Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
2003 JUL 10 PM 2:08
070 Farmington, NM

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NMNM012292

1a. Type of Work: [X] DRILL [ ] REENTER

6. If Indian, Allotee or Tribe Name:

1b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [ ] Single Zone [X] Multiple Zone

7. Unit or CA Agreement Name and No.:

2. Name of Operator: ConocoPhillips Company

8. Lease Name and Well No.: San Juan 31-6 Unit #204A

3a. Address: 5525 Highway 64, NBU 3004, Farmington, NM 87401

3b. Phone No. (include area code): 505-599-3454

9. API Well No.: 30 039 27470

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

At surface: Unit D (NWNW), 1085' FNL & 485' FWL

At proposed prod. zone: Same as above

10. Field and Pool, or Exploratory: Basin Fruitland Coal

11. Sec., T., R., M., or Blk. and Survey or Area: d Sec. 3, T30N, R6W

14. Distance in miles and direction from nearest town or post office*: approx. 56.5 miles east of Bloomfield, NM.

12. County or Parish: Rio Arriba,

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any): 485'

16. No. of Acres in lease:

17. Spacing Unit dedicated to this well: 320.16 acres W/2

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

19. Proposed Depth: 3469'

20. BLM/BIA Bond No. on file: ES0085

21. Elevations (Show whether DF, KDB, RT, GL, etc.: 6436' GL

22. Approximate date work will start*: 8/1/03

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.
2. A Drilling Plan
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).
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 authorized officer.

25. Signature: Patsy Clugston — Name (*Printed/Typed*): Patsy Clugston — Date: 7/10/03

Title: SHEAR Administrative Assistant

Approved by (Signature): /s/ David J. Mankiewicz — Name (*Printed/Typed*): — Date: JUL 24 2003

Title: — Office:

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 knowlingly 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 Reverse)

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

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

NMOCD

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO 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

¹API Number	²Pool Code	³Pool Name
30-039-27470	71629	BASIN FRUITLAND COAL

⁴Property Code	⁵Property Name	⁶Well Number
31328	SAN JUAN 31-6 UNIT	204A

⁷OGRID No.	⁸Operator Name	⁹Elevation
217817	CONOCOPHILLIPS COMPANY	6436'

¹⁰ Surface Location

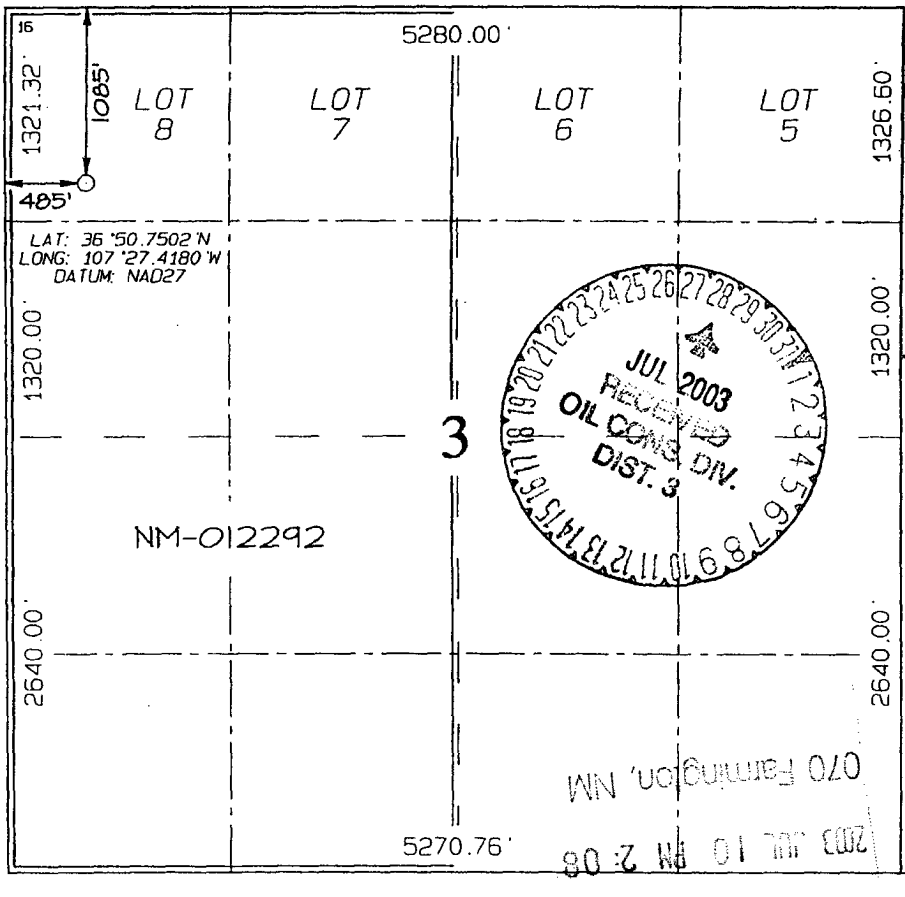
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	30N	6W		1085	NORTH	485	WEST	RIO ARRIBA

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

¹²Dedicated Acres	¹³Joint or Infill	¹⁴Consolidation Code	¹⁵Order No.
320.16 Acres - (W/2)			

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



¹⁷ 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 R. Westby
Printed Name

Sr. Analyst
Title

July 2, 2003
Date

¹⁸ 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: JUNE 4, 2003

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
Certificate Number 15269

070 FARMINGTON, NM
2003 JUL 10 PM 2:08

RECEIVED

ConocoPhillips

WELL NAME: San Juan 31-6 Unit #204A

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit D, (NWNW) 1085' FNL & 485' FWL Section 3, T30N, R6W

2. Unprepared Ground Elevation: @ 6436'.

3. The geological name of the surface formation is San Jose.

4. Type of drilling tools will be rotary.

5. Proposed drilling depth is 3469'.

6. The estimated tops of important geologic markers are as follows:

Naciamento - 1399'	Base of Coal - 3269'
Ojo Alamo - 2449'	Pictured Cliffs – 3269'
Kirtland - 2569'	T. D. – 3469'
Fruitland - 2999'	

TD includes 200' of sump/rathole & COPC 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:	Ojo Alamo - 2449' - 2569'
Oil:	none
Gas:	Fruitland Coal - 2999' - 3269'
Gas & Water:	Fruitland Coal - 2999' - 3269'

8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3#, H-40 @ 200' *
Production String: 5-1/2", 17#, J-55 STC @ 3469'

* 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: 150 sx – 15.8 ppg Class G cement + 2% S001 CaCl2, + 0.25#/sx D029 Cellophane Flakes. Water required – 4.983 gal/sx . Yield – 1.16 cf/sx (174.27 cf.) Will circulated cement to surface.

9. Cement program: (continued from Page 1)

Production String: Lead – 447.5 sx – 11.7 ppg, Class G cement + 3% D079 (Extender) + 0.25#/sx D029 (Cellophane Flakes) + 5#/sx Pheno Seal, + 0.2% D046 Antifoam. Mix water = 15.876 gal/sx. Yield – 2.61 ft3/sx (1168 cf)

Tail – 243 sx – 13.5 ppg, 50/50 Class G/POZ + 2% D029 (Bentonite) + 2% S001 (CaCl2) + 0.25#/sx D029 (Cellophane Flakes), + 5#/sx Gilsonite extender, + 2.5#/sx Pheno Seal, # 0.2% D046 Antifoam.) Mix water = 5.182 gal/sx. Yield = 1.27 ft3/sx (308.67 cf). Anticipate circulating cement to surface.

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 2nd, 3rd, & 4th jts.

Production : Total seven (7) - 10' above shoe and top of 1st, 2nd, 4th, 6th, 8th, & 1st jt. into shoe.

Turbulators: Total three (3) - one at 1st jt below Ojo Alamo and next 2 jts up.

The well will be completed by fracture stimulation.

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.

11. Drilling Mud Prognosis: Surface - spud mud on surface casing.
Production - fresh water w/polymer sweeps. Bentonite as required for viscosity w/LCM for lost circulation.

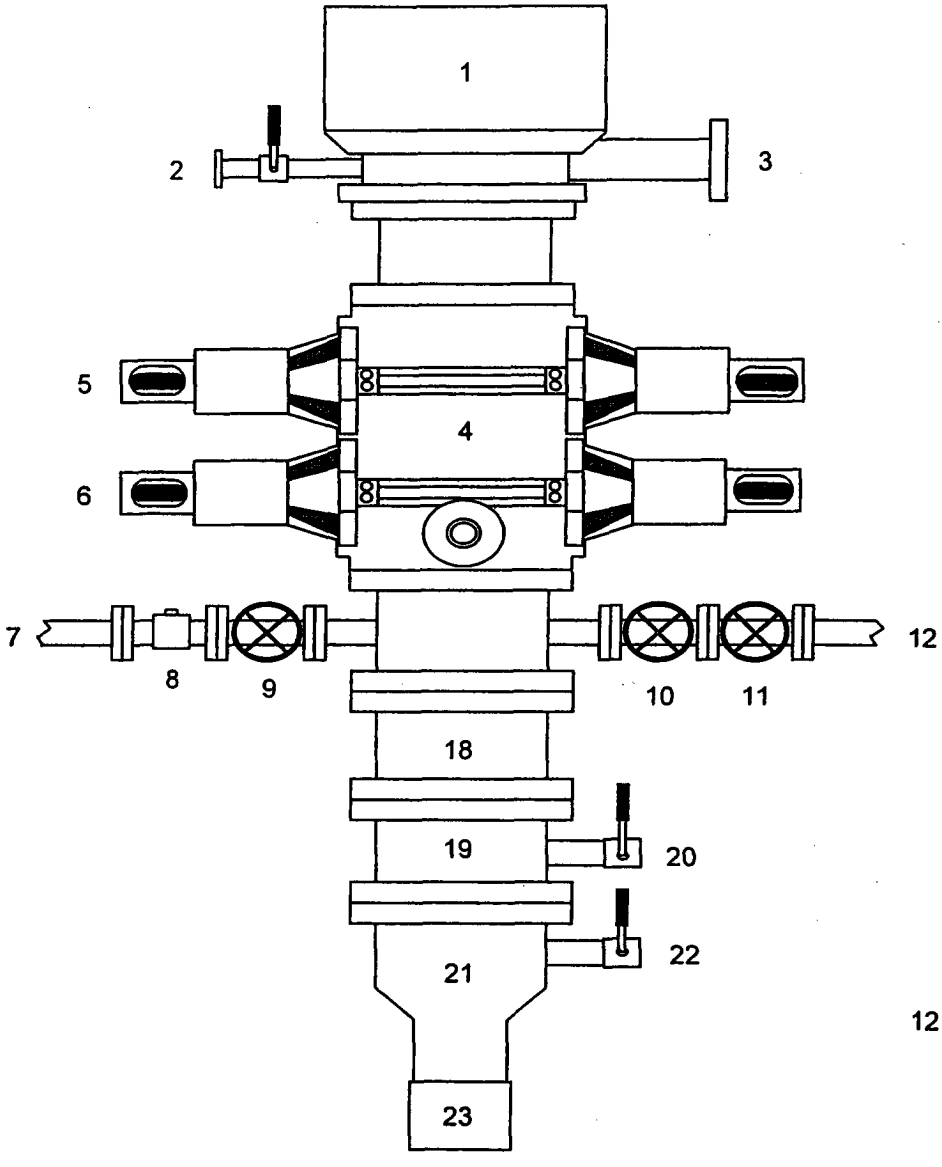
12. The testing, logging, and coring programs are as follows:
D.S.T.s or cores:
Logs: GR/CCL/CBL & GSL over zones of interest

13. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H_2S equipment will be used.

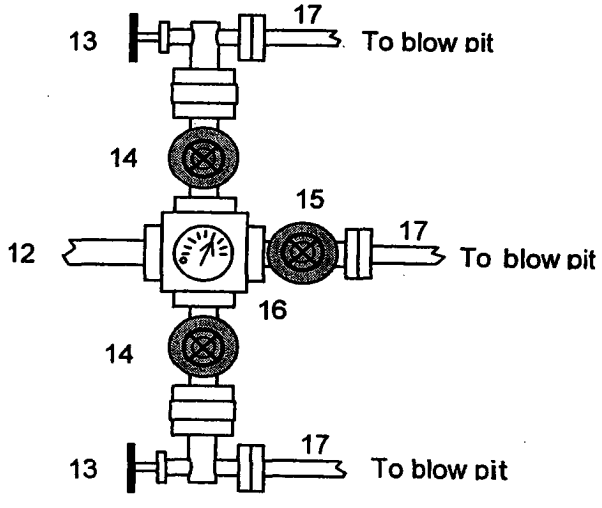
Estimated Bottomhole pressures: Fruitland Coal – 175 psi

14. The anticipated starting date is sometime around August 1, 2003 with duration of drilling/ completion operations for approximately 30 days thereafter.

BLOWOUT PREVENTER HOOKUP



1. Rotating Head
2. Fill-up Line & valve
3. Flowline
4. Blowout Preventer (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. Spacer Spool
19. Casing Spool "B" Section
20. Casing Spool "B" Section 2" Valve
21. Casing Head "A" Section
22. Casing Head "A" Section 2" Valve
23. 9 5/8" Casing Collar



Drilling contractors used in the San Juan Basin suppy 3000 psi equipment, but cannot provide annular preventors because of sub-structure limitations. Maximum anticipated surface pressures for this well will not exceed the working pressure of the proposed BOP system. The above diagram of the BOP system details 2000 psi equipment according to Onshore Order No. 2 even thought the equipment will test to 3000 psi. The 2000 psi system allows deletion of the annular preventor and fulfills your requirements.

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

The BOPs will be pressure tested according to Onshore Order #2III, A1 and 30% Safety factor.