Form 3160-4
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
SF079380

1a. Type of Well [ ] Oil Well [X] Gas Well [ ] Dry [ ] Other
b. Type of Completion [X] New Well [ ] Work Over [ ] Deepen [ ] Plug Back [ ] Diff. Resvr,.
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM 78424B

2. Name of Operator
ConocoPhillips Company

8. Lease Name and Well No.
SAN JUAN 32-8 UNIT 254A

3. Address
5525 Highway 64 Farmington NM 87401

3.a. Phone No. *(Include area code)*
(505) 599-3419

9. API Well No.
30-045-32175

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

At Surface F SEC 23 T32N R8W 1599 FNL & 1762 FWL

At top prod. interval reported below

At total depth SAME AS ABOVE

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

11. Sec., T., R., M., on Block and Survey or Area F Sec: 23 Twn: 32N

12. County or Parish
SAN JUAN

13. State
NM

RECEIVED
DEC 2005
OIL CONS. DIV.
DIST. 3

14. Date Spudded
09/30/2005

15. Date T.D. Reached
10/05/2005

16. Date Completed
[ ] D & A [X] Ready to Prod.
11/17/2005

17. Elevations (DF, RKB, RT, GL)*
6975 GL

18. Total Depth: MD 3970
TVD 3970

19. Plug Back T.D.: MD 3967
TVD 3967

20. Depth Bridge Plug Set: MD
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
CNL; GR/CCL

22. Was well cored? [X] No [ ] Yes (Submit analysis)
Was DST run? [X] No [ ] Yes (Submit analysis)
Directional Survey? [ ] No [X] Yes (Submit copy)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.25	9.625H-40	32.3	0	233		150 sx		0	15 bbl
7.875	5.5 j-55	17.0	0	3967		950 sx		0	80 bbl

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	3905							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Basin Fruitland Coal	3664	3764	3664-3764	.42"	60	Open
B) Basin Fruitland	3428	3570	3428-3570	.42"	62	Open
C)						
D)						

27. Acid, Fracture, Treatment, Cement Sqeeze, Etc.

Depth Interval	Amount and Type of Material
3664-3764	Pumped 25# Delta frac 140 in Pad w/3000# 40/70 AZ sand. Frac w/25# Delta frac 140
	w/WC SW. 150,750 16/30 Brady sand Total sand: 153,750. Fluid 2443 bbl
3428-3570	Pumped 25# delta fra 140 in Pad w/2000# 40/70 AZ sand. frac w/25# Delta frac 140
	w/Wc SW. 100,500 16/30 Brady. Total sand: 102,500. Fluid 1846 bbl.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/17/05	11/15/05	4	→	0	1780	125 bwpd			Gas Pumping Unit

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status
1/2"	270	535 psi	→					Shut-in

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status
			→					

(See Instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD
DEC 20 2005
FARMINGTON FIELD OFFICE
BY
NMOCD

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porsity and contents thereof: Cored intervals and all drill-stem tests, inlcuding depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				Naciamento	1138
				Ojo Alamo	2688
				Kirtland	2928
				Fruitland	3428
				Top Coal MD	3535
				B Main Coal MD	3709
				PC Tongue MD	3742
				B Lowest Coal MD	3859
				Top PCCF MD	3869

32. Additional remarks (include plugging procedure):

This well is a single well producing from the Basin Fruitland Coal. Attached is the Wellbore Schematic and the Daily Summaries

33. Indicate which itmes have been attached by placing a check in the appropriate boxes:

☐ Electrical/Mechanical Logs (1 full set req'd.) ☐ Geological Report ☐ DST Report ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☐ Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name *(please print)* Juanita Farrell Title Regulatory Analyst

Signature Juanita Farrell Date 12/09/2005

Title 18 U.S.C. Section 101 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 and false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

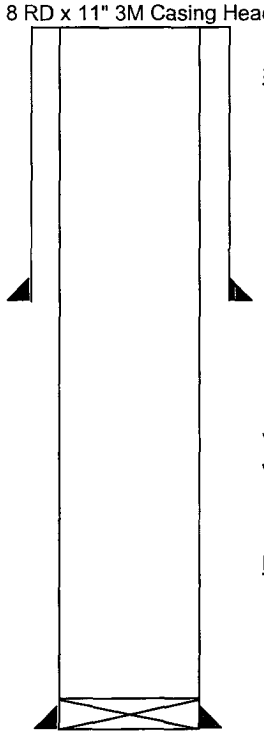
ConocoPhillips

END OF WELL SCHEMATIC

Well Name: San Juan 32-8 #254A
API # : 30-045-32175
Location: 1599' FNL & 1762' FWL
Sec. 23 - T32N - R8W
San Juan County, NM
Elevation: 6975' GL (above MSL)
Drl Rig RKB: 13' above Ground Level
Datum: Drl Rig RKB = 13' above GL

Patterson Rig: #749
Spud: 30-Sep-05
Spud Time: 2:30
Date TD Reached: 5-Oct-05
Release Drl Rig: 5-Oct-05
Release Time: 12:00

9-5/8" 8 RD x 11" 3M Casing Head



Surface Casing Date set: 30-Sep-05
[X] New [ ] Used
Size 9 5/8 in
Set at 233 ft # Jnts: 5
Wt. 32.3 ppf Grade H-40
Hole Size 12 1/4 in Conn STC
Excess Cmt 125 %
T.O.C. SURFACE Csg Shoe 233 ft
TD of 12-1/4" hole 245 ft

Notified BLM @ 23:30 hrs on 29-Sep-05
Notified NMOCD @ 23:35 hrs on 29-Sep-05

SurfaceCement
Date cmt'd: 30-Sep-05
Lead : 150 sx Type III Cement
+ 2% S001 Calcium Chloride
+ 0.25 lb/sx D029 Cellophane Flakes
1.33 cuft/sx, 199.5 cuft slurry at 14.8 ppg
Displacement: 15.3 bbls fresh wtr
Bumped Plug at: 12:41 hrs w/ 380 psi
Final Circ Press: 75 psi @ 0.5 BPM
Returns during job: YES
CMT Returns to surface: 15 bbls
Floats Held: No floats used
W.O.C. for 7.00 hrs (plug bump to start NU BOP)
W.O.C. for 17.00 hrs (plug bump to test csg)

Production Casing: Date set: 5-Oct-05
[X] New [ ] Used
Size 5 1/2 in 90 jts
Set at 3967 ft _____ pups
Wt. 17 ppf Grade J-55
Hole Size 7 7/8 in Conn LTC
Excess Cmt 160 % Top of Float Collar 3920 ft
Pup Jt @ _____ ft Bottom of Casing Shoe 3967 ft
TD of 7-7/8" Hole 3970 ft TD of 7 7/8" Hole: 3970 ft

Notified BLM @ _____ hrs on _____
Notified NMOCD @ _____ hrs on _____

Production Cement
Date cmt'd: 5-Oct-05
Lead : 665 sx 75% TXI / 25% Class G
+ 3.0% D079 Extender
+ 0.25 lb/sx D029 Cellophane Flakes
+ 0.20% D046 Antifoam
2.10 cuft/sx, 1396.5 cuft at 11.7 ppg
Tail : 285 sx 50/50 POZ : Standard cement
+ 2% D020 Bentonite
+ 5 lb/sx D024 Gilsonite
+ 0.25 lb/sx D029 Cellophane Flakes
+ 2% S001 Calcium Chloride
+ 0.10% D046 Antifoam
1.27 cuft/sx, 362. cuft slurry at 13.5 ppg
Displacement: 91 bbls
Bumped Plug: 19:00 hrs w/1500 psi
Final Circ Press: _____
Returns during job: Yes
CMT Returns to surface: 80 BBLs
Floats Held: X Yes __ No

Schematic prepared by:
Aaron Fuhr, Development Engineer
07-October-2005

COMMENTS:

9-5/8" Surf:	No float equipment was run. Ran a guide shoe and an aluminum baffle plate 1 jt above the guide shoe @ 189'. Displaced top wiper plug with water. Shut in casing head and WOC before backing out landing jt. CENTRALIZERS @ 223', 146', 102' & 59'.	Total:	4
5 1/2" Production	DISPLACED W/ 91 BBLS. WATER.		
	CENTRALIZERS @ 3957', 3876', 3787', 3699', 3610', 3522', 216', 84' & 40'.	Total:	9
	TURBOLIZERS @ 2943', 2899', 2855', 2810', 2766', 2722' & 2678'.	Total:	7

ConocoPhillips

Regulatory Summary

SAN JUAN 32 8 UNIT #254A

INITIAL COMPLETION, 10/11/2005 00:00

API/Bottom UWI	County	State/Province	Surface Legal Location	N/S Dist (ft)	N/S Ref	E/W Dist (ft)	E/W Ref
300453217500	San Juan	NEW MEXICO	NMPM-32N-08W-23-F	1,599.00	N	1,762.00	W

Ground Elevation (ft)	Latitude (DMS)	Longitude (DMS)	Spud Date	Rig Release Date
6,975.00	36° 58' 19.488" N	107° 38' 49.92" W	9/30/2005	

10/11/2005 09:00 - 10/11/2005 13:00

Last 24hr Summary

Held safety meeting. RU Computalog. Ran CNL log from 3918' to 3300'. Ran GR/CCL log from 3918' to surface. SWI. RD Computalog.

10/20/2005 08:00 - 10/20/2005 10:00

Last 24hr Summary

Held safety meeting. RU Wood group pressure pump. Tested 5 1/2" csg to 4500 # for 30 min. Held ok. SWI. RD Woodgroup.

10/22/2005 06:00 - 10/22/2005 14:00

Last 24hr Summary

Held safety meeting. RU Computalog. Perforated the lower Fruitland Coal. RIH w/ 3 1/8" slickgun w/ Titan 322g. Perforated from 3664' - 3672' w/ 2 spf, 3678' - 3686' w/ 2 spf, 3704' - 3706' w/ 2 spf, 3752' - 3764' w/ 2 spf. A total of 60 holes w/ .42 dia. RD Computalog. RU Halliburton. Frac the Lower Fruitland Coal. Tested lines to 5500 #. Set pop off @ 4250 #. Broke down formation @ 5 BPM @ 1430 #. Pumped 1500 gals of 28% formic acid @ 5 BPM @ 1516 #. Pumped 25 # Delta frac 140 in Pad w/ 3000 # of 40 / 70 Arizona sand @ .25 # sand per gal. Frac the Lower Fruitland Coal w/ 25 # Delta frac 140 w/ WC SW. 150,7500 16/30 Brady sand. Total sand pumped 153,750 #. 2443 bbls fluid. Avg rate 57 BPM. Avg pressure 2478 #. Max pressure 2817 #. Max sand cons 5 # per gal. ISIP 1830 #. Frac gradient .93. Tagged pad (all 3) w/ Iridium. SWI. RD Halliburton.

10/29/2005 08:00 - 10/29/2005 16:00

Last 24hr Summary

Held safety meeting. RU Computalog. RIH w/ 5 1/2" composite plug. Set plug @ 3580'. Tested plug to 4500 #. Held ok. Perforated the Upper Fruitland Coal. RIH w/ 3 1/8" slickgun w/ Titan 322 charges. Perforated from 3428' - 3431' w/ 2 spf, 3496' - 3499' w/ 2 spf, 3536' - 3548' w/ 2 spf, 3553' - 3563' w/ 2 spf, 3567' - 3570' w/ 2 spf. A total of 62 holes w/ .42 DIA SWI. RD Computa. RU Halliburton. Frac the Upper Fruitland Coal. Tested lines to 5500 #. Set pop off @ 4250 #. Broke down formation @ 5 BPM @ 2649 #. Pumped 1000 gals of 28% formic acid @ 5 BPM @ 2772 #. Pumped 25 # Delta frac 140 in Pad w/ 2000 # of 40 / 70 Arizona sand @ .25 # sand per gal. Frac the Upper Fruitland Coal w/ 25 # Delta frac 140 w/ WC SW. 100,500 16/30 Brady sand. Total sand pumped 102,500 #. & 1846 bbls fluid. Avg rate 45 BPM. Avg pressure 3028 #. Max pressure 3205 #. Max sand cons 4 # per gal. ISIP 2693 #. Frac gradient 1.26. Tagged all 3 pad w/ Scandium. SWI. RD Halliburton

11/9/2005 07:00 - 11/9/2005 16:00

Last 24hr Summary

Held meeting w/ crew - discussed possible hazards & how to avoid them: (Move rig; Rig up; Lay iron; Check psi; ND Frac Tree; NU BOP's; Test BOP's).
Road rig to San Juan 32-8 #254A. MIRU Service Unit.
Spot pipe trailer; move flowback tank; pole up & set blocks on flowback lines; spot air manifold.
ND Frac Tree; NU BOP's; install tubing hanger.
Rig up test equipment & pressure test BOP's - Blinds: 1200 psi low, 2500 psi high. Pipes: 800 low, 2300 psi high. All Good. Secure chart & place in well file.
Put up pressure testin equipment; finish tying up loose ends; secure tools; secure well site; lock rams; SIFN.

11/10/2005 07:00 - 11/10/2005 16:00

Last 24hr Summary

Held meeting w/ crew - discussed possible hazards & how to avoid them: (NU Blooey line; TIH picking up off trlr; clean out w/ air).
Unload blooey & stands & pads off hot-shot; nipple up blooey w/ L & R.
Strap, Tally; PU & MU BHA: 4 3/4 mill, Bit sub, X-over, string float (5.90' OA)
TIH w/ BHA - strapping & tally & rabbit 2 3/8 tubing.
Tag @ 5' in on # 104 (3248'); rig up float, chiksan & air; test air lines to 1500 psi.
Unload hole; got sand bridge back.
Pick up & RIH w/ #'s 104-113; Tag @ 3558'.
Wash down on #114. Tag CBP @ 3580' & continue to sweep w/ air & foam; cut mist back to 6 bbl/hr.
Cut mist; POOH to above perfs (103 joints); install TIW valve.
Secure well; lock rams; drain pumps; SIFN.

11/11/2005 07:00 - 11/11/2005 16:00

Last 24hr Summary

Held meeting w/ crew - discussed possible hazards & how to avoid them: (Blow down psi; tag for new fill; drill out plug).
Blow down casing (830 psi). Trip back in to plug - no new fill.
Drill plug; Take kick - lose 10 points; Hold steady & circulate.
Continue to drill on plug - loose but not drilling up; Follows up when picking up tubing; WIR still 6 points under normal; Well making 50-60 bbl/hr after initial 200-300 bbl. Reserve pit filling up.
Lightning storm moving in. SD wait on weather; Call Key trucks to haul reserve pit.
POOH laying down between lightning storms; Get above top perfs, install TIW; lock rams; SIFN.
Release rig crew; line out water haulers (got 2 trucks & 1 transport) to haul pit down all weekend.

11/12/2005 00:00 - 11/12/2005 00:00

Last 24hr Summary

Key Energy water haulers pull reserve pit to disposal. 120 bbl transport; 140 bbl truck + pup; 80 bbl truck.

11/14/2005 07:00 - 11/14/2005 17:00

Last 24hr Summary

Held meeting w/ crew - discussed possible hazards & how to avoid them: (Blow down psi; tag for new fill; drill out plug; Clean out w/ air; TOH).
Blow down casing (1340 psi). making +- 200 BPH.
Trip back to plug @ 3580'; no new fill; Rig up swivel.
Drill plug out; single in to next tag @ 3758'; Clean out to 3920'; drill out cement in shoe joint from 3920' to 3964' (3' above from guide shoe).
Pump good sweep & dry up. POOH laying down (too windy to be in derrick); pull to string float.
Too windy to pull further; install TIW; secure well; lock rams; SIFN.

11/15/2005 07:00 - 11/15/2005 17:30

Last 24hr Summary

Held meeting w/ crew - discussed possible hazards & how to avoid them: (Blow down psi; Tripping; Slickline ops; Clean out w/ air; Flow testing).
Blow down casing - 1140 psi; unload water.
TOH w/ BHA; Kill w/ 60 bbl @ surface. LD BHA; PU 1.81" F Nipple w/ mule shoe.
TIH to tag - no new fill; load tubing w/14 bbl; rig up flowback iron for later.
MIRU Slickline unit; TIH w/ punch to equalize; TIH w/ retrieving tool & pull plug; RDMO Slickline unit.
Unload hole w/ air.
Kill tubing w/ 5 bbl; Pull up 9 joints to 3673'; Unload hole again, & sweep dry; RU flowback line.
Open well on 1/2" choke and begin flowback test:
Beginning Pressures Casing: 360 psi Tubing: 370 psi

4 Hours Stable Rate Casing: 535 psi Tubing: 270 psi

1.78 MMCFD Water:125 BWPD Oil: 0 Sand: 0 Coal:0

Secure flowtest; Drain up; SIFN.

11/16/2005 07:00 - 11/16/2005 18:00

Last 24hr Summary

Held meeting w/ crew - discussed possible hazards & how to avoid them: (Blow down psi; Tripping; Slickline ops; logging;NU/ND). Wait on H&H slickline. MIRU slickline unit; PU & RIH w/ gauge ring; PU & RIH w/ SpectraScan logging tool & log RA tags across lower & upper fruitland; POOH w/ log; RIH w/ 1.81 F plug & set; RDMO slickline unit; download gauges. Blow down well & hold JSA for change of scope to tripping. TOH w/ tubing & RIH w/ BHA as follows:
2 1/16" Seat nipple (1.5" ID) w/ notched collar & cplg. (land @ 3904', EOT @ 3905')
2 1/16" X 2 3/8" X-Over w/ cplg.
2 3/8" Mud Anchor w/ 1/2" hole under cplg.
1.78" Baker 'F' Profile Nipple (land @ 3872')
123 joints 2 3/8 eue tubing.
Land tubing as described; Secure well; Drain up; SIFN.

11/17/2005 07:00 - 11/17/2005 18:00

Last 24hr Summary

Held meeting w/ crew - discussed possible hazards & how to avoid them: (Blow down psi; Rod up; Space out; Rig down). Blow down casing - 1040 psi. ND BOP's; ND Blooey line; NU B-1 adapter. Pull 1.78 'F' Plug w/ slickline. Unpack rods & rig up table; Prepare to run rods. PU Pump & Screen & RIH on 3/4" rods.
Space out & land pump & rods:
.012" slotted sand screen, 1" X 96" from 6886' - 6894' in mud anchor.
1 1/2" X 12' RAWAC-Z ConocoPhillips CBM Pump - Pump Seat @ 6872' in 1.78" Baker 'F' profile nipple
4' pony & 3ea 25' sinker bars
150 rods to surface & 8',6',4',4' ponies
22' Polished rod w/ 8" showing on light tag.

BHA landed thus:
2 1/16" Seat nipple (1.5" ID) w/ notched collar & cplg. (land @ 3904', EOT @ 3905')
2 1/16" X 2 3/8" X-Over w/ cplg.
2 3/8" Mud Anchor w/ 1/2" hole under cplg.
1.78" Baker 'F' Profile Nipple (land @ 3872')
123 joints 2 3/8 eue tubing.

Pressure test pump & seat to 500 psi - Good
Stroke test pump & seat to 490 psi - Good
Rig Down & prepare all equipment to Move Off. Job Complete.