

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 78452 NMSF078542
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 32-7 UNIT 237A
3b. Phone No. (include area code) Ph: 915.368.1352		9. API Well No. 3004532438
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NESE 1650FSL 955FEL 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 I Sec 28 T32N R7W 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 3442 MD	12. County or Parish SAN JUAN ✓
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3442 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6687 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well E/3 320 AC
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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
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 06/25/2004
Title AGENT		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 9-16-04
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 #32382 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 \*\*

NMOC

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

District II  
PO Drawer 00, Artesia, NM 88211-0719

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

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30145-32438</b>		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 31329	*Property Name SAN JUAN 32-7 UNIT		*Well Number 237A
*GRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6687'

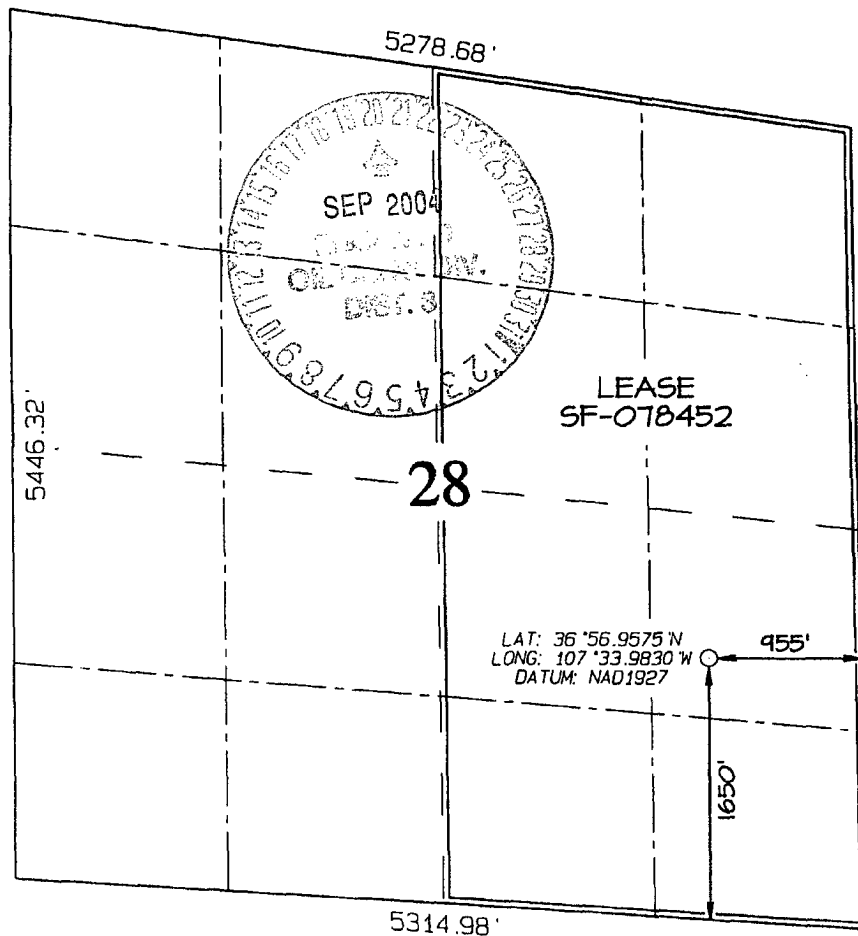
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	28	32N	7W		1650	SOUTH	955	EAST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320.0 Acres - E/2					<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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



<sup>17</sup> 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  
6/25/04  
Date

<sup>18</sup> 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: APRIL 10, 2004

Signature and Seal of Professional Surveyor



*JASON C. EDWARDS*  
Certificate Number 15269

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-103

March 4, 2004

WELL API NO.

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

San Juan 32-7

8. Well Number

237A

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 I : 1650 feet from the Southern line and 955 feet from the East line

Section 28 Township 32N Range 7W NMPM San Juan County

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

6687 GL

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL I Sect 28 Twp 32N Rng 7W Pit type Drill Pit Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000' Below-grade Tank Location

UL I Sect 28 Twp 32N Rng 7W ; feet from the \_\_\_\_\_ line and \_\_\_\_\_ feet from the \_\_\_\_\_ line

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Drill Pit Notification

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

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 6/25/04

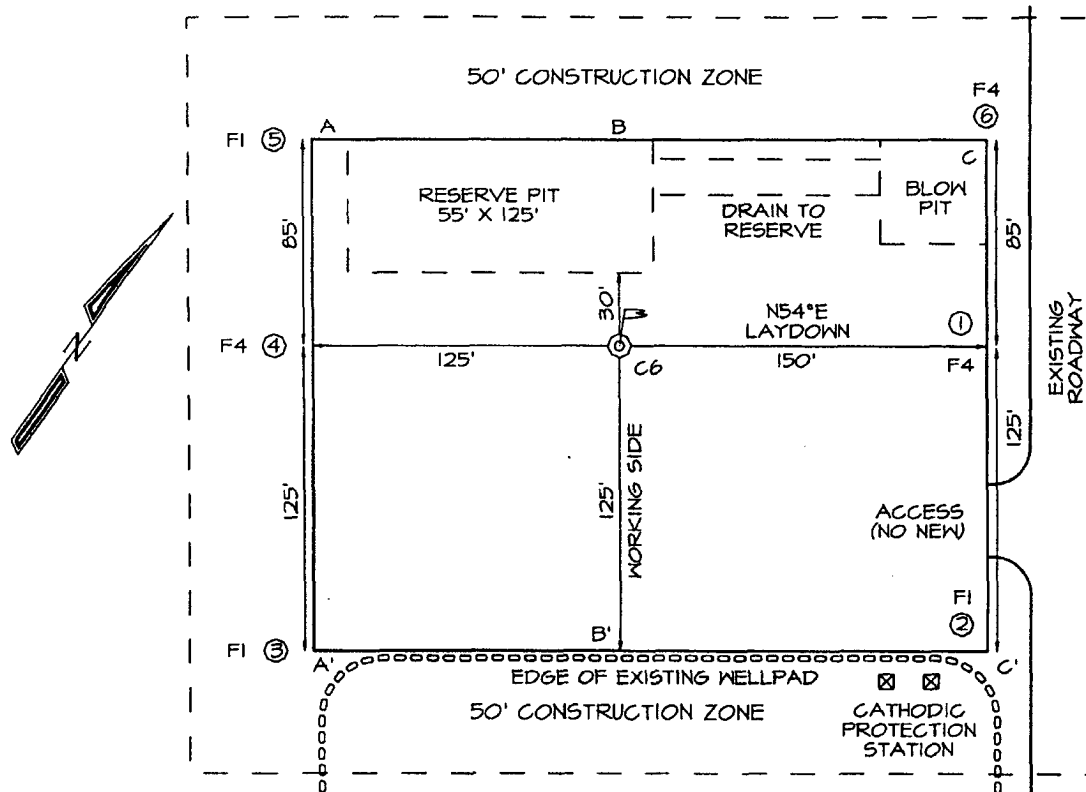
Type or print name Vicki Westby E-mail address: Vicki.R.Westby@conocophillips.com Telephone No. 432-368-1352

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 2 DATE SEP 20 2004

Conditions of approval, if any:

LATITUDE: 36.94929° N  
LONGITUDE: 107.56638° W



PLAT NOTE:

\*SURFACE OWNER\*  
Bureau of Land  
Management

[illegible]

B-B'							
6691'							
6681'							
6671'							

C-C'						
6691'						
6681'						
6671'						



San Juan Business Unit

## PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-7 237A

Lease:		AFE #: WAN.CBM.4160		AFE \$:	
Field Name: hPHILLIPS 32-7		Rig:		State: NM	County: SAN JUAN
Geoscientist: Murphy, Jim O.		Phone: 832-486-2361		Prod. Engineer: Bergman, Pat W.	
Res. Engineer: Anderson, Derrick K		Phone: 832 486-3486		Phone: (832) 486-2358	
		Proj. Field Lead:		Phone:	

### Primary Objective (Zones):

Zone	Zone Name
JCV	BASIN FRUITLAND COAL (GAS)

### Location: Surface

### Straight Hole

Latitude: 36.95	Longitude: -107.57	X:	Y:	Section: 28	Range: 7W
Footage X: 955 FEL	Footage Y: 1650 FSL	Elevation: 6687	(FT)	Township: 32N	

### Tolerance:

Location Type:	Start Date (Est.):	Completion Date:	Date In Operation:
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Formation Data: Assume KB = 6700 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SAN JOSE	5	6695	<input type="checkbox"/>			
Surface Casing	213	6487	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	990	5710	<input type="checkbox"/>			
OJAM	2430	4270	<input type="checkbox"/>			Possible water flows.
KRLD	2550	4150	<input type="checkbox"/>			
FRLD	3094	3606	<input type="checkbox"/>			Possible gas.
Intermediate Casing	3220	3480	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
BASE MAIN COAL	3350	3350	<input type="checkbox"/>	400		
Total Depth	3442	3258	<input type="checkbox"/>			6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented.
PC TONGUE	3457	3243	<input type="checkbox"/>			

### Reference Wells:

Reference Type	Well Name	Comments
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### Logging Program:

Intermediate Logs:	<input type="checkbox"/> Log only if show	<input type="checkbox"/> GR/ILD	<input type="checkbox"/> Triple Combo
TD Logs:	<input type="checkbox"/> Triple Combo	<input type="checkbox"/> Dipmeter	<input type="checkbox"/> RFT <input type="checkbox"/> Sonic <input type="checkbox"/> VSP <input type="checkbox"/> TDT

### Additional Information:

Comments: General/Work Description -

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

Below Intermediate: air/mist drilling media with foamer, polymer, & corrosion inhibitor 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 32-7 # 237A

#### SURFACE CASING :

Drill Bit Diameter	12.25 "	
Casing Outside Diameter	9.625 "	9.001
Casing Weight	32.3 ppf	
Casing Grade	H-40	
Shoe Depth	230 '	40 '
Cement Yield	1.12 cuft/sk	
Excess Cement	125 %	
Casing Capacity	0.0787 bbl/ft	0.4419 cuft/ft
Hole / Casing Annulus Capacity	0.0558 bbl/ft	0.3132 cuft/ft

**Cement Required 147.1 sx**

**SHOE 230 ', 9.625 ", 32.3 ppf, H-40**

#### INTERMEDIATE CASING :

Drill Bit Diameter	7 "	
Casing Outside Diameter	6.456 "	6.456
Casing Weight	20 ppf	
Casing Grade	J-55	
Shoe Depth	3220 '	
Lead Cement Yield	2.51 cuft/sk	
Lead Cement Excess	105 %	
Tail Cement Length	300 '	42 '
Tail Cement Yield	1.27 cuft/sk	
Tail Cement Excess	160 %	
Casing Capacity	0.0405 bbl/ft	0.2273 cuft/ft
Casing / Casing Annulus Capacity	0.0311 bbl/ft	0.1746 cuft/ft
Hole / Casing Annulus Capacity	0.0268 bbl/ft	0.1503 cuft/ft

**Lead Cement Required 418.2 sx**

**Tail Cement Required 99.8 sx**

**LINER TOP 3200 '**

**SHOE 3220 ', 7 ", 20 ppf, J-55**

**LINER BOTTOM 3442' (Uncemented)**

San Juan 32-7 # 237A		
9 5/8" Surface Casing		
Cement Slurry	Class G	
	+ 2% S001 Calcium Chloride	
	+ 0.25 lb/sx D029 Cellophane Flakes	
Cement Volume	147	sx
Cement Yield	1.16	cuft/sx
Cement Volume	170.59	cuft
Cement Density	15.8	ppg
Water Required	4.983	gal/sx
Compressive Strength		
12 hr	1174	psi
36 hr	2763	psi



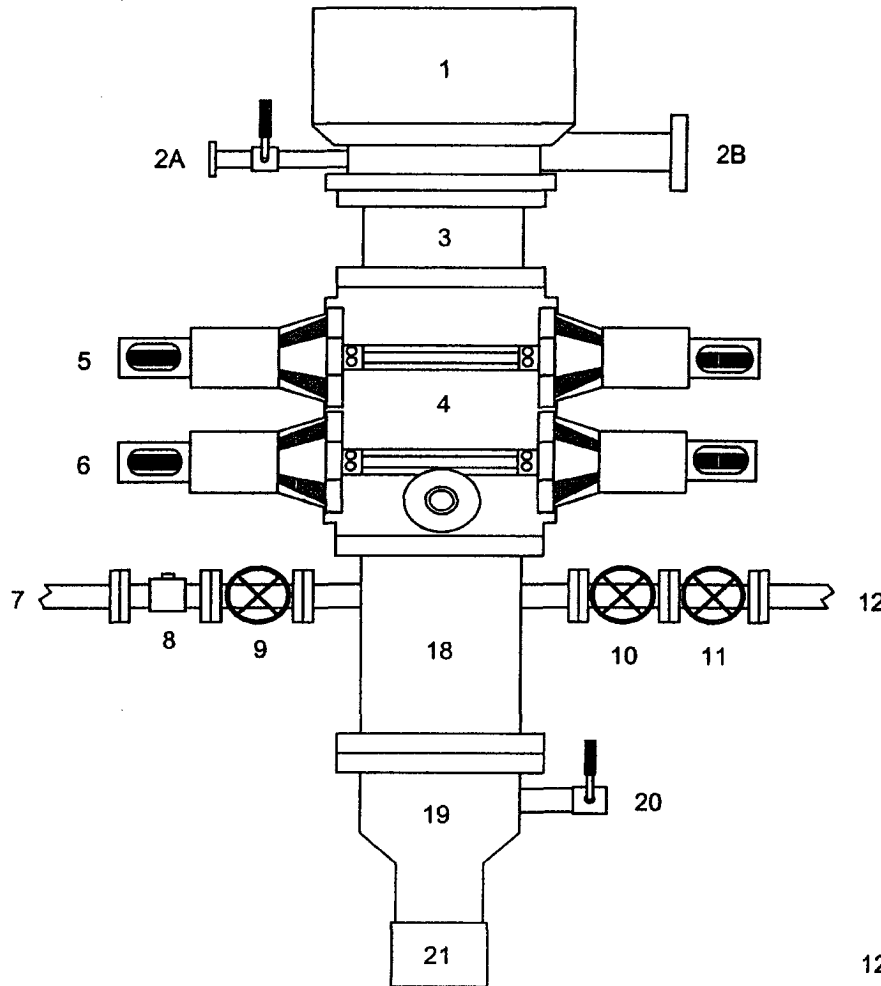
**San Juan 32-7 # 237A**

7" Intermediate Casing		
Lead Slurry		
Cement Slurry	Class G	
	+ 3% D079 Extender	
	+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 0.2% D046 Antifoam	
Cement Volume	418	sx
Cement Yield	2.61	cuft/sx
Cement Volume	1091.49	cuft
Cement Density	11.7	ppg
Water Required	15.876	gal/sx
Compressive Strength		
2 hr 37 min	50	psi
39 hr 40 min	500	psi

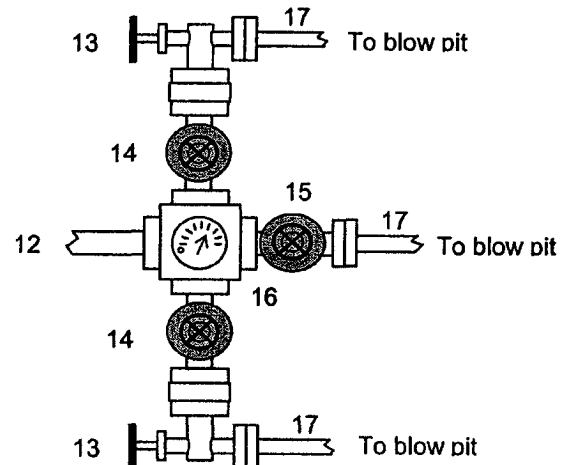
7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50% POZ / 50% Class G cement	
	+ 2% D020 Bentonite	
	+ 2% S001 Calcium Chloride	
	+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 5 lb/sx Gilsonite Extender	
	+ 0.2% D046 Antifoam	
Cement Volume	100	sx
Cement Yield	1.27	cuft/sx
Cement Volume	126.80	cuft
Cement Density	13.5	ppg
Water Required	5.182	gal/sx
Compressive Strength		
24 hr	908	psi
48 hr	1950	psi

# 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



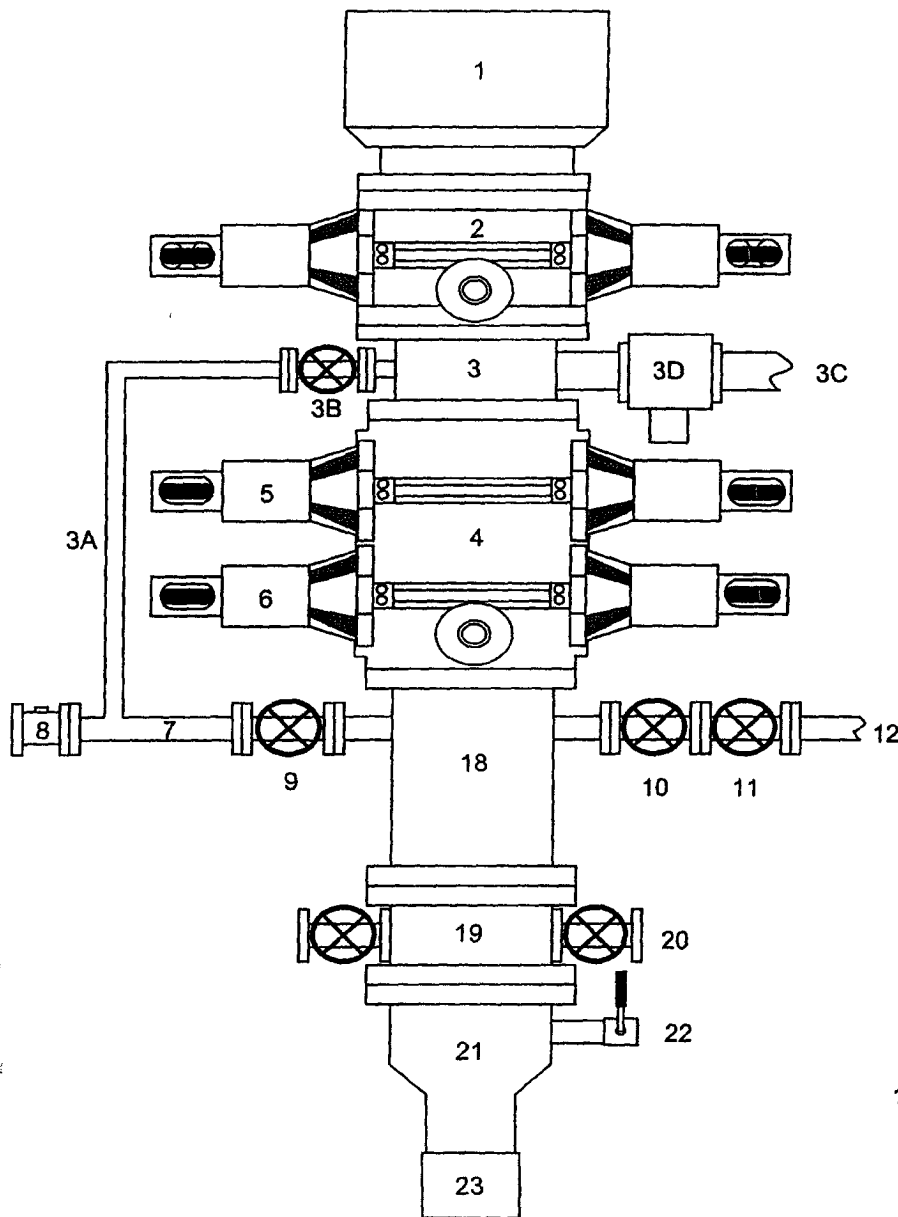
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

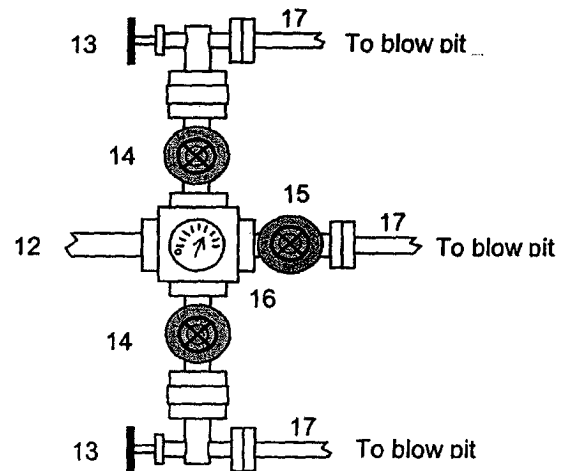
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

# 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).