

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. NMSF079381
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: CBM <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator CONOCOPHILLIPS COMPANY		7. If Unit or CA Agreement, Name and No. 31330
Contact: PATSY CLUGSTON E-Mail: pclugs@ppco.com		8. Lease Name and Well No. SAN JUAN 32-8 UNIT 256A
3a. Address 5525 HWY. 64 FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 505.599.3454 Fx: 505-599-3442	9. API Well No. 30045 31669
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE 730FSL 1240FEL 36.94889 N Lat, 107.62190 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* 10 MILES NORTH OF NAVAJO DAM, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 25 T32N R8W Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 730	16. No. of Acres in Lease 2240.00	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 3860 MD 3860 TVD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6922 GL	22. Approximate date work will start 05/30/2003	17. Spacing Unit dedicated to this well 320.00 E2
		20. BLM/BIA Bond No. on file ES0085
		23. Estimated duration 30 DAYS

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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) PATSY CLUGSTON	Date 05/08/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) DM	Name (Printed/Typed)	Date 5-30-03
Title		Office

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 #21598 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 \*\*

NMCCD

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II  
811 South First, Artesia, N.M. 88210

DISTRICT III  
1000 Elc Branson Rd., Aztec, N.M. 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

### OIL CONSERVATION DIVISION

P.O. 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>30-045-31669</b>		*Pool Code <b>71629</b>	*Pool Name <b>Basin Fruitland Coal</b>
*Property Code <b>009261</b>	*Property Name <b>31330</b>		*Well Number <b>256A</b>
*OGHD No. <b>017654</b>	*Operator Name <b>PHILLIPS PETROLEUM COMPANY</b>		*Elevation <b>6922'</b>

#### 10 Surface Location

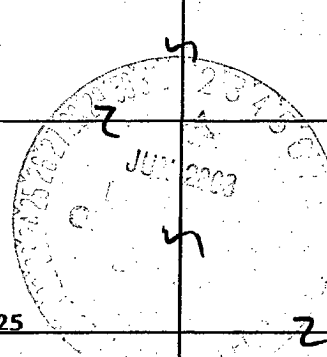
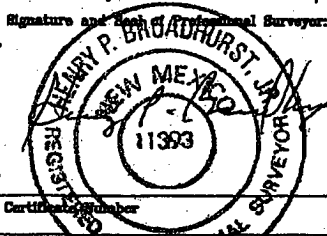
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	32N	8W		730	SOUTH	1240	EAST	SAN JUAN

#### 11 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
P									

*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.
320.0 E/2	I	U	

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

16	N85°41'W	5216.64'		17 OPERATOR CERTIFICATION	
5258.22'				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature <i>Patsy Clugston</i> Patsy Clugston Printed Name Sr. Regulatory Clerk Title August 26, 2002 Date	
				18 SURVEYOR CERTIFICATION	
		SF-079881 2240.0 acres		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 07/18/02	
				Signature and Seal of Professional Surveyor: 	
				Certification Number	
N0°28'W				1240'	
				730'	
	N87°27'W	5181.66'			

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE		5. Lease Serial No. NMSF079381
2. Name of Operator CONOCOPHILLIPS COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address THREE WESTLAKE PARK W-4106 HOUSTON, TX 77252		7. If Unit or CA/Agreement, Name and/or No. NMNM78424B
3b. Phone No. (include area code) Ph: 505.599.3454 Fx: 505-599-3442		8. Well Name and No. SAN JUAN 32-8 UNIT 256A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T32N R8W SESE 730FSL 1240FEL 36.94889 N Lat, 107.62190 W Lon		9. API Well No. 30-045-31669-00-X1
		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
		11. County or Parish, and State SAN JUAN COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**Change in BOP Configuration**

Plans have changed from the original BOP design submitted with the APD. The current configuration from a 11" 3000# Double BOP with blinds on bottom & pipe rams on the top will be changed to an 11" 3000# single BOP with blind rams below an 11" Hydril Annual BOP, capable of closing on all pipe configurations COP is currently utilizing. The annular BOP will be tested to 1500 psi.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #21971 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Farmington Committed to AFMSS for processing by Adrienne Garcia on 05/19/2003 (03AXG1210SE)</b>	
Name (Printed/Typed) PATSY CLUGSTON	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 05/16/2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>/s/ David J. Mankiewicz</b>	Title	Date
Conditions of approval, if any, are attached. Approval of this notice 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.	Office	<b>MAY 30 2003</b>

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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**NMOCD**

## CONOCOPHILLIPS COMPANY

WELL NAME: San Juan 32-8 Unit #256A

### DRILLING PROGNOSIS

1. Location of Proposed Well: Unit P, 730' FSL & 1240' FEI  
Section 25, T32N, R8W
2. Unprepared Ground Elevation: @ 6922'
3. The geological name of the surface formation is San Jose.
4. Type of drilling tools will be rotary.
5. Proposed drilling depth is 3860'.
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 950'</u>	<u>Base of Coal - 3798'</u>
<u>Ojo Alamo - 2600'</u>	<u>Intermediate casing - 3470'</u>
<u>Kirtland - 2710'</u>	<u>Picture Cliffs - 3800'</u>
<u>Fruitland - 3400'</u>	<u>T. D. - 3860'</u>

TD includes 60' of sump/rathole and ConocoPhillips will comply with the BLM/OCD's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs Formation.

7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Water:	<u>Ojo Alamo - 2600' - 2710'</u>
Oil:	<u>none</u>
Gas:	<u>Fruitland Coal - 3400' - 3798'</u>
Gas & Water:	<u>Fruitland Coal - 3400' - 3798'</u>

8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3#, H-40 @ 200' \*  
Intermediate String: 7", 20#, J/K-55 @ 3470'  
Production Liner: 5-1/2", 15.5# J/K-55 @ 3450' - 3860' (see details below)

\* The surface casing will be set at a minimum of 200', but could be set deeper if required to maintain hole stability.

9. Cement Program:

Surface String: 123.2 sx Class G cement with 1.16 cu ft/sx yield, 2% bwoc CaCl<sub>2</sub> (S001), 0.25#/sx Cellophane Flake (D029) = 142.9 cf

*Circulate cement*

9. Cement program: (continued from Page 1)

Intermediate String:

*TOC must overlap min 100' into surface casing*  
Lead Cement: 440.9 sx Class G w/3% D079 (chemical extender) 0.25#/sx D029 (Cellephone flakes, 0.05 GPS D047 (Antifoam Agent) 0.2% D046 Flocele (All purpose antifoam agent) mixed at 11.7 ppg and yield of 2.61 cuft/sx = 1150 cf.

Tail: 96.8 sx - 50/50/G/POZ cement w/2% D020 (Bentonite Extender), 2% S001 (CaCl<sub>2</sub>), 5#/sx D024 (Gilsonite), 1/4#/sx D029 (Cellephone flakes) & 1% D046 (all purpose antifoam agent) @ a weight of 13.5 ppg and yield of 1.27 cuft/sx = 122.93 cf.

Note: ConocoPhillips Company continually works to improve the cement slurries on our wells. Our Cementing Service Companies are currently trying to improve what we are using now and before we would use a new cement program it would have to have stronger properties than we are currently using.

Centralizer Program:

- Surface: Total four (4) - 10' above shoe and top of 2<sup>nd</sup>, 3<sup>rd</sup>, & 4<sup>th</sup> jts.
- Intermediate: Total seven (7) - 10' above shoe and top of 1<sup>st</sup>, 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup>, & 1<sup>st</sup> jt. into shoe.
- Turbulators: Total three (3) - one at 1<sup>st</sup> jt below Ojo Alamo and next 2 jts up.

Liner :

- If the coal is cleated a 5 1/2" 15.5# liner will be run in the open hole without being cemented.
- If the coal is NOT cleated, a 4-1/2" 11.6# liner will be run & cemented. The well will then be completed by fracture stimulation. The top of the liner will be set approx. 200' into the 7" casing and be set @ TD and be cement in place as follows:

Lead Cement: Approx. 150% excess - Standard with 3% Econolite + 10 lbs/sx Gilsonite + 0.5 lbs/sx Flocele + mixed at 11.4 ppg with a yield of 2.91 ft<sup>3</sup>/sx

Tail: 50/50 Poz Standard with 0.25 lbs/sx Flocele + 5 lbs/sx Gilsonite + 2% Bentonite and 2% CaCl<sub>2</sub> mixed at 13.5 ppg with a 1.33 ft<sup>3</sup>/sx yield.

10. The minimum specifications for pressure control equipment which are to be used, a schematic diagram thereof showing sizes, pressure ratings (or) API series and the testing procedure and testing frequency are enclosed within the APD packet.

**San Juan 32-8 Unit #256A  
NMSF079381; Unit P, 730' FSL & 1240' FEL  
Section 25, T32N, R8W; San Juan County, NM**

**Cathodic Protection**

ConocoPhillips proposes to drill a cathodic protection deep well groundbed for the subject well. 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 existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.