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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 22 2010

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Farmington Field Office
Bureau of Land Management

1a. Type of Work DRILL	5. Lease Number SF-078543 Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator ConocoPhillips Company	7. Unit Agreement Name DK-NMNM 78423C MV-NMNM 784230B San Juan 32-7 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name San Juan 32-7 Unit 9. Well Number 69N RCVD OCT 7 '10 OIL CONS. DIV. DIST. 3
4. Location of Well Surf: Unit A (NENE), 1207' FNL & 1047' FEL BH: Unit G (SWNE), 1900' FNL & 1945' FEL Surf: Latitude: 36.5645550° N (NAD83) Longitude: 36.94093° W BH: Latitude: 36.93907° N (NAD83) Longitude: 107.53402° W	10. Field, Pool, Wildcat Basin DK/Blanco MV 11. Sec., Twn, Rge, Mer. (NMPM) K Sec. 35, T32N, R7W API # 30-045-35200
14. Distance in Miles from Nearest Town 19 miles-Ignacio, CO	12. County San Juan 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 52' from San Juan 32-7 #209 (FC)	
16. Acres in Lease 953.480	17. Acres Assigned to Well MV-320.0 E/2, DK-320.0 N/2
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 52'	
19. Proposed Depth 8329 This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6724' GL	22. Approx. Date Work will Start DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS". 9-22-10
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: Brandie Blakley Brandie Blakley (Staff Regulatory Tech)	Date

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

Archaeological Report attached

A gas recovery unit may or may not be used on this location.

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 Federal 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

Hold C104

for Directional Survey
and "As Drilled" plat

OCT 19 2010

NMOC

NOTIFY AZTEC OGD 24 HRS.
PRIOR TO CASING & CEMENT
DO NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS

RECEIVED

SEP 22 2010

DISTRICT I
1626 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1501 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
Farmington Field Office
Bureau of Land Management

Form C-102
Revised October 12, 2005

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-35200		Pool Code 71599/72319	Pool Name BASIN DAKOTA/BLANCO MESAVERDE
Property Code 31329	Property Name SAN JUAN 32-7 UNIT		Well Number 69 N
GRID No. 217817	Operator Name CONOCOPHILLIPS COMPANY		Elevation 6724'

10 Surface Location

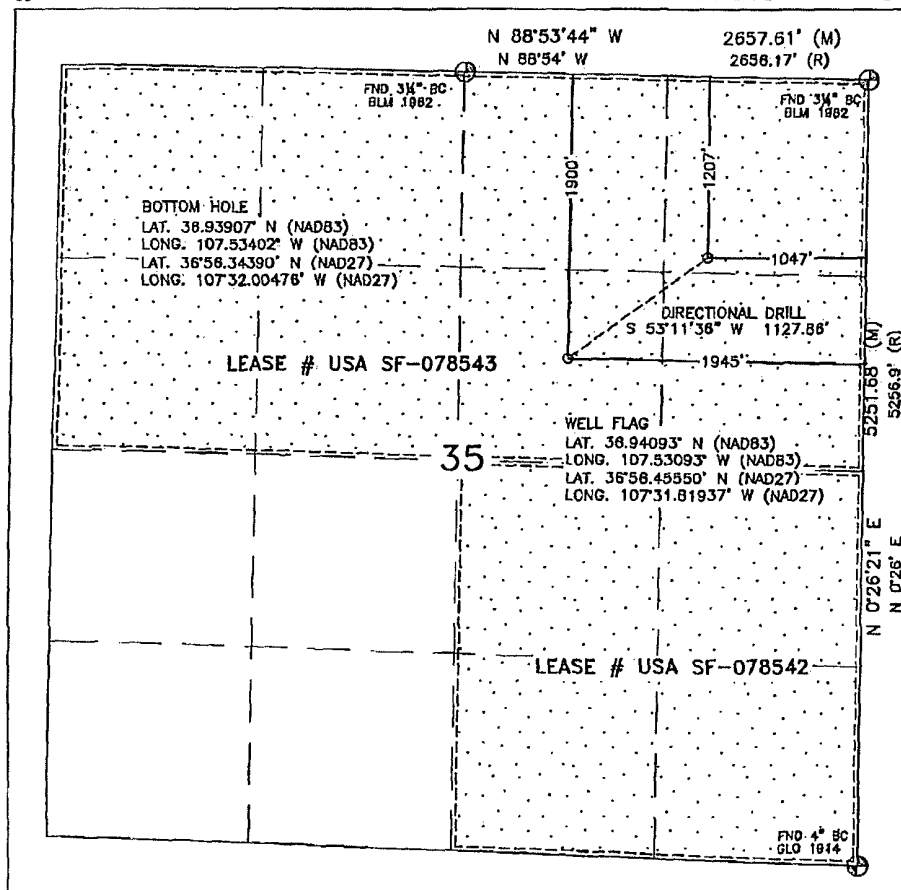
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	32N	7W		1207'	NORTH	1047'	EAST	SAN JUAN

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
G	35	32N	7W		1900'	NORTH	1945'	EAST	SAN JUAN
Dedicated Acres DK-320.0 Acres - (N/2) MV-320.0 Acres - (E/2)		Joint or Infill		Consolidation Code		Order No.			

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

18



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 or a compulsory pooling order heretofore entered by the division.

Signature: Brandie Blakley
Date: 9-7-10

Printed Name: Brandie Blakley 9/7/10

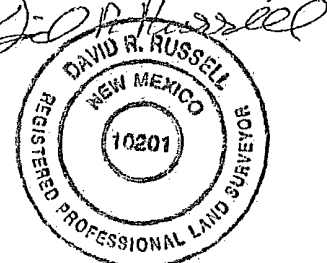
18 SURVEYOR CERTIFICATION

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.

NOVEMBER 11, 2008

Date of Survey

Signature and Seal of Professional Surveyor:



DAVID RUSSELL

Certificate Number

10201

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-7 UNIT 69N

DEVELOPMENT

Lease:		AFE #: WAN.CDR.8349				AFE \$: 0.00	
Field Name: SAN JUAN		Rig: H&P Rig 282		State: NM	County: SAN JUAN		API #:
Geologist:		Phone:		Geophysicist:		Phone:	
Geoscientist:		Phone:		Prod. Engineer:		Phone:	
Res. Engineer: Hester, Colton		Phone: +1 505-326-9779		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: 36.940925	Longitude: -107.530323	X:	Y:	Section: 35	Range: 007W		
Footage X: 1047 FEL	Footage Y: 1207 FNL	Elevation: 6724	(FT)	Township: 032N			
Tolerance: 1945		1900					
Location: Bottom Hole Datum Code: NAD 27 Directional							
Latitude: 36.939065	Longitude: -107.533413	X:	Y:	Section: 35	Range: 007W		
Footage X: 2420 FEL	Footage Y: 1660 FNL	Elevation:	(FT)	Township: 032N			
Tolerance:							
Location Type: Restricted		Start Date (Est.): 1/1/2011		Completion Date:		Date In Operation:	
Formation Data: Assume KB = 6739		Units = FT					
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	MD (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	320	6419		☐			12-1/4 hole. 200' 9 5/8" 32.3 ppf, H-40, STC casing. Cement with 179 cuft. Circulate cement to surface.
NACIMIENTO	965	5774		☐			
OJO ALAMO	2575	4164		☐			
KIRTLAND	2673	4066		☐			
FRUITLAND	3121	3618		☐			Possible Gas
PICTURED CLIFFS	3656	3083		☐			
LEWIS	3761	2978		☐			
Intermediate Casing	3861	2878		☐	133		8 3/4" Hole. 7", 23 ppf, J-55, LTC Casing. Cement with 864 cuft. Circulate cement to surface.
HUERFANITO BENTONITE	4493	2246		☐			
CHACRA	4914	1825		☐			Est. Top Perf - 4916 (1823)
UPPER CLIFF HOUSE	5528	1211		☐			Gas; Cliffhouse is dry
MASSIVE CLIFF HOUSE	5689	1050		☐	627		Gas
MENEFEE	5751	988		☐			
POINT LOOKOUT	5961	778		☐			
MANCOS	6420	319		☐			
UPPER GALLUP	7311	-572		☐			
GREENHORN	8049	-1310		☐			
GRANEROS	8091	-1352		☐			
TWO WELLS	8173	-1434		☐	3067		Gas
PAGUATE	8197	-1458		☐			
UPPER CUBERO	8223	-1484		☐			

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-7 UNIT 69N

DEVELOPMENT

LOWER CUBERO	8263	-1524	☐	Est. Btm Perf - 8293 (- 1554) based on offset wells
ENCINAL	8329	-1590	☐	TD - T/ENCN
Total Depth	8329	-1590	☐	238 6-1/4" hole, 4-1/2" 11.6 ppf, J-55/L-80, LTC casing. Cement w/ 608 cuft. Circulate cement a minimum of 100' inside the previous casing string.

Reference Wells:		
Reference Type	Well Name	Comments
Production	SJ 32-7 Unit 69	32N 7W 35 SE NW NE
Production	SJ 32-7 Unit 93M	32N 7W 36 NW SW NW
Production	SJ 32-7 Unit 69M	32N 7W 35 NW

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

TD Logs:	☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT ☒ Other
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Cased Hole GR / CBL

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

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

Comments: Location/Tops/Logging - MV/DKNM032N007W35NE2 Existing MV and DK wells in unit letter A and B. Prefer G, H.

Zones - MV/DKNM032N007W35NE2

General/Work Description - Include LEWIS

9/10/09 Lewis Reserves Added in PEEP wfp

4/7/09-will need to be closed loop due to the results of the GW test well wfp

3/23/09-no longer economic as DD - needs to be vertical wfp

1/29/09-GW Test Well requested wfp-4/7/09- results of GW test = GW at 63 ft wfp

9/7/10- NO H2S PLAN NEEDED- NO OFFSET H2S PRODUCTION- JRH

REFERENCE INFORMATION

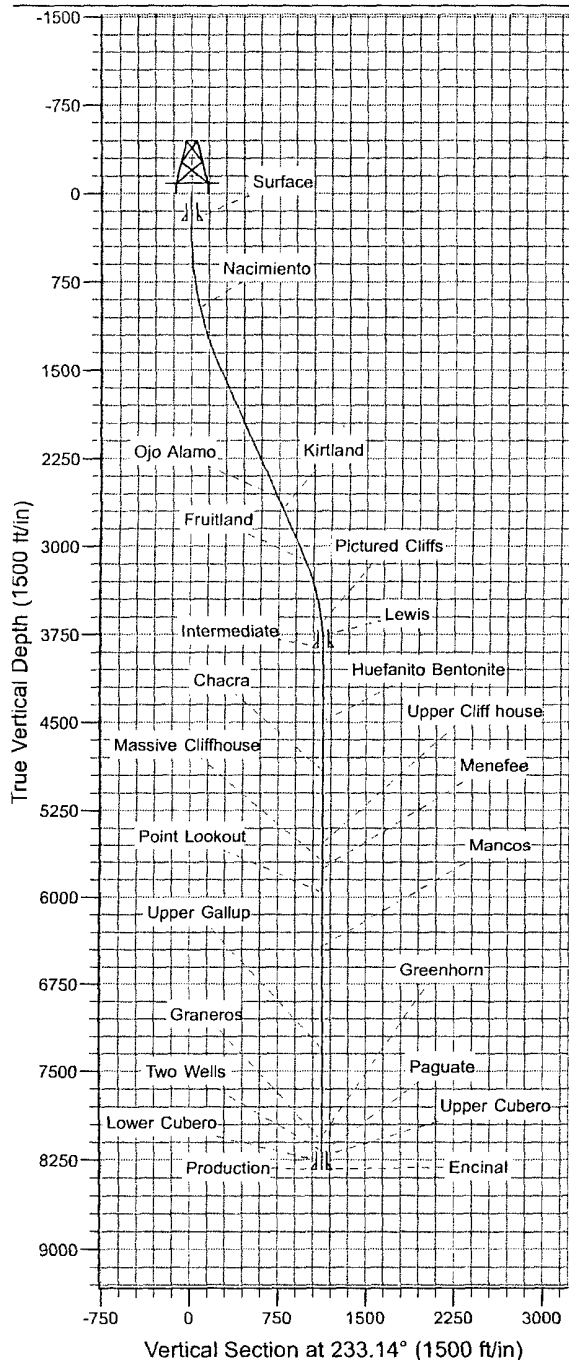
RKB @ 6739.0ft (AWS Rig)
Ground Elevation 6724.0
Reference Lat: 36° 56' 27.330 N
Reference Long: 107° 31' 49.162 W

Project: San Juan Basin - New Mexico Wells
Site: San Juan 32 Wells
Well: SJ 32-7 #69N
Wellbore: Original Hole
Design: Plan #1



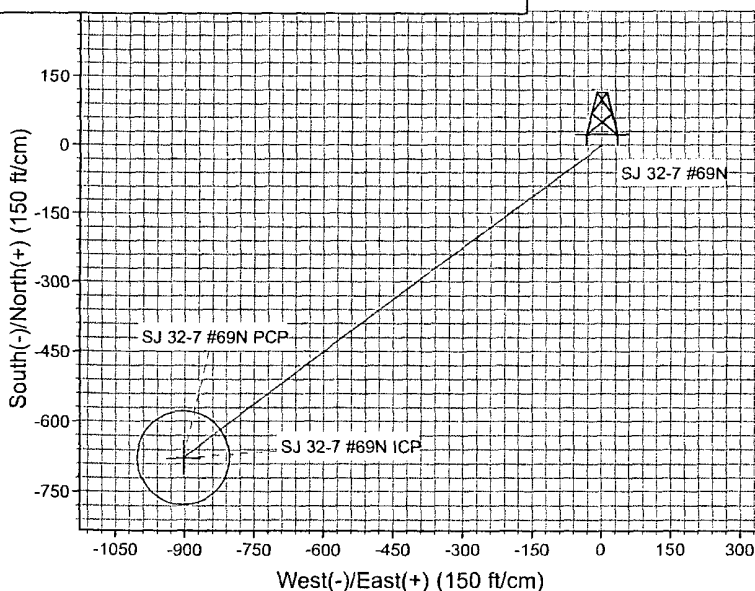
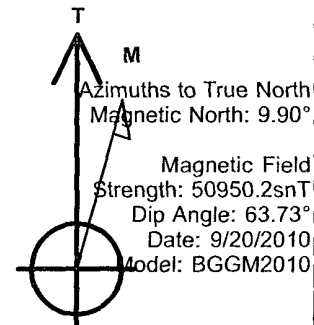
SECTION DETAILS

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	1526.2	24.12	233.14	1490.8	-150.1	-200.2	2.00	233.14	250.2	
4	3267.9	24.12	233.14	3080.4	-577.1	-769.7	0.00	0.00	962.0	
5	4072.0	0.00	0.00	3861.0	-677.2	-903.1	3.00	180.00	1128.8	SJ 32-7 #69N ICP
6	8540.0	0.00	0.00	8329.0	-677.2	-903.1	0.00	0.00	1128.8	SJ 32-7 #69N PCP



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
965.0	970.6	Nacimiento
2575.0	2714.1	Ojo Alamo
2673.0	2821.4	Kirtland
3121.0	3312.1	Fruitland
3656.0	3866.6	Pictured Cliffs
3761.0	3971.9	Lewis
4493.0	4704.0	Huefanito Bentonite
4914.0	5125.0	Chacra
5528.0	5739.0	Upper Cliff house
5689.0	5900.0	Massive Cliffhouse
5751.0	5962.0	Menefee
5961.0	6172.0	Point Lookout
6420.0	6631.0	Mancos
7311.0	7522.0	Upper Gallup
8049.0	8260.0	Greenhorn
8091.0	8302.0	Graneros
8173.0	8384.0	Two Wells
8197.0	8408.0	Pagate
8223.0	8434.0	Upper Cubero
8263.0	8474.0	Lower Cubero
8329.0	8540.0	Encinal



ConocoPhillips or its affiliates Planning Report

Database:	EDM Central Planning	Local Co-ordinate Reference:	Well SJ 32-7 #69N
Company:	ConocoPhillips SJB	TVD Reference:	RKB @ 6739.0ft (AWS Rig)
Project:	San Juan Basin - New Mexico Wells	MD Reference:	RKB @ 6739.0ft (AWS Rig)
Site:	San Juan 32 Wells	North Reference:	True
Well:	SJ 32-7 #69N	Survey Calculation Method:	Minimum Curvature
Wellbore Design:	Original Hole Plan #1		

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
970.6	965.0	Nacimiento		0.00		
8,540.0	8,329.0	Encinal		0.00		
3,971.9	3,761.0	Lewis		0.00		
8,302.0	8,091.0	Graneros		0.00		
7,522.0	7,311.0	Upper Gallup		0.00		
8,434.0	8,223.0	Upper Cubero		0.00		
5,125.0	4,914.0	Chacra		0.00		
8,474.0	8,263.0	Lower Cubero		0.00		
3,866.6	3,656.0	Pictured Cliffs		0.00		
6,631.0	6,420.0	Mancos		0.00		
5,900.0	5,689.0	Massive Cliffhouse		0.00		
6,172.0	5,961.0	Point Lookout		0.00		
8,384.0	8,173.0	Two Wells		0.00		
2,714.1	2,575.0	Ojo Alamo		0.00		
2,821.4	2,673.0	Kirtland		0.00		
8,260.0	8,049.0	Greenhorn		0.00		
5,739.0	5,528.0	Upper Cliff house		0.00		
5,962.0	5,751.0	Menefee		0.00		
4,704.0	4,493.0	Huefanito Bentonite		0.00		
8,408.0	8,197.0	Paguate		0.00		
3,312.1	3,121.0	Fruitland		0.00		

CONOCOPHILLIPS COMPANY

SAN JUAN 32-7 UNIT #69 N
1207' FNL & 1047' FEL
LOCATED IN THE NE/4 NE/4 OF SECTION 35,
T32N, R7W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

DIRECTIONS

- 1) FROM HWY 172 & HWY 151 IN IGNACIO, CO, TRAVEL EAST ON HWY 151 FOR 11.8 MILES.
- 2) TURN RIGHT ONTO LA PLATA COUNT RD 330 & TRAVEL 1.9 MILES SOUTH.
- 3) TURN RIGHT ONTO NM CR 4020, TRAVEL 5.10 MILES TO "Y" INTERSECTION AT TOP OF HILL.
- 4) TURN LEFT ONTO CR 4018 & TRAVEL 0.3 MILES.
- 5) TURN RIGHT INTO MULTIPLE WELL LOCATIONS WHERE WELL IS TWINNED .

WELL FLAG LOCATED AT LAT. 36.94093°N, LONG. 107.53093°W (NAD 83).

JOB No.: COPC257
DATE: 11/21/08



Russell Surveying
1409 W. Aztec Blvd. #2
Aztec, New Mexico 87410
(505) 334-8637