

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NMSF-079353 Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator ConocoPhillips	7. Unit Agreement Name San Juan 32-8 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name
4. Location of Well Unit H (SENE), 1890' FNL & 915' FEL, Latitude 36° 59.1267'N Longitude 107° 38.3120'W	9. Well Number #266
	10. Field, Pool, Wildcat Basin Fruitland Coal
	11. Sec., Twn, Rge, Mer. (NMPM) H Sec. 14 T32N, R08W, NMPM API # 30-045-33765
14. Distance in Miles from Nearest Town	12. County San Juan
	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 915'	
16. Acres in Lease	17. Acres Assigned to Well FC - 320 acres E/2
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease	
19. Proposed Depth 3895'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 7009' GL	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Patsy Clugston</u> Sr. Regulatory Analyst	<u>5/26/06</u> Date

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

Archaeological Report submitted separately  
Environmental Assessment is attached.

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes 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 presentations as to any matter within its jurisdiction.

This is not an HPA well

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".

NMCCD

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

2005 MAY 26 PM 1:05 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33765		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 31330	*Property Name SAN JUAN 32-8 UNIT		*Well Number 266
*GRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 7009

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
H	14	32N	8W		1890	NORTH	915	EAST	SAN JUAN

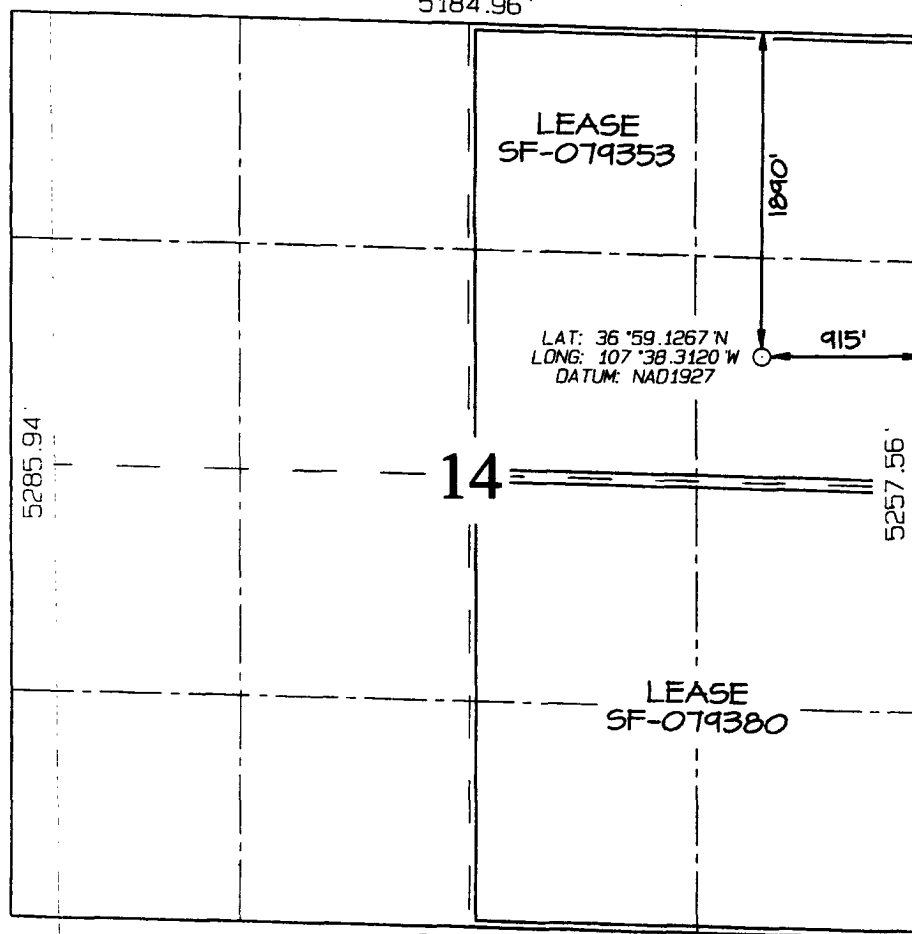
11 Bottom Hole Location If Different From Surface

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

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

5184.96'



5194.86'

<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Virgil E. Chavez</i> Signature Virgil E. Chavez Printed Name Projects & Operations Lead Title <i>April 27, 2006</i> Date	
<b>18 SURVEYOR CERTIFICATION</b> 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: MARCH 17, 2005 Signature and Seal of Professional Surveyor  <i>JASON C. EDWARDS</i> Certificate Number 15269	

Office

Energy, Minerals and Natural Resources

May 27, 2004

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

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-045-

33765

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil &amp; Gas Lease No.

Federal Lease - SF-079353

7. Lease Name or Unit Agreement Name

San Juan 32-8 Unit

8. Well Number

#266

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

3401 E. 30TH STREET, FARMINGTON, NM 87402

4. Well Location

Unit Letter H

:

1890'

feet from the

North

line and

915'

feet from the

East

line

Section 14

Township 32N

Rng 8W

NMPM

County

San Juan

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

7009' GL

Pit or Below-grade Tank Application

or Closure ☐

Pit type

New Drill

Depth to Groundwater

&gt;100'

Distance from nearest fresh water well

&gt;1000'

Distance from nearest surface water

&gt;1000'

Pit Liner Thickness:

12

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

OTHER:

New Drill ☒

## SUBSEQUENT REPORT OF:

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

Patsy Clugston

TITLE

Sr. Regulatory Analyst

DATE

5/26/2006

Type or print name

Patsy Clugston

E-mail address:

pclugston@br-inc.com

Telephone No.

505-326-9518

For State Use Only

APPROVED BY

[Signature]

TITLE

DEPUTY OIL &amp; GAS INSPECTOR, DIST. 1

DATE

JUN 28 2006

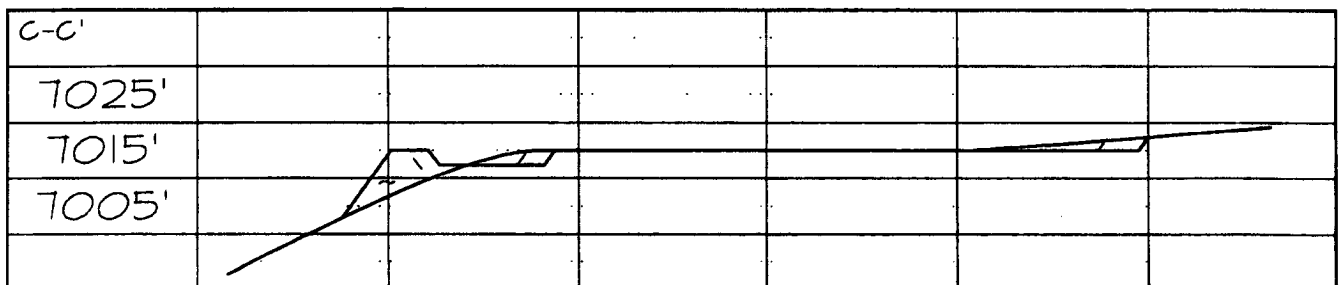
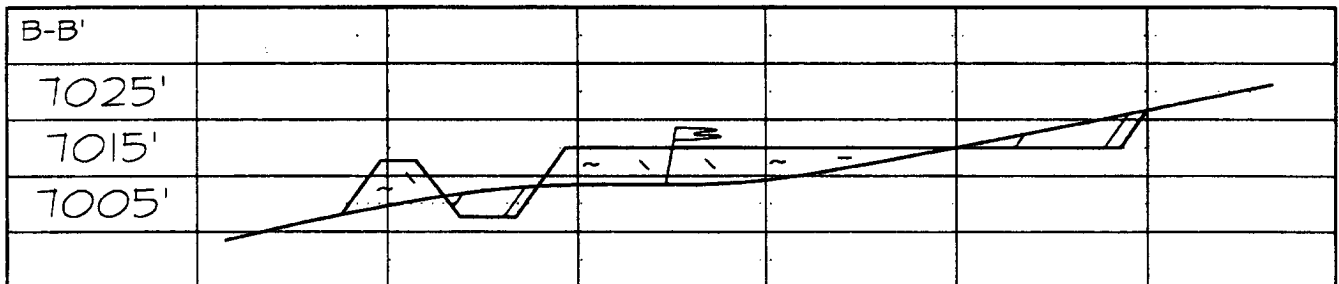
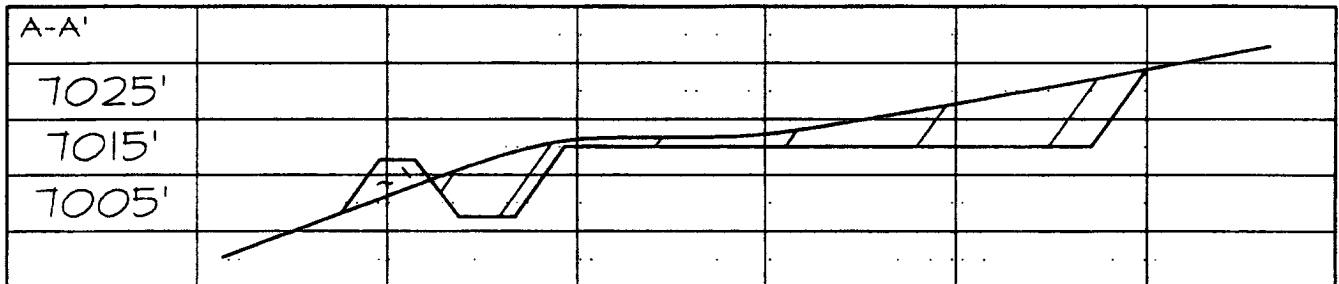
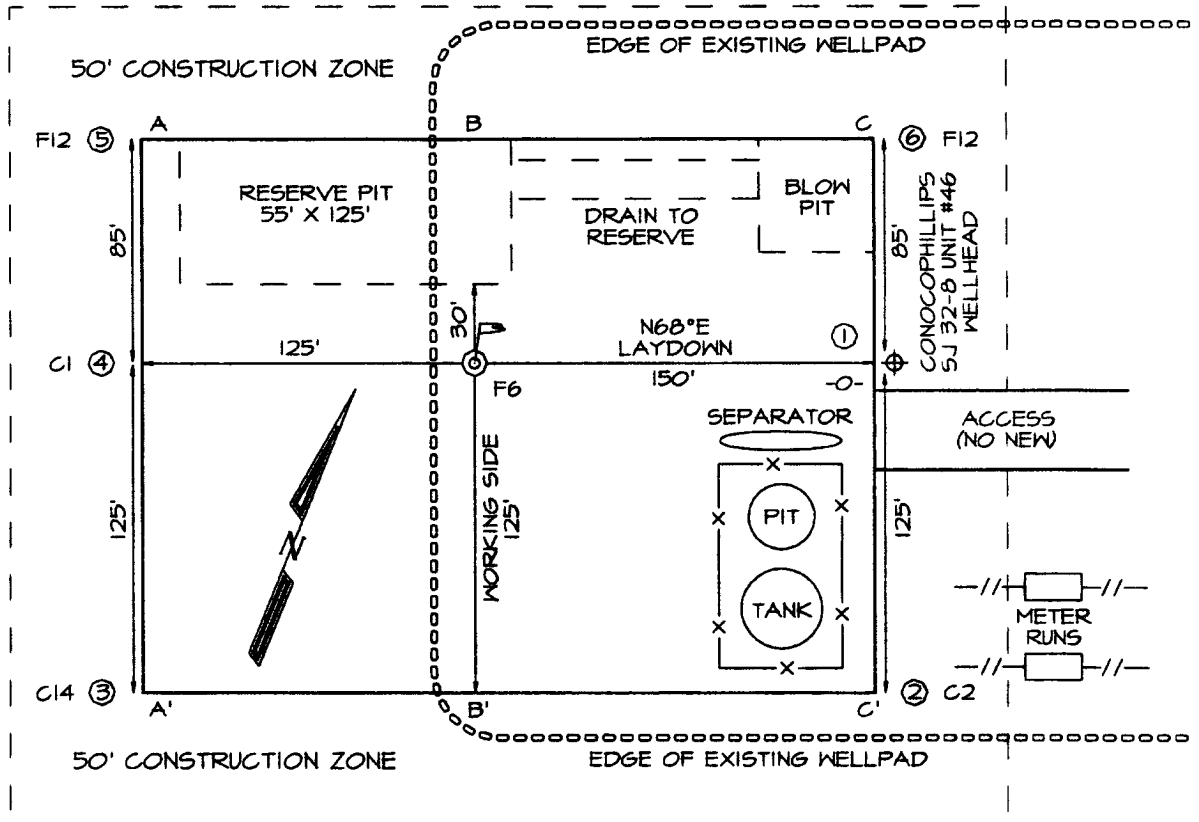
Conditions of Approval (if any):

**CONOCOPHILLIPS COMPANY SAN JUAN 32-8 UNIT #266**  
**1890' FNL & 915' FEL, SECTION 14, T32N, R8W, NMPM**  
**SAN JUAN COUNTY, NEW MEXICO ELEVATION: 7009'**

**LATITUDE: 36.98544° N**  
**LONGITUDE: 107.63853° W**  
 DATUM: NAD1927

PLAT NOTE:

\*SURFACE OWNER\*  
 Bureau of Land  
 Management



# PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-8 266

Lease: AFE #: WAN.CBM.6112 AFE \$:  
 Field Name: 32-8 Rig: 320-2419 State: NM County: SAN JUAN API #:  
 Geoscientist: Wentz, Robert M. Phone: 832-486-2056 Prod. Engineer: Limb, H G Phone: 1-832-486-2427  
 Res. Engineer: Price, Ashley G Phone: 832-486-3060 Proj. Field Lead: Phone:

## Primary Objective (Zones):

Zone	Zone Name
JCV	BASIN FRUITLAND COAL (GAS)

**Location:** Surface **Datum Code:** NAD 27 **Straight Hole**  
 Latitude: 36.985440 Longitude: -107.638530 X: Y: Section: 14 Range: 8W  
 Footage X: 915 FEL Footage Y: 1890 FNL Elevation: 7009 (FT) Township: 32N  
 Tolerance:  
 Location Type: Start Date (Est.): Completion Date: Date In Operation:

Formation Data: Assume KB = 7025 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	216	6809	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1155	5870	<input type="checkbox"/>			
CJAM	2485	4540	<input type="checkbox"/>			Possible water flows.
KRLD	2665	4360	<input type="checkbox"/>			
FRLD	3425	3600	<input type="checkbox"/>			Possible gas.
TOP COAL	3570	3455	<input type="checkbox"/>			
BASE MAIN COAL	3685	3340	<input type="checkbox"/>			
PC TONGUE	3725	3300	<input type="checkbox"/>			
TOP LOWEST COAL	3880	3145	<input type="checkbox"/>			
BASE LOWEST COAL	3890	3135	<input type="checkbox"/>			
Total Depth	3895	3130	<input type="checkbox"/>			7 7/8" Hole. 5 1/2", 17 ppf, N-80, LTC Casing. Circulate cement to surface.
PCCF	3900	3125	<input type="checkbox"/>			

## Reference Wells:

Reference Type	Well Name	Comments
Intermediate	32-8 #46	
Intermediate	32-8 #41	
Intermediate	32-8 #45	
Intermediate	32-8 #49	

# PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-8 266

## Logging Program:

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

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

Mud Log

Additional Information:

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks
----------	-------	-----------	---------	----------------	---------

Comments: Zones - No sump allowed, well is in the Albino PC gas pool. APD should include "mudloggers will be used in order to prevent drilling into the Pictured Cliffs Fm.". Use mudloggers from 3000' to TD. Case and frac completion, no intermediate casing.

General/Work Description - Provide funds to drill and complete the Fruitland Coal formation in the San Juan 32-8 # 266 located in the NE 1/4 of Section 14, T32N, R8W, Basin Fruitland Coal Field, San Juan County, New Mexico.

HOLE: 12.25 "  
CSG OD: 9.625 "  
CSG ID: 9.001 "  
WGT: 32.3 ppf  
GRADE: H-40  
EXCESS: 125 %  
DEPTH: 235'

**SURFACE:**  
Option 1  
148 sx  
30.8 bbls  
172.9 cuft  
1.17 ft<sup>3</sup>/sx  
15.8 ppg  
4.973 gal/sx  
Class G Cement  
+ 3% S001 Calcium Chloride  
+ 0.25 lb/sx D029 Cellophane Flakes

Option 2  
143 sx  
30.8 bbls  
172.9 cuft  
1.21 ft<sup>3</sup>/sx  
15.6 ppg  
5.29 gal/sx  
Standard Cement  
+ 3% Calcium Chloride  
+ 0.25 lb/sx Flocele

Option 3  
499 sx  
233.9 bbls  
1313.4 cuft  
2.63 ft<sup>3</sup>/sx  
11.7 ppg  
15.92 gal/sx  
Class G Cement  
+ 3% D079 Extender  
+ 0.20% D046 Antifoam  
+ 1.0 lb/bbl CemNet

**PRODUCTION LEAD:**

Option 1  
483 sx  
233.9 bbls  
1313.4 cuft  
2.72 ft<sup>3</sup>/sx  
11.7 ppg  
15.74 gal/sx  
Class G Cement  
+ 3% D079 Extender  
+ 0.20% D046 Antifoam  
+ 1.0 lb/sx Phenoseal

Option 2  
505 sx  
233.9 bbls  
1313.4 cuft  
2.60 ft<sup>3</sup>/sx  
11.5 ppg  
14.62 gal/sx  
Type III Ashgrove Cement  
+ 30 lb/sx San Juan Poz  
+ 3% Bentonite  
+ 5.0 lb/sx Phenoseal

Option 3  
499 sx  
233.9 bbls  
1313.4 cuft  
2.63 ft<sup>3</sup>/sx  
11.7 ppg  
15.92 gal/sx  
Class G Cement  
+ 3% D079 Extender  
+ 0.20% D046 Antifoam  
+ 1.0 lb/bbl CemNet

HOLE: 7.875 "  
CSG OD: 5.5 "  
CSG ID: 4.892 "  
WGT: 17 ppf  
GRADE: N-80  
EXCESS: 150 %  
TAIL: 779'

Option 1  
262 sx  
61.1 bbls  
343.0 cuft  
1.31 ft<sup>3</sup>/sx  
13.5 ppg  
5.317 gal/sx  
50/50 Poz: Class G Cement  
+ 0.25 lb/sx D029 Cellophane Flakes  
+ 3% S001 Calcium Chloride  
+ 2% D020 Bentonite  
+ 1.5 lb/sx D024 Gilsontite Extender  
+ 0.1% D046 Antifoamer  
+ 6 lb/sx Phenoseal

Option 2  
258 sx  
61.1 bbls  
343.0 cuft  
1.33 ft<sup>3</sup>/sx  
13.5 ppg  
5.52 gal/sx  
50/50 Poz: Standard Cement  
+ 2% Bentonite  
+ 6.0 lb/sx Phenoseal

Option 3  
268 sx  
61.1 bbls  
343.0 cuft  
1.28 ft<sup>3</sup>/sx  
13.5 ppg  
5.255 gal/sx  
50/50 Poz: Class G Cement  
+ 2% D020 Bentonite  
+ 5.0 lb/sx D024 Gilsontite Extender  
+ 2% S001 Calcium Chloride  
+ 0.1% D046 Antifoamer  
+ 0.15% D065 Dispersant  
+ 1.0 lb/bbl CemNet

**PRODUCTION TAIL:**

Option 1  
262 sx  
61.1 bbls  
343.0 cuft  
1.31 ft<sup>3</sup>/sx  
13.5 ppg  
5.317 gal/sx  
50/50 Poz: Class G Cement  
+ 0.25 lb/sx D029 Cellophane Flakes  
+ 3% S001 Calcium Chloride  
+ 2% D020 Bentonite  
+ 1.5 lb/sx D024 Gilsontite Extender  
+ 0.1% D046 Antifoamer  
+ 6 lb/sx Phenoseal

Option 2  
258 sx  
61.1 bbls  
343.0 cuft  
1.33 ft<sup>3</sup>/sx  
13.5 ppg  
5.52 gal/sx  
50/50 Poz: Standard Cement  
+ 2% Bentonite  
+ 6.0 lb/sx Phenoseal

Option 3  
268 sx  
61.1 bbls  
343.0 cuft  
1.28 ft<sup>3</sup>/sx  
13.5 ppg  
5.255 gal/sx  
50/50 Poz: Class G Cement  
+ 2% D020 Bentonite  
+ 5.0 lb/sx D024 Gilsontite Extender  
+ 2% S001 Calcium Chloride  
+ 0.1% D046 Antifoamer  
+ 0.15% D065 Dispersant  
+ 1.0 lb/bbl CemNet

DEPTH: 3895'

San Juan 32-8 #266

SURFACE:

HOLE: 12.25 "  
CSG OD: 9.625 "  
CSG ID: 9.001 "  
WGT: 32.3 ppf  
GRADE: H-40  
EXCESS: 125 %

DEPTH: 235'

PRODUCTION LEAD:

Option 4

456 sx  
233.9 bbls  
1313.4 cuft  
2.88 ft<sup>3</sup>/sx  
11.5 ppg  
16.85 gal/sx  
Standard Cement  
+ 3% Econolite (Extender)  
+ 10 lb/sx Phenoseal

Comp. Strength  
1:47 50 psi  
12 hrs 350 psi  
24 hrs 450 psi

HOLE: 7.875 "  
CSG OD: 5.5 "  
CSG ID: 4.892 "  
WGT: 17 ppf  
GRADE: N-80  
EXCESS: 150 %

TAIL: 779'

DEPTH: 3895'

Option 5

625 sx  
233.9 bbls  
1313.4 cuft  
2.10 ft<sup>3</sup>/sx  
11.7 ppg  
11.724 gal/sx  
75% Type XI / 25% Class G Cement  
+ 0.25 lb/sx D029 Cellophane Flakes  
+ 3% D079 Extender  
+ 0.20% D046 Antifoam

Comp. Strength  
10:56 500 psi  
42 hrs 1012 psi

PRODUCTION TAIL:



**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 2<sup>nd</sup>, 3<sup>rd</sup>, & 4<sup>th</sup> joints

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

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

Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup>, & 10<sup>th</sup> 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:**

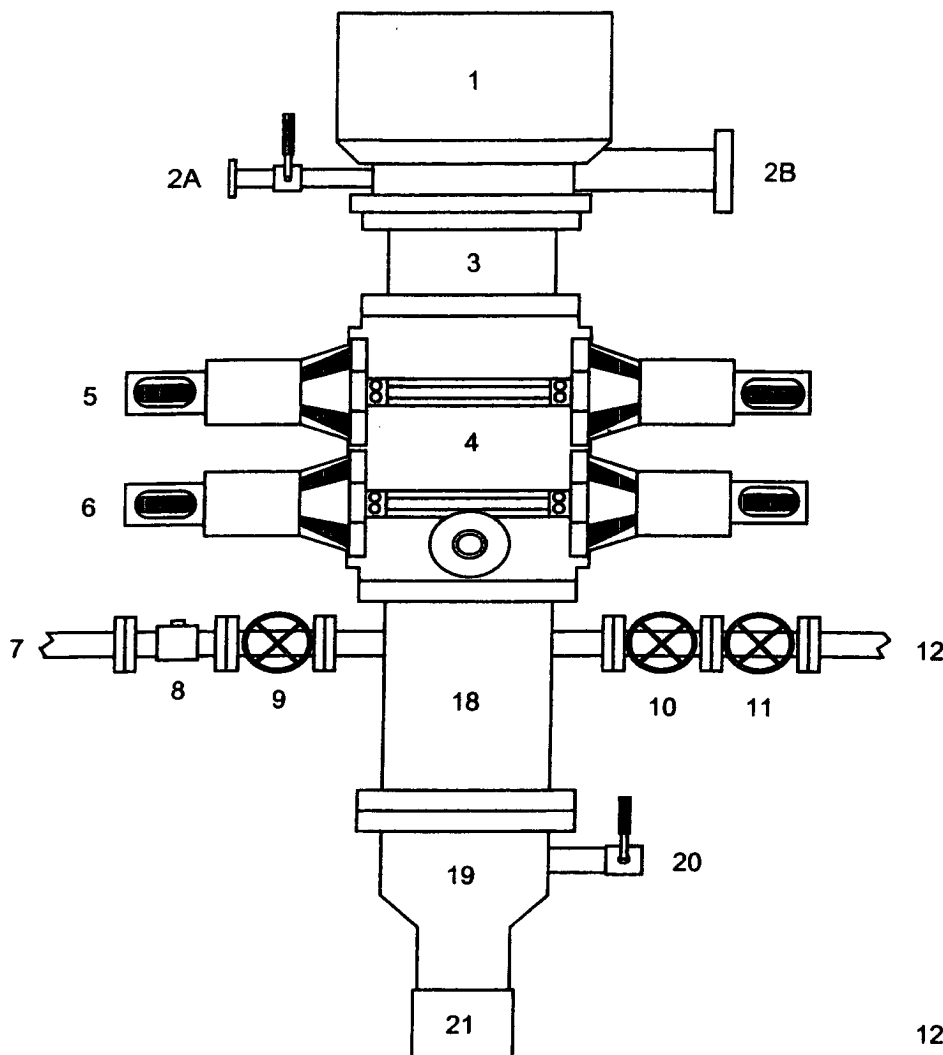
Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 3<sup>rd</sup>, & 4<sup>th</sup> joints

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

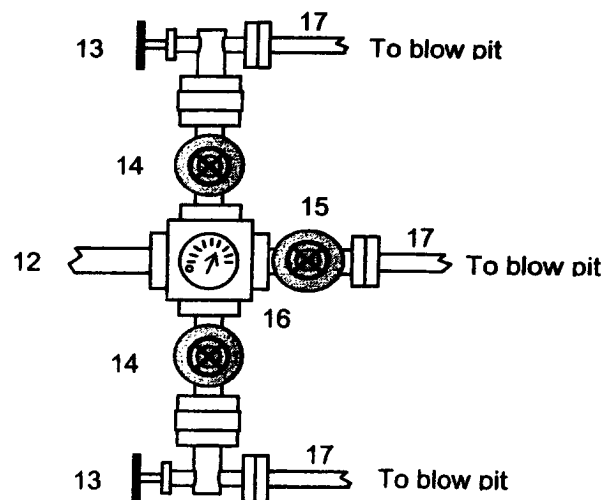
Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

**BLOWOUT PREVENTER ARRANGEMENT & PROGRAM**  
**For Drilling to Production Casing Point & Setting 5-1/2" Production 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