
50/50 Poz: Class G Cement				50/50 Poz: Standard Cement				50/50 Poz: Class G Cement			
+ 0.25 lb/sx D029 Cellophane Flakes				+ 2% Bentonite				+ 2% D020 Bentonite			
+ 3% S001 Calcium Chloride				+ 6.0 lb/sx Phenoseal				+ 5.0 lb/sx D024 Gilsonite Extender			
+ 2% D020 Bentonite								+ 2% S001 Calcium Chloride			
+ 1.5 lb/sx D024 Gilsonite Extender								+ 0.1% D046 Antifoamer			
+ 0.1% D046 Antifoamer								+ 0.15% D065 Dispersant			
+ 6 lb/sx Phenoseal								+ 1.0 lb/bbl CemNet			

PRODUCTION:

Option 1				Option 2			
465 sx	Comp. Strength			**462 sx**	Comp. Strength		
119.2 bbls	7 hrs	500	psi	119.2 bbls	9:32	50	psi
669.5 cuft	24 hrs	2100	psi	669.5 cuft	12 hrs	500	psi
1.44 ft^3/sx				1.45 ft^3/sx	13:29	1026	psi
13.0 ppg				13.1 ppg	24 hrs	2300	psi
6.47 gal/sx				6.55 gal/sx			
50/50 Poz: Class G Cement				50/50 Poz: Standard Cement			
+ 0.25 lb/sx D029 Cellophane Flakes				+ 3% Bentonite			
+ 3% D020 Bentonite				+ 0.2% CFR-3 Friction Reducer			
+ 1.0 lb/sx D024 Gilsonite Extender				+ 0.1% HR-5 Retarder			
+ 0.25% D167 Fluid Loss				+ 0.8% Halad-9 Fluid Loss Additive			
+ 0.25% D065 Dispersant				+ 3.5 lb/sx Phenoseal			
+ 0.1% D800 Retarder							
+ 0.1% D046 Antifoamer							
+ 3.5 lb/sx Phenoseal							

San Juan 29-6 #76F



SURFACE:

HOLE:	13.5 "
CSG OD:	9.625 "
CSG ID:	9.001 "
WGT:	32.3 ppf
GRADE:	H-40
EXCESS:	125 %
DEPTH:	**235** '

INTERMEDIATE LEAD:

Option 4				Option 5			
397 sx	Comp. Strength			**544 sx**	Comp. Strength		
203.5 bbls	1:47	50	psi	203.5 bbls	10:56	500	psi
1142.6 cuft	12 hrs	350	psi	1142.6 cuft	42 hrs	1012	psi
2.88 ft^3/sx	24 hrs	450	psi	2.10 ft^3/sx			
11.5 ppg				11.7 ppg			
16.85 gal/sx				11.724 gal/sx			
Standard Cement				75% Type XI / 25% Class G Cement			
+ 3% Econolite (Extender)				+ 0.25 lb/sx D029 Cellophane Flakes			
+ 10 lb/sx Phenoseal				+ 3% D079 Extender			
				+ 0.20% D046 Antifoam			

HOLE:	8.75 "
CSG OD:	7 "
CSG ID:	6.25 "
WGT:	23 ppf
GRADE:	J-55
EXCESS:	150 %
TAIL:	791.2 '
DEPTH:	**3956** '

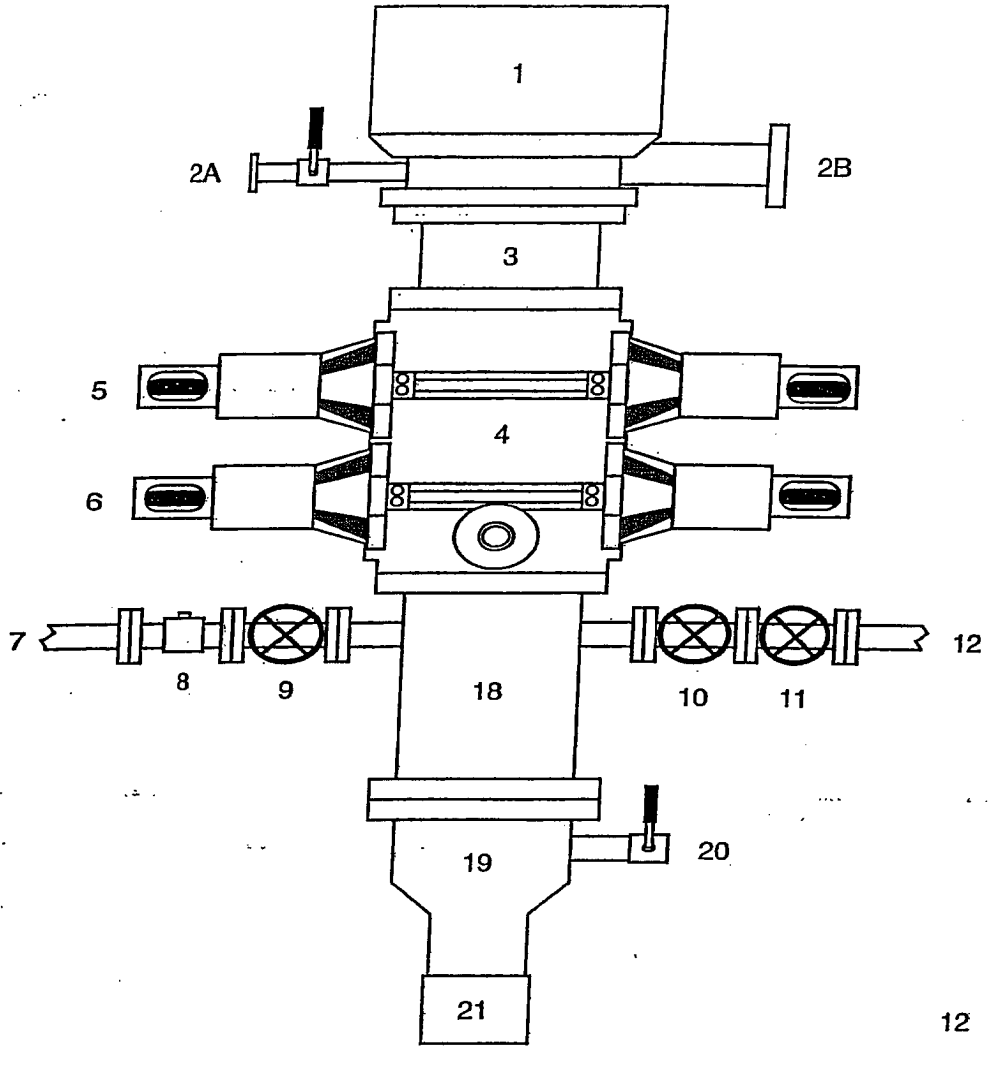
INTERMEDIATE TAIL:

HOLE:	6.25 "
CSG OD:	4.5 "
CSG ID:	4 "
WGT:	11.6 ppf
GRADE:	N-80
EXCESS:	50 %
DEPTH:	**8171** '

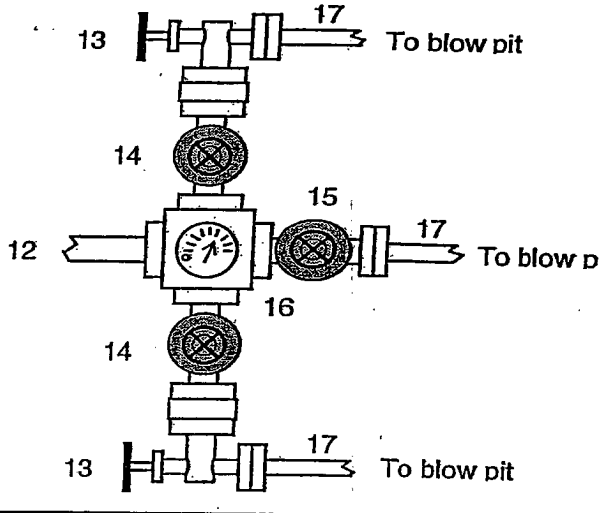
PRODUCTION:

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing



1. Rotating Head
2A. Fill-up Line & valve
2B. Flowline
3. Spacer Spool
4. Double Ram BOP (11", 3000 psi)
5. Pipe Rams
6. Blind Rams
7. Kill Line
8. Kill Line Check Valve
9. Kill Line Valve
10 Inner Choke Line Valve (3")
11. Outer Choke Line Valve (3")
12. Choke Line (3")
13. Variable Choke
14. Choke Line Valve (2")
15. Panic Line Valve (3")
16. Choke Manifold Pressure Gauge
17. Choke Line (2")
18. Mud Cross Spacer Spool
19. Casing Head "A" Section
20. Casing Head "A" Section 2" Valve
21. 9 5/8" Casing Collar

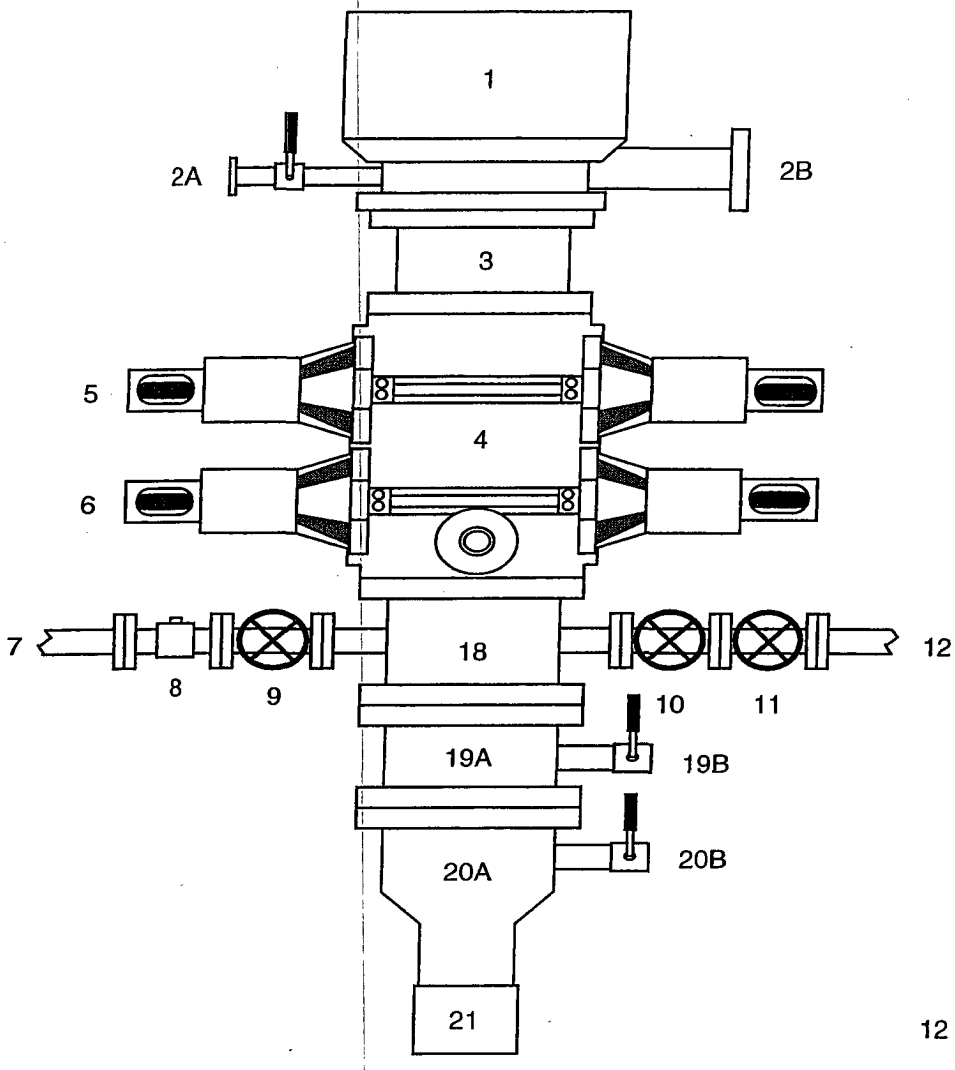


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe 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 minutes** (this value is one 44% of the minimum internal yield pressure of the 9-5/8" casing). (Note: per regulatory requirements we will wait on cement at least 8 hrs after placement before testing the 9-5/8" surface casing). Then an 8-3/4" hole will be drilled to intermediate casing point and 7" intermediate casing will be run and cemented.

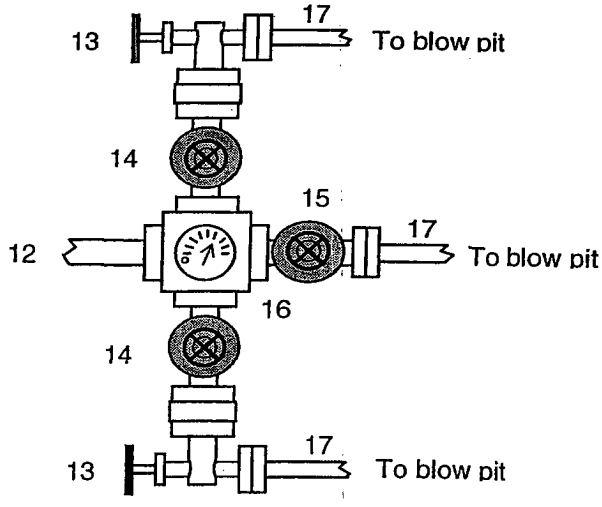
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



1. Rotating Head
2A. Fill-up Line & valve
2B. Blooie Line (for Air Drilling)
3. Spacer Spool
4. Double Ram BOP (11", 3000 psi)
5. Pipe Rams
6. Blind Rams
7. Kill Line
8. Kill Line Check Valve
9. Kill Line Valve
10 Inner Choke Line Valve (3")
11. Outer Choke Line Valve (3")
12. Choke Line (3")
13. Variable Choke
14. Choke Line Valve (2")
15. Panic Line Valve (3")
16. Choke Manifold Pressure Gauge
17. Choke Line (2")
18. Mud Cross Spacer Spool
19A Csg Spool "B" Section (11", 3M)
19B "B" Section Csg Valve (2", 3M)
20A Csg Head "A" Section (11", 3M)
20B "A" Section Csg Valve (2", 3M)
21. 9 5/8" Casing Collar



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

Revision Date: September 1, 2004

Property : SAN JUAN 29-6 UNIT **Well #:** 76F

Surface Location:

Unit: L **Section:** 23 **Township:** 29N Range: 6W

County: RIO ARRIBA **State: New Mexico**

Footage: 1885 **from the** SOUTH line, 1100 **from the** WEST **line.**

CATHODIC PROTECTION

ConocoPhillips (COP) proposes to drill a cathodic protection deep well groundbed for the subject well. COP will drill a hole vertically at the surface large enough to accommodate 20 feet of 8 inch diameter PVC pipe for surface casing to assist in further drilling and loading. Casing may be cemented in place for stability if needed. COP will drill a 6-7/8" hole to an anticipated minimum depth of 300' (maximum depth of 500'). Cement plugs will not be used unless more than one water zone is encountered. Prior drilling history for the area indicates only one zone to that depth. If more than one water zone is encountered, notification will be made and details of cement and casing will be provided.

All drilling activity will remain on the existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.