

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-03404
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator CONOCOPHILLIPS COMPANY		7. If Unit or CA Agreement, Name and No.
Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conocophillips.com		8. Lease Name and Well No. SAN JUAN 31-6 UNIT 213A
3a. Address 4001 PENBROOK, SUITE 346 ODESSA, TX 79762	3b. Phone No. (include area code) Ph: 915.368.1352	9. API Well No. 30039 22807
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNW 447FNL 1880FWL At proposed prod. zone		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office*		11. Sec., T., R., M., or Blk. and Survey or Area C Sec 5 T30N R6W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease	12. County or Parish RIO ARRIBA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3343 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6320 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well W/L 319.49
23. Estimated duration		20. BLM/BIA Bond No. on file

24. Attachments

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

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) VICKI WESTBY	Date 06/18/2004
Title AGENT		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 8-26-04
Title AFM	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 #32133 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Farmington

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"

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

NMOCD

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

District I
1825 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Arisles, NM 88210
District III
1000 N. Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30039-21807		Pool Code 71629	Pool Name BASIN FRUITLAND COAL (GAS)
Property Code 31328	Property Name SAN JUAN 31-6 UNIT		Well Number 213A
CGED No. 217817	Operator Name CONOCOPHILLIPS COMPANY		Elevation 6320

Surface Location

UL or 1st no.	Section	Township	Range	Lot 1st	Feet from the North/South line	Feet from the East/West line	County
C	5	30N	6W	447	NORTH	1880	WEST RIO ARRIBA

Bottom Hole Location if Different From Surface

UL or 1st no.	Section	Township	Range	Lot 1st	Feet from the North/South line	Feet from the East/West line	County

Dedicated Acres 319.49	Joint or Infill	Consolidation Code	Order No.
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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

<p>16</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>Vicki Westby</i> Vicki Westby Printed Name Sr. Analyst Title and E-mail Address Date <i>June 17, 2004</i></p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey 05/25/04 Signature and Seal of Registered Surveyor Certificate Number 11063</p>
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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 is a HPA well that doesn't require notification. The 213A is located entirely within the SJ 31-6 FC PA and is surrounded by the PA Operator - ConocoPhillips Company. This application is for APD/ROW.

Submit 3 Copies To Appropriate District
Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name San Juan 31-6 Unit
8. Well Number 213A
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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator ConocoPhillips Company	
3. Address of Operator 4001 Penbrook, Odessa, TX 79762	
4. Well Location Unit Letter <u>C</u> : <u>447</u> feet from the <u>North</u> line and <u>1880</u> feet from the <u>West</u> line Section <u>5</u> Township <u>31N</u> Range <u>6W</u> NMPM Rio Arriba County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6320' GL	
Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)	
Pit Location: UL <u>C</u> Sect <u>5</u> Twp <u>31N</u> Rng <u>6W</u> Pit type <u>Drill Pit</u> Depth to Groundwater <u>>50'<100'</u> Distance from nearest fresh water well <u>>1 000'</u>	
Distance from nearest surface water <u>>200'<1000'</u> Below-grade Tank Location UL <u></u> Sect <u></u> Twp <u></u> Rng <u></u> ; <u></u> feet from the <u></u> line and <u></u> feet from the <u></u> line	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: Drill Pit Notification <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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.

ConocoPhillips Company's Generic Pit Plan is on file at NMOCD in Aztec, NM. 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. The solids left after the water has been disposed of will be sampled and NMOCD approval will be obtained prior to closure of this pit.

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 Vicki Westby TITLE Sr. Analyst DATE 6/17/04

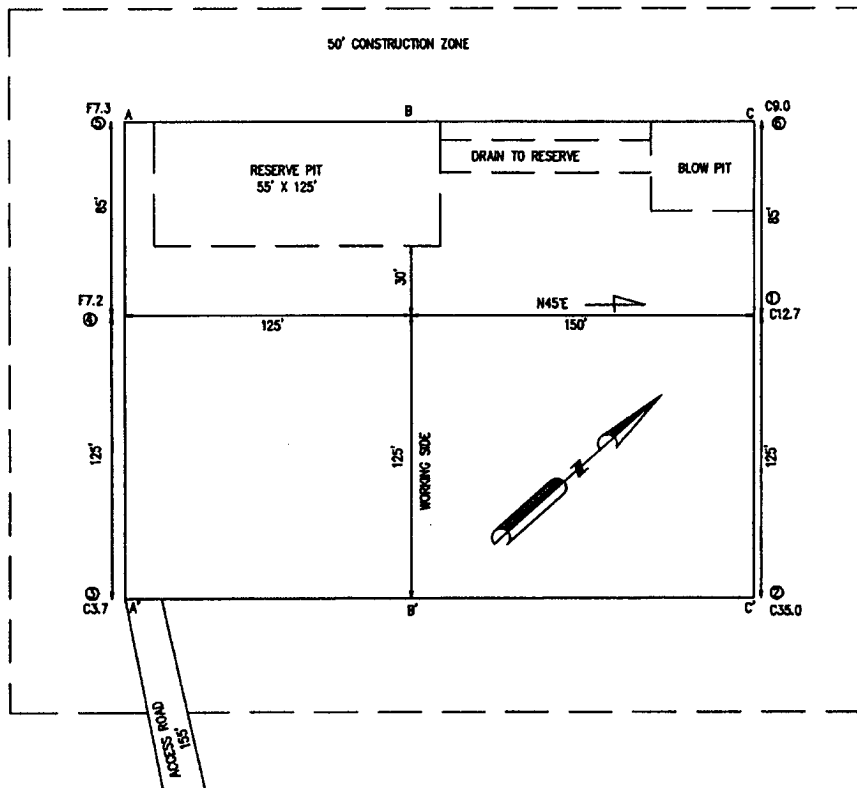
Type or print name Vicki Westby E-mail address: Vicki.R.Westby@conocophillips.com Telephone No. 432-368-1352

(This space for State use)

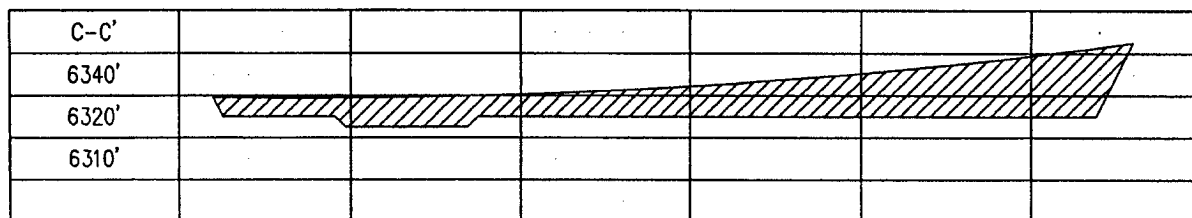
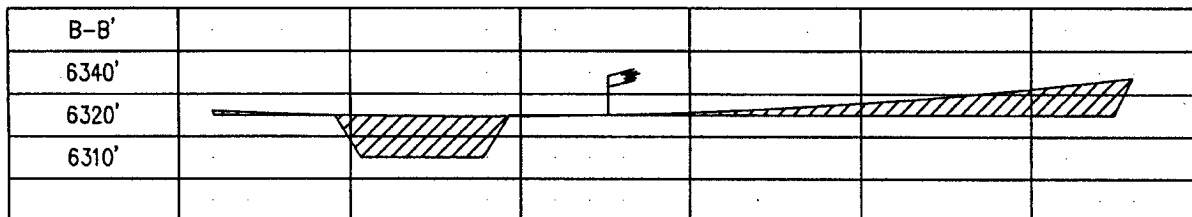
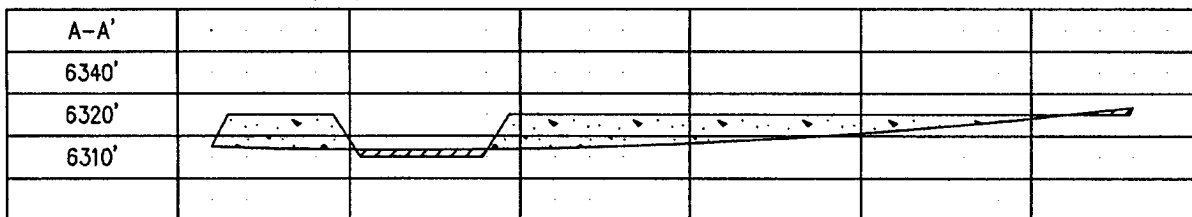
APPROVED BY [Signature] TITLE DATE
Conditions of approval, if any:

CONOCOPHILLIPS COMPANY SAN JUAN 31-6 UNIT #213A
 447' FNL & 1880' FWL, SECTION 5, T30N, R6W, NMPM
 RIO ARriba COUNTY, NEW MEXICO, ELEVATION: 6320

LATITUDE: 36.84756° N
 LONGITUDE: 107.48885° W
 DATUM: NGS84



PLAT NOTE:
 SURFACE OWNER
 BLM



PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 31-6 213A

Lease: AFE #: WAN.CBM.4165 AFE \$:
Field Name: hPHILLIPS 31-6 Rig: 486-0597 State: NM County: RIO ARRIBA API #:
Geoscientist: Murphy, Jim O. Phone: 832-486-2361 Prod. Engineer: Bergman, Pat W. Phone: (832) 486-2358
Res. Engineer: Anderson, Derrick K Phone: 832 486-3486 Proj. Field Lead: Phone:

Primary Objective (Zones):

Zone	Zone Name
JCV	BASIN FRUITLAND COAL (GAS)

Location: Surface

Straight Hole

Latitude: 36.85 Longitude: -107.49 X: Y: Section: 5 Range: 6W
Footage X: 1880 FWL Footage Y: 447 FNL Elevation: 6320 (FT) Township: 30N
Tolerance:

Location Type: Start Date (Est.): Completion Date: Date In Operation:

Formation Data: Assume KB = 6333 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SAN JOSE	13	6320	<input type="checkbox"/>			
Surface Casing	213	6120	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1063	5270	<input type="checkbox"/>			
OJAM	2263	4070	<input type="checkbox"/>			Possible water flows.
KRLD	2413	3920	<input type="checkbox"/>			
FRLD	2837	3496	<input type="checkbox"/>			Possible gas.
Intermediate Casing	2977	3356	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
BASE MAIN COAL	3137	3196	<input type="checkbox"/>	100		
PC TONGUE	3147	3186	<input type="checkbox"/>			
BASE LOWEST COAL	3262	3071	<input type="checkbox"/>			
PCCF	3267	3066	<input type="checkbox"/>			
Total Depth	3343	2990	<input type="checkbox"/>			6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented.

Reference Wells:

Reference Type	Well Name	Comments
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Logging Program:

Intermediate Logs: ☐ Log only if show ☐ GR/ILD ☐ Triple Combo
TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT
Additional Information:

Comments: Location/Tops/Logging - This well will target the inter-tongue coal. If it is not encountered, the td will be shortened to 20 feet below the projected base of the lower coal package.

Zones - HPA

General/Work Description - Fruitland Coal 160-acre infill well.

Mud Log from intermediate casing shoe to TD will be obtained.

Drilling Mud Program:

Printed on: 06/15/2004 1:14:37 PM

TD includes 80 feet sump/rathole & COPC will comply with the BLM's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs formation.

San Juan 31-6 # 213A		
9-5/8" Surface Casing		
Cement Slurry	Class G	
	+ 3% Calcium Chloride	
	+ 0.25 lb/sx D029 Cellophane Flakes	
Cement Volume	149	sx
Cement Yield	1.21	cuft/sx
Cement Volume	179.75	cuft
Cement Density	15.6	ppg
Water Required	5.29	gal/sx

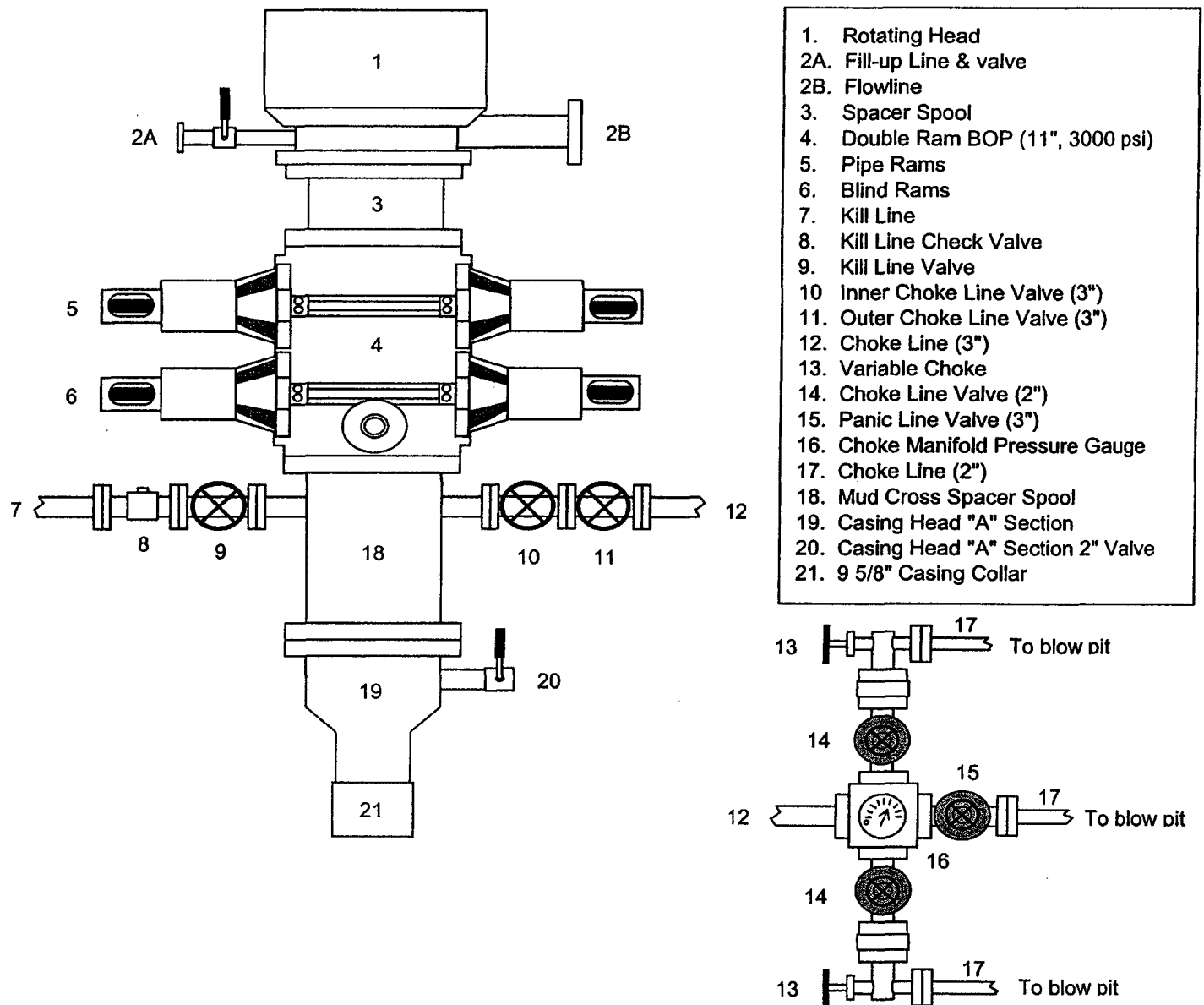
San Juan 31-6 # 213A

7" Intermediate Casing		
Lead Slurry		
Cement Slurry	Class G	
	+ 3% Econolite	
	+ 10 lb/sx Gilsonite	
	+ 0.5% Flocele	
Cement Volume	340	sx
Cement Yield	2.91	cuft/sx
Cement Volume	990.65	cuft
Cement Density	11.4	ppg
Water Required	16.88	gal/sx

7" Intermediate Casing		
Tail Slurry		
Cement Slurry	40% POZ / 60% Class G cement	
	+ 2% Bentonite	
	+ 2% Calcium Chloride	
	+ 5 lb/sx Gilsonite	
	+ 0.25 lb/sx Flocele	
Cement Volume	100	sx
Cement Yield	1.33	cuft/sx
Cement Volume	132.67	cuft
Cement Density	13.5	ppg
Water Required	5.36	gal/sx

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

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



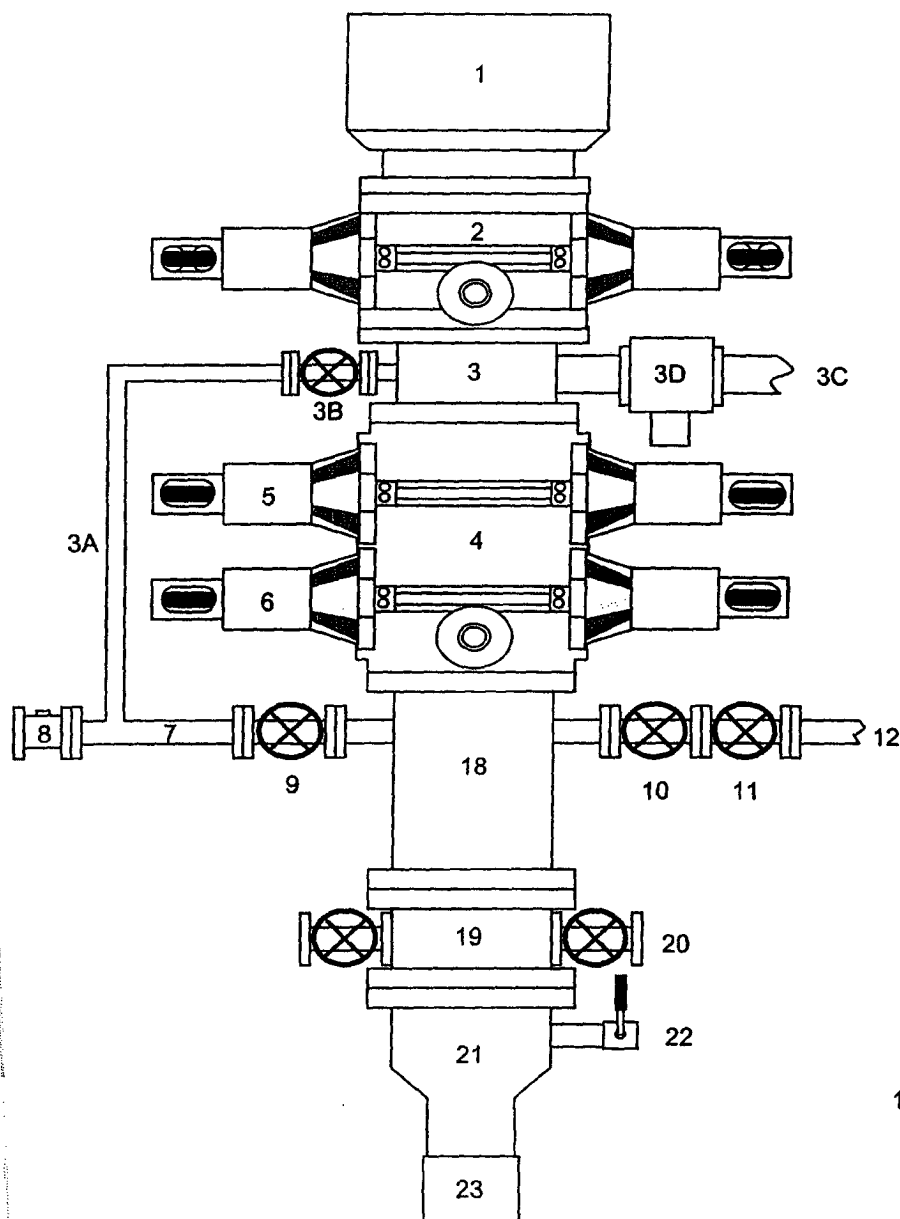
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe 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 wait 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:

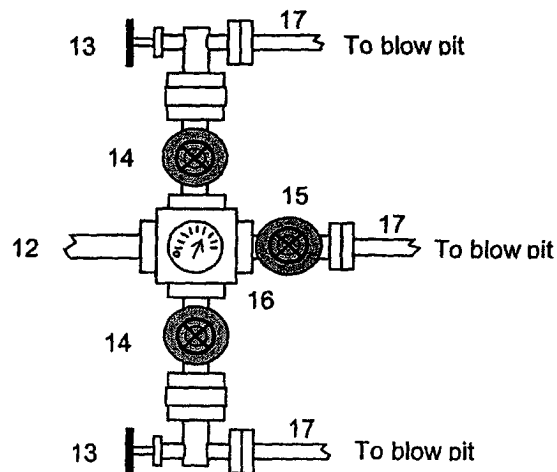
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Cavitation Program



1. Rotating 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 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).