Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

5.	Lease Serial No.
	NMSF079013

SUNDE	Y NOTICES AND RE	EPORTS ON WE	LLS	NMSF079013
Do not use	this form for proposals well. Use Form 3160-3	to drill or to re-e	enter an	6. If Indian, Allottee or Tribe Name
SUBMIT IN T	RIPLICATE- Other ins	tructions on rever	se side.	7. If Unit or CA/Agreement, Name and/or N
1. Type of Well Oil Well	Gas Well Other			San Juan 32-8 Unit 8. Well Name and No.
2. Name of Operator ConocoPh		261A		
la. Address		API Well No. 30-045-32752-00-X1		
4001 Penbrook, Odessa, TX	79762	3b. Phone No. (include 432-368-1352	· · · · · · · · · · · · · · · · · · ·	10. Field and Pool, or Exploratory Area
	c., T., R., M., or Survey Description)		<u> </u>	Basin Fruitland Coal 1. County or Parish, State
Section 17, T32N, R8W, NWNW 944 FNL - 1000 FWL				San Juan County, NM
12 CURCY	APPROPRIATE BOX(ES) TO	O INIDICATE NATIO	E OF MOTION DED	•
TYPE OF SUBMISSION	AFROFRIATE BOX(E3) IV		E OF ACTION	OKI, OK OTHER DATA
TIPE OF SUBIVILISSION	Acidize			(esume) Water Shut-Off
Notice of Intent	Alter Casing	Deepen Fracture Treat	Production (Start/F	Well Integrity
Subsequent Report	Casing Repair	New Construction	Recomplete	Other revise completion
Final Abandonment Notice	✓ Change Plans Convert to Injection	Plug and Abandon Plug Back	Temporarily Aband Water Disposal	on case and frac
If the proposal is to deepen d Attach the Bond under which following completion of the	irectionally or recomplete horizontal the work will be performed or provinvolved operations. If the operation Final Abandonment Notices shall be	lly, give subsurface location vide the Bond No. on file w n results in a multiple comple	s and measured and true ve ith BLM/BIA. Required st etion or recompletion in a r	artical depths of all pertinent markers and zon absequent reports shall be filed within 30 day new interval, a Form 3160-4 shall be filed or
If the proposal is to deepen d Attach the Bond under which following completion of the testing has been completed, determined that the site is rea ConocoPhillips Compan	irectionally or recomplete horizonta; in the work will be performed or provinvolved operations. If the operation Final Abandonment Notices shall be dry for final inspection.)	lly, give subsurface location vide the Bond No. on file w a results in a multiple comple e filed only after all requirent letion for this well from a	s and measured and true ve ith BLM/BIA. Required si etion or recompletion in a n nents, including reclamation	ertical depths of all pertinent markers and zon ubsequent reports shall be filed within 30 day new interval, a Form 3160-4 shall be filed or n, have been completed, and the operator has rac. A revised well plan, canent
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If the proposal is to deepen d Attach the Bond under which following completion of the testing has been completed, determined that the site is rea ConocoPhillips Compan calculations and BOP se	irectionally or recomplete horizontal in the work will be performed or provinvolved operations. If the operation Final Abandonment Notices shall be day for final inspection.) By requests to change the completematic supporting this change the completematic supporting the completematic supporting the completematic supporting the change the completematic supporting the change the completematic supporting this change the completematic supporting the change the completematic supporting this change the completematic supporting the comp	lly, give subsurface location vide the Bond No. on file wan results in a multiple comple if filed only after all requirements are attached to this sun.	s and measured and true verith BLM/BIA. Required so etion or recompletion in a ments, including reclamation cavitation to case and findry.	artical depths of all pertinent markers and zon ubsequent reports shall be filed within 30 day new interval, a Form 3160-4 shall be filed on in, have been completed, and the operator has rac. A revised well plan, canient
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If the proposal is to deepen de Attach the Bond under which following completion of the testing has been completed, determined that the site is real ConocoPhillips Companicalculations and BOP see A I hereby certify that the for Name (Printed/Typed) Vicki Westby Signature	irectionally or recomplete horizontal in the work will be performed or provinvolved operations. If the operation Final Abandonment Notices shall be day for final inspection.) By requests to change the completematic supporting this change the completematic supporting the completematic supporting the completematic supporting the completematic supporting the change the completematic supporting the completematic supportin	lly, give subsurface location vide the Bond No. on file wan results in a multiple comple e filed only after all requirement of the complete file only after all requirement of	s and measured and true verith BLM/BIA. Required stetion or recompletion in a ments, including reclamation cavitation to case and findry.	artical depths of all pertinent markers and zor absequent reports shall be filed within 30 day new interval, a Form 3160-4 shall be filed on in, have been completed, and the operator has rac. A revised well plan, carrient
If the proposal is to deepen de Attach the Bond under which following completion of the testing has been completed, determined that the site is real ConocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocoPhillips Companicalculations and BOP seeds to be a seed of the conocophic transfer of th	irectionally or recomplete horizontal in the work will be performed or provinvolved operations. If the operation Final Abandonment Notices shall be day for final inspection.) By requests to change the completematic supporting this change the completematic supporting this change the completematic supporting this change the complete attached. Approval of this notice that or equitable title to those rights and or equitable title to those rights.	lly, give subsurface location vide the Bond No. on file wan results in a multiple comple e filed only after all requirement of the substantial of	s and measured and true verith BLM/BIA. Required stetion or recompletion in a ments, including reclamation cavitation to case and findry. ATE OFFICE US	artical depths of all pertinent markers and zo absequent reports shall be filed within 30 da new interval, a Form 3160-4 shall be filed on n, have been completed, and the operator has acc. A revised well plan, canient

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.



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 32-8 261A

Lease:					AFE #: W	AN.CBI	4.5129			Α	FE \$:
Field Name: hPHIL	LIPS 32-8		Rig:			т.	State: N	M Count	y: San Juan	A	PI #: 3004532752
Geoscientist: Clou	d, Tom A		Phone	: +1 832 4	86-2377	Prod	. Engineer: L	imb, H G		Phon	e: 1-832-486-2427
Res. Engineer: Pet	erson, Brad T		Phone	: 486-2055	<u> </u>	Proj.	Field Lead:			Phon	e:
Primary Objectiv	e (Zones):								117		
Zone	Zone Name			*********							
JCV	BASIN FRUITL	AND COAL	(GAS)								
Location: Surface	n en								100		Straight Hole
Latitude: 36.99	Longitud	le: -107.70		X:		Y:		Secti	on: 17		Range: 8W
Footage X: 1000 F	VL Footage	Y: 944 FNL		Elevation:	6690	(FT)	Township: 32	2N			
Tolerance:				********							
Location Type:			Start [Date (Est.):		Co	mpletion Date:		Date In	Opera	ition:
Formation Data: /	Assume KB =	6703 L	Inits =	FT							
Formation Call & Casing Points	(Depth TVD in Ft)	SS (Ft)	Depletion (Yes/No		ВНТ			Remarks	5	
SAN JOSE	•	13	6690								
Surface Casing		213	6490				12-1/4 hole. to surface.	9 5/8" 3	2.3 ppf, H-40, S	TC cas	sing. Circulate cemen
NCMT		693	6010								
OJAM		2138	4565				Possible water	er flows.	13	·"	
KRLD		2263	4440						- <i>8</i> 9	. 600	e
FRLD		3141	3562				Possible gas.	·	Fo MA	(P.S.))
BASE MAIN COAL		3403	3300		1250				6.41		
PC TONGUE		3503	3200								\$ 3
BASE LOWEST COAL		3623	3080								. SJ
PCCF		3633	3070								
Total Depth		3705	2998				7-7/8" hole. surface.	5 1/2" 17	'.0 ppf, J-55 LT(C. Circ	ulate cement to
Reference Wells:											1. 推进。
Reference Type W	ell Name		· · · · ·	Commen	ts						
									No.		
Logging Program:				<u> </u>			4 500 1				
Intermediate Logs: [Log only if	snow []	GR/ILD	lubi	e Combo				···		
TD Logs:	Triple Com	ibo 🔲 Dip	meter	RFT (Sonic [] vsr	ТОТ		·	-	
	TD in	ocludes 90	feet c	ımp/rathole	& COBC ··	مال مم					
Additional Information	on: the B sump	BLM's Cond o/rathole in	itions	of Approval on-producin	for the pro	posed	ipiy with				
Log Type	forma Stage	From (Ft)	To (Ft))	Tool	Type/Name		Remarks		
Comments: Location	/Tone/Logging	Eracusell	compl	otion No in			Consideration		d 2700L		

Comments: Location/Tops/Logging - Frac well completion. No intermediate casing. Cased hole neutron and mudlog 2700' to TD.

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

Drilling Mud Program:
Surface: spud mud
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PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-8 261A

Intermediate: fresh water mud with bentonite and polymer as needed Below Intermediate: air/mist drilling media with foamer, polymer, & corrosion inhibitor as needed

General/Work Description - Provide funds to drill and fracture stimulate the Fruitland Coal formation in the San Juan 32-8 # 261A located in the NW 1/4 of Section 17, T32N, R8W, Basin Fruitland Coal Field, San Juan County, New Mexico.



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San Juan 32-8 # 261A Halliburton Cementing Program

SURFACE CASING :

Drill Bit Diameter Casing Outside Diameter Casing Weight Casing Grade Shoe Depth Cement Yield Cement Density Excess Cement Cement Required	12.25 " 9.625 " 32.3 ppf H-40 230 ' 1.21 cuft/sk 15.6 lb/gal 125 %	Casing Inside Diam. 9.001
Cement Required	141 sx	

SHOE

230 ', 9.625 ",

32.3 ppf,

H-40 STC

INTERMEDIATE CASING:

Drill Bit Diameter	7.875	"	
			Casing Inside Diam. 4.892"
Casing Outside Diameter	5.5		Casing inside Diam. 4.032
Casing Weight		ppf	
Casing Grade	J-55	Ì	
Shoe Depth	3705	•	
Lead Cement Yield	2.91	cuft/sk	
Lead Cement Density		lb/gal	
Lead Cement Excess	160	%	
Tail Cement Length	520	ľ	
Tail Cement Yield	1.33	cuft/sk	
Tail Cement Density	13.5	lb/gal	
Tail Cement Excess	160	%	
Lead Cement Required	478	sx	
Tail Cement Required	176	sx	

SHOE 3705', 5.5", 17 ppf, J-55 LTC



SAN JUAN 32-8 #261A

HALLIBURTON OPTION

	INTERPORTION OF THE				
9-5/8 Surface Casing					
	Standard Cement				
Cement Recipe	+ 3% Calcium Chlori	ide			
	+ 0.25 lb/sx Flocele				
Cement Volume	141 sx				
Cement Yield	1.21 cuft/sx				
	170.7	cuft			
Slurry Volume	30.4	bbls			
Cement Density	15.6	ppg			
Water Required	5.29	gal/sx			

7" Intermediate Casing					
Lead Slurry					
	Standard Cement				
0 10	+ 3% Econolite (Los	t Circulation Additive)			
Cement Recipe	+ 10 lb/sx Gilsonite (+ 10 lb/sx Gilsonite (Lost Circ. Additvie)			
	+ 0.25 lb/sx Flocele	(Lost Circ. Additive)			
Cement Required	478	sx			
Cement Yield	2.91	cuft/sx			
	1391.7	cuft			
Slurry Volume	247.9	bbls			
Cement Density	11.5				
Water Required	16.88	gal/sx			

7" Intermediate Casing					
Tail Slurry					
	50 / 50 PO				
	+ 2% Bento	nite (Ligh	nt Weight Additive)		
Cement Slurry	+ 5 lbm/sk	Gilsonite	(Lost Circ. Additive)		
		+ 0.25 lbm/sk Flocele (lost Circ. Additive)			
	+ 2% Calcium Chloride (Accelerator)				
Cement Required		176	sx		
Cement Yield		1.33	cuft/sx		
	234	243.3	cuft		
Slurry Volume		41.7	bbls		
Cement Density	13.5 ppg				
Water Required		5,36	gal/sx		

SCHLUMBERGER OPTION

9-5/8 Surface Casing				
	Class G Cement			
Cement Recipe	+ 3% S001 Calcium Chloride			
•	+ 0.25 lb/sx D029 C	ellophane Flakes		
Cement Volume	147	147 sx		
Cement Yield	1.16 cuft/sx			
Oleman Maleuman	170.7	cuft		
Slurry Volume	30.4	bbls		
Cement Density 15.8 ppg		ppg		
Water Required	4.983 gal/sx			

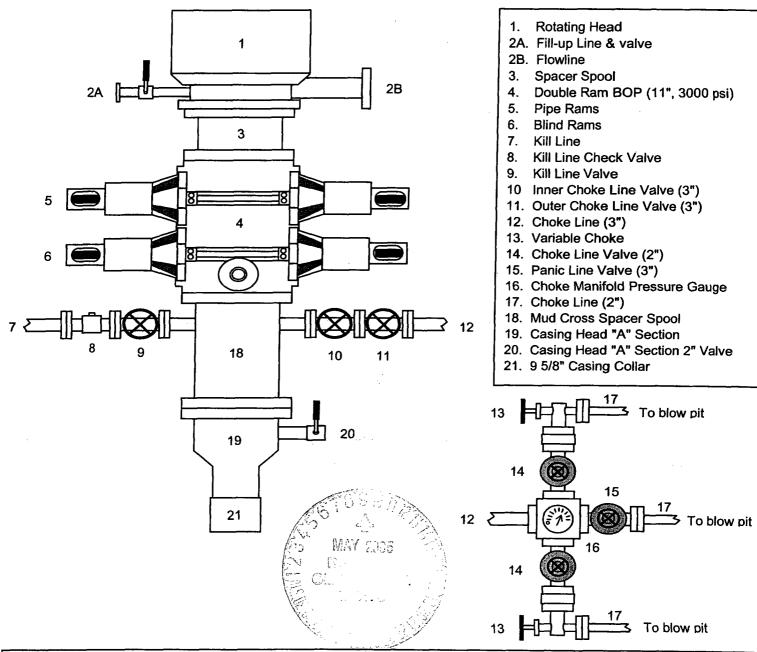
7" Intermediate Casing						
	Lead Slurry					
Class G Cement						
O A Do aima	+ 3% D079 Extende					
Cement Recipe	+ 0.25 lb/sx D029 Ce	ellophane Flakes				
	+ 0.2% D046 Antifoam)					
Cement Required	537	sx				
Cement Yield	2.61	cuft/sx				
Olivera Values a	1400.8	cuft				
Slurry Volume	249.5	bbis				
Cement Density	11.7					
Water Required	15.876	gal/sx				

7" Intermediate Casing						
	Tail Slurry					
	50 / 50 POZ : Class	G Cement				
	+ 2% D020 Bentonit	е				
Carra and Chama	+ 5 lb/sx D024 Gilso	nite extender				
Cement Slurry	+ 0.25 lb/sx D029 Ce	ellophane Flakes				
	+ 2% S001 Calcium Choloride					
	+ 0.2% D046 Antifoam					
Cement Required	177	sx				
Cement Yield	1.27	cuft/sx				
Olympia Malyman	225.3	cuft				
Slurry Volume	40.1	bbls				
Cement Density	13.5 ppg					
Water Required	5.182	gal/sx				



BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 5 1/2" 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 10 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 10 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 a 7-7/8" hole will be drilled to production casing point and 5 1/2" 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

Double Date Audion con-