UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2006 JUN 8 PM 2 15

RECEIVED
070 FARMINGTON NM

1a. Type of Work
DRILL

5. Lease Number
NMSF-078146
Unit Reporting Number

1b. Type of Well
GAS

Watch deviation to be NS

6. If Indian, All. or Tribe

2. Operator
ConocoPhillips

7. Unit Agreement Name

3. Address & Phone No. of Operator
PO Box 4289, Farmington, NM 87499

(505) 326-9700

8. Farm or Lease Name

9. Well Number
Newberry LS #2M

4. Location of Well
Unit E (SWNW), 2630' FNL & 660' FWL,

Latitude 36° 94252'N
Longitude 108° 08938'W

10. Field, Pool, Wildcat
Blanco MV / Basin DK

11. Sec., Twn, Rge, Mer. (NMPM)
E Sec. 34, T32N, R12W

API # 30-045-33787

14. Distance in Miles from Nearest Town

12. County
San Juan

13. State
NM

15. Distance from Proposed Location to Nearest Property or Lease Line
660'

16. Acres in Lease

17. Acres Assigned to Well
MV & DK 320.0 - W/2

18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease

19. Proposed Depth
7325'

20. Rotary or Cable Tools
Rotary

21. Elevations (DF, FT, GR, Etc.)
6109' GL

22. Approx. Date Work will Start

23. Proposed Casing and Cementing Program
See Operations Plan attached

24. Authorized by: Patsy Clugston
Sr. Regulatory Analyst

6/8/06
Date

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE AFM

DATE 9/11/06

Archaeological Report attached
Enviromental 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.

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

NMOCD

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-33787	72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
31843	NEWBERRY LS	2M

[7] OGRID No.	[8] Operator Name	[9] Elevation
217817	CONOCOPHILLIPS COMPANY	6109'

[10] Surface Location

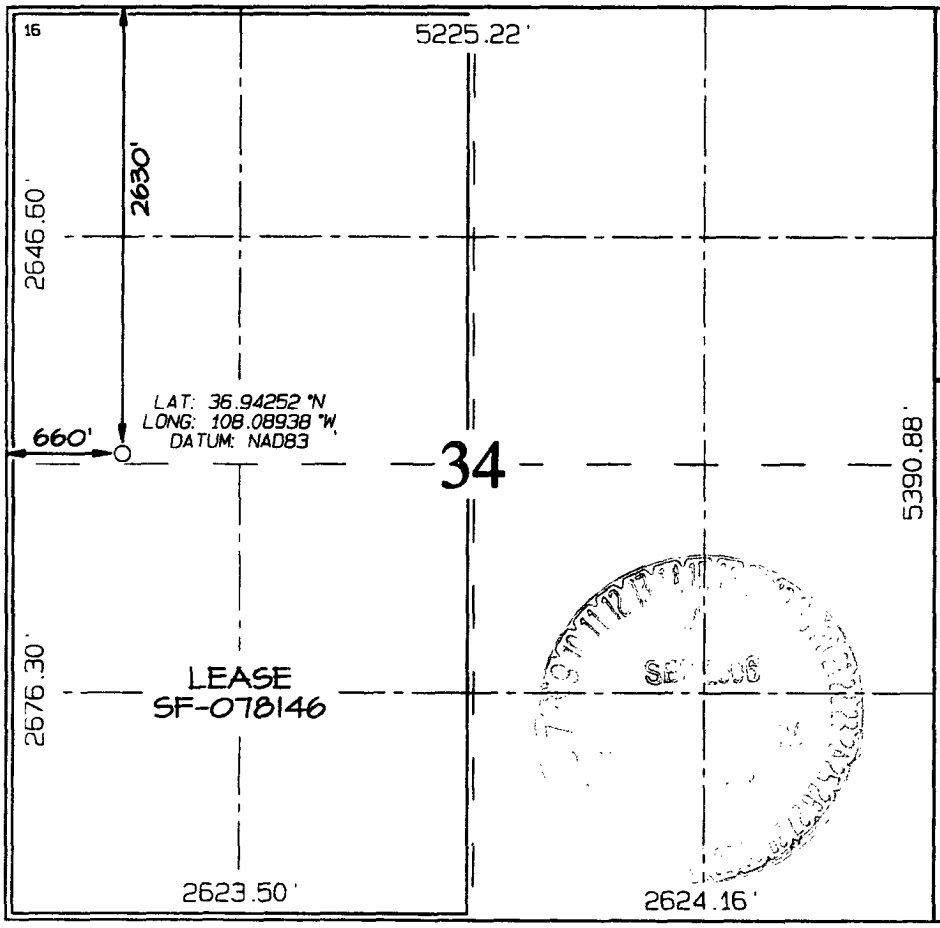
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	34	32N	12W		2630	NORTH	660	WEST	SAN JUAN

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320.0 Acres - W/2 (MV) 320.0 Acres - W/2 (DK)			

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



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: Virgil E. Chavez

Virgil E. Chavez
Printed Name

Projects & Operations Lead
Title

June 6, 2006
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

Survey Date: JANUARY 30, 2006

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
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

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

Form C-103
May 27, 2004

WELL API NO. 30-045-

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No. Federal Lease SF-078146

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: Newberry LS

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

8. Well Number: #2M

2. Name of Operator: ConocoPhillips Company

9. OGRID Number: 217817

3. Address of Operator: 3401 E. 30TH STREET, FARMINGTON, NM 87402

10. Pool name or Wildcat: Blanco Mesaverde / Basin Dakota

4. Well Location
Unit Letter E : 2630' feet from the North line and 660' feet from the West line
Section 34 Township 32N Rng 12W NMPM County San Juan

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6109' 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:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:	New Drill		☒	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 NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.**

SIGNATURE Patsy Clugston TITLE Sr. Regulatory Analyst DATE 6/8/2006

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

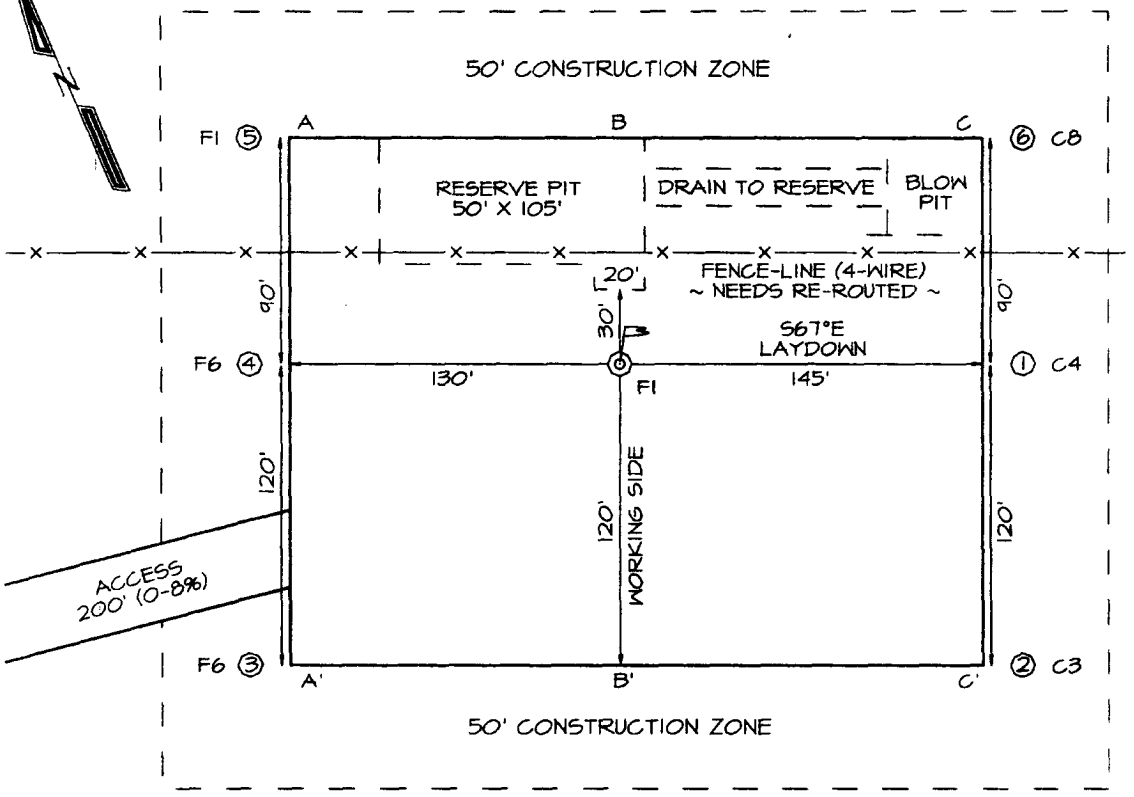
For State Use Only

APPPROVED BY _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE SEP 15 2006

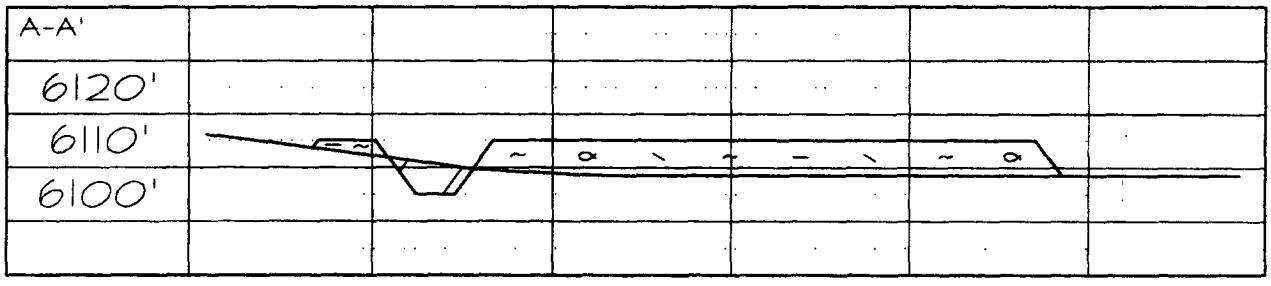
Conditions of Approval (if any):

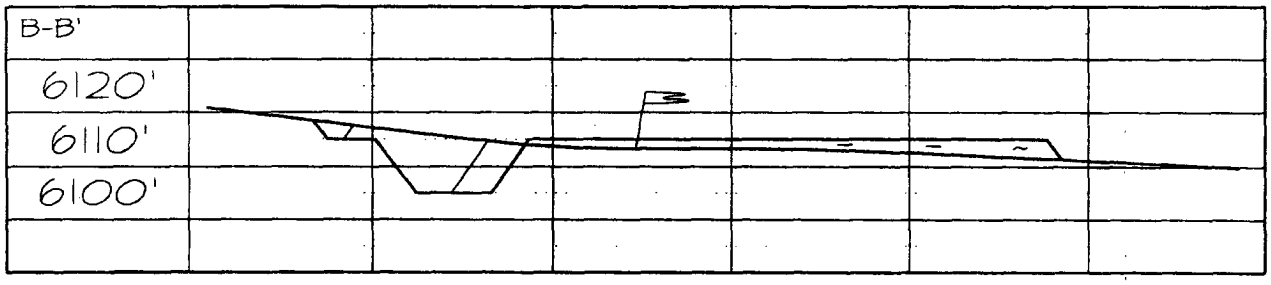
CONOCOPHILLIPS COMPANY NEWBERRY LS #2M
2630' FNL & 660' FWL, SECTION 34, T32N, R12W, NMPM
SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6109'

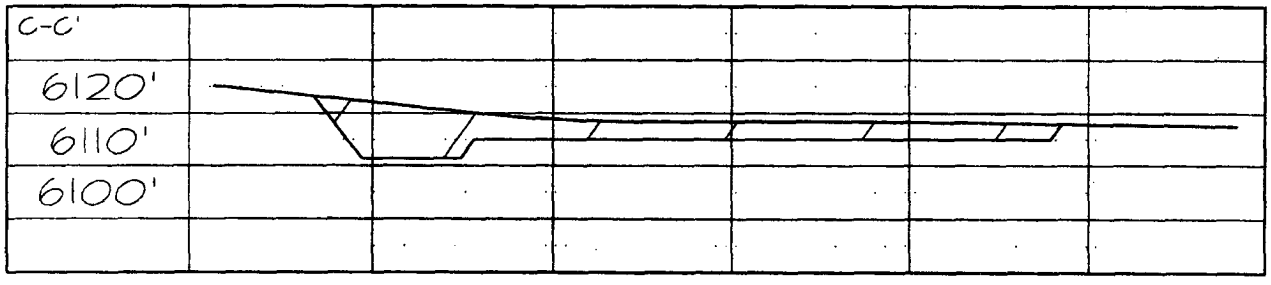
LATITUDE: 36.94252° N
LONGITUDE: 108.08938° W
DATUM: NAD1983



PLAT NOTE:
SURFACE OWNER Bureau of Land Management







FILENAME: 321234ET	SHEET 2 OF 6	NCE SURVEYS, INC.	DRAWN BY: EDO	CHECKED BY: JCE

ConocoPhillips

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

NEWBERRY LS 2M

Lease:	AFE #: WAN.CNV.6148			AFE $:
Field Name: NEW MEXICO-NORTH	Rig: 486-0597	State: NM	County: SAN JUAN	API #:
Geoscientist: Brain, Ted H.	Phone: 832-486-2592	Prod. Engineer: Piotrowicz, Greg M.		Phone: +1 832-486-3486
Res. Engineer: Skinner, Steve E	Phone: 832 486-2651	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				**Straight Hole**
Latitude: 36.942520	Longitude: -108.089380	X:	Y:	Section: 34	Range: 12W
Footage X: 660 FWL	Footage Y: 2630 FNL	Elevation: 6109 (FT)	Township: 32N		
Tolerance:					
Location Type: Year Round	Start Date (Est.):	Completion Date:	Date In Operation:		

Formation Data: Assume KB = 6125 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	216	5909	☐			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
CJAM	1575	4550	☐			Possible water flows.
KRLD	1775	4350	☐			
FRLD	2255	3870	☐			Possible gas.
PCCF	2555	3570	☐			
LEWS	2755	3370	☐			
Intermediate Casing	2855	3270	☐			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	3705	2420	☐			
CLFH	4185	1940	☐			Gas; possibly wet
MENF	4425	1700	☐			Gas.
PTLK	4850	1275	☐			Gas.
CLLP	5990	135	☐			Gas. Possibly wet.
CRHN	6975	-850	☐			Gas possible, highly fractured
TWLS	7090	-965	☐			Gas
PAGU	7175	-1050	☐			Gas. Highly Fractured.
Total Depth	7325	-1200	☐			6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented.

Reference Wells:

Reference Type	Well Name	Comments

Newberry LS #2M

APD Cement Calculations

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

SURFACE:

Option 1

148 sx	Comp. Strength		
30.8 bbls	6 hrs	250	psi
172.9 cuft	8 hrs	500	psi
1.17 ft^3/sx			psi
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	Comp. Strength		
30.8 bbls	6 hrs	250	psi
172.9 cuft	8 hrs	500	psi
1.21 ft^3/sx			
15.6 ppg			
5.29 gal/sx			

Standard Cement
+ 3% Calcium Chloride
+ 0.25 lb/sx Flocele

Option 3

65 sx	Comp. Strength		
18.6 bbls	8 hrs	475	psi
104.3 cuft	24 hrs	1375	psi
1.61 ft^3/sx			
14.5 ppg			
7.41 gal/sx			

Type I-II Ready Mix
+ 20% Fly Ash

HOLE:	8.75 "
CSG OD:	7 "
CSG ID:	6.456 "
WGT:	20 ppf
GRADE:	J-55
EXCESS:	150 %
TAIL:	571 '
DEPTH:	**2855** '

INTERMEDIATE LEAD:

Option 1

298 sx	Comp. Strength		
144.5 bbls	9 hrs	300	psi
811.4 cuft	48 hrs	525	psi
2.72 ft^3/sx			
11.7 ppg			
15.74 gal/sx			

Class G Cement
+ 3% D079 Extender
+ 0.20% D046 Antifoam
+ 10 lb/sx Phenoseal

Option 2

312 sx	Comp. Strength		
144.5 bbls	1:47 hrs	50	psi
811.4 cuft	12 hrs	350	psi
2.60 ft^3/sx	24 hrs	450	psi
11.5 ppg			
14.62 gal/sx			

Type III Ashgrove Cement
+ 30 lb/sx San Juan Poz
+ 3% Bentonite
+ 5.0 lb/sx Phenoseal

Option 3

309 sx	Comp. Strength		
144.5 bbls	3 hrs	100	psi
811.4 cuft	24 hrs	443	psi
2.63 ft^3/sx			
11.7 ppg			
15.92 gal/sx			

Class G Cement
+ 3% D079 Extender
+ 0.20% D046 Antifoam
+ 1.0 lb/bbl CemNet

INTERMEDIATE TAIL:

Option 1

171 sx	Comp. Strength		
39.9 bbls	3:53	500	psi
224.2 cuft	8:22	1000	psi
1.31 ft^3/sx	24 hrs	3170	psi
13.5 ppg	48 hrs	5399	psi
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

Option 2

169 sx	Comp. Strength		
39.9 bbls	2:05	50	psi
224.2 cuft	4:06	500	psi
1.33 ft^3/sx	12 hrs	1250	psi
13.5 ppg	24hrs	1819	psi
5.52 gal/sx			

50/50 Poz: Standard Cement
+ 2% Bentonite
+ 6.0 lb/sx Phenoseal

Option 3

175 sx	Comp. Strength		
39.9 bbls	24 hrs	1850	psi
224.2 cuft	48 hrs	3411	psi
1.28 ft^3/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

HOLE:	6.25 "
CSG OD:	4.5 "
CSG ID:	4 "
WGT:	11.6 ppf
GRADE:	N-80
EXCESS:	50 %
DEPTH:	**7325** '

PRODUCTION:

Option 1

494 sx	Comp. Strength		
126.7 bbls	7 hrs	500	psi
711.6 cuft	24 hrs	2100	psi
1.44 ft^3/sx			
13.0 ppg			
6.47 gal/sx			

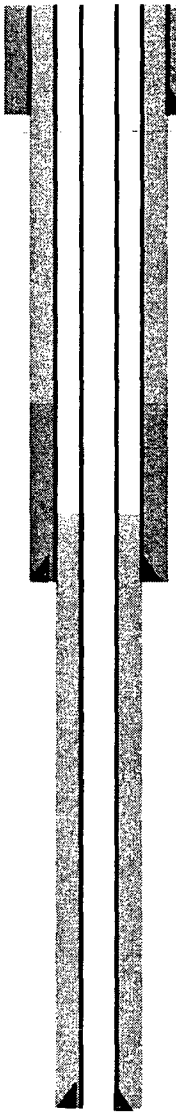
50/50 Poz: Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% D020 Bentonite
+ 1.0 lb/sx D024 Gilsonite Extender
+ 0.25% D167 Fluid Loss
+ 0.25% D065 Dispersant
+ 0.1% D800 Retarder
+ 0.1% D046 Antifoamer
+ 3.5 lb/sx Phenoseal

Option 2

491 sx	Comp. Strength		
126.7 bbls	9:32	50	psi
711.6 cuft	12 hrs	500	psi
1.45 ft^3/sx	13:29	1026	psi
13.1 ppg	24 hrs	2300	psi
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

Newberry LS #2M



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

SURFACE:

INTERMEDIATE LEAD:

	Option 4		Option 5	
	282 sx	Comp. Strength	**386 sx**	Comp. Strength
	144.5 bbls	1:47 50 psi	144.5 bbls	10:56 500 psi
	811.4 cuft	12 hrs 350 psi	811.4 cuft	42 hrs 1012 psi
	2.88 ft^3/sx	24 hrs 450 psi	2.10 ft^3/sx	
	11.5 ppg		11.7 ppg	
	16.85 gal/sx		11.724 gal/sx	
	Standard Cement		75% Type XI / 25% Class G Cement	
	+ 3% Econolite (Extender)		+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 10 lb/sx Phenoseal		+ 3% D079 Extender	
			+ 0.20% D046 Antifoam	

HOLE:	8.75	"
CSG OD:	7	"
CSG ID:	6.456	"
WGT:	20	ppf
GRADE:	J-55	
EXCESS:	150	%
TAIL:	571	'
DEPTH:	**2855**	'

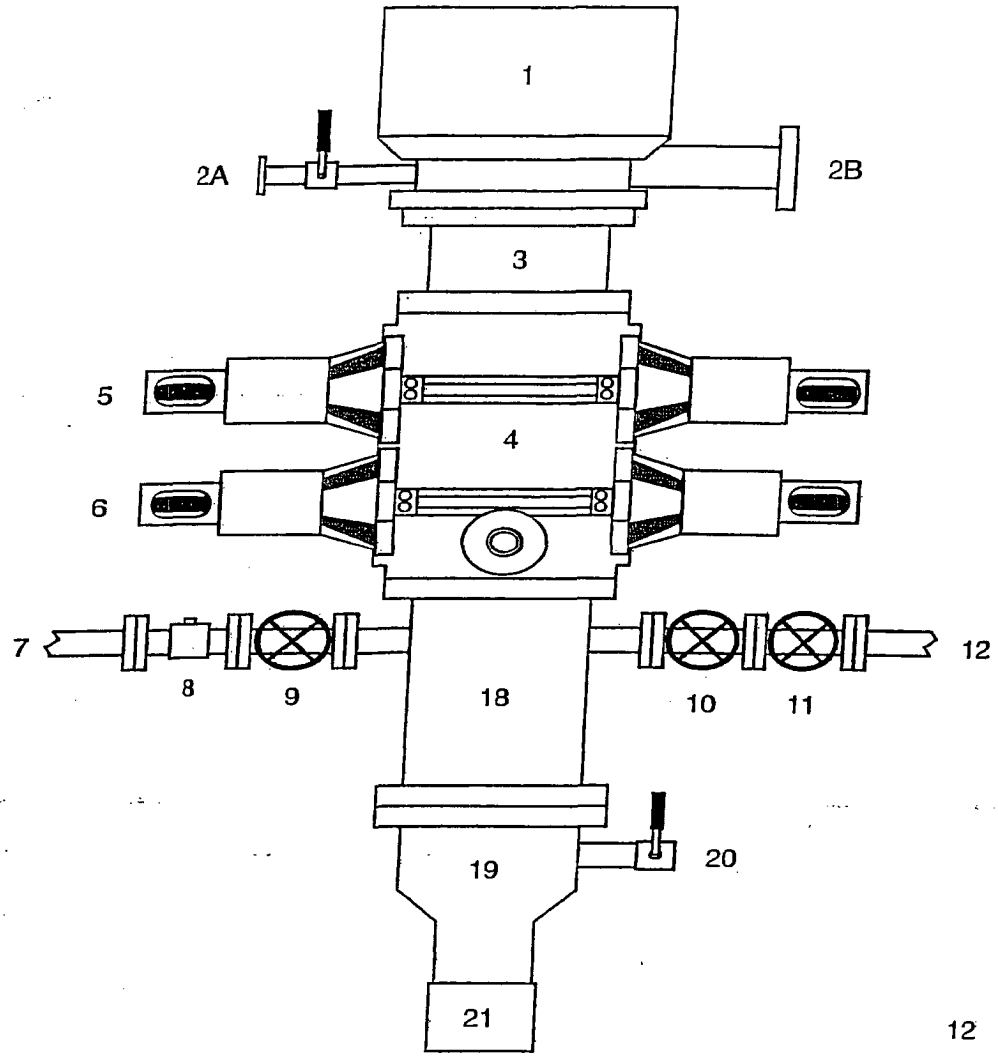
INTERMEDIATE TAIL:

HOLE:	6.25	"
CSG OD:	4.5	"
CSG ID:	4	"
WGT:	11.6	ppf
GRADE:	N-80	
EXCESS:	50	%
DEPTH:	**7325**	'

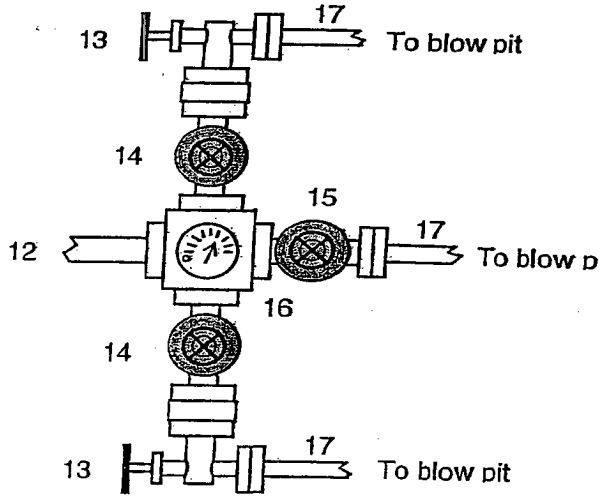
PRODUCTION:

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

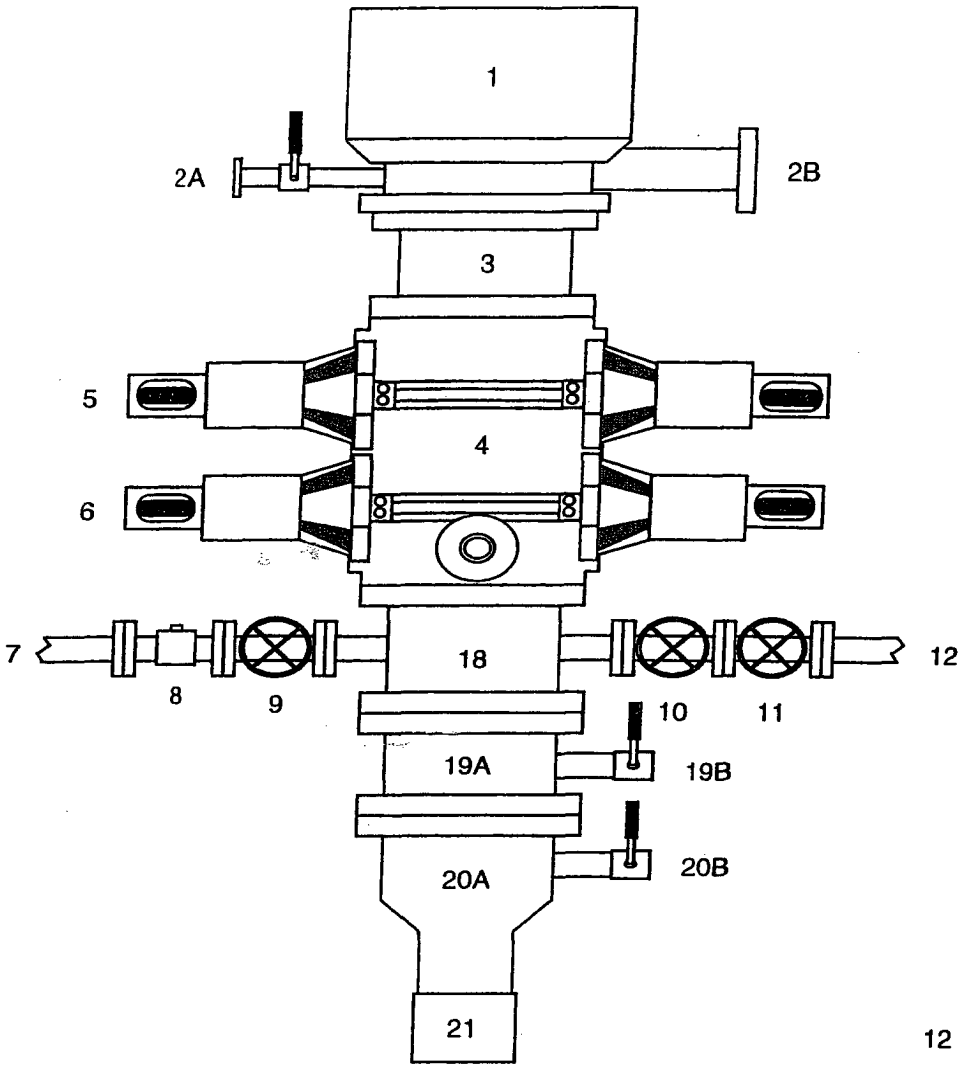


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A est plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure est) 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" asing will be pressure tested** against closed blind rams to 200 psi to 300 psi for 10 minutes and **to 1000 psi for 30 inutes** (this value is one 44% of the minimum internal yield pressure of the 9-5/8" casing). (Note: per regulatory equirements we will wait on cement at least 8 hrs after placement before testing the 9-5/8" surface casing). Then an 8-3/4" ole will be drilled to intermediate casing point and 7" intermediate casing will be run and cemented.

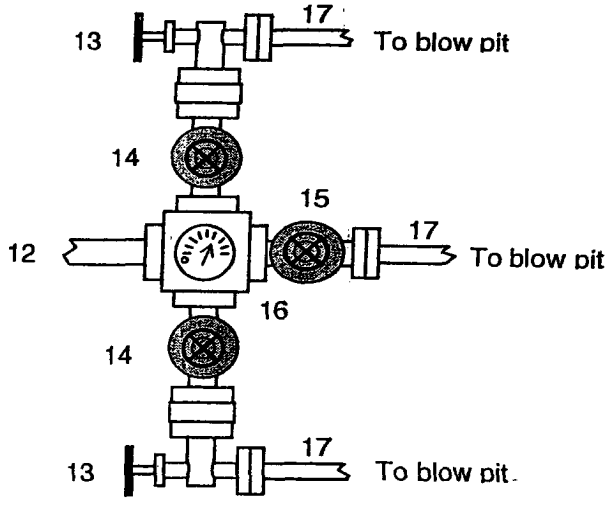
n addition to the equipment in the above diagram the following equipment will comprise the BOP system:

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



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