

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|-------------------------------|-------------------------------|
| 1. Operator Name and Address CONOCOPHILLIPS COMPANY 3401 E. 30TH STREET FARMINGTON , NM 87402 | | 2. OGRID Number 217817 |
| | | 3. API Number 30-025-38912 |
| 4. Property Code 31471 | 5. Property Name STATE F 1 | 6. Well No. 023 |

7. Surface Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| A | 1 | 21S | 36E | 9 | 3375 | N | 435 | E | LEA |

8. Pool Information

| | |
|---------------------|-------|
| HARDY;BLINEBRY | 29710 |
| HARDY;TUBB-DRINKARD | 29760 |

Additional Well Information

| | | | | |
|--|----------------------|--|-------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3496 |
| 14. Multiple Y | 15. Proposed Depth | 16. Formation Drinkard | 17. Contractor | 18. Spud Date 6/22/2008 |
| Depth to Ground water 75 | | Distance from nearest fresh water well | | Distance to nearest surface water |
| Pit: Liner: Synthetic <input type="checkbox"/> miles thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

19. Proposed Casing and Cement Program

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 8.625 | 24 | 1345 | 700 | 0 |
| Prod | 7.875 | 5.5 | 17 | 7300 | 1100 | 0 |

Casing/Cement Program: Additional Comments

Fresh water and fresh water mud will be used for drilling the surface hole. Brine and brine based mud will be used for drilling the production hole.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 3000 | 1500 | |
| Blind | 3000 | 3000 | |
| Hydril | 3000 | 3000 | |

| | | |
|---|---------------------------|----------------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Philana Thompson Title: Regulatory Technician Email Address: thomppp@conocophillips.com Date: 5/19/2008 | OIL CONSERVATION DIVISION | |
| | Approved By: Paul Kautz | |
| | Title: Geologist | |
| | Approved Date: 5/19/2008 | Expiration Date: 5/19/2010 |
| | Phone: 505-326-9530 | |
| Conditions of Approval Attached | | |

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. Frances Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|------------------------|---|------------------------------|
| API Number 30-025- | Pool Code 29710 | Pool Name Hardy; Blinebry |
| Property Code 31471 | Property Name STATE F-1 | Well Number 23 |
| GRID No. 217817 | Operator Name CONOCOPHILLIPS COMPANY | Elevation 3496' |

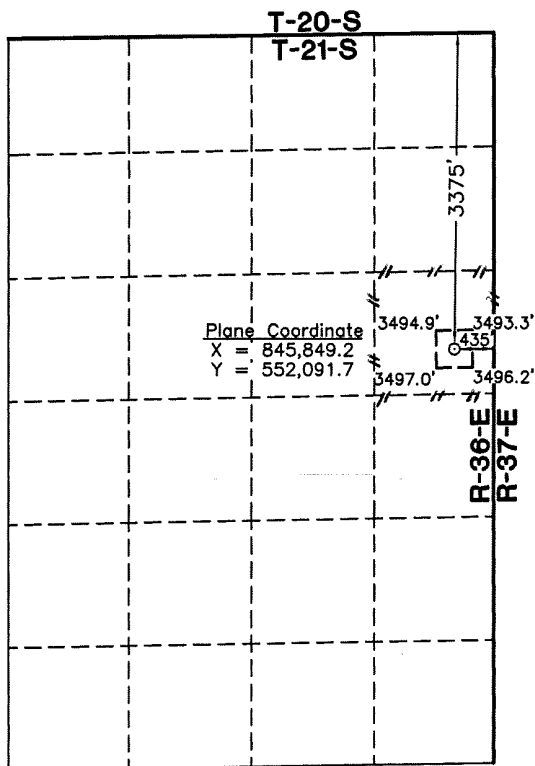
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 9 | 1 | 21 S | 36 E | | 3375 | NORTH | 435 | EAST | LEA |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 40 | | | | | | | | | |

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



NOTE:

- 1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.

1" = 2000'

OPERATOR CERTIFICATION

I hereby certify 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.

Celeste G. Dale 05/19/08
Signature Date
Celeste G. Dale
Printed Name

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.

February 18, 2008

Date of Survey LVA
Signature & Seal of Professional Surveyor

W.O. Num. 2008-0133

Certificate No. MACON McDONALD 12185

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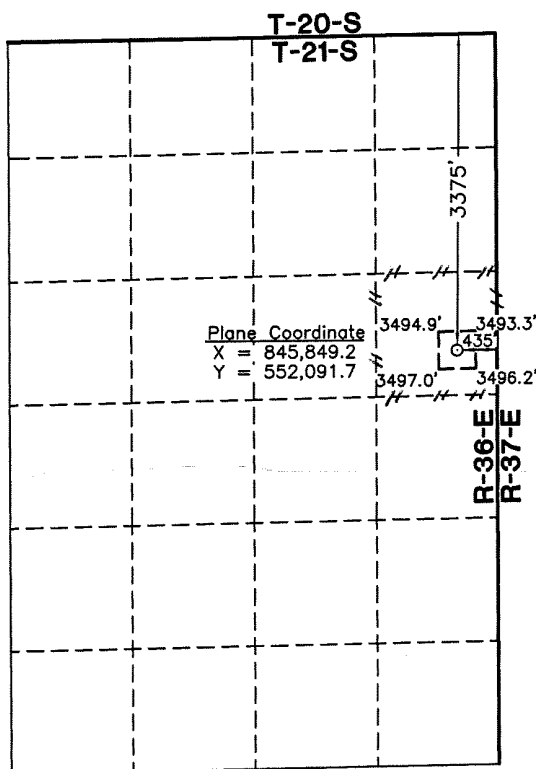
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|-----------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | Order No. | | | | | | |

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Celeste G. Dale 05/19/08
Signature Date
Celeste G. Dale
Printed Name

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February 18, 2008

Date of Survey LVA
Signature & Seal of Professional Surveyor

[Signature]

W.O. Num. 2008-0133

Certificate No. MACON McDONALD 12185

Permit Comments

Operator: CONOCOPHILLIPS COMPANY , 217817

Well: STATE F 1 #023

API: 30-025-38912

| Created By | Comment | Comment Date |
|------------|---|--------------|
| DMULL | Will require the form C-103 per R-11363 "Pre approved Pools and Area" for Downhole commingling before multiple zones can be produced by commingling in the wellbore accordance with the procedure set forth in Rule 303C(3)(b). | 5/19/2008 |

Permit Conditions of Approval

Operator: CONOCOPHILLIPS COMPANY , 217817

Well: STATE F 1 #023

API: 30-025-38912

| OCD Reviewer | Condition |
|-----------------|---|
| DMULL | Will require the form C-103 per R-11363 "Pre approved pools and area" for Downhole commingling before multiple zones can be produced by commingling in the wellbore accordance with the procedure set forth in Rule 303C(c)(b). |
| pkautz | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |