60 N 12 13 1475								
🧞 JUN 2006								
Fonn 3160 13 RC (February 2005) (February 2005) (February 2005)	,				OMB N	APPROVE No. 1004-013 March 31, 2	7	
DEPARTMENT OF THE I		RIOR	2008 APR 1	.0 AP	5 Lease Serial No.			
BUREAU OF LAND MAN				··· . · · · · · · · · · · · · · · · · ·		078687		
APPLICATION FOR PERMIT TO	DRIL	L OR	REENTER	ECETY	6. If Indian, Allotee	or Tribe	Name	
			0.70 57	2211.0	7. If Unit or CA Agr	eement No	me and No	
Ia. Type of work: DRILL REENT	ER				7. II Offit of CA Agi	cement, Na	ane and No.	
lb. Type of Well: Oil Well Gas Well Other		Si	ngle Zone Multip	ole Zone	8. Lease Name and SAN JUAN 32		AL 15 #21	R
Name of Operator ConocoPhillips Company					9. API Well No.	~ >	a	,
3a. Address	3b. P	hone No.	(include area code)		30 -04.	Explorator	369 V	L
4001 Penbrook, Odessa, TX 79762			68-1230					
4. Location of Well (Report location clearly and in accordance with any S	State re	quireme	nts, *)		BASIN FRU			
At surface NESW 1640 FSL - 1770 F	WL		<i>J</i> , ,	. (SECTION 15, T32N, R9W NMPM			
At proposed prod. zone			J. J.] [K			
14. Distance in miles and direction from nearest town or post office*					12. County or Parish		13. State	
	Τ.,			10 C :	SAN JUA		NM	
15, Distance from proposed* location to nearest	16.	No. of a	cres in lease	17. Spacing	g Unit dedicated to this	well		
propery or lease line, ft. (Also to nearest drig. unit line, if any)		1305	5.05 ACRES		316.90 ACRES - W/2			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19.	Proposed	d Depth 3717'	20. BLM/F	BIA Bond No. on file			
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22 A	рргохіп	nate date work will star	t*	23. Estimated duration	on		
6811' GL					<u> </u>			
	24	. Attac	chments					
The following, completed in accordance with the requirements of Onshor	e Oil a	ınd Gas	Order No. 1, must be at	tached to thi	s form:			
 Well plat certified by a registered surveyor. A Drilling Plan. 			Item 20 above).	-	s unless covered by an	existing b	ond on file ((see
3 A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service office).	Lands	, the	5. Operator certific 6. Such other site sp BLM~		mation and/or plans as	may be re	equired by th	ie
25 Signature			(Printed/Typed) Jy James			Date 04/	06/2006	
Title Senior Associate	*****					<u> </u>		
Approved by (Signature)		Name	(Printed/Typed)			Date	,181	_ ح
Title Army Arm		Office					τ - †	
Application approval does not warrant or certify that the applicant hole	is lega	orequit	able title to those right:	s in the subj	ect lease which would e	ntitle the a	pplicant 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 juris iction.

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 submited 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

Commission of the Commission o

PRINTED TO SELECTE AND ADDRESS OF SELECTED TO SELECTED THE SELECTED TO SELECTE



^{*(}Instructions on page 2)

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

²Pool Code

71629

'API Number

30-045-33691

*Property Code

31354

'OGRID No.

217817

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 Ubmit to Appropriate District Office

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

*Pool Name

BASIN FRUITLAND COAL

AMENDED REPORT

Well Number

2R

°Elevation

6811

WELL LOCATION AND ACREAGE DEDICATION PLAT

*Property Name

SAN JUAN 32 FEDERAL 15

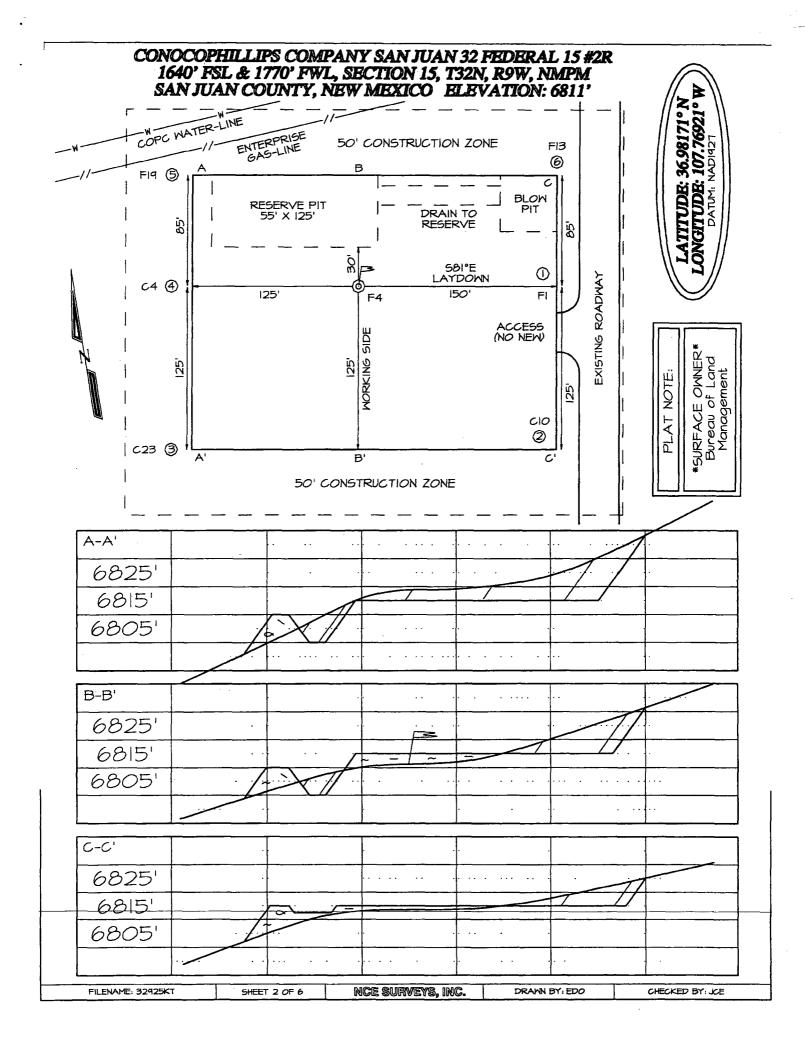
*Operator Name

CONOCOPHILLIPS COMPANY

		<u>.</u>			¹⁰ Surface	Location						
UL or lot no.	Section	Township	Range	Lot-Idn	Feet from the	North/South line		t from the	East/West line	County		
K	15	32N	9W [,]		1640	SOUTH		1770	WEST	SAN JUAN		
UL or lot no.	Section	11 E	Range	Hole L	ocation I	f Different		m Surf	ace East/West line	County		
GE G. 100 100.	Section	TOWNER	Nange	COC IGI	FEEL ITOM LIE	No av soudi iliz		e ii qiir use	Cost/Rest Tite	Cooley		
Pedicated Acres 316.90 ACres - (W/2) 33 Joint or Infill A Consolidation Code Acres Order No.												
NO ALLOW	ABLE W	ILL BE / OR A	ASSIGNEI NON-ST) TO TH ANDARD	IS COMPLETI UNIT HAS BE	ON UNTIL ALL EN APPROVED	INTE BY T	RESTS H HE DIVI	AVE BEEN CO SION	NSOL IDATED		
16 LOT 4	-		52 OT 3	36.44'	LOT 2	LOT 1		I hereby contains to the to	E. Chavez			
LOT 5	-	<u></u>	0T 6		LOT 7	LOT 8	Proje Title Date		ts & Operat 1ch /b, EYOR CERTI	2006		
LOT 12 L	SF-0" /305,0	ASE 18687 15 acre 58.9028 N 46.1523 W NAD27	LOT	15-	 LOT 10	LOT 9	1 5289.2	Date o	/ \ \ \ \ \	NE 6, 2005 ssional Surveyor		
L07 13	-	1640'	LOT 14	39.08	LOT 15	LOT 16		JAS Certif	ASON C. EDWARD			



Submit 3 Copies To Appropriate District Office	State	of New M	exico		Fonn C- 1 03
District I	Energy, Minera	als and Nati	ural Resources		May 27, 2004
1625 N. French Dr., Hobbs, NM 88240 District 11				WELL API	
1301 W. Grand Ave., Artesia, NM 882 1 (OIL CONSE	RVATION	N DIVISION		7-045-33691 Type of Lease
<u>District III</u> I 000 Rio Brazos Rd., Aztec, NM 8741 0	1220 So	uth St. Fra	ncis Dr.	STA	
District IV	Santa	Fe, NM 8	7505		& Gas Lease No.
1220 S. St. Francis Dr., Santa I e, NM 87505					
SUNDRY NO		7. Lease Name or Unit Agreement Name			
(DO NOT USE THIS FORM FOR PROP DIFFERENT RESERVOIR. USE "APPL	OSALS TO DRILL OR TO D	EEPEN OR PL	UG BACK TO A		
PROPOSALS.)		014.10 101)1			N JUAN 32 FEDERAL 15
1. Type of Well: Oil Well	Gas Well Other			8. Well Nu	ZK
2. Name of Operator Con	ocoPhillips Company			9. OGRID	Number 217817
3. Address of Operator	1 7			I 0. Pool na	ame or Wildcat
	Penbrook, Odessa, TX	79762		BA	SIN FRUITLAND COAL
4. Well Location				1	
Unit Letter K	1640feet from tl	he SOUT	H line and	1770 fe	eet from the WEST line
Section15	Township	32N R	ange 9W	NMPM _	SAN JUAN County
	I 1. Elevation (Show	whether DR 681			
Pit or Below -grade Tank Application	Closure /	081	>1000		
	water 30' Distance from	nearest fresh v		Distance	from nearest surface water 360'
Liner Thickness: 12 m			· · · · · · · · · · · · · · · · · · ·		Material: Synthetic
	Appropriate Box to	111		Report or C	Other Data
12. Check	Appropriate Box to	maicate iv	ature of Notice, i	exception c	The Bata
	NTENTION TO:	_			REPORT OF:
PERFORM REMEDIAL WORK	•	иΠ	REMEDIAL WORK		ALTERING CASING
TEMPORARILY ABANDON [PULL OR ALTER CASING] CHANGE PLANS] MULTIPLE COMPL	님	COMMENCE DRIL		. D P AND A D
TOLL ON ALTER GASING	1 MOLIN EL COMPL	Ц	CASING/CEMENT	306	
OTHER:			OTHER:		
					nt dates, including estimated date
or starting any proposed v	vork). SEE RULE I I U3	. For Multip	ie Completions: Atta	ich weilbore	diagram of proposed completion
or recompletion.					
The pit will be constructed with the NMOCD See the					
The drill pit will be lined.					e proposed wermead.
220 0222 620 0220	wasan par wana oo ooo		on has seen temple		
_					
I hereby certify that the information grade tank has been/will be constructed o	above is true and compler closed according to NMOC	te to the best D guidelines	of rny knowledge and , a general permit □ o	d belief. I fur or an (attached)	ther certify that any pit or below- alternative OCD-approved plan
SIGNATURE Peggy James	•	TITLE Se	nior Associate		DATE 04/06/2006
Tyma or wint name	п	nail addunas ==	aas a jamaa (daaraa a 1:	lling come	T-11
Type or print name For State Use Only	E-m	iaii address pe	ggy.s.james@conocophi	mps.com:	Telephone No.: (432)368-1230
A STATE USE UNIV		ga,ren	70 0°5°		HIM 1 0 000
APPROVED BY: Conditions of Approval (if any):	Mar	TITLE	puty oil & gas insi	PECTOR, DIST	DATE JUN 1 2 ZUU6





PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32 FED 15 2R

Casing Points (TVD in Ft) (Ft) (Yes/No) (PSIG) BHT Remarks								·				
Procession Pro	Lease:				1.	AFE #: WAN.CBM.6118 AFE \$:						
Res. Engineer: Peterson, Brad T	Field Name: CBM	DRILL BLOCK	(S	Rig: 32	20-2419		,	State: NM	County: SAN JUAN	API #:		
Res. Engineer: Peterson, Brad T	Geoscientist: We	ntz, Robert M	•	Phone:	832-486-20	056	Prod.	Engineer: Lim	ıb, H G	Phone: 1-832-486-2427		
	Res. Engineer: Pe	eterson, Brad	T	Phone:	486-2055		Proj. I	Field Lead:		Phone:		
Location Surface												
Location Surface	Zone	Zone Name)									
Latitude: 36.981710 Longitude: -107.769205 X:	JCV	BASIN FRUI	TLAND COAL	(GAS)								
Latitude: 36.981710 Longitude: -107.769205 X:				. ,								
Latitude: 36.981710 Longitude: -107.769205 X:												
Latitude: 36.981710 Longitude: -107.769205 X:												
Latitude: 36.981710 Longitude: -107.769205 X:	Novembra Suice	ra e e e e e e e e e e e e e e e e e e e	Deima Ca	ara anya	D) 33/		(c) 1 (2 (c))					
Footage X: 1770 FWL	HARAMATA AN AN AN AN AND AND AN AND AND AND AND	esta con contrata de la constanta de la consta	Annaham mendengan		MATERIAL SOLVENIES		V.		Section: 15	Pango, OW		
Tolerance: 200 Location Type:				-		011		Townships 22N	<u> </u>	Kange. 9w		
Location Type: Start Date (Est.): Completion Date: Date In Operation:		rvvL rootag	ge 1: 1040 F3)L	Elevation: 6	911	(FI)	Township: 32N				
Formation Data:				C1 1 D	. (5.1.)			1.11 5.1	D I. 7	. 0		
Depth Casing Points Casi	Location Type:			Start D	ate (Est.):		Cor	npletion Date:	Date Ir	n Operation:		
Casing Points CTVD in Ft) CFt CYes/No) CFSIG BHT Remarks	Formation Data:	Assume KB :	= 6827 l	Jnits =	FT							
Surface Casing 213 6614	Formation Call & Casing Points						ВНТ		Remark	(S		
NCMT	SAN JOSE		16	6811								
NCMT	Surface Casing		213	6614					9 5/8" 32.3 ppf, H-40,	STC casing. Circulate cement		
CIAM	NCMT		907	5020				to surrace.				
RRLD								Possible water	flows.			
Intermediate Casing 3232 3595 Possible gas. Intermediate Casing 3262 3565 Septimized Surface. Reference Type Well Name Intermediate Septimized Septimize	KRLD				П			, , , , , , , , , , , , , , , , , , , ,				
Surface. Supface. Supface. Supface. Supface. Supface. Supface. Supface. Supface. Supface. Supface. Supface.	FRLD		3232	3595				Possible gas.				
September Sept	Intermediate Casin	ıg	3262	3565					7", 20 ppf, J-55, STC C	asing. Circulate cement to		
BASE MAIN COAL 3467 3360	TOP COAL		3202	3535				surrace.				
PC TONGUE 3587 3240										•		
BASE LOWEST COAL 3647 3180 PCCF 3652 3175 Total Depth 3717 3110 6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented. Reference Velis Reference Type Well Name Intermediate 32-9 #215 Intermediate 32 FED 15 #2 Intermediate 32 FED 15 #2A Intermediate 32 FED 15 #1A Intermediate 32 FED 22 #2A Regional Pograms Intermediate Logs: Log only if show GR/ILD Triple Combo Triple Combo	PC TONGUE				П							
Total Depth 3717 3110		AL										
Reference Type Well Name Comments Intermediate 32-9 #215 Neu-Ind Intermediate 32 FED 15 #2 Mudlog - GR TD includes 80 feet sump/rathole & COPC will comply with Intermediate 32 FED 15 #2A the BLM's Conditions of Approval for the proposed Intermediate 32 FED 15 #1A sump/rathole in this non-producing Pictured Cliffs Intermediate 32 FED 22 #2A Intermediate Comments Intermediate Section 15 #1A Sump/rathole in this non-producing Pictured Cliffs Intermediate Section 25 #2A Intermediate Comments Intermediate Section 25 #2A Intermediate Comments Intermediate Section 32 FED 22 #2A Intermediate Comments Intermediate Section 32 FED 22 #2A Intermediate Comments Intermediate Section 32 FED 22 #2A Intermediate Section 3	PCCF		3652						•			
Reference Type Well Name Comments Intermediate 32-9 #215 Neu-Ind Intermediate 32 FED 15 #2 Mudlog - GR 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 Intermediate 32 FED 15 #1A sump/rathole in this non-producing Pictured Cliffs formation Legging/Pegrame Intermediate Logs: Log only if show GR/ILD Triple Combo	Total Depth		3717	3110						9.5". Optional Liner: 5.5",		
Reference Type Well Name Comments Intermediate 32-9 #215 Neu-Ind Intermediate 32 FED 15 #2 Mudlog - GR TD includes 80 feet sump/rathole & COPC will comply with Intermediate 32 FED 15 #2A the BLM's Conditions of Approval for the proposed Intermediate 32 FED 15 #1A sump/rathole in this non-producing Pictured Cliffs Intermediate 32 FED 22 #2A Logging Programs Intermediate Logs: Log only if show GR/ILD Triple Combo	ReferenceWell	3.					10	13.3#, 5-33 L	ic - left uncernented.			
Intermediate 32 FED 15 #2 Mudlog - GR 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 Logging Pogram:	Reference Type	Committee of the Commit	201-04-001-4-2010-001-001-001-001-001-001-001-001-00	il e e successiva	Comment	is	STATE STATE OF THE STATE OF					
Intermediate 32 FED 15 #2A the BLM's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs formation Intermediate 32 FED 22 #2A Logging Programs Intermediate Logs: Log only if show GR/ILD Triple Combo	Intermediate	32-9 #215			Neu-Ind							
Intermediate 32 FED 15 #1A sump/rathole in this non-producing Pictured Cliffs formation [Logging Programs Intermediate Logs: Log only if show GR/ILD Triple Combo	Intermediate				Mudlog - G		nclude	s 80 feet sump	rathole & COPC will	comply with		
Intermediate 32 FED 22 #2A	Intermediate					the E	BLM's (Conditions of A	pproval for the propos	sed fo		
Logging Programs Intermediate Logs: Log only if show GR/ILD Triple Combo		1						e in this non-p	roducing Pictured Cili	iis		
Intermediate Logs: Log only if show GR/ILD Triple Combo	Intermediate	32 FED 22 #2	2A									
Intermediate Logs: Log only if show GR/ILD Triple Combo												
			v if chave	CD/TI F	, [] -::-i	o Comb-						
TD Logs: Triple Combo Dipmeter RFT Sonic VSP TDT	micrineulate Logs	· Log on	y 11 5110W	GK/ILL	, <u> </u>							
TD Logs:												
	TD Logs:	Triple C	Combo D	ipmeter	RFT [☐ Sonic [□ vsi	TDT				
				(1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -			•					

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PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32 FED 15 2R

Additional Information	tion:				
Log Type	Stage	From (Ft)	Tool Type/Name	Remarks	

Comments: General/Work Description - Provide funds to drill and complete the Fruitland Coal formation in the San Juan 32 Fed 15 # 2R located in the SW 1/4 of Section 15, T32N, R9W, Basin Fruitland Coal Field, San Juan County, New Mexico.

Drill and complete a Fruitland coal well. Replacement for 32 Fed 15 #2 well. Obtain a mudlog from intermediate casing to TD.

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

Printed on: 4/4/2006 9:39:51 AM

TOPSET FRUITLAND COAL Wells: (topset casing above coal to prepare for cavitation/DO/UR)

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist/nitrogen 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

CASE & FRAC FRUITLAND COAL Wells: (casing set below coal to prepare for frac completion)

Drilling Mud Program:

Surface: spud mud

Production: 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 Production: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, 8th,

10th joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

MESA VERDE Wells:

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, 3'd, & 4th joints Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, 8, 8, 8, 8, 10 collar and at the top of the 2nd, 4th, 6th, 8, 10 collar and at the top of the 2nd, 4th, 6th, 8, 10 collar and at the top of the 2nd, 4th, 6th, 8th, 8, 10 collar and at the top of the 2nd, 4th, 6th, 8th, 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

DAKOTA Wells:

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist/nitrogen drilling media with foamer, polymer, & corrosion inhibitor as needed

Centralizer Program:

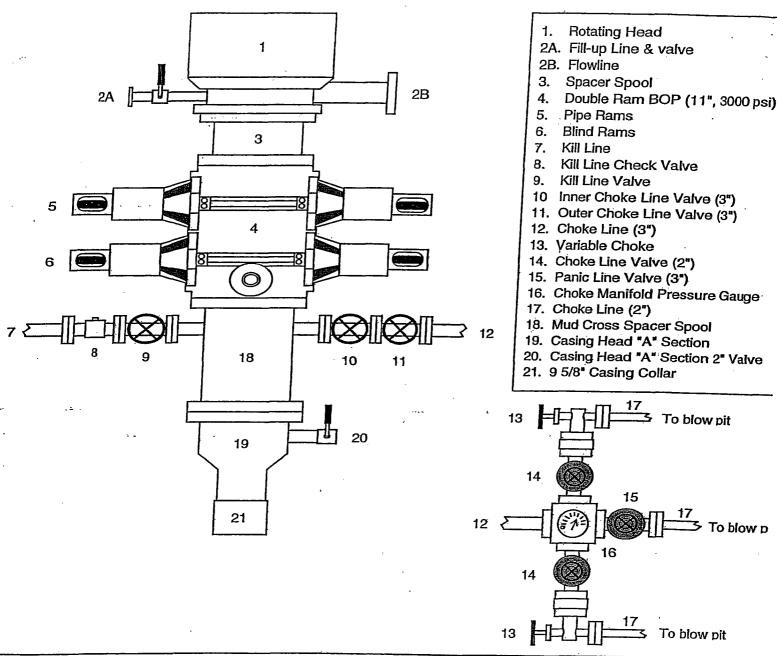
Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, 8th

10th ioints

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

Option 2 214 sx Comp. Strength 46.2 bbis 6 hrs 250 psi 259.5 cuft 8 hrs 500 psi 1.21 ft³/sx 15.6 ppg 5.29 gal/sx Standard Cement + 3% Calcium Chloride + 0.25 lb/sx Flocele	Option 2 381 sx Comp. Strength 197.2 bbls 12 hrs 306 psi 1107.3 cuff 24 hrs 433 psi 2.91 ft³/sx 48 hrs 531 psi 11.5 ppg 16.88 gal/sx Standard Cement + 3% Econolite (Extender) + 0.25 lb/sx Flocele + 10 lb/sx Gilsonite	Option 2 95 sx Comp. Strength 22.6 bbls 3:50 500 psi 126.9 cuft 12 hrs 1281 psi 1.33 ft³(sx 24hrs 1950 psi 13.5 ppg 5.36 gal/sx 50/50 Poz: Standard Cement + 2% Bentonite + 0.25 lb/sx Flocele + 5.0 lb/sx Gilsonite + 2% Calcium Chloride
Option 1 222 sx Comp. Strength 46.2 bbls 6 hrs 250 psi 259.5 cuft 8 hrs 500 psi 1.17 ft³/sx 15.8 ppg 4.973 gal/sx Class G Cement + 3% S001 Calcium Chloride + 0.25 lb/sx D029 Cellophane Flakes	Option 1 424 sx Comp. Strength 424 sx Comp. Strength 197.2 bbls 2:37 50 psi 1107.3 cuft 40 hrs 500 psi 2.61 ft³/sx 11.7 ppg 15.876 gal/sx Class G Cement + 0.25 lb/sx D029 Cellophane Flakes + 3% D079 Extender + 0.20% D046 Antifoam + 1.0.20% D046 Antifoam	Option 1 100 sx Comp. Strength 22.6 bbls 22.6 bbls 24 hrs 908 psi 126.9 cuft 1.27 ft³/sx 13.5 ppg 5.182 gal/sx 50/50 Poz: Class G Cement + 0.25 lb/sx D029 Cellophane Flakes + 2% S001 Calcium Chloride + 2% D020 Bentonite + 5.0 lb/sx D024 Gilsonite Extender + 0.2% D046 Antifoamer
HOLE: 13.5 " SURFACE CSG OD: 9.625 " 0.001 " 0	HOLE: 8.75 " CSG OD: 7 " CSG ID: 6.456 " WGT: 20 ppf GRADE: J-55 EXCESS: 160 % TAIL: 300'	DEPTH: STATA '

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing

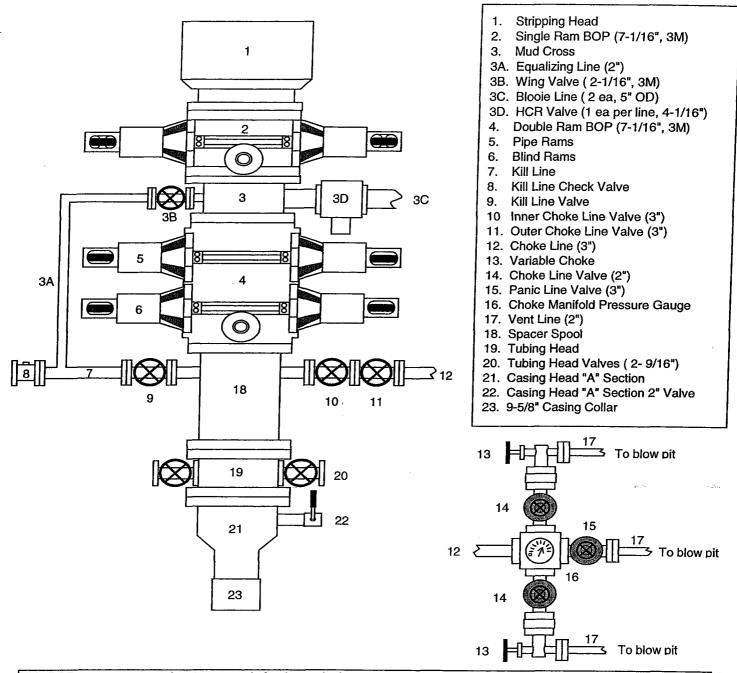


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Cavitation Program



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 FE	DERAL 1	<u>5</u>	Well #	:	2R		
Surface Loc	ation:								
Unit: K	_Section	on: 15 To	wnship:	32N	_Range:	9W			
County: SA	AN JUA	N		State	: New M	exico			
Footage:	1640	from the	SOUTH	line	1770	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.