Form 3160-3
(August 1999)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SEP 21 2004
Bureau of Land Management
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. SF-078994
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA Agreement, Name and No.
1b. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other: CBM ☒ Single Zone ☐ Multiple Zone	8. Lease Name and Well No. SAN JUAN 30-5 UNIT 239A
2. Name of Operator CONOCOPHILLIPS COMPANY Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conocophillips.com	9. API Well No. 30-039-29232
3a. Address 4001 PENBROOK, SUITE 346 ODESSA, TX 79762 3b. Phone No. (include area code) Ph: 915.368.1352	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 SWNW 2235FNL 1090FWL At proposed prod. zone	11. Sec., T., R., M., or Blk. and Survey or Area E Sec 15 T30N R5W Mer NMP
14. Distance in miles and direction from nearest town or post office*	12. County or Parish RIO ARRIBA 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	17. Spacing Unit dedicated to this well 320 W/2
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 19. Proposed Depth 3250 MD	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KB, RT, GL, etc. 6443 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, shall 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 shall 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 authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) VICKI WESTBY	Date 09/20/2004
Title AGENT		
Approved by (Signature) Wayne Townsend	Name (Printed/Typed) Wayne Townsend	Date 9/8/05
Title Acting AFM	Office FFO	

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 #36336 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Farmington

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OIL CONS. DIV.
DIST. 3

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

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

NMOCD

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

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

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Bureau of Land Management
Farmington Field Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹API Number	²Pool Code	³Pool Name
	71629	BASIN FRUITLAND COAL

⁴Property Code	⁵Property Name	⁶Well Number
31327	SAN JUAN 30-5 UNIT	239A

⁷OGRID No.	⁸Operator Name	⁹Elevation
217817	CONOCOPHILLIPS COMPANY	6443'

¹⁰ Surface Location

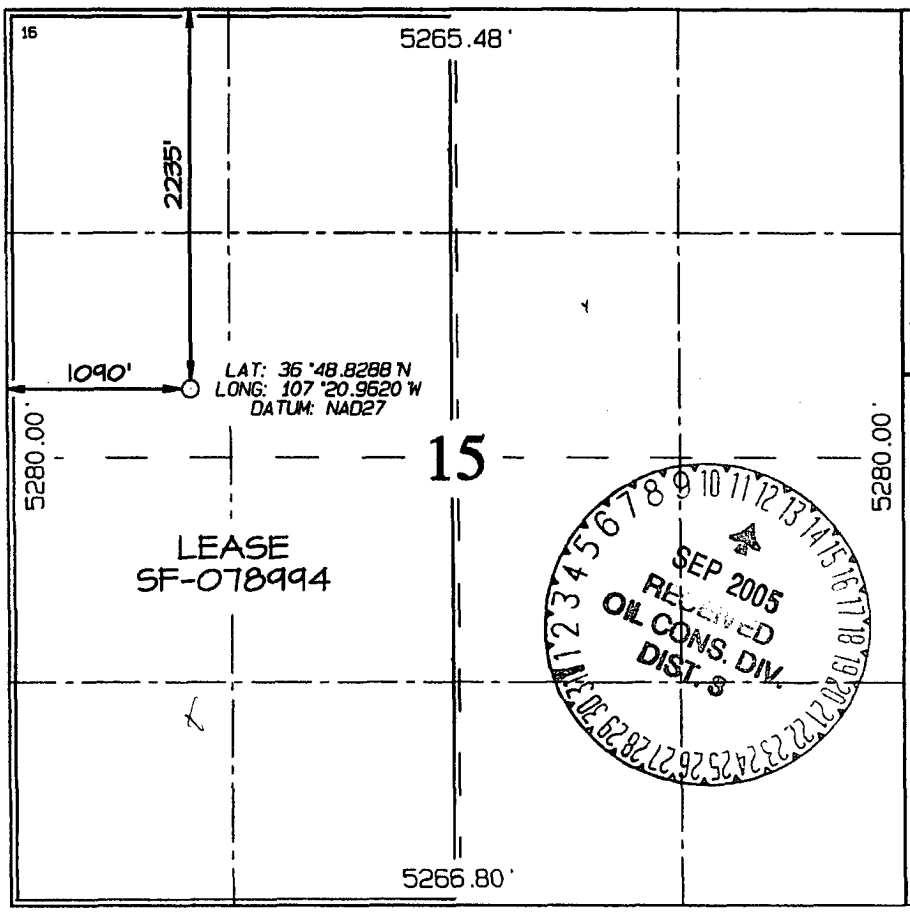
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	15	30N	5W		2235	NORTH	1090	WEST	RIO ARRIBA

¹¹ 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

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

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



¹⁷ OPERATOR CERTIFICATION

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

Vicki Westby (pf)
Signature

Vicki R. Westby
Printed Name

Staff Agent
Title

9/20/04
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: AUGUST 24, 2004

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
Certificate Number 15269

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., flobbs, NM 88240
District 11
1301 W. Grand Ave., Artesia, NM 882 1 0
District III
1 000 Rio Brazos Rd., Aztec, NM 8741 0
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
May 27, 2004

WELL API NO.

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name
SAN JUAN 30-5 UNIT

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

8. Well Number 239A

2. Name of Operator
ConocoPhillips Company

9. OGRID Number
217817

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

I 0. Pool name or Wildcat
BASIN FRUITLAND COAL

4. Well Location
Unit Letter E 2235 feet from the NORTH line and 1090 feet from the WEST line
Section 15 Township 30N Range 5W NMPM County RIO ARRIBA

I 1. Elevation (Show *whether DR, RKB, RT, GR, etc)*
6443 GL

Pit r Btl n% aj nlv I ink Applikillion ☐ ir Closure ☐

Pit type DRILL Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water 200-1000'

Pit 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:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PANDA	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:	☐			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 I 1 03. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ConocoPhillips Generic Pit Plan is on files at the NMOCD in Aztec, NM. 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. The solids left after the water has been disposed of will be sampled and NMOCD approval will be obtained prior to closure of this pit.

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DIST. 3

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 Sr. Analyst DATE 9/17/04

Type or print name E-mail address: Telephone No.

For State Use Only

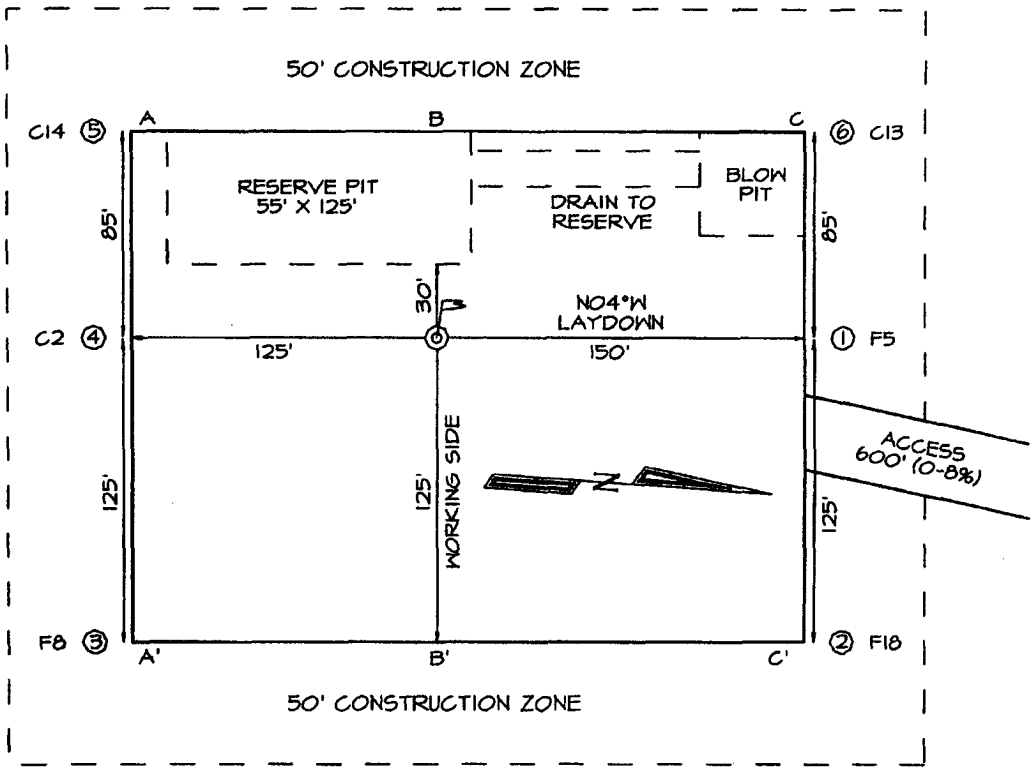
APPROVED BY: TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE SEP 12 2005

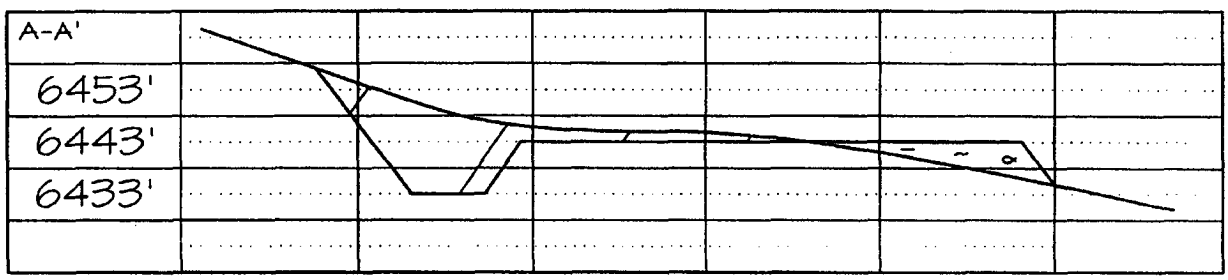
Conditions of Approval (if any):

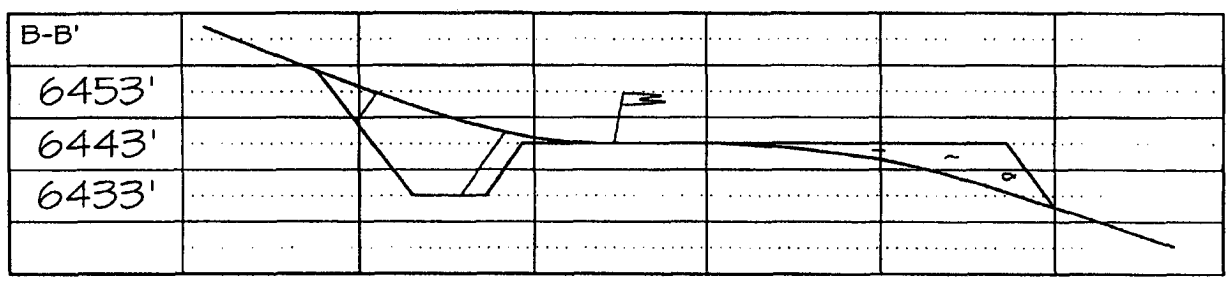
CONOCOPHILLIPS COMPANY SAN JUAN 30-5 UNIT #239A
2235' FNL & 1090' FWL, SECTION 15, T30N, R5W, NMPM
RIO ARRIBA COUNTY, NEW MEXICO ELEVATION: 6443'

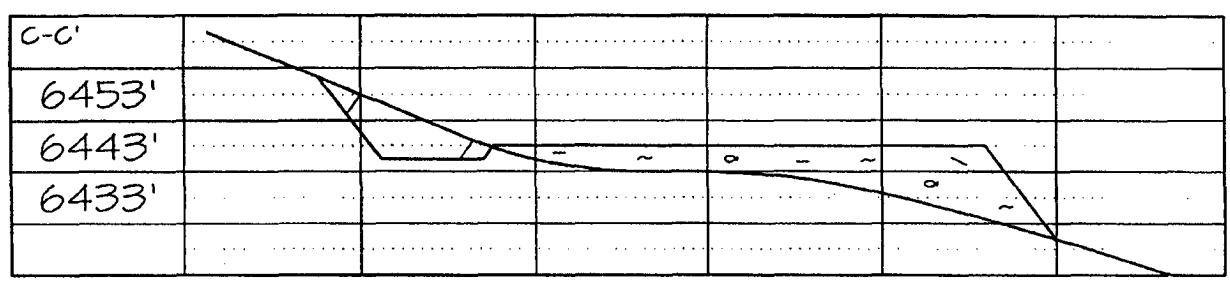
LATITUDE: 36.81381° N
LONGITUDE: 107.34937° W
DATUM: NAD1927

PLAT NOTE:
FEE SURFACE OWNER Lopez Family Trust









FILENAME: 30515ET	SHEET 2 OF 6	NCE SURVEYS, INC.	DRAWN BY: EDO	CHECKED BY: JCE

ConocoPhillips

San Juan Business Unit

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 30-5 239A

Lease:	AFE #:			AFE $:
Field Name: hPHILLIPS 30-5	Rig:	State: NM	County: RIO ARRIBA	API #:
Geoscientist: Cloud, Tom A	Phone: +1 832 486-2377	Prod. Engineer: Bergman, Pat W.		Phone: (832) 486-2358
Res. Engineer: Kolesar, James E.	Phone: (832) 486 - 2336	Proj. Field Lead:		Phone:

Primary Objective (Zones):

Zone	Zone Name
JCV	BASIN FRUITLAND COAL (GAS)

Location - Surface

Latitude: 36.82	Longitude: -107.35	X:	Y:	Section: 15	Range: 5W
Footage X: 900 FWL	Footage Y: 1600 FNL	Elevation: 6420 (FT)	Township: 30N		
Tolerance:					

Location Type: Start Date (Est.): Completion Date: Date In Operation:

Formation Data: Assume KB = 6433 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SAN JOSE	13	6420	☐			
Surface Casing	213	6220	☐			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1283	5150	☐			
OJAM	2543	3890	☐			Possible water flows.
KRLD	2683	3750	☐			
FRLD	2933	3500	☐			Possible gas.
Intermediate Casing	3023	3410	☐			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
BASE MAIN COAL	3163	3270	☐	300		
PC TONGUE	3183	3250	☐			
Total Depth	3250	3183	☐			6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented.
BASE LOWEST COAL	3373	3060	☐			
PCCF	3378	3055	☐			

Reference Wells:

Reference Type	Well Name	Comments

Logging Program:

Intermediate Logs: ☐ Log only if show ☐ GR/ILD ☐ Triple Combo

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT

Additional Information:

Comments: General/Work Description - Next to road and pipeline. Location moved at Fee owner's request to avoid grazing land.

Mud log from intermediate casing shoe to TD will be obtained.

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

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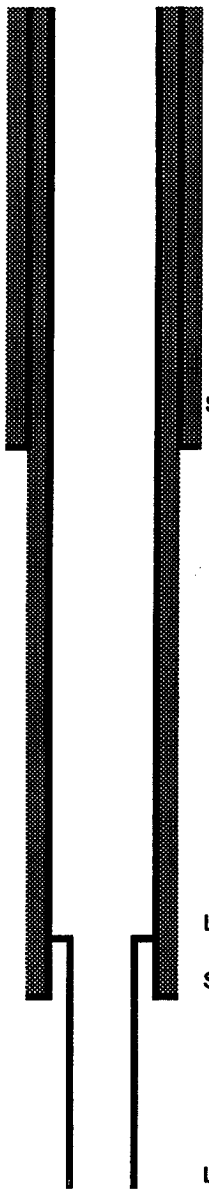
San Juan 30-5 # 239A



SURFACE CASING :

Drill Bit Diameter	12.25	"
Casing Outside Diameter	9.625	"
Casing Weight	32.3	ppf
Casing Grade	H-40	
Shoe Depth	230	'
Cement Yield	1.21	cuft/sk
Excess Cement	125	%
Cement Required	147	**sx**

Casing Inside Diam. 9.001 "

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

INTERMEDIATE CASING :

Drill Bit Diameter	8.75	"
Casing Outside Diameter	7	"
Casing Weight	20	ppf
Casing Grade	J-55	
Shoe Depth	3023	'
Lead Cement Yield	2.91	cuft/sk
Lead Cement Excess	160	%
Tail Cement Length	315	'
Tail Cement Yield	1.33	cuft/sk
Tail Cement Excess	160	%
Lead Cement Required	346	**sx**
Tail Cement Required	100	**sx**

Casing Inside Diam. 6.453 "

LINER TOP 3003 '

SHOE 3023 ', 7 ", 20 ppf, J-55

LINER BOTTOM 3250 ' (Uncemented)

San Juan 30-5 # 239A		
	Surf. Csg	Int. Csg.
OD	9.625	7
ID	9.001	6.456
Depth	230	3023
Hole Diam	12.25	8.75
% Excess Lead		160
% Excess Tail	125	160
Lead Yield		
Tail Yield		
Ft of Tail Slurry	230	315
Top of Tail Slurry	0	2708
Top of Lead Slurry	N/A	0
Mud Wt (ppg)	8.9	9.0
Mud Type	WBM	WBM

Surface Casing						
	Ft	Cap.	XS Factor	bbls	cuft	sx
Open Hole Annulus	230	0.055804	2.25	28.9	162.1	134.0
Shoe Track Volume	40	0.078735	1	3.1	17.7	13.3
Total				32.0	179.8	147.3

Intermediate Casing						
	Ft	Cap	XS Factor	bbls	cuft	sx
Lead Open Hole Annulus	2478	0.026786	2.6	172.6	968.9	333.0
Lead Cased Hole Annulus	220	0.031116	1	6.8	38.4	13.2
Lead Total				179.4	1007.4	346.2
Tail Open Hole Annulus	315	0.026786	2.6	21.9	123.2	92.6
Tail Shoe Track Volume	42	0.040505	1	1.7	9.6	7.2
Tail Total				23.6	132.7	99.8

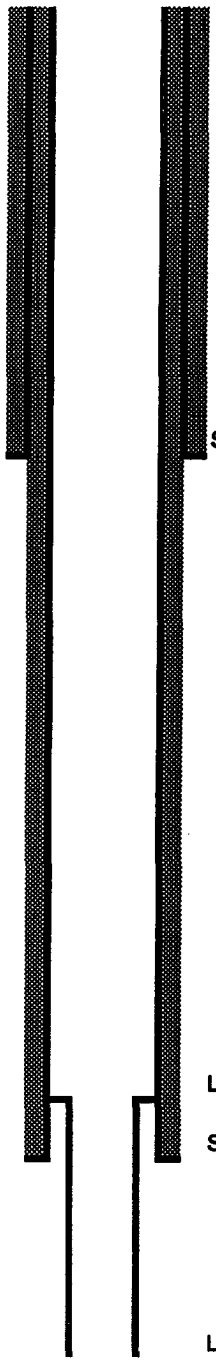
San Juan 30-5 # 239A		
9 5/8 Surface Casing		
Cement Recipe	Class C Standard Cement + 3% Calcium Chloride +0.25 lb/sx Flocele	
Cement Volume	[redacted]47	sx
Cement Yield	1.21	cuft/sx
Slurry Volume	[redacted]0	cuft
	[redacted]2.9	bbls
Cement Density	15.6	ppg
Water Required	5.29	gal/sx

San Juan 30-5 # 239A		

7" Intermediate Casing		
Lead Slurry		
Cement Recipe	Standard Cement	
	+ 3% Econolite (Lost Circulation Additive)	
	+ 10 lb/sx Gilsonite (Lost Circ. Additvie)	
	+ 0.25 lb/sx Flocele (Lost Circ. Additive)	
Cement Required	[redacted]	sx
Cement Yield	2.91	cuft/sx
Slurry Volume	[redacted]	cuft
	[redacted]	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	[redacted]	sx
Cement Yield	1.33	cuft/sx
Slurry Volume	[redacted]	cuft
	[redacted]	bbls
Cement Density	13.5	ppg
Water Required	5.36	gal/sx

San Juan 30-5 #239A



SURFACE CASING :

Drill Bit Diameter	[redacted]	"	
Casing Outside Diameter	[redacted]	"	9.001
Casing Weight	[redacted]	ppf	
Casing Grade	[redacted]		
Shoe Depth	[redacted]	'	40 '
Cement Yield	[redacted]	cuft/sk	
Excess Cement	[redacted]	%	

Casing Capacity	0.0787	bbl/ft	0.4419 cuft/ft
Hole / Casing Annulus Capacity	0.0558	bbl/ft	0.3132 cuft/ft

Cement Required **147 sx**

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

INTERMEDIATE CASING :

Drill Bit Diameter	[redacted]	"	
Casing Outside Diameter	[redacted]	"	6.456
Casing Weight	[redacted]	ppf	
Casing Grade	[redacted]		
Shoe Depth	3023	'	
Lead Cement Yield	[redacted]	cuft/sk	
Lead Cement Excess	[redacted]	%	
Tail Cement Length	[redacted]	'	42 '
Tail Cement Yield	[redacted]	cuft/sk	
Tail Cement Excess	[redacted]	%	

Casing Capacity	0.0405	bbl/ft	0.2273 cuft/ft
Casing / Casing Annulus Capacity	0.0311	bbl/ft	0.1746 cuft/ft
Hole / Casing Annulus Capacity	0.0268	bbl/ft	0.1503 cuft/ft

Lead Cement Required **389 sx**
Tail Cement Required **100 sx**

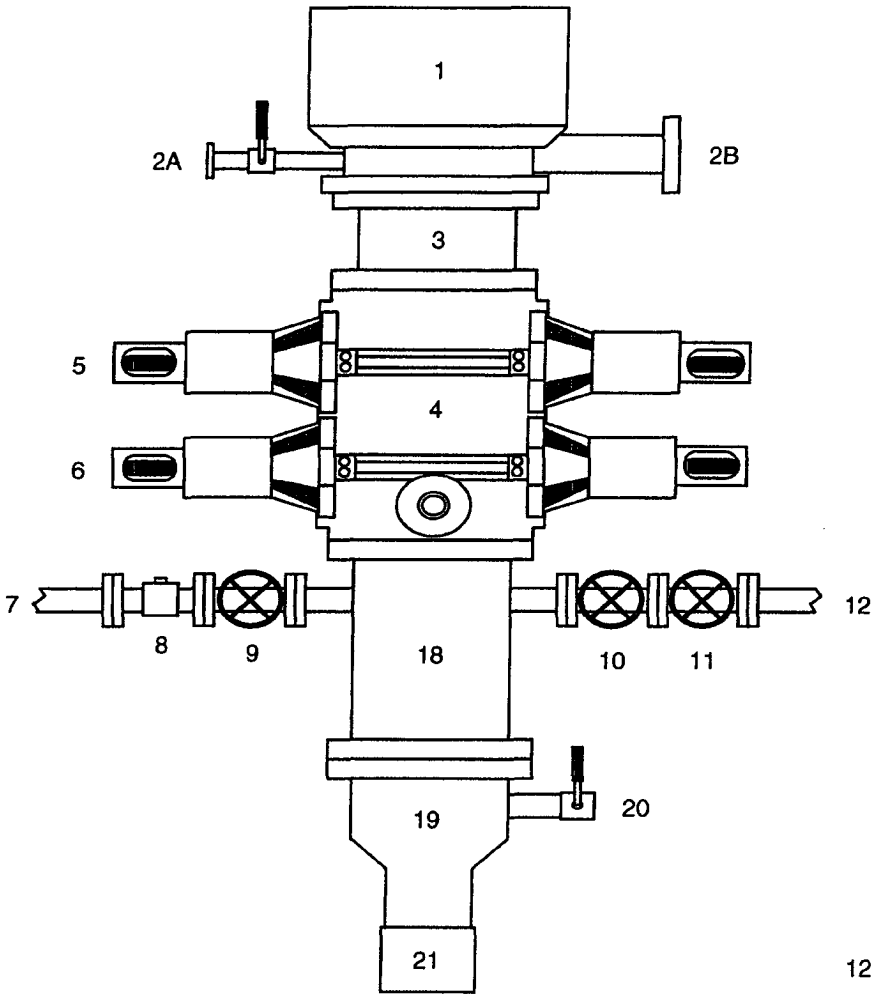
LINER TOP **3003 '**

SHOE **3023 ', 7 ", 20 ppf, J-55**

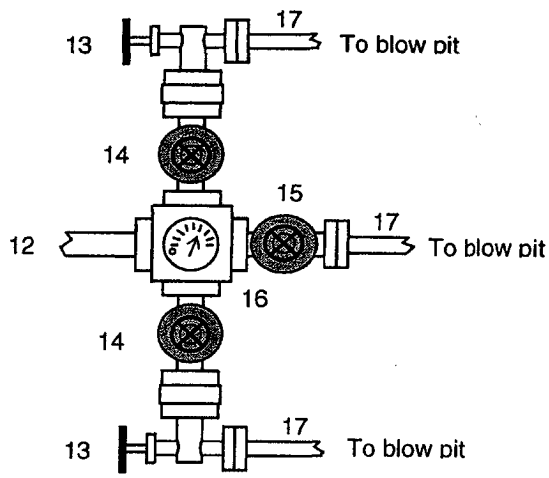
LINER BOTTOM [redacted] ' (Uncemented)

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



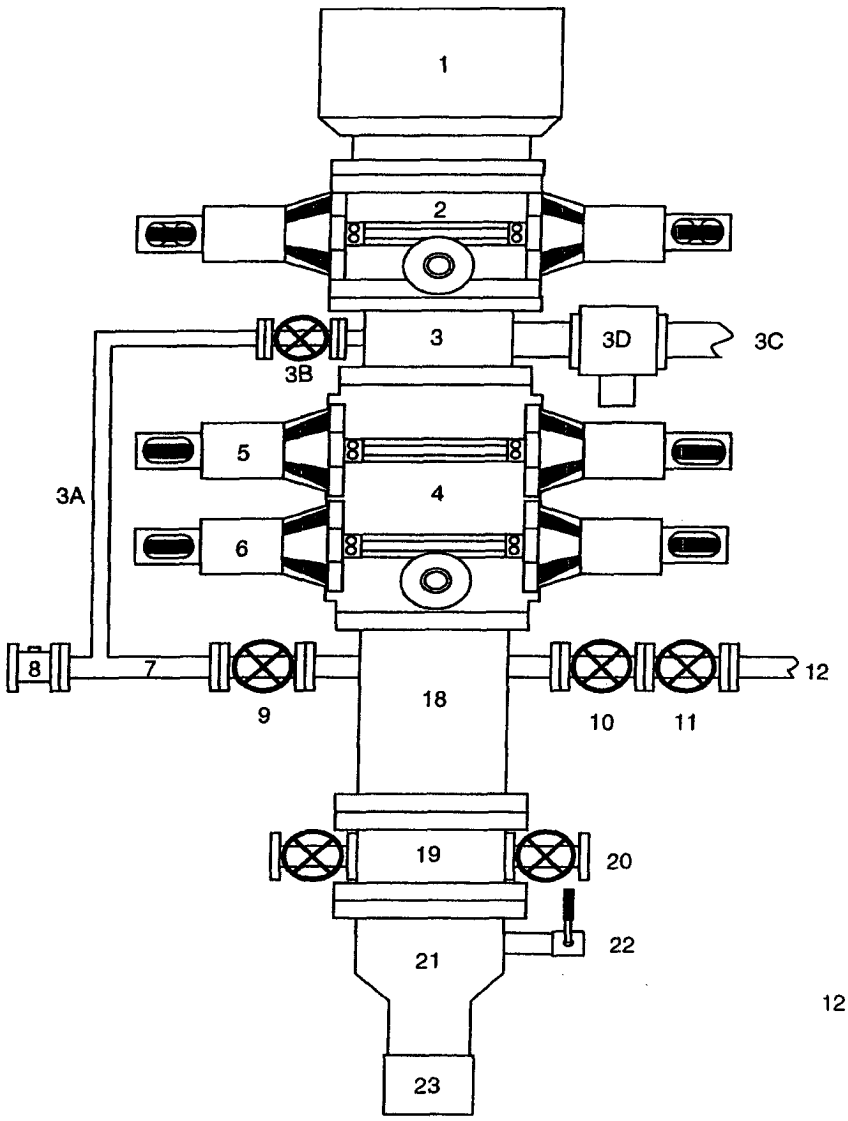
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

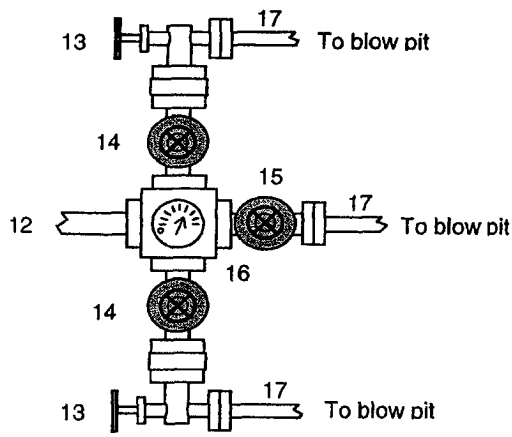
Revision Date: September 1, 2004

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).

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