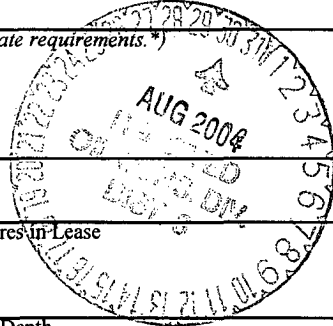


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. SF 078740
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 Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conocophillips.com		7. If Unit or CA Agreement, Name and No.
3a. Address 4001 PENBROOK, SUITE 346 ODESSA, TX 79762		8. Lease Name and Well No. SAN JUAN 30-5 UNIT 216A
3b. Phone No. (include area code) Ph: 915.368.1352		9. API Well No. 3003927830
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWNW 905FNL 1265FWL At proposed prod. zone		10. Field and Pool, or Exploratory 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 D Sec 20 T30N R5W 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
17. Spacing Unit dedicated to this well WP- 320	13. State NM	18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
19. Proposed Depth 3309 MD	20. BLM/BIA Bond No. on file	21. Elevations (Show whether DF, KB, RT, GL, etc.) 6371 GL
22. Approximate date work will start	23. Estimated duration	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 07/13/2004
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 #32982 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Farmington**

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

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

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

NMOCD

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

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

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

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27830		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 31327	*Property Name SAN JUAN 30-5 UNIT		*Well Number 216A
*GRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6371'

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
D	20	30N	5W		905	NORTH	1265	WEST	RIO ARRIBA

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 320.0 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

Vicki Westby
Signature
Vicki R. Westby
Printed Name
Sr. Analyst
Title
7/7/04
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: MARCH 29, 2004
Signature and Seal of Professional Surveyor

JASON C. EDWARDS
Certificate Number 15269

Additional Operator Remarks:

ConocoPhillips Company proposes to drill a vertical wellbore to the Fruitland Coal formation. This well will be drilled and equipped in accordance with the attachments submitted herewith. This application is for APD/ROW.

ConocoPhillips will have mudloggers on location and they will be picking the TD to prevent us from accessing the PC.

This is a HPA well that doesn't require notification. The 216A is located entirely within the SJ 30-5 FC PA and is surrounded by the PA operator - ConocoPhillips.

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
 May 27, 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 30-5 Unit
8. Well Number 216A
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 Gas Well Other

2. Name of Operator
ConocoPhillips Company

3. Address of Operator
4001 Penbrook, Odessa, TX 79762

4. Well Location
 Unit Letter **D** : **905** feet from the **North** line and **1265** feet from the **West** line
 Section **20** Township **30N** Range **5W** NMPM **Rio Arriba** County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application or Closure

Pit type **Drill** Depth to Groundwater **>100** Distance from nearest fresh water well **>1000'** Distance from nearest surface water **<200'**

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/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.

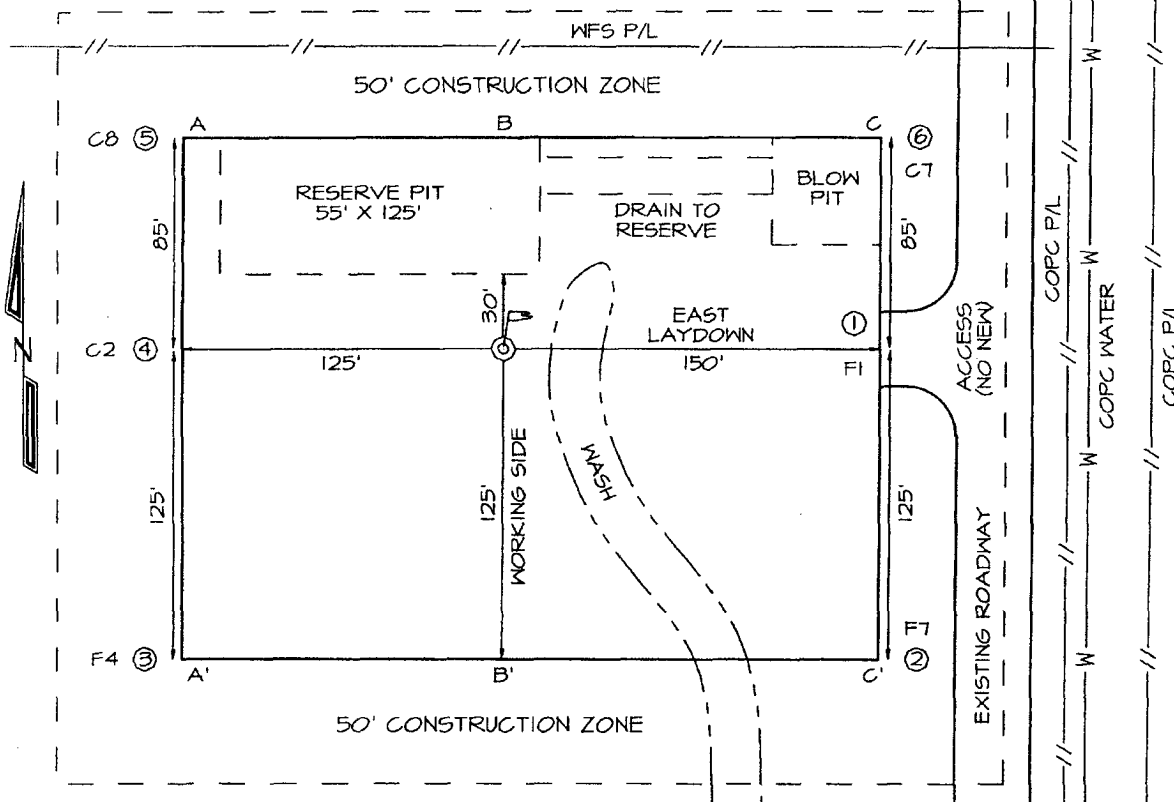
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Vicki Westby TITLE Sr. Analyst DATE 7/7/04

Type or print name Vicki Westby E-mail address: Vicki.R.Westby@ConocoPhillips.com Telephone No. (432) 368-1352
For State Use Only

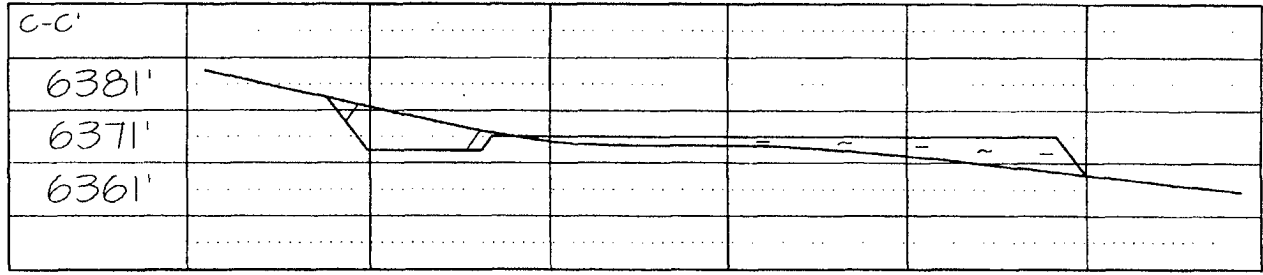
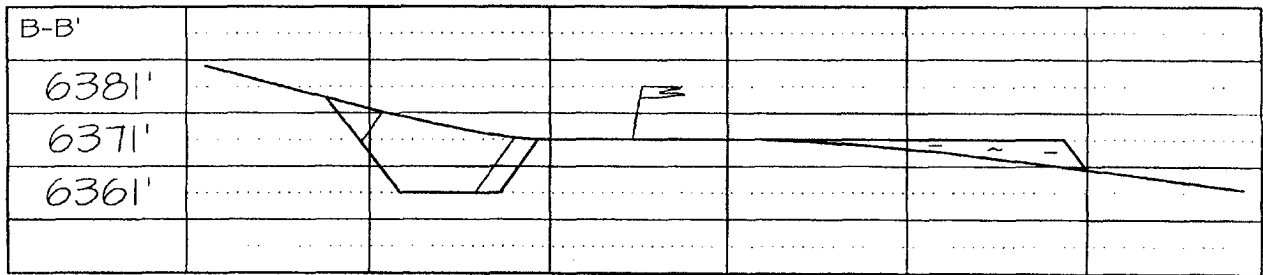
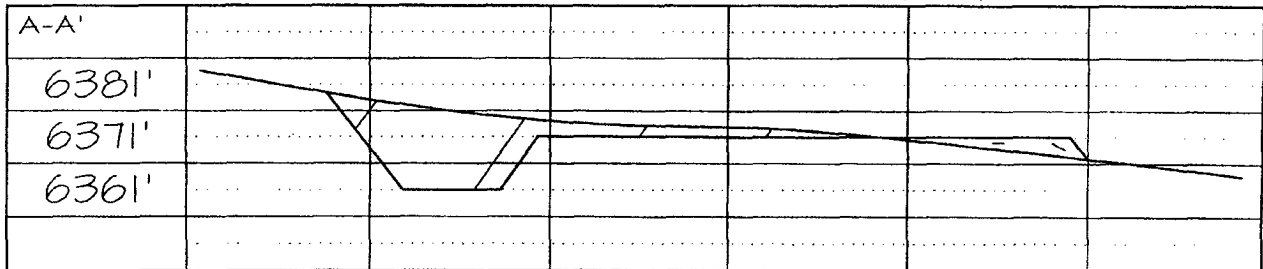
APPROVED BY: [Signature] TITLE _____ DATE _____
 Conditions of Approval (if any): _____

CONOCOPHILLIPS COMPANY SAN JUAN 30-5 UNIT #216A
905' FNL & 1265' FWL, SECTION 20, T30N, R5W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6371'



LATITUDE: 36.80288° N
LONGITUDE: 107.38471° W
 DATUM: NAD1927

PLAT NOTE:
 SURFACE OWNER
 Bureau of Land
 Management



PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 30-5 216A

Lease:		AFE #: WAN.CBM.4185		AFE \$:	
Field Name: hPHILLIPS 30-5	Rig: 486-0597	State: NM	County: RIO ARRIBA	API #:	
Geoscientist: Murphy, Jim O.		Phone: 832-486-2361	Prod. Engineer:		Phone:
Res. Engineer: Kolesar, James E.		Phone: (832) 486 - 2336	Proj. Field Lead:		Phone:

Primary Objective (Zones):

Zone	Zone Name
JCV	BASIN FRUITLAND COAL (GAS)

Location: Surface **Straight Hole**

Latitude: 36.80	Longitude: 107.38	X:	Y:	Section: 20	Range: 5W
Footage X: 1265 FWL	Footage Y: 905 FNL	Elevation: 6371 (FT)	Township: 30N		

Tolerance:

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

Formation Data: Assume KB = 6384 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SAN JOSE	13	6371	<input type="checkbox"/>			
Surface Casing	213	6171	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1279	5105	<input type="checkbox"/>			
OJAM	2501	3883	<input type="checkbox"/>			Possible water flows.
KRLD	2586	3798	<input type="checkbox"/>			
FRLD	2954	3430	<input type="checkbox"/>			Possible gas.
Intermediate Casing	3049	3335	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
BASE MAIN COAL	3159	3225	<input type="checkbox"/>	125		
PC TONGUE	3207	3177	<input type="checkbox"/>			
Total Depth	3286	3098	<input type="checkbox"/>			6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented.
PCCF	3309	3075	<input type="checkbox"/>			

Reference Wells:

Reference Type	Well Name	Comments

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 - HPA

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:
 Surface: spud mud
 Intermediate: fresh water mud with bentonite and polymer as needed

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 30-5 # 216A		
	Surf Csg	Int. Csg
OD	9.625	7
ID	9.001	6.456
Depth	230	3049
Hole Diam	12.25	8.75
% Excess Lead		160
% Excess Tail	125	160
Lead Yield		2.91
Tail Yield	1.21	1.33
Ft of Tail Slurry	230	315
Top of Tail Slurry	0	2734
Top of Lead Slurry	N/A	0
Mud Wt (ppg)	8.9	9.0
Mud Type	WBM	WBM

Surface Casing						
	Ft	Cap	XS Factor	bbls	cuft	sx
Open Hole Annulus	230	0.055804	2.25	28.9	162.1	134.0
Shoe Track Volume	40	0.076735	1	3.1	17.7	13.3
Total				32.0	179.8	147.3

Intermediate Casing						
	Ft	Cap	XS Factor	bbls	cuft	sx
Lead Open Hole Annulus	2504	0.026786	2.6	174.4	979.1	336.5
Lead Cased Hole Annulus	220	0.031116	1	6.8	38.4	13.2
Lead Total				181.2	1017.5	349.7
Tail Open Hole Annulus	315	0.026786	2.6	21.9	123.2	92.6
Tail Shoe Track Volume	42	0.040505	1	1.7	9.6	7.2
Tail Total				23.6	132.7	99.8

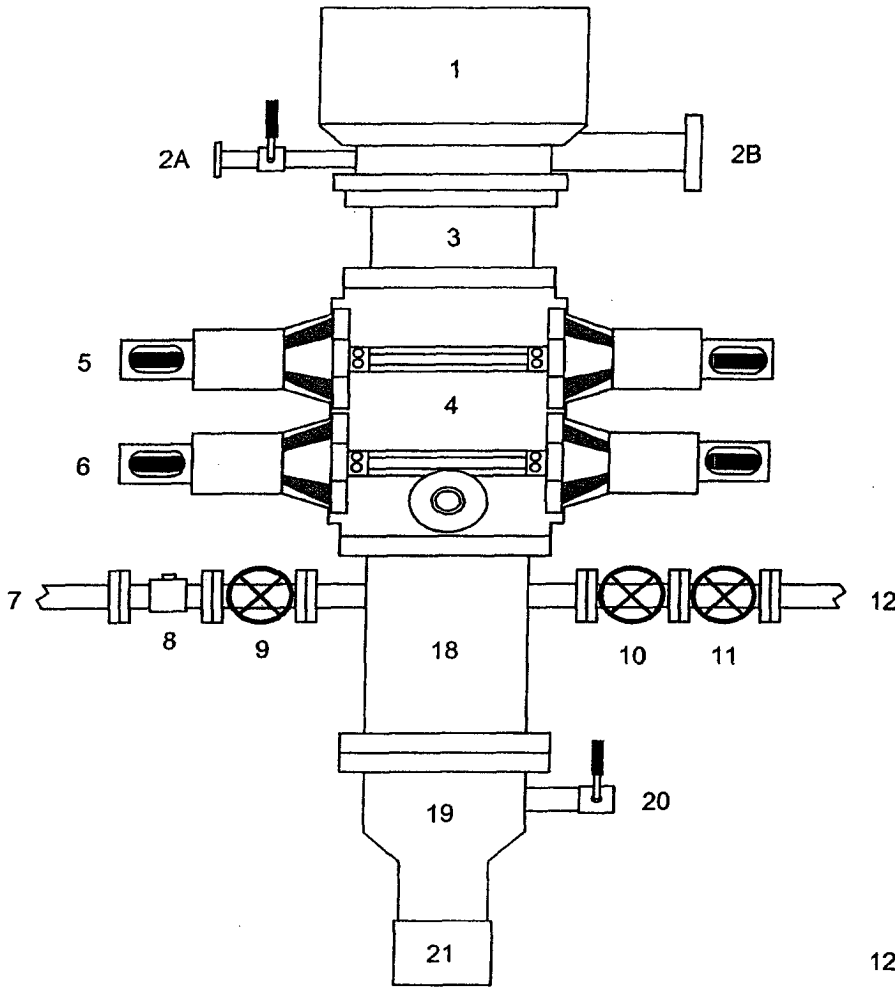
San Juan 30-5 # 216A	
9-5/8 Surface Casing	
Cement Recipe	Class C Standard Cement
	+ 3% Calcium Chloride
	+0.25 lb/sx Flocele
Cement Volume	147 sx
Cement Yield	1.21 cuft/sx
Slurry Volume	179.8 cuft
	32.0 bbls
Cement Density	15.6 ppg
Water Required	5.29 gal/sx

San Juan 30-5 #216A

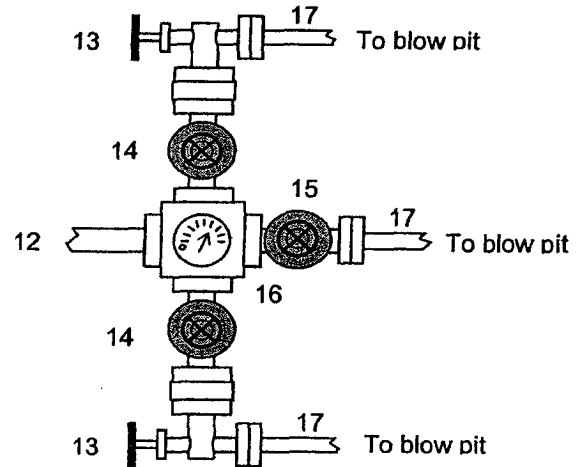
7" Intermediate Casing Lead Slurry	
Cement Recipe	Standard Cement + 3% Econolite (Lost Circulation Additive) + 10 lb/sx Gilsonite (Lost Circ. Additive) + 0.25 lb/sx Flocele (Lost Circ. Additive)
Cement Required	350 sx
Cement Yield	2.91 cuft/sx
Slurry Volume	1017.5 cuft
Cement Density	181.2 bbls
Water Required	11.5 ppg 16.88 gal/sx

7" Intermediate Casing Tail Slurry	
Cement Slurry	50 / 50 POZ Standard Cement + 2% Bentonite (Light Weight Additive) + 5 lbm/sk Gilsonite (Lost Circ. Additive) + 0.25 lbm/sk Flocele (lost Circ. Additive) + 2% Calcium Chloride (Accelerator)
Cement Required	100 sx
Cement Yield	1.33 cuft/sx
Slurry Volume	127 cuft
Cement Density	23.6 bbls
Water Required	13.5 ppg 5.36 gal/sx

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM
For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Flowline
3. Spacer Spool
4. Double Ram BOP (11", 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. Mud Cross Spacer Spool
19. Casing Head "A" Section
20. Casing Head "A" Section 2" Valve
21. 9 5/8" Casing Collar



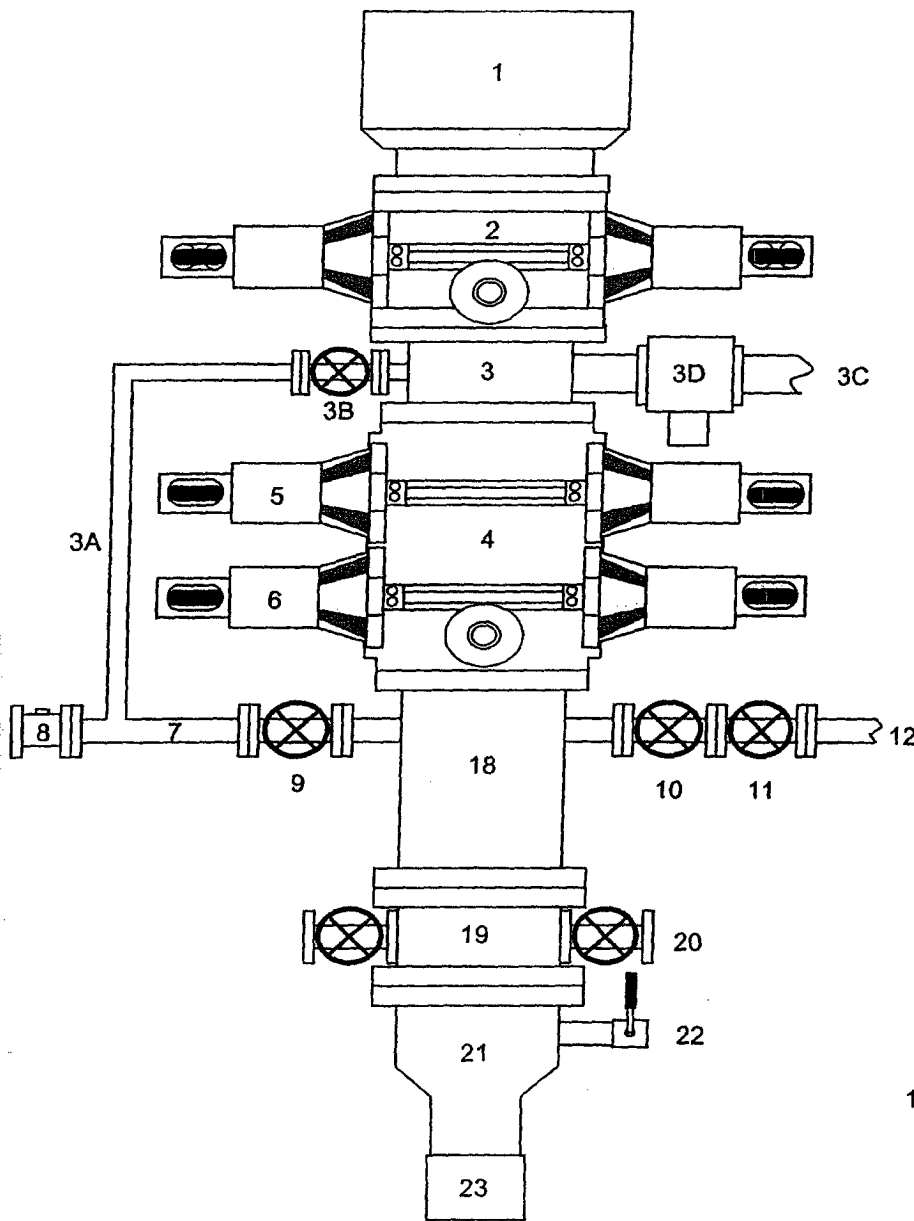
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

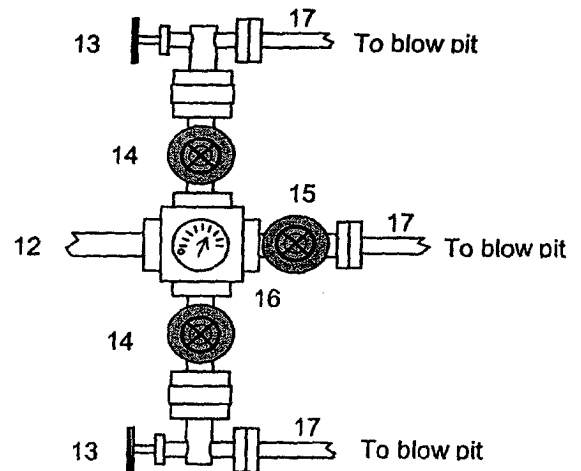
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

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)