

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.
SF-078343

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
SAN JUAN 29-5 UNIT #17B

9. API Well No.
30-039-29742

10. Field and Pool, or Exploratory

11. Sec., T. R. M. or Blk. and Survey or Area
SECTION 5, T29N, R5W NMPM

12. County or Parish
RIO ARRIBA

13. State
NM

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator
ConocoPhillips Company

3a. Address
4001 Penbrook, Odessa, TX 79762

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

4. Location of Well (Report location clearly and in accordance with any State requirements, *)
At surface SENE 2110 FNL - 310 FEL
At proposed prod. zone

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

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

16. No. of acres in lease
322.24 ACRES

17. Spacing Unit dedicated to this well
E/2 - 321.24 ACRES

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
6132'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6631' GL

22 Approximate date work will start*

23. Estimated duration

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 *Peggy James* Name (Printed/Typed) Peggy James Date 01/06/2006
Title Sr. Associate

Approved by (Signature) *D. Mankiewicz* Name (Printed/Typed) Title Office PFO Date 4/7/06

Application approval does not warrant or certify that the applicant holds legal or equitable 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 jurisdiction.

*(Instructions on page 2)

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

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

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

NMOCD

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

2005 JAN 10 AM 8 14 AMENDED REPORT

RECEIVED
WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29742		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 31325 ✓	*Property Name SAN JUAN 29-5 UNIT ✓		*Well Number 17B ✓
*GRID No. 217817 ✓	*Operator Name CONOCOPHILLIPS COMPANY ✓		*Elevation 6631' ✓

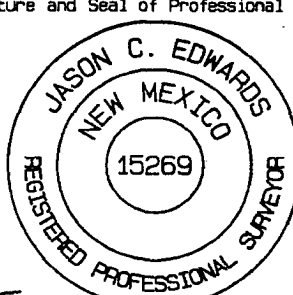
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	5	29N	5W		2110	NORTH	310	EAST	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
12 Dedicated Acres 321.24 Acres - E/2					13 Joint or Infill		14 Consolidation Code		15 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

1334.52'	LOT 4	LOT 3	LOT 2	LOT 1	5280.00'	1342.44'	2110'	1320.00'	310'	2640.00'	5290.56'	21336	LEASE SF-078642	DATE: 36°45.3663' N LONG: 107°22.3292' W DATUM: NAD27	LEASE SF-078343 322.24 acres	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Virgil E. Chavez</u> Signature Virgil E. Chavez Printed Name Projects & Operations Lead Title <u>January 3, 2006</u> 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 Revised: DECEMBER 26, 2005 Survey Date: AUGUST 19, 2004 Signature and Seal of Professional Surveyor  <u>JASON C. EDWARDS</u> Certificate Number 15269

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. <u>30-039-29742</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SAN JUAN 29-5 UNIT
8. Well Number 17B
9. OGRID Number 217817
10. Pool name or Wildcat BLANCO MESAVERDE

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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
ConocoPhillips Company

3. Address of Operator
4001 Penbrook, Odessa, TX 79762

4. Well Location
Unit Letter H 2110 feet from the NORTH line and 310 feet from the EAST line
Section 5 Township 29N Range 5W NMPM RIO ARRIBA County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6631 GL

Pit or Below-grade Tank Application ☒ Closure ☐

Pit type DRILL Depth to Groundwater 65' Distance from nearest fresh water well 10,026' Distance from nearest surface water 475'

Liner Thickness: 12 mil Below-Grade Tank: Volume 4400 bbls; Construction Material SYNTHETIC

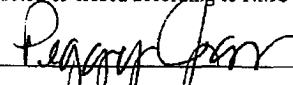
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 11.03. 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

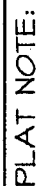
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Peggy James  TITLE Sr. Associate DATE 1/06/2006

Type or print name Peggy James E-mail address peggy.s.james@conocophillips.com Telephone No.: (432)368-1230
For State Use Only

APPROVED BY:  TITLE DEPUTY OIL & GAS INSPECTOR DIST. IV DATE APR 10 2006
Conditions of Approval (if any):

LATITUDE: 36.75611°N
LONGITUDE: 107.37215°W
DATUM: NAD1927



****SURFACE OWNER****
Bureau of Land
Management

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 29-5 17B

Lease:		AFE #: WAN.CNV.6134		AFE \$:	
Field Name: 29-5		Rig: H&P 283		State: NM	County: RIO ARRIBA
Geoscientist: Glaser, Terry J		Phone: (832)486-2332	Prod. Engineer: Moody, Craig E.		Phone: 486-2334
Res. Engineer: Hensley, Dan E		Phone: 832-486-2385	Proj. Field Lead: Fransen, Eric E.		Phone:

Primary Objective (Zones):

Zone	Zone Name
RON	BLANCO MESAVERDE (PRORATED GAS)

Location: Surface Straight Hole

Latitude: 36.76	Longitude: -107.37	X:	Y:	Section: 5	Range: 5W
Footage X: 310 FEL	Footage Y: 2110 FNL	Elevation: 6631	(FT)	Township: 29N	

Tolerance:

Location Type: Summer Only	Start Date (Est.):	Completion Date:	Date In Operation:
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Formation Data: Assume KB = 6647 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SURFACE CSG	216	6431	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1357	5290	<input type="checkbox"/>			
CJAM	2707	3940	<input type="checkbox"/>			Possible water flows.
KRLD	2907	3740	<input type="checkbox"/>			
FRLD	3247	3400	<input type="checkbox"/>			Possible gas.
PCCF	3577	3070	<input type="checkbox"/>			
LEWS	3777	2870	<input type="checkbox"/>			
Intermediate Casing	3877	2770	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4647	2000	<input type="checkbox"/>			
CLFH	5447	1200	<input type="checkbox"/>			Gas; possibly wet
MENF	5527	1120	<input type="checkbox"/>			Gas.
PTLK	5782	865	<input type="checkbox"/>			Gas.
MNCS	6032	615	<input type="checkbox"/>			
TOTAL DEPTH MV	6132	515	<input type="checkbox"/>			6-1/4" Hole. 4-1/2", 10.5 ppf, J-55, STC 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
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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
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PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 29-5 17B

Comments: Location/Tops/Logging - Most of the road to get to the proposed loc. is on FEE surface.

Zones - Drill and equip the SAN JUAN 29-5 17B well as an 80-acre Mesaverde/Lewis infill well, to be located 200 FEL & 2200 FNL of Section 5-T29N-R5W, Rio Arriba County, NM. Once established and adequately tested, production will be from Mesaverde/Lewis only.

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist drilling media with foamer, polymer, & corrosion inhibitor as needed

Centralizer Program:

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints

Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

General/Work Description - Drill and equip the SAN JUAN 29-5 17B well as an 80-acre Mesaverde/Lewis infill well, to be located 200 FEL & 2200 FNL of Section 5-T29N-R5W, Rio Arriba County, NM. Once established and adequately tested, production will be from Mesaverde/Lewis only.

Lease:	AFE #: WAN.CNV.6134			AFE \$:
Field Name: 29-5	Rig:	State: NM	County: RIO ARRIBA	API #:
Geoscientist: Glaser, Terry J	Phone: (832)486-2332	Prod. Engineer: Moody, Craig E.	Phone: 486-2334	
Res. Engineer: Hensley, Dan E	Phone: 832-486-2385	Proj. Field Lead: Fransen, Eric E.	Phone:	

Primary Objective (Zones):

Zone	Zone Name
RON	BLANCO MESAVERDE (PRORATED GAS)

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Tolerance:						

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MENF	5527	1120	<input type="checkbox"/>			Gas.
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PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 29-5 17B

MNCS	6032	615	<input type="checkbox"/>	
TOTAL DEPTH MV	6132	515	<input type="checkbox"/>	6-1/4" Hole. 4-1/2", 10.5 ppf, J-55, STC casing. Circulate cement a minimum of 100' inside the previous casing string. No open hole logs. Cased hole TDT with GR to surface.

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

Additional Information:

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks
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Comments: Location/Tops/Logging - Most of the road to get to the proposed loc. is on FEE surface.

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General/Work Description - Drill and equip the SAN JUAN 29-5 17B well as an 80-acre Mesaverde/Lewis infill well, to be located 200 FEL & 2200 FNL of Section 5-T29N-R5W, Rio Arriba County, NM. Once established and adequately tested, production will be from Mesaverde/Lewis only.

San Juan 29-5 # 17B
Halliburton Cementing Program

SURFACE CASING :

Drill Bit Diameter	12.25"	
Casing Outside Diameter	9.625"	Casing Inside Diam. 9.001"
Casing Weight	32.3	ppf
Casing Grade	H-40	
Shoe Depth	235'	
Cement Yield	1.21	cuft/sk
Excess Cement	125	%
Cement Required	141	sx

SHOE 235 ', 9.625 ", 32.3 ppf, H-40 STC

INTERMEDIATE CASING :

Drill Bit Diameter	8.75"	
Casing Outside Diameter	7"	Casing Inside Diam. 6.456"
Casing Weight	20	ppf
Casing Grade	J-55	
Shoe Depth	3877'	
Lead Cement Yield	2.88	cuft/sk
Lead Cement Excess	150	%
Tail Cement Length	775.4'	
Tail Cement Yield	1.33	cuft/sk
Tail Cement Excess	150	%
Lead Cement Required	388	sx
Tail Cement Required	226	sx

SHOE 3877 ', 7 ", 20 ppf, J-55 STC

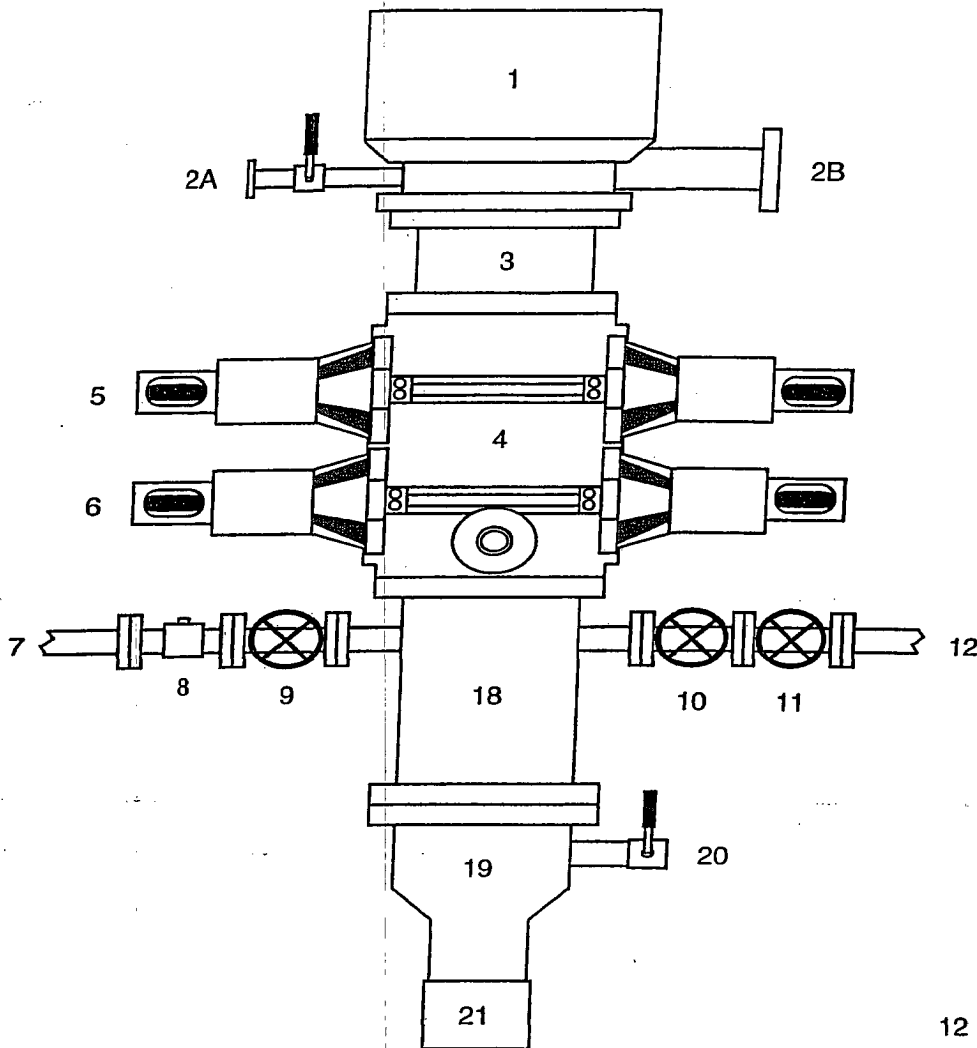
PRODUCTION CASING :

Drill Bit Diameter	6.25"	
Casing Outside Diameter	4.5"	Casing Inside Diam. 4.052"
Casing Weight	10.5	ppf
Casing Grade	J-55	
Top of Cement	3677'	200' inside intermediate casing
Shoe Depth	6132'	
Cement Yield	1.45	cuft/sk
Cement Excess	50	%
Cement Required	256	sx

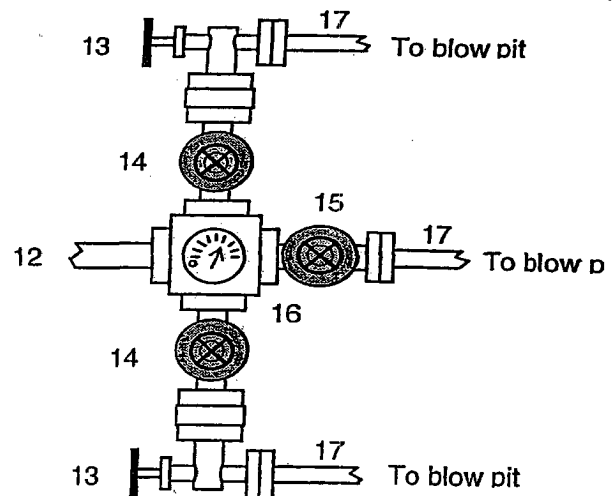
SHOE 6132 ', 4.5 ", 10.5 ppf, J-55 STC

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



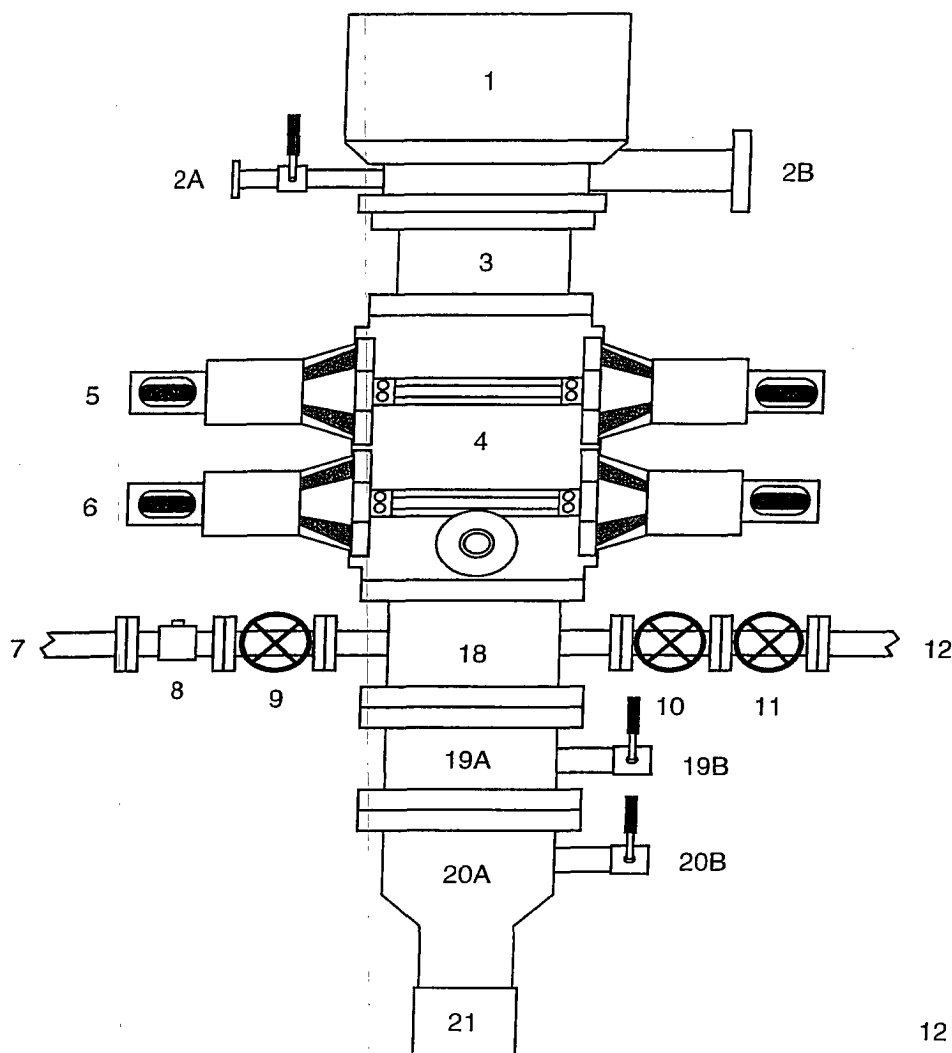
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe 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:

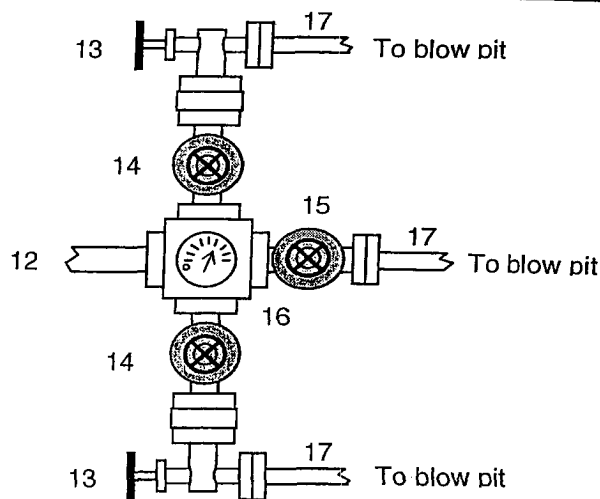
1. Upper Kelly cock Valve with handle

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Bleeie 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

Property : SAN JUAN 29-5 UNIT **Well #:** 17B

Surface Location:

Unit: H **Section:** 5 **Township:** 29N **Range:** 5W

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

Footage: 2110 **from the** NORTH **line,** 310 **from the** EAST **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.