

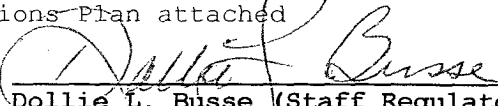
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 18 2010

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

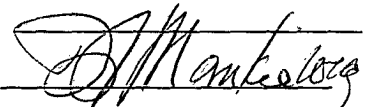
Farmington Field Office
Bureau of Land Management

1a. Type of Work DRILL	BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS	5. Lease Number NM-03402 Unit Reporting Number NMNM-78424-MV
1b. Type of Well GAS		6. If Indian, All. or Tribe
2. Operator ConocoPhillips Company		7. Unit Agreement Name RCVD SEP 20'10 OIL CONS. DIV. DIST. 3 San Juan 32-8 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name
		9. Well Number 7B
4. Location of Well Surf: Unit D (NWNW), 146' FNL & 122' FWL BHL: Unit M (SWSW), 1250' FSL & 710' FWL Surf: Latitude: 36.875321° N (NAD83) Longitude: 107.671199° W BHL: Latitude: 36.879175° N (NAD83) Longitude: 107.669302° W		10. Field, Pool, Wildcat Blanco MV / Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) Unit D, Sec. 27, T31N, R8W Unit M, Sec. 22, T31N, R8W API # 30-045- 35189
14. Distance in Miles from Nearest Town 38.7 miles from Bloomfield NM	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 122'		
16. Acres in Lease 840.000	 H₂S POTENTIAL EXIST	17. Acres Assigned to Well 320.00 W/2 MV/DK
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1706' from Hale 2A (MV)		
19. Proposed Depth 8047'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6525' GL	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Dollie L. Busse (Staff Regulatory Tech)	8-18-10 Date	

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

PERMIT NO.

APPROVAL DATE

APPROVED BY 

TITLE **AFM**

DATE **9/14/2010**

Archaeological Report attached

Threatened and Endangered Species Report attached

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

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

Example Master Plan Type 3

Bond Numbers ES-0048 and ES-0085

SEP 29 2010

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

NMOCD

Hold C104

for Directional Survey
and "As Drilled" plat

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

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

RECEIVED
AUG 18 2010

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 7 Copies

Fee Lease - 3 Copies

Farmington Field Office
Bureau of Land Management

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35189		² Pool Code 71599 / 72319		³ Pool Name BASIN DAKOTA / BLANCO MESAVERDE	
⁴ Property Code 31330		⁵ Property Name SAN JUAN 32-8 UNIT			⁶ Well Number 7B
⁷ OGRID No. 217817		⁸ Operator Name CONOCOPHILLIPS COMPANY			⁹ Elevation 6525

¹⁰ SURFACE LOCATION

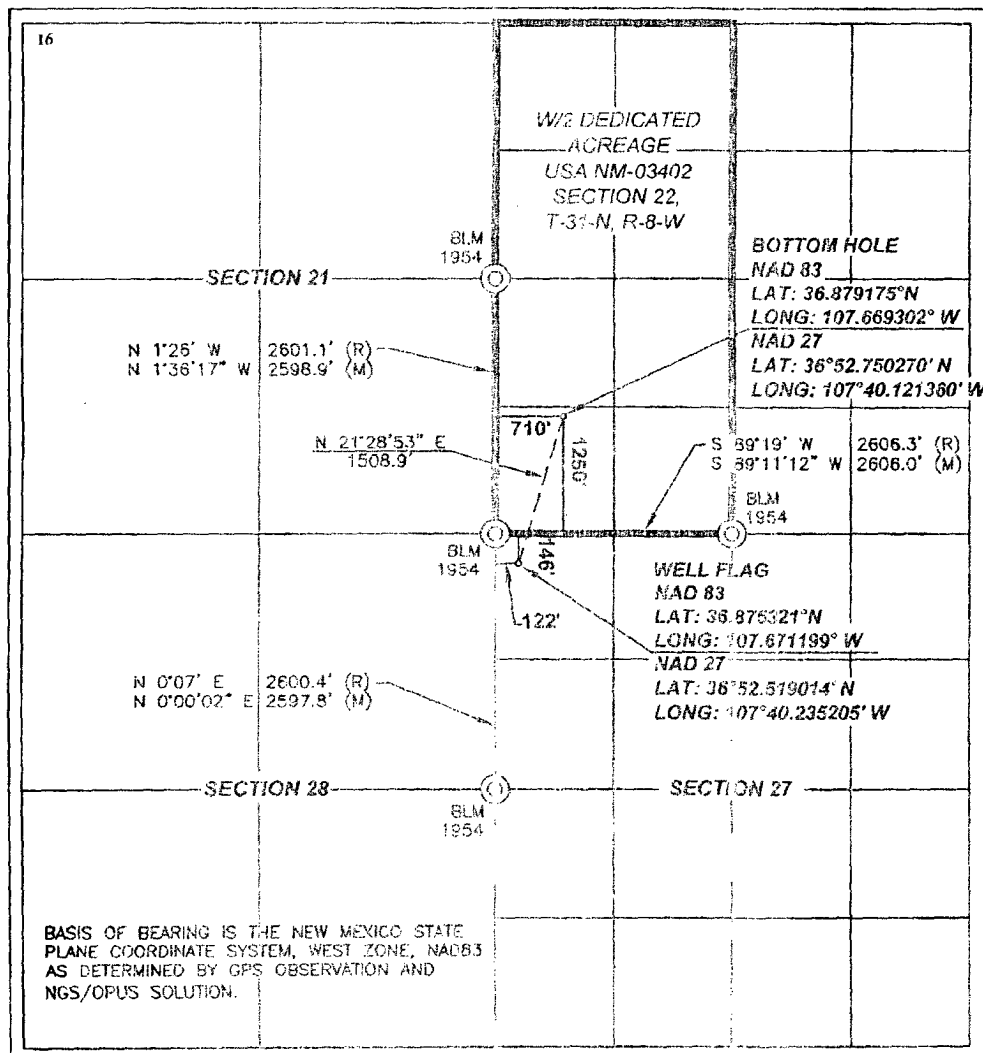
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	31-N	8-W		146	NORTH	122	WEST	SAN JUAN

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
M	22	31-N	8-W		1250	SOUTH	710	WEST	SAN JUAN

¹² Dedicated Acres 320.00 (W/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Crystal Tafuya 12/1/09
Signature

Crystal Tafuya
Printed Name

Regulatory Technician

Title and E-mail Address
December 1, 2009

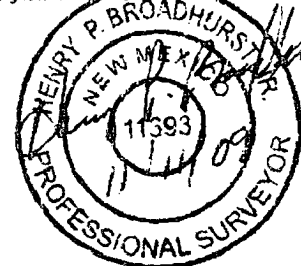
Date

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.

Date of Survey: 10/12/09

Signature and Seal of Professional Surveyor



Certificate Number: NM 11393

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-8 UNIT 7B

DEVELOPMENT

Lease:		AFE #: WAN.CDR.9347				AFE \$: 929,372.76	
Field Name: SAN JUAN		Rig: XXX 2011 Holding Rig		State: NM	County: SAN JUAN		API #:
Geologist:		Phone:		Geophysicist:		Phone:	
Geoscientist:		Phone:		Prod. Engineer:		Phone:	
Res. Engineer:		Phone:		Proj. Field Lead:		Phone:	
Primary Objective (Zones):							
Zone	Zone Name						
FRR	BASIN DAKOTA (PRORATED GAS)						
RON	BLANCO MESAVERDE (PRORATED GAS)						
Location: Surface							
Datum Code: NAD 27		Directional					
Latitude: 36.875317	Longitude: -107.670586	X:	Y:	Section: 27		Range: 008W	
Footage X: 122 FWL	Footage Y: 146 FNL	Elevation: 6525	(FT)	Township: 031N			
Tolerance:							
Location: Bottom Hole							
Datum Code: NAD 27		Directional					
Latitude: 36.879171	Longitude: -107.668689	X:	Y:	Section: 22		Range: 008W	
Footage X: 710 FWL	Footage Y: 1250 FSL	Elevation:	(FT)	Township: 031N			
Tolerance:							
Location Type: Restricted		Start Date (Est.): 1/1/2012		Completion Date:		Date In Operation:	
Formation Data: Assume KB = 6541 Units = FT							
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	MD (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	230	6311		☐			12-1/4 hole. 230' 9 5/8" 32.3 ppf, H-40, STC casing. Cement with 121 cuft. Circulate cement to surface.
NACIMIENTO	791	5750		☐			
OJO ALAMO	2241	4300		☐			
KIRTLAND	2329	4212		☐			
FRUITLAND	2924	3617		☐			Possible Gas
PICTURED CLIFFS	3413	3128		☐			
LEWIS	3520	3021		☐			
Intermediate Casing	3620	2921		☐	128	8 3/4" Hole. 7", 23 ppf, J-55, LTC Casing. Cement with 907 cuft. Circulate cement to surface.	
HUERFANITO BENTONITE	4152	2389		☐			
CHACRA	4533	2008		☐			
UPPER CLIFF HOUSE	4997	1544		☐			Gas; Est. Top Perf - 4998 (1542)
MASSIVE CLIFF HOUSE	5314	1227		☐	349		Gas; Cliffhouse is dry
MENEFEE	5360	1181		☐			
POINT LOOKOUT	5675	866		☐			
MANCOS	6053	488		☐			
UPPER GALLUP	6976	-435		☐			
GREENHORN	7705	-1164		☐			
GRANEROS	7763	-1222		☐			
TWO WELLS	7836	-1295		☐	3354		Gas
PAGUATE	7889	-1348		☐			
UPPER CUBERO	7906	-1365		☐			

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-8 UNIT 7B

DEVELOPMENT

LOWER CUBERO	7933	-1392	☐	
ENCINAL	7997	-1456	☐	Est. Btm Perf - 8026 (-1486) based on offset wells; TD - 50' below T/ENCN
Total Depth	8047	-1506	☐	226 6-1/4" hole, 4-1/2" 11.6 ppf, L-80, LTC casing. Cement w/ 602 cuft. Circulate cement a minimum of 100' inside the previous casing string.
BURRO CANYON	8067	-1526	☐	

Reference Wells:

Reference Type	Well Name	Comments
Production	Howell D 1B	31N 8W 28 SW NE NW
Production	SJ 32-8 7M	31N 8W 21 NE SE NE
Production	SJ 32-8 34M	31N 8W 22 NW NE SE
Production	SJ 32-8 11-A	31N 8W 21 SW NE SE

Logging Program:

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

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

Cased Hole GR / CBL

Mudlog from 100' above top of GRHN to TD - mudlogger will call TD.

Additional Information:

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks
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ConocoPhillips or its affiliates
Planning Report

Database:	EDM Central Planning	Local Co-ordinate Reference:	Well SJ 32-8 #7B
Company:	ConocoPhillips SJBU	TVD Reference:	RKB @ 6541.0ft (H&P RIGS)
Project:	San Juan Basin - New Mexico Wells	MD Reference:	RKB @ 6541.0ft (H&P RIGS)
Site:	San Juan 32 Wells	North Reference:	True
Well:	SJ 32-8 #7B	Survey Calculation Method:	Minimum Curvature
Wellbore:	Principal Wellbore		
Design:	Plan #1		

Casing Points					
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")	
4,031.6	3,620.0	7"	7	8-3/4	
230.0	230.0	9 5/8"	9-5/8	12-1/4	
	8,067.0	4 1/2"	4-1/2	6-1/4	

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
3,824.2	3,413.0	Pictured Cliffs		0.00		
7,387.6	6,976.0	Upper Gallup		0.00		
8,344.6	7,933.0	Lower Cubero		0.00		
2,622.2	2,329.0	Kirtland		0.00		
8,408.6	7,997.0	Encinal		0.00		
8,300.6	7,889.0	Paguate		0.00		
8,247.6	7,836.0	Two Wells		0.00		
4,944.6	4,533.0	Chacra		0.00		
6,464.6	6,053.0	Mancos		0.00		
2,512.8	2,241.0	Ojo		0.00		
6,086.6	5,675.0	Point Lookout		0.00		
8,174.6	7,763.0	Graneros		0.00		
3,319.2	2,924.0	Fruitland		0.00		
4,563.6	4,152.0	Huerfano Bentonite		0.00		
3,931.5	3,520.0	Lewis		0.00		
8,116.6	7,705.0	Greenhorn		0.00		
8,317.6	7,906.0	Upper Cubero		0.00		
5,771.6	5,360.0	Menefee		0.00		
5,725.6	5,314.0	Massive Cliffhouse		0.00		
795.9	791.0	Nacimiento		0.00		
5,408.6	4,997.0	Upper Cliffhouse		0.00		
8,458.6	8,047.0	Total Depth		0.00		

REFERENCE INFORMATION

RKB @ 6541.0ft (H&P RIGS)
Ground Elevation 6525.0
Reference Lat: 36° 52' 31.141 N
Reference Long: 107° 40' 14.112 W

Project: San Juan Basin - New Mexico Well
Site: San Juan 32 Wells
Well: SJ 32-8 #7B
Wellbore: Principal Wellbore
Design: Plan #1

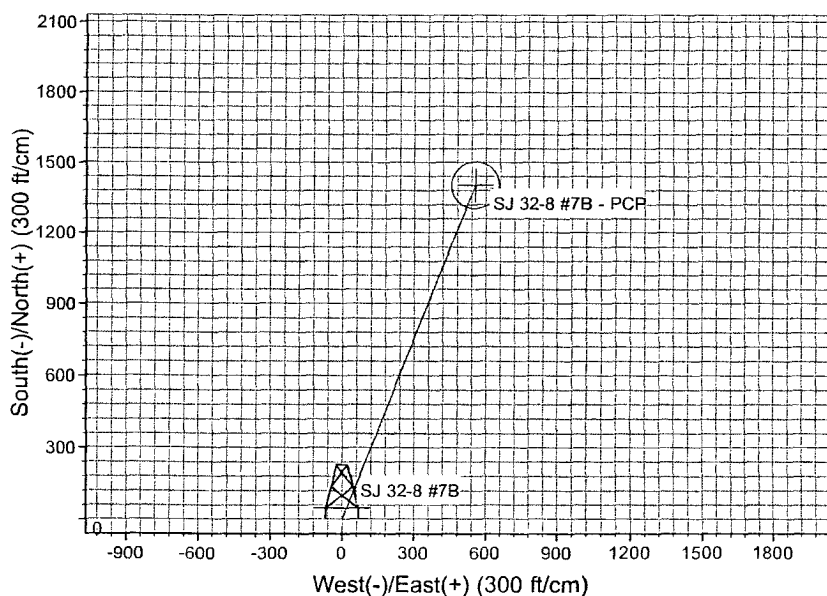
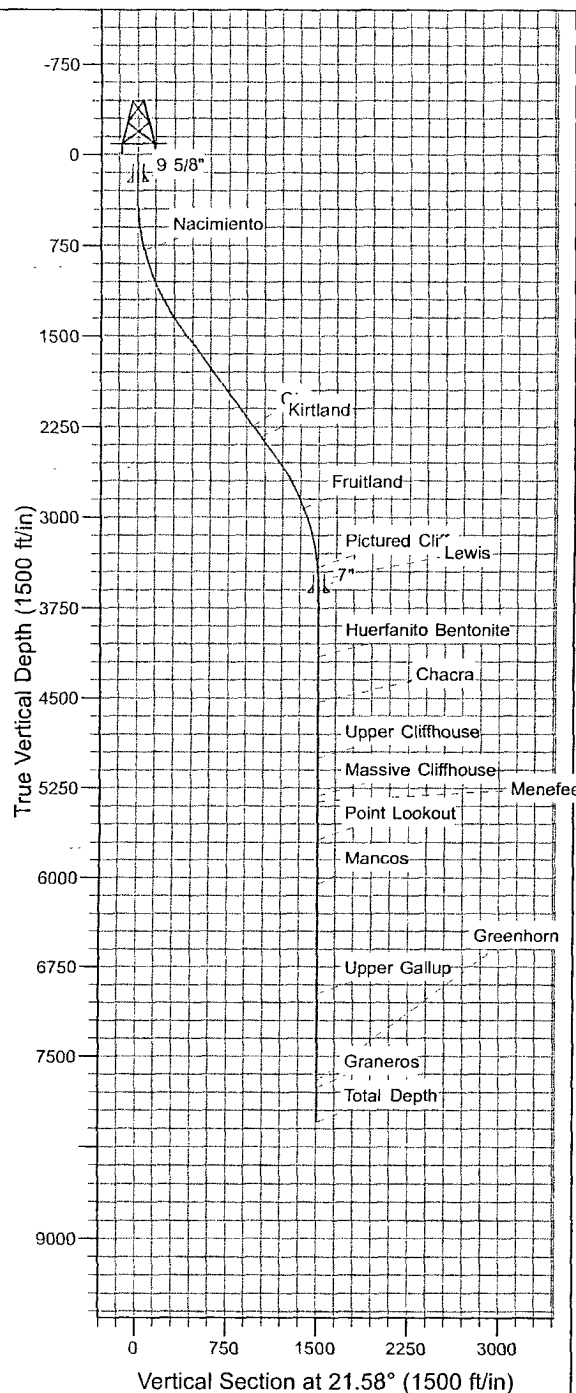
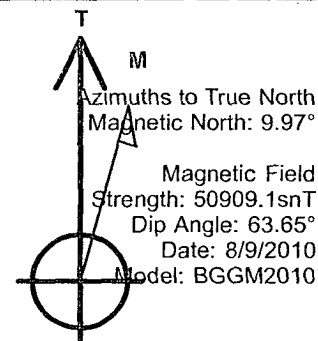
ConocoPhillips

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	320.0	0.00	0.00	320.0	0.0	0.0	0.00	0.00	0.0	
3	1535.6	36.47	21.58	1455.2	347.8	137.5	3.00	21.58	374.0	
4	2816.0	36.47	21.58	2484.8	1055.5	417.4	0.00	0.00	1135.0	
5	4031.6	0.00	0.00	3620.0	1403.2	554.9	3.00	180.00	1509.0	SJ 32-8 #7B - ICP
6	8458.6	0.00	0.00	8047.0	1403.2	554.9	0.00	0.00	1509.0	SJ 32-8 #7B - PCP

FORMATION TOP DETAILS

VDP	MD	Path	Formation
791.0	795.9		Nacimiento
2241.0	2512.8		Ojo
2329.0	2622.2		Kirtland
2924.0	3319.2		Fruitland
3413.0	3824.2		Pictured Cliffs
3520.0	3931.5		Lewis
4152.0	4563.6		Huerfanito Bentonite
4533.0	4944.6		Chacra
4997.0	5408.6		Upper Cliffhouse
5314.0	5725.6		Massive Cliffhouse
5360.0	5771.6		Menefee
5675.0	6086.6		Point Lookout
6053.0	6464.6		Mancos
6976.0	7387.6		Upper Gallup
7705.0	8116.6		Greenhorn
7763.0	8174.6		Graneros
7836.0	8247.6		Two Wells
7889.0	8300.6		Paguate
7906.0	8317.6		Upper Cubero
7933.0	8344.6		Lower Cubero
7997.0	8408.6		Encinal
8047.0	8458.6		Total Depth



CONOCOPHILLIPS COMPANY

SAN JUAN 32-8 UNIT #7B

146' FNL, 122' FWL

SECTION 27, T-31-N, R-8-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

NAD 83 LAT.: 36.875321°N LONG.: 107.671199°W

ELEV.: 6525 NAVD88

NO NEW ACCESS

FROM THE INTERSECTION OF HWY. 550 AND HWY. 64 IN BLOOMFIELD,
N.M.:

- GO EAST ON HWY. 64 FOR 11.7 MI. TURN LEFT (NORTH) ON HWY. 511.
- GO 22.9 MI. NORTH ON HWY. 511. TURN LEFT ON C.R. #4600.
- GO 2.6 MI. SOUTH ON C.R. #4600. TURN LEFT.
- GO 0.5 MI. EAST. STAY RIGHT AT "Y".
- GO 1.0 MI. SOUTHEAST TO CATTLE GUARD. ENTER STAKED PAD 60 FT. SOUTH OF CATTLE GUARD.