

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-078497	
1b. Type of Well GAS	Unit Reporting Number NMNM-078413A-MB	
2. Operator ConocoPhillips	6. If Indian, All. or Tribe NMNM-078413C-DK	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	7. Unit Agreement Name San Juan 28-7 Unit	
4. Location of Well Unit J (NWSE), 1900' FSL & 1900' FEL, Latitude 36° 38.6852'N Longitude 107° 35.6235'W	8. Farm or Lease Name 9. Well Number #232G	
10. Field, Pool, Wildcat Basin Dakota / Blanco MV	11. Sec., Twn, Rge, Mer. (NMPM) Sec. 20, T28N, R07W API # 30-039-29950	
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 1900'	17. Acres Assigned to Well DK & MV 330.0 E/2 326.0	
16. Acres in Lease	18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease	
19. Proposed Depth 7318' 7315'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6178' GL	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Patsy Clugston</u> Sr. Regulatory Analyst	Date <u>6/8/06</u>	

PERMIT NO. APPROVAL DATE
APPROVED BY [Signature] TITLE APM DATE 7/7/06

Archaeological Report attached
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.

NMOC

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 30-039-29950	*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 31739	*Property Name SAN JUAN 28-7 UNIT	*Well Number 232G
*GRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY	*Elevation 6178'

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
J	20	28N	7W		1900	SOUTH	1900	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 320.0 Acres - E/2 (MV) 320.0 Acres - E/2 (DK)					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		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Virgil E. Chavez</i> Signature Virgil E. Chavez Printed Name Projects & Operations Lead Title Date: June 6, 2006
		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 Survey Date: AUGUST 15, 2005 Signature and Seal of Professional Surveyor JASON C. EDWARDS Certificate Number 15269

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- 29950

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

Federal Lease SF-078497

7. Lease Name or Unit Agreement Name

San Juan 28-7 Unit

8. Well Number

232G

9. OGRID Number

217817

10. Pool name or Wildcat

Blanco Mesaverde / Basin DK

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

3401 E. 30TH STREET, FARMINGTON, NM 87402

4. Well Location

Unit Letter J : 1900 feet from the South line and 1900 feet from the East line
Section 20 Township 28N Rng 7W NMPM County Rio Arriba

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

6178' GL

Pit or Below-grade Tank Application

☐ or Closure ☐

Pit type

New Drill

Depth to Groundwater

>100'

Distance from nearest fresh water well

>1000'

Distance from nearest surface water

>1000'

Pit Liner Thickness:

12

mil

Below-Grade Tank:

Volume

bbls;

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:

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.

We are constructing Drilling and workover pits as per our General plan on file with the OCD dated June 2005 and we are closing all pits as per the November 1, 2004 Guidelines. Please be sure to include this language on all pit NOI's and C-144's.

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 NMOC guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE

TITLE

Sr. Regulatory Analyst

DATE

6/8/2006

Type or print name

Patsy Clugston

E-mail address:

pclubgston@br-inc.com

Telephone No.

505-326-9518

For State Use Only

APPROVED BY

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 6

DATE

JUL 10 2006

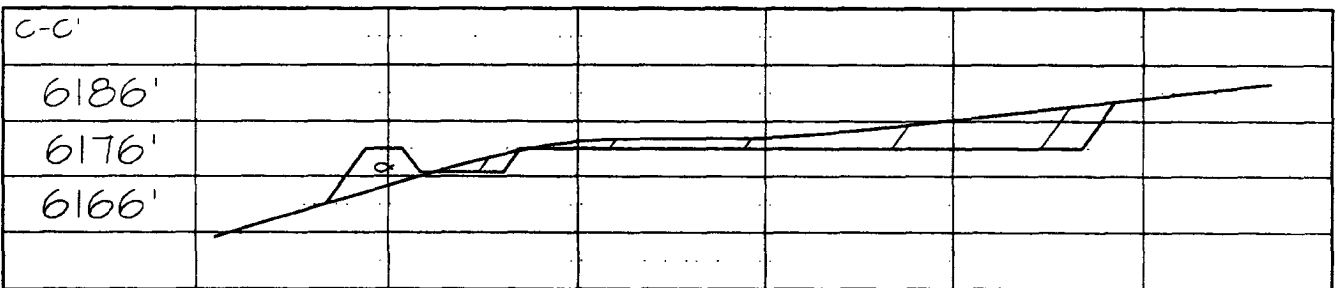
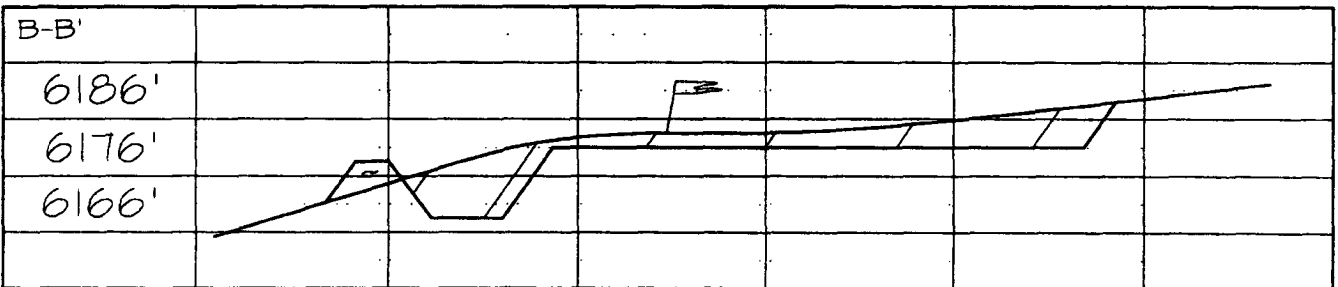
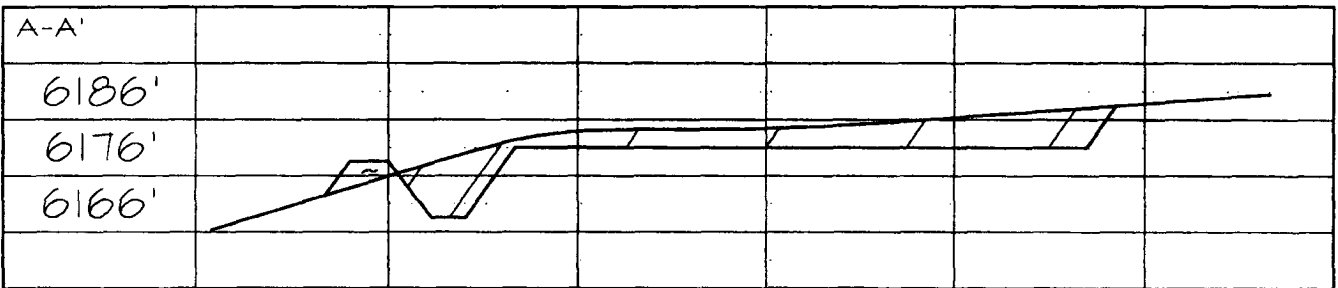
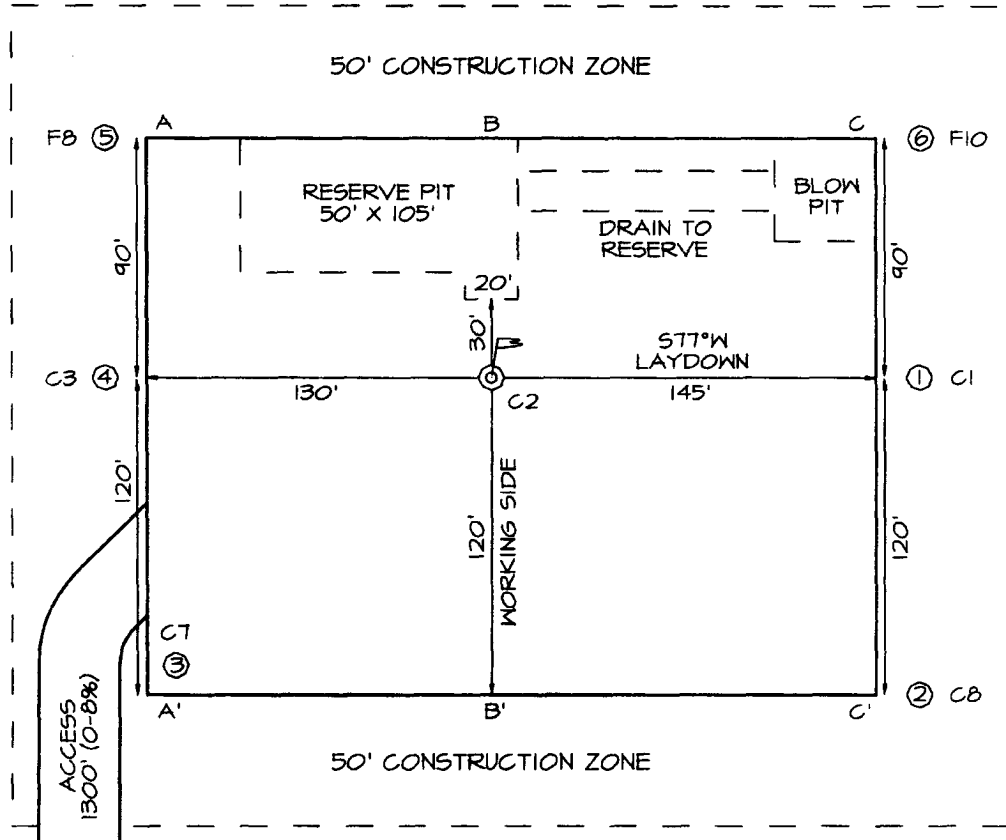
Conditions of Approval (if any):

CONOCOPHILLIPS COMPANY SAN JUAN 28-7 UNIT #232G
1900' FSL & 1900' FEL, SECTION 20, T28N, R7W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6178'

LATITUDE: 36.64476° N
LONGITUDE: 107.59433° W
 DATUM: NAD1983

PLAT NOTE:

SURFACE OWNER
 Bureau of Land
 Management



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 28-7 232G

Lease:		AFE #:		AFE \$:	
Field Name: 28-7	Rig: H&P 282	State: NM	County: RIO ARRIBA	API #:	
Geoscientist: Glaser, Terry J	Phone: (832)486-2332	Prod. Engineer: Fontenot, Jessie C	Phone: +1 832-486-3483		
Res. Engineer: Johnson, Tom B.	Phone: (832)-486-2347	Proj. Field Lead: Fransen, Eric E.	Phone:		

Primary Objective (Zones):

Zone	Zone Name
R20002	MESAVERDE(R20002)
R20076	DAKOTA(R20076)

Location: Surface		Datum Code: NAD 27			
Latitude: 36.644760	Longitude: -107.594330	X:	Y:	Section: 20	Range: 7W
Footage X: 1900 FEL	Footage Y: 1900 FSL	Elevation: 6178	(FT)	Township: 28N	
Tolerance:					

Location Type: Year Round	Start Date (Est.):	Completion Date:	Date In Operation:
Formation Data: Assume KB = 6195 Units = FT			

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	216	5979	☐			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	645	5550	☐			
CJAM	1895	4300	☐			Possible water flows.
KRLD	2025	4170	☐			
FRLD	2565	3630	☐			Possible gas.
PCCF	2815	3380	☐			
LEWS	3015	3180	☐			
Intermediate Casing	3115	3080	☐			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	3745	2450	☐			
CLFH	4485	1710	☐			Gas; possibly wet
MENF	4575	1620	☐			Gas.
PTLK	4975	1220	☐			Gas.
CLLP	6270	-75	☐			Gas. Possibly wet.
CRHN	6965	-770	☐			Gas possible, highly fractured
TWLS	7065	-870	☐			Gas
CBBO	7195	-1000	☐			Gas
Total Depth	7315	-1120	☐			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 ☐ Diameter ☐ RFT ☐ Sonic ☐ VSP ☒ TDT

HOLE: 12.25 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppf
GRADE: H-40
EXCESS: 125 %
DEPTH: 233'

SURFACE:
Option 1
148 sx
30.8 bbls
172.9 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
143 sx
30.8 bbls
172.9 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

Option 3
65 sx
18.6 bbls
104.3 cuft
1.61 ft³/sx
14.5 ppg
7.41 gal/sx
Type I-II Ready Mix
+ 20% Fly Ash

Comp. Strength
8 hrs 475 psi
24 hrs 1375 psi

INTERMEDIATE LEAD:

Option 1
327 sx
158.5 bbls
889.6 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

Option 2
342 sx
158.5 bbls
889.6 cuft
2.60 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
9 hrs 300 psi
48 hrs 525 psi

Option 3
338 sx
158.5 bbls
889.6 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

TAIL: 623'
DEPTH: 3115'

INTERMEDIATE TAIL:

Option 1
186 sx
43.4 bbls
243.8 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 Gilsomite Extender
+ 0.1% D046 Antifoam
+ 6 lb/sx Phenoseal

Option 2
183 sx
43.4 bbls
243.8 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
3:53 500 psi
8:22 1000 psi
24 hrs 3170 psi
48 hrs 5399 psi

Option 3
190 sx
43.4 bbls
243.8 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 Gilsomite Extender
+ 2% S001 Calcium Chloride
+ 0.1% D046 Antifoam
+ 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 "
WGT: 11.6 ppf
GRADE: N-80
EXCESS: 50 %
DEPTH: 7315'

PRODUCTION:

Option 1
465 sx
119.3 bbls
670.1 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 Gilsomite Extender
+ 0.25% D167 Fluid Loss
+ 0.25% D065 Dispersant
+ 0.1% D800 Retarder
+ 0.1% D046 Antifoam
+ 3.5 lb/sx Phenoseal

Option 2
462 sx
119.3 bbls
670.1 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 28-7 #232G

HOLE: 12.25 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppf
GRADE: H-40
EXCESS: 125 %
DEPTH: 235'

Option 5
424 sx
158.5 bbls
889.6 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% D048 Antifoam

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

INTERMEDIATE LEAD:

Option 4
309 sx
158.5 bbls
889.6 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: 623'
DEPTH: 3115'

INTERMEDIATE TAIL:

HOLE: 6.25 "
CSG OD: 4.5 "
CSG ID: 4 "
WGT: 11.6 ppf
GRADE: N-80
EXCESS: 50 %
DEPTH: 7315'

PRODUCTION:

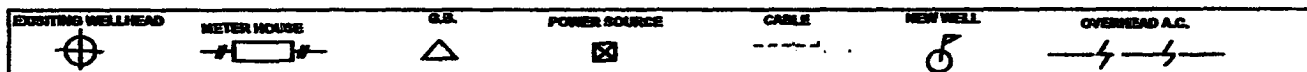
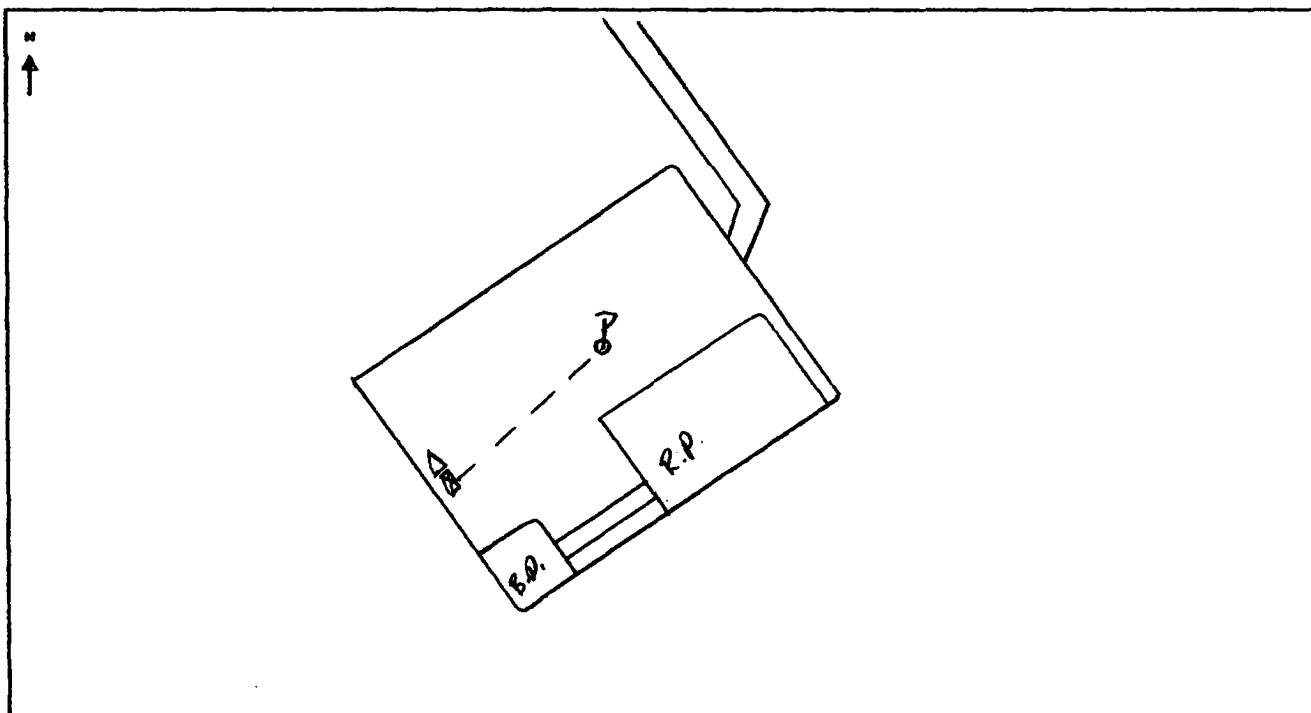


TECHNICAL SERVICES
A CORROSION COMPANY

CATHODIC PROTECTION PLAN FOR NEW WELLS

WELL NAME SJ 28-7 #2326 LEGALS J-20-28-7 COUNTY RA.

PURPOSED C.P. SYSTEM: DRILL G.B. & SET SOLAR @ WEST EDGE OF LOCATION TRENCH @ 100'
*BNEG FROM SOLAR TO W.H.



COMMENTS: _____

NEAREST POWER SOURCE N/A DISTANCE: _____

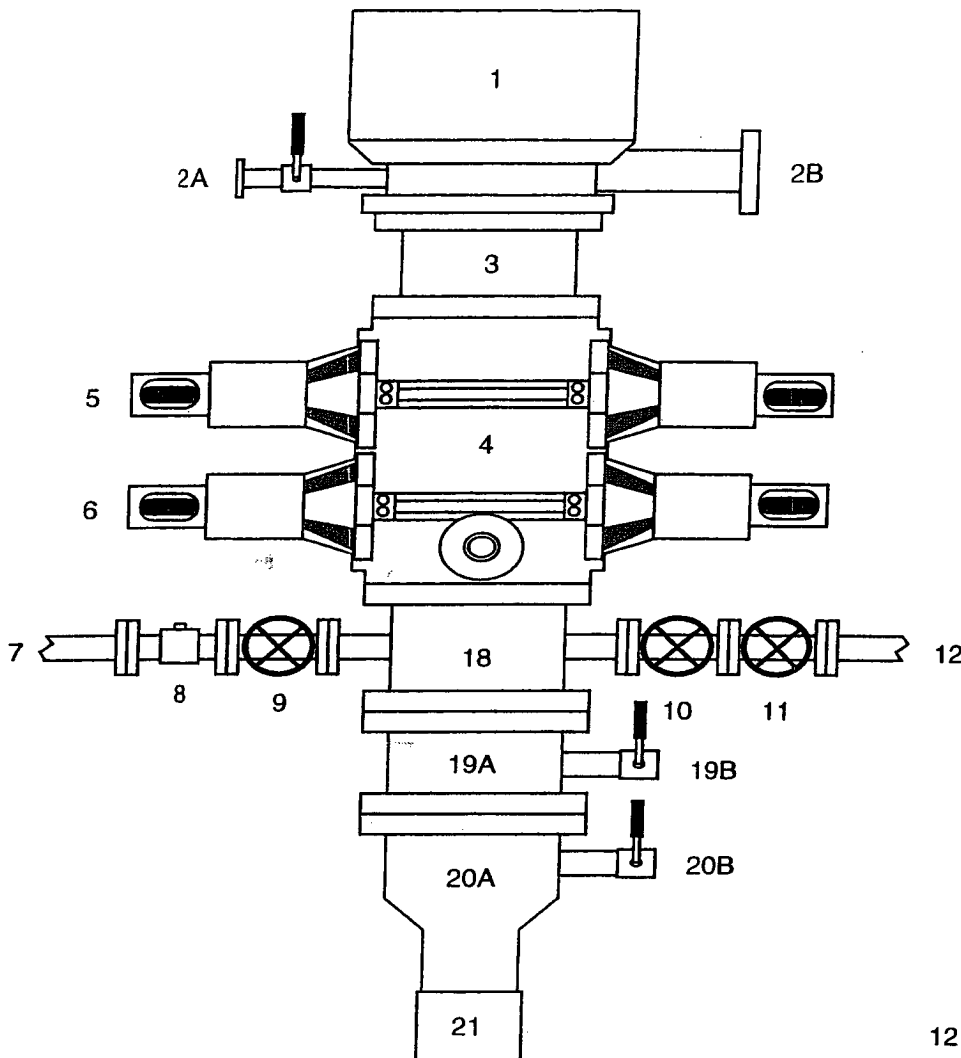
PIPELINES IN AREA: _____

TECHNICIAN: Eddie J. [Signature] DATE: _____

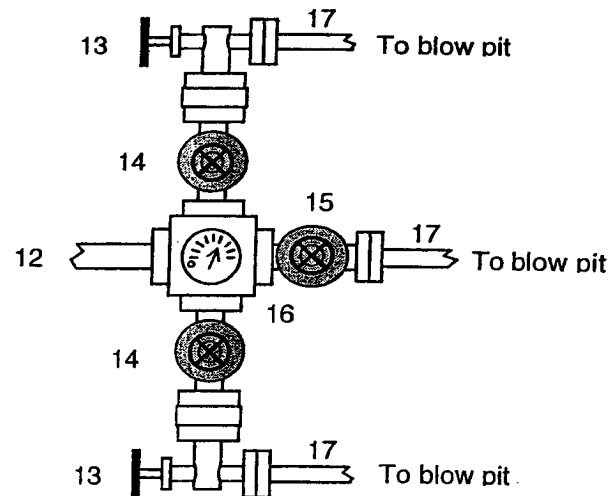
6 CR 5412 BLOOMFIELD, N.M. 87413
OFFICE: 505-634-0271 CELL: 505-793-8953

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



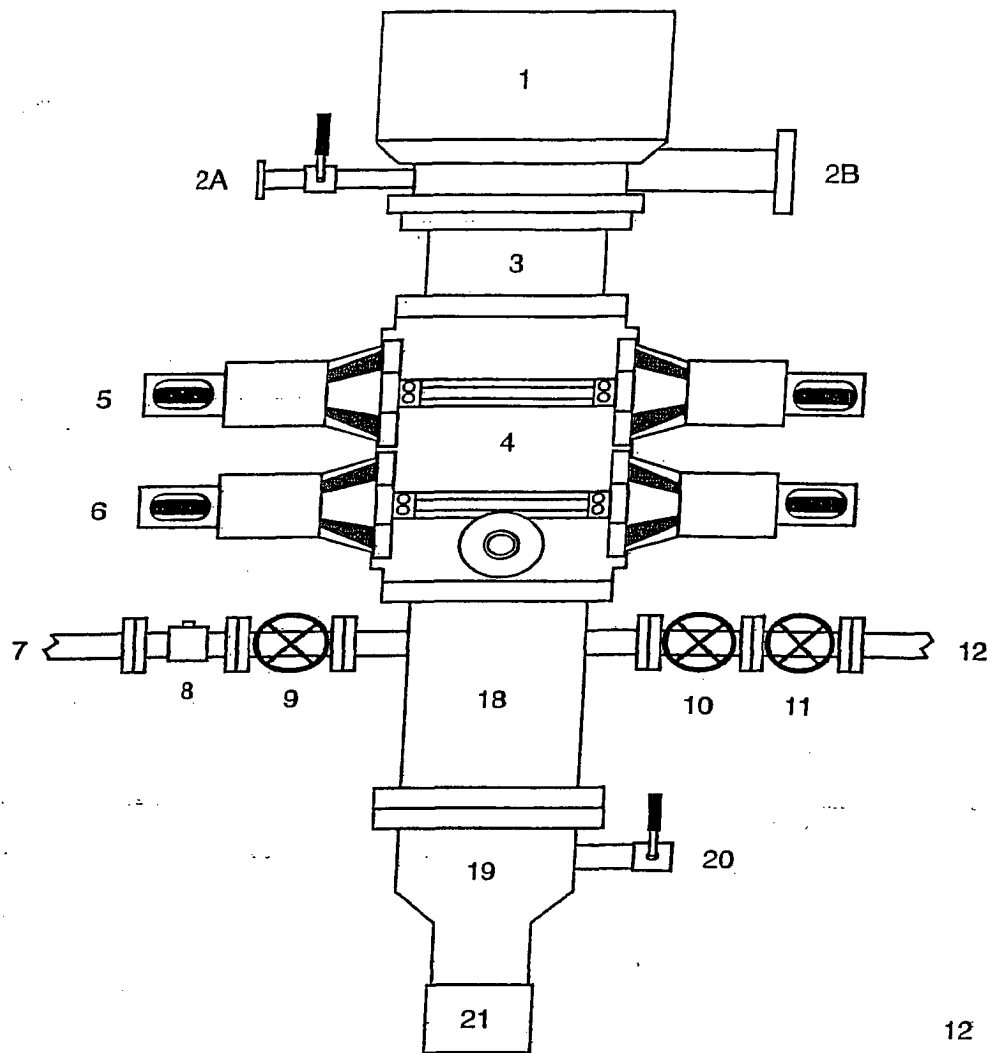
After the 7" intermediate casing has been run and cemented, the Casing Spool ("B" Section) will be installed on the wellhead ("A" Section) and the BOP will be installed on the Casing Spool. A test plug will be set in the wellhead and the pipe rams, blind rams, and choke manifold will be tested to 200 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:

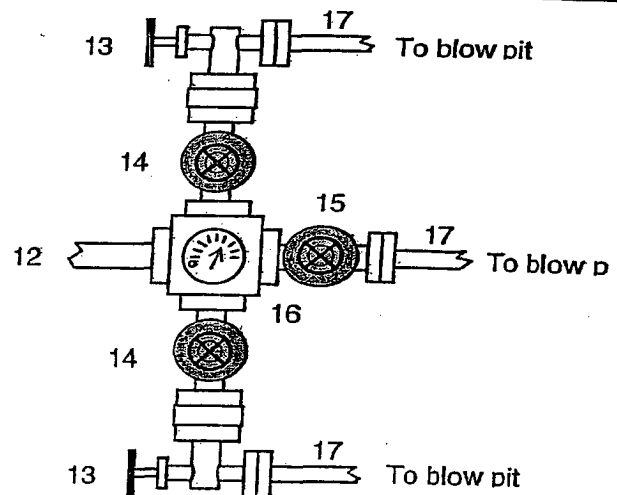
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

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: