Form 3160-3 (August 19:2)

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INITED STATES

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

DEPARTMENT OF BUREAU OF LAND APPLICATION FOR PERMIT	THE INTEMOR MANAGEMENT	5. Lease Serial No. NMNM05220 NSF0782 6. If Indian, Allottee or Tribe Name			
la. Type of Work: ☑ DRILL ☐ REENTER	6 2120281 81 J	7. If Unit or CA Agreement, Name and No.			
/ lb. Type of Well: ☐ Oil Well Gas Well G	Other ☐ Single Zone ☐ Multiple Zone				
Name of Operator Contact CONOCOPHILLIPS COMPANY	ct: PATSY CLUGSTON E-Mail: plclugs@ppco.com	9. API Well No. 30 0 39 27560			
3a. Address 5525 HWY. FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 505.599.3454 Fx: 505-599-3442	10. Field and Pool, or Exploratory BASIN DK & BLANCO MV			
4. Location of Well (Report location clearly and in account	rdance with any State requirements.*)	11. Sec., T., R., M., or Blk. and Survey or Area			
At surface NENW 1295FNL 2325FV At proposed prod. zone	VL 36.72939 N Lat, 107.45075 W Lon	Ć-Sec 15 T29N R6W Mer NMP SME: BLM			
 Distance in miles and direction from nearest town or po APPROX. 23 MILES EAST OF BLANCO, NM 	st office*	12. County or Parish RIO ARRIBA NM			
 Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1295 	16. No. of Acres in Lease	17. Spacing Unit dedicated to this well 320.00 W/2 DK W/2 MV			
18. Distance from proposed location to nearest well, drilling completed, applied for, on this lease, ft.	g, 19. Proposed Depth 8008 MD	20. BLM/BIA Bond No. on file			
	8008 TVD	ES0085			
21. Elevations (Show whether DF, KB, RT, GL, etc. 6593 GL	22. Approximate date work will start 01/15/2004	23. Estimated duration 30 DAYS			
	24. Attachments				
The following, completed in accordance with the requirement	ts of Onshore Oil and Gas Order No. 1, shall be attached	to this form:			
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest S SUPO shall be filed with the appropriate Forest Service 	vstem Lands, the Item 20 above).	tions unless covered by an existing bond on file (see			
25. Signature (Electronic Submission)	Name (Printed/Typed) PATSY CLUGSTON	Date 12/09/2003			
Title AUTHORIZED REPRESENTATIVE					
Approved by (Signature)	Name (Printed/Typed)	Date 6-3-89			
Title AFM	Office				
Application approval does not warrant or certify the applicant operations thereon. Conditions of approval, if any, are attached.	holds legal or equitable title to those rights in the subject	lease which would entitle the applicant to conduct			

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 #25954 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Farmington

This action 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 **

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

District II PO Drawer DO, 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

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994

Revised February 21, 1994

Instructions on Back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

			MELL	LUCAI	LUN AND A	CHEAGE DED	CALLON PL	A1		
30-03	1 Number 9-2	1560	72319	Code \ 71599	,	BLANCO MES	*Pool Name AVERDE \ B	ASIN (DAKOTA	
Property 3132	- 1			,	Property SAN JUAN 2					11 Number. 90M
'0GRID I 21781		"Operator Name CONOCOPHILLIPS COMPANY					Elevation 6593			
¹⁰ Surface Location										
UL or list no.	Section 15	Township 29N	Rangei 6W	Let lish	Feet from the 1295	NORTH	Feet from the 2325	WE		RIO ARRIBA
			Bottom	Hole L	ocation I	f Different	From Surf	ace		
UL or lot no.	Section	Township	* Range	Lat Idn	Feet from the	North/South line	Feet from the	East/Ne	st line	County

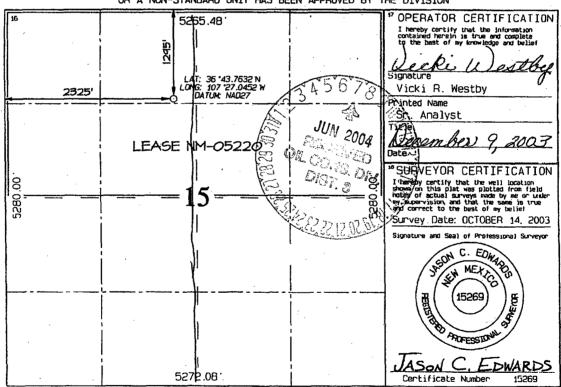
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

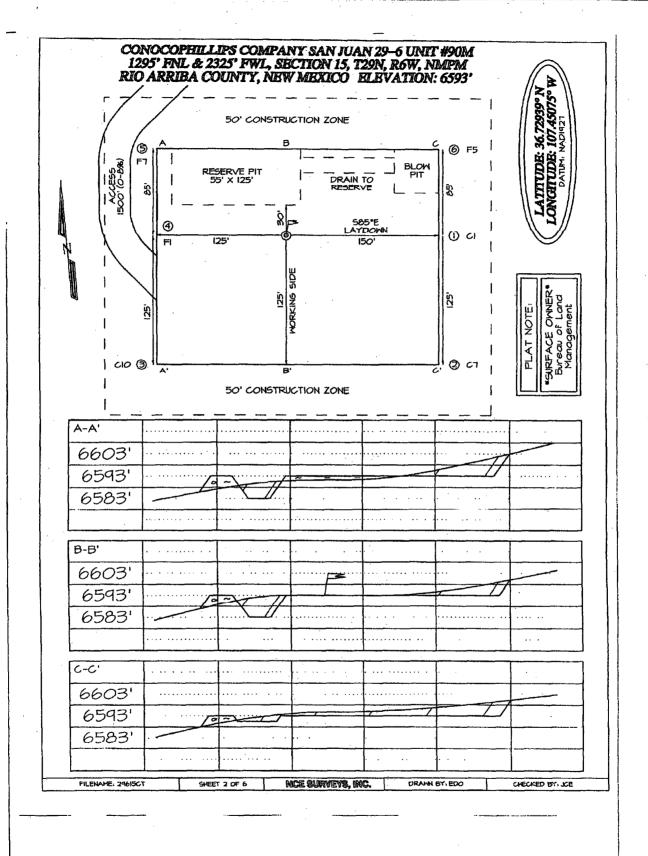
- N\S -**M**N\S

(MV) (DK)

320.0 Acres

320.0 Acres





CONOCOPHILLIPS COMPANY

WELI	L NAME: San Juan 29-6 Unit #90M (MV/DK)							
DRIL	LING PROGNOSIS							
1.	Location of Proposed Well: Unit C, 1295' FNL & 2325' FWL Section 15, T29N, R6W							
2.	Unprepared Ground Elevation: <u>@ 6593' (unprepared)</u> .							
3.	The geological name of the surface formation is <u>San Jose</u> .							
4.	Type of drilling tools will be <u>rotary</u> .							
5.	Proposed drilling depth is 8008'.							
6.	The estimated tops of important geologic markers are as follows: Nacimiento 1263' Mcnefee - 5388' Ojo Alamo - 2583' Pt. Lookout - 5683' Kirtland Sh - 2783' Mancos Shale - 5933' Fruitland Fm 3243' Gallup - 6988' Pictured Cliffs - 3493' Greenhorn - 7658' Lewis Shale - 3693' Two Wells - 7783' Chacra - 4498' Cubero - 7858' Cliffhouse - 5208' Intermediate Casing - 3793' T.D8008'							
7.	The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:							
	Water: Ojo Alamo - 2583' - 2783' Gas & Water: Fruitland - 3243' - 3493' Gas: Pictured Cliffs - 3493' - 3693' Mesaverde - 3693' - 5933' Dakota - 7783' - 8008'							
8.	The proposed casing program is as follows:							
	Surface String: 9-5/8", 32.3# H-40 @ 233' *							
	Intermediate String: 7", 20#, J-55 (a) 3793' (J-55 will be used, unless the K-55 is the only casing available)							
	Production String: 4-1/2", 11.6#, I-80 @ 8008' (TD) * The surface casing will be set at a minimum of 200', but could be set deeper if required to maintain hole stability.							
	to manitam note stability.							

9. Cement Program:

Surface String:

116 sx 50/50 POZ, + 2% Bentonite, 3% CaCl2, 5#/sx Gilsonite. 0.25#/sx Cellophane flakes, & 0.2% CFR-3 Friction Reducer (1.34 <u>yield = 155.2 cf)</u>; 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: 386 sx Standard cement + 3% Econolite (extender) + 10#/sx Pheno-seal; (2.88 yield = 1113.1 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: 222 sx 50/50 POZ - Standard cement + 2% Bentonite + 6#/sx Pheno Seal; (1.33 yield = 294.8 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: 464 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 - 672.4 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, 4^{th} , 6^{th} , & 8^{th} , 10^{th} its & 10th 1 it. 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 its 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.

<u>Intermediate</u> - 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

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:

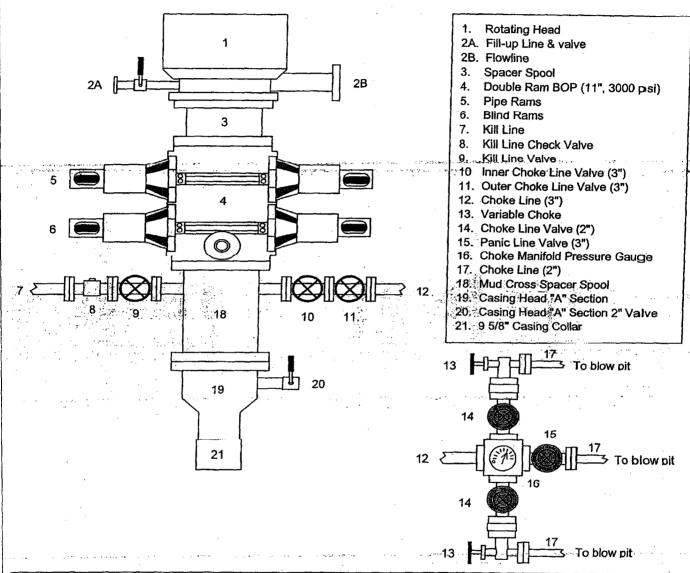
Dakota - 3300 psi Mesaverde - 1300 psi

- 14. The anticipated starting date is approximately January 15, 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-11187. 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.

2003 Drilling\296#90M newest drill prog - 12-3-03.doc

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

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

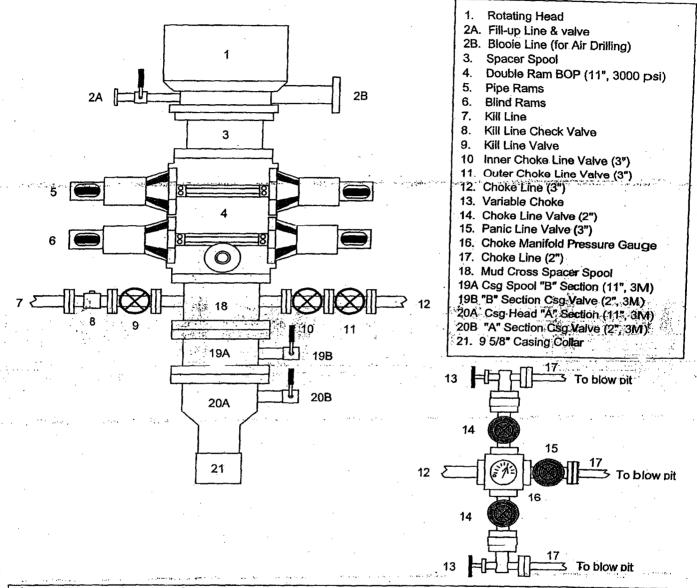


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 2-3 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 2-3 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). An 8-3/4" hole will be drilled to intermediate casing point and 7" 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 2-3 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 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. 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

San Juan 29-6 Unit #90M NMNM-05220; Unit C, 1295' FNL & 2325' FWL Section 15, T29N, R6W; Rio Arriba 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.

See attached drawing on proposed placement of groundbed & underground AC & DC cables and rectifier.