

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. NMNM012641
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: CBM <input checked="" type="checkbox"/> Single Zone <input 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.
3a. Address 5525 HWY. FARMINGTON, NM 87401		8. Lease Name and Well No. BLANCO 203A
3b. Phone No. (include area code) Ph: 505.599.3454 Fx: 505-599-3442		9. API Well No. 3004532244
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NESE 2200FSL 750FEL 36.85350 N Lat, 107.63786 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* APPROX. 30 MILES NE OF AZTEC, NM		11. Sec., T., R., M., or Blk. and Survey or Area I Sec 35 T31N R8W Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease	12. County or Parish SAN JUAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3320 MD 3320 TVD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc. 6333 GL	22. Approximate date work will start 04/30/2004	17. Spacing Unit dedicated to this well 320.00 E/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 03/29/2004
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) DM	Name (Printed/Typed)	Date 4-23-04
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)

COA: compliance w/Rule 60

Electronic Submission #29011 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Farmington

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

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

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

NMOC

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

District II
PO Drawer DD, 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

API Number 30045-32248		Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 31323	Property Name BLANCO		Well Number 203A
UGRID No. 217817	Operator Name CONOCOPHILLIPS COMPANY		Elevation 6333'

¹⁰ Surface Location

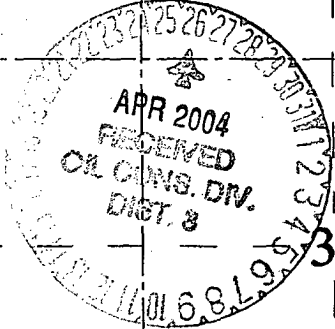

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
I	35	31N	8W		2200	SOUTH	750	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320.0 Acres - E/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

 5185.28' 5235.12' 35 2617.56' 2626.80' 5175.72' 2200' 750' LAT: 36° 51' 21.02" N LONG: 107° 38' 27.17" W DATUM: NAD27	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Vicki Westby</i> Signature Vicki R. Westby Printed Name Sr. Analyst Title <i>March 29, 2004</i> Date
	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. Survey Date: JANUARY 8, 2004 Signature and Seal of Professional Surveyor  <i>JASON C. EDWARDS</i> Certificate Number 15269
	LEASE NM-012641

CONOCOPHILLIPS COMPANY

WELL NAME: Blanco #203A - HPA well

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit I, 2200 FSL & 750 FEL
Section 35, T31N, R8W
2. Unprepared Ground Elevation: @ 6333'
3. The geological name of the surface formation is San Jose.
4. Type of drilling tools will be rotary.
5. Proposed drilling depth is 3320'.
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 566'</u>	<u>Base of Main Coal - 3240'</u>
<u>Ojo Alamo - 2138'</u>	<u>Base of Lowest Coal - 3240'</u>
<u>Kirtland - 2246'</u>	<u>Pictured Cliffs - 3240'</u>
<u>Fruitland - 2830'</u>	<u>Intermediate Casing - 3000'</u>
	<u>Total Depth - 3320'</u>

TD includes 80' of sump/rathole & COPC will comply with the BLM/OCD's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs Formation.

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 - 2138' - 2246'</u>
Oil:	<u>none</u>
Gas:	<u>Fruitland Coal - 2830' - 3240'</u>
Gas & Water:	<u>Fruitland Coal - 2830' - 3240'</u>

8. The proposed casing program is as follows:

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

Intermediate String: 7", 20#, J/K-55 @ 3000'

Production Liner: 5-1/2", 15.5# J/K-55 @ 2980' - 3320' (see details below)

* 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: *Circulate cement*
Surface String: 150.2 sx Class G cement with 2% bwoc CaCl₂ (S001), 0.25#/sx
Cello-Flake (D029) 1.16 cuft/sx yield = 174.27 cf

9. Cement program: (continued from Page 1)

Intermediate String:

Circulate cement
Lead Cement: 373 sx Class G w/3% D079 (Extender) 0.25#/sx D029 (Cellephone flakes, + 0.2% D046 Flocele (All purpose antifoam agent) mixed at 11.7 ppg and yield of 2.61 cuft/sx = 974.42 cf.

Tail: 96 sx - 50/50/G/POZ cement w/2% D020 (Bentonite Extender), 2% S001 (CaCl₂), 5#/sx D024 (Gilsonite), 1/4#/sx D029 (Celephane flakes) & 2% D046 (all purpose antifoam agent) @ a weight of 13.5 ppg and yield of 1.27 cuft/sx = 122.29 cf.

Note: ConocoPhillips Company continually works to improve the cement slurries on our wells. Our Cementing Service Companies are currently trying to improve what we are using now and before we would use a new cement program it would have to have stronger properties than we are currently using.

Centralizer Program:

Surface: Total four (4) - 10' above shoe and top of 2nd, 3rd, & 4th jts.

Intermediate: Total seven (7) - 10' above shoe and top of 1st, 2nd, 4th, 6th, 8th, & 1st jt. into shoe.

Turbulators: Total three (3) - one at 1st jt below Ojo Alamo and next 2 jts up.

Liner :

- A 5 1/2" 15.5# liner will be run in the open hole without being cemented.

Completion - depending on well conditions the:

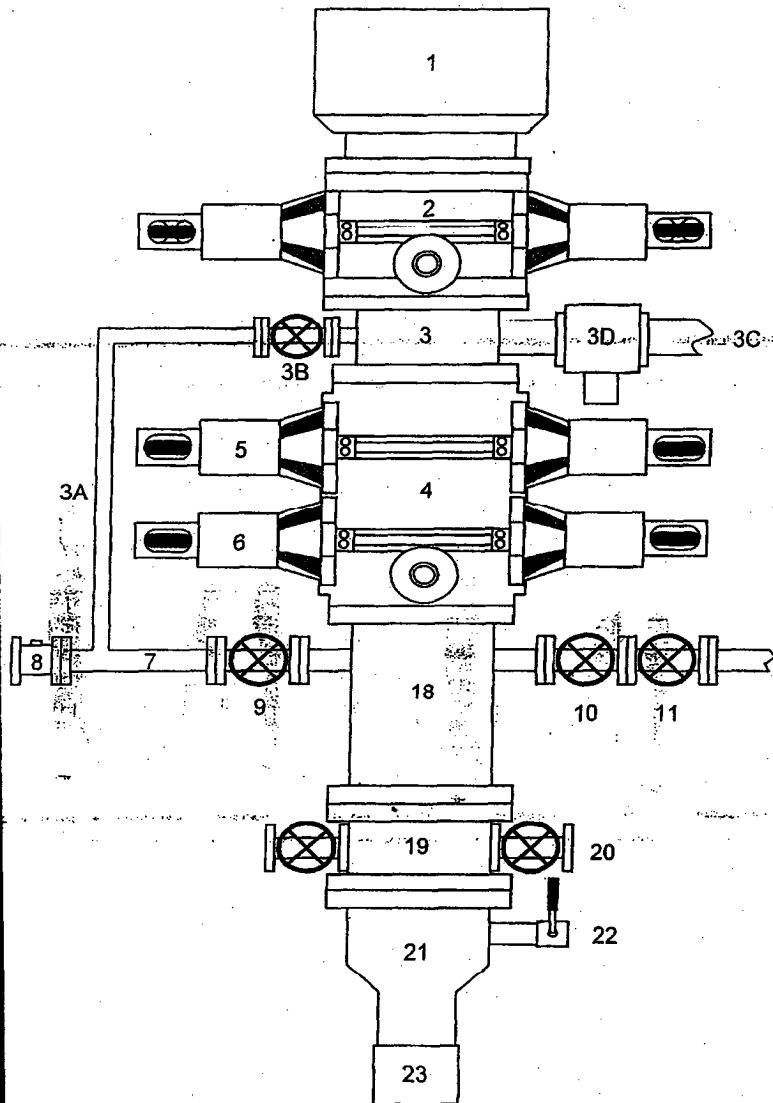
- Well will either be cavitated and a 5-1/2" liner will be run without being cemented, or
- Well will be underreamed, tubing will be set and cavitated at a later date.

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 - fresh water w/polymer sweeps. Bentonite as required for viscosity.
Below Intermediate - air drilled.

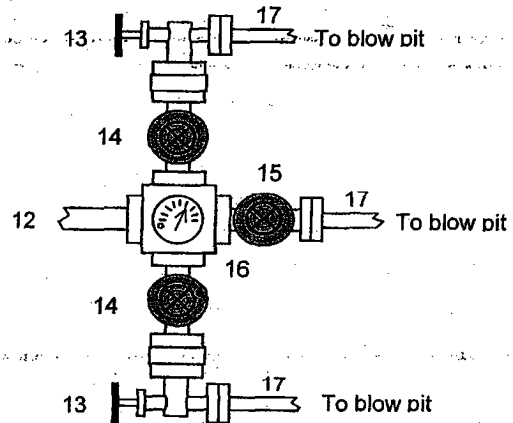
12. The testing, logging, and coring programs are as follows:
D.S.T.s or cores:
Logs: Mud logs only
13. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H₂S equipment will be used.

Estimated Bottomhole pressures: Fruitland Coal - +/- 125 psi
14. The anticipated starting date is sometime around April 30, 2004 with duration of drilling operations for approximately 30 days thereafter.
15. Since this well falls within the High Productivity Area and according to NMOCD Order R-8768-F, the "Affected Parties" will be notified by Certified Mail. This notification will be put in the mail on 3/30/04 "Affected Parties will have 20 days to file their written objection to the proposed Application for permit to Drill to the NMOCD in Aztec. See attached copy of letter to "Affected.

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM For Cavitation Program



1. Rotating Head
2. Single Ram BOP (7-1/16", 3M)
3. Mud Cross
- 3A. Equalizing Line (2")
- 3B. Wing Valve (2-1/16", 3M)
- 3C. Bloeie Line (2 ea, 5" OD)
- 3D. HCR Valve (1 ea per line, 4-1/16")
4. Double Ram BOP (7-1/16", 3M)
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. Vent Line (2")
18. Spacer Spool
19. Tubing Head
20. Tubing Head Valves (2- 9/16")
21. Casing Head "A" Section
22. Casing Head "A" Section 2" Valve
23. 9-5/8" Casing Collar



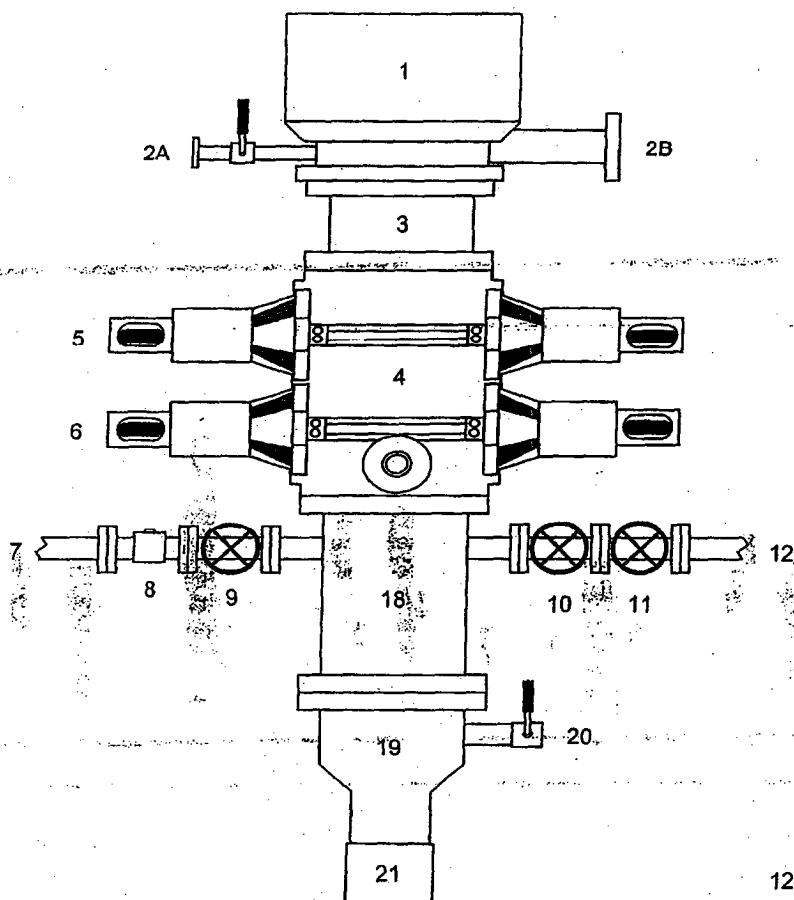
This BOP arrangement and test program is for the cavitation program. The BOP will be installed on the tubing head. The 7" casing will be pressure tested against closed blind rams to 200 psi to 300 psi for 2-3 minutes and to 1800 psi for 30 minutes - this test pressure is 48% of the minimum internal yield strength of 3740 psi for the 7", 20#, J-55, STC casing. The pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 2-3 minutes and to 1800 psi (high pressure test) for 10 minutes - This test will be done with a test plug or possibly without a test plug (ie against casing). If we conduct this test without a test plug we will ensure that we have sufficient drillstring weight in the hole to exceed the upward force generated by the test.

We use a power swivel and air/mist to drill the 6-1/4" hole in our cavitation program. We do not use a kelly. In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

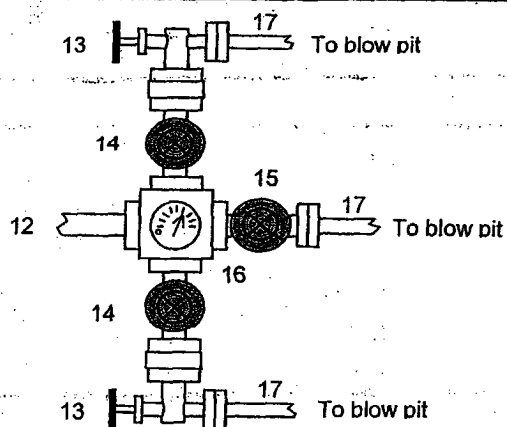
1. String floats will be used inside the drillpipe.
2. Stab-in TIW valve for all drillstrings in use
3. Each bloeie line is equipped with a hydraulically controlled valve (HCR valve).

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



This BOP arrangement is for the drilling operations from the time the 9-5/8" surface casing is set through the setting of the 7" intermediate casing. 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. The Pipe Rams, Blind Rams, Choke Manifold, and 9-5/8" surface casing will be tested to a low pressure test of 200 psi to 300 psi and to a high pressure test of 1000 psi (this value is 44% of the minimum internal yield pressure of the 9-5/8" casing). We will drill the 8-3/4" hole to intermediate casing point and run and cement the 7" intermediate casing. Then we will nipple down the BOP, install a trash cap, & move out the drilling rig. We will install the casing spool on the 7" stub after the drilling rig is moved off location. At a later date we will move in the cavitation rig for the cavitation program.

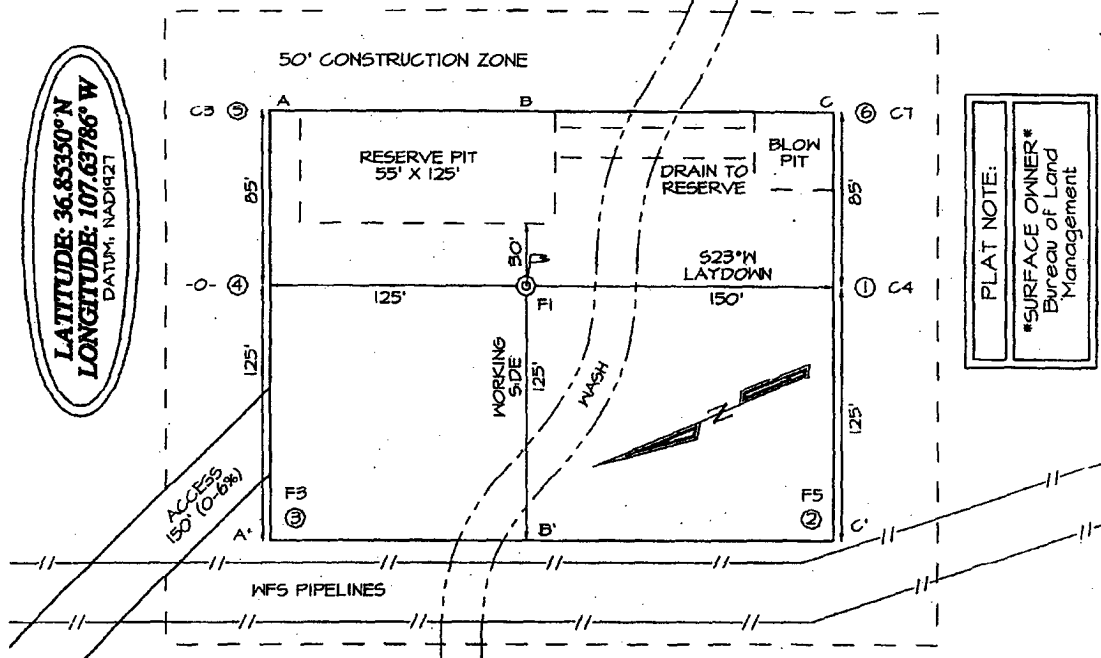
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

LATITUDE: 36.85350°N
LONGITUDE: 107.63786°W
DATUM: NAD1927

PLAT NOTE:

SURFACE OWNER
Bureau of Land
Management



A-A'						
6344'						
6334'						
6324'						

[illegible][illegible]

FILENAME, 31835IT

SHEET 2 OF 6

NCE SURVEYS, INC.

DRAWN BY: EDO

CHECKED BY: JCE

Blanco #203A
NMNM012641; Unit I 2200 FSL & 750 FEL
Section 35 T31N, R8W, San Juan County, NM

Cathodic Protection

ConocoPhillips proposes to drill a cathodic protection deep well groundbed for the subject well. Will drill a 6-7/8" hole to an anticipated minimum depth of 300' (maximum depth of 500'). Cement plugs will not be used unless more than one water zone is encountered. Prior drilling history for the area indicates only one zone to that depth. If more than one water zone is encountered, notification will be made and details of cement and casing will be provided.

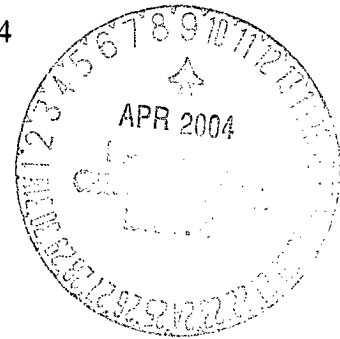
All drilling activity will remain on existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.

ConocoPhillips

San Juan Area
5525 Hwy. 64
Farmington, NM 87401

Released 4-26-04

April 6, 2004



NMOCD

Attn: Steve Hayden
1000 Rio Brazos Rd
Aztec, NM 87410

Dear Steve:

Attached is a copy of the APD for the Blanco #203A, the Notification Letter to Burlington and the return receipt for the notifications. The 20-day waiting period for Affected Parties to give written objection to this permits should be approx. 4/26/04.

Thanks,

Patsy Clugston

Patsy Clugston
599-3454

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Devon Energy
20 North Broadway
Oklahoma City, OK
73102-8260

Att: Jan Wooldridge

2. Article Number

(Transfer from service label)

7001 0320 0004 8670 2855

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

4/5/04

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below. ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



San Juan Area
5525 Hwy. 64
Farmington, NM 87401

April 1, 2004

(Certified Mail – Return Receipt Requested – 7001 0320 0004 8670 2855)

Re: Blanco #203A
Basin Fruitland Coal
2200 FSL & 750 FEL, Section 35, T31N, R8W
San Juan County, New Mexico

To the Affected Parties:

ConocoPhillips Company is submitting the enclosed Application for Permit to Drill to the appropriate regulatory agency(s) for approval. This well is located inside the High Productivity Area of the Basin-Fruitland Coal Pool as indicated on the attached plat. Notice is being made pursuant to New Mexico Oil Conservation Commission Order R-8768-F dated July 17, 2003.

The affected parties have twenty (20) days from receipt of this notice in which to file with the District Office of the New Mexico Oil Conservation Division written objection to the proposed Application for Permit to Drill.

Sincerely

A handwritten signature in cursive script that reads "Patsy Clugston".

Patsy Clugston
Regulatory Analyst

cc: NMOCD Aztec
Well File

Blanco #203A
OFFSET OPERATOR PLAT

TOWNSHIP 31 NORTH, RANGE 8 WEST

2200' FSL, 750' FEL

