

2005 APR 20 AM 10 04

UNITED STATES RECEIVED  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.  
SF-078460

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.  
SAN JUAN 32-7 UNIT

8. Lease Name and Well No.  
240A

9. API Well No.  
30-045-33031

10. Field and Pool, or Exploratory  
BASIN FRUITLAND COAL

11. Sec., T. R. M. or Blk. and Survey or Area  
J Section 19, T32N, R7W

12. County or Parish  
SAN JUAN

13. State  
NM

1a. Type of work: ☒ DRILL ☐ REENTER  
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator  
ConocoPhillips Company

3a. Address  
4001 Penbrook, Odessa, TX 79762

3b. Phone No. (include area code)  
432-368-1352

4. Location of Well (Report location clearly and in accordance with any State requirements, \*)  
At surface Unit J, 2171 FSL - 2088 FEL  
At proposed prod. zone

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

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  
2484.55

17. Spacing Unit dedicated to this well  
E/2 - 326.53

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

19. Proposed Depth  
3315

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
6362 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 (pf)  
Title Staff Agent

Name (Printed/Typed)  
Vicki Westby

Date  
4/15/05

Approved by (Signature)  
Title AFA

Name (Printed/Typed)  
Office FFO

Date  
5/1/06

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) 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

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

NMOCB

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South 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

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

2005 APR 20 AM 10 04

RECEIVED

070 FARMINGTON NM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33031		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL (GAS) ✓
*Property Code 31329 ✓	*Property Name SAN JUAN 32-7 UNIT ✓		*Well Number 240A ✓
*OGRID No. 217817 ✓	*Operator Name CONOCOPHILLIPS COMPANY ✓		*Elevation 6362 ✓

<sup>10</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County
J	19	32N	07W	10	2171	2088 EAST	SAN JUAN

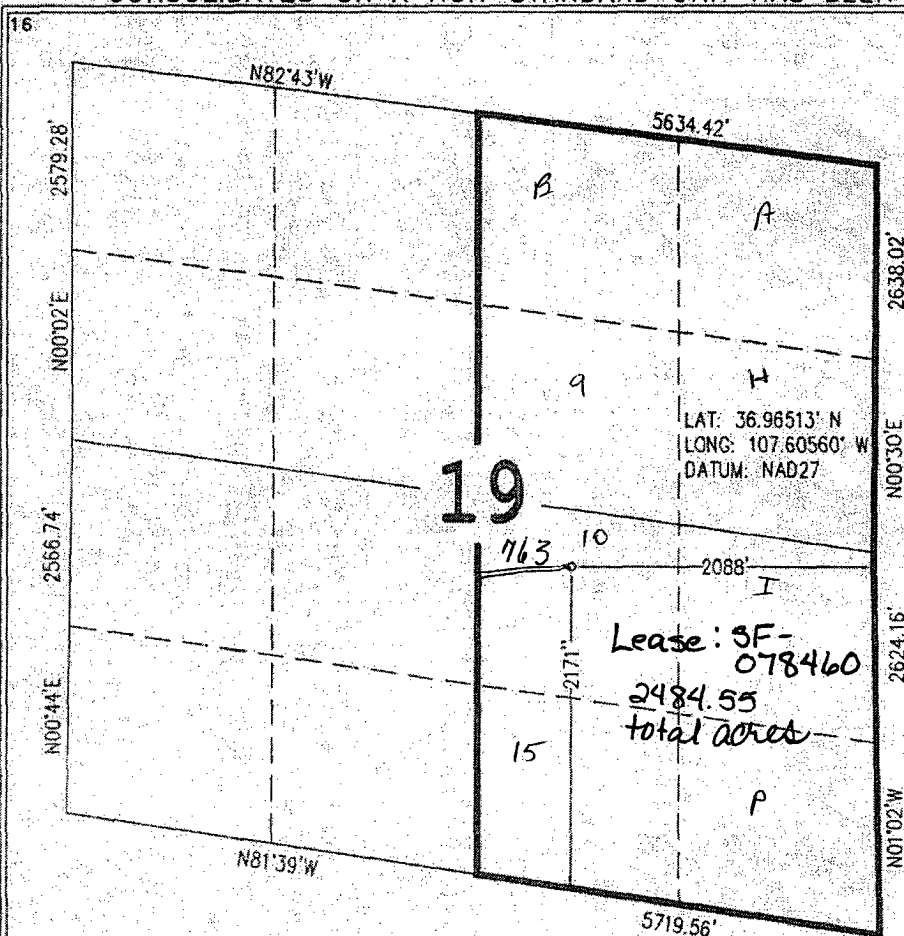
<sup>11</sup>Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County

\*Dedicated Acres \*Joint or Infill \*Consolidation Code \*Order No.

E/2 326.53

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



<sup>17</sup>OPERATOR 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

<sup>18</sup>SURVEYOR 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: 03/11/05  
Signature and Seal of Professional Surveyor

*Henry P. Broadhurst*  
Professional Surveyor  
Certificate Number: NM 14393

Submit 3 Copies To Appropriate District 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

87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-103

May 27, 2004

WELL API NO.

30-045-33031

5. Indicate Type of Lease

STATE ☐

FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SAN JUAN 32-7 UNIT

8. Well Number

240A

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 2171 feet from the South line and 2088 feet from the East line  
Section 19 Township 32N Range 7W NMPM SAN JUAN County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6362 GL

Pit or Below-grade Tank Application ☐ Closure ☐

Pit type DRILL Depth to Groundwater 100' Distance from nearest fresh water well 1 Mile Distance from nearest surface water 300'

Liner Thickness:

mil

Below-Grade Tank: Volume

bb1s; 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: ☐

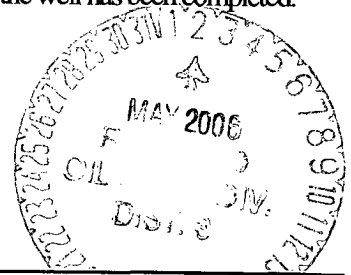
SUBSEQUENT REPORT OF:

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Vicki Westby

TITLE Staff Agent

DATE 4/15/05

Type or print name

E-mail address:

Telephone No.

For State Use Only

APPROVED BY: [Signature]

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. #0

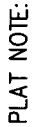
DATE

MAY 02 2006

Conditions of Approval (if any):

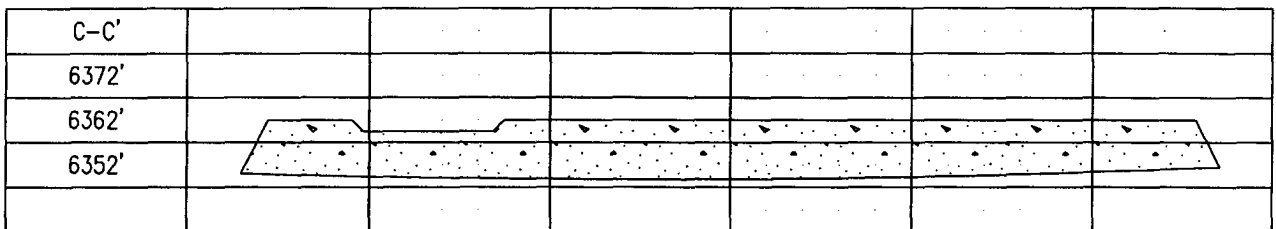
LATITUDE: 36.96513° N  
LONGITUDE: 107.60560° W

**DATUM: NAD27**



\*SURFACE OWNER\*

BLM



# PROJECT PROPOSAL - New Drill / Sidetrack

**SAN JUAN 32-7 240A**

Lease:		AFE #: WAN.CBM.5140		AFE \$:	
Field Name: hPHILLIPS 32-7		Rig:		State: NM	County: SAN JUAN
Geoscientist: Cloud, Tom A		Phone: +1 832 486-2377		Prod. Engineer: Bergman, Pat W. Phone: (832) 486-2358	
Res. Engineer: Stasney, Janet F.		Phone: +832 486-2359		Proj. Field Lead: Phone:	
<b>Primary Objective (Zones):</b>					
<b>Zone</b>	<b>Zone Name</b>				
JCV	BASIN FRUITLAND COAL (GAS)				
<b>Location: Surface</b>				<b>Straight Hole</b>	
Latitude: 36.97	Longitude: -107.61	X:	Y:	Section: 19	Range: 7W
Footage X: 2088 FEL	Footage Y: 2171 FSL	Elevation: 6362	(FT)	Township: 32N	
Tolerance:					
Location Type:		Start Date (Est.):		Completion Date:	
				Date In Operation:	
Formation Data: Assume KB = 6375 Units = FT					
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT
Remarks					
SAN JOSE	13	6362	<input type="checkbox"/>		
Surface Casing	213	6162	<input type="checkbox"/>		12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	595	5780	<input type="checkbox"/>		
OJAM	2025	4350	<input type="checkbox"/>		Possible water flows.
KRLD	2135	4240	<input type="checkbox"/>		
FRLD	2835	3540	<input type="checkbox"/>		Possible gas.
Intermediate Casing	2905	3470	<input type="checkbox"/>		8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
TOP COAL	2935	3440	<input type="checkbox"/>		
BASE MAIN COAL	3055	3320	<input type="checkbox"/>	500	
PC TONGUE	3145	3230	<input type="checkbox"/>		
BASE LOWEST COAL	3235	3140	<input type="checkbox"/>		
PCCF	3245	3130	<input type="checkbox"/>		
Total Depth	3315	3060	<input type="checkbox"/>		6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented.
<b>Reference Wells:</b>					
<b>Reference Type</b>	<b>Well Name</b>		<b>Comments</b>		
Intermediate	Phillips 32-7 #240				
Intermediate	Phillips 32-7 #243				

# PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-7 240A

<b>Logging Program:</b>					
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					
<b>Log Type</b>	<b>Stage</b>	<b>From (Ft)</b>	<b>To (Ft)</b>	<b>Tool Type/Name</b>	<b>Remarks</b>

Comments: Location/Tops/Logging - No PCCF PA or gas pool.

Zones - Drill and complete Fruitland coal well.

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

**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

**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

Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

General/Work Description -

**San Juan 32-7 # 240A**  
**Halliburton Cementing Program**

**SURFACE CASING :**

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

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

**INTERMEDIATE CASING :**

Drill Bit Diameter	8.75"	
Casing Outside Diameter	7"	Casing Inside Diam. 6.456"
Casing Weight	20	ppf
Casing Grade	J-55	
Shoe Depth	2905'	
Lead Cement Yield	2.91	cuft/sk
Lead Cement Density	11.5	lb/gal
Lead Cement Excess	160	%
Tail Cement Length	315'	
Tail Cement Yield	1.33	cuft/sk
Tail Cement Density	13.5	lb/gal
Tail Cement Excess	160	%
Lead Cement Required	330	sx
Tail Cement Required	100	sx

LINER TOP 2885 '

SHOE 2905 ', 7 ", 20 ppf, J-55

LINER BOTTOM 3315' (Uncemented)

**SAN JUAN 32-7 #240A**
**HALLIBURTON OPTION**

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

7" Intermediate Casing		
Lead Slurry		
Cement Recipe	Standard Cement	
	+ 3% Econolite (Lost Circulation Additive)	
	+ 10 lb/sx Gilsonite (Lost Circ. Additive)	
	+ 0.25 lb/sx Flocele (Lost Circ. Additive)	
Cement Required	330	sx
Cement Yield	2.91	cuft/sx
Slurry Volume	960.7	cuft
	171.1	bbls
Cement Density	11.5	ppg
Water Required	16.88	gal/sx

7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50 / 50 POZ:Standard Cement	
	+ 2% Bentonite (Light Weight Additive)	
	+ 5 lbm/sk Gilsonite (Lost Circ. Additive)	
	+ 0.25 lbm/sk Flocele (lost Circ. Additive)	
	+ 2% Calcium Chloride (Accelerator)	
Cement Required	100	sx
Cement Yield	1.33	cuft/sx
Slurry Volume	132.7	cuft
	23.6	bbls
Cement Density	13.5	ppg
Water Required	5.36	gal/sx

**SCHLUMBERGER OPTION**

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

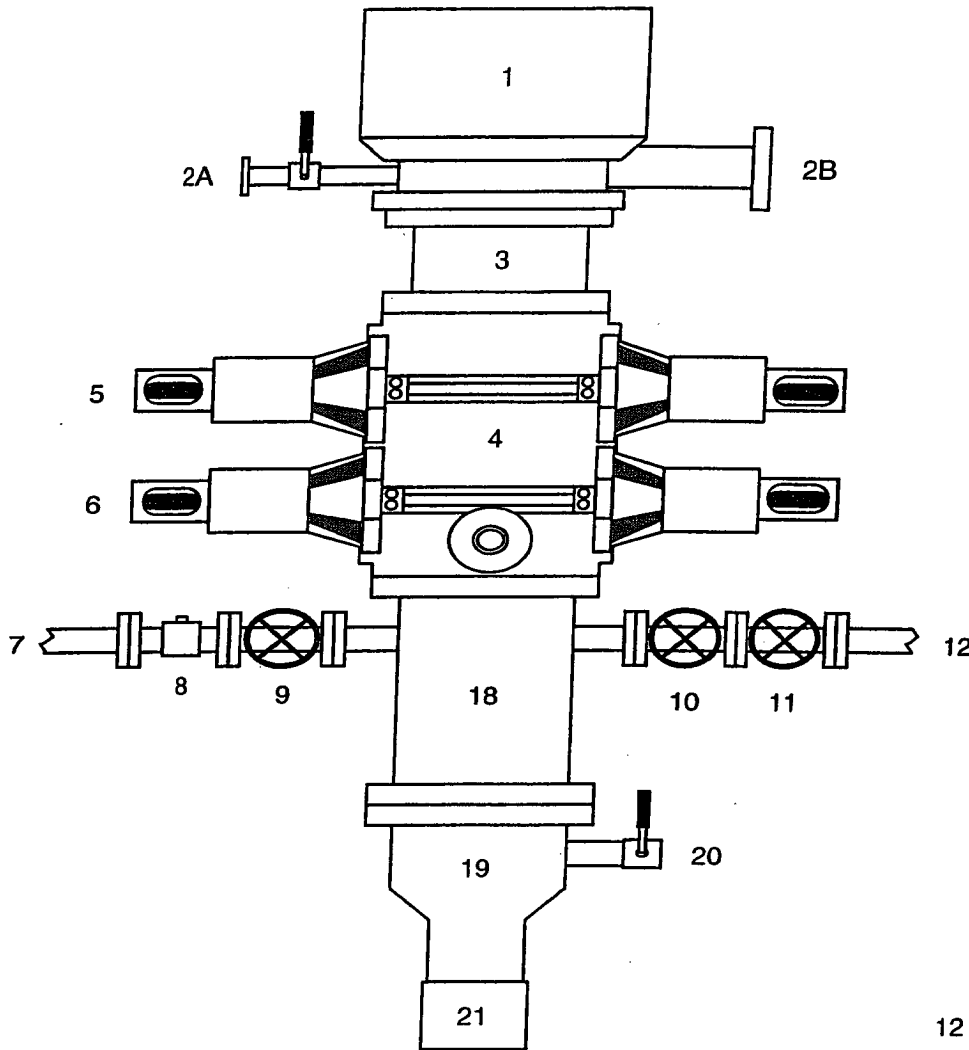
7" Intermediate Casing		
Lead Slurry		
Cement Recipe	Class G Cement	
	+ 3% D079 Extender	
	+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 0.2% D046 Antifoam)	
Cement Required	370	sx
Cement Yield	2.61	cuft/sx
Slurry Volume	966.6	cuft
	172.2	bbls
Cement Density	11.7	ppg
Water Required	15.876	gal/sx

7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50 / 50 POZ : Class G Cement	
	+ 2% D020 Bentonite	
	+ 5 lb/sx D024 Gilsonite extender	
	+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 2% S001 Calcium Chloride	
	+ 0.2% D046 Antifoam	
Cement Required	100	sx
Cement Yield	1.27	cuft/sx
Slurry Volume	126.9	cuft
	22.6	bbls
Cement Density	13.5	ppg
Water Required	5.182	gal/sx

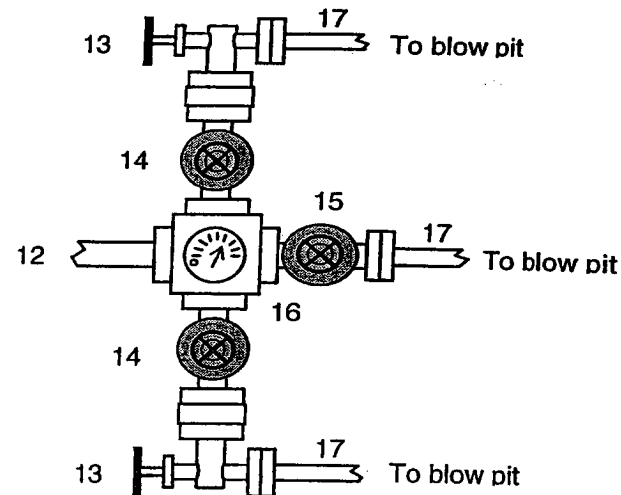


# BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to Intermediate Casing Point & Setting 7" 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



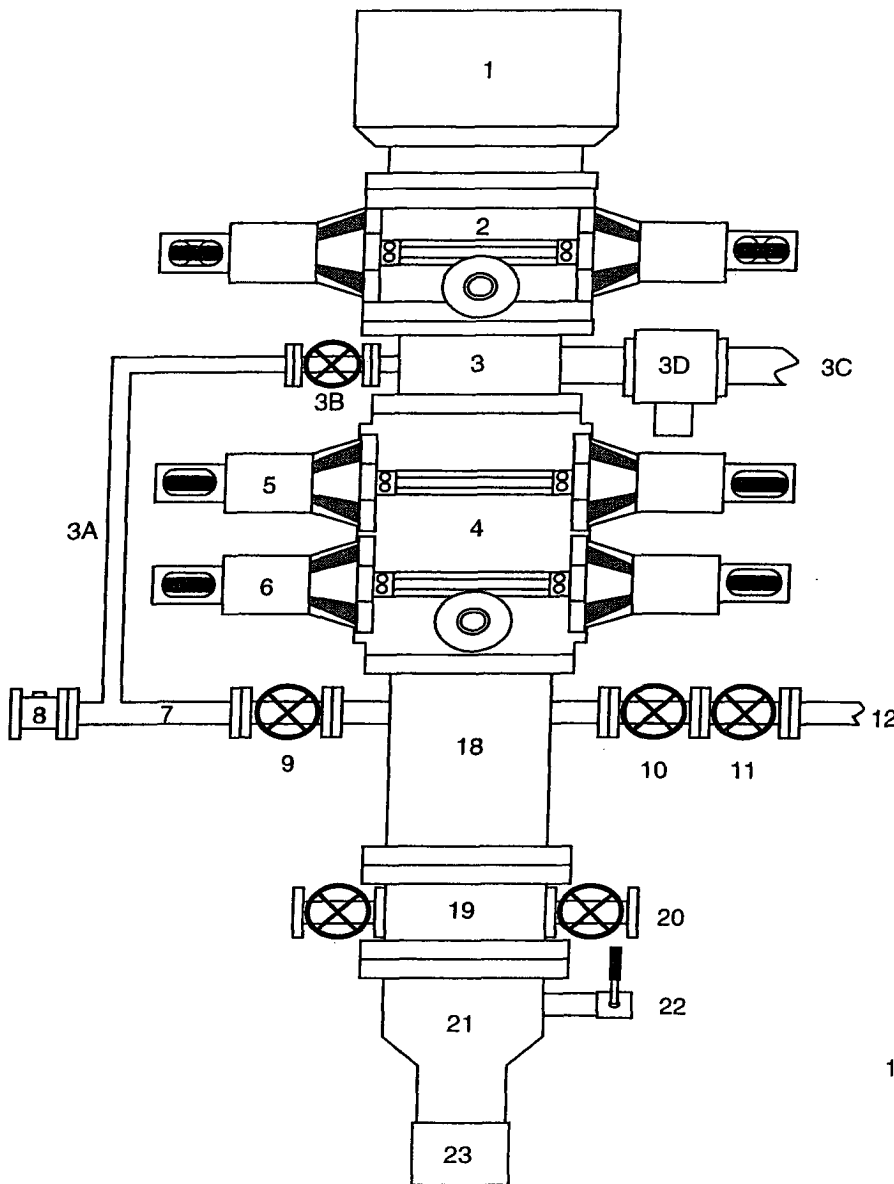
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe 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 an 8-3/4" hole will be drilled to intermediate casing point and 7" intermediate casing will be run and cemented.

In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

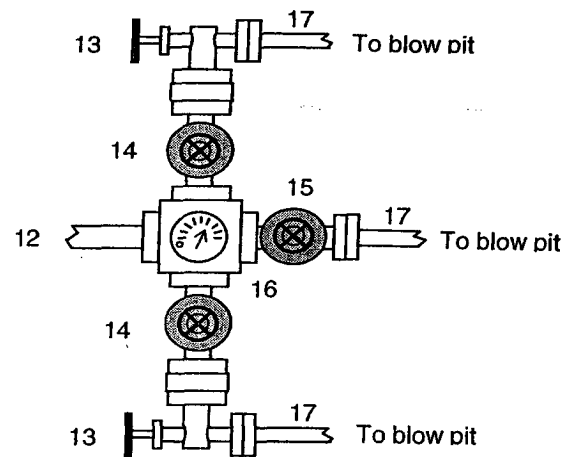
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

# BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Cavitation Program



1. Stripping Head
2. Single Ram BOP (7-1/16", 3M)
3. Mud Cross
- 3A. Equalizing Line (2")
- 3B. Wing Valve (2-1/16", 3M)
- 3C. Bloopie Line (2 ea, 5" OD)
- 3D. HCR Valve (1 ea per line, 4-1/16")
4. Double Ram BOP (7-1/16", 3M)
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. Vent Line (2")
18. Spacer Spool
19. Tubing Head
20. Tubing Head Valves (2- 9/16")
21. Casing Head "A" Section
22. Casing Head "A" Section 2" Valve
23. 9-5/8" Casing Collar



This BOP arrangement and test program is for the cavitation program. The BOP will be installed on the tubing head. The 7" casing will be pressure tested against closed blind rams to 200 psi to 300 psi for 10 minutes and to 1800 psi for 30 minutes - this test pressure is 48% of the minimum internal yield strength of 3740 psi for the 7", 20#, J-55, STC casing. The pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 minutes and to 1800 psi (high pressure test) for 10 minutes - This test will be done with a test plug or possibly without a test plug (ie against casing). If we conduct this test without a test plug we will ensure that we have sufficient drillstring weight in the hole to exceed the upward force generated by the test.

We use a power swivel and air/mist to drill the 6-1/4" hole in our cavitation program. We do not use a kelly. In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

1. String floats will be used inside the drillpipe
2. Stab-in TIW valve for all drillstrings in use
3. Each bloopie line is equipped with a hydraulically controlled valve (HCR valve).

Property : SAN JUAN 32-7 UNIT Well #: 240A

**Surface Location:**

Unit: J Section: 19 Township: 32N Range: 7W

County: SAN JUAN State: New Mexico

Footage: 2171 from the South line, 2088 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.