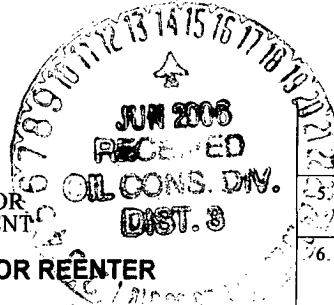


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-080377
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator ConocoPhillips Company		7. If Unit or CA Agreement, Name and No. SAN JUAN 29-6 UNIT
3a. Address 4001 Penbrook, Odessa, TX 79762		8. Lease Name and Well No. 66B
3b. Phone No. (include area code) 432-368-1352		9. API Well No. 30-039-29533
4. Location of Well (Report location clearly and in accordance with any State requirements, *) At surface 325 FSL - 175 FWL At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area A1 SECTION 9, T29N, R6W
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 1287.6	12. County or Parish Rio Arriba
17. Spacing Unit dedicated to this well W/2 - 320.0 ACRES	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 6139	13. State NM
19. Proposed Depth	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6746 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 Vicki Westby (pf)	Name (Printed/Typed) Vicki Westby	Date 4/11/05
Title Staff Agent		
Approved by (Signature) Original Signed: Stephen Mason	Name (Printed/Typed)	Date JUN 12 2006
Title	Office	

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)

PA
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.

NMOCD

2005 APR 12 PM 4
RECEIVED
OTD FARMINGTON

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

District II
PO Drawer 00, Artesia, NM 88211-0719

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29533		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 31326	*Property Name SAN JUAN 29-6 UNIT		*Well Number 668
*GRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6746

10 Surface Location

UL or lot no. M	Section 9	Township 29N	Range 6W	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 175	East/West line WEST	County 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 320.0 Acres - W/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

16	5273.40'	LEASE SF-080377 1287.4 Total Acres	9	5280.00'	5280.00'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Vicki Westby</i> Signature Vicki R. Westby Printed Name Staff Agent Title <i>April 4, 2005</i> Date
LAT: 36°44.0285' N LONG: 107°28.5647' W DATUM: NAD27 325'						
RECEIVED 2005 APR 12 PM 4 20 070 FARMINGTON NM						
5281.32'						

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-1 03

May 27, 2004

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

WELL API NO.

30-039-29533

5. Indicate Type of Lease

STATE ☐

FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SAN JUAN 29-6 UNIT

8. Well Number

66B

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 M 325 feet from the South line and 175 feet from the West line
Section 9 Township 29N Range 6W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6746 GL

Pit or Below-grade Tank Application ☒ Closure ☐

Pit type DRILL Depth to Groundwater 60' Distance from nearest fresh water well 1 mile Distance from nearest surface water 150'

Liner Thickness:

mil

Below-Grade Tank: Volume

bb1s; Construction Material

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

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 the Nov. 1, 2004 Guidelines. 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 Vicki Westby

TITLE Staff Agent

DATE 4/11/05

Type or print name

E-mail address:

Telephone No.

For State Use Only

APPROVED BY:

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 3

DATE JUN 14 2006

Conditions of Approval (if any):

CONOCOPHILLIPS COMPANY SAN JUAN 29-6 UNIT #66B
325' FSL & 175' FWL, SECTION 9, T29N, R6W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6746'

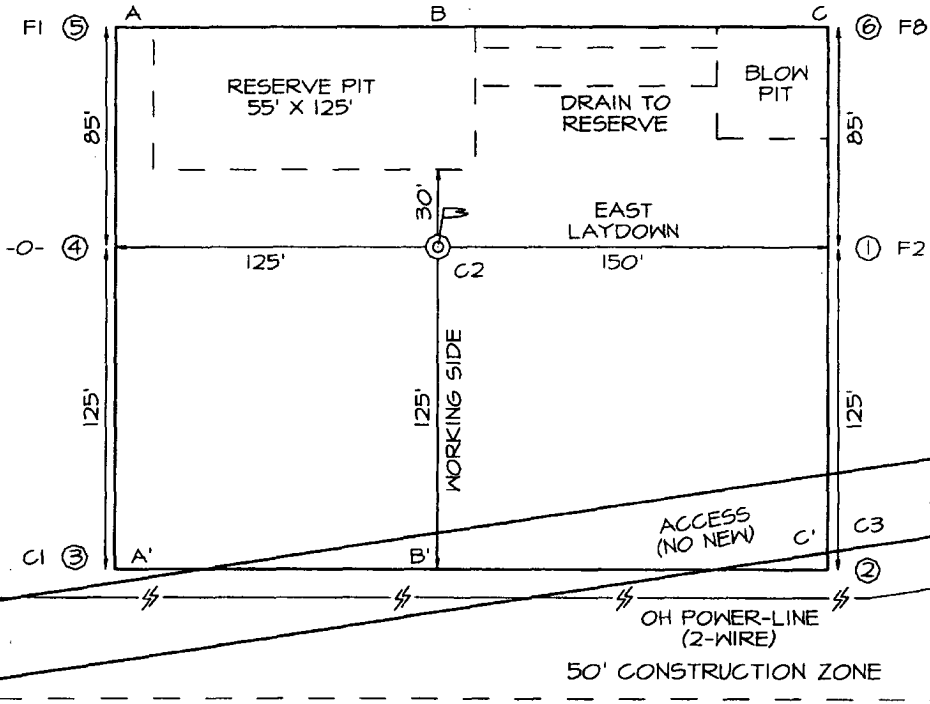
SE/4 SE/4 SECTION 8
 FEE Land: Pat Smith

SW/4 SW/4 SECTION 9
 FEE Land: Gomez Y Gomez

50' CONSTRUCTION ZONE

LATITUDE: 36.73381° N
 LONGITUDE: 107.47608° W
 DATUM: NAD1927

SECTION LINE / PROPERTY LINE



PLAT NOTE:

SURFACE OWNER
 FEE: Gomez Y Gomez

A-A'						
6754'						
6744'						
6734'						

B-B'						
6754'						
6744'						
6734'						

C-C'						
6754'						
6744'						
6734'						

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 29-6 66B

Lease:		AFE #:		AFE \$:	
Field Name: hPHILLIPS 29-6		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: Johnson, Tom B.		Phone: (832)-486-2347	Proj. Field Lead: Franssen, Eric E.		Phone:

Primary Objective (Zones):

Zone	Zone Name
RON	BLANCO MESAVERDE (PRORATED GAS)

Location: Surface

Straight Hole

Latitude: 36.73	Longitude: -107.48	X:	Y:	Section: 9	Range: 6W
Footage X: 175 FWL	Footage Y: 325 FSL	Elevation: 6746	(FT)	Township: 29N	

Tolerance:

Location Type: Year Round Start Date (Est.): Completion Date: Date In Operation:

Formation Data: Assume KB = 6759 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	213	6546	<input type="checkbox"/>			Possible lost circulation. 12 1/4" Hole. 9 5/8", 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1369	5390	<input type="checkbox"/>			
OJAM	2699	4060	<input type="checkbox"/>			Possible water flows.
KRLD	2919	3840	<input type="checkbox"/>			
FRLD	3289	3470	<input type="checkbox"/>			Possible gas.
PCCF	3644	3115	<input type="checkbox"/>			
LEWS	3844	2915	<input type="checkbox"/>			
Intermediate Casing	3944	2815	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4659	2100	<input type="checkbox"/>			
CLFH	5434	1325	<input type="checkbox"/>	1300		Gas; possibly wet
MENF	5524	1235	<input type="checkbox"/>			Gas.
PTLK	5789	970	<input type="checkbox"/>			Gas.
MNCS	6039	720	<input type="checkbox"/>			
Total Depth	6139	620	<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
----------------	-----------	----------

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
----------	-------	-----------	---------	----------------	---------

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 29-6 66B

Comments: Zones - Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist/nitrogen 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

San Juan 29-6 #66B
Halliburton Cement Calculations

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	230 '	
Cement Yield	1.21	cuft/sk
Excess Cement	125	%
Cement Required	147	sx

SHOE 230 ', 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	3944 '	
Lead Cement Yield	2.88	cuft/sk
Lead Cement Excess	150	%
Tail Cement Length	788.8'	
Tail Cement Yield	1.33	cuft/sk
Tail Cement Excess	150	%
Lead Cement Required	395	sx
Tail Cement Required	230	sx

SHOE 3944 ', 7 ", 20 ppf, J-55 STC

PRODUCTION CASING :

Drill Bit Diameter	6.25 "	
Casing Outside Diameter	4.5 "	Casing Inside Diam. 4.000 "
Casing Weight	10.5	ppf
Casing Grade	J-55	
Top of Cement	3744 '	200' inside intermediate casing
Shoe Depth	6139 '	
Cement Yield	1.45	cuft/sk
Cement Excess	50	%
Cement Required	249	sx

SHOE 6139 ', 4.5 ", 10.5 ppf, J-55 STC

SAN JUAN 29-6 #66B
HALLIBURTON OPTION

9-5/8 Surface Casing		
Cement Recipe	Class C Standard Cement	
	+ 3% Calcium Chloride	
	+0.25 lb/sx Flocele	
Cement Volume	147	sx
Cement Yield	1.21	cuft/sx
Slurry Volume	179.8	cuft
	32.0	bbls
Cement Density	15.6	ppg
Water Required	5.29	gal/sx

7" Intermediate Casing		
Lead Slurry		
Cement Recipe	Standard Cement	
	+ 3% Econolite (extender)	
	+ 10 lb/sx Pheno Seal	
Cement Required	395	sx
Cement Yield	2.88	cuft/sx
Slurry Volume	1138.2	cuft
	202.7	bbls
Cement Density	11.5	ppg
Water Required	16.91	gal/sx

7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50 / 50 POZ:Standard Cement	
	+ 2% Bentonite	
	+ 6 lb/sx Pheno Seal	
Cement Required	230	sx
Cement Yield	1.33	cuft/sx
Slurry Volume	306.1	cuft
	54.5	bbls
Cement Density	13.5	ppg
Water Required	5.52	gal/sx

4-1/2" Production Casing		
Cement Recipe	50 / 50 POZ:Standard Cement	
	+ 3% Bentonite	
	+ 3.5 lb/sx PhenoSeal	
	+ 0.2% CFR-3 Friction Reducer	
	+ 0.1% HR-5 Retarder	
	+ 0.8% Halad-9 Fluid Loss Additive	
Cement Quantity	249	sx
Cement Yield	1.45	cuft/sx
Cement Volume	361.3	cuft
	64.4	
Cement Density	13.1	ppg
Water Required	6.47	gal/sx

SCHLUMBERGER OPTION

9-5/8 Surface Casing		
Cement Recipe	Class G Standard Cement	
	+ 2% S001 Calcium Chloride	
	+0.25 lb/sx D029 Cellophane Flakes	
Cement Volume	148	sx
Cement Yield	1.16	cuft/sx
Cement Volume	171.5	cuft
Cement Density	15.8	ppg
Water Required	4.983	gal/sx

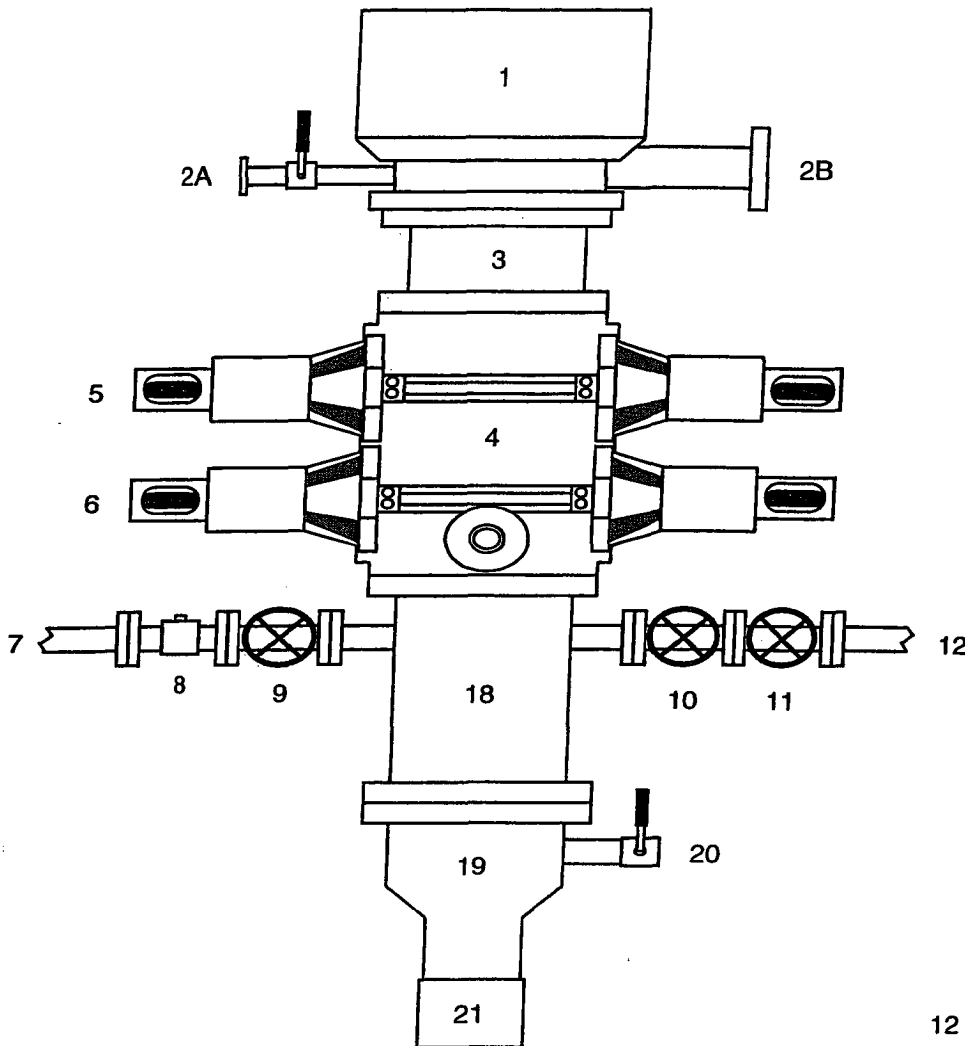
7" Intermediate Casing		
Lead Slurry		
Cement Recipe	Class G Standard Cement	
	+0.25 lb/sx D029 Cellophane Flakes	
	+ 3% D079 Extender	
	+ 0.20% D046 Antifoam	
	+ 10 lb/sx Pheno Seal	
Cement Required	419	sx
Cement Yield	2.72	cuft/sx
Slurry Volume	1139.5	cuft
	203.0	bbls
Cement Density	11.7	ppg
Water Required	15.74	gal/sx

7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50 / 50 POZ:Standard Cement	
	+0.25 lb/sx D029 Cellophane Flakes	
	+ 2% D020 Bentonite	
	+ 1.5 lb/sx D024 Gilsonite Extender	
	+ 2% S001 Calcium Chloride	
	+ 0.10% D046 Antifoam	
	+ 6 lb/sx Pheno Seal	
Cement Required	234	sx
Cement Yield	1.31	cuft/sx
Slurry Volume	306.0	cuft
	54.5	bbls
Cement Density	13.5	ppg
Water Required	5.317	gal/sx

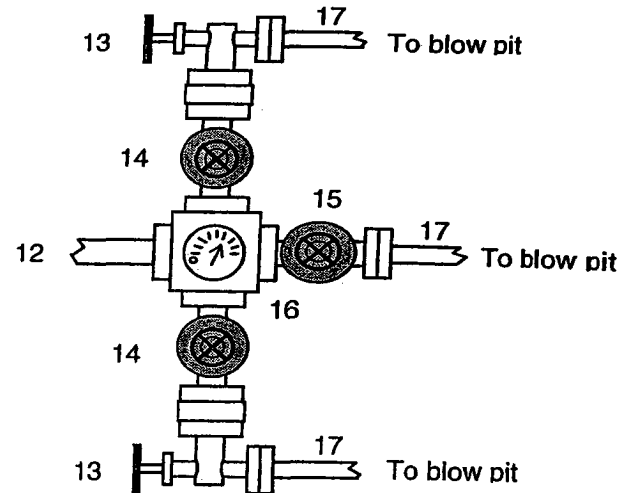
4-1/2" Production Casing		
Cement Recipe	50 / 50 POZ:Class G Standard Cement	
	+0.25 lb/sx D029 Cellophane Flakes	
	+ 3% D020 Bentonite	
	+ 1.0 lb/sx D024 Gilsonite Extender	
	+ 0.25% D167 Fluid Loss	
	+ 0.15% D065 Dispersant	
	+ 0.1% D800 Retarder	
	+ 0.1% D046 Antifoamer	
	+ 3.5 lb/sx PhenoSeal	
Cement Quantity	251	sx
Cement Yield	1.44	cuft/sx
Cement Volume	361.2	cuft
	64.3	
Cement Density	13	ppg
Water Required	6.43	gal/sx

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



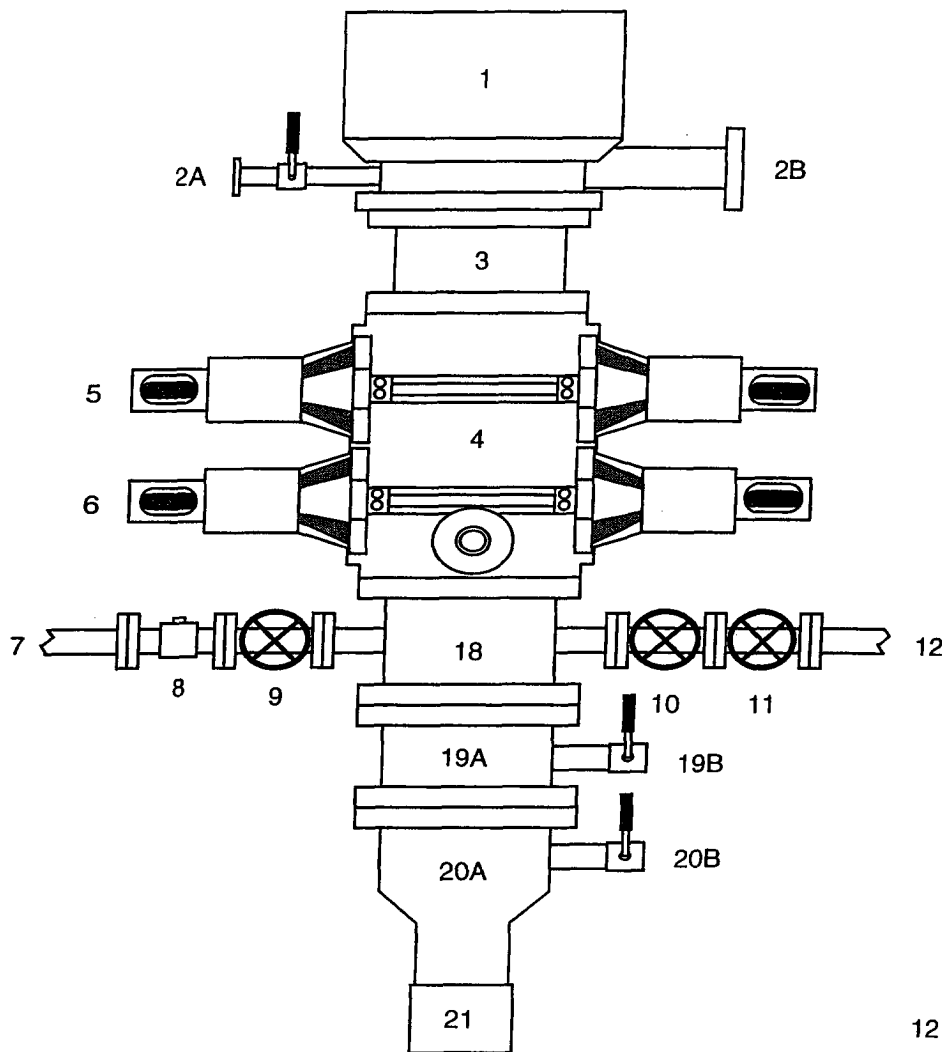
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

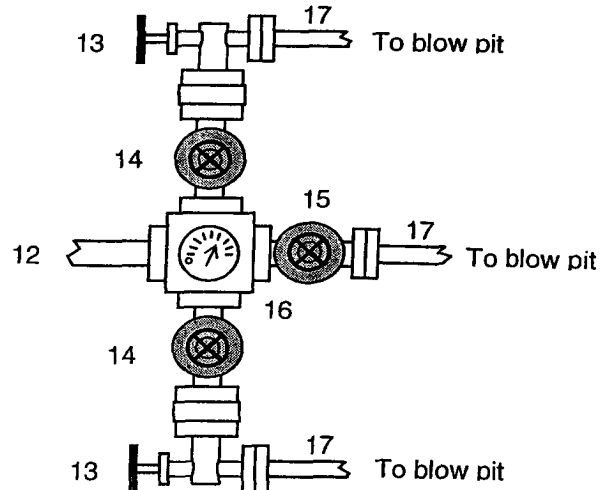
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Bloopie 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 29-6 UNIT **Well #:** 66B

Surface Location:

Unit: M **Section:** 9 **Township:** 29N **Range:** 6W

County: Rio Arriba **State:** New Mexico

Footage: 325 **from the** South **line,** 175 **from the** West **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.