UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

1a.	Type of Work	PERMITOT POLITIFIESEN		Lease Number
·u.	DRILL	RECEIVED	J .	SF-080245
		OTO FARMINGTON N	1	Unit Reporting Number
1b.	Type of Well GAS		6.	lf Indian, All. or Tribe
2.	Operator		7.	Unit Agreement Name
	ConocoPhillips			
 B.	Address & Phone No. of Operator		8.	Farm or Lease Name
	PO Box 4289, Farmington,	NM 87493	9	Hamner Well Number
	(505) 326-9700		J.	#2 M
1.	Location of Well	and the same of th		Field, Pool, Wildcat
	Unit E (SWNW), 1695' FNL &	636' FWL,	Ва	asin DK/Blanco MV
_			11.	Sec., Twn, Rge, Mer. (NMPM)
	latitude 360 41.56.45790 N Longitude 1070 47.25.56190			E Sec. 28, T29N, R9W
	Houghtude 107 47.50.50170	24	API	# 30-045-33995
14.	Distance in Miles from Nearest Town		12.	County 13. State
	3 miles/Blanco			San Juan NM
15.	Distance from Proposed Location to I	Nearest Property or Lease Line)	
16.	Acres in Lease		17.	Acres Assigned to Well
			DΚ	& MV - 320 - (W/2)
8.	Distance from Proposed Location to P	learest Well, Drlq, Compl. or A	Applie	ed for on this Lease
19.	Proposed Depth		20.	Rotary or Cable Tools
	6675 *			ary
21.	Elevations (DF, FT, GR, Etc.)		22.	Approx. Data Work will Start
_	5728' GL			RCVD JUN14'07
23.	Proposed Casing and Cententing Prog			nn cons.div
	See Operations Plan atta	cnea		DIST. 3
	$\sim \sim $			1 = 2 01
24.	Authorized by: () Annual () Rhonda Rogers (Re	gulatory Assistant)		
			: ::::: ::::	
PERMI	T NO.	AFPROVAL DAT	TE	
APPRO	OVED BY DIM (an heals	THIE ATM		DATE 6/12/0
Archae	elogical Report attached			
	ened and Endangered Species Report at This format is issued in lieu of U.S. BLM For	tached / (p-2	28	5-07 BH
		any person knowingly and willfully		

DRILLING OPERATIONS AUTHORIZED ARE SUB 1 TO DEMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".



This action is subject to technical IRS procedural review pursuant to 43 654 3165.3 and appeal pursuant to 43 654 3165.3

District I

1625 N. Freach Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

2008 OCT 10 PM 3 41

Fee Lease - 3 Copies State Lease - 7 Copies

☐ AMMENDED REPORT

Submit to Appropriate District Office Revised June 10, 2003

Form C-102

RECEIVED

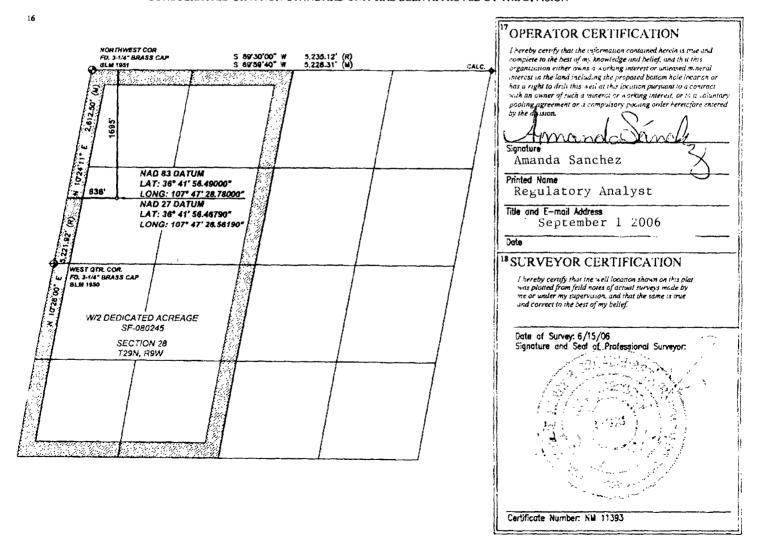
WELL LOCATION AND ACREAGE PEDICATION BEAT NM API Number ² Pool Code 3 Pool Name 71599 Blanco Mesaverde/Basin Dakota (R20076) 30-045-4 Property Code Property Name ⁶ Well Number A706609 MV/DK HAMNER 2M OGRID No. 8 Operator Name Elevation **CONOCOPHILLIPS COMPANY** 217817 5,728.2

10 SURFACE LOCATION

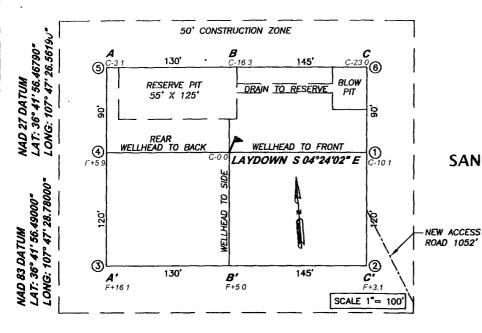
UL or lot no. Section Township Range Lot Idn Feet from the North/South line Peet from the East/West line County Ε 28 29-N 9-W 1695 NORTH 636 WEST SAN JUAN

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		
E											
1 ~					l]					
<u> </u>		1	<u> </u>		i			i			
12 Dedicated Acres	13 Toint	or Infill	Consolidation	Code 15	Order No.						
	/ / /		COMMUNICON	i come	Order 140.						
320	1	į		1							
L	_ L			i							

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



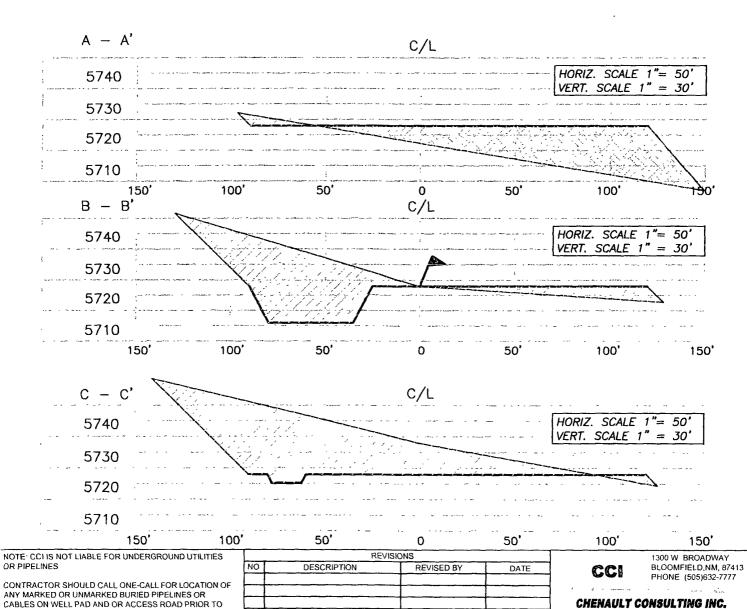
Submit 3 Copies To Appropriate District Office State of New M	1 exico		1	Form C-103
<u>District 1</u> Energy, Minerals and Na 1625 N. French Dr., Hobbs, NM 88240	ural Resources WEL	L API NO.	226	May 27, 2004
District II 1301 W. Grand Ave., Artesia, NM 88210 OIL CONSERVATIO	N DIVISION 5 In	dicate Type of Lease	30-045-33	190
District III 1220 South St. Fr.		STATE	FEE FEE	
1000 Rio Brazos Rd , Aztec, NM 87410 Santa Fe, NM 8		ate Oil & Gas Lease No	o.	
District IV	114		- auge 45	
1220 S St. Francis Dr., Santa Fe, NM 87505 (1990 UU) SUNDRY NOTICES AND REPORTS ON WELLS	10 111 0 1-	Sluse Name or Unit Agre	F-080245	
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BA	CKFT@ÆIVED	ise Name of One Agre	ement rame	
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SU	CH CARMINGTOI NM		Hamner	
PROPOSALS) 1. Type of Well:	A	ell Number		
Oil Well Gas Well X Other	0	an i validori	#2M	
2. Name of Operator	9. OC	RID Number		
ConocoPhillips 3. Address of Operator	10 P	ool name or Wildcat	217817	
3401 E. 30TH STREET, FARMINGTON, NM 87402	10. F		OK/Blanco MV	
4. Well Location				
Unit Letter E : 1695 feet from the North Section 28 Township 29N	line and636 Rng 9W	feet from th NMPM		line In Juan
11. Elevation (Show whether DR, RKB,		INIVIT IVI		ni Juan
	728			
Pit or Below-grade Tank Application or Closure				2200
Pit type New Drill Depth to Groundwater >100' Distance from neares		000' Distance from near		->1000*
Pit Liner Thickness: 12 mil Below-Grade Tank:	Volumebbls			
12. Check Appropriate Box to India NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING 12. Check Appropriate Box to India PLUG AND ABANDON CHANGE PLANS MULTIPLE COMPL		SUBSEQUENT R K LLING OPNS.		CASING
OTHER: Con Delli	7 OTHER			
	OTHER:	nent dates including e	stimated date	
13. Describe proposed or completed operations. (Clearly state all pertion of starting any proposed work). SEE RULE 1103. For Multiple C	nent details, and give perti			
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13. Describe proposed or completed operations. (Clearly state all pertion of starting any proposed work). SEE RULE 1103. For Multiple Cor recompletion.	nent details, and give perti			
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Describe proposed or completed operations. (Clearly state all pertion of starting any proposed work). SEE RULE 1103. For Multiple Correcompletion. New Drill, Lined:	nent details, and give perti ompletions: Attach wellbo	ore diagram of propose	ed completion	risk ranking
13. Describe proposed or completed operations. (Clearly state all pertion of starting any proposed work). SEE RULE 1103. For Multiple Cor recompletion.	vent/flare pit. Based on I	ore diagram of propose Burlington's interpretat	ed completion	
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CONSTRUCTION

CONOCOPHILLIPS COMPANY

HAMNER 2M 1695' FNL, 636' FWL SECTION 28, T29N, R9W, SAN JUAN COUNTY, NEW MEXICO ELEV.: 5,728.2' NADV88





PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

HAMNER 2M

Lease:				A	FE #: WAI		AFE \$:			
Field Name: NEW	V MEXIC	CO-WEST	Rig: I	&P 281 - DE Shon Robinson			State: NM	County: SAN JUAN	API #:	
Geoscientist: Bra	ain, Ted	Н.	Phone	e: 832-486-259	832-486-2592 Prod. E				Phone: 486-2334	
Res. Engineer: H	arrıngto	n, Tim R.	Phone	e: 832-486-220	07	Proj.	Field Lead: Fran	nsen, Eric E.	Phone:	
Primary Object	ive (Zo	nes):								
Zone	Zone	Name								
R20002	MESA	VERDE(R20002)								
R20076	DAKO	TA(R20076)								
Location: Surface	ce(Datum Co	de: N	AD 27					Straight Hole	
Latitude: 36.6990	000	Longitude: -107.7	90700	X:		Y:	<u></u>	Section: 28	Range: 9W	
Footage X: 636 F	-WL	Footage Y: 1695 F	NL	Elevation: 57	28 ((FT)	Township: 29N			
Tolerance:		-				· · · · · · · · · · · · · · · · · · ·				
Location Type: Ye	ear Roui	nd	Start	Date (Est.):		Co	mpletion Date:	Date In	Operation:	
Formation Data:	Assum	ne KB = 5744	Units =	FT						
Formation Call &	·	Depth	SS	Depletion	ВНР	ВНТ		Remarks		
Casing Points		(TVD in Ft)			(PSIG)	DITI				
SURFACE CSG		216	5528	3 🗆			13-1/2" or 12-3 Circulate ceme	l/4 hole. 9 5/8" 32.3 p nt to surface.	opf, H-40, STC casing.	
OJAM		988	4756	Possible water flows.						
KRLD		1146	4598	3 🗆						
FRLD		1872	3872	2 🔲			Possible gas.			
PCCF		2132	3612							
LEWS		2329	3415							
Intermediate Casin	ng	2855	2889				8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate of surface.			
CHRA		3114	2630				54.1466.			
CLFH		3790	1954		Gas; possibly wet					
MENF		3819	1925		Gas.					
PTLK		4404	1340				Gas.			
GLLP		5469	275				Gas. Possibly wet.			
GRHN		6351	-607				Gas. Possibly v	vet.		
ΓWLS		6484	-740				Gas			
PAGU		6506	-762				Gas. Highly Fra	actured.		
CBBO		6548	-804				Gas			
CBRL		6614	-870	=					- 0.0	
rD		6675	-931			_			TC Casing. Circulate ceme lo open hole logs. Cased	
Reference Wells			Land.			Argon.				
Reference Type	Well N			Comments						
Intermediate	l	MNER B1		29-29N-9W-I						
		REN 6			29-29N-9W-NE, KB = 5836					
Intermediate Hamner 2E			28-29N-9W-	SW, KB =	5830					

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PROJECT PROPOSAL - New Drill / Sidetrack

HAMNER 2M

		if show 🔽 GR/ILD				
TD Logs:	☐ Triple Co	ombo 🗌 Dipmeter	RFT So	onic VSP TDT		
Additional Info	rmation:					A
Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks	

Comments:

Printed on: 10/5/2006 8:15:50 AM

Hamner 2m

APD Cement Calculations

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	HOLE CSG OD CSG ID WGT GRADE EXCESS TAIL	8 75 " 7 " 6.456 " 20 ppf J-55 150 %	INTERMEDIATE LEAD: Option 1 300 sx 145 2 bbis 815 2 cuft 2 72 ft ³ /sx 117 ppg 15 74 gal/sx Class G Cement + 3% D079 Extender + 0 20% D046 Antifoam + 10 lb/sx Phenoseal	Comp Strength 9 hrs 300 psi 48 hrs 525 psi	Option 2 314 sx 145.2 bbls 815.2 cuft 2 60 ft ³ /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 1 47 hrs 50 psi 12 hrs 350 psi 24 hrs 450 psi	Option 3	Comp Strength 3 hrs 100 psi 24 hrs 443 psi
	HOLE. CSG OD CSG ID	6 25 " 4 5 " 4 "	INTERMEDIATE TAIL: Option 1 171 sx 39 9 bbls 224 2 cuft 1.31 ft ³ /sx 13 5 ppg 5 317 gal/sx 50/50 Poz Class G Ceme + 0 25 lb/sx D029 Cellophi + 3% S001 Calcium Chlori + 2% D020 Bentonite + 1 5 lb/sx D024 Gilsonite + 0 1% D046 Antifoamer + 6 lb/sx Phenoseal	ane Flakes ide	Option 2 169 sx 39 9 bbls 224 2 cuft 1 33 ft ³ /sx 13 5 ppg 5 52 gal/sx 50/50 Poz Standard Ceme + 2% Bentonite + 6 0 lb/sx Phenoseal	Comp Strength 2.05 50 psi 4 06 500 psi 12 hrs 1250 psi 24hrs 1819 psi nt	Option 3 175 sx 39 9 bbls 224 2 cuft 1 28 ft ³ /sx 13 5 ppg 5 255 gal/sx 50/50 Poz Class G Ceme + 2% D020 Bentonite + 5 0 lb/sx D024 Gilsonite + 2% S001 Calcium Chlon + 0 1% D046 Antifoamer + 0 15% D065 Dispersant + 1 0 lb/bbl CemNet	Extender
	WGT GRADE EXCESS DEPTH:	11 6 ppf N-80 50 % 6675.	PRODUCTION: Option 1 425 sx 108 9 bbls 611 5 cuft 1.44 ft ³ /sx 13 0 ppg 6 47 gal/sx 50/50 Poz Class G Ceme + 0 25 lb/sx D029 Cellophi + 3% D020 Bentonite + 1 0 lb/sx D024 Gilsonite + 0 25% D167 Fluid Loss + 0 25% D065 Dispersant + 0 1% D800 Retarder + 0 1% D046 Antifoamer + 3 5 lb/sx Phenoseal	ane Flakes	Option 2 422 sx 108 9 bbls 611 5 cuft 1 45 ft ³ /sx 13 1 ppg 6 55 gal/sx 50/50 Poz Standard Ceme + 3% Bentonite + 0 2% CFR-3 Friction Red + 0 1% HR-5 Retarder + 0 8% Halad-9 Fluid Loss + 3 5 lb/sx Phenoseal	lucer		

Hamner 2m

GRADE EXCESS DEPTH:

6675

	HOLE CSG OD CSG ID. WGT GRADE EXCESS	12 25 " 9 625 " 9 001 " 32 3 ppf H-40 125 %	SURFACE:				
	HOLE CSG OD CSG ID WGT GRADE. EXCESS. TAIL DEPTH:	8 75 " 7 " 6.456 " 20 ppf J-55 150 %	INTERMEDIATE LEAD: Option 4 283 sx 145.2 bbls 815.2 cuft 2 88 ft³/sx 11.5 ppg 16 85 gal/sx Standard Cement + 3% Econolite (Extender) + 10 lb/sx Phenoseal	Comp Str 1.47 50 12 hrs 350 24 hrs 450	ength psi psi psi	Option 5 388 sx 145 2 bbls 815 2 cuft 2 10 ft ³ /sx 11 7 ppg 11 724 gal/sx 75% Type XI / 25% Class G + 0 25 lb/sx D029 Cellophan + 3% D079 Extender + 0 20% D046 Antifoam	
e d Angerong er var i deb d i var i de a la var en	HOLE:	6 25 "	INTERMEDIATE TAIL:				
	CSG OD- CSG ID WGT GRADE EXCESS	4 5 " 4 " 11 6 ppf N-80 50 %	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, 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, 8, 8th, 8^t

10th ioints

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, 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:

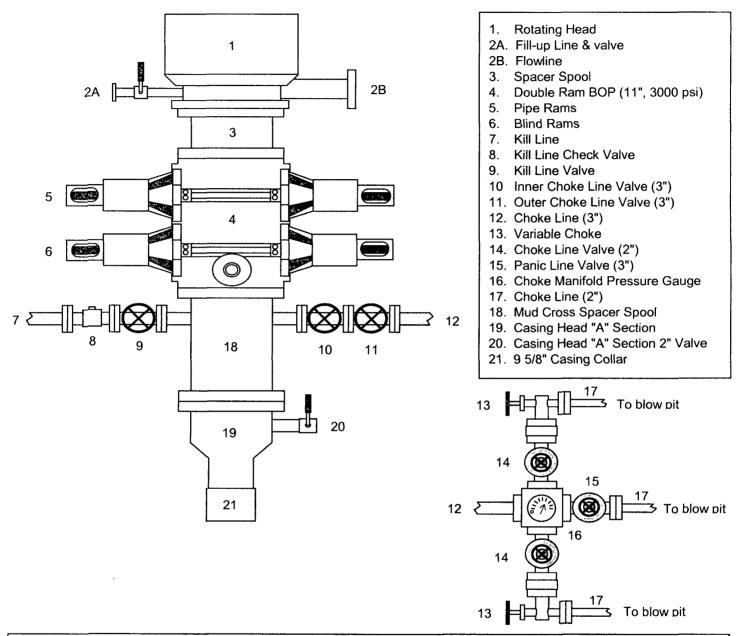
Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, &

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

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing

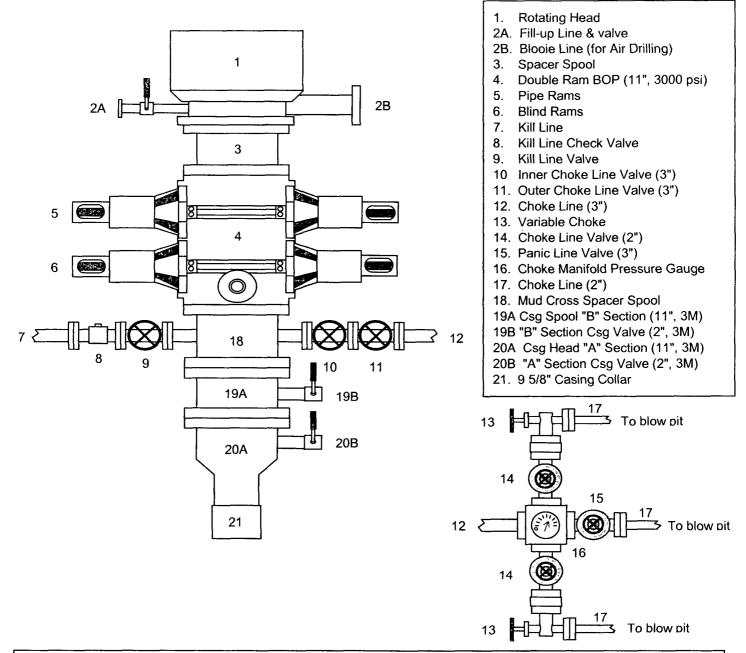


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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



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