

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NMSF-080069	
1b. Type of Well GAS	Unit Reporting Number NMMNM-078415A	
2. Operator ConocoPhillips	6. If Indian, All: or Tribe	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	7. Unit Agreement Name San Juan 29-5 Unit	
4. Location of Well Unit L (NWSW) 2080' FSL & 270' FWL, Latitude 36° 44.3137'N Longitude 107° 22.2218'W	8. Farm or Lease Name 9. Well Number #49B	
10. Field, Pool, Wildcat Blanco Mesaverde	11. Sec., Twn, Rge, Mer. (NMPM) Sec. 9, T29N, R05W, NMPM API # 30-039-29929	
14. Distance in Miles from Nearest Town	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 270'	17. Acres Assigned to Well MV - 320' W/2	
16. Acres in Lease	18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease	
19. Proposed Depth 6281'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6795' GL	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Patsy Clugst</u> Sr. Regulatory Analyst	<u>5/24/06</u> Date	

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

Archaeological Report submitted separately
Environmental Assessment is 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.

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

District II
PO Drawer DD, 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

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29929	*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 31325	*Property Name SAN JUAN 29-5 UNIT	*Well Number 49B
*GRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY	*Elevation 6795'


¹⁰ Surface Location

UL or lot no. L	Section 9	Township 29N	Range 5W	Lot Idn	Feet from the 2080	North/South line SOUTH	Feet from the 270	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

<div><p>16</p><p>5287.92'</p><p>LEASE SF-080179</p><p>5280.00</p><p>270'</p><p>2080'</p><p>5285.28'</p><p>LAT: 36°44.3137'N LONG: 107°22.2118'W DATUM: NAD27</p></div>	<div><p>¹⁷ OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p><p><i>Virgil E. Chavez</i> Signature Virgil E. Chavez Printed Name Projects & Operations Lead Title May 22, 2006 Date</p><p>¹⁸ SURVEYOR CERTIFICATION</p><p>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</p><p>Survey Date: JANUARY 28, 2005</p><p>Signature and Seal of Professional Surveyor</p><p> JASON C. EDWARDS Certificate Number 15269</p></div>
--	--

Office

Energy, Minerals and Natural Resources

May 27, 2004

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.	30-039- 29929
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	Federal Lease - NMSF-080069

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.)		7. Lease Name or Unit Agreement Name	San Juan 29-5 Unit
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		8. Well Number	#48B
2. Name of Operator		9. OGRID Number	217817
3. Address of Operator		10. Pool name or Wildcat	Blanco MV
4. Well Location Unit Letter <u>L</u> : <u>2080</u> feet from the <u>South</u> line and <u>270</u> feet from the <u>West</u> line Section <u>9</u> Township <u>29N</u> Rng <u>5W</u> NMPM County <u>Rio Arriba</u>			
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6795' GL			
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>			
Pit type <u>New Drill</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>1000'</u> Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u> </u>			

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: New Drill ☒

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 1103. 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 November 1, 2004 guidelines. See the attached diagram that details the location of the pit in reference to the proposed wellhead. The dirll 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 Patsy Clugston TITLE Sr. Regulatory Analyst DATE 5/24/2006

Type or print name: Patsy Clugston E-mail address: plclugston@br-inc.com Telephone No. 505-326-9518

For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE JUN 28 2006

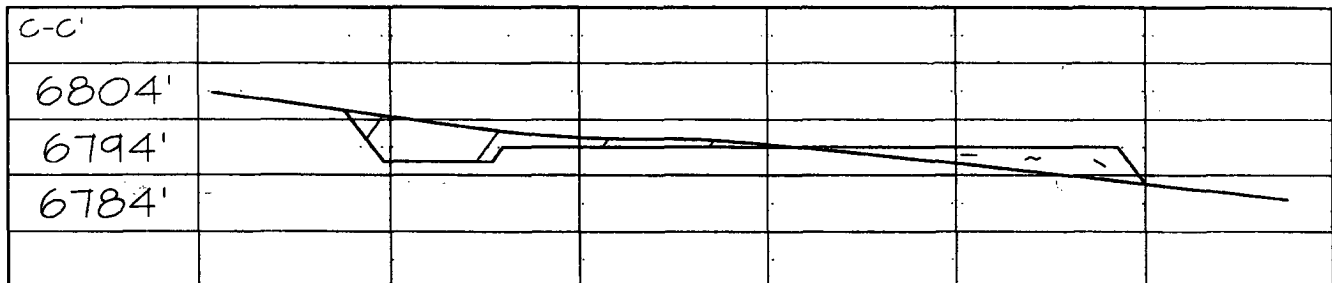
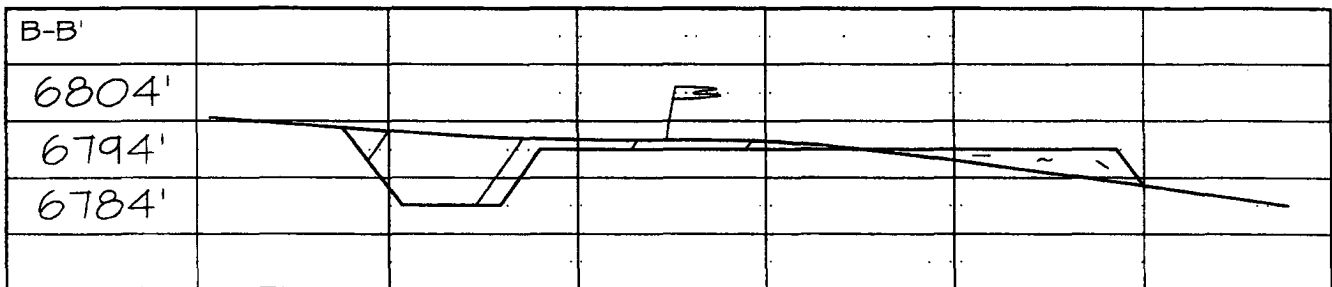
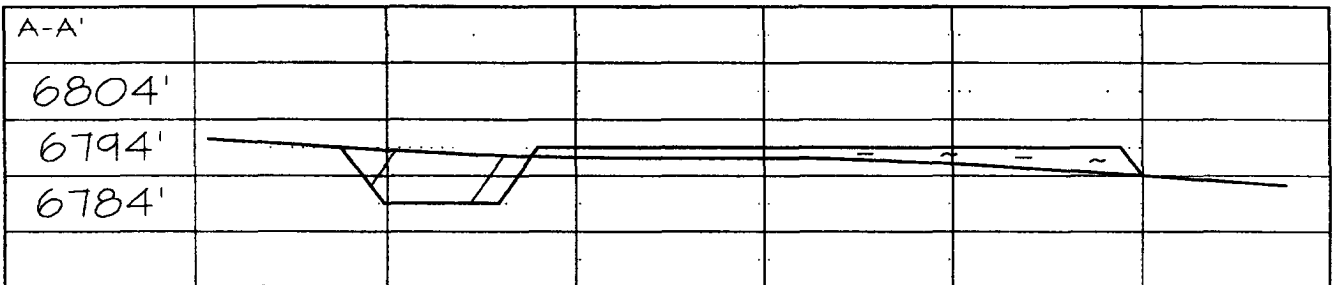
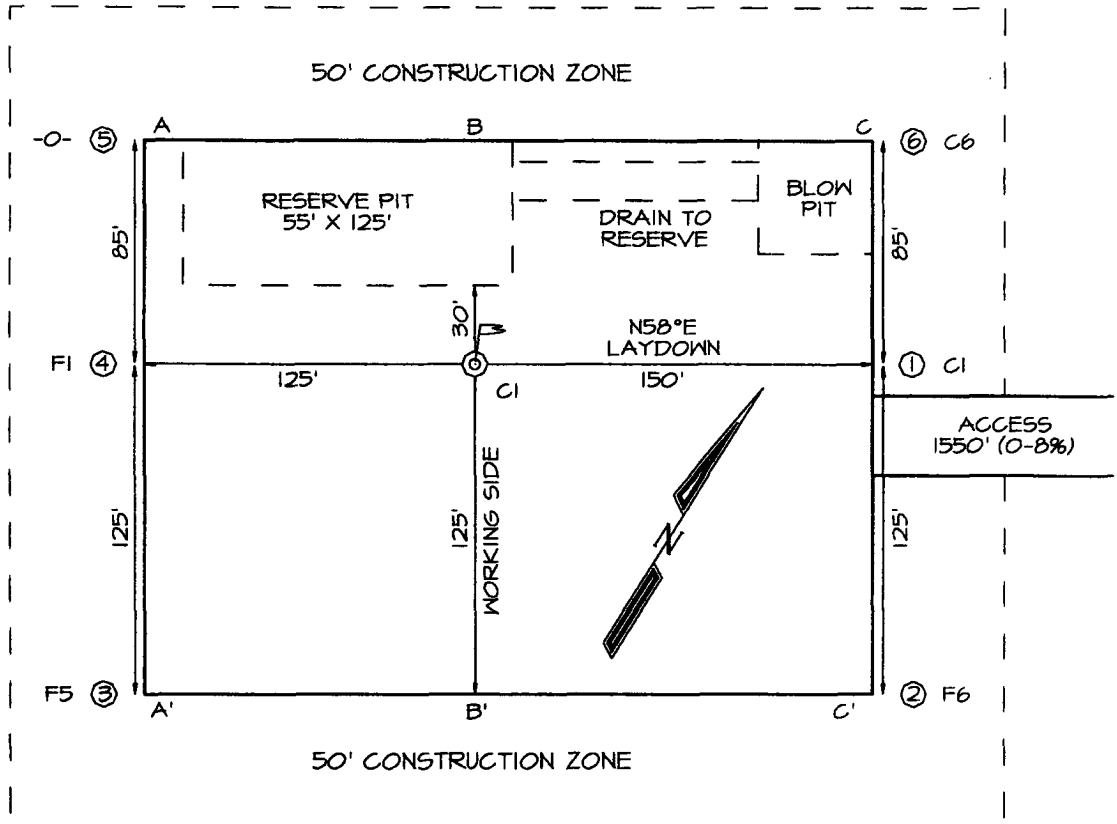
Conditions of Approval (if any):

CONOCOPHILLIPS COMPANY SAN JUAN 29-5 UNIT #49B
2080' FSL & 270' FWL, SECTION 9, T29N, R5W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6795'

LATITUDE: 36.73856° N
LONGITUDE: 107.37020° W
 DATUM: NAD1927

PLAT NOTE:

SURFACE OWNER
 Bureau of Land
 Management



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 29-5 49B

Lease:		AFE #: WAN.CNV.7220		AFE \$:	
Field Name: 29-5	Rig: UNSCHEDULED 2007 RIG 1	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				
R20002	MESAVERDE(R20002)				

Location: Surface		Datum Code: NAD 27		Straight Hole	
Latitude: 36.738844	Longitude: -107.370512	X:	Y:	Section: 9	Range: 5W
Footage X: 270 FWL	Footage Y: 2080 FSL	Elevation: 6795	(FT)	Township: 29N	

Tolerance:			
Location Type: Summer Only	Start Date (Est.):	Completion Date:	Date In Operation:
Formation Data: Assume KB = 6811 Units = FT			

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	216	6595	<input type="checkbox"/>			13-1/2 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1611	5200	<input type="checkbox"/>			
CJAM	2901	3910	<input type="checkbox"/>			Possible water flows.
KRLD	3101	3710	<input type="checkbox"/>			
FRLD	3436	3375	<input type="checkbox"/>			Possible gas.
PCCF	3746	3065	<input type="checkbox"/>			
LEWS	3946	2865	<input type="checkbox"/>			
Intermediate Casing	4053 4046	2765	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4751	2060	<input type="checkbox"/>			
CLFH	5611	1200	<input type="checkbox"/>			Gas; possibly wet
MENF	5661	1150	<input type="checkbox"/>			Gas.
PTLK	5931	880	<input type="checkbox"/>			Gas.
MNCS	6181	630	<input type="checkbox"/>			
TOTAL DEPTH MV	6288 6281	530	<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: <input type="checkbox"/> Log only if show <input type="checkbox"/> GR/ILD <input type="checkbox"/> Triple Combo		
TD Logs: <input type="checkbox"/> Triple Combo <input type="checkbox"/> Dipmeter <input type="checkbox"/> RFT <input type="checkbox"/> Sonic <input type="checkbox"/> VSP <input checked="" type="checkbox"/> TDT		

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

HOLE: 13.5 "
 CSG OD: 9.625 "
 CSG ID: 9.001 "
 WGT: 32.3 ppf
 GRADE: H-40
 EXCESS: 125 %
 DEPTH: 233'

SURFACE:
 Option 1
 222 sx
 46.2 bbls
 259.5 cuft
 1.17 ft³/sx
 15.8 ppg
 4.973 gal/sx
 Class G Cement
 + 3% S001 Calcium Chloride
 + 0.25 lb/sx D029 Cellophane Flakes

Option 2
 214 sx
 46.2 bbls
 259.5 cuft
 1.21 ft³/sx
 15.6 ppg
 5.29 gal/sx
 Standard Cement
 + 3% Calcium Chloride
 + 0.25 lb/sx Flocele

Comp. Strength
 6 hrs 250 psi
 8 hrs 500 psi

HOLE: 8.75 "
 CSG OD: 7 "
 CSG ID: 6.456 "
 WGT: 20 ppf
 GRADE: J-55
 EXCESS: 150 %
 TAIL: 810.6'
 DEPTH: 4053'

INTERMEDIATE LEAD:

Option 1
 431 sx
 208.7 bbls
 1171.7 cuft
 2.72 ft³/sx
 11.7 ppg
 15.74 gal/sx
 Class G Cement
 + 3% D079 Extender
 + 0.20% D046 Antifoam
 + 10 lb/sx Phenoseal

Comp. Strength
 9 hrs 300 psi
 48 hrs 525 psi

Option 2
 451 sx
 208.7 bbls
 1171.7 cuft
 2.80 ft³/sx
 11.5 ppg
 14.62 gal/sx
 Type III Ashgrove Cement
 + 30 lb/sx San Juan Poz
 + 3% Bentonite
 + 5.0 lb/sx Phenoseal

Comp. Strength
 1:47 hrs 50 psi
 12 hrs 350 psi
 24 hrs 450 psi

Option 3
 446 sx
 208.7 bbls
 1171.7 cuft
 2.63 ft³/sx
 11.7 ppg
 15.92 gal/sx
 Class G Cement
 + 3% D079 Extender
 + 0.20% D046 Antifoam
 + 1.0 lb/bbl CemNet

Comp. Strength
 3 hrs 100 psi
 24 hrs 443 psi

INTERMEDIATE TAIL:

Option 1
 240 sx
 56.0 bbls
 314.3 cuft
 1.31 ft³/sx
 13.5 ppg
 5.317 gal/sx
 50/50 Poz: Class G Cement
 + 0.25 lb/sx D029 Cellophane Flakes
 + 3% S001 Calcium Chloride
 + 2% D020 Bentonite
 + 1.5 lb/sx D024 Gilsonite Extender
 + 0.1% D046 Antifoamer
 + 6 lb/sx Phenoseal

Comp. Strength
 3:53 500 psi
 8:22 1000 psi
 24 hrs 3170 psi
 48 hrs 5399 psi

Option 2
 236 sx
 56.0 bbls
 314.3 cuft
 1.33 ft³/sx
 13.5 ppg
 5.52 gal/sx
 50/50 Poz: Standard Cement
 + 2% Bentonite
 + 6.0 lb/sx Phenoseal

Comp. Strength
 2:05 50 psi
 4:06 500 psi
 12 hrs 1250 psi
 24 hrs 1819 psi

Option 3
 246 sx
 56.0 bbls
 314.3 cuft
 1.28 ft³/sx
 13.5 ppg
 5.255 gal/sx
 50/50 Poz: Class G Cement
 + 2% D020 Bentonite
 + 5.0 lb/sx D024 Gilsonite Extender
 + 2% S001 Calcium Chloride
 + 0.1% D046 Antifoamer
 + 0.15% D065 Dispersant
 + 1.0 lb/bbl CemNet

Comp. Strength
 24 hrs 1850 psi
 48 hrs 3411 psi

HOLE: 6.25 "
 CSG OD: 4.5 "
 CSG ID: 4.052 "
 GRADE: J-55
 EXCESS: 50 %
 DEPTH: 6283'

PRODUCTION:

Option 1
 255 sx
 65.5 bbls
 367.5 cuft
 1.44 ft³/sx
 13.0 ppg
 6.47 gal/sx
 50/50 Poz: Class G Cement
 + 0.25 lb/sx D029 Cellophane Flakes
 + 3% D020 Bentonite
 + 1.0 lb/sx D024 Gilsonite Extender
 + 0.25% D167 Fluid Loss
 + 0.25% D065 Dispersant
 + 0.1% D800 Retarder
 + 0.1% D046 Antifoamer
 + 3.5 lb/sx Phenoseal

Comp. Strength
 7 hrs 500 psi
 24 hrs 2100 psi

Option 2
 253 sx
 65.5 bbls
 367.5 cuft
 1.45 ft³/sx
 13.1 ppg
 6.55 gal/sx
 50/50 Poz: Standard Cement
 + 3% Bentonite
 + 0.2% CFR-3 Friction Reducer
 + 0.1% HR-5 Retarder
 + 0.8% Halad-9 Fluid Loss Additive
 + 3.5 lb/sx Phenoseal

Comp. Strength
 9:32 50 psi
 12 hrs 500 psi
 13:29 1026 psi
 24 hrs 2300 psi

San Juan 29-5 #49B

HOLE: 13.5 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppf
GRADE: H-40
EXCESS: 125 %
DEPTH: 235'

SURFACE:

INTERMEDIATE LEAD:

Option 4

407 sx
208.7 bbls
1171.7 cuft
2.88 ft³/sx
11.5 ppg
16.85 gal/sx
Standard Cement
+ 3% Econolite (Extender)
+ 10 lb/sx Phenoseal

Comp. Strength
1:47 50 psi
12 hrs 350 psi
24 hrs 450 psi

HOLE: 8.75 "
CSG OD: 7 "
CSG ID: 6.456 "
WGT: 20 ppf
GRADE: J-55
EXCESS: 150 %
TAIL: 810.6'

Option 5

558 sx
208.7 bbls
1171.7 cuft
2.10 ft³/sx
11.7 ppg
11.724 gal/sx
75% Type XI / 25% Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% D079 Extender
+ 0.20% D046 Antifam

Comp. Strength
10:56 500 psi
42 hrs 1012 psi

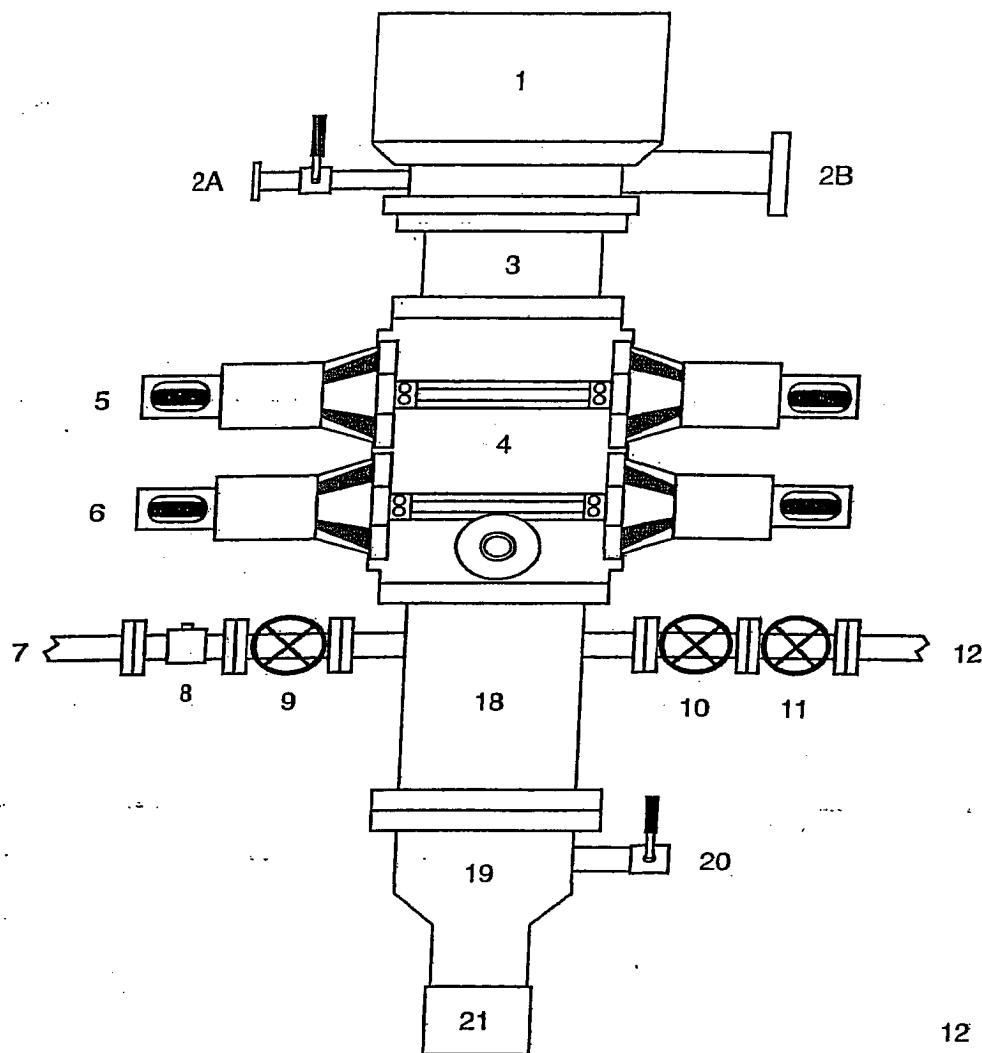
INTERMEDIATE TAIL:

HOLE: 6.25 "
CSG OD: 4.5 "
CSG ID: 4.052 "
WGT: 10.5 ppf
GRADE: J-55
EXCESS: 50 %
DEPTH: 628.3'

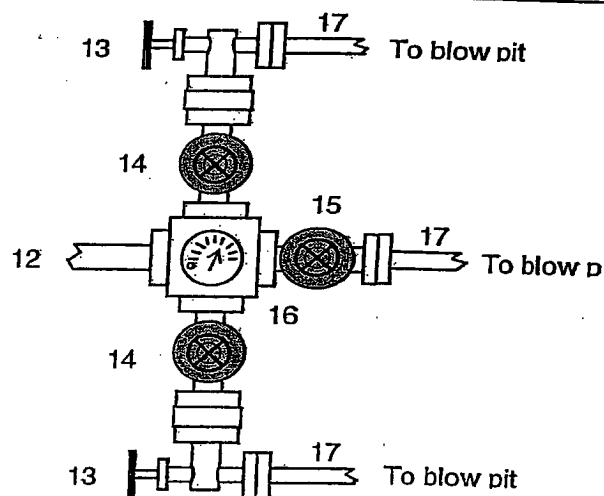
PRODUCTION:

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

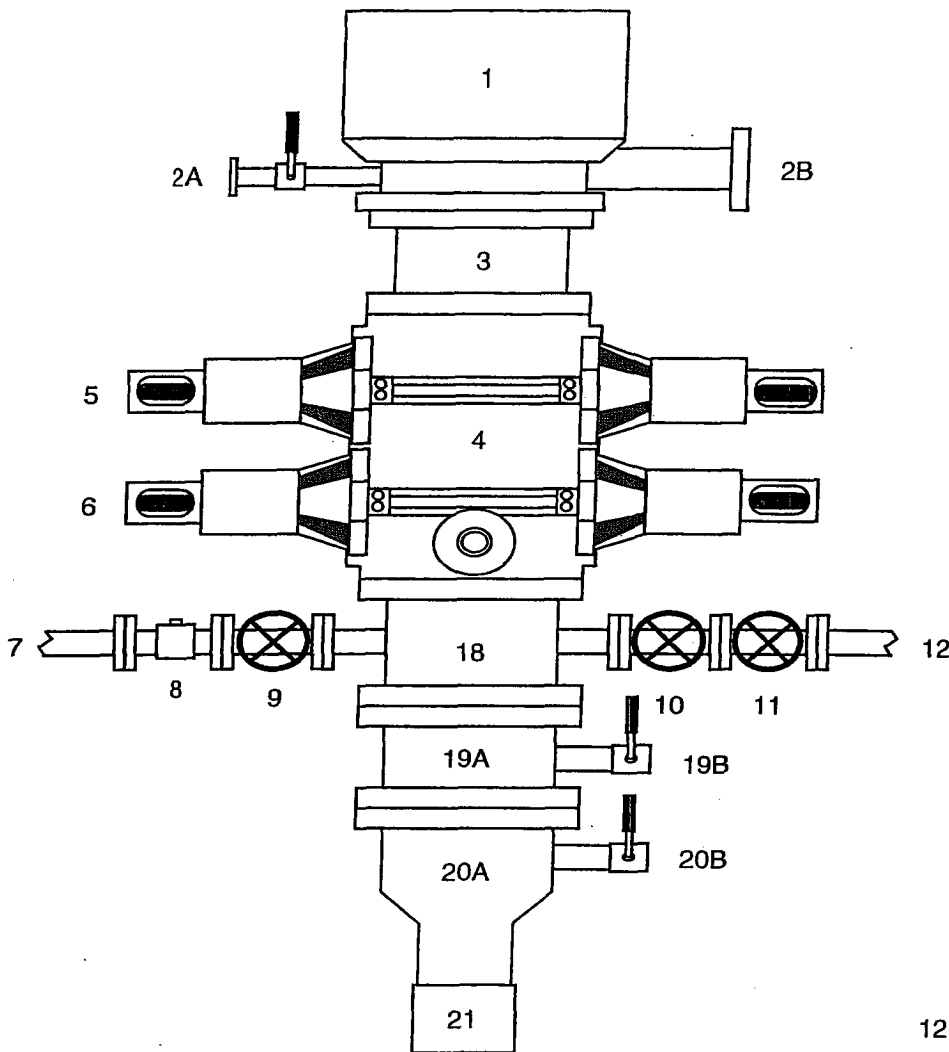


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

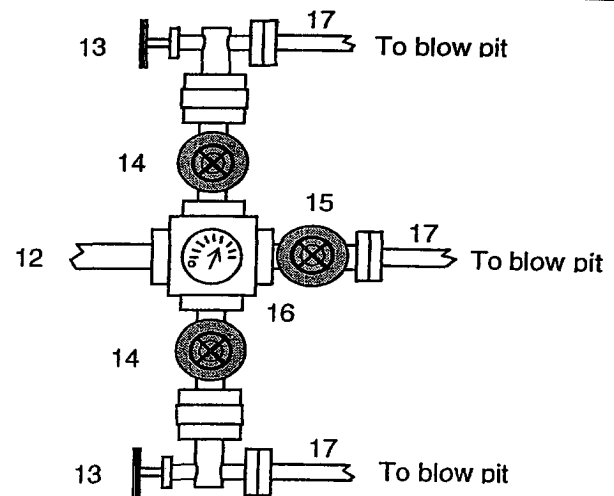
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

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