

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF0079029
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 checked="" type="checkbox"/> Multiple Zone		6. Indian, Allottee or Tribe Name
2. Name of Operator ConocoPhillips Company		7. Unit or CA Agreement Name and No.
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. Lease Name and Well No. San Juan 32-8 Unit #240A
3b. Phone No. (include area code) 505-599-3454		9. API Well No. 30045 31835
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit E, 1550' FNL & 730' FWL At proposed prod. zone Same as above		10. Field and Pool, or Exploratory Basin Fruitland Coal
14. Distance in miles and direction from nearest town or post office* approx. 34.5 miles NE of Aztec, NM		11. Sec., T., R., M., or Blk. and Survey or Area E Sec. 3, T31N, R8W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 730'	16. No. of Acres in lease	12. County or Parish San Juan, NM
17. Spacing Unit dedicated to this well 320.47 W/2	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	13. State
19. Proposed Depth 3727'	20. BLM/BIA Bond No. on file ES0085	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6764' GL	22. Approximate date work will start* 9/1/03	23. Estimated duration 30 days

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Patsy Clugston</i>	Name (Printed/Typed) Patsy Clugston	Date 8/7/03
Title SHEAR Administrative Assistant		
Approved by (Signature) <i>/s/ David J. Markowicz</i>	Name (Printed/Typed)	Date AUG 18 2003
Title Office		

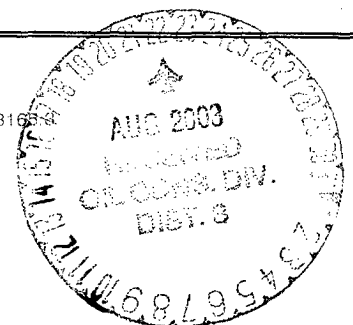
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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 Reverse)

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

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



NMOCD

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*AP# Number 30-045-31835		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 31330	*Property Name SAN JUAN 32-8 UNIT		*Well Number 240A
*GRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6764'

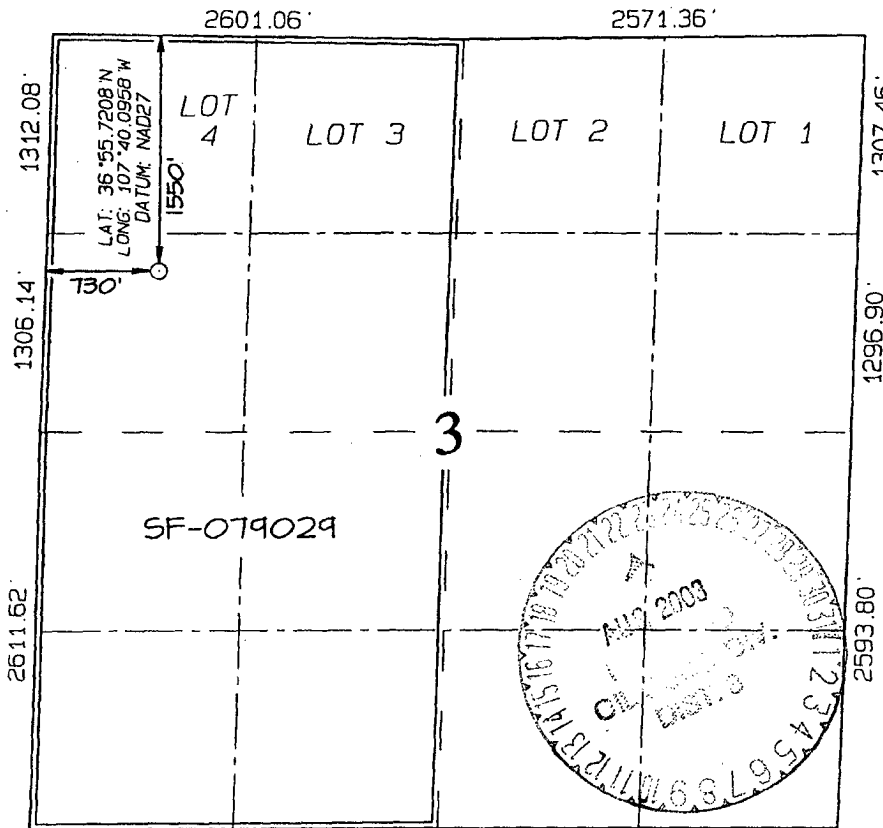
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	31N	8W		1550	NORTH	730	WEST	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 320.47 Acres - (W/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



¹⁷ OPERATOR CERTIFICATION

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

Wicki Westby
Signature

Wicki Westby
Printed Name

Sr. Analyst
Title

August 1, 2003
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.

Date of Survey: MAY 28, 2003

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

070 Farmington, NM 89415

2003 AUG - 8 AM 11:07

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CONOCOPHILLIPS COMPANY

WELL NAME: San Juan 32-8 Unit #240A

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit E (SWNW), 1550' FNL & 730' FWL
Section 3, T31N, R8W
2. Unprepared Ground Elevation: @ 6764'
3. The geological name of the surface formation is San Jose.
4. Type of drilling tools will be rotary.
5. Proposed drilling depth is 3727'.
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 842'</u>	<u>Base of lowest Coal - 3657'</u>
<u>Ojo Alamo - 2367'</u>	<u>PC Tongue - 3659'</u>
<u>Kirtland - 2427'</u>	<u>Intermediate casing - 3407'</u>
<u>Fruitland - 3146'</u>	<u>Total Depth - 3727'</u>
<u>Base of Main Coal - 3557'</u>	

TD includes 70' of sump/rathole & COPC will comply with the BLM/OCD's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs Formation.

7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Water:	<u>Ojo Alamo - 2367' - 2427'</u>
Oil:	<u>none</u>
Gas:	<u>Fruitland Coal - 3146' - 3657'</u>
Gas & Water:	<u>Fruitland Coal - 3146' - 3657'</u>

8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3#, H-40 @ 200' *
Intermediate String: 7", 20#, J/K-55 @ 3407'
Production Liner: 5-1/2", 15.5# J/K-55 @ 3387' - 3727' (see details below)

* The surface casing will be set at a minimum of 200', but could be set deeper if required to maintain hole stability.

9. Cement Program:
Surface String: 150.2 sx Class G cement with 2% bwoc CaCl₂ (S001), 0.25#/sx
Cello-Flake (D029) 1.16 cuft/sx yield = 174.27 cf

9. Cement program: (continued from Page 1)

Intermediate String:

Lead Cement: 432 sx Class G w/3% D079 (Extender) 0.25#/sx D029 (Cellephone flakes, + 0.2% D046 Flocele (All purpose antifoam agent) mixed at 11.7 ppg and yield of 2.61 cuft/sx = 1127.6 cf.

Tail: 96 sx – 50/50/G/POZ cement w/2% D020 (Bentonite Extender), 2% S001 (CaCl₂), 5#/sxD024 (Gilsonite), 1/4#/sx D029 (Celephane flakes) & 2% D046 (all purpose antifoam agent) @ a weight of 13.5 ppg and yield of 1.27 cuft/sx = 122.29 cf.

Note: ConocoPhillips Company continually works to improve the cement slurries on our wells. Our Cementing Service Companies are currently trying to improve what we are using now and before we would use a new cement program it would have to have stronger properties than we are currently using.

Centralizer Program:

Surface: Total four (4) - 10' above shoe and top of 2nd, 3rd, & 4th jts.

Intermediate: Total seven (7) - 10' above shoe and top of 1st, 2nd, 4th, 6th, 8th, & 1st jt. into shoe.

Turbulators: Total three (3) - one at 1st jt below Ojo Alamo and next 2 jts up.

Liner :

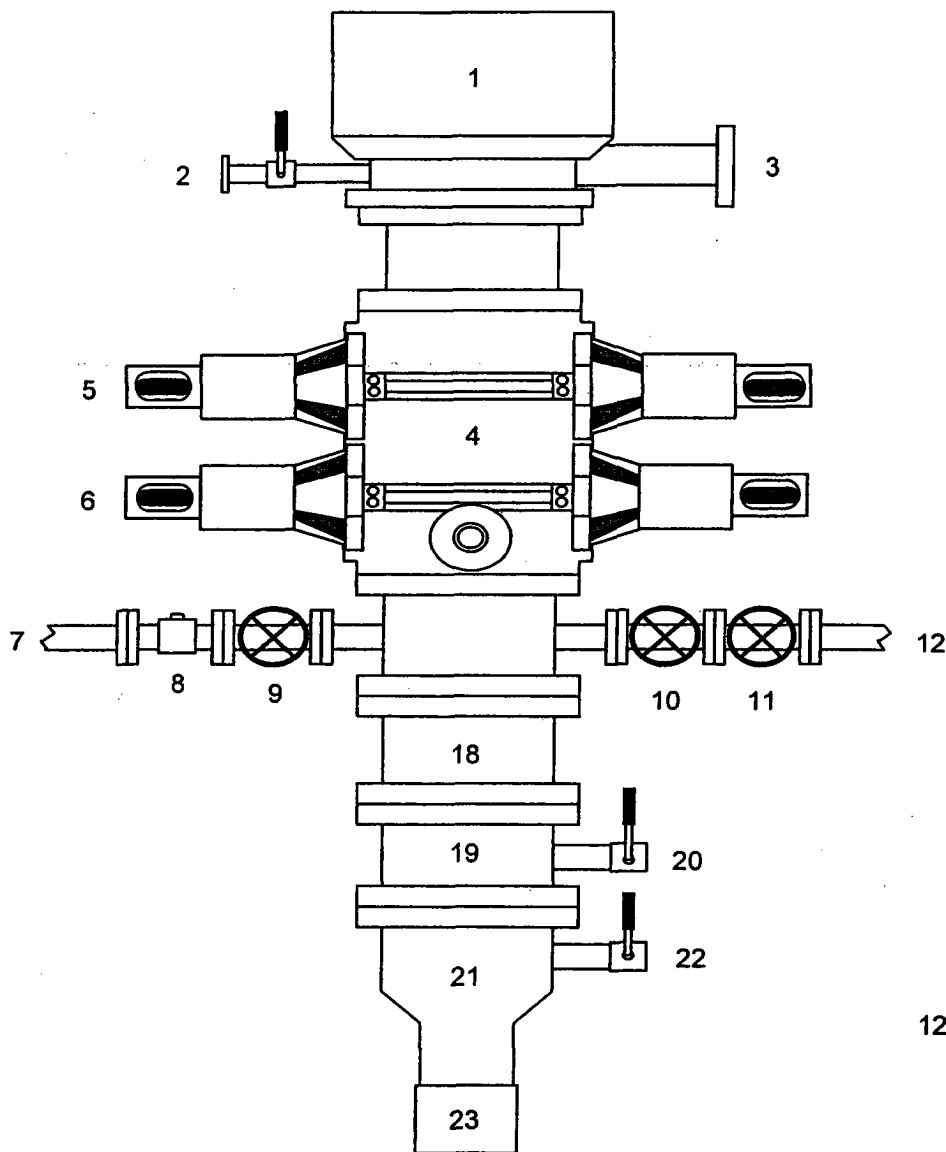
- A 5 1/2" 15.5# liner will be run in the open hole without being cemented.

Completion - depending on well conditions the:

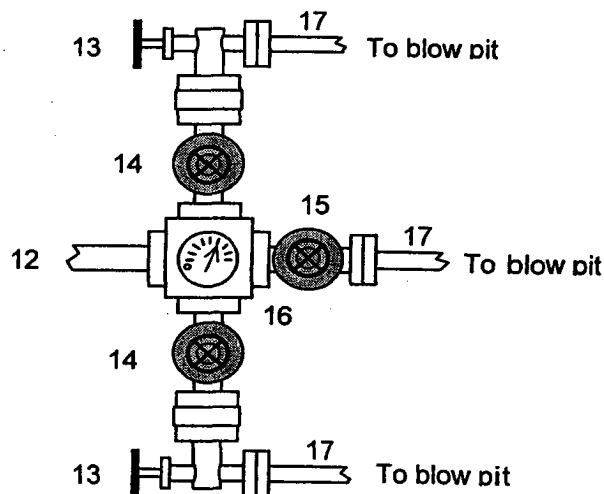
- Well will either be cavitated and a 5-1/2" liner will be run without being cemented, or
- Well will be underreamed, tubing will be set and cavitated at a later date.

10. The minimum specifications for pressure control equipment which are to be used, a schematic diagram thereof showing sizes, pressure ratings (or) API series and the testing procedure and testing frequency are enclosed within the APD packet.
11. Drilling Mud Prognosis: Surface - spud mud on surface casing.
Intermediate - fresh water w/polymer sweeps. Bentonite as required for viscosity.
Below Intermediate - air drilled.

BLOWOUT PREVENTER HOOKUP



1. Rotating Head
2. Fill-up Line & valve
3. Flowline
4. Blowout Preventer (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. Spacer Spool
19. Casing Spool "B" Section
20. Casing Spool "B" Section 2" Valve
21. Casing Head "A" Section
22. Casing Head "A" Section 2" Valve
23. 9 5/8" Casing Collar



Drilling contractors used in the San Juan Basin supply 3000 psi equipment, but cannot provide annular preventors because of sub-structure limitations. Maximum anticipated surface pressures for this well will not exceed the working pressure of the proposed BOP system. The above diagram of the BOP system details 2000 psi equipment according to Onshore Order No. 2 even though the equipment will test to 3000 psi. The 2000 psi system allows deletion of the annular preventor and fulfills your requirements.

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

The BOPs will be pressure tested according to Onshore Order #2III, A1 and 30% Safety factor.

**San Juan 32-8 Unit #240A
NMSF079029; Unit E (SWNW) 1550' FNL & 703' FWL
Section 3, T31N, R8W; San Juan County, NM**

Cathodic Protection

ConocoPhillips proposes to drill a cathodic protection deep well groundbed for the subject well. 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 existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.