

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.
SF-079353

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator

ConocoPhillips Company

3a. Address

4001 Penbrook, Odessa, TX 79762

3b. Phone No. (include area code)

432-368-1352

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

SAN JUAN 32-8 UNIT #258A

9. API Well No.

30-045-33050

10. Field and Pool, or Exploratory

BASIN FRUITLAND COAL

4. Location of Well (Report location clearly and in accordance with any State requirements, *)

At surface

Unit P, Section 9, 291' FSL - 127' FEL

At proposed prod. zone

Unit D, Section 15, 900' FNL - 800' FWL

11. Sec., T. R. M. or Blk. and Survey or Area

Surface: Section 9, T32N, R8W
bottom hole: Section 15, T32N, R8W

14. Distance in miles and direction from nearest town or post office*

12. County or Parish

SAN JUAN

13. State

NM

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

2161.21

17. Spacing Unit dedicated to this well

W/2 - 320.0 ACRES

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth

3988 TVD, 4302.96 MD

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

7000' GL

22 Approximate date work will start*

23. Estimated duration

24. Attachments

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

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3 A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO must be filed with the appropriate Forest Service office).

4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification

6. Such other site specific information and/or plans as may be required by the
BLM~

25. Signature

Vicki Westby (sig)

Name (Printed/Typed)

Vicki Westby

Date

4/28/05

Title

Staff Agent

Approved by (Signature)

Mankie AFM

Name (Printed/Typed)

Date

5-11-05

Title

Office

FEO

Application approval does not warrant or certify that 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.

*(Instructions on page 2)

ConocoPhillips Company proposes to drill a vertical wellbore to the Basin Fruitland Coal formation. This well will be drilled
and equipped in accordance with the attachments submitted herewith. This application is for APD/ROW.

ConocoPhillips will use mudloggers to prevent us from accessing the Pictured Cliffs formation.

This well does not require HPA notification

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

HOLD C104 FOR Directional Survey

NMOCD

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

Certificate Number NM-113

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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SAN JUAN 32-8 UNIT

8. Well Number 258A

9. OGRID Number 217817

10. Pool name or Wildcat

BASIN FRUITLAND COAL

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)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
ConocoPhillips Company

3. Address of Operator
4001 Penbrook, Odessa, TX 79762

4. Well Location
Unit Letter P 291 feet from the South line and 127 feet from the East line
Section 9 Township 32N Range 8W NMPM SAN JUAN County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7000' GL

Pit or Below-grade Tank Application ☒ Closure ☐

Pit type DRILL Depth to Groundwater 150' Distance from nearest fresh water well >1 Mile Distance from nearest surface water 750'

Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

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 11.03. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The pit will be constructed and closed in accordance with Rule 50 and as per the Nov. 1, 2004 Guidelines. See the attached diagram that details the location of the pit in reference to the proposed wellhead. The drill pit will be lined. The drill pit will be closed after the well has been completed.

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 Vicki Westby

TITLE Staff Agent

DATE 4/20/05

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: 
Conditions of Approval (if any):

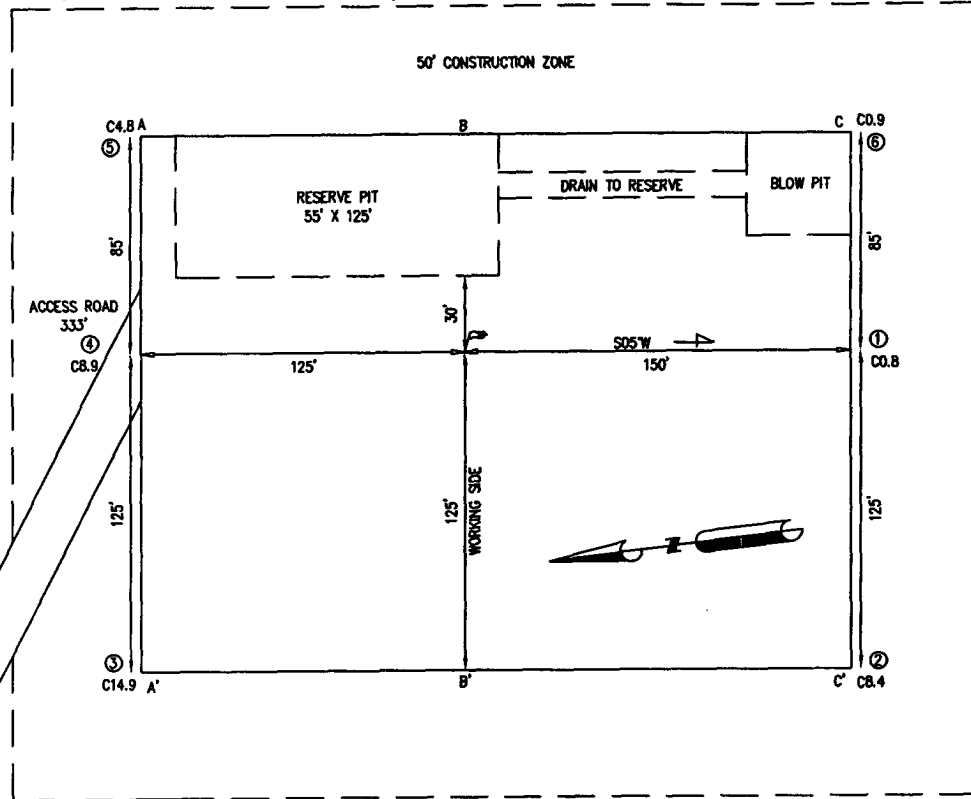
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DEPUTY OIL & GAS INSPECTOR, DIST. #

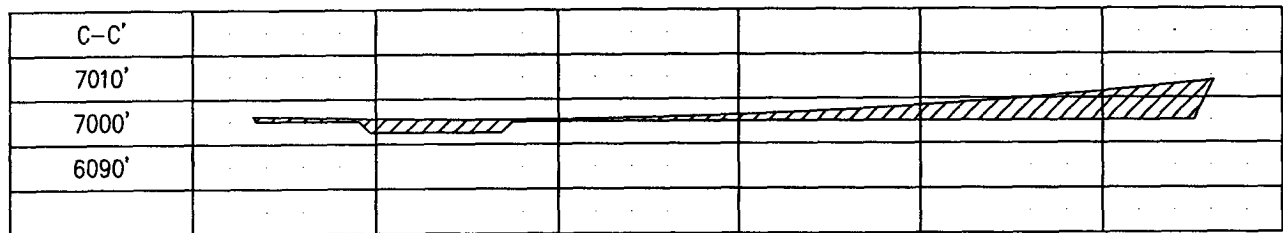
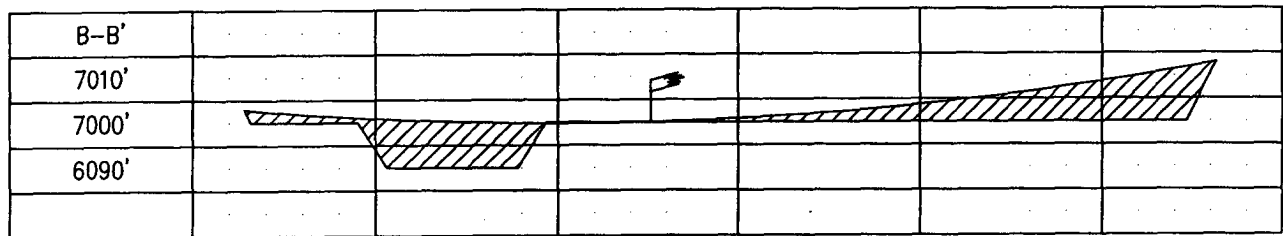
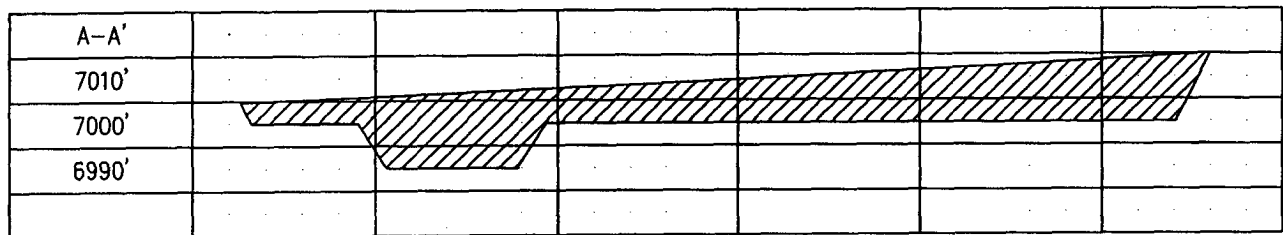
DATE

MAY 13 2005

CONOCOPHILLIPS COMPANY SAN JUAN 32-8 UNIT #258A
 291' FSL & 127' FEL, SECTION 9, T32N, R08W, NMPM
 SAN JUAN COUNTY, NEW MEXICO ELEVATION: 7000'



PLAT NOTE:
 SURFACE OWNER
 BLM



PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-8 258A

Lease:		AFE #:		AFE \$:	
Field Name: hPHILLIPS 32-8		Rig:	State: NM	County: SAN JUAN	API #:
Geoscientist: Cloud, Tom A		Phone: +1 832 486-2377	Prod. Engineer:		Phone: 832-486-2254
Res. Engineer: Peterson, Brad T		Phone: 486-2055	Proj. Field Lead:		Phone:
Primary Objective (Zones):					
Zone	Zone Name				
JCV	BASIN FRUITLAND COAL (GAS)				
Location: Surface					
Latitude: 36.99	Longitude: -107.67	X:	Y:	Section: 9	Range: 8W
Footage X: 127 FEL	Footage Y: 291 FSL	Elevation: 7000	(FT)	Township: 32N	
Tolerance:					
Location: Bottom Hole					
Latitude:	Longitude:	X:	Y:	Section: 15	Range: 8W
Footage X: 800 FWL	Footage Y: 900 FNL	Elevation:	(FT)	Township: 32N	
Tolerance:					
Location Type:		Start Date (Est.):		Completion Date:	
Date In Operation:					
Formation Data: Assume KB = 7013 Units = FT					
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT
Remarks					
SAN JOSE	13	7000	<input type="checkbox"/>		
Surface Casing	213	6800	<input type="checkbox"/>		12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1083	5930	<input type="checkbox"/>		
OJAM	2343	4670	<input type="checkbox"/>		Possible water flows.
KRLD	2573	4440	<input type="checkbox"/>		
FRLD	3453	3560	<input type="checkbox"/>		Possible gas.
TOP COAL	3523	3490	<input type="checkbox"/>		
BASE MAIN COAL	3673	3340	<input type="checkbox"/>	1250	
PC TONGUE	3733	3280	<input type="checkbox"/>		
BASE LOWEST COAL	3908	3105	<input type="checkbox"/>		
PCCF	3913	3100	<input type="checkbox"/>		
Total Depth	3988	3025	<input type="checkbox"/>		7-7/8" hole. 5.5" 17.0 ppf, J-55, LTC casing.- Circulate cement to surface.
Reference Wells:					
Reference Type	Well Name	Comments			
Intermediate	BR Susco 16 State #101				
Intermediate	Phillips 32-8 #4-15				
Intermediate	Phillips 32-8 #258				
Intermediate	Southland Reese Mesa #10				
Logging Program:					
Intermediate Logs: <input type="checkbox"/> Log only if show <input type="checkbox"/> GR/ILD <input type="checkbox"/> Triple Combo					

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-8 258A

TD Logs:	<input type="checkbox"/> Triple Combo	<input type="checkbox"/> Dipmeter	<input type="checkbox"/> RFT	<input type="checkbox"/> Sonic	<input type="checkbox"/> VSP	<input type="checkbox"/> TDT
TD includes 80 feet sump/rathole & COPC will comply with						
Additional Information:	the BLM's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs formation					
Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks	

Comments: Location/Tops/Logging - PC gas pool in rest of section 15 but NOT in NW/4. Hardline target is SE of 670 FNL 670 FWL for legal location

Zones - Drilling Mud Program:

Surface: spud mud

Intermediate: 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

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

General/Work Description - Drill and complete directional Fruitland coal well.

Obtain mudlog from intermediate casing to TD.

Estimate 1250' horizontal reach.

San Juan 32-8 #258A

Formation	TVD	MD
San Jose	13	13
Surface Casing	213	213
NCMT	1083	1114.30
OJAM	2343	2497.33
KRLD	2573	2749.79
FRLD	3453	3715.72
TOP COAL	3523	3792.56
Base Main Coal	3673	3957.20
PC Tongue	3733	4023.06
Base Lowest Coal	3908	4215.15
PCCF	3913	4220.64
Total Depth	3988	4302.96

San Juan 32-8 # 258A
Halliburton Cementing Program

SURFACE CASING :

Drill Bit Diameter	12.25"	
Casing Outside Diameter	9.625"	Casing Inside Diam. 9.001"
Casing Weight	32.3	ppf
Casing Grade	H-40	
Shoe Depth	230'	
Cement Yield	1.21	cuft/sk
Cement Density	15.6	lb/gal
Excess Cement	125	%
Cement Required	141	sx

SHOE 230 ', 9.625 ", 32.3 ppf, H-40 STC

INTERMEDIATE CASING :

Drill Bit Diameter	7.875"	
Casing Outside Diameter	5.5"	Casing Inside Diam. 4.892"
Casing Weight	17	ppf
Casing Grade	J-55	
Shoe Depth	4303'	
Lead Cement Yield	2.91	cuft/sk
Lead Cement Density	11.5	lb/gal
Lead Cement Excess	160	%
Tail Cement Length	630'	
Tail Cement Yield	1.33	cuft/sk
Tail Cement Density	13.5	lb/gal
Tail Cement Excess	160	%
Lead Cement Required	554	sx
Tail Cement Required	213	sx

SHOE 4303 ', 5.5 ", 17 ppf, J-55 LTC

SAN JUAN 32-8 #258A
HALLIBURTON OPTION

9-5/8 Surface Casing		
Cement Recipe	Standard Cement	
	+ 3% Calcium Chloride	
	+ 0.25 lb/sx Flocele	
Cement Volume	141	sx
Cement Yield	1.21	cuft/sx
Slurry Volume	170.7	cuft
	30.4	bbls
Cement Density	15.6	ppg
Water Required	5.29	gal/sx

7" Intermediate Casing		
Lead Slurry		
Cement Recipe	Standard Cement	
	+ 3% Econolite (Lost Circulation Additive)	
	+ 10 lb/sx Gilsonite (Lost Circ. Additive)	
	+ 0.25 lb/sx Flocele (Lost Circ. Additive)	
Cement Required	554	sx
Cement Yield	2.91	cuft/sx
Slurry Volume	1611.7	cuft
	287.1	bbls
Cement Density	11.5	ppg
Water Required	16.88	gal/sx

7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50 / 50 POZ: Standard Cement	
	+ 2% Bentonite (Light Weight Additive)	
	+ 5 lbm/sk Gilsonite (Lost Circ. Additive)	
	+ 0.25 lbm/sk Flocele (lost Circ. Additive)	
	+ 2% Calcium Chloride (Accelerator)	
Cement Required	213	sx
Cement Yield	1.33	cuft/sx
Slurry Volume	283.9	cuft
	50.6	bbls
Cement Density	13.5	ppg
Water Required	5.36	gal/sx

SCHLUMBERGER OPTION

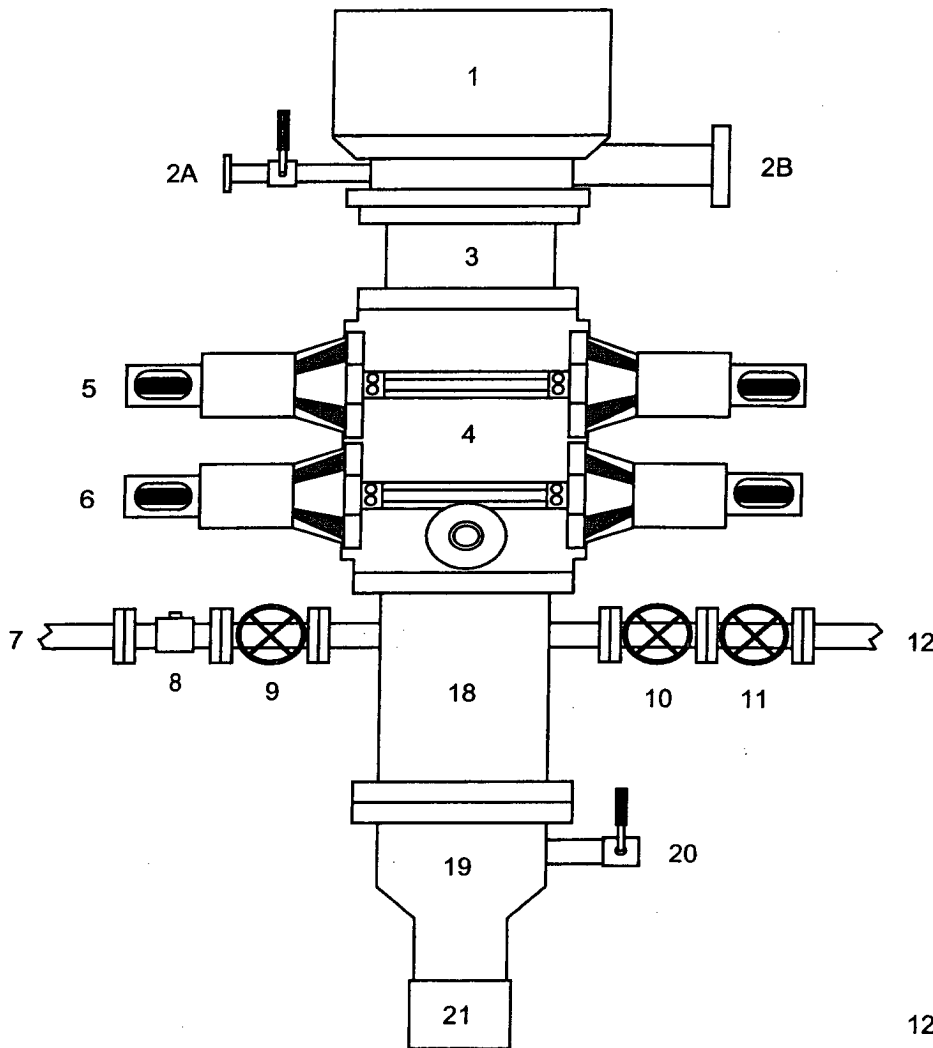
9-5/8 Surface Casing		
Cement Recipe	Class G Cement	
	+ 3% S001 Calcium Chloride	
	+ 0.25 lb/sx D029 Cellophane Flakes	
Cement Volume	147	sx
Cement Yield	1.16	cuft/sx
Slurry Volume	170.7	cuft
	30.4	bbls
Cement Density	15.8	ppg
Water Required	4.983	gal/sx

7" Intermediate Casing		
Lead Slurry		
Cement Recipe	Class G Cement	
	+ 3% D079 Extender	
	+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 0.2% D046 Antifoam	
Cement Required	623	sx
Cement Yield	2.61	cuft/sx
Slurry Volume	1625.2	cuft
	289.5	bbls
Cement Density	11.7	ppg
Water Required	15.876	gal/sx

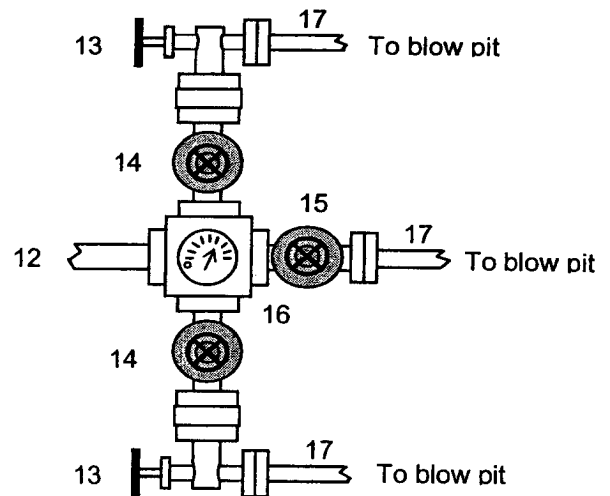
7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50 / 50 POZ : Class G Cement	
	+ 2% D020 Bentonite	
	+ 5 lb/sx D024 Gilsonite extender	
	+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 2% S001 Calcium Chloride	
	+ 0.2% D046 Antifoam	
Cement Required	213	sx
Cement Yield	1.27	cuft/sx
Slurry Volume	270.4	cuft
	48.2	bbls
Cement Density	13.5	ppg
Water Required	5.182	gal/sx

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 5 1/2" 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



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 a 7-7/8" hole will be drilled to production casing point and 5 1/2" 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

Property : SAN JUAN 32-8 UNIT **Well #:** 258A

Surface Location:

Unit: P **Section:** 9 **Township:** 32N **Range:** 8W

County: SAN JUAN **State:** New Mexico

Footage: 291 **from the** South **line,** 127 **from the** East **line.**

CATHODIC PROTECTION

ConocoPhillips (COP) proposes to drill a cathodic protection deep well groundbed for the subject well. COP will drill a hole vertically at the surface large enough to accommodate 20 feet of 8 inch diameter PVC pipe for surface casing to assist in further drilling and loading. Casing may be cemented in place for stability if needed. COP 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 the existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.