Form 3160-5
(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 re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMSF 080412A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

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

8. Well Name and No.
SAN JUAN 32-8 UNIT 253

2. Name of Operator
CONOCOPHILLIPS

Contact: DEBORAH MARBERRY
E-Mail: deborah.marberry@conocophillips.com

9. API Well No.
30-045-29460

3a. Address
P.O. BOX 2197 WL3 6108
HOUSTON, TX 77252-2197

3b. Phone No. (include area code)
Ph: 832.486.2326
Fx: 832.486.2688

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 27 T32N R8W SWNE 1824FNL 1757FEL

11. County or Parish, and State
SAN JUAN COUNTY, NM

MAY 2004
OIL CONS. DIV.
DIST. 3

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☒ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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 and 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 is requesting to recavitate and deepen this well, run a liner, and restore to production. Attached is the procedure and a new BOP schematic for the recavitation.

Verbal approval to drill sump given to D. Marberry 5/19/04.
STIPULATION: A mud logger must be on the well during deepening to monitor for gas shows in the P.C. formation.
CEH 5/19/04

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #30924 verified by the BLM Well Information System
For CONOCOPHILLIPS, sent to the Farmington
Committed to AFMSS for processing by MATTHEW HALBERT on 05/19/2004 ()

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

Name *(Printed/Typed)* DEBORAH MARBERRY — Title SUBMITTING CONTACT

Signature (Electronic Submission) — Date 05/19/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title Pet. Eng — Date 5/24/04

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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.

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

NMOCD

ConocoPhillips

ConocoPhillips Company
San Juan Area

Deepening and Recavitation Proposal:
Date: 29-April-2004

1. Well Name: San Juan 32-8 # 253

2. API #: 30-045-29460

3. Location: Unit G, 1824' FNL & 1757' FEL, Sec. 27 – T32N – R8W
   San Juan County, New Mexico

4. Elevation: 6731' (GL Elevation) Original RKB = GL + 16' = 6747'

5. Field: Basin Fruitland Coal

6. APD: Bureau of Land Management

7. Surface Land Owner: Frazier Land, LLC

8. Current Status:
   - Current TD is 3595'
   - The well is currently completed in pumping configuration with 2-3/8" tubing and insert pump & rods.

9. **Proposed new drilling depth: We propose to deepen this well 130' to a new total depth (TD) of 3725' MD Originial RKB** in order to access additional coal intervals that were not reached in the original drilling and completion of this well and to provide sump hole to optimize the performance of the planned pumping completion for this well.

10. Estimated tops of important geologic markers are as follows:

Fruitland formation:	3144 ft MD Original RKB
Base of lowest coal interval:	3635 ft MD Original RKB
Top of Pictured Cliffs formation:	3637 ft MD Original RKB
New Proposed Total Depth:	3725 ft MD Original RKB

The new proposed TD includes 90' of sump/rathole. ConocoPhillips Company will comply with the BLM / NMOCD's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs formation.

11. Summary of Proposed Work:
    - Pull pump & rods,
    - Pull 2-3/8" tubing,
    - Mill up liner hanger
    - Pull liner,
    - Clean out to TD
    - Deepen 130' to new proposed TD of 3725' Original MD RKB, (this will be 3723' MD RKB for our cavitation rig which has 13' KB above Ground Level)
    - Underream deepened 6-1/4" hole to 9.5"
    - Conduct flow test and shut-in pressure build up test
    - Possibly cavitate and perform additional flow tests and shut-in pressure build up tests if warranted,
    - Run new 5-1/2" liner,
    - Perforate 5-1/2" liner in the coal intervals,
    - Run 2-3/8" tubing,
    - Run pump & rods,
    - Return well to production.

12. Type of drilling tools will be rotary . A power swivel will be used to provide rotation. (We will not use a kelly).

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

    Oil: None
    Gas & Water: Fruitland Coal from 3144 ft MD RKB to proposed new TD at 3725' MD RKB

14. Estimated Reservior Pressure: 800 – 900 psi

15. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas.

16. The testing, logging, and coring programs are as follows:
    - No logs
    - No cores
    - Flow tests with pipe in the hole or out of the hole will be performed taking returns via the blooie lines and / or via the choke manifold and 2" vent line.
    - Shut in Pressure Build-Up tests will be performed with pipe in the hole and/or with pipe out of the hole.

17. Current Wellbore Configuration:

Surface Casing:
9-5/8", 36, K-55, ST&C was set at 582 ft and cemented to surface on 23-May-1997

8-3/4" hole was drilled to 3415'

Intermediate Casing:
7", 20# J-55 STC was set at 3329'

- External Casing Packer from 3318' to 3327'
- Stage Cementing Tool at 3318'
- Cemented from 3318' to surface on 31-May-1997

6-1/4" Hole:

- 6-1/4" hole was drilled to TD of 3595' on 31-May-1997.
- The 8-3/4" rat hole and 6-1/4" hole was underreamed to 9.5" from 3330' to to 3595'.

Liner (uncemented)
5-1/2" 15.5# J-55 LT&C liner with hanger was set on 19-June-1997 as follows:

- 5 1/2" V-SHOE SET @ 3560'
- 6 JTS of 5 1/2", 15.5#, J-55, LT&C
- Brown 7" X 5 1/2" HYFLO 3 hanger, Top of hanger set @ 3289'

Perforations: 0.75" diameter holes, 4 shots per ft, 120 degree phasing

- 3354' – 3358', 4 ft, 16 holes
- 3439' – 3441', 2 ft, 8 holes
- 3447' – 3465', 18 ft, 72 holes
- 3487' – 3490', 3 ft, 12 holes
- 3529' – 3538', 9 ft, 36 holes
- 3544' – 3546', 2 ft, 8 holes

Total = 38 ft, 152 holes

Current Wellbore Configuration (cont):

Tubing (from bottom to top) was run on 20-Mar-2002 (workover):

- 1 jt 2-7/8" tubing (Bull Plugged)
- 2-7/8' x 2-3/8" Crossover
- 1 ea 2-3/8" connection x 3-1/2" OD x 80 inch long Stanley Gas Separator
- 2-3/8" OD x 1.78" ID F-Nipple
- 111 jts, 2-3/8" 4.7# J-55 EUE 8rd tubing
- Spaced out with 2 ea 8 ft and 1 ea 4 ft tubing sub

- End of Tubing at 3556' MD RKB
- F-Nipple at 3517' MD RKB

Pump and Rods

- Insert Pump
- 1 ea 2 ft x 7/8" rod sub
- 140 ea 7/8" guided rods
- 2 ea 8 ft and 1 ea 2 ft pony rods
- 1-1/4" x 22' polished rod

Wellhead:

- 7-1/16" 3M x 2-3/8" EUE 8rd Bonnet
- 11" 3M x 7-1/16" 3M Tubing Head
- 9-5/8" 8rd x 11" 3M Casing Head

18. Proposed Wellbore Configuration

- Surface Casing: 9-5/8", 36, K-55, ST&C as originally set and cemented to surface at 582' MD RKB
- Intermediate Casing: 7", 20# J-55 ST&C as originally set at 3329' and cemented (via stage cementing tool) from 3318' to surface.
- Production liner: We propose to run a 5-1/2" 15.5# J-55 LT&C liner either with or without a liner hanger from approximately 3220' to the new proposed TD of 3725' MD RKB. This liner would be left uncemented.
- Perforations: We propose to perforate the uncemented 5-1/2" liner in the Fruitland Coal intervals using electric line perforating guns. The perforation configuration would be 4 shots per ft, 0.75 inch diameter holes, 120 degree phasing.
- Tubing: We propose a pumping well configuration as follows:
  - Mud Anchor consisting of one joint 2-7/8" tubing, orange peeled, with slots in the upper 2' of the joint below the upset.
  - 2-7/8" x 2-3/8" x-over
  - 2-3/8" OD x 1.78" ID F-Nipple
  - 2-3/8", 4.7#, J-55, EUE 8RD tubing to surface
- Pump and Rods: We propose to run an insert pump on rods and set the insert pump in the F-Nipple.

19. Proposed Wellhead: (pumping configuration)
  - 7-1/16" 3M x 2-3/8" EUE 8rd Bonnet
  - 11" 3M x 7-1/16" 3M Tubing Head
  - 9-5/8" 8rd x 11" 3M Casing Head

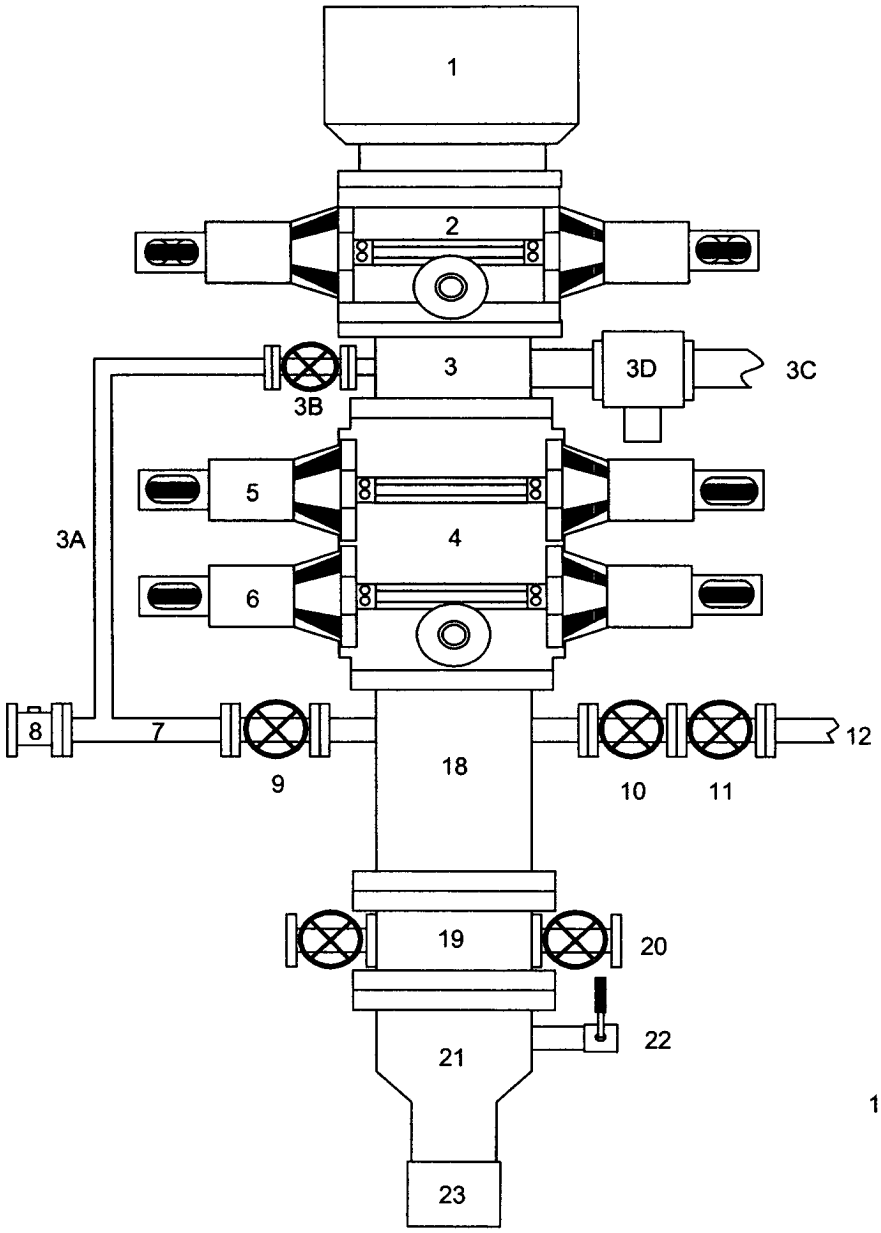
20. Proposed Blowout Prevention Program: The minimum specifications for pressure control equipment which is to be used, a schematic diagram thereof showing sizes, pressure ratings or API series and the testing procedure and frequency is enclosed as an attachement.

21. Drilling Mud Program: The proposed drilling media is air/mist
- 750 - 1800 scfm air
- 5 - 12 bbls water mist per hr
- 1 gal F-450 foamer per 10 bbls mist
- ¼ gal corrosion inhibitor per 10 bbls mist
- 1 – 4 gal polymer (744) per 10 bbls mist as needed for hole stability

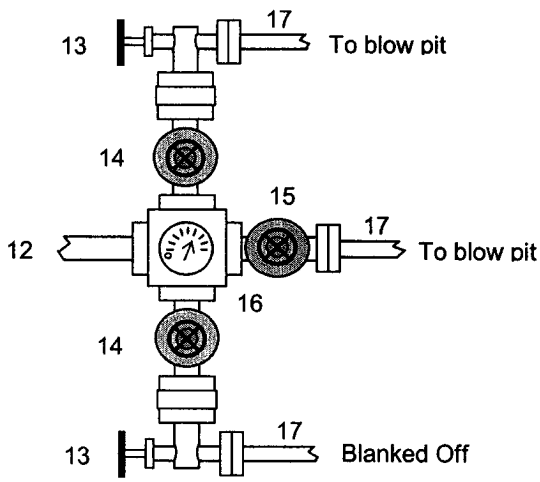
22. The anticipated starting date is approximately June 5, 2004 with duration of operations for a period of approximately 30 days thereafter.

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Deepening & Recavitation 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 deepening and recavitation programs in which we are reentering an existing well for the purpose of deepening and/or recavitating it. The BOP will be installed on the tubing head. The 7" casing will not be pressure tested because it is open at the shoe to the formation. The pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 2-3 minutes and to 1800 psi (high pressure test) for 10 minutes. The initial test will be done with a back pressure valve installed in the tubing hanger. Subsequent tests will be done with a test plug (after removal of the tubing hanger). At a minimum the above tests will be performed per Onshore Oil and Gas Order # 2 as follows: a) when initially installed, b) whenever any seal subject to test pressure is broken, c) following any related repairs, and d) at 30-day intervals.

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