UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	APPLICATION FOR PERMIT TO DRILL, DE	2000 AUG 2 AM 11 33
la.	Type of Work DRILL	5. Lease Number NMSF-078146 Unit Reporting Number 070 FARMINGTON HM
lb.	Type of Well GAS	6. If Indian, All. or Tribe
2.	Operator ConocoPhillips	7. Unit Agreement Name
3.	Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499	8. Farm or Lease Name
	(505) 326-9700	9. Well Number Newberry A #1F
4.	Location of Well Unit B (NWNE), 1275' FNL & 1980' FEL	10. Field, Pool, Wildcat Blanco MV / Basin DK
	Latitude 36° 91732'N Longitude 108° 11676'W	11. Sec., Twn, Rge, Mer. (NMPM) Sec. 8, T31N, R12W API # 30-045- 33878
14.	Distance in Miles from Nearest Town	12. County 13. Stat San Juan NM
15.	Distance from Proposed Location to Nearest Property or Lease	3 Line
16.	Acres in Lease	17. Acres Assigned to Well MV & DK 320.0 - E/2
18.	Distance from Proposed Location to Nearest Well, Drlg, Comp	l, or Applied for on this Lease
19.	Proposed Depth 7107'	20. Rotary or Cable Tools Rotary
21.	Elevations (DF, FT, GR, Etc.) 5951' GL	22. Approx. Date Work will Star
23.	Proposed Casing and Cementing Program See Operations Plan attached	
	Authorized by: Lather Clugh	8/1/00

Archaeological Report attached

Environmental Assessment is attached.

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes 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 presentations as to any matter within its jurisdiction.

Office of the statement of the stateme OF ITEM OF TRANSPORT STATEMENT OF TRANSPORT OF TRANSPORT

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

District II PO Drawer DD, Antesia, 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

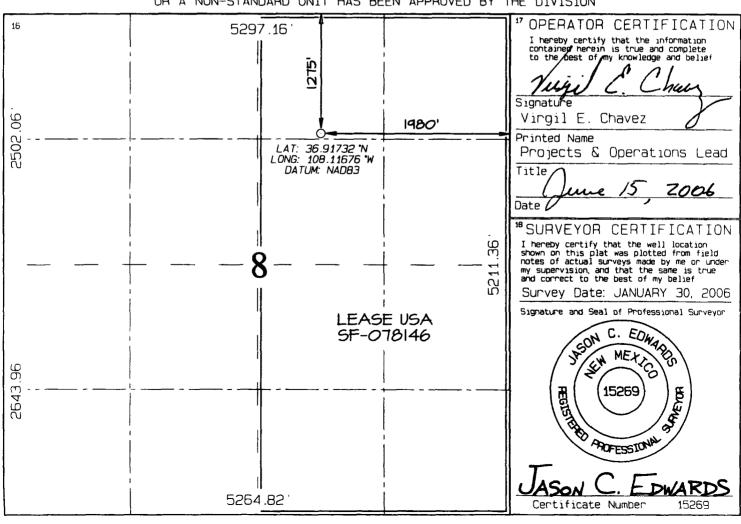
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease – 4 Copies

State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

WELL LUCATION AND ACHEAGE DEDICATION PLAT												
'API Number Pool Code						³Paol Name						
30-049	5-33	878	72319	/ 71599		BLANCO MESAVERDE / BASIN DAKOTA						
'Property	Code				Property	³Property Name				*Well Number		
3184	0				NEWBEF	NEWBERRY A				1F		
'OGRID	V O				*Operator	Name			*Elevation			
21781	7			CO	NOCOPHILLI	IPS COMPANY		1		5951		
				1	^o Surface	Location						
UL or lot no.	Section	Township Range Lot Idn Feet from the North/South line Feet from the East/West line County						County				
В	8	31N	12W		1275	NORTH	1980	EA	ST	SAN JUAN		
		11 [Bottom	Hole L	ocation I	f Different	From Surf	ace				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County		
12 Deducated Acres 320.0 Acres - E/2 (MV) 3300 int or Infill 14 Consolidation Code 15 Order No. 320.0 Acres - E/2 (DK)												
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			_	207 461	4		II'' OPFR	ATOR	CERTI	FICATION		



Submit 3 Copies To Appropriate District Office	State of New Mexico	Form C-103
District I	Energy, Minerals and Natural Resources	May 27, 2004
1625 N. French Dr., Hobbs, NM 88240 District II		WELL API NO. 30-045- 33878
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISION	5. Indicate Type of Lease
District III	1220 South St. Francis Dr.	STATE FEE
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 87505	6. State Oil & Gas Lease No. Federal Lease - SF-078146
1220 S. St. Francis Dr., Santa Fe, NM 87505		
	ES AND REPORTS ON WELLS TO DRILL OR TO DEEPEN OR PLUG BACK TO A	7. Lease Name or Unit Agreement Name
DIFFERENT RESERVOIR. USE "APPLICATION		Newberry A
PROPOSALS.)		8. Well Number
1. Type of Well: Oil Well Gas Well X	Other	#1F
2. Name of Operator		9. OGRID Number
3. Address of Operator	oPhillips Company	217817
3401 E. 30TH STRE	EET, FARMINGTON, NM 87402	Blanco Mesaverde / Basin Dakota
4. Well Location Unit Letter B : 12	275 feet from the North line and	1980 feet from the East line
Unit Letter B : 12 Section 8		2W NMPM County San Juan
de de la companya de	Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application	5951'	
Pit type New Drill Depth to Groundwa	ter <50' Distance from nearest fresh water well	>1000' Distance from nearest surface water >1000'
Pit Liner Thickness: 12	mil Below-Grade Tank: Volume	bbls; Construction Material
12. Check A	ppropriate Box to Indicate Nature of N	otice. Report or Other Data
NOTICE OF IN		SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK	land I	IAL WORK ALTERING CASING
TEMPORARILY ABANDON PULL OR ALTER CASING	⊢- 4 I	ENCE DRILLING OPNS. P AND A SCENENT JOB
	_	
OTHER: New I		
	d operations. (Clearly state all pertinent details, an SEE RULE 1103. For Multiple Completions: At	
or recompletion.	, ,	
		OCD dated June 2005 and we are closing all pits as per the
November 1, 2004 Guidelines. Please	e be sure to include this language on all pit NOI's a	nd C-144's.
	ve is true and complete to the best of my knowledged according to NMOCD guidelines, a general permit	
1 /24.	Mr. VII	
SIGNATURE Falling	TITLE Sr	. Regulatory Analyst DATE 6/19/2006
Type or print name Patsy C	Clugston E-mail address: plclugsto	on@br-inc.com Telephone No. 505-326-9518
For State Use Only	//.	ALIC 1 6 2000
APPPROVED BY	TITLE SEPUTY OR	B GAS INSPECTOR, DIST. 🤧 AUG 1 6 2006
Conditions of Approval (if any):	THE	DATE
11		
	7	

CONOCOPHILLIPS COMPANY NEWBERRY A #1F 1275' FNL & 1980' FEL, SECTION 8, T31N, R12W, NMPM SAN JUAN COUNTY, NEW MEXICO ELEVATION: 5951' *SURFACE OWNER*
Montoya Sheep and
Cattle Company PLAT NOTE: 50' CONSTRUCTION ZONE F3 (5) @ C4 BLOW RESERVE PIT 50' X 105' PIT DRAIN TO RESERVE 9 20' 000 N76°E LAYDOWN F3 4 ① C5 LATITUDE: 36.91732° N JONGITUDE: 108.11676° W DATUM: NADI483 130' 145' 120 20 EXISTING ROADWAY ACCESS (NO NEW) F3 (3) 2 C4 B' <u>ر'</u> A-A 5961 5951 5941' B-B' 5961' 5951 5941 C-C 5961' 5951' 5941' FILENAME: 31128BT SHEET 2 OF 6 NCE SURVEYS, INC. DRAWN BY: EDO CHECKED BY: JCE



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

NEWBERRY A 1F

Res. Engineer: Harrington, Tim R. Phone: 832-486-2207 Proj. Field Lead: Fransen, Eric E. Phone: Primary Objective (Zones):	Lease: AFE					E #: WAI	N.CNV.	7219	AFE \$:	
Res. Engineer: Harrington, Tim R.	Field Name: NEW MEXICO-WEST R			Rig: UN	ISCHEDULED	2007 RIG	1	State:	NM County: SAN JUAN	API #:
Primary Objective (20nes): Zone	Geoscientist: Brain, Ted H. Pr			Phone:	832-486-259	2	Prod. i	Engineer:	Piotrowicz, Greg M.	Phone: +1 832-486-348
Primary Objective (20nes): Zone	Res. Engineer: Ha	rrington, Tim I	R.	Phone:	832-486-220	7	Proj. F	ield Lead:	Fransen, Eric E.	Phone:
R20002 MESAVERDE(R20002) R20076 DAKOTA(R20076)	Primary Objectiv	re (Zones):								
Location: Surface	Zone	Zone Name								
Location: Surface	R20002	MESAVERDE	(R20002)			7				
Latitude: 36.917320	R20076	DAKOTA(R20	076)							
Latitude: 36.917320 Longitude: -108.116760 X: Y: Section: 8 Range: 12W Footage X: 1980 FEL Footage Y: 1275 FNL Elevation: 5951 (FT) Township: 31N Tolerance: Location Type: Year Round Start Date (Est.): Completion Date: Date In Operation: Formation Data: Assume KB = 5967 Units = FT Formation Call & Depth (TVD in Ft) (Ft) (Ft) (Ft) (Yes/No) (PSIG) BHT Remarks Surface Casing 216 5751 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p H-40, STC casing. Circulate cement to surface. Possible water flows. RRLD	Location Surface		Datum Co	de: NA	D 97					See about do
Footage X: 1980 FEL Footage Y: 1275 FNL Elevation: 5951 (FT) Township: 31N Tolerance: Location Type: Year Round Start Date (Est.): Completion Date: Date In Operation: Formation Data: Assume KB = 5967 Units = FT Formation Call & Depth (TVD in Ft) (Ft) (Yes/No) (PSIG) BHT Remarks Surface Casing 216 5751 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p H-40, STC casing. Circulate cement to surface. CIAM 1217 4750 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p H-40, STC casing. Circulate cement to surface. Possible water flows. RRLD 1487 4070 Possible gas. PCCF 2317 3650 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p H-40, STC casing. Circulate cement to surface. Possible water flows. RRLD 1897 4070 Possible gas. PCCF 2317 3450 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p H-40, STC casing. Circulate cement to surface. Possible water flows. RRLD 1897 4070 Possible gas. PCCF 2317 3450 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p H-40, STC casing. Circulate cement to surface. Possible water flows. RRLD 1897 4070 Possible gas. PCCF 2317 3650 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p H-40, STC casing. Circulate cement to surface. Possible water flows. RRLD 1897 4070 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p H-40, STC casing. Circulate cement to surface. Possible water flows. RRLD 1897 4070 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p Graph H-40, STC casing. Circulate cement to surface. CIAM 347" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface. CHRA 3477 2490 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p Graph H-40, STC casing. Circulate cement to surface. GRLD 1897 4070 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p GRLD 1897 4070 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p GRLD 1897 4070 Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p GRLD 1897 4070		<u> </u>	mental and the state of the sta	8041,08043.001,405			v.		Cortion: 9	
Tolerance: Location Type: Year Round Start Date (Est.): Completion Date: Date In Operation:										Range: 12vv
Coation Type: Year Round Start Date (Est.): Completion Date: Date In Operation:		er rootage	2 Y: 12/5 F	NL	Elevation: 59:		(FI)	i ownsnip:	31N	
Formation Data: Assume KB = 5967	g printer after the security of the Printer Security Secu	and the second s	r nego miro ne modernika per men e men	on november	and the second s				The state and the second of the state and the state of th	Production of the company of the Com
Depth SS Depletion BHP Casing Points TVD in Ft (Ft) (Ft) (Ft) (PSIG) BHT Remarks	Location Type: Yea	ar Round		Start Da	ate (Est.): 		Com	pletion Da	ite: Date	In Operation:
Casing Points (TVD in Ft) (Ft) (Yes/No) (PSIG) BHT Remarks	Formation Data:	Assume KB =	5967	Units =	FT					
Severe lost circulation is possible. 12-1/4 hole. 9 5/8" 32.3 p H-40, STC casing. Circulate cement to surface. Possible water flows. H-40, STC casing. Circulate cement to surface. Possible water flows. Possible water flows. Possible gas.			•		•		ВНТ		Rema	rks
H-40, STC casing. Circulate cement to surface. Possible water flows. RRLD 1452 4515 FRLD 1897 4070 Possible gas. PCCF 2317 3650 LEWS 2517 3450 Intermediate Casing 2617 3350 RCLFH 4067 1900 Gas; possibly wet MENF 4167 1800 Gas. PTLK 4692 1275 Gas. MNCS CRHN 6757 -790 Gas possible, highly fractured TWLS 6877 -910 Gas Gas Gas Total Depth 7107 -1140 Gas Gas Gas Gas Gas Gas Gas Ga			<u> </u>			(PSIG)		Carrage In		
CJAM	Surrace Casing		216	5751	U					
PCCF 2317 3650	CJAM		1217	4750				•	7	
2317 3650	(RLD		1452	4515						
2517 3450	FRLD		1897	4070				Possible of	gas.	
Salan	PCCF		2317	3650						
Surface. CHRA 3477 2490	LEWS		2517	3450						
CLFH 4067 1900	•	9	2617	3350					ole. 7", 20 ppf, J-55, STC	Casing. Circulate cement to
MENF 4167 1800			3477							
PTLK 4692 1275 Gas. MNCS 5042 925 CRHN CRHN 6757 -790 Gas possible, highly fractured TWLS 6877 -910 Gas Total Depth 7107 -1140 6-1/4" Hole. 4-1/2", 11.6 ppf, N-80, LTC casing. Circulate centers									sibly wet	
MNCS 5042 925					Ц					
CRHN 6757 -790					П			Gas.		
TWLS 6877 -910 Gas Total Depth 7107 -1140 Gas 6-1/4" Hole. 4-1/2", 11.6 ppf, N-80, LTC casing. Circulate cen			5042		П					
Total Depth 7107 -1140 6-1/4" Hole. 4-1/2", 11.6 ppf, N-80, LTC casing. Circulate cen					Ц				ible, highly fractured	
a minimum of 100' inside the previous casing string. No open logs. Cased hole TDT with GR to surface. Reference Wells:			7107	-1140			XIII KA	a minimu	m of 100' inside the previ	ous casing string. No open h

Comments

Printed on: 6/19/2006 10:58:36 AM

Reference Type | Well Name



PROJECT PROPOSAL - New Drill / Sidetrack

NEWBERRY A 1F

Logging Program: Intermediate Logs: Log only if show GR/ILD Triple Combo							
TD Loas:	☐ Triple Co	ombo 🗌 Dipmeter	RFT So	nic □ VSP☑ TDT			
Additional Information:							
Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks		

Comments: Zones - Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist/nitrogen 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
oints

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

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Comp. Strength 8 hrs 475 psi 24 hrs 1375 psi	Comp. Strength 3 hrs 100 psi 24 hrs 443 psi	Comp. Strength 24 hrs 1850 psi 48 hrs 3411 psi t kkender
Option 3 65 sx 18.6 bbls 104.3 cuft 1.61 ft³/sx 14.5 ppg 7.41 gal/sx Type I-II Ready Mix + 20% Fly Ash	Option 3 281 sx 131.8 bbls 739.8 cuft 2.63 ft³/sx 11.7 ppg 15.92 gal/sx Class G Cement + 3% D079 Extender + 0.20% D046 Anticam + 1.0 lb/bbl CemNet	161 sx Com 161 sx Com 36.8 bbls 24 hrs 206.3 cuft 48 hrs 1.28 ft ³ /sx 13.5 ppg 5.255 gal/sx 50/50 Poz: Class G Cement + 2% D020 Bentonite + 5.0 lb/sx D024 Gilsonite Extender + 2% 5001 Calcium Chloride + 0.1% D046 Antifoamer + 0.1% D046 Dispersant + 1.0 lb/bbl CemNet
Comp. Strength 6 hrs 250 psi 8 hrs 500 psi	Comp. Strength 1:47 hrs 50 psi 12 hrs 350 psi 24 hrs 450 psi ent	Comp. Strength 2:05 50 psi 4:06 500 psi 12 hrs 1250 psi 24hrs 1819 psi 24hrs 500 psi 12 hrs 500 psi 13:29 1026 psi 3:29 hrs 2:300 psi 3ment Reducer oss Additive
Option 2 143 sx 30.8 bbls 172.9 cuft 1.21 ft²/sx 15.6 ppg 5.29 gal/sx Standard Cement + 3% Calcium Chloride + 0.25 lb/sx Flocele	Option 2 285 sx 131.8 bbls 739.8 cuft 2.60 ft²sx 11.5 ppg 14.62 gal/sx Type III Ashgrove Cement + 30 lb/sx San Juan Poz + 3% Bentonite + 5.0 lb/sx Phenoseal	Option 2 155 sx Com 36.8 bbls 2:05 206.3 cuff 4:06 1.33 ff³(sx 12 hrs 5.52 gal/sx 50/50 Poz. Standard Cement + 2% Bentonite + 6.0 lb/sx Phenoseal 14.5 ff²(sx 13:29 13.1 ppg 6.55 gal/sx 50/50 Poz. Standard Cement + 3% Bentonite + 0.2% CFR-3 Friction Reducer + 0.2% CFR-3 Friction Reducer + 0.1% HR-5 Retarder + 0.8% Halad-9 Fluid Loss Additive + 3.5 lb/sx Phenoseal
Comp. Strength 6 hrs 250 psi 8 hrs 500 psi psi hrs 600 psi hrs 600 psi hloride	Comp. Strength 9 hrs 300 psi 48 hrs 525 psi m	Comp. Strength 3:53 500 psi 8:22 1000 psi 24 hrs 3170 psi 48 hrs 5399 psi ament pophane Flakes nite Extender er Comp. Strength 7 hrs 500 psi 24 hrs 2100 psi 24 hrs 2100 psi ament pophane Flakes nite Extender sss
SURFACE: Option 1 148 sx Comp. 30.8 bbls 6 hrs 2 172.9 cuft 8 hrs 5 1.17 ft³/sx 15.8 ppg 4.973 gal/sx Class G Cement + 3% S001 Calcium Chloride + 0.25 lb/sx D029 Cellophane Flakes	INTERMEDIATE LEAD:	NTERMEDIATE TAIL: Option 1 158 sx
12.25 " 9.625 " 9.001 " 32.3 ppf H-40 125 %	8.75 " 7 " 6.456 " 20 ppf J-56 150 %	6.25 " 4.5 " 4.5 " 4.5 " 7107]
HOLE: CSG 00: CSG 10: WGT: GRADE: EXCESS:	HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS: TAIL:	HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS: EXCESS:

	Comp. Strength 10:56 500 psi 42 hrs 1012 psi s G Cement hane Flakes	
	Option 5 352 sx Com 131.8 bbls 10:56 739.8 cuft 42 hrs 2.10 ft³/sx 11.7 ppg 11.724 gal/sx 75% Type X/ 25% Class G Cement + 0.25 lb/sx D029 Cellophane Flakes + 3% D079 Extender + 0.20% D046 Antifoam	
	Comp. Strength 1:47 50 psi 12 hrs 350 psi 24 hrs 450 psi ler)	
SURFACE:	INTERMEDIATE LEAD: Option 4 257 sx 131.8 bbis 739.8 cuft 2.88 ft ³ /sx 11.5 ppg 16.85 gal/sx Standard Cement + 3% Econolite (Extender) + 10 lb/sx Phenoseal + 10 lb/sx Parioseal	PRODUCTION:
12.25 " 9.625 " 9.001 " 32.3 ppf H-40 125 %	8.75 " 6.456 " 20 ppf J-55 150 % 523.4	6.25 " 4.5 " 11.6 ppf N-80 50 %
HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS:	HOLE: CSG OD: CSG ID: WGT: GRADE: EXCESS: TAIL: DEPTH:	HOLE: CSG OD: CSG OD: CSG ID: WGT: GRADE: EXCESS:

TOPSET FRUITLAND COAL Wells: (topset casing above coal to prepare for cavitation/DO/UR)

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist/nitrogen 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

CASE & FRAC FRUITLAND COAL Wells: (casing set below coal to prepare for frac completion)

Drilling Mud Program:

Surface: spud mud

Production: fresh water mud with bentonite and polymer 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 Production: 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

MESA VERDE Wells:

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

DAKOTA Wells:

Drilling Mud Program:

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

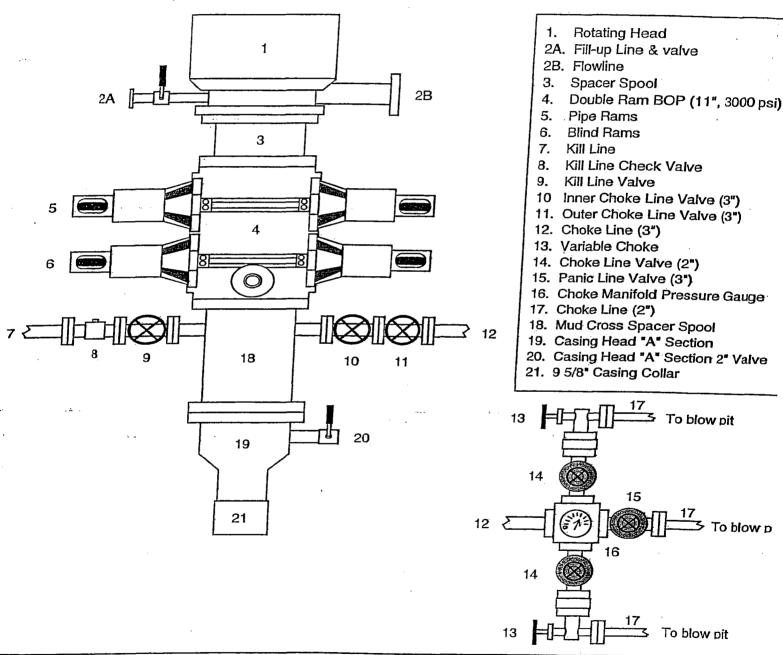
Below Intermediate: air/mist/nitrogen drilling media with foamer, polymer, & corrosion inhibitor as needed

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

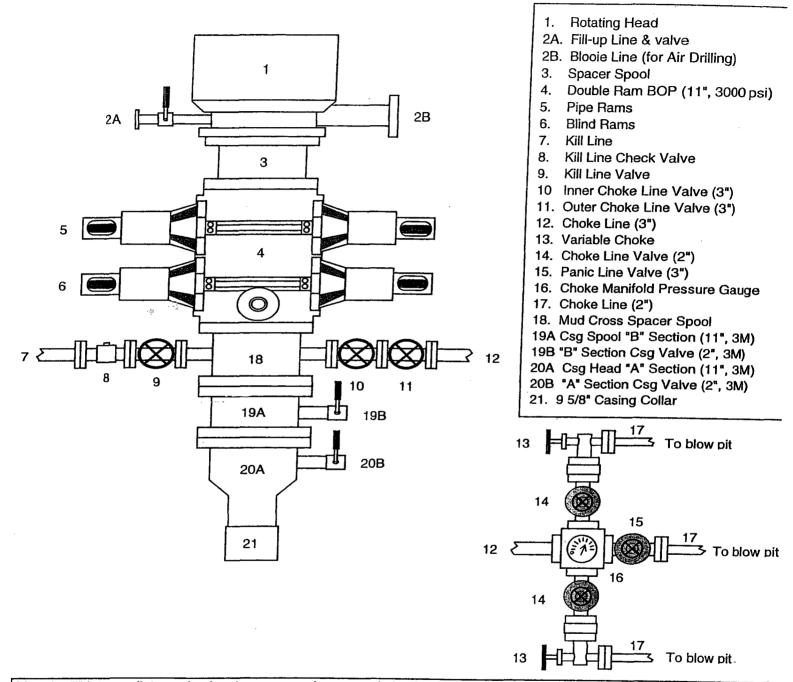
BLOWOUT PREVENTER ARRANGEMENT & PROGRAM For Drilling to Intermediate Casing Point & Setting 7" Intermediate Casing



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 est 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 est) 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" asing will be pressure tested against closed blind rams to 200 psi to 300 psi for 10 minutes and to 1000 psi for 30 ninutes (this value is one 44% of the minimum internal yield pressure of the 9-5/8" casing). (Note: per regulatory equirements we will wait on cement at least 8 hrs after placement before testing the 9-5/8" surface casing). Then an 8-3/4" ole will be drilled to intermediate casing point and 7" intermediate casing will be run and cemented.

and addition to the aguinment in the above diagram the following aguinment will comprise the DOD ------

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM For Drilling to TD and Setting 4.5 inch Casing



After the 7" intermediate casing has been run and cemented, the Casing Spool ("B" Section) will be installed on the wellhead ("A" Section) and the BOP will be installed on the Casing Spool. A test plug will be set in the wellhead and the pipe rams, blind rams, and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 minutes and to 3000 psi (high pressure test) for 10 minutes. Then the test plug will be removed and 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. Then we will air drill the 6-1/4" hole to TD and run and cement the 4-1/2" casing.

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