

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
MAY 18 PM 2 15

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-078460
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 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 4001 Penbrook, Odessa, TX 79762	3b. Phone No. (include area code) 432-368-1352	8. Lease Name and Well No. San Juan 32-7 Unit # 233A
4. Location of Well (Report location clearly and in accordance with any State requirements, *) At surface NWNW 1100 FNL - 1200 FWL At proposed prod. zone		9. API Well No. 30-045-33096
14. Distance in miles and direction from nearest town or post office*		10. Field and Pool, or Exploratory Basin Fruitland Coal
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 2484.55	11. Sec., T. R. M. or Blk. and Survey or Area Section 20, T32N, R7W NMPM D
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3278' TVD	12. County or Parish San Juan
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6325 GL	22. Approximate date work will start*	13. State NM
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 5/16/2005
Title staff agent		
Approved for Signature [Signature]	Name (Printed/Typed)	Date 6-28-05
Title AEM	Office FFO	

Application approval does not warrant or certify that the applicant holds legal, orequitable 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 snags 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

NMOC

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

District I
1625 N. French 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 Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33096		Pool Code 71629		Pool Name BASIN FRUITLAND COAL (GAS)	
Property Code 31329		Property Name SAN JUAN 32-7 UNIT		Well Number 233A	
OGRIID No. 217817		Operator Name CONOCOPHILLIPS COMPANY		Elevation 6325	

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	32N	07W		1100	NORTH	1200	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

Dedicated Acres W/2 296.98	Joint or Infill	Consolidation Code	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

16

LEASE
SF-078460
2484.55
total acres

LAT: 36.96977° N
LONG: 107.59440° W
DATUM: NAD27

LAT: 36.5811.2° N
LONG: 107.3542.0° W
DATUM: NAD83

20

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Vicki Westby*
Printed Name: Vicki Westby
Title and E-mail Address: Staff Agent
Date: May 9, 2005

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.

Date of Survey: 04/12/05
Signature and Seal of Professional Surveyor: *Henry P. Broadhurst*
Certificate Number: 11393

2005 MAY 18 10:00 AM
OIL CONSERVATION DIVISION
JUN 2 2005

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 APINO.

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

San Juan 32-7

8. Well Number 233A

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 D 1100 feet from the North line and 1200 feet from the West line
Section 20 Township 32N Range 7W NMPM San Juan County

I 1. Elevation (Show whether DR, RKB, RT, GR, etc.)
6325' GL

Pit or Below-grade Tank Application ☒ Closure ☐

Pit type Drill Depth to Groundwater 130' Distance from nearest fresh water well > 1 Mile Distance from nearest surface water Adjacent to well pad

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 1103. 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 5/16/2005

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: 
Conditions of Approval (if any)

TITLE

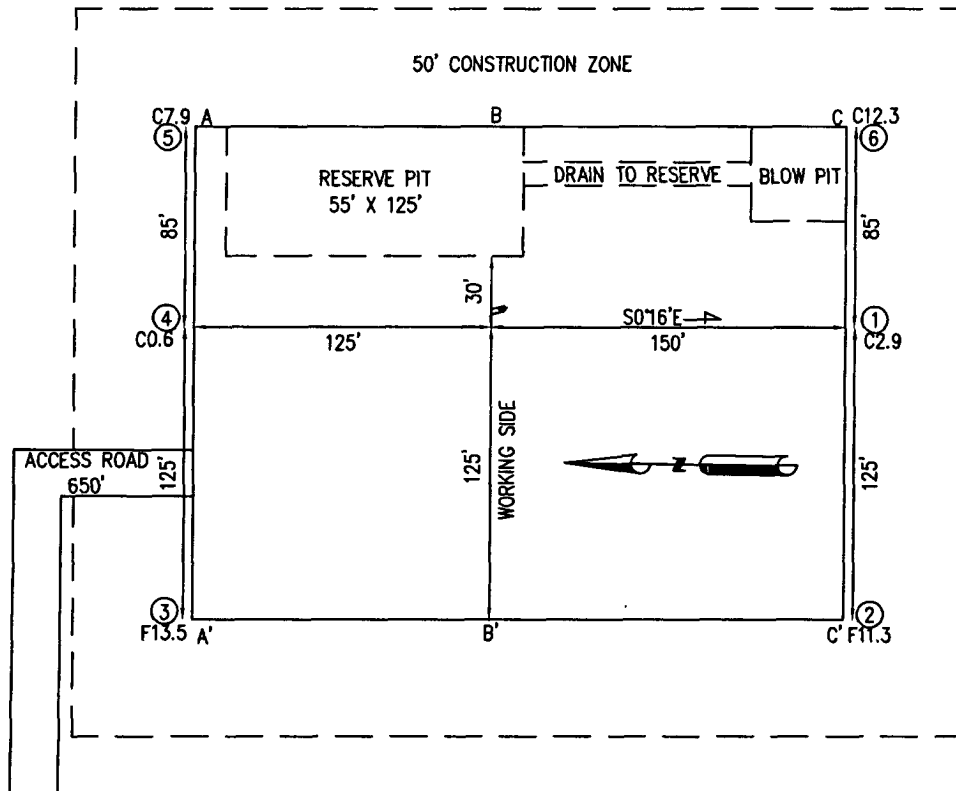
DATE

DEPUTY OIL & GAS INSPECTOR, DIST. 00

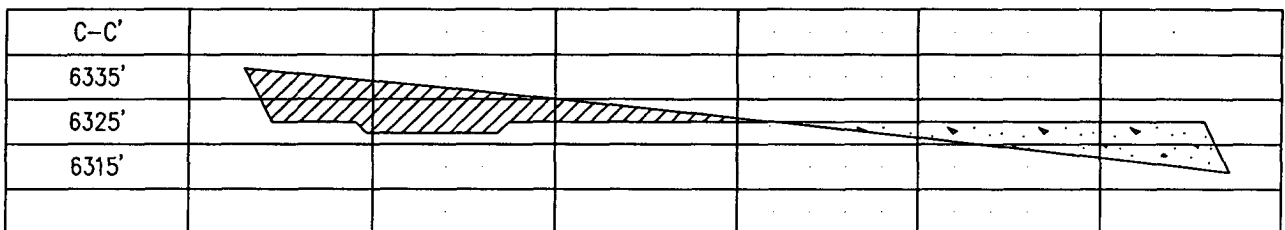
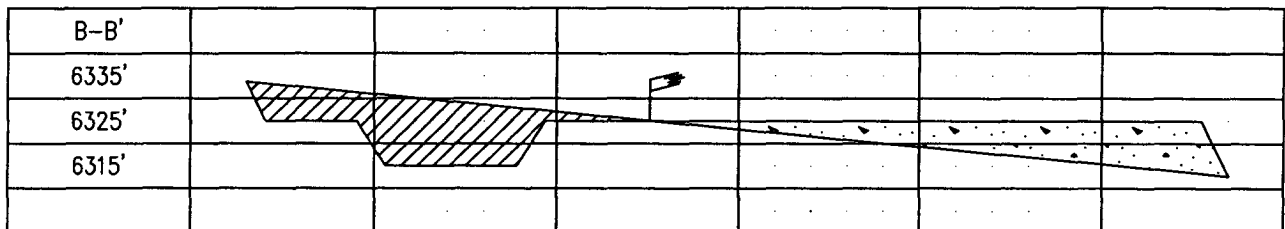
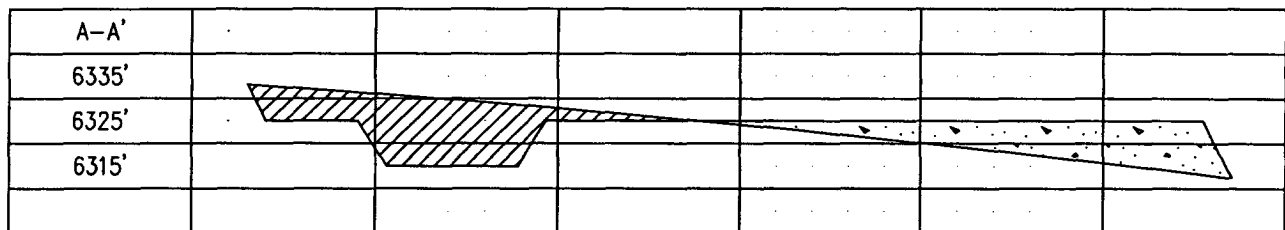
JUN 30 2005

CONOCOPHILLIPS COMPANY SAN JUAN 32-7 UNIT #233A
 1100' FNL & 1200' FWL, SECTION 20, T32N, R07W, NMPM
 SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6325'

LATITUDE: 36.96977° N
 LONGITUDE: 107.59440° W
 DATUM: NAD27



PLAT NOTE:
 SURFACE OWNER
 BLM



PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-7 233A

Lease:		AFE #: WAN.CBM.5134				AFE \$:	
Field Name: hPHILLIPS 32-7		Rig:		State: NM	County: SAN JUAN		API #:
Geoscientist: Cloud, Tom A		Phone: +1 832 486-2377		Prod. Engineer:		Phone:	
Res. Engineer: Stasney, Janet F.		Phone: +832 486-2359		Proj. Field Lead:		Phone:	
Primary Objective (Zones):							
Zone		Zone Name					
JCV		BASIN FRUITLAND COAL (GAS)					
Location: Surface							
Latitude: 36.97		Longitude: -107.59		X:	Y:	Section: 20	Range: 7W
Footage X: 1200 FWL		Footage Y: 1100 FNL		Elevation: 6325 (FT)	Township: 32N		
Tolerance:							
Location Type:		Start Date (Est.):		Completion Date:		Date In Operation:	
Formation Data: Assume KB = 6338 Units = FT							
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks	
SAN JOSE	13	6325	<input type="checkbox"/>				
Surface Casing	213	6125	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.	
NCMT	578	5760	<input type="checkbox"/>				
OJAM	1998	4340	<input type="checkbox"/>			Possible water flows.	
KRLD	2108	4230	<input type="checkbox"/>				
FRLD	2798	3540	<input type="checkbox"/>			Possible gas.	
Intermediate Casing	2858	3480	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.	
TOP COAL	2888	3450	<input type="checkbox"/>				
BASE MAIN COAL	3018	3320	<input type="checkbox"/>	600			
PC TONGUE	3118	3220	<input type="checkbox"/>				
BASE LOWEST COAL	3198	3140	<input type="checkbox"/>				
PCCF	3208	3130	<input type="checkbox"/>				
Total Depth	3278	3060	<input type="checkbox"/>			6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented.	
Reference Wells:							
Reference Type	Well Name		Comments				
Intermediate	Pacific NWPL 32-7 #11-20						
Intermediate	Phillips 32-7 #240						

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-7 233A

Logging Program:					
Intermediate Logs: <input type="checkbox"/> Log only if show <input type="checkbox"/> GR/ILD <input type="checkbox"/> Triple Combo					
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					
Additional Information: TD includes 80 feet sump/rathole & COPC will comply with 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 - No PCCF PA or gas pool.

Zones - Drill and complete Fruitland coal well.
Mud Log from intermediate casing shoe to TD will be obtained.

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, & 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

General/Work Description -

San Juan 32-7 # 233A
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	8.75"	
Casing Outside Diameter	7"	Casing Inside Diam. 6.456"
Casing Weight	20	ppf
Casing Grade	J-55	
Shoe Depth	2858'	
Lead Cement Yield	2.91	cuft/sk
Lead Cement Density	11.5	lb/gal
Lead Cement Excess	160	%
Tail Cement Length	315'	
Tail Cement Yield	1.33	cuft/sk
Tail Cement Density	13.5	lb/gal
Tail Cement Excess	160	%
Lead Cement Required	324	sx
Tail Cement Required	100	sx

LINER TOP 2838 '

SHOE 2858 ', 7 ", 20 ppf, J-55

LINER BOTTOM 3278' (Uncemented)

SAN JUAN 32-7 #233A
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	324	sx
Cement Yield	2.91	cuft/sx
Slurry Volume	942.3	cuft
	167.8	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	100	sx
Cement Yield	1.33	cuft/sx
Slurry Volume	132.7	cuft
	23.6	bbls
Cement Density	13.5	ppg
Water Required	5.36	gal/sx

SCHLUMBERGER OPTION

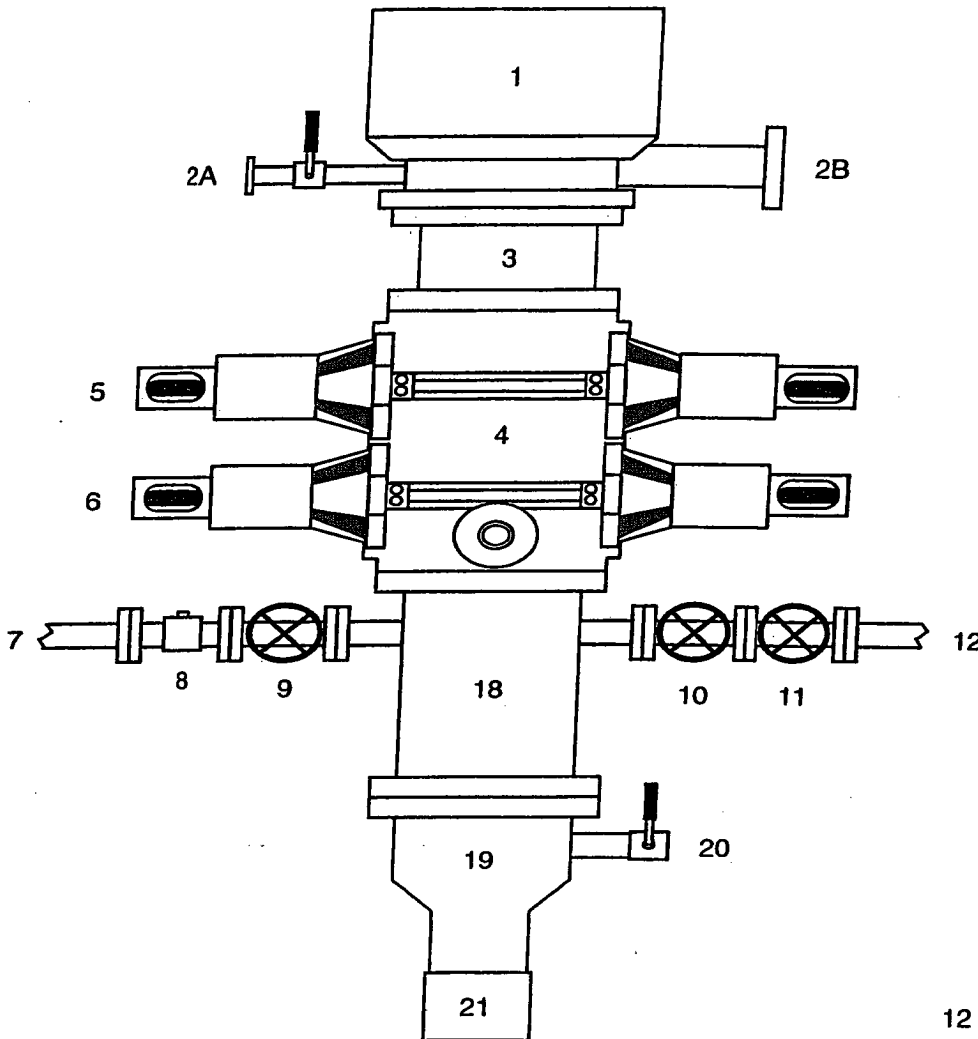
9-5/8 Surface Casing		
Cement Recipe	Class G Cement	
	+ 3% S001 Calcium Chloride	
	+ 0.25 lb/sx D029 Cellophane Flakes	
Cement Volume	147	sx
Cement Yield	1.16	cuft/sx
Slurry Volume	170.7	cuft
	30.4	bbls
Cement Density	15.8	ppg
Water Required	4.983	gal/sx

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	363	sx
Cement Yield	2.61	cuft/sx
Slurry Volume	948.2	cuft
	168.9	bbls
Cement Density	11.7	ppg
Water Required	15.876	gal/sx

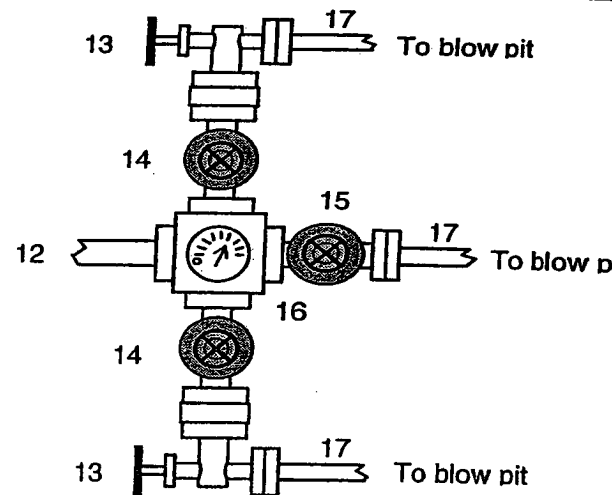
7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50 / 50 POZ : Class G Cement	
	+ 2% D020 Bentonite	
	+ 5 lb/sx D024 Gilsonite extender	
	+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 2% S001 Calcium Chloride	
	+ 0.2% D046 Antifoam	
Cement Required	100	sx
Cement Yield	1.27	cuft/sx
Slurry Volume	126.9	cuft
	22.6	bbls
Cement Density	13.5	ppg
Water Required	5.182	gal/sx

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



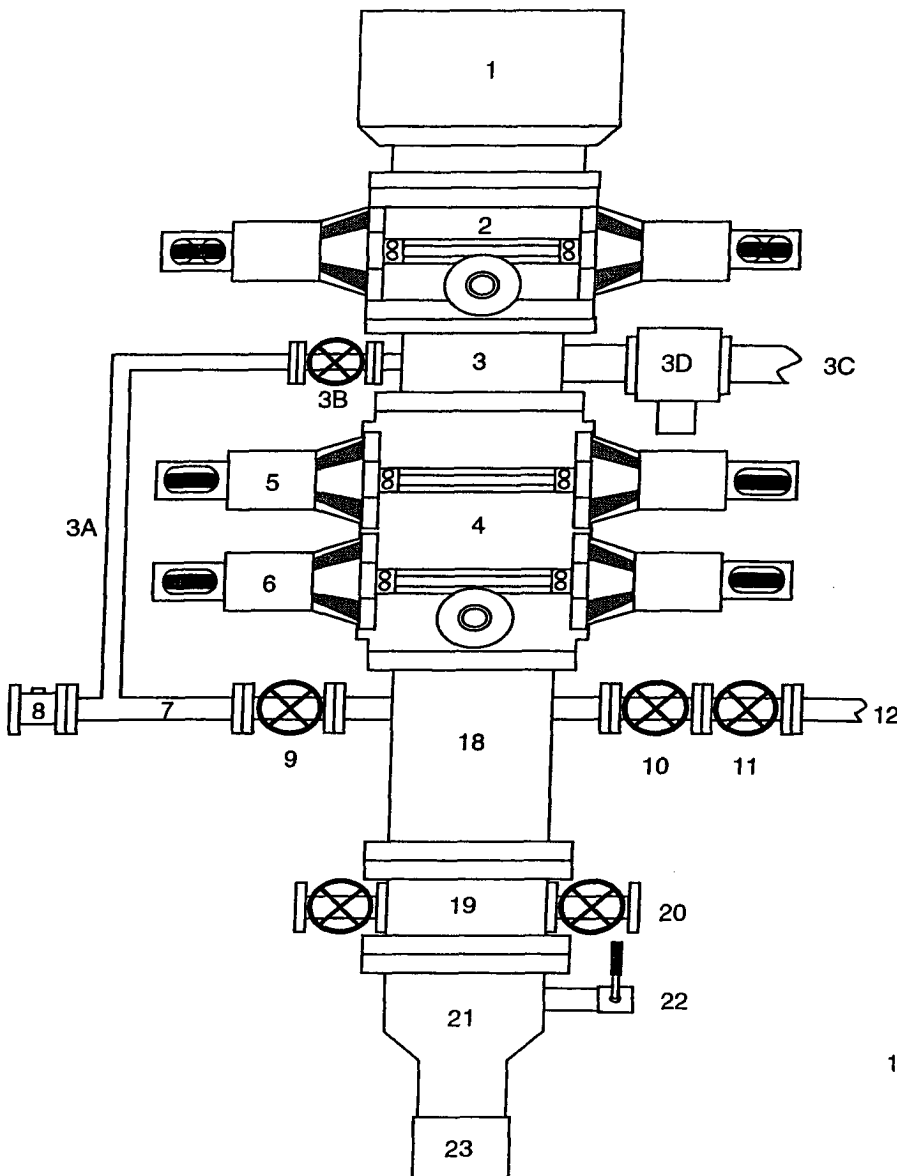
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

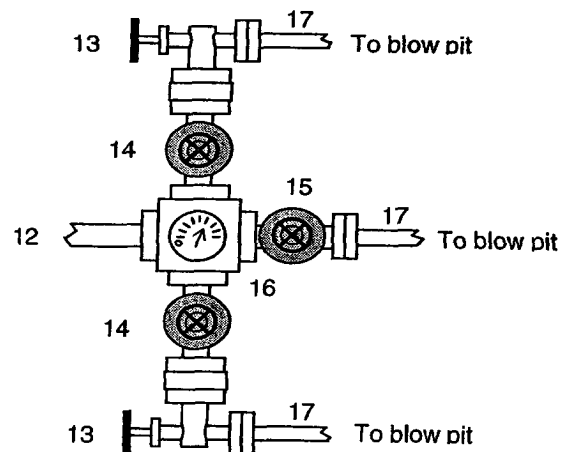
1. Upper Kelly cock Valve with handle

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Cavitation Program



1. Stripping Head
2. Single Ram BOP (7-1/16", 3M)
3. Mud Cross
- 3A. Equalizing Line (2")
- 3B. Wing Valve (2-1/16", 3M)
- 3C. Blooie 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 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. The pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 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 blooie line is equipped with a hydraulically controlled valve (HCR valve).

Property : San Juan 32-7 Well #: 233A

Surface Location:

Unit: D Section: 20 Township: 32N Range: 7W

County: San Juan State: New Mexico

Footage: 1100 from the North line, 1200 from the West 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.