Form 3160-5 (April 2004)

UNITED STATES

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 200

1 p. 11 200 1)	DEPARTMENT OF THE		İ	Expires: March 31, 2007
	BUREAU OF LAND MAN		5. Lease Seri	
	RY NOTICES AND RE		NMNM	
	this form for proposals well. Use Form 3160-3 ('	1, Allottee or Tribe Name
SUBMITIN	RIPLICATE- Other inst	ructions on reverse sid	₽.	r CA/Agreement, Name and/or
1. Type of Well Oil Well	Gas Well Other		8. Well Na	an 32-8 Unit me and No.
2. Name of Operator ConocoPh	illips Company	,	264A 9. API We	ell No.
a. Address 4001 Penbrook, Odessa, TX	79762	3b. Phone No. (include area cod 432-368-1352	9	-32754-00-X1 d Pool, or Exploratory Area
1. Location of Well (Footage, Se	ec., T., R., M., or Survey Description)			ruitland Coal
Section 9, T32N, R8W - NV	VSE 1001 FSL - 1212 FEL			or Parish, State an County, NM
12. CHECK	APPROPRIATE BOX(ES) TO	INDICATE NATURE OF N		
TYPE OF SUBMISSION		TYPE OF A	CTION	
	Acidize	Deepen Pro	duction (Start/Resume)	Water Shut-Off
Notice of Intent	Alter Casing		clamation	Well Integrity
Subsequent Report	Casing Repair Change Plans		complete mporarily Abandon	Other revise completion
	Change i lans	—		- Cast and ITat
If the proposal is to deepen of Attach the Bond under which following completion of the testing has been completed, determined that the site is real	•	nent details, including estimated star y, give subsurface locations and med de the Bond No. on file with BLM/ results in a multiple completion or re filed only after all requirements, incl	istired and true vertical depth BIA. Required subsequent re ecompletion in a new interval uding reclamation, have been	s of all pertinent markers and zo eports shall be filed within 30 da l, a Form 3160-4 shall be filed on completed, and the operator ha
13. Describe Proposed or Comp If the proposal is to deepen of Attach the Bond under whice following completion of the testing has been completed. determined that the site is real ConocoPhillips Company	leted Operation (clearly state all pertin lirectionally or recomplete horizontall h the work will be performed or provi involved operations. If the operation Final Abandonment Notices shall be	nent details, including estimated star y, give subsurface locations and mea de the Bond No. on file with BLM/ results in a multiple completion or re filed only after all requirements, inclu- tion for this well from cavitatio	ting date of any proposed wo sured and true vertical depth BIA. Required subsequent recompletion in a new interval uding reclamation, have been to case and frac. A revi	s of all pertinent markers and zo eports shall be filed within 30 da l, a Form 3160-4 shall be filed on completed, and the operator has seed well plan, cement
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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 264A

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Lease:		r		AFE #: W	AN.CBM	1.5114			AFE \$:
Field Name: hPHILLIPS	5 32-8	Rig:			T	State:	NM Cour	nty: SAN JUAN	API #:
Geoscientist: Cloud, T	om A	Phone	: +1 832 48	6-2377	Prod.	Engineer:	Limb, H	G F	Phone: 1-832-486-242
Res. Engineer: Peterso	n, Brad T	Phone	: 486-2055		Proj.	Field Lead:		F	Phone:
Primary Objective (2	(ones):							1	
Zone Zon	e Name					,			
JCV BAS	IN FRUITLAND COAL	_ (GAS)							
	·								
Location: Surface									Straight Hole
Latitude: 36.99	Longitude: -107.6	7	X:		Y:		Sec	tion: 9	Range: 8W
Footage X: 1212 FEL	Footage Y: 1001 F		Elevation: 7	010	(FT)	Township:	32N		
Tolerance:		!							
Location Type:		Start [Date (Est.):		Cor	npletion Da	te:	Date In O	peration:
	me KB = 7023	Units =				•			F
Formation Call &	Depth	SS	Depletion	BHP		Т	_ <u></u>		
Casing Points	(TVD in Ft)		(Yes/No)	(PSIG)	BHT			Remarks	
SAN JOSE	13	7010				-			
Surface Casing	213	6810						32.3 ppf, H-40, STC	Ccasing. Circulate cem
NCMT	983	6040				to surface	·	16	1 The
OJAM	2 44 8	4575				Possible w	ater flows.		
KRLD	2593	4430	=						Y 2005 👸
FRLD	3453	3570				Possible g	as.	[SV	57
BASE MAIN COAL	3673	3350		1250				(E) (C)	.W. =
PC TONGUE	3803	3220						i.	J
BASE LOWEST COAL	3893	3130							
PCCF	3898	3125						~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~	
Total Depth	3975	3048				7-7/8" hole to surface.		17.0 ppf, J-55, LTC	casing. Circulate ceme
Reference Wells:						to surrace.		A Part of the second	
Reference Type Well	Name		Comments	S					
Logging Program:				4				46	The state of the s
Intermediate Logs:	Log only if show	GR/ILD	Triple	Combo					
TD Logs:	Triple Combo D	ipmeter	RFT [] Sonic [7 VSP	П тот			
TD includes 80 feet sump/rathole & COPC will comply with									
Additional Information:	ID includ	s Cond	feet sump/rai itions of App	thole & Co	DPC wi	II comply w	<u>vith</u>		
Additional Information.	sump/rat	hole in	this non-proc	ducing Pic	tured C	Cliffs			
Log Type Stag	e formation		To (Ft)		Tool 7	Гуре/Name		Remarks	
Comments: Location/Tor		<u> </u>		armodiata	<u> </u>	- JPC//4dille		Itemarks	

Zones - Frac well completion. No intermediate casing. Mudlog from 3000' to TD. Cased hole neutron from 3000 to TD.

Drillina Mud Program:

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PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-8 264A

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

Centralizer Program:

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 3rd, & 4th joints
Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th
joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

General/Work Description - Provide funds to drill and fracture stimulate the Fruitland Coal formation in the San Juan 32-8 # 264A located in the E 1/2 of Section 9, T32N, R8W, Basin Fruitland Coal Field, San Juan County, New Mexico.



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San Juan 32-8 # 264A Halliburton Cementing Program

SURFACE CASING:

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

SHOE

230 ', 9.625 ", 32.3 ppf, H-40 STC

INTERMEDIATE CASING:

Drill Bit Diameter Casing Outside Diameter Casing Weight Casing Grade Shoe Depth Lead Cement Yield Lead Cement Density Lead Cement Excess Tail Cement Length Tail Cement Density Tail Cement Excess Lead Cement Excess Lead Cement Required	7.875 " ppf 5.5 " ppf J-55 " ppf 2.91 cuft/sk 11.5 lb/gal 160 % 520 ' 1.33 cuft/sk 13.5 lb/gal 160 % 520 sx	
Lead Cement Required Tail Cement Required	520 sx 176 sx	9910772
		20 1

SHOE

3975 ',

5.5 ",

17 ppf,

J-55 LTC



SAN JUAN 32-8 #264A

HALLIBURTON OPTION

TALLIBUR TON OF TIC	<u> </u>		
9-5/8 Surface Casing	g		
+ 3% Calcium Chlori	ide		
+ 0.25 lb/sx Flocele			
141 sx			
1.21 cuft/sx			
170.7	cuft		
30.4	bbls		
15.6 ppg			
5.29 gal/sx			
	9-5/8 Surface Casin Standard Cement + 3% Calcium Chlor + 0.25 lb/sx Flocele 141 1.21 170.7 30.4 15.6		

7" Intermediate Casing					
Lead Slurry					
Standard Cement					
a I Duning	+ 3% Econolite (Los	t Circulation Additive)			
Cement Recipe	+ 10 lb/sx Gilsonite (Lost Circ. Additvie)			
	+ 0.25 lb/sx Flocele (Lost Circ. Additive)				
Cement Required	520	SX			
Cement Yield	2.91	cuft/sx			
	1513.4	cuft			
Slurry Volume	269.6	bbls			
Cement Density	11.5	ppg			
Water Required	16.88	gal/sx			

7" Intermediate Casing				
Tail Slurry				
	50 / 50 POZ:Standard Cement			
	+ 2% Bentonite (Light 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			
	234.3 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	Class G Cement			
Cement Recipe	+ 3% S001 Calcium Chloride		+ 3% S001 Calcium Chloride		
•	+ 0.25 lb/sx D029 Cellophane Flakes				
Cement Volume	147 sx				
Cement Yield	1.16	cuft/sx			
	170.7	cuft			
Slurry Volume	30.4	bbls			
Cement Density	15.8	ppg			
Water Required	4.983	gal/sx			

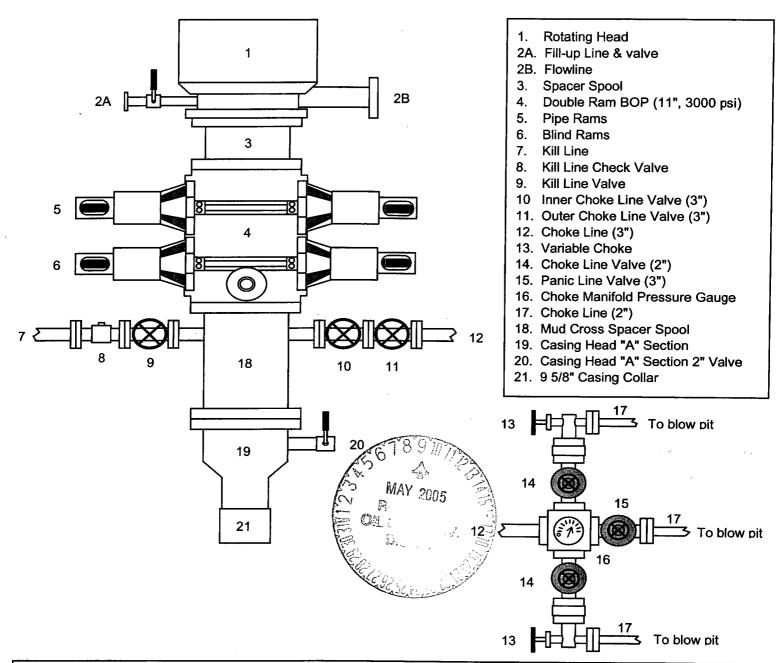
7" Intermediate Casing					
Lead Slurry					
	Class G Cement				
O Daoine	+ 3% D079 Extende				
Cement Recipe	+ 0.25 lb/sx D029 Ce	ellophane Flakes			
]	+ 0.2% D046 Antifoa	ım)			
Cement Required	583	SX			
Cement Yield	2.61	cuft/sx			
Ol	1522.4	cuft			
Slurry Volume	271.2	bbls			
Cement Density	11.7 ppg				
Water Required	15.876	gal/sx			

7" Intermediate Casing					
Tail Slurry					
	50 / 50 POZ : Class	G Cement			
\	+ 2% D020 Bentonite	9			
Composed Charms	+ 5 lb/sx D024 Gilso	nite extender			
Cement Slurry	+ 0.25 lb/sx D029 Ce				
	+ 2% S001 Calcium Choloride				
	+ 0.2% D046 Antifoam				
Cement Required	177 sx				
Cement Yield	1.27	cuft/sx			
Oleman Malesana	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