

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RCVD OCT30/06
OIL CONS. DIV.
DIST. 3

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DEEPEN	5. Lease Number SF-078497-A Unit Reporting Number	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator ConocoPhillips	7. Unit Agreement Name San Juan 28-7 Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name 9. Well Number 30	
4. Location of Well Unit L (NWSW), 1840' FSL & 990' FWL, Latitude 36° 39.5400'N Longitude 107° 37.1648'W	10. Field, Pool, Wildcat Basin MV / Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 18, T28N, R7W API # 30-039-07411	
14. Distance in Miles from Nearest Town 20 miles from Blanco, NM	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 990'	17. Acres Assigned to Well DK - 331.11 see plat R-2448 unit 6	
16. Acres in Lease		
18. Distance from Proposed Location to Nearest Well, Drlg. Compl, or Applied for on this Lease		
19. Proposed Depth 8001'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6868'	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Patty Christen</u> Sr. Regulatory Specialist	8/29/06 Date	

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

Archaeological Report attached

Threatened and Endangered Species Report 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.

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

NMOC

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

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 12, 2005

DISTRICT II
1301 West Grand Avenue, Artesia, N.M. 88210

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

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
8. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-07411		*Pool Code 71599		*Pool Name Basin Dakota	
*Property Code 016608 31739		*Property Name SAN JUAN 28-7			*Well Number 30
*OGRID No. ST 217817		*Operator Name CONOCOPHILLIPS COMPANY			*Elevation 6868'

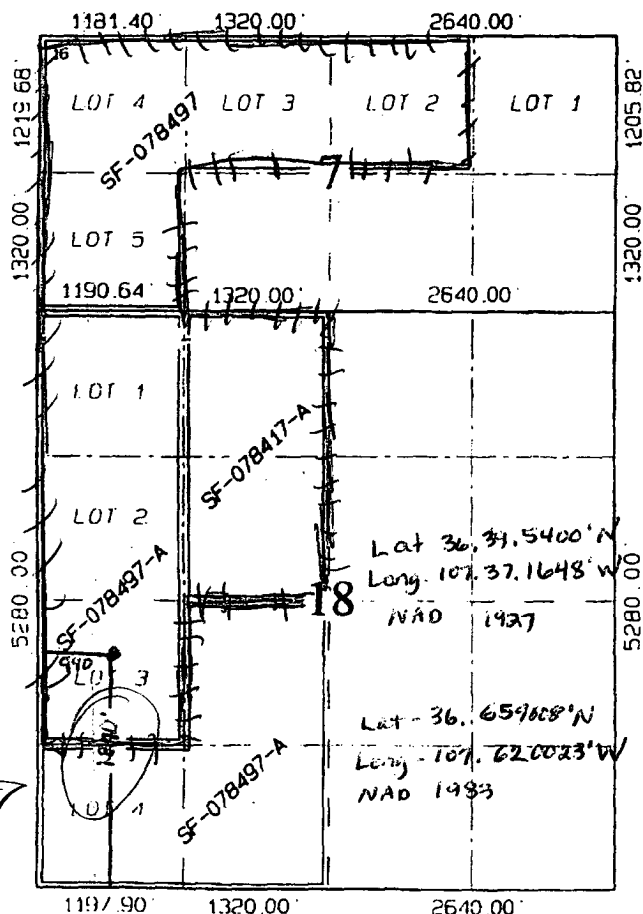
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	18	28-N	7-W		1840'	SOUTH	990'	WEST	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
*Dedicated Acres 331.11 DK					*Joint or Infill		*Consolidation Code		*Order No. R-2948 Unit 6

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, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or a working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.

Patsy Clugston
Signature
Patsy Clugston
Printed Name

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.

7-7
Date of Survey
Signature of
GLEN W. RUSSELL
NEW MEXICO
15703
LICENSED PROFESSIONAL SURVEYOR
Certificate Number 15703

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.

30-039-07411

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

SF-078497-A

7. Lease Name or Unit Agreement Name

San Juan 28-7 Unit

8. Well Number

#30 ST

9. OGRID Number

217817

10. Pool name or Wildcat

Blanco Mesaverde / Basin Dakota

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 L : 1840' feet from the South line and 990 feet from the West line
Section 18 Township 28N Rng 7W NMPM County Rio Arriba

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

6868' GL

Pit or Below-grade Tank Application

☐ or Closure ☐

Pit type

Workover

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐P AND A ☐CASING/CEMENT JOB ☐

OTHER:

Workover Pit ☒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.

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

TITLE

Sr. Regulatory Specialist

DATE

8/29/2006

Type or print name

Patsy Clugston

E-mail address:

pclugston@br-inc.com

Telephone No.

326-9518

For State Use Only

APPROVED BY

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. #

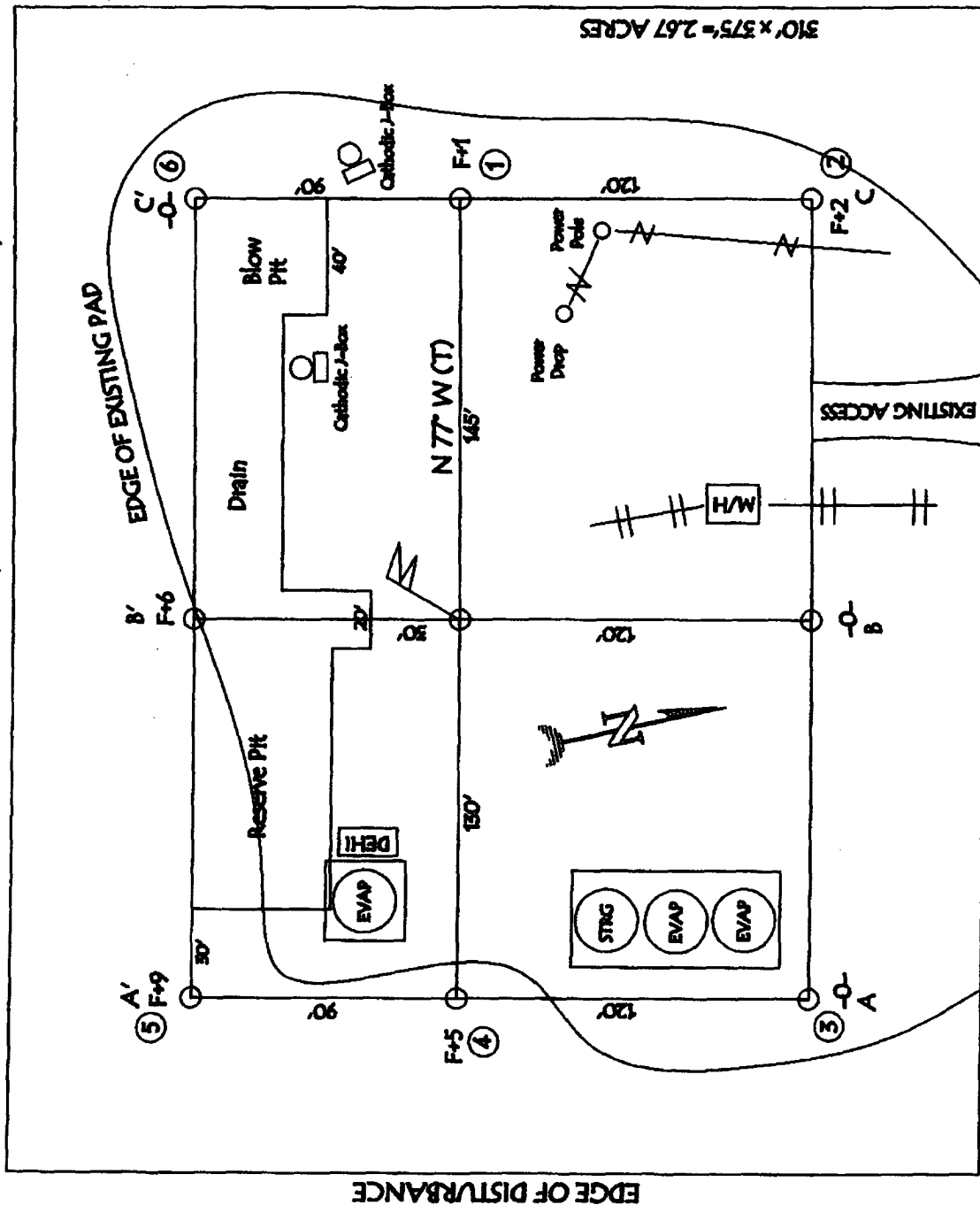
DATE

OCT 30 2006

Conditions of Approval (if any):

CONOCOPHILLIPS COMPANY

SAN JUAN 28-730ST, 1840' FSL & 990' FWL
SECTION 18, T-28-N, R-7-W, NMPM, RIO ARriba COUNTY, NM
GROUND ELEVATION: 6868', DATE: JUNE 29, 2006

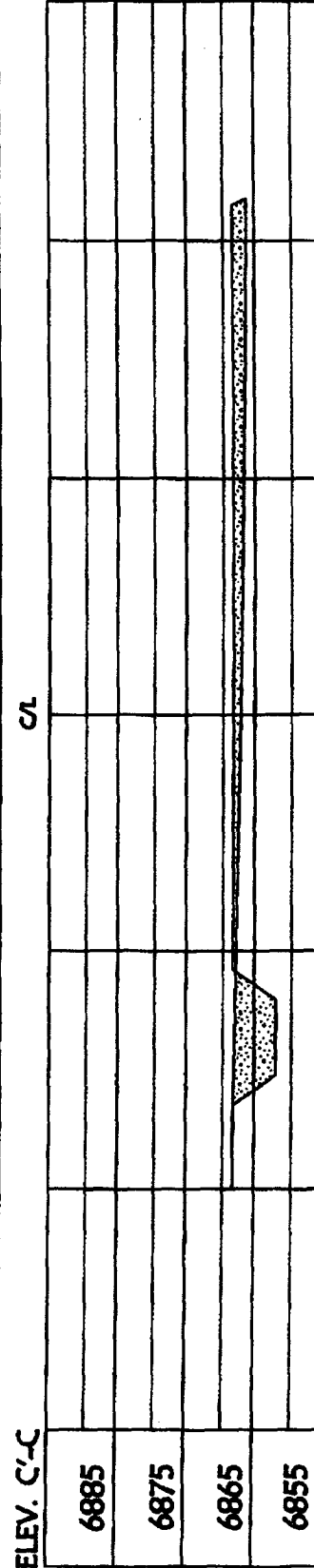


NOTE: VECTOR SURVEYS LLC IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.
CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED
PIPNES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

LATITUDE: 36° 39' 54.00"N LONGITUDE: 107° 57' 16.48"W NAD27

RESERVE PTT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PTT: OVERFLOW PIPE 4' ABOVE BOTTOM OF BLOW PTT.

SAN JUAN 28-7 30ST, 1840' FSL & 990' FWL
SECTION 18, T-28- N, R-7-W, NMPM, RIO ARriba COUNTY, NM
GROUND ELEVATION: 6868', DATE: JUNE 29, 2006



NOTE: VECTOR SURVEYS LLC IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 28-7 30 ST

Lease:	AFE #: WAN.CNV.6253			AFE \$:
Field Name: 28-7	Rig: H&P 282 - DE Shon Robinson	State: NM	County: RIO ARRIBA	API #: 3003907411
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
R20076	DAKOTA(R20076)

Location: Surface	Datum Code: NAD 27				Straight Hole	
Latitude: 36.658828	Longitude: -107.619520	X:	Y:	Section: 18	Range: 7W	
Footage X: 990 FWL	Footage Y: 1840 FSL	Elevation: 6868	(FT)	Township: 28N		

Tolerance:

Location Type: Year Round	Start Date (Est.):	Completion Date:	Date In Operation:
Formation Data: Assume KB = 6881	Units = FT		

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	170	6711	<input type="checkbox"/>			Existing 9 5/8" 36.0 ppf, H-40, STC casing. Circulate cement to surface 6/1955.
FRLD	3190	3691	<input type="checkbox"/>			Possible gas.
PCCF	3463	3418	<input type="checkbox"/>			
Intermediate Casing	5030	1851	<input type="checkbox"/>			Existing 7", 20 ppf, J-55 and H-40, STC Casing. TOC per bond log at 3600'
CLFH	5072	1809	<input checked="" type="checkbox"/>			Gas; possibly wet
MENF	5268	1613	<input checked="" type="checkbox"/>			Gas.
PTLK	5648	1233	<input checked="" type="checkbox"/>			Gas.
MNCS	5726	1155	<input type="checkbox"/>			
GLLP	6966	-85	<input type="checkbox"/>			Gas. Possibly wet.
GRHN	7651	-770	<input type="checkbox"/>			Gas possible, highly fractured
TWLS	7756	-875	<input type="checkbox"/>			Gas
CBBO	7881	-1000	<input type="checkbox"/>			Gas
TOTAL DEPTH DK	8001	-1120	<input type="checkbox"/>			6-1/4" Hole. 4-1/2", 11.6 ppf, N-80, LTC 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
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Additional Information:

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks
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PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 28-7 30 ST

Comments: Location/Tops/Logging - Plans are to deepen the OH MVRD completion to the DK, set 4.5" & complete as a DK single.

Zones - This is currently an openhole MV well - 7" casing was used to top-set the MV. Plans are to deepen this well to the DK, abandoning the existing MV completion in the process. MV will be recompleted in the 199G (currently a DK single). The irregular DK spacing unit covers portions of Sections 7 & 18 and extends into the SW of 18, making room for what will be the 4th DK well in the (irregular) GPU. The two current DK completions in the (irregular) SW/4 of Section 18 are in a different GPU. Distance from existing DK wells (min 1,500') is more than adequate for the subject 80-acre infill deepening, and related MV recompletion in the 199G.

General/Work Description - This is currently an openhole MV well - 7" casing was used to top-set the MV. Plans are to deepen this well to the DK, abandoning the existing MV completion in the process. MV will be recompleted in the 199G (currently a DK single). The irregular DK spacing unit covers portions of Sections 7 & 18 and extends into the SW of 18, making room for what will be the 4th DK well in the (irregular) GPU. The two current DK completions in the (irregular) SW/4 of Section 18 are in a different GPU. Distance from existing DK wells (min 1,500') is more than adequate for the subject 80-acre infill deepening, and related MV recompletion in the 199G.

San Juan 28-7 30ST OPERATIONS PLAN

Well Name: San Juan 28-7 30ST

Objective: Dakota

Location: Rio Arriba NM

Elevation: 6868'

Surface Coordinates/Footages

T - 28 N R - 7 W Sec.: 18

1840' FSL 990' FWL

Latitude: 36.658828° N

Longitude: 107.619520° W

<u>Mud Program:</u>	<u>Interval (TMD)</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Vis. (s/qt)</u>	<u>Fluid Loss (cc/30min)</u>
	0' - 170'	Existing			
	170' - 5030'	Existing			
	5030' - 8001'	Air/Mist/Mud/N2	8.0-9.0	33-35	6-8
		with foamer, polymer, corrosion inhibitor, bentonite as needed.			

<u>Casing program:</u>	<u>Interval (TMD)</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight</u>	<u>Grade</u>
	0' - 170'	Existing	9 5/8"	36#	H-40
	170' - 5030'	Existing	7"	20.0#	J-55 and H-40
	5030' - 8001'	6 1/4"	4 1/2"	11.6#	L-80

<u>Tubing program:</u>	<u>Interval (TMD)</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight</u>	<u>Grade</u>
	0' - 170'	Cased	2 3/8"	4.7#	J-55

Centralizer program:

No centralizers in an air hole. In mud holes centralizers are spaced out appropriately.

Wellhead Equipment

9 5/8" x 7" X 4 1/2" x 2 3/8" - 11" (3000 psi) wellhead assembly

Operations:

It is intended to deepen the subject well to the Dakota formation by the following procedure:

Current status is a CIBP is set at 4250' in the 7" casing and the well has 2% KCl on top of the CIBP.

7" casing is set at 5030' and OH TD below the casing is at 5755'.

1. MIRU
2. Pressure test casing against CIBP @4950' to 1200 psi for 30 minutes.
3. Drill up the CIBP and clean out the OH below the existing casing.
4. Drill to TD in the Dakota.
5. Run and cement 4-1/2" casing at total depth.
6. Perforate and stimulate the Dakota formation
7. Flowback and clean out to PBTD.
8. Land 2-3/8" tubing.
9. RDMO rig. First deliver as a Dakota producer.

Drilling: Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

Production

From the shoe of the intermediate string, the well will be drilled vertically with an air hammer to a TVD of ' (TMD of '). 4.5" casing will be set at this point.

Cementing

See attached sheet

Special Drilling Operations (Gas/Mist Drilling)

The following equipment will be operational while gas/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arrestors or water-cooled exhaust.
- Deduster equipment will be utilized.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.

HOLE: 12.25 "
 CSG OD: 9.625 "
 CSG ID: 8.921 "
 WGT: 36 ppf
 GRADE: H-40
 EXCESS: 125 %
 DEPTH: 170'

SURFACE:
 Existing with cement to surface.

INTERMEDIATE:
 Existing with TOC at 3600'

HOLE: 8.75 "
 CSG OD: 7 "
 CSG ID: 6.456 "
 WGT: 20 ppf
 GRADE: J-55 and H-40
 EXCESS: 150 %
 DEPTH: 5030'

HOLE: 6.25 "
 CSG OD: 4.5 "
 CSG ID: 4 "
 WGT: 11.6 ppf
 GRADE: N-80
 EXCESS: 50 %
 DEPTH: 8001'

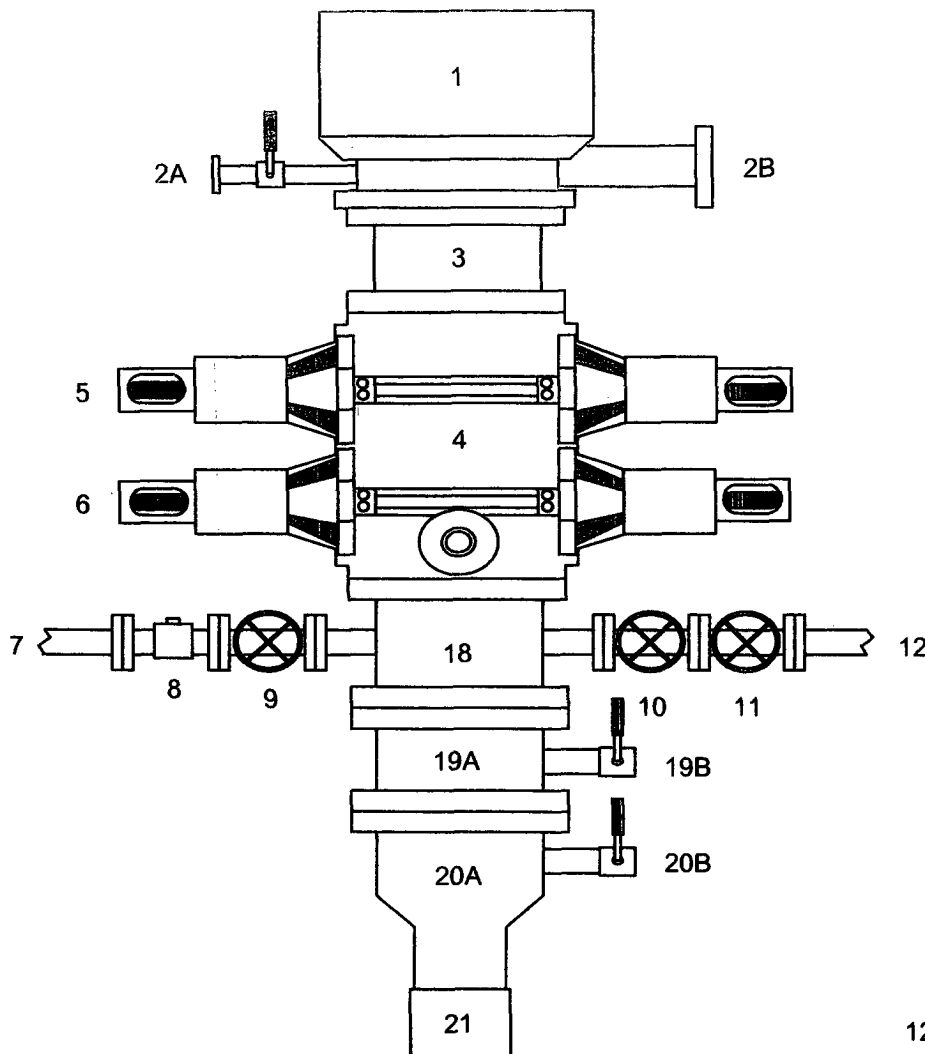
PRODUCTION:

Option 1		Option 2	
334 sx	332 sx	332 sx	332 sx
85.6 bbls	85.6 bbls	85.6 bbls	85.6 bbls
480.8 cuft	480.8 cuft	480.8 cuft	480.8 cuft
1.44 ft ³ /sx	1.45 ft ³ /sx	1.45 ft ³ /sx	1.45 ft ³ /sx
13.0 ppg	13.1 ppg	13.1 ppg	13.1 ppg
6.47 gal/sx	6.55 gal/sx	6.55 gal/sx	6.55 gal/sx
50/50 Poz: Class G Cement	50/50 Poz: Standard Cement	50/50 Poz: Standard Cement	50/50 Poz: Standard Cement
+ 0.25 lb/sx D029 Cellophane Flakes	+ 3% Bentonite	+ 3% Bentonite	+ 3% Bentonite
+ 3% D020 Bentonite	+ 0.2% CFR-3 Friction Reducer	+ 0.2% CFR-3 Friction Reducer	+ 0.2% CFR-3 Friction Reducer
+ 1.0 lb/sx D024 Gilsomite Extender	+ 0.1% HR-5 Retarder	+ 0.1% HR-5 Retarder	+ 0.1% HR-5 Retarder
+ 0.25% D167 Fluid Loss	+ 0.8% Halad-9 Fluid Loss Additive	+ 0.8% Halad-9 Fluid Loss Additive	+ 0.8% Halad-9 Fluid Loss Additive
+ 0.25% D065 Dispersant	+ 3.5 lb/sx Phenoseal	+ 3.5 lb/sx Phenoseal	+ 3.5 lb/sx Phenoseal
+ 0.1% D800 Retarder			
+ 0.1% D046 Antifoamer			
+ 3.5 lb/sx Phenoseal			

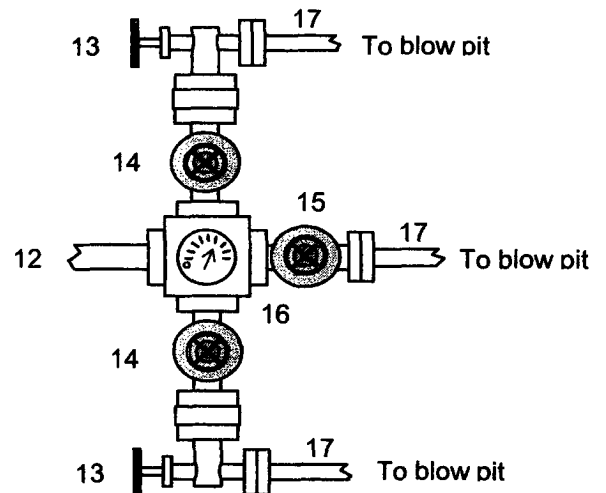
Comp. Strength
 9:32 50 psi
 12 hrs 500 psi
 13:29 1026 psi
 24 hrs 2300 psi

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 MIRU 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 250 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 250 psi for 10 minutes and to 1200 psi for 30 minutes - this test pressure is 44% of the minimum internal yield strength of 2720 psi for the 7", 20#, H-40, 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