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
March 4, 2004

RCVD DEC 8 '06
OIL CONS. DIV.
DIST. 3

WELL API NO. 30-045-33779	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No.	
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: Walker Com LS
1. Type of Well: Oil Well ☐ Gas Well X☐ Other	8. Well Number: #2B
2. Name of Operator: **ConocoPhillips Company**	9. OGRID Number: 217817
3. Address of Operator: **P.O. Box 4289, Farmington, NM 87499-4289**	10. Pool name or Wildcat: Blanco MV / Basin DK

4. Well Location

Unit Letter M : 540 feet from the South line and 920 feet from the West line

Section 32 Township 31N Range 9W NMPM San Juan County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6339' GL

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.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND CEMENT JOB	☐		
OTHER	Adding DK to this new well		☒	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 APD was submitted where we would only be drilling and completing the MV interval. Plans have now changed to drilling this well as a MV/DK commingle well. See the attached plat for the Dakota interval and the revised drilling plan since the changes are proposed.

A NSL application will be filed for the DK interval and the DHC application will also be file.

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 Specialist DATE 12/5/06

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

(This space for State use)

APPPROVED BY [signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE DEC 08 2006

Conditions of approval, if any:

RCVD DEC8'06
OIL CONS. DIV.
DIST. 3

Form C-102
Permit 42843

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
	71599	BASIN DAKOTA (PRORATED GAS)

4. Property Code	5. Property Name	6. Well No.
31747	WALKER COM LS	002B

7. OGRID No.	8. Operator Name	9. Elevation
217817	CONOCOPHILLIPS COMPANY	6339

10. Surface Location

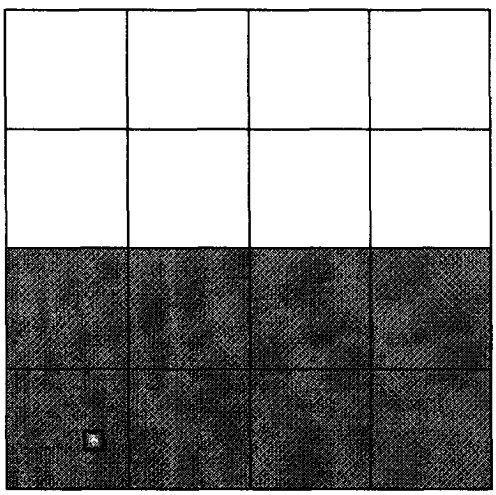
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	32	31N	09W		540	S	920	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County

12. Dedicated Acres	13. Joint or Infill	14. Consolidation Code	15. Order No.
319.05			

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



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(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Patsy Clugston
Title: Sr. Regulatory Specialist
Date: 12/5/06

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.

Surveyed By: Jason C. Edwards
Date of Survey: 1/17/2005
Certificate Number: 15269

ConocoPhillips

San Juan Business Unit

PROJECT PROPOSAL - New Drill / Sidetrack

WALKER COM LS 2B

Lease:	AFE #: WAN.CNV.6244			AFE $:
Field Name: NEW MEXICO-WEST	Rig: Aztec Rig 301	State: NM	County: SAN JUAN	API #: 3004533779
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: 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: 36.849100	Longitude: -107.809230	X:	Y:	Section: 32	Range: 9W
Footage X: 920 FWL	Footage Y: 540 FSL	Elevation: 6339 (FT)	Township: 31N		
Tolerance:					

Location Type: Year Round | Start Date (Est.): | Completion Date: | Date In Operation:

Formation Data: Assume KB = 6352 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SURFACE CSG	126' ~~213~~	6139	☐			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	372	5980	☐			
OJAM	1802	4550	☐			Possible water flows.
KRLD	1912	4440	☐			
FRLD	2742	3610	☐			Possible gas.
PCCF	3092	3260	☐			
LEWS	3292	3060	☐			
Intermediate Casing	3392	2960	☐			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4152	2200	☐			
CLFH	4902	1450	☐			Gas; possibly wet
MENF	4952	1400	☐			Gas.
PTLK	5357	995	☐			Gas.
MNCS	5707	645	☐			
GRHN	7330	-978	☐			Gas possible, highly fractured
GRRS	7381	-1029	☐			
TWLS	7433	-1081	☐			Gas
PAGU	7530	-1178	☐			Gas. Highly Fractured.
CBRO	7561	-1209	☐			
CBRL	7574	-1222	☐			
Total Depth	7670	-1318	☐			6-1/4" hole. 4 1/2", 10.5 ppf, J-55, STC. 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
Intermediate	Florance 16	6-30N-9W-NE, KB = 6384

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ConocoPhillips

PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

WALKER COM LS 2B

Logging Program:

Intermediate Logs: ☐ Log only if show ☐ GR/ILD ☐ Triple Combo

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT ☑ Other

CBL/GR

Additional Information:

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

Comments: Location/Tops/Logging - TD is 340' below GRHN

Zones - Drilling Mud Program:
Surface: spud mud
Intermediate: fresh water mud with bentonite and polymer as needed
Below Intermediate: air/mist drilling media with foamer, polymer, & corrosion inhibitor as needed

Centralizer Program:
Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints
Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th joints
Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale
Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

General/Work Description - State Lease - Need to file Sundry to add Dakota

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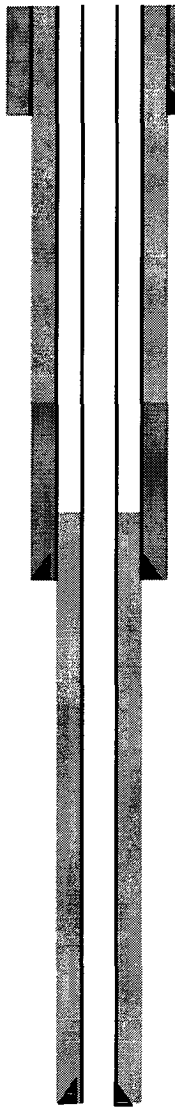
Walker Com LS #2B

APD Cement Calculations



HOLE:	12.25 "
CSG OD:	9.625 "
CSG ID:	9.001 "
WGT:	32.3 ppf
GRADE:	H-40
EXCESS:	125 %
DEPTH:	120 '

SURFACE:

Option 1

79 sx	Comp. Strength	
16.4 bbls	6 hrs	250 psi
91.9 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

76 sx	Comp. Strength	
16.4 bbls	6 hrs	250 psi
91.9 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

37 sx	Comp. Strength	
10.6 bbls	8 hrs	475 psi
59.3 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:	50 %
TAIL:	678.4 '
DEPTH:	3392 '

INTERMEDIATE LEAD:

Option 1

223 sx	Comp. Strength	
107.9 bbls	9 hrs	300 psi
606.0 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

233 sx	Comp. Strength	
107.9 bbls	1:47 hrs	50 psi
606.0 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

230 sx	Comp. Strength	
107.9 bbls	3 hrs	100 psi
606.0 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

HOLE:	6.25 "
CSG OD:	4.5 "
CSG ID:	4.052 "
WGT:	10.5 ppf
GRADE:	J-55
EXCESS:	30 %
DEPTH:	7670 '

INTERMEDIATE TAIL:

Option 1

124 sx	Comp. Strength	
29.0 bbls	3:53	500 psi
162.6 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

122 sx	Comp. Strength	
29.0 bbls	2:05	50 psi
162.6 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

127 sx	Comp. Strength	
29.0 bbls	24 hrs	1850 psi
162.6 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

PRODUCTION:

Option 1

413 sx	Comp. Strength	
105.8 bbls	7 hrs	500 psi
594.2 cuft	24 hrs	2100 psi
1.44 ft^3/sx		
13.0 ppg		
6.47 gal/sx		

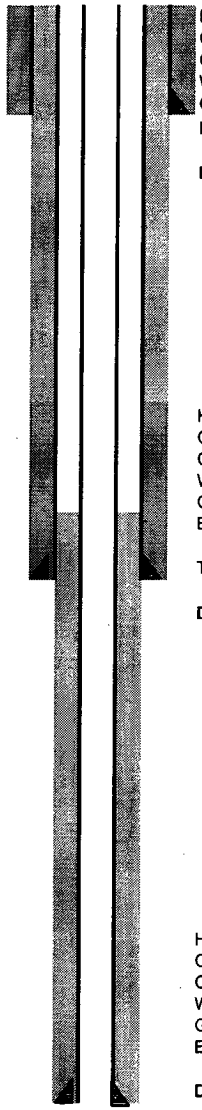
50/50 Poz: Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% D020 Bentonite
+ 1.0 lb/sx D024 Gilsonite Extender
+ 0.25% D167 Fluid Loss
+ 0.25% D065 Dispersant
+ 0.1% D800 Retarder
+ 0.1% D046 Antifoamer
+ 3.5 lb/sx Phenoseal

Option 2

410 sx	Comp. Strength	
105.8 bbls	9:32	50 psi
594.2 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

Walker Com LS #2B



SURFACE:

HOLE:	12.25	"
CSG OD:	9.625	"
CSG ID:	9.001	"
WGT:	32.3	ppf
GRADE:	H-40	
EXCESS:	125	%
DEPTH:	**120**	'

INTERMEDIATE LEAD:

	Option 4			Option 5		
	210 sx	Comp. Strength		**289 sx**	Comp. Strength	
	107.9 bbls	1:47	50 psi	107.9 bbls	10:56	500 psi
	606.0 cuft	12 hrs	350 psi	606.0 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:	50	%
TAIL:	678.4	'
DEPTH:	**3392**	'

INTERMEDIATE TAIL:

HOLE:	6.25	"
CSG OD:	4.5	"
CSG ID:	4.052	"
WGT:	10.5	ppf
GRADE:	J-55	
EXCESS:	30	%
DEPTH:	**7670**	'

PRODUCTION:

TOPSET FRUITLAND COAL Wells: (topset casing above coal to prepare for cavitation/DO/UR)

Drilling Mud Program:
Surface: spud mud
Intermediate: fresh water mud with bentonite and polymer as needed
Below Intermediate: air/mist/nitrogen drilling media with foamer, polymer, & corrosion inhibitor as needed

Centralizer Program:
Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints
Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th joints
Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale
Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

CASE & FRAC FRUITLAND COAL Wells: (casing set below coal to prepare for frac completion)

Drilling Mud Program:
Surface: spud mud
Production: fresh water mud with bentonite and polymer as needed

Centralizer Program:
Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints
Production: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th joints
Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

MESA VERDE Wells:

Drilling Mud Program:
Surface: spud mud
Intermediate: fresh water mud with bentonite and polymer as needed
Below Intermediate: air/mist drilling media with foamer, polymer, & corrosion inhibitor as needed

Centralizer Program:
Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints
Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th joints
Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale
Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

DAKOTA Wells:

Drilling Mud Program:
Surface: spud mud
Intermediate: fresh water mud with bentonite and polymer as needed
Below Intermediate: air/mist/nitrogen drilling media with foamer, polymer, & corrosion inhibitor as needed

Centralizer Program:
Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints
Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th joints
Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale
Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately