

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RCVD SEP 3 '08  
OIL CONS. DIV.  
DIST. 3

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|                                                                                                                                                                                                                                                |                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1a. Type of Work<br>DRILL                                                                                                                                                                                                                      | 5. Lease Number<br>USA NM-111921<br>Unit Reporting Number                                                                                                                    |
| 1b. Type of Well<br>GAS                                                                                                                                                                                                                        | 6. If Indian, All. or Tribe                                                                                                                                                  |
| 2. Operator<br><b>BURLINGTON</b><br>RESOURCES Oil & Gas Company, LP                                                                                                                                                                            | 7. Unit Agreement Name                                                                                                                                                       |
| 3. Address & Phone No. of Operator<br>PO Box 4289, Farmington, NM 87499<br>(505) 326-9700                                                                                                                                                      | 8. Farm or Lease Name<br>Negro Canyon<br>9. Well Number<br>#4                                                                                                                |
| 4. Location of Well<br>Surf: Unit M(SWSW), 592' FSL & 323' FWL<br>Bottomhole: Unit A (NENE), 750' FNL & 750' FEL<br><br>Surf: Latitude 36.933928° N<br>Longitude 107.617299° W<br>Bottomhole: Latitude 36.930342° N<br>Longitude 107.621165° W | 10. Field, Pool, Wildcat<br>Basin DK/Blanco MV<br><br>11. Sec., Twn, Rge, Mer. (NMPM)<br>Surf: Sec. 31, T32N, R7W<br>Bottomhole: Sec. 1, T31N, R8W<br><br>API # 30-045-34644 |
| 14. Distance in Miles from Nearest Town<br>29 miles/Blanco                                                                                                                                                                                     | 12. County<br>San Juan<br>13. State<br>NM                                                                                                                                    |
| 15. Distance from Proposed Location to Nearest Property or Lease Line<br>750'                                                                                                                                                                  |                                                                                                                                                                              |
| 16. Acres in Lease<br>1,241.850                                                                                                                                                                                                                | 17. Acres Assigned to Well<br>320.00 Acres - (E/2)<br>297.65                                                                                                                 |
| 18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease<br>102' from SJ 32-7 Unit #220A - FC                                                                                                            |                                                                                                                                                                              |
| 19. Proposed Depth<br>8329'                                                                                                                                                                                                                    | 20. Rotary or Cable Tools<br>Rotary                                                                                                                                          |
| 21. Elevations (DF, FT, GR, Etc.)<br>6724' GR                                                                                                                                                                                                  | 22. Approx. Date Work will Start                                                                                                                                             |
| 23. Proposed Casing and Cementing Program<br>See Operations Plan attached                                                                                                                                                                      |                                                                                                                                                                              |
| 24. Authorized by: <u>Crystal Walker</u><br>Crystal Walker (Regulatory Technician)                                                                                                                                                             | 3/17/08<br>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.

NOTIFY AZTEC OCD 24 HRS  
PRIOR TO CASING & CEMENT

Hold C104

for Directional Survey  
and "As Drilled" plat

BLM ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATION ON FEDERAL AND INDIAN LANDS

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMCD FOR A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

NMB-000089 SEP 09 2008  
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".

## 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

Submit to Appropriate District Office

State Lease - 7 Copies

Fee Lease - 3 Copies

APR 04 2008

Bureau of Land Management  
Farmington Field Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                          |  |                                                                         |  |                                                           |                                |
|------------------------------------------|--|-------------------------------------------------------------------------|--|-----------------------------------------------------------|--------------------------------|
| <sup>1</sup> API Number<br>30-045- 34644 |  | <sup>2</sup> Pool Code<br>72319/71599                                   |  | <sup>3</sup> Pool Name<br>BASIN DAKOTA / BLANCO MESAVERDE |                                |
| <sup>4</sup> Property Code<br>34287      |  | <sup>5</sup> Property Name<br>NEGRO CANYON                              |  |                                                           | <sup>6</sup> Well Number<br>4  |
| <sup>7</sup> OGRID No.<br>14538          |  | <sup>8</sup> Operator Name<br>BURLINGTON RESOURCES OIL & GAS COMPANY LP |  |                                                           | <sup>9</sup> Elevation<br>6724 |

<sup>10</sup> SURFACE LOCATION

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| M             | 31      | 32-N     | 7-W   |         | 592           | SOUTH            | 323           | WEST           | SAN JUAN |

<sup>11</sup> 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   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| A             | 1       | 31-N     | 8-W   |         | 750           | NORTH            | 750           | EAST           | SAN JUAN |

|                                               |                                        |                                  |                         |
|-----------------------------------------------|----------------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>220.00 (E/2) | <sup>13</sup> Joint or Infill<br>Sec 1 | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|-----------------------------------------------|----------------------------------------|----------------------------------|-------------------------|

247.65

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

|                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <sup>16</sup>                                                                                                                                                                                                                                                                                                                        |  | <sup>17</sup> OPERATOR CERTIFICATION<br>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.<br><i>Crystal Walker</i> 4/4/08<br>Signature<br>Crystal Walker<br>Printed Name<br>Regulatory Technician<br>Title and E-mail Address<br>April 4th, 2008<br>Date |  |
| <sup>18</sup> SURVEYOR CERTIFICATION<br>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.<br>Date of Survey: 8/15/07<br>Signature and Seal of Professional Surveyor:<br> |  | Certificate Number: NM 11393                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |

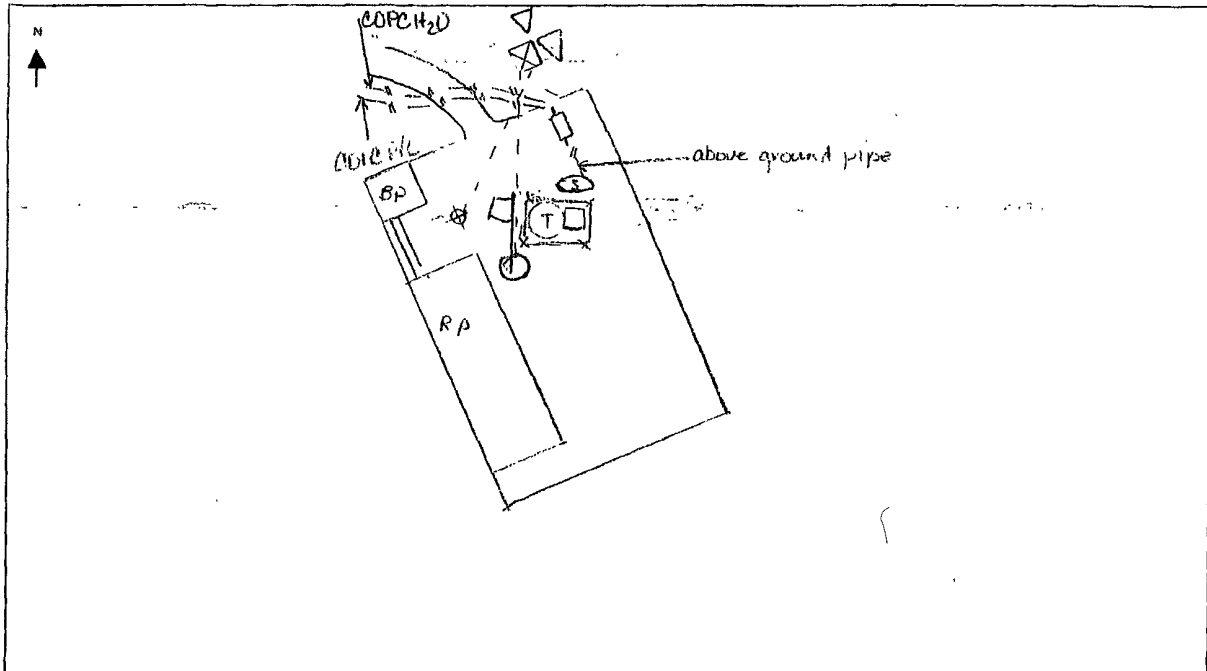


# CATHODIC PROTECTION PLAN FOR NEW WELLS

1

WELL NAME Negro Canyon #4 LEGALS M-31-32-2 COUNTY San Juan

PURPOSED C.P. SYSTEM: Upgrade existing dry pipe to two well son. use battery box. Drill new GB to NE of existing GB (at least 10' away). Trench approx 250' x 8" deep from pump out well to GB. Refer to map from SDOA if needed.



| EXISTING WELLHEAD | METER HOUSE | G.B. | POWER SOURCE | CABLE | NEW WELL | OVERHEAD A.C. |
|-------------------|-------------|------|--------------|-------|----------|---------------|
|                   |             |      |              |       |          |               |

COMMENTS: to install dry pipe in location

NEAREST POWER SOURCE N/A DISTANCE:

PIPELINES IN AREA: COPC H<sub>2</sub>O P/L ; COPC HL

TECHNICIAN: Michael J. [Signature] DATE: 10/23/07

*[Handwritten signature]*

# PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

NEGRO CANYON 4

DEVELOPMENT

|                                             |                                 |                                |                          |                      |                  |                                                                                                          |             |
|---------------------------------------------|---------------------------------|--------------------------------|--------------------------|----------------------|------------------|----------------------------------------------------------------------------------------------------------|-------------|
| Lease:                                      |                                 | AFE #: WAN.CDR.7277            |                          |                      |                  | AFE \$:                                                                                                  |             |
| Field Name: hBR_SAN JUAN                    |                                 | Rig: XXX 2009 Deep Directional |                          | State: NM            | County: SAN JUAN |                                                                                                          | API #:      |
| Geologist:                                  |                                 | Phone:                         |                          | Geophysicist:        |                  | Phone:                                                                                                   |             |
| Geoscientist: Head, Chip F                  |                                 | Phone: 505-326-9772            |                          | Prod. Engineer:      |                  | Phone:                                                                                                   |             |
| Res. Engineer: Prabowo, Wahyu               |                                 | Phone: 505-326-9797            |                          | Proj. Field Lead:    |                  | Phone:                                                                                                   |             |
| <b>Primary Objective (Zones):</b>           |                                 |                                |                          |                      |                  |                                                                                                          |             |
| <b>Zone</b>                                 | <b>Zone Name</b>                |                                |                          |                      |                  |                                                                                                          |             |
| FRR                                         | BASIN DAKOTA (PRORATED GAS)     |                                |                          |                      |                  |                                                                                                          |             |
| RON                                         | BLANCO MESAVERDE (PRORATED GAS) |                                |                          |                      |                  |                                                                                                          |             |
|                                             |                                 |                                |                          |                      |                  |                                                                                                          |             |
| <b>Location: Surface Datum Code: NAD 27</b> |                                 |                                |                          |                      |                  |                                                                                                          |             |
| Latitude: 36.933924                         |                                 | Longitude: -107.616688         |                          | X:                   | Y:               | Section: 31                                                                                              | Range: 007W |
| Footage X: 323 FWL                          |                                 | Footage Y: 592 FSL             |                          | Elevation: 6724 (FT) |                  | Township: 032N                                                                                           |             |
| Tolerance:                                  |                                 |                                |                          |                      |                  |                                                                                                          |             |
| <b>Location: Bottom Datum Code: NAD 27</b>  |                                 |                                |                          |                      |                  |                                                                                                          |             |
| Latitude: 36.930338                         |                                 | Longitude: -107.620554         |                          | X:                   | Y:               | Section: 01                                                                                              | Range: 008W |
| Footage X: 750 FEL                          |                                 | Footage Y: 750 FNL             |                          | Elevation: (FT)      |                  | Township: 031N                                                                                           |             |
| Tolerance:                                  |                                 |                                |                          |                      |                  |                                                                                                          |             |
| Location Type: Restricted                   |                                 | Start Date (Est.): 1/1/2009    |                          | Completion Date:     |                  | Date In Operation:                                                                                       |             |
| Formation Data: Assume KB = 6736 Units = FT |                                 |                                |                          |                      |                  |                                                                                                          |             |
| Formation Call & Casing Points              | Depth (TVD in Ft)               | SS (Ft)                        | Depletion (Yes/No)       | BHP (PSIG)           | BHT              | Remarks                                                                                                  |             |
| Surface Casing                              | 320                             | 6416                           | <input type="checkbox"/> |                      |                  | 12-1/4" Hole. 9-5/8", 32.3 ppf, H-40, STC casing. Cement with 244 cubic ft. Circulate cement to surface. |             |
| OJO ALAMO                                   | 2369                            | 4367                           | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| KIRTLAND                                    | 2521                            | 4215                           | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| FRUITLAND                                   | 3291                            | 3445                           | <input type="checkbox"/> |                      |                  | Possible Gas                                                                                             |             |
| PICTURED CLIFFS                             | 3631                            | 3105                           | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| LEWIS                                       | 3776                            | 2960                           | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| HUERFANITO BENTONITE                        | 4413                            | 2323                           | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| Intermediate Casing                         | 4750                            | 1986                           | <input type="checkbox"/> |                      |                  | 8-3/4" Hole. 7", 23 ppf, L-80, LTC Casing. Cement with 1154 cubic ft. Circulate cement to surface.       |             |
| CHACRA                                      | 4818                            | 1918                           | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| MASSIVE CLIFF HOUSE                         | 5539                            | 1197                           | <input type="checkbox"/> | 570                  |                  | Gas                                                                                                      |             |
| MENEFEE                                     | 5639                            | 1097                           | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| MASSIVE POINT LOOKOUT                       | 5931                            | 805                            | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| MANCOS                                      | 6271                            | 465                            | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| UPPER GALLUP                                | 7253                            | -517                           | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| GREENHORN                                   | 7985                            | -1249                          | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| GRANEROS                                    | 8038                            | -1302                          | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| TWO WELLS                                   | 8143                            | -1407                          | <input type="checkbox"/> | 2700                 |                  | Gas                                                                                                      |             |
| PAGUATE                                     | 8164                            | -1428                          | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| UPPER CUBERO                                | 8174                            | -1438                          | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| LOWER CUBERO                                | 8206                            | -1470                          | <input type="checkbox"/> |                      |                  |                                                                                                          |             |
| ENCINAL                                     | 8275                            | -1539                          | <input type="checkbox"/> |                      |                  |                                                                                                          |             |

## PROJECT PROPOSAL - New Drill / Sidetrack

NEGRO CANYON 4

DEVELOPMENT

TOTAL DEPTH DK 8329 -1593 ☐

6-1/4" Hole. 4-1/2", 11.6 ppf, L-80, LTC casing. Cement with 436 cubic ft. Circulate cement a minimum of 100' inside the previous casing string.

### Reference Wells:

| Reference Type | Well Name | Comments |
|----------------|-----------|----------|
|----------------|-----------|----------|

### Logging Program:

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

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT ☒ Other

GR/CBL. Estimated bottom perf is ~20' above TD. Mudlog from ~100' above the Greenhorn to TD.

### Additional Information:

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

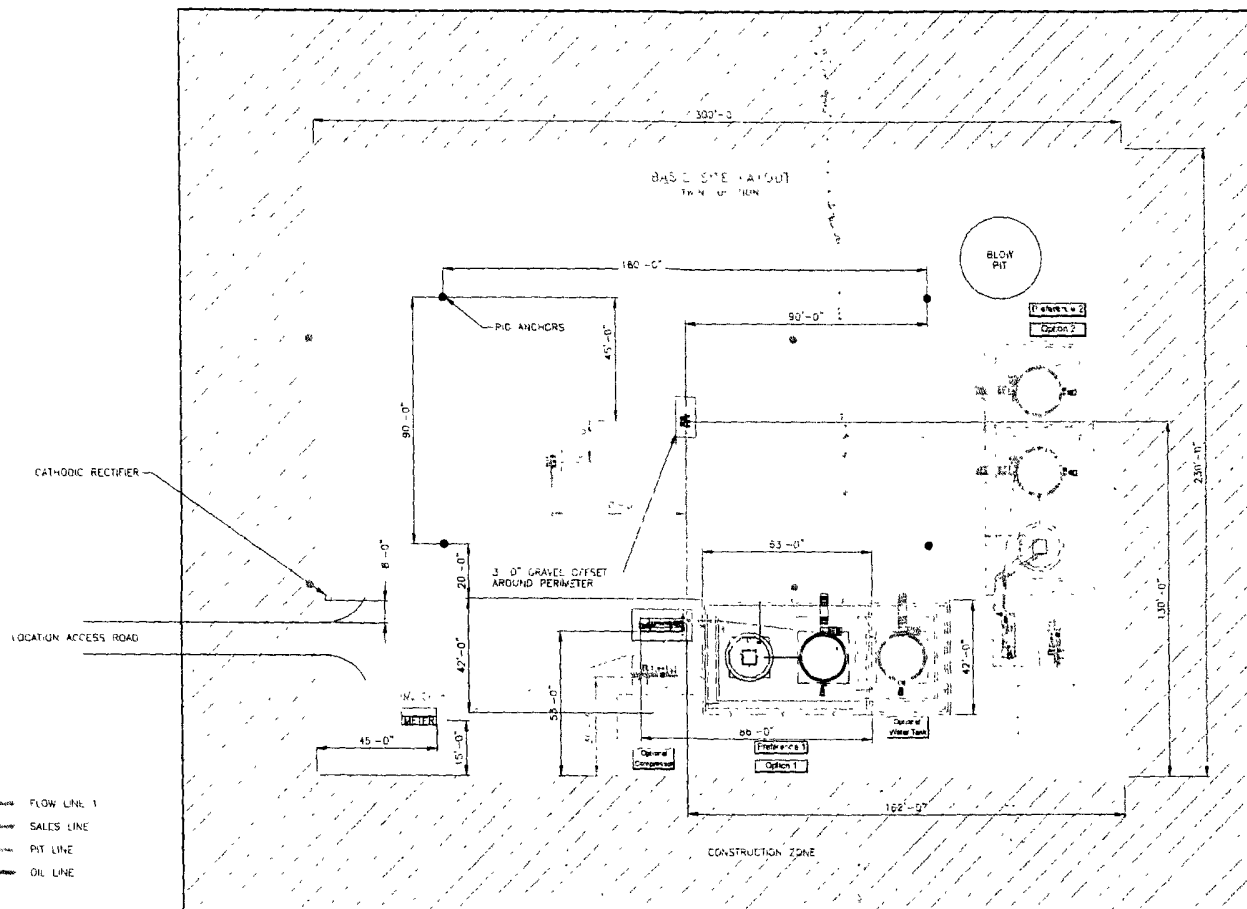
# ConocoPhillips or its affiliates

## Planning Report

|                  |                                            |                                     |                      |
|------------------|--------------------------------------------|-------------------------------------|----------------------|
| <b>Database:</b> | EDM Central Planning                       | <b>Local Co-ordinate Reference:</b> | Well Negro Canyon #4 |
| <b>Company:</b>  | ConocoPhillips SJB                         | <b>TVD Reference:</b>               | WELL @ 6739.0ft (KB) |
| <b>Project:</b>  | San Juan Basin                             | <b>MD Reference:</b>                | WELL @ 6739.0ft (KB) |
| <b>Site:</b>     | Russell's Site for Directional MV/DK wells | <b>North Reference:</b>             | True                 |
| <b>Well:</b>     | Negro Canyon #4                            | <b>Survey Calculation Method:</b>   | Minimum Curvature    |
| <b>Wellbore:</b> | Principal                                  |                                     |                      |
| <b>Design:</b>   | Planned                                    |                                     |                      |

| Casing Points       |                     |        |                      |                    |  |
|---------------------|---------------------|--------|----------------------|--------------------|--|
| Measured Depth (ft) | Vertical Depth (ft) | Name   | Casing Diameter (in) | Hole Diameter (in) |  |
| 320.0               | 320.0               | 9 5/8" | 9.625                | 12.250             |  |
| 5,150.0             | 4,750.0             | 7"     | 7.000                | 8.750              |  |
| 8,729.0             | 8,329.0             | 4 1/2" | 4.500                | 6.250              |  |

| Formations          |                     |                    |           |         |                   |  |
|---------------------|---------------------|--------------------|-----------|---------|-------------------|--|
| Measured Depth (ft) | Vertical Depth (ft) | Name               | Lithology | Dip (°) | Dip Direction (°) |  |
| 2,509.7             | 2,369.0             | Ojo Alamo          |           | 0.00    |                   |  |
| 2,684.5             | 2,521.0             | Kirtland           |           | 0.00    |                   |  |
| 3,570.2             | 3,291.0             | Fruitland          |           | 0.00    |                   |  |
| 3,961.3             | 3,631.0             | Pictured Cliffs    |           | 0.00    |                   |  |
| 4,128.0             | 3,776.0             | Lewis              |           | 0.00    |                   |  |
| 4,811.2             | 4,413.0             | Huerfano Bentonite |           | 0.00    |                   |  |
| 5,218.0             | 4,818.0             | Chacra             |           | 0.00    |                   |  |
| 5,939.0             | 5,539.0             | Mass Cliffhouse    |           | 0.00    |                   |  |
| 6,039.0             | 5,639.0             | Menefee            |           | 0.00    |                   |  |
| 6,331.0             | 5,931.0             | Pt. Lookout        |           | 0.00    |                   |  |
| 6,671.0             | 6,271.0             | Mancos Shale       |           | 0.00    |                   |  |
| 7,653.0             | 7,253.0             | Gallup             |           | 0.00    |                   |  |
| 8,385.0             | 7,985.0             | Greenhorn          |           | 0.00    |                   |  |
| 8,438.0             | 8,038.0             | Graneros           |           | 0.00    |                   |  |
| 8,543.0             | 8,143.0             | Two Wells          |           | 0.00    |                   |  |
| 8,564.0             | 8,164.0             | Paguate            |           | 0.00    |                   |  |
| 8,574.0             | 8,174.0             | Upper Cubero       |           | 0.00    |                   |  |
| 8,606.0             | 8,206.0             | Lower Cubero       |           | 0.00    |                   |  |
| 8,675.0             | 8,275.0             | Encinal            |           | 0.00    |                   |  |



SHEET 3 & 4 PIPING DETAILS  
ALL UNDERGROUND PIPE IS TO BE BURIED A MIN. OF 3'-0" TOP

SHEET 1 OF 5

|             |  |  |  |  |  |  |  |  |  |                    |             |       |                    |             |                                                                          |                        |            |  |
|-------------|--|--|--|--|--|--|--|--|--|--------------------|-------------|-------|--------------------|-------------|--------------------------------------------------------------------------|------------------------|------------|--|
|             |  |  |  |  |  |  |  |  |  | ENGINEERING REVIEW |             |       | REFERENCE DRAWINGS |             | CONOCOPhillips<br>HIGH PRESSURE 3 PHASE<br>FACILITY DIAGRAM- SITE LAYOUT |                        |            |  |
|             |  |  |  |  |  |  |  |  |  | PROCESS            | DESCRIPTION | DATE  | NO.                | DESCRIPTION |                                                                          |                        |            |  |
|             |  |  |  |  |  |  |  |  |  | MECHANICAL         |             |       |                    |             |                                                                          |                        |            |  |
|             |  |  |  |  |  |  |  |  |  | PIPE               |             |       |                    |             |                                                                          |                        |            |  |
|             |  |  |  |  |  |  |  |  |  | ELECTRICAL         |             |       |                    |             |                                                                          |                        |            |  |
|             |  |  |  |  |  |  |  |  |  | I & C              |             |       |                    |             |                                                                          |                        |            |  |
|             |  |  |  |  |  |  |  |  |  | CIVIL/STRUCTURAL   |             |       |                    |             |                                                                          |                        |            |  |
|             |  |  |  |  |  |  |  |  |  | PROJECT            |             |       |                    |             |                                                                          |                        |            |  |
| DESCRIPTION |  |  |  |  |  |  |  |  |  | DATE               | BY          | CHK'D | ENG                | DES         | PRJ                                                                      | SAN JUAN BUSINESS UNIT |            |  |
|             |  |  |  |  |  |  |  |  |  |                    |             |       |                    |             | SHEET NO.                                                                |                        | CUT LINE   |  |
|             |  |  |  |  |  |  |  |  |  |                    |             |       |                    |             | DRAWN BY                                                                 |                        | SCALE      |  |
|             |  |  |  |  |  |  |  |  |  |                    |             |       |                    |             | HP3PHASE-REV1                                                            |                        | 13.05.2007 |  |

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