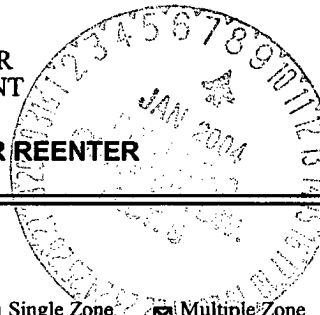


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER



1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF078282
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator CONOCOPHILLIPS COMPANY		7. If Unit or CA Agreement, Name and No.
Contact: PATSY CLUGSTON E-Mail: pclugs@ppco.com		8. Lease Name and Well No. SAN JUAN 29-5 UNIT 32G
3a. Address 5525 HWY. FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 505.599.3454 Fx: 505-599-3442	9. API Well No. 3003927537
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSW 2185FSL 470FWL 36.69538 N Lat, 107.38753 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory BASIN DK & BLANCO MV
14. Distance in miles and direction from nearest town or post office* APPROX. 38.5 MILES EAST OF BLOOMFIELD, NM		11. Sec., T., R., M., or Blk. and Survey or Area L Sec 29 T29N R5W Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 470	16. No. of Acres in Lease	12. County or Parish RIO ARRIBA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8075 MD 8075 TVD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6667 GL	22. Approximate date work will start 01/01/2004	17. Spacing Unit dedicated to this well 320.00 w/2
		20. BLM/BIA Bond No. on file ES0085
		23. Estimated duration 30 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) PATSY CLUGSTON	Date 11/24/2003
Title AUTHORIZED REPRESENTATIVE		
Approved By: David J. Markiewicz	Name (Printed/Typed)	JAN - 6 2004
Title	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #25457 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Farmington

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

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

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

NMOCD

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, 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

*APT Number 30039-27537		*Pool Code 72319 \ 71599	*Pool Name BLANCO MESAVERDE \ BASIN DAKOTA
*Property Code 31325	*Property Name SAN JUAN 29-5 UNIT		*Well Number 326
*GRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 5667'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
L	29	29N	5W		2185	SOUTH	470	WEST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedication Acres 320.0 Acres - W/2 (MV) 320.0 Acres - W/2 (DK)									
13 Joint or 1st/1st 14 Consolidation Code 15 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

	<p>16</p>
	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Vicki Westby</i> Signature Vicki R. Westby Printed Name Sr. Analyst Title November 5, 2003 Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Survey Date: SEPTEMBER 19, 2003</p> <p>Signature and Seal of Professional Surveyor</p> <p> JASON C. EDWARDS Certificate Number 15269</p>

CONOCOPHILLIPS COMPANY

WELL NAME: San Juan 29-5 Unit #32G (MV/DK)

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit L, 2185' FSL & 470' FWL
Section 29, T29N, R5W
2. Unprepared Ground Elevation: @ 6649' (unprepared)
3. The geological name of the surface formation is San Jose.
4. Type of drilling tools will be rotary.
5. Proposed drilling depth is 8075'.
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 1505'</u>	<u>Menefee - 5490'</u>
<u>Ojo Alamo - 2805'</u>	<u>Pt. Lookout - 5775'</u>
<u>Kirtland Sh - 2975'</u>	<u>Mancos Shale - 6025'</u>
<u>Fruitland Fm. - 3320'</u>	<u>Gallup - 7030'</u>
<u>Pictured Cliffs - 3600'</u>	<u>Greenhorn - 7725'</u>
<u>Lewis Shale - 3800'</u>	<u>Cubero - 7905'</u>
<u>Chacra - 45990'</u>	<u>Intermediate Casing - 3900'</u>
<u>Cliffhouse - 5330'</u>	<u>TD - 8075'</u>
7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Water:	<u>Ojo Alamo - 2805' - 2975'</u>
Gas & Water:	<u>Fruitland - 3320' - 3600'</u>
Gas:	<u>Pictured Cliffs - 3600' - 3800'</u>
	<u>Mesaverde - 3800' - 6025'</u>
	<u>Dakota - 7905' - 8075'</u>
8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3# H-40 @ 200' *

Intermediate String: 7", 20#, J-55 @ 3900' (J-55 will be used, unless the K-55 is the only casing available)

Production String: 4-1/2", 11.6#, I-80 @ 8075' (TD)

* The surface casing will be set at a minimum of 200', but could be set deeper if required to maintain hole stability.

9. Cement Program:

Surface String:

130 sx 50/50 POZ, + 2% Bentonite, 3% CaCl₂, 5#/sx Gilsonite, 0.25#/sx Cellophane flakes, & 0.2% CFR-3 Friction Reducer (1.34 yield = 174 cf); Cement density – 13.5 ppg. Water required 5.39 gal/sx. Compressive Strength – Sample cured at 70 deg F for 8 hours; 3 hrs 05 min. 50 psi; 7 hrs 45 min 500 psi; cement to surface w/150% excess of casing/hole annulus volume.

Intermediate String:

Lead Cement: 395 sx Standard cement + 3% Econolite (extender) + 10#/sx Pheno-seal; (2.88 yield = 1136 cf). Cement Density 11.5 ppg; Water required – 16.91 gal/sx. Compressive strength – Sample cured at 130 deg F for 24 hrs – 1 hr 47 min – 50 psi; 12 hrs – 350 psi; 24 hrs – 450 psi; Cement to surface with 150% excess of casing/hole annulus volume.

Tail Cement: 228 sx 50/50 POZ – Standard cement + 2% Bentonite + 6#/sx Pheno Seal; (1.33 yield = 302.8 cf); Cement Density – 13.5 ppg; Water required – 5.52 gal/sx; Compressive strength – Sample cured at 130 deg F for 24 hrs – 2 hrs 5 min – 50 psi; 2 hr 6 min – 500 psi; 12 hr – 1250 psi; 24 hrs – 1819 Cement to surface with 150% excess of casing/hole annulus volume.

Production String *:

Cement: 459 sx 50/50 POZ – Standard cement + 3% Bentonite + 5#/sx PhenoSeal + 0.2% CFR-3 Friction Reducer + 0.1% HR-5 Retarder + 0.8% Halad-9 Fluid Loss Additive (1.45 Yield – 666.2 cf) Cement density – 13.1 ppg; Water required 6.47 gal/sx; Compressive Strength – Sample cured at 200 de F for 23 hrs; 9 hr 50 min – 50 psi; 13 hrs 45 min – 500 psi; 16 hrs – 1500 psi; 23 hrs 2525 psi.

*The production casing cement is calculated to cover the openhole interval with 50% excess and annular volume 200' within intermediate shoe. Depending on hole conditions, the well may be cemented in a single stage or two staged.

Centralizer Program:

Surface:

Total four (4) - 1st joint - 10' above the shoe & 1 at the top of the 2nd, 3rd and 4th joints latched over the casing collar

Intermediate:

Total seven (9) 10' above shoe, top of 2nd, 4th, 6th, & 8th, 10th jts & 10th 1 jt. above surface casing, and on first two casing collars below the wellhead. .

Production:

None planned.

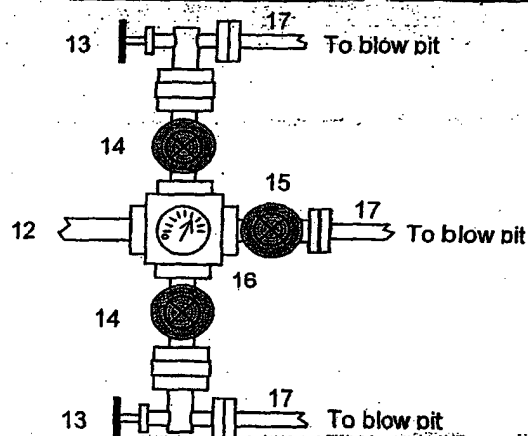
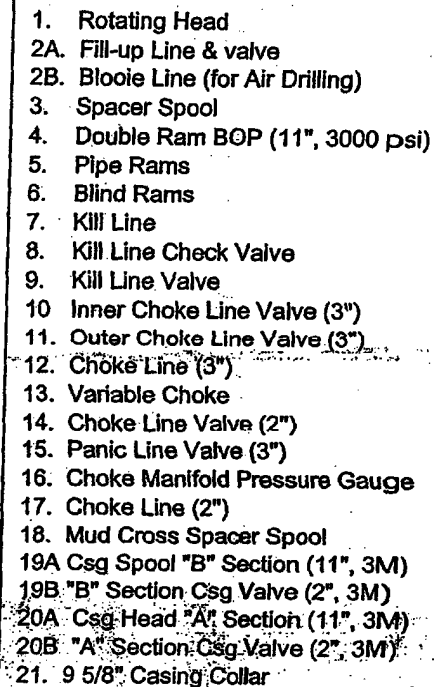
Turbulators:

Total Three (3) – on intermediate casing at 1st jt. below the Ojo Alamo and next 2 jts up.

10. The minimum specifications for pressure control equipment which are to be used, a schematic diagram thereof showing sizes, pressure ratings (or) API series and the testing procedure and testing frequency are enclosed within the APD packet.
11. Drilling Mud Prognosis: Surface - spud mud on surface casing.
Intermediate - spud mud generated from natural clays with gel sweeps pretreated w/LCM before entering coal interval.
Below Intermediate - air or gas drilled.
12. The testing, logging, and coring programs are as follows:
D.S.T.s or cores: _____
Logs: Cased hole TDT with GR to surface., RFT
13. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H₂S equipment will be used.

Estimated Bottomhole pressure:
Dakota - 3300 psi
Mesaverde - 1000 psi
14. The anticipated starting date is approximately January 1, 2004 with duration of drilling / completion operations for approximately 20 days thereafter.
15. ConocoPhillips will be DHC'ing the Mesaverde and Dakota intervals of the subject well per Order 11363. The original Reference Case where partner notification was made was R-11708. Once production tests are conducted we will be submitting the allocation factors we will be using to report both gas and oil production for this well.

For Drilling to TD and Setting 4.5 inch 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