Form 3 \$60-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB No. 1004-0135 Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to recent abandoned well. Use Form 3160-3 (APD) for such proposals.

NMSF 078996 If Indian, Allottee or Tribe Name

Lease Serial No.

Sil	_	 	 		-	 	_	_	_
					_		_		
_									

		U70 Fam	inalaa NM						
SUBMIT IN TRI	7. If Unit or CA/Agreement, Name and/or No.								
Oil Well A Gas Well	8. Well Name and No. SAN JUAN 32-7 218 A 9. API Well No. 30-045-31318								
2. Name of Operator CONOCOPHILLIPS CO.									
3a. Address									
P.O. BOX 2197 WL3 406		10. Field and Pool, or Exploratory Area							
4. Location of Well (Footage, Sec SEC. 7, T31N R7W NWNE, 960' FNL & 1855' I	BASIN FRUITLAND COAL 11. County or Parish, State SAN JUAN NEW MEXICO								
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA									
TYPE OF SUBMISSION									
Notice of Intent ☐ Subsequent Report		☐ Deepen ☐ Fracture Treat ☐ New Construction	Production (Start Reclamation Recomplete	/ Resume)	 □ Water Shut-Off □ Well Integrity ☑ Other CAVITATE AND 				
☐ Final Abandonment Notice	Change Plans	☐ Plug and Abandon ☐ Plug Back	☐ Temporarily Aba ☐ Water Disposal	indon	ADD LINER				
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones.									

Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ConocoPhillips proposes to cavitate this well and and the liner as per the attached procedure.



CONDITIONS OF APPROVAL Adhere to previously issued stipulations.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DEBORAH MARBERRY	Title REGULATORY ANALYST	
Signature Marlesty	Date 07/29/2003	
THIS SPACE F	OR FEDERAL OR STATE OFFICE USE	
Approved by	Title Date	===== 3
Conditions of approval, if any, are attached. Approval of this notice descrify that the applicant holds legal or equitable title to those rights in which would entitle the applicant to conduct operations thereon.	does not warrant or Office	

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and with the 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



DRILLING & COMPLETION PROCEDURE

Well Name: San Juan 32-7 #218A AFE: WSJ-A26.0001 API # 30-045-31318

Location: 960' FNL & 1855' FEL, Sec. 7 - T31N - R7W

San Juan, New Mexico

Latitude: 36 degrees, 55 minutes, 07 seconds, North Longitude: 107 degrees, 36 minutes, 33 seconds, West

Elevation: 6652' (Un-Prepared GL Elevation) RKB = GL + 13'

Field: Basin Fruitland Coal

DRILLING & COMPLETION PROCEDURE

San Juan 32-7 #218A

Note: All depths are referenced to a KB elevation of 6665' (13' above ungraded ground elevation of 6652') and should be corrected once rig KB and graded ground elevation are known.

- 1. Locate nearest area that an emergency rescue helicopter can land and document approximate distance and direction from well pad on Emergency Response page of procedure. Record well location (footages from lines, sec._ T_N R_W, County) on ConocoPhillips' Daily Drilling Report.
- 2. Hold Safety Meeting.
- 3. MI & RU Key drilling rig and drill a 12-1/4" hole to a depth of 200' minimum (drill hole to fit casing + 10') using spud mud. Hole should be drilled so that the valves on the bradenhead will be in the area of ground level.

Notify ConocoPhillips and BLM personnel at least 24 hours before running casing so that cementing may be observed if necessary.

Supervisor Consultant : DIMS / SAP - T130 District Expense and Overhead : DIMS / SAP - X200 Wellsite (Anchors set & test) : DIMS / SAP - S940

Water (to rig pit): DIMS / SAP - F310 Mobilization: DIMS / SAP - E210

Phone Satellite Communication : DIMS / SAP - F420

Trash, Trailer: DIMS / SAP - P520 Toilet Rental: DIMS / SAP - T270

Trailer Rental (Supervisor): DIMS / SAP - T260

Bits: DIMS / SAP - R120 Drilling Rig: DIMS / SAP - E110

4. RU casing crew and run 200'+ of 9-5/8" 36# J-55 casing. Utilize a Texas pattern guide shoe, baffle plate, and 1 joint shoe track. Install 4 centralizers total at: 10' above the shoe and on the top of the 2nd, 3rd, and 4th joints. Land casing.

Surface Casing: DIMS / SAP – A130 Cementing Jewelry: DIMS / SAP – J300

5. Use Wooden Plug to displace cement. Cement 9-5/8" casing with:

Spacers: 1. 20 bbls water 2. 10 bbls water w/ dye.

11. Cement the 7" casing with:

Spacers: 1. 20 bbls water 2. 10 bbls water w/ dye.

Lead: 400 sx – Class G cement with 3% bwoc Extender (D079) + 0.2% bwoc Antifoam Agent (D046) + 0.25 lbs/sx Cellophane flakes (D029) mixed at 11.7 ppg with a yield of 2.61 ft³/sx

Tail: 100 sx - 50/50 Class G/Poz with 0.25 lbs/sx Cellophane flakes (D029) + 5 lbs/sx Gilsonite extender (D024) + 2% bwoc Bentonite (D020) + 0.2% bwoc Antifoam Agent (D046) and 2% bwoc CaCl₂ (S001) mixed at 13.5 ppg with a 1.27 ft³/sx yield.

Cement & Additives : DIMS / SAP - J200

CEMENTING NOTES:

- 1. Cement slurry calculations based on cement to surface and 150% excess in open hole.
- 2. Report all cement returns in barrels and ft³ on Daily Drilling Report.
- 3. If lost circulation was encountered during drilling operations, do not use a pre-flush containing any sort of Mud Clean.
- 4. The wiper plug launcher should be rigged such that the wiper plug can be launched <u>WITHOUT</u> breaking connection.
- 12. Insure the casing remains stationary for at least 8 hours after the cement has been placed.
 - NOTE: If cement is not circulated, identify TOC with a temperature survey run 8 hours after plug down and report to ConocoPhilips personnel for reporting to the BLM as required.
- 13. ND 11" BOP. Set slips to support full string weight and cut off casing. Install trash cap.
- 14. ND and Move Out Drilling Rig

DRILLING AND CAVITATION OF COAL SEAM INTERVAL:

Experience has shown that each Fruitland Coal seam well is unique and requires different stimulation and stabilization completion techniques. It may be necessary to vary the air and water volumes with the order of listed events. However, the procedure fundamentals are to be followed closely at all times. In addition, the following special safety precautions are to be taken during the completion operations:

10 minutes. Insure check valve is installed at air manifold and a tested PSV is in the line between the compressor and the air manifold.

Under balanced Drilling Services (Compressor): DIMS / SAP - S930

- 21. RIH to float collar with 6-1/4" bit on bit sub (bored for Baker 3F4R float) with float installed, 5" Drill Collars with 1.81" 'N' nipple at top of 1st DC and 2.25" 'F' nipple on top of 1st jt of 2-7/8" DP (run enough drill collars to cover proposed open hole section). Drill float collar and float shoe.
- 22. Establish circulation with +/- 2 MMCFD and unload mud from hole to tank. Circulate until returns are clean. **Important**: Run mist pump at minimum rate of **5 BPH** until water rate of well exceeds this rate. Drill hole to TD of **3,537'** +/- (note base of bottom coal as per mud logger) with coal seam water using air/water mist while holding < 4 points on bit. Circulate on bottom while rotating & reciprocating until returns are clean. Mud Logging Services: DIMS / SAP K200

Note: Insure that a sufficient volume of produced coal seam water is on location for well control at all times and can be pumped downhole by engaging the pump.

- 23. PU & RIH with 6-1/4" bit, float, BHA and drill pipe to intermediate casing shoe.
- 24. Gauge well out 2" line. Obtain pitot reading every 15 minutes for 1 hour, and build up pressures every 15 minutes for 1 hour. (Note: This will give a preliminary indication of what to expect when cleaning out the open hole).
- 25. Establish circulation with 2+/- MMSCFD and 5 BPH Fruitland coal seam water at intermediate casing shoe.
- 26. Continue in hole to TD with the following instructions:
 - A. Maintain injection water rate at 5 BPH until well water production exceeds 5 BPH.
 - B. Drill each joint down slowly. Rotate and work each joint up and down. Keep pipe moving at all times.
 - C. Check returns. Do NOT make connection until returns are as clean as injections.
 - D. Run 10 barrel soap sweep before each connection.
 - E. Record the following data in tour book and submit on Drilling Report:
 - 1. Air volume, pressure and injection rate.
 - 2. Size and volume of cuttings and percent coal/shale.
 - 3. Water recovery rate (bucket gauge or pit gauge).
 - 4. Tight spots, bridges, etc...
 - 5. Number and types of surges including pressure.
- 27. At TD circulate hole **until returns are clean** i.e., catching less than one 5 gallon bucket of coal per hour @ sample catcher on blooey line.

Running/setting 5-1/2" production liner will be evaluated at the time the well has stabilized.

- 33. Proceed to Step No. 34 if liner is run, otherwise skip to Step No. 37.
- 34. RU to run casing. Change BOP configuration to the following, top to bottom:
 - Grant Stripping Head
 - 5-1/2" Pipe (Casing) Rams
 - 2-7/8" Pipe Rams
 - 7-1/16" X 24" mud cross with two 4-1/16" outlets, two manual valves and two 4-1/16" full opening HCR valves
 - 3-1/2" Pipe Rams
 - Blind Rams
- 35. Hold safety meeting. RIH with 5-1/2" V-bottom casing float shoe, 5-1/2" 15.5# J-55 casing (sufficient length to cover OH interval) and Baker liner hanger on drill pipe. Set liner hanger with 10 40' overlap in the 7" casing. COOH with drill pipe.
- 36. RU Blue Jet wireline. Install and test lubricator consisting of Bowen H. P. type or equivalent stuffing box rated to 5,000 psi, 4-1/2" 10.5#, J-55 casing tube rated to 4,790 psi and Bowen H. P. type or equivalent wireline BOP rated to 5,000 psi. (all connections to be rated to 5,000 psi) to SI WH pressure. Perforate 5-1/2" liner per Reservoir Engineer. RD Blue Jet. RU to run production tubing. Change BOP configuration to the following, top to bottom:
 - Grant stripping head
 - 2-7/8" pipe rams
 - 2-3/8" pipe rams
 - 7-1/16" X 24" mud cross with two 4-1/16" outlets, two manual valves and two 4-1/16" full opening HCR valves.
 - 3-1/2" pipe rams blind rams
- 37. PU and RIH with completion string as follows: Expendable pump-out check, 1 jt. 2-3/8" production tubing, 1.81" 'F' profile nipple, 2 3/8" production tubing to surface. Set bottom of tubing 20' 30' off bottom.

If liner is not run, "F" nipple and tubing across openhole interval should be flush joint with FL4S thread.

Note: Put pipe dope on pin-ends only while GIH with 2-3/8" completion string.

38. RD BOP stack. NU and test wellhead assembly. Drop and pump ball from expendable check. Flow well to pit to ensure air is removed from system and to recover fluids.

Turn well over to Production Group.

Conditions of Approval:

Notice of Intent: Cavitate this well and install a liner.

CONOCOPHILLIPS CO. San Juan 32-7 Unit # 218A 960' FNL & 1855' FEL Sec 7, T31N, R7W API No. 3004531318

- 1) All cavitation activities must be confined to the original disturbed area. Refer and adhere to the original permit requirements and the following:
 - a) All work over pits will be fenced during the cavitation operation and fenced closed after the completion of the work.
 - b) Pit must be lined with 12 mil, or greater, reinforced liner.
 - c) All coal fines must be confined to the pit. Any off location spray of coal fines must be immediately washed down with fresh water.
 - **d)** Pits must be reclaimed within 90 days of the completion of the work over operations.
- 2) Notify the Farmington Field Office Inspection and Enforcement Division @ (505) 599-8907 within 24 hours prior to commencing well bore cavitation operations.
- 3) Prior to commencing the cavitation and the installation of liner in the well bore, **BOPE** must be installed and tested in accordance with the requirements outlined in Onshore Order No. 2.
- 4) Within 30 days of completion of the operations as proposed, file one original and Three copies of Sundry Notice (form 3160-5) detailing the work conducted.