4								
- The state of the	Form 3160-3 (August 1999) UNITED STATES DEPARTMENT OF THE INTERIOR	FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000 5. Lease Serial No.						
	BUREAU OF LAND MANAGEMENT	SF-081089						
allor so	APPLICATION FOR PERMIT TO DRILL OR REENTER	6. If Indian, Allottee or Tribe Name						
	1a. Type of Work: ☑ DRILL ☐ REENTER	7. If Unit or CA Agreement, Name and No.						
	1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple							
1/	Name of Operator	9. API Well No. 30-045-32369						
/	3a. Address 4001 PENBROOK, SUITE 346 ODESSA, TX 79762 3b. Phone No. (include area code) Ph: 915.368.1352	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL						
	4. Location of Well (Report location clearly and in accordance with any State requirements.*)	11. Sec., T., R., M., or Blk. and Survey or Area						
: :	At surface NESE 1640FSL 940FEL At proposed prod. zone	Sec 23 T31N R8W Mer NMP						
M	14. Distance in miles and direction from nearest town or post office*	12. County or Parish 13. State NM						
M	15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	17. Spacing Unit dedicated to this well 320 Eb						
:	18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 19. Proposed Depth 3434 MD	20. BLM/BIA Bond No. of file						
	21. Elevations (Show whether DF, KB, RT, GL, etc. 22. Approximate date work will start 6456 GL	23. Estimated duration						
	24. Attachments							
	The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attack	hed to this form:						
	 A Drilling Plan. A Surface Use Plan (if the location is on National Forest System Lands, the Operator certificati 	operations unless covered by an existing bond on file (see on cific information and/or plans as may be required by the						

(Electronic Submission)	VICKI WESTBY	05/17/2004
Title AGENT		
Approved by (Signature) Man Keelway	Name (Printed/Typed)	6-8-04
Title AEM	Office FFO	

Application approval does not warrant or certify 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.

Additional Operator Remarks (see next page)

Electronic Submission #30813 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Farmington

the action to artifact to technical and operatoral review currenant to 43 CFR 3165.5 to appeal pursuant to 43 CFR 3165.4

SAV GARBELL SUBJECT TO CONDITIONS OF WITH ATTACHED "GENERAL REQUIREMENTS".

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

Additional Operator Remarks:

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 submitted herewith. This well falls within the HPA and according to NMOCD Order R-8768-F, the affected parties will be notified by Certified Mail. This notification will be put in the mail 5/17/04 and the Affected Parties will have 20 days to file their written objection to the proposed APD to the NMOCD in Aztec. Verification that the notice wa received by the Affected Party will be mailed to the NMOCD upon receipt. This application is for APD/ROW.

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211~0719

District III 1000 Rio Brazos Ad., Aztec, NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088 State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

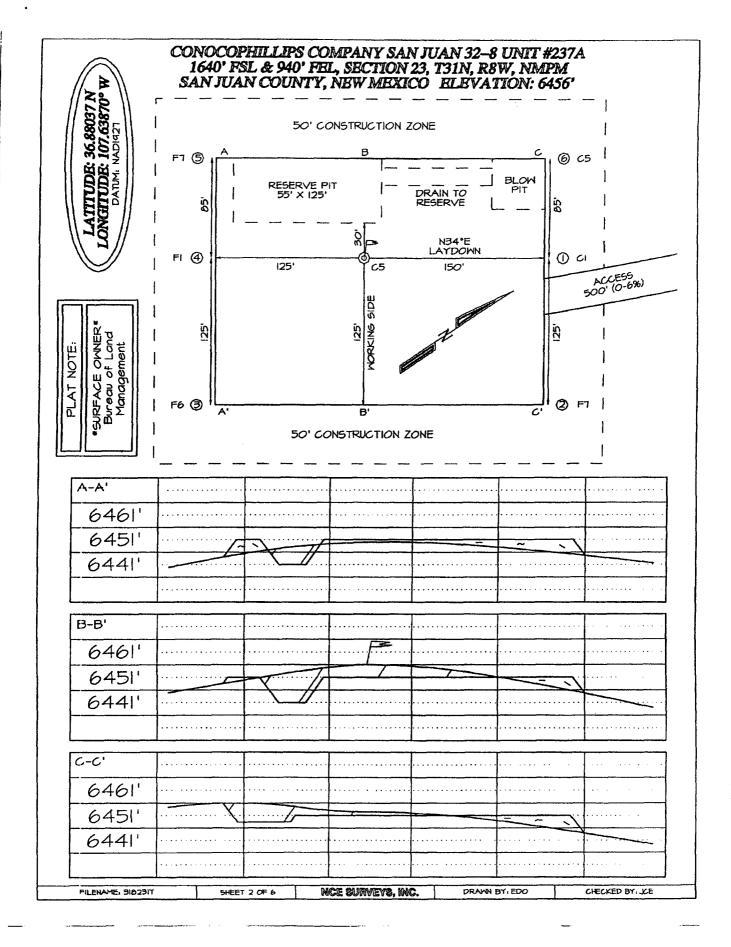
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

AMENDED REPORT

				ON AND A	CREAGE DED		_AT		
20045-2	7369		1 Code 529		BASI	'Pool Name N FRUITLANC	COAL		
Property Code	10 r			*Property					:11 Number
31330				SAN JUAN 3				237A	
'OGRID No. 217817			СО	Operator NOCOPHILLI	Name IPS COMPANY			*Elevation 6456	
· · · · · · · · · · · · · · · · · · ·				^{lo} Surface	Location	······································			
UL or lot ro. Section	1	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Via		County
I 23	31N	8W		1640	SOUTH	940	EA	S1 	SAN JUAN
UL or lot no. Section		Bottom I Range	Hole L	ocation I	f Different	From Surf	ace East/Me	st line	County
į									
12 Dedicated Acres	320.0 Acr	es - F	/2	Moint or Infill	^{ja} Consolidation Code	⁵⁵ Order No.	I		
						<u> </u>			
NO ALLOWABLE	WILL BE A	ASSIGNE NON-SI	D TO THI CANDARD I	IS COMPLETIO UNIT HAS BE	ON UNTIL ALL	INTERESTS H BY THE DIVI	IAVE BE SION	EN CON	ISOLIDATED
16	JUN 2	5004 004	233.14	EASE SI	=- <i>0</i> 81 <i>0</i> 89	I hereby containe to the to th	R. We Name nalyst YOR custify the brisplat within plat to the it	hat the is true an knowledge stby CERTII the well was plotted that the sus plotted in the true was plotted in the true was plotted in the true was plotted the sus plotted th	FICATION of complete and belief FICATION Il location of from field by me or under some is true belief. H 17, 2004

5212.68

Submit 3 Copies To Appropriate Dist Office	rict	State o	of New M	lexico			Fo	orm C-103
District I	Er	nergy, Minera	ils and Nat	tural Resource	es			March 4, 2004
1625 N. French Dr., Hobbs, NM 8824	Ю					WELL API NO	٠.	
District II 1301 W. Grand Ave., Artesia, NM 88	210 C	IL CONSE	RVATIO	N DIVISION	1			
District III	2.0	1220 Sou	ith St. Fra	ncis Dr.		5. Indicate Typ		_
1000 Rio Brazos Rd., Aztec, NM 874	10		Fe, NM 8			6. State Oil & 0		
District IV 1220 S. St. Francis Dr., Santa Fe, NM		Saina	. 0, 11111	,,,,,,,		o. State Off & C	Jas Lease No.	
87505								
		D REPORTS				7. Lease Name	or Unit Agreem	ient Name
(DO NOT USE THIS FORM FOR PR DIFFERENT RESERVOIR. USE "A								
PROPOSALS.)	i i bicki ioiv i	OKI EKMII (I C	7KW C-101)1	OK SOCII		San Juan 32-8 l		
1. Type of Well:						8. Well Numbe 237A	r	
Oil Well Gas Well	X Other	·				237A		
2. Name of Operator						9. OGRID Nun	ıber	
ConocoPhillips Company						217817		
3. Address of Operator						10. Pool name		
4001 Penbrook, Odessa, TX 79) 762					Basin Fruitland	Coal	
4. Well Location								
Unit Letter I	: <u>1640</u>	feet from the	e <u>South</u>	line and _	940	feet from	n the <u>East</u>	line
Section 23		Township	31N	Range	8W	NMPM	San Juan Co	ounty
Section 23	11 El	evation (Show					San Juan Co	Juney
	F (6) 9 (6) 4 (9) (1)	i' GL	Witchiel Di	, MD, M, O	i, e.c.,			
Pit or Below-grade Tank Application			sures, a forn	C-144 must be a	ttached)		(authorities and authorities (in the
Pit Location: UL I Sect 23 Twr							st fresh water well	>1000,
Distance from nearest surface water		_		Sect	_Twp	Rng;		1
feet from theline at	ndfee	t from the	line					
NOTICE OF PERFORM REMEDIAL WORK	INTENTI	ON TO: AND ABANDO	N 🗆	REMEDIAL	SUBS		EPORT OF: ALTERING CA	_
TEMPORARILY ABANDON	☐ CHAN	GE PLANS		COMMENCE	E DRIL	LING OPNS.	PLUG AND ABANDONME	ENT
PULL OR ALTER CASING	MULTI COMP	PLE LETION		CASING TES				
OTHER:				OTHER:				
13. Describe proposed or co	mpleted one	rations (Clear		pertinent detail	e and	aive pertinent dat	es including es	timated date
of starting any proposed or recompletion.	work). SEE	RULE 1103.	For Multip	le Completions	s: Atta	ch wellbore diag	ram of proposed	l completion
ConocoPhillips Company's Gene pit in reference to the proposed v solids left after the water has bee	vellhead. The	e drill pit will b	e lined. Th	e drill pit will	be clos	sed after the well	has been compl	eted. The
Thombu conticulate the income	on observation		nto to the T	not o 6 !	dode-	and halias an in		
I hereby certify that the informati grade tank has been/will be constructed								
grade tank has been will be constituted.	10. closed acco	~	Anrocures C	1, a general pern	71. [_] OI	an (attached) after t	Marte OCD-approv	red plan
SIGNATURE Lecke	11 de	slby	_TITLE	Sr. Analyst			DATE_5/1	7/04
Type or print name Vicki West	by E	-mail address: \	Vicki.R.We	estby@conocoj	phillips	com Tele	phone No. 432-	368-1352
(This space for State use)	\mathcal{L}_{n}							
APPPROVED BY Conditions of approval, if any:	TAPE		TI TLE				DATE	
Constitution of approvar, it ally.	- //1							



CONOCOPHILLIPS COMPANY

WELI	L NAME:	San Juan 32-8 #23'	7A	
DRIL	LING PROGNOSI	S		
1.	Location of Propose	ed Well: 1640' FSL & Section 23,	k 940' FEL [31N, R8W	
2.	Unprepared Ground	l Elevation:	@ 6456'	
3.	The geological nam	e of the surface formati	on is <u>San Jose</u> .	
4.	Type of drilling too	ls will be <u>rotary</u> .		
5.	Proposed drilling de	epth is <u>3434'</u> .		
6.	The estimated tops Note: RKB is 13' al	`	t geologic markers are as fo	ollows:
	San Jose -	13'	Base of Lowest Coal -	3354'
	Naciamento -	684'	Total Depth -	3434'
			ed water, oil, gas or other	er mineral bearing
	Water:	Ojo Alamo -	2215' – 2314'	
	Oil:	none		
	Gas:	Fruitland Coal -	2954' - 3434'	
	Gas & Water:	Fruitland Coal -		
		program is as follows:		••
			C@ 200' below ground le	vel*
		7", 20#, J-55, ST&C @		nkn
•	Prod Liner Option: _	3-1/2", 13.5#, J-35, L1	&C @ 3104' – 3434' MD	KKB
		ng will be set at a minir I to maintain hole stabil	num of 200' below ground ity.	level, but could be
€. (Cement Program:			
<u> </u>	Surface String:		ent with 1.16 cuft/sx yield ophane Flake (D029) = 174	

9. Cement program: (continued from Page 1)

Intermediate String:

Lead Cement: 404 sx Class G w/3% D079 (chemical extender) 0.25#/sx D029

(Cellophane flakes), 0.05 GPS D047 (antifoam agent) 0.2% D046 (antifoam agent) mixed at 11.7 ppg and yield of 2.61 cuft/sx = 1054.4

<u>cf.</u>

Tail: 100 sx - 50/50/G/POZ cement w/2% D020 (bentonite extender), 2% S001

(CaCl2), 5#/sxD024 (gilsonite), ½#/sx D029(cellophane flakes) & 2% D046 (antifoam agent) @ a weight of 13.5 ppg and yield of 1.27 cuft/sx =

127.0 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 it. into shoe.

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

- 10. Cavitation Option: Depending on well conditions the well may be cavitated or may be completed without cavitation.
- 11. Production liner option: Depending on well conditions a 5-1/2" liner may be run or the well may be completed without a liner. If a liner is run, it would be run without a liner hanger or possibly with a liner hanger and would be left uncemented.
- 12. Perforations: If a liner is run, it will be perforated using electric line perforating guns in the Fruitland Coal interval(s).
- 13. Tubing will be run in either flowing well configuration or in pumping well configuration. The size of tubing run and the configuration (either pumping or flowing configuration) will be dependent on the well conditions and flow test results. Our proposed options for the tubing string are as follows:

Pumping Well Configuration:

- o Mud Anchor consisting of one joint 2-7/8" tubing, orange peeled, with slots in the upper 2' of the joint below the upset.
- o 2-7/8" x 2-3/8" x-over
- o 2-3/8" OD x 1.78" ID F-Nipple
- o 2-3/8", 4.7#, J-55, EUE 8RD tubing to surface
- o Insert pump run on rods and set in F-Nipple

2-3/8" Flowing Well Configuration:

- o 2-3/8" OD x 1.78" ID F-Nipple
- o 2-3/8", 4.7#, J-55, EUE 8RD tubing to surface

2-7/8" Flowing Well Configuration:

- o 2-7/8" OD x 2.5" ID F-Nipple
- o 2-7/8", 6.5#, J-55, EUE 8RD tubing to surface

3-1/2" Flowing Well Configuration:

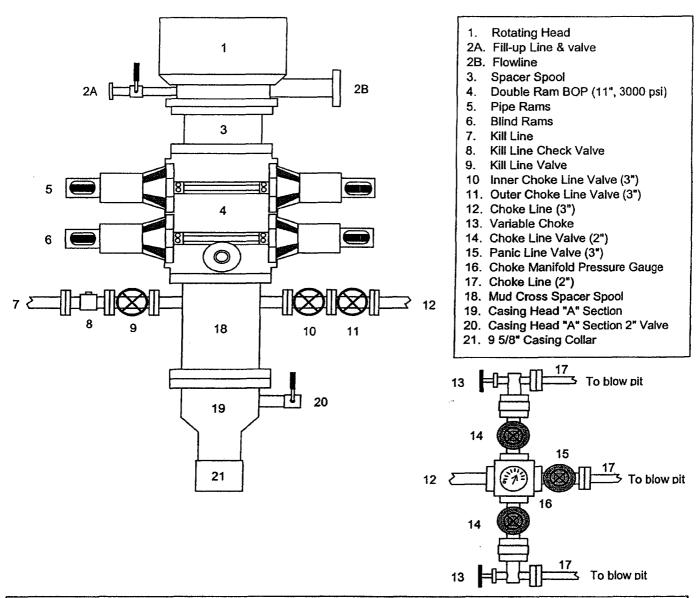
- o 3-1/2" OD x 1.78" ID F-Nipple
- o 3-1/2", 9.2# J-55 FLAS (as an option inside the liner or in the open hole)
- o 3-1/2" 9.3# J-55 EUE 8rd tubing to surface
- 14. The minimum specifications for pressure control equipment which are to be used, a schematic diagram thereof showing sizes, pressure ratings (or) API series and the testing procedure and testing frequency are enclosed within the APD packet.
- 15. Drilling Mud Prognosis:
 - o Surface spud mud on surface casing.
 - o Intermediate fresh water w/polymer sweeps. Bentonite as required for viscosity.
 - o Below Intermediate air / water mist drilling media with foamer and polymer as needed for hole stability and with corrosion inhibitor.
- 16. The testing, logging, and coring programs are as follows:
 - o D.S.T.s: Flow Tests and Shut-In pressure build up tests will be taken as needed in the Fruitland coal interval.
 - o Cores: None
 - o Logs: Mud logs only
- 17. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H2S equipment will be used.

Estimated Bottomhole pressures: Fruitland Coal - +/- 175 psi

18. The anticipated starting date is sometime around July 5, 2004 with duration of drilling and completion operations (in discontinuous operations) for approximately 60 days thereafter. A drilling rig will be used to topset the 7" casing above the Fruitland coal. At a later date, a cavitation rig will be brought in to drill out, possibly cavitate, and complete the Fruitland coal.

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing



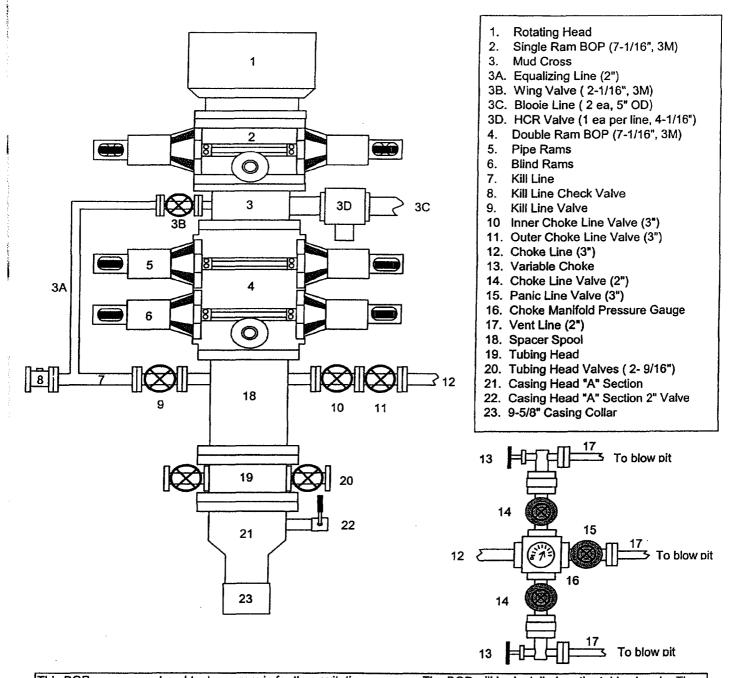
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 2-3 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 2-3 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 walt 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:

- Upper Kelly cock Valve with handle
- 2. Stab-in TIW valve for all drillstrings in use

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 2-3 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 2-3 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).



ConocoPhillips
Live 8, 2004

Release

May 18, 2004

30-045-32369

ConocoPhillips Company RPA - Property Tax, Real Estate, Right of Way and Claims

Vicki R. Westby Sr. Analyst 4001 Penbrook St., Ste. 317 Odessa TX, 79762 Phone (432)368-1352 Fax (432)368-1287

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

RE:

San Juan 32-8 #237A Well

Basin Fruitland Coal

1640' FSL & 940' FEL, Section 23, T31N-R8W

San Juan County, New Mexico

To the Affected Parties:

ConocoPhillips Company is submitting the enclosed Application for Permit to Drill to the appropriate regulatory agency(s) for approval. This well is located inside the High Productivity Area of the Basin-Fruitland Coal Pool as indicated on the attached plat. Notice is being made pursuant to New Mexico Oil Conservation Commission Order R-8768-F dated July 17, 2003.

The affected parties have twenty (20) days from receipt of this notice in which to file with the District Office of the New Mexico Oil Conservation Division written objection to the proposed Application for Permit to Drill.

Sincerely,

Vicki Westby Sr. Analyst

Cc: NMOCD Aztec Well File

San Juan 32-8 #237A - HPA "Affected Parties"

Devon Energy Corp. 20 North Broadway Oklahoma City, OK 73102-8260 (Certified Receipt #7003 0500 0001 8091 4457)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: Devon Energy Corp.	A. Signature X
20 North Broadway Oklahoma City, OK 73102-8260	3. Service Type Certified Mail Express Mail Registered Registered C.O.D.
	4. Restricted Delivery? (Extra Fee) Yes
2. Article Number (Transfer from service 7003 0500 0	001 8091 4457
PS Form 3811, August 2001 Domestic Retu	um Receipt 2ACPRI-03-P-4081

SAN JUAN 32-8 #237A OFFSET OPERATOR PLAT

T	OWNSHIP 31	NORTH,		RANGE_	8	_west
		1640' FSL	940' FEL			
		1		_		_
	ConocoPhillips		. :	ConocoPh	nillips	
	2	3		_		1
	ConocoPhillips	•		ConocoPl	nillips	
	ConocoPhillips	Conoco	Phillips	Devon Er		