

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.
SF-079380

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL

☐ REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

☒ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
SAN JUAN 32-8 UNIT #266A

2. Name of Operator

ConocoPhillips Company

9. API Well No.
30-045-33049

3a. Address

4001 Penbrook, Odessa, TX 79762

3b. Phone No. (include area code)

432-368-1352

10. Field and Pool, or Exploratory

BASIN FRUITLAND COAL

4. Location of Well (Report location clearly and in accordance with any State requirements, *)

At surface

UNIT J, 1405' FSL - 1531' FEL

11. Sec., T. R. M. or Blk. and Survey or Area

SECTION 14, T32N, R8W

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office*

12. County or Parish

SAN JUAN

13. State

NM

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

1760

17. Spacing Unit dedicated to this well

E/2 - 320.00 ACRES

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth

3969'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

7110' 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, must 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 must 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 BLM~

25. Signature,

Vicki Westby (pj)

Name (Printed/Typed)

Vicki Westby

Date

4/28/05

Title

Staff Agent

Approved by (Signature)

Markie

Name (Printed/Typed)

Date

5-19-05

Title

Office

FFO

Application approval does not warrant or certify that 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.

*(Instructions on page 2)

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 application is for APD/ROW.

ConocoPhillips will use mudloggers to prevent us from accessing the Pictured Cliffs formation.

This well does not require HPA notification

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

NMOCD

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

2005 APR 29 PM 11 16
RECEIVED
CITY OF FARMINGTON NM

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

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio 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

¹ API Number 30-045-33049	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL (GAS)
⁴ Property Code 31330	⁵ Property Name SAN JUAN 32-8 UNIT	⁶ Well Number 266A
⁷ GRID No. 217817	⁸ Operator Name CONOCOPHILLIPS COMPANY	⁹ Elevation 7110

¹⁰Surface Location

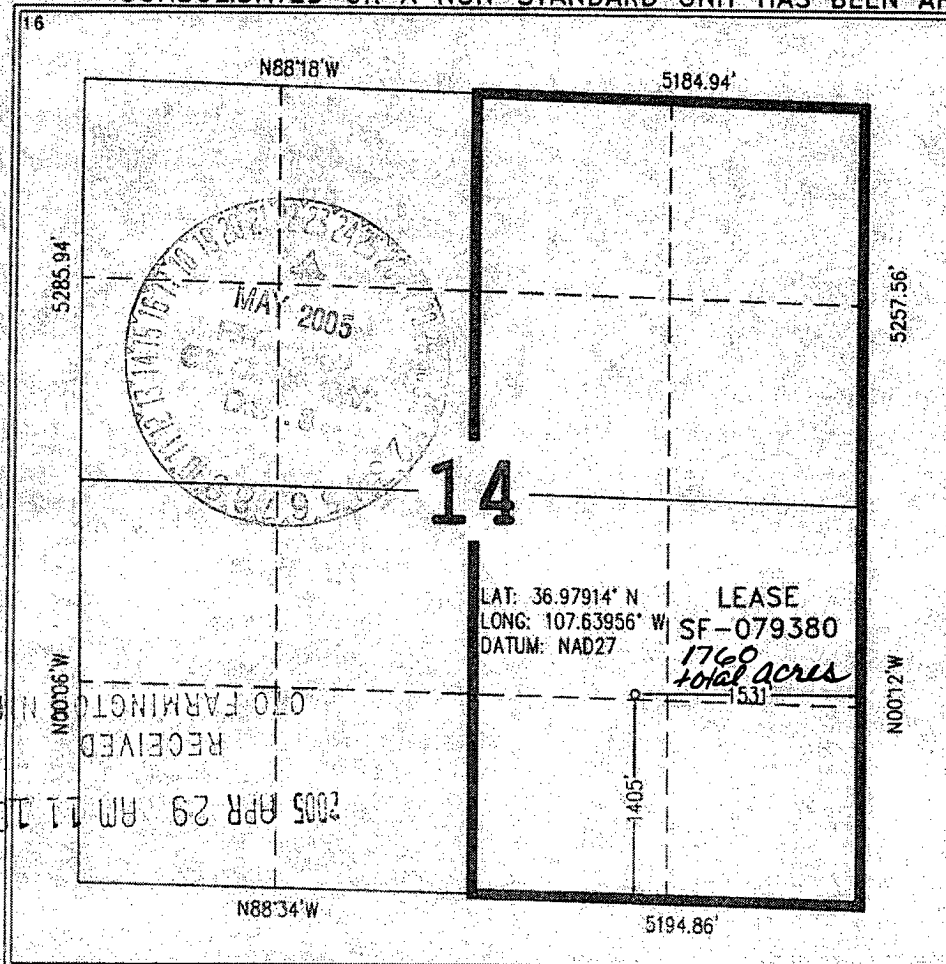
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	14	32N	08W		1405'	SOUTH	1531'	EAST	SAN JUAN

¹¹Bottom 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 E/2 320.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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



¹⁷OPERATOR 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 Westby
Printed Name
Staff Agent
Title and E-mail Address
April 7, 2005
Date

¹⁸SURVEYOR 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: 02/28/05
Signature and Seal of Professional Surveyor:

Henry P. Broadhurst, Jr.
Professional Surveyor
Certificate Number: 101533

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
87505State 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 ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SAN JUAN 32-8 UNIT

8. Well Number

266A

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 J 1405 feet from the South line and 1531 feet from the East line
Section 14 Township 32N Range 8W NMPM SAN JUAN CountyI 1. Elevation (Show whether DR, RKB, RT, GR, etc.)
7110' GLPit or Below-grade Tank Application ☒ Closure ☐

Pit type DRILL Depth to Groundwater 70' Distance from nearest fresh water well >1 Mile Distance from nearest surface water 400'

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 ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/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.

The pit will be constructed and closed in accordance with Rule 50 and as per the Nov. 1, 2004 Guidelines. 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.

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 Staff Agent

DATE 4/28/05

Type or print name

E-mail address:

Telephone No.

For State Use Only

APPROVED BY:

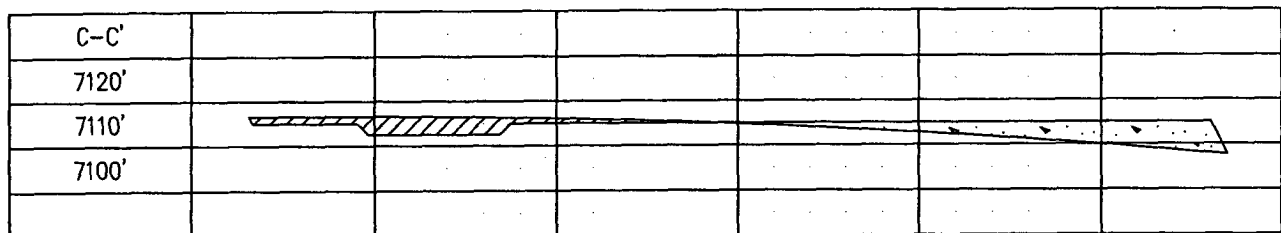
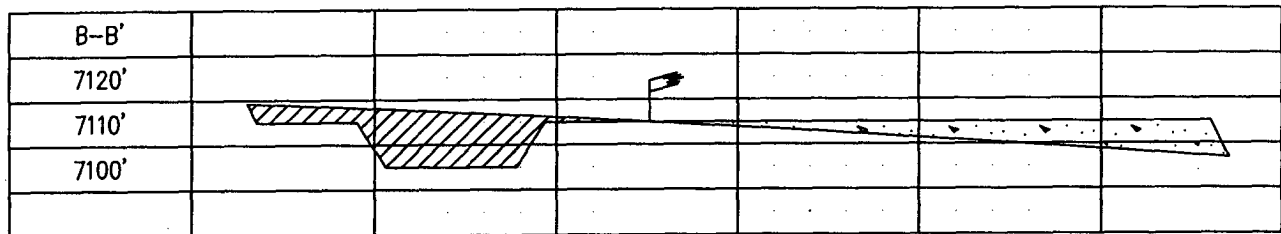
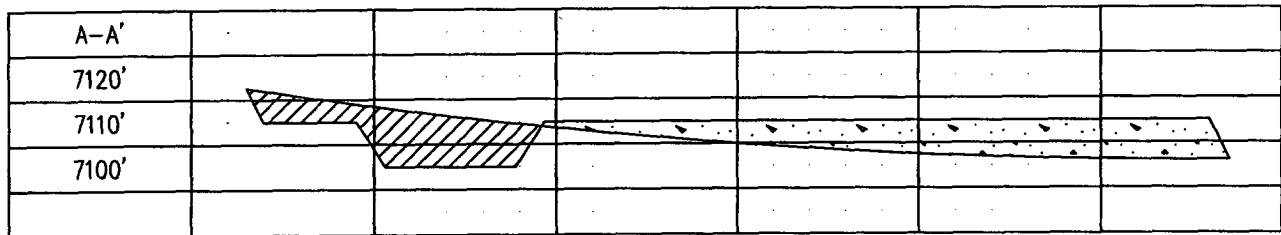
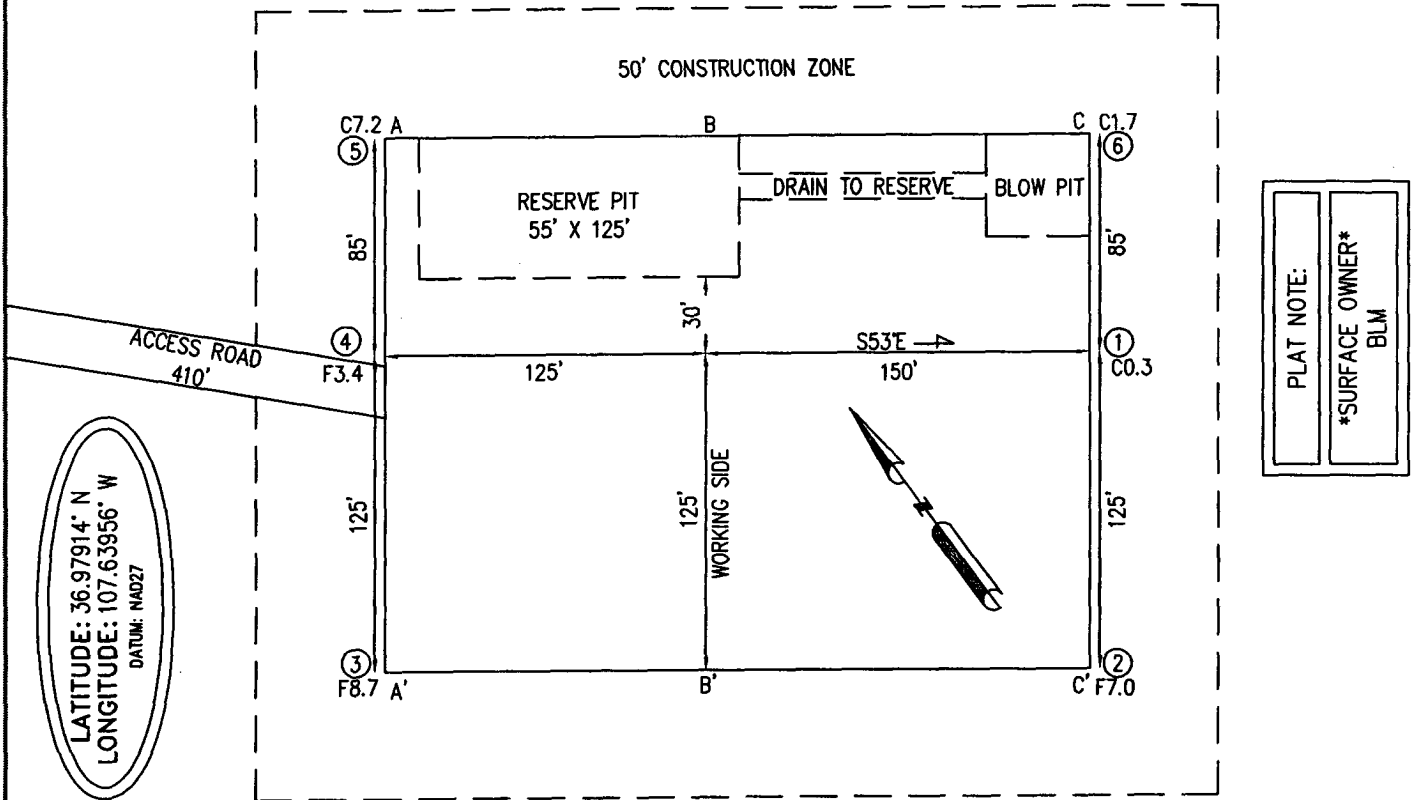
TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 88

MAY 23 2005
DATE

Conditions of Approval (if any):

CONOCOPHILLIPS COMPANY SAN JUAN 32-8 UNIT #266A
 1405' FSL & 1531' FEL, SECTION 14, T32N, R08W, NMPM
 SAN JUAN COUNTY, NEW MEXICO ELEVATION: 7110'



PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-8 266A

Lease:		AFE #: WAN.CBM.5115		AFE \$:	
Field Name: hPHILLIPS 32-8		Rig:	State: NM	County: SAN JUAN	API #:
Geoscientist: Cloud, Tom A		Phone: +1 832 486-2377	Prod. Engineer: Limb, H G		Phone: 1-832-486-2427
Res. Engineer: Peterson, Brad T		Phone: 486-2055	Proj. Field Lead:		Phone:
Primary Objective (Zones):					
Zone	Zone Name				
JCV	BASIN FRUITLAND COAL (GAS)				
Location: Surface					
Latitude: 36.98		Longitude: -107.64	X:	Y:	Section: 14
Footage X: 1531 FEL		Footage Y: 1405 FSL	Elevation: 7110 (FT)	Township: 32N	
Tolerance:					
Location Type:		Start Date (Est.):	Completion Date:	Date In Operation:	
Formation Data: Assume KB = 7123 Units = FT					
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT
SAN JOSE	13	7110	<input type="checkbox"/>		
Surface Casing	213	6910	<input type="checkbox"/>		12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1110	6013	<input type="checkbox"/>		
OJAM	2593	4530	<input type="checkbox"/>		Possible water flows.
KRLD	3176	3947	<input type="checkbox"/>		
FRLD	3569	3554	<input type="checkbox"/>		Possible gas.
BASE MAIN COAL	3786	3337	<input type="checkbox"/>	1250	
PC TONGUE	3813	3310	<input type="checkbox"/>		
BASE LOWEST COAL	3967	3156	<input type="checkbox"/>		
Total Depth	3969	3154	<input type="checkbox"/>		7-7/8" hole. 5 1/2" 17.0 ppf, J-55, LTC casing. Circulate cement to surface.
PCCF	3971	3152	<input type="checkbox"/>		
Reference Wells:					
Reference Type	Well Name		Comments		
Intermediate	Phillips SJ 32-8 #46A				

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: 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					
Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks

Comments: Location/Tops/Logging - Frac well completion. No intermediate casing. Run cased hole neutron log TD to 3000.

Zones - Well is within existing PCCF PA. TD is just above the PCCF with no sump.
APD should include "Mudloaders will be used to prevent drilling into the Pictured Cliff Formation."

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-8 266A

Prospective lowest coal seam 8 ft.

Mud Log from 3200' to TD will be obtained. Frac well with no intermediate casing.

Drilling Mud Program:

Surface: spud mud

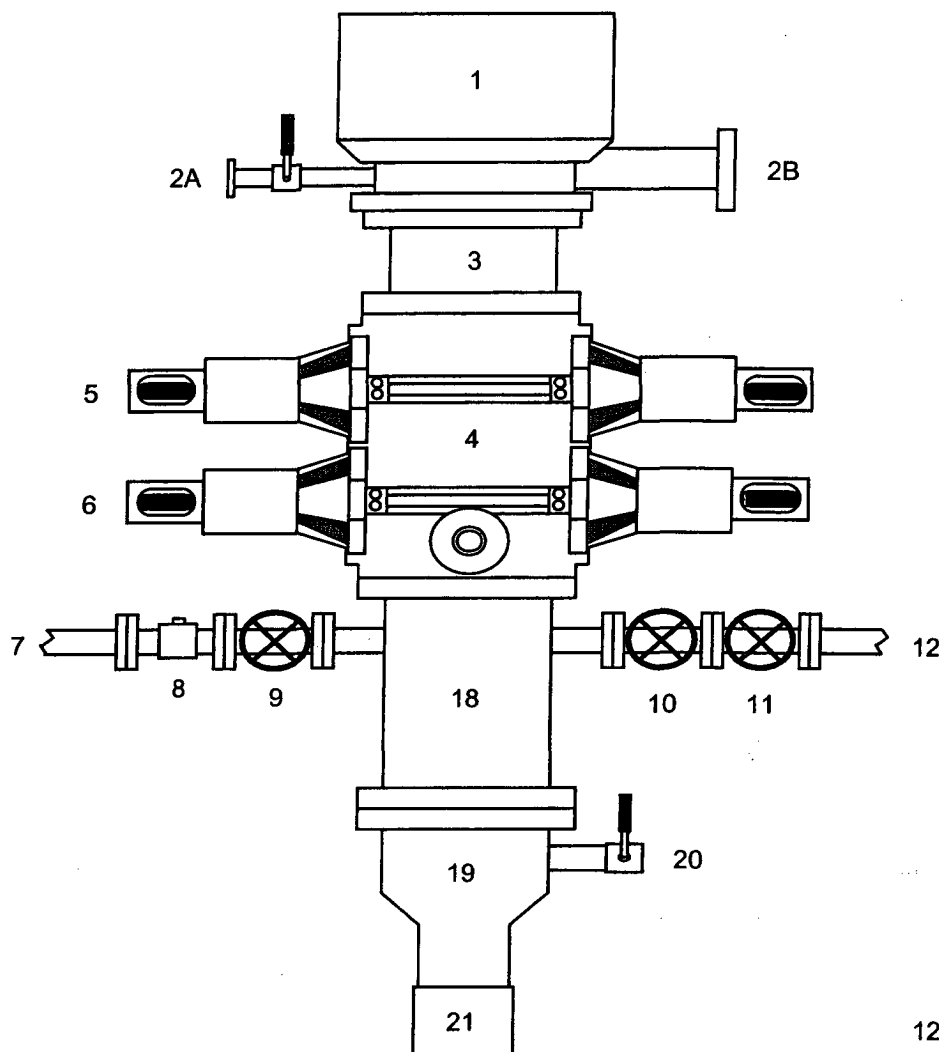
Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist drilling media with foamer, polymer, & corrosion inhibitor as needed

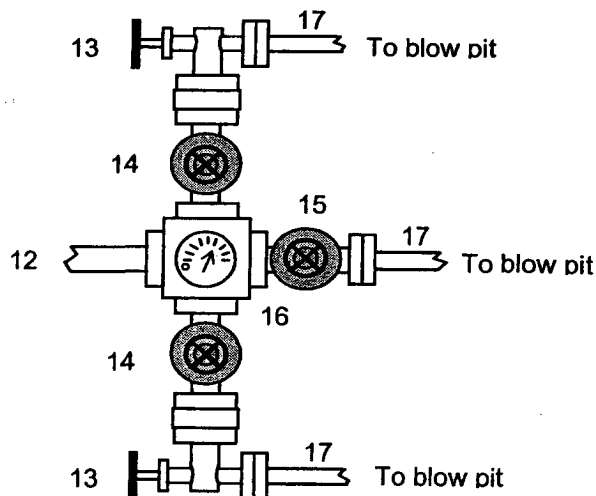
General/Work Description - Provide funds to drill and fracture stimulate the Fruitland Coal formation in the San Juan 32-8 # 266A located in the SE 1/4 of Section 14, T32N, R8W, Basin Fruitland Coal Field, San Juan County, New Mexico.

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 5 1/2" 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 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

Property : SAN JUAN 32-8 UNIT **Well #:** 266A

Surface Location:

Unit: J **Section:** 14 **Township:** 32N **Range:** 8W

County: SAN JUAN **State:** New Mexico

Footage: 1405' **from the** South **line,** 1531' **from the** East **line.**

CATHODIC PROTECTION

ConocoPhillips (COP) proposes to drill a cathodic protection deep well groundbed for the subject well. COP will drill a hole vertically at the surface large enough to accommodate 20 feet of 8 inch diameter PVC pipe for surface casing to assist in further drilling and loading. Casing may be cemented in place for stability if needed. COP will drill a 6-7/8" hole to an anticipated minimum depth of 300' (maximum depth of 500'). Cement plugs will not be used unless more than one water zone is encountered. Prior drilling history for the area indicates only one zone to that depth. If more than one water zone is encountered, notification will be made and details of cement and casing will be provided.

All drilling activity will remain on the existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.