

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	2006 OCT 24 PM 9 58 RECEIVED	5. Lease Number NMSF-078995 Unit Reporting Number NMMN-78421B-DK NMMN-78421A-MV
1b. Type of Well GAS		6. If Indian, All. or Tribe
2. Operator ConocoPhillips		7. Unit Agreement Name San Juan 31-6 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name
4. Location of Well Unit A (NENE), 780' FNL & 365' FEL, Latitude 36° 52.5388' N Longitude 107° 28.6890 W		9. Well Number #44F
14. Distance in Miles from Nearest Town 48 miles - Blanco PO		10. Field, Pool, Wildcat Basin DK/Blanco MV
15. Distance from Proposed Location to Nearest Property or Lease Line 365'		11. Sec., Twn, Rge, Mer. (NMPM) Sec. 29, T31N, R06W API # 30-039-30090
16. Acres in Lease		12. County Rio Arriba
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1777'		13. State NM
19. Proposed Depth 8105'		17. Acres Assigned to Well DK & MV - 320 - (E/2)
21. Elevations (DF, FT, GR, Etc.) 6458' GL		20. Rotary or Cable Tools Rotary
23. Proposed Casing and Cementing Program See Operations Plan attached		22. Approx. Date Work will Start
24. Authorized by: <u>Rhonda Rogers</u> Rhonda Rogers (Regulatory Assistant)		10-23-06 Date

RCVD NOV29'06
OIL CONS. DIV.
DIST. 3

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY: [Signature] TITLE AFM DATE 11/20/06

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.

HOLD C104 FOR NSL in MV

DISTRICT I
1825 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
1300 Rio Brazos Rd., Aztec, N.M. 87410

2005 OCT 24 PM 9 58

AMENDED REPORT

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039- 30090		*Pool Code 72319/71599	*Pool Name Blanco Mesaverde / Basin Dakota
*Property Code 31328	*Property Name SAN JUAN 31-6 UNIT		*Well Number 44F
*OGUD No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6458'

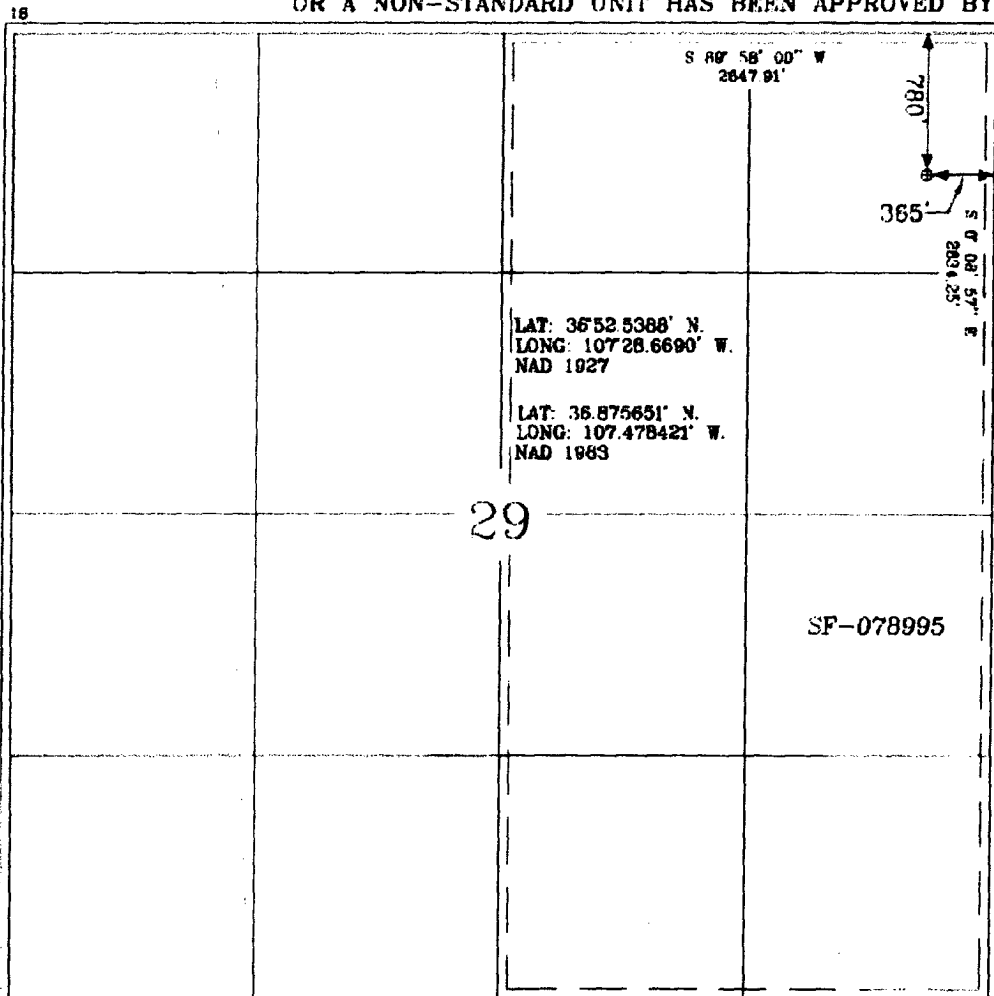
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	29	31-N	6-W		780'	NORTH	365'	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
A									
*Dedicated Acres 320 E/2 MV/DK			*Joint or Infill		*Consolidation Code		*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



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 unleased 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.

Rhonda Rogers
Signature
Rhonda Rogers/ Regulatory Assistant
Printed Name

10-23-06

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.

Date of Survey
Signature
NEW MEXICO
LICENSED PROFESSIONAL SURVEYOR
15703

Certificate Number 15703

District I

Energy, Minerals and Natural Resources

May 27, 2004

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL API NO.	30-039- 30090
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	NMSF-078995
7. Lease Name or Unit Agreement Name	San Juan 31-6 Unit
8. Well Number	#44F
9. OGRID Number	217817
10. Pool name or Wildcat	Basin Dakota/Blanco MV

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

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

4. Well Location:
 Unit Letter A 780' feet from the North line and 365' feet from the East line
 Section 29 Township 31N Rng 06W NMPM County Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6458'

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	<input type="checkbox"/>	REMEDIAL WORK	<input type="checkbox"/>
TEMPORARILY ABANDON	<input type="checkbox"/>	COMMENCE DRILLING OPNS.	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>	CASING/CEMENT JOB	<input type="checkbox"/>
		ALTERING CASING	<input type="checkbox"/>
		P AND A	<input type="checkbox"/>
OTHER:	<input checked="" type="checkbox"/> New Drill	OTHER:	<input type="checkbox"/>

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.

New Drill, Lined:

Burlington Resources proposes to construct a new drilling pit and an associated vent/flare pit. Based on Burlington's interpretation of the Ecosphere's risk/ranking criteria, the new drilling pit will be a lined pit as detailed in Burlington's Revised Drilling / Workover Pit Construction / Operation Procedures dated November 11, 2004 on file at the NMOCD office. A portion of the vent/flare pit will be designed to manage fluids and that portion will be lined as per the risk ranking criteria. Burlington Resources anticipates closing these pits according to the Drilling / Workover Pit Closure Procedure dated August 2, 2004 on file at the NMOCD office.

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 Rhonda Rogers TITLE Regulatory Assistant DATE 9/7/2006

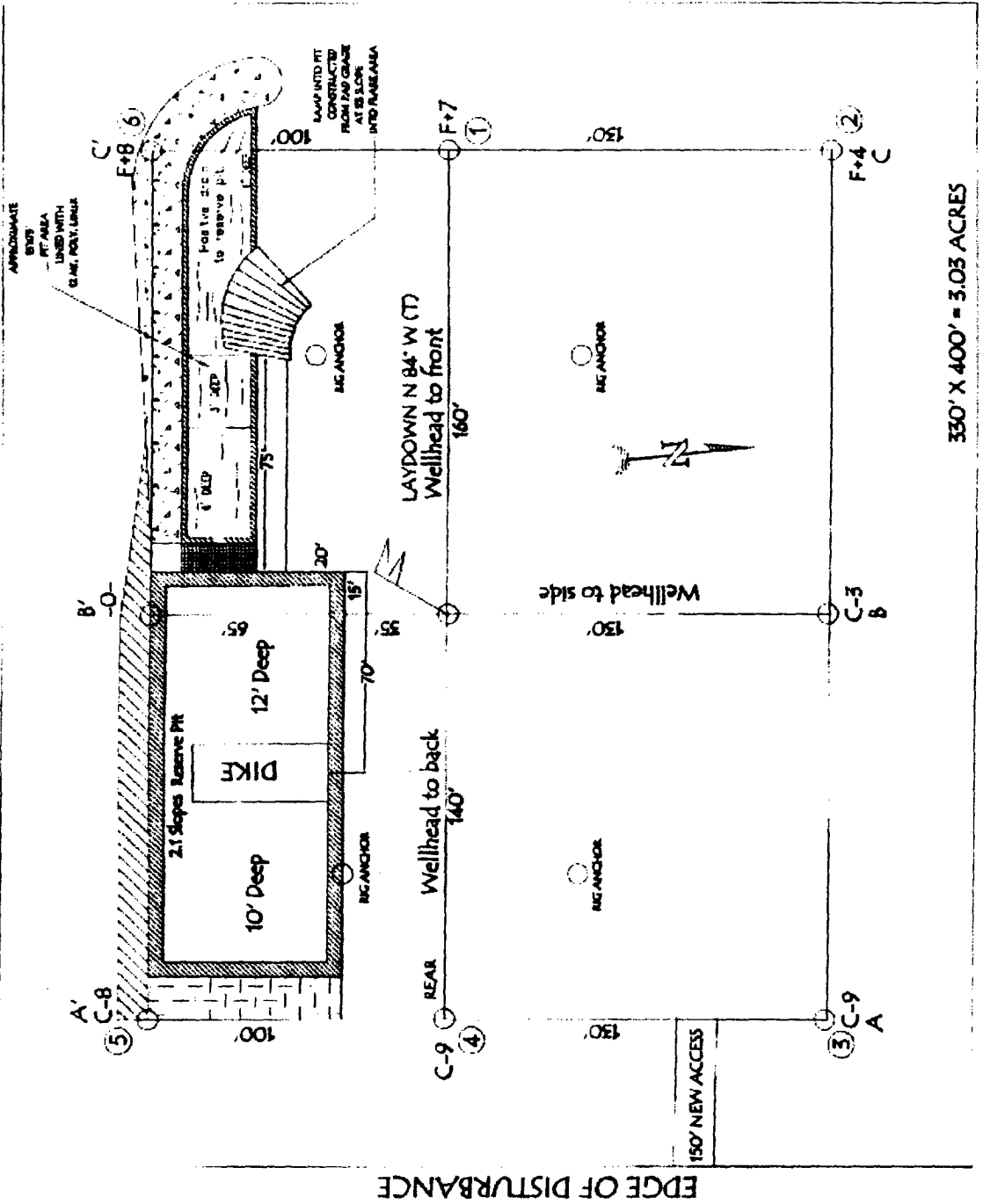
Type or print name Rhonda Rogers E-mail address: rrogers@br-inc.com Telephone No. 505-599-4018

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE NOV 30 2006

Conditions of Approval (if any):

CONOCOPHILLIPS COMPANY

SAN JUAN 31-6 UNIT #44F, 780' FNL & 365' FEL
 SECTION 29, T-31- N, R-6-W, NMPM, RIO ARRIBA COUNTY, NM
 GROUND ELEVATION: 6458', DATE: AUGUST 17, 2006



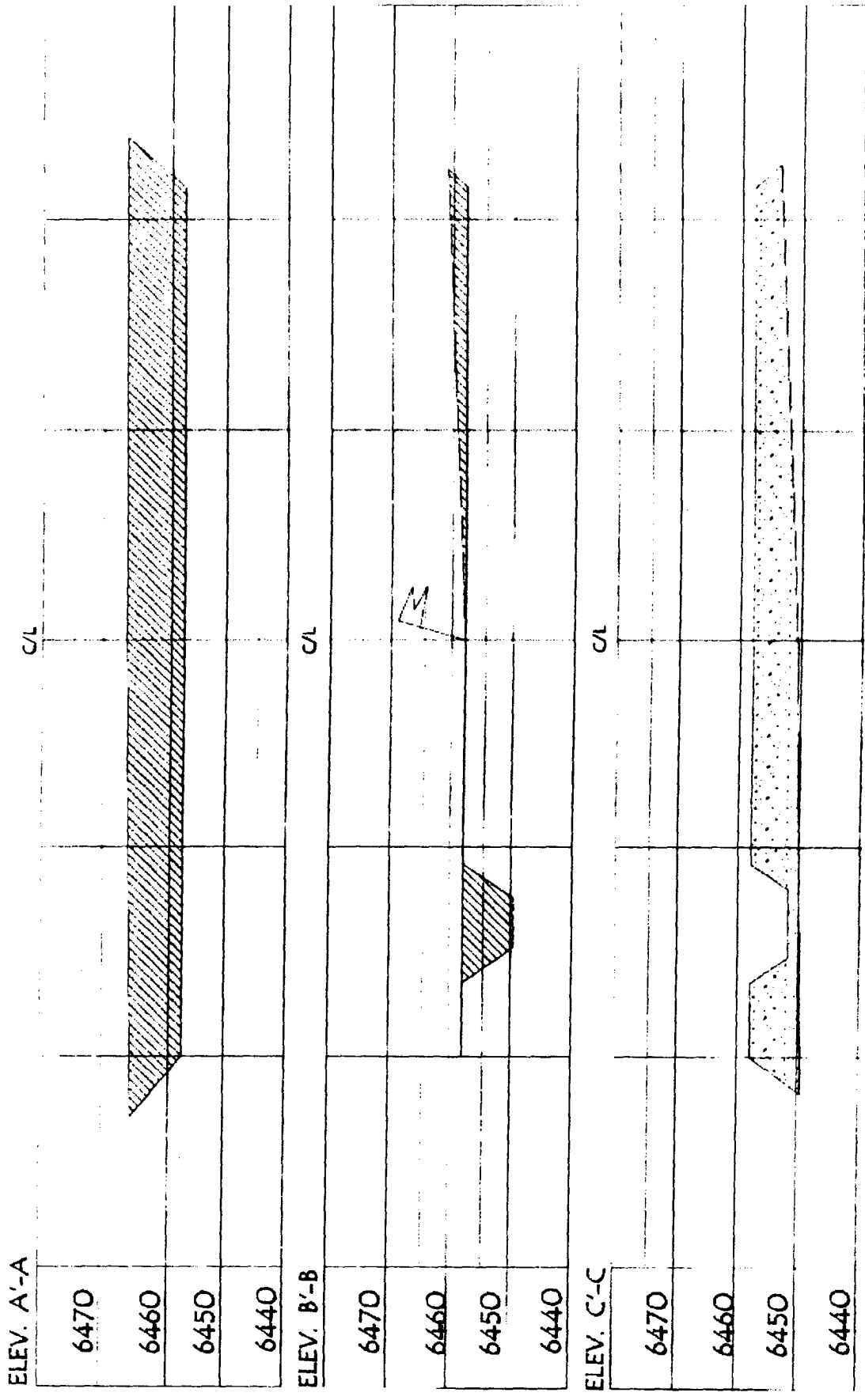
330' X 400' = 3.05 ACRES

LATITUDE: 36° 52.5388' N LONGITUDE: 107° 28.6690' W NAD27

RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).

CONOCOPHILLIPS COMPANY

SAN JUAN 31-6 UNIT 44F, 780' FNL & 365' FEL
 SECTION 29, T-31-N, R-6-W, NMPM, RIO ARriba COUNTY, NM
 GROUND ELEVATION: 6458'; DATE: AUGUST 17, 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 31-6 44F

Lease:		AFE #: WAN.CNV.7209		AFE \$:	
Field Name: 31-6		Rig: UNSCHEDULED 31-6		State: NM	County: RIO ARRIBA
Geoscientist: Glaser, Terry J		Phone: (832)486-2332		Prod. Engineer: Piotrowicz, Greg M. Phone: +1 832-486-3486	
Res. Engineer: Prabowo, Wahyu		Phone: 832-486-2275		Proj. Field Lead: Franssen, Eric E. Phone:	

Primary Objective (Zones):

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

Location: Surface		Datum Code: NAD 27			Straight Hole	
Latitude: 36.875679	Longitude: -107.478292	X: 0.00	Y: 0.00	Section: 29	Range: 6W	
Footage X: 460 FEL	Footage Y: 700 FNL	Elevation: 6454	(FT)	Township: 31N		

Tolerance:

Location Type: Summer Only	Start Date (Est.):	Completion Date:	Date In Operation:
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Formation Data: Assume KB = 6470 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	216	6254	<input type="checkbox"/>		12 1/4"	based on proposed cement volume
NCMT	1445	5025	<input type="checkbox"/>			13 1/2" hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
OJAM	2430	4040	<input type="checkbox"/>			13 1/2" is acceptable depending on rig availability.
KRLD	2630	3840	<input type="checkbox"/>			Possible water flows.
FRLD	3080	3390	<input type="checkbox"/>			Possible gas.
PCCF	3430	3040	<input type="checkbox"/>			
LEWS	3630	2840	<input type="checkbox"/>			
Intermediate Casing	3730	2740	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CLFH	5425	1045	<input type="checkbox"/>			Gas; possibly wet
MENF	5465	1005	<input type="checkbox"/>			Gas.
PTLK	5720	750	<input type="checkbox"/>			Gas.
GLLP	6970	-500	<input type="checkbox"/>			Gas. Possibly wet.
GRHN	7755	-1285	<input type="checkbox"/>			Gas possible, highly fractured
CBBO	7920	-1450	<input type="checkbox"/>			Gas. Possibly wet.
TOTAL DEPTH DK	8105	-1635	<input type="checkbox"/>			6-1/4" hole, 4-1/2" 11.6#/ft, N-80 LTC csg cemented to 100' above 7" shoe.

Reference Wells:

Reference Type	Well Name	Comments
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Mr C. King

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 31-6 44F

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
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Comments:

HOLE: 12.25 "
 CSG OD: 9.625 "
 CSG ID: 9.001 "
 WGT: 32.3 ppg
 GRADE: H-40
 EXCESS: 125 %
 DEPTH: **216'**

HOLE: 8.75 "
 CSG OD: 7 "
 CSG ID: 6.456 "
 WGT: 20 ppg
 GRADE: J-55
 EXCESS: 150 %
 TAIL: **746'**
 DEPTH: **3730'**

HOLE: 6.25 "
 CSG OD: 4.5 "
 CSG ID: 4 "
 WGT: 11.6 ppg
 GRADE: N-80
 EXCESS: 50 %
 DEPTH: **8105'**

SURFACE: Option 1
 136 sx
 28.4 bbls
 159.6 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

INTERMEDIATE LEAD:

Option 1
 396 sx
 192.1 bbls
 1078.4 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

INTERMEDIATE TAIL:

Option 1
 221 sx
 51.7 bbls
 290.0 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 Antifoamer
 + 6 lb/sx Phenoseal

PRODUCTION:

Option 1
 484 sx
 124.1 bbls
 697.0 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
 + 3.5 lb/sx Phenoseal

Option 2
 132 sx
 28.4 bbls
 159.6 cuft
 1.21 ft³/sx
 15.6 ppg
 5.29 gal/sx
 Standard Cement
 + 3% Calcium Chloride
 + 0.25 lb/sx Floccle

Option 2

415 sx
 192.1 bbls
 1078.4 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

Option 2

218 sx
 51.7 bbls
 290.0 cuft
 1.33 ft³/sx
 13.5 ppg
 5.52 gal/sx
 50/50 Poz: Standard Cement
 + 2% Bentonite
 + 6.0 lb/sx Phenoseal

Option 2

481 sx
 124.1 bbls
 697.0 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

Option 3
 60 sx
 17.3 bbls
 96.9 cuft
 1.61 ft³/sx
 14.5 ppg
 7.41 gal/sx
 Type I-II Ready Mix
 + 20% Fly Ash

Option 3

410 sx
 192.1 bbls
 1078.4 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

Option 3

227 sx
 51.7 bbls
 290.0 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 Antifoamer
 + 0.15% D065 Dispersant
 + 1.0 lb/bbl CemNet



San Juan 31-6 #44F

SURFACE:
HOLE: 12.25 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppg
GRADE: H-40
EXCESS: 125 %
DEPTH: **216**

INTERMEDIATE LEAD:

Option 4
374 sx
192.1 bbbls
1078.4 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 ppg
GRADE: J-55
EXCESS: 150 %
TAIL: **746**
DEPTH: **3730**

Option 5

514 sx
192.1 bbbls
1078.4 cuft
2.10 ft³/sx
11.7 ppg
11.724 gal/sx

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

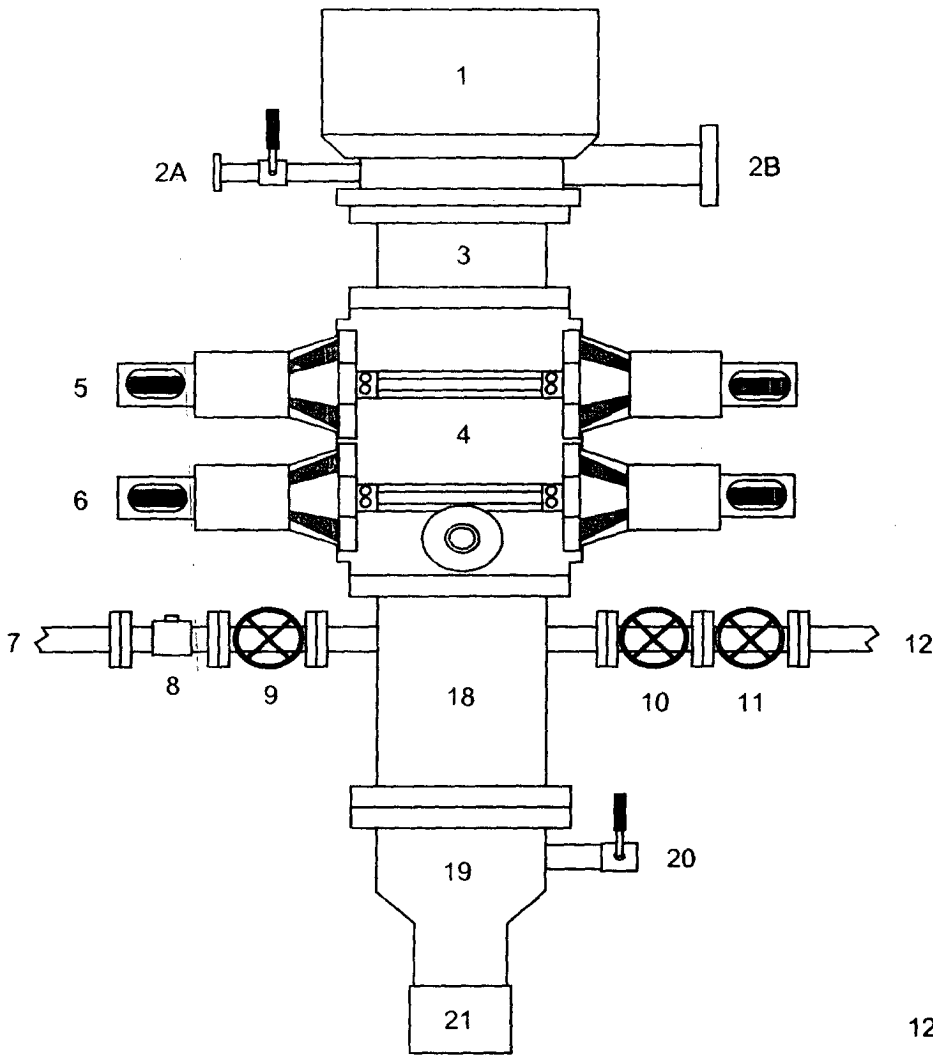
75% Type XI / 25% Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% D079 Extender
+ 0.20% D046 Antifoam

INTERMEDIATE TAIL:

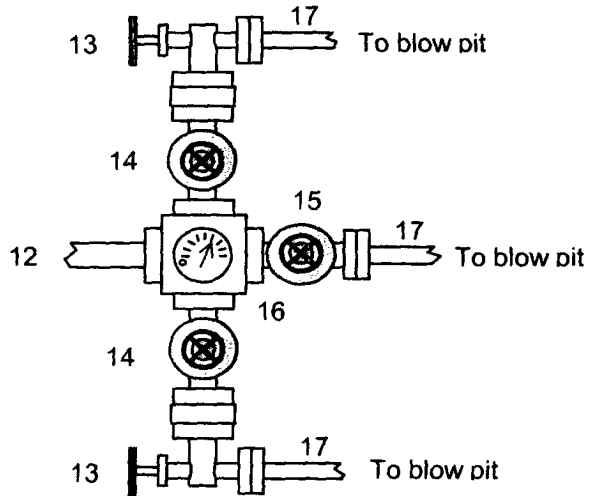
PRODUCTION:
HOLE: 6.25 "
CSG OD: 4.5 "
CSG ID: 4 "
WGT: 11.6 ppg
GRADE: N-80
EXCESS: 50 %
DEPTH: **8105**

14

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

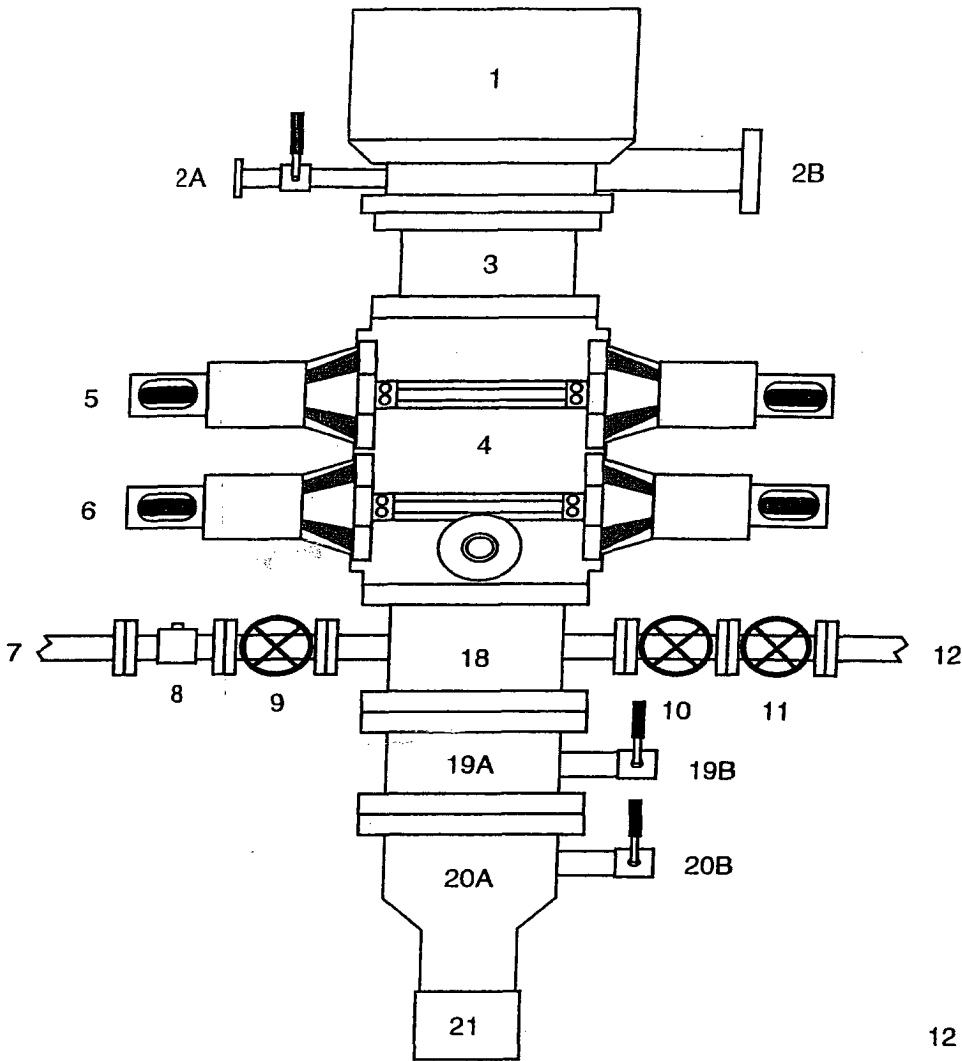


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

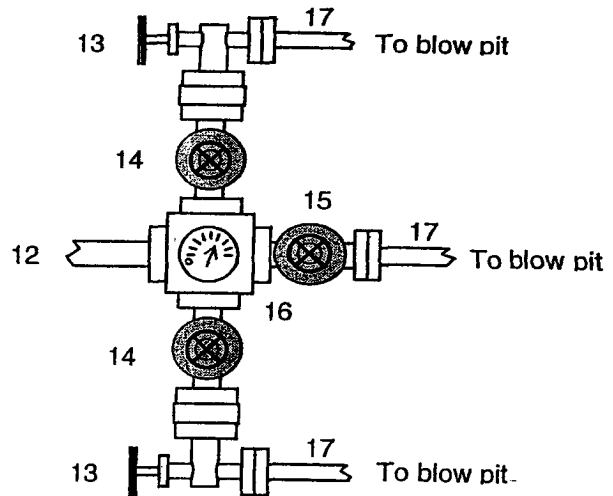
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

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. Bloeie 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