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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

AUG 05 2009

Bureau of Land Management  
Farmington Field Office

## Sundry Notices and Reports on Wells

- |   |   |
|---|---|
| <p>1. Type of Well<br/>GAS</p> <p>2. Name of Operator<br/><b>ConocoPhillips Company</b></p> <p>3. Address &amp; Phone No. of Operator<br/>PO Box 4289, Farmington, NM 87499 (505) 326-9700</p> <p>4. Location of Well, Footage, Sec., T, R, M<br/>Surface: Unit B (NWNE), 740' FNL &amp; 1565' FEL, Section 27, T31N, R5W, NMPM<br/>Bottomhole: Unit G (SWNE), 2025' FNL &amp; 1930' FEL, Section 27, T30N, R5W, NMPM</p> | <p>5. Lease Number<br/>SF-078738</p> <p>6. If Indian, All. or<br/>Tribe Name</p> <p>7. Unit Agreement Name<br/>San Juan 30-5 Unit</p> <p>8. Well Name &amp; Number<br/>San Juan 30-5 Unit 94M</p> <p>9. API Well No.<br/>30-039-30751</p> <p>10. Field and Pool<br/>Basin DK/Blanco MV</p> <p>11. County and State<br/>Rio Arriba, NM</p> |
|---|---|

## 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input checked="" type="checkbox"/> Other - <input type="checkbox"/> Change Cement Slurry
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Water Shut off
		<input type="checkbox"/> Conversion to Injection

RCVD AUG 12 '09

OIL CONS. DIV.

DIST. 2

## 13. Describe Proposed or Completed Operations

ConocoPhillips Company wishes to change the cement recipe for the subject well. ConocoPhillips Company wishes to use this new cement slurry to eliminate failures on intermediate holes, mud drilled production and to advance towards less excess of cement that collapses close-loop systems, which can not handle cement returns. This slurry was designed by previous BLM requirements; 500 psi compressive strength in 24 hrs & 1000 psi compressive strength in 42 hrs. measured at an average circulating temperature of 100 degrees F. Tested at intermediate average BHP of 2000 psi, 141°F and Production section BHP of 4000 psi, 190 degrees Fahrenheit. This slurry is lighter, guaranteeing returns and stronger than our current slurries used. We request to test this slurry operationally on the subject well. The drilling program and cement program from the cement company are attached.

## 14. I hereby certify that the foregoing is true and correct.

Signed Crystal Tafoya Crystal Tafoya Title: Regulatory Technician Date 08/06/2009

(This space for Federal or State Office use)

APPROVED BY Troy L. Salyers Title Petroleum Engineer Date 8/10/2009

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

NMOCD



Proposal No: 575150266A

**Conoco-Phillips Company  
SAN JUAN 30-5 UNIT #94M**

H&P 281 Rig  
API # 30-039-30751-0000  
BASIN Field  
27-30N-5W  
Rio Arriba County, New Mexico  
July 30, 2009

**Well Proposal**

**Prepared for:**

Nestor Sanchez  
Drilling Engineer  
ConocoPhillips  
Bus Phone: 505-326-9700

**Prepared by:**

Thomas W Hilb  
Technical Field Rep.  
Farmington, New Mexico



**Service Point:**

Farmington  
Bus Phone: (505) 327-6222  
Fax: (505) 327-5766

**Service Representatives:**

Harry Mitchell  
Senior Sales Rep  
Farmington, New Mexico

**Operator Name:** Conoco-Phillips Company  
**Well Name:** SAN JUAN 30-5 UNIT #94M  
**Job Description:** 9 5/8" Surface set @ 228'  
**Date:** July 30, 2009



**Proposal No:** 575150266A

## **JOB AT A GLANCE**

<b>Depth (TVD)</b>	228 ft
<b>Depth (MD)</b>	228 ft
<b>Hole Size</b>	12.25 in
<b>Casing Size/Weight :</b>	9 5/8 in, 32.3 lbs/ft
<b>Pump Via</b>	9 5/8" O.D. (9.001" I.D) 32.3
<b>Total Mix Water Required</b>	923 gals
<b>Spacer</b>	
<b>Fresh Water</b>	20 bbls
<b>Density</b>	8.3 ppg
<b>Cement Slurry</b>	
<b>Type III &amp; Adds</b>	160 sacks
<b>Density</b>	15.2 ppg
<b>Yield</b>	1.28 cf/sack
<b>Displacement</b>	
<b>Fresh Water</b>	16 bbls
<b>Density</b>	8.3 ppg

**Operator Name:** Conoco-Phillips Company  
**Well Name:** SAN JUAN 30-5 UNIT #94M  
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**Date:** July 30, 2009



Proposal No: 575150266A

## WELL DATA

### ANNULAR GEOMETRY

ANNULAR I.D. (in)	DEPTH(ft)	
	MEASURED	TRUE VERTICAL
12.250 HOLE	228	228

### SUSPENDED PIPES

DIAMETER (in)		WEIGHT (lbs/ft)	DEPTH(ft)	
O.D.	I.D.		MEASURED	TRUE VERTICAL
9.625	9.001	32.3	228	228

Float Collar set @ 198 ft  
 Mud Density 9.00 ppg  
 Mud Type Water Based  
 Est. Static Temp. 82 ° F  
 Est. Circ. Temp. 80 ° F

### VOLUME CALCULATIONS

228 ft x 0.3132 cf/ft with 150 % excess = 178.5 cf  
 30 ft x 0.4419 cf/ft with 0 % excess = 13.3 cf (inside pipe)  
**TOTAL SLURRY VOLUME** = 191.8 cf  
 = 34 bbls

**Operator Name:** Conoco-Phillips Company  
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**Proposal No:** 575150266A

## **FLUID SPECIFICATIONS**

Spacer 20.0 bbls Fresh Water @ 8.34 ppg

<b><u>FLUID</u></b>	<b><u>VOLUME CU-FT</u></b>	<b><u>VOLUME FACTOR</u></b>	<b><u>AMOUNT AND TYPE OF CEMENT</u></b>
Cement Slurry	192	/ 1.2	= 160 sacks Type III Cement + 3% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 51.2% Fresh Water

Displacement 15.6 bbls Fresh Water @ 8.34 ppg

## **CEMENT PROPERTIES**

### **SLURRY NO. 1**

Slurry Weight (ppg)	15.20
Slurry Yield (cf/sack)	1.28
Amount of Mix Water (gps)	5.77

Operator Name: Conoco-Phillips Company  
 Well Name: SAN JUAN 30-5 UNIT #94M  
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 Date: July 30, 2009



Proposal No: 575150266A

### PRICE ESTIMATE

#### Product Material

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
452	lbs	Calcium Chloride	1.30	587.60	68.0	188.03
40	lbs	Cello Flake	4.14	165.60	68.0	52.99
160	94lbs	Type III Cement	30.40	4,864.00	68.0	1,556.48
Product Material Subtotal:				\$5,617.20		\$1,797.50

#### Service Charges

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1	ea	Personnel Surcharge - Cement Svc	145.50	145.50	0.0	145.50
172	cu ft	Bulk Materials Service Charge	3.41	586.52	68.0	187.69
Service Charges Subtotal:				\$732.02		\$333.19

#### Equipment

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1	4hrs	Cement Pump Casing, 0 - 1000 ft	2,825.00	2,825.00	68.0	904.00
1	job	Cement Head	515.00	515.00	68.0	164.80
1	job	Data Acquisition, Cement, Standard	1,335.00	1,335.00	68.0	427.20
150	miles	Mileage, Heavy Vehicle	7.40	1,110.00	68.0	355.20
150	miles	Mileage, Auto, Pick-Up or Treating Van	4.20	630.00	68.0	201.60
Equipment Subtotal:				\$6,415.00		\$2,052.80

#### Freight/Delivery Charges

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
582	tonmi	Bulk Delivery, Dry Products	2.47	1,437.54	68.0	460.01
Freight/Delivery Charges Subtotal:				\$1,437.54		\$460.01

Customer will be charged for all 'SPECIAL PROPPANTS' delivered to location, whether they are pumped or not. All proppants other than standard grade frac sand are considered 'SPECIAL PROPPANTS'.

The technical data contained in this proposal is based on the best information available at the time of writing and is subject to further analysis and testing. The pricing data contained in this proposal are estimates only and may vary depending on the work actually performed. Pricing does not include federal, state and local taxes or royalties.

This quotation is based on BJ Services Company being awarded the work on a first call basis and within thirty (30) days of the proposal date. These prices will be subject to review if the work is done after thirty (30) days from the proposal date, or on a second or third call basis.

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**Date:** July 30, 2009



Proposal No: 575150266A

**PRICE ESTIMATE**

**Sales Discount**

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1	job	Contract Price Temporary Adjustment	-232.18	-232.18	0.0	-232.18
Sales Discount Subtotal:				-232.18		-232.18
<b>TOTAL:</b>				<b>\$13,969.58</b>		<b>\$4,411.32</b>
<b>TAXES :</b>						<b>\$281.52</b>

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Operator Name: Conoco-Phillips Company  
Well Name: SAN JUAN 30-5 UNIT #94M  
Job Description: 7" Intermediate set @ 4139'  
Date: July 30, 2009



Proposal No: 575150266A

## **JOB AT A GLANCE**

Depth (TVD)	4,139 ft
Depth (MD)	4,139 ft
Hole Size	8.75 in
Casing Size/Weight :	7 in, 23 lbs/ft
Pump Via	7" O.D. (6.366" I.D) 23
Total Mix Water Required	5,392 gals
Spacer	
Gelled Water	10 bbls
Density	8.5 ppg
Spacer	
Fresh Water	10 bbls
Density	8.3 ppg
Lead Slurry	
Type III Light	390 sacks
Density	10.5 ppg
Yield	3.00 cf/sack
Tail Slurry	
Type III & Adds Tail	97 sacks
Density	14.6 ppg
Yield	1.38 cf/sack
Displacement	
Fresh Water	161 bbls
Density	8.3 ppg



Operator Name: Conoco-Phillips Company  
 Well Name: SAN JUAN 30-5 UNIT #94M  
 Job Description: 7" Intermediate set @ 4139'  
 Date: July 30, 2009



Proposal No: 575150266A

## WELL DATA

### ANNULAR GEOMETRY

ANNULAR I.D. (in)	DEPTH(ft)	
	MEASURED	TRUE VERTICAL
9.001 CASING	228	228
8.750 HOLE	4,139	4,139

### SUSPENDED PIPES

DIAMETER (in)		WEIGHT (lbs/ft)	DEPTH(ft)	
O.D.	I.D.		MEASURED	TRUE VERTICAL
7.000	6.366	23	4,139	4,139

Float Collar set @ 4,097 ft  
 Mud Density 9.00 ppg  
 Mud Type Water Based  
 Est. Static Temp. 128 ° F  
 Est. Circ. Temp. 101 ° F

### VOLUME CALCULATIONS

228 ft	x	0.1746 cf/ft	with	0 % excess	=	39.8 cf
3,082 ft	x	0.1503 cf/ft	with	110 % excess	=	972.9 cf
829 ft	x	0.1503 cf/ft	with	0 % excess	=	124.6 cf
42 ft	x	0.2210 cf/ft	with	0 % excess	=	9.3 cf (inside pipe)
<b>TOTAL SLURRY VOLUME</b>					=	1146.7 cf
					=	204 bbls

**Operator Name:** Conoco-Phillips Company  
**Well Name:** SAN JUAN 30-5 UNIT #94M  
**Job Description:** 7" Intermediate set @ 4139'  
**Date:** July 30, 2009



**Proposal No:** 575150266A

## **FLUID SPECIFICATIONS**

Spacer 10.0 bbls Gelled Water + 2 gals GW-3LDF + 100% Fresh Water @ 8.45 ppg

Spacer 10.0 bbls Fresh Water @ 8.34 ppg

<b>FLUID</b>	<b>VOLUME CU-FT</b>	<b>VOLUME FACTOR</b>	<b>AMOUNT AND TYPE OF CEMENT</b>
Lead Slurry	1013	/ 3	= 390 sacks Type III Cement + 40% bwoc LW-6 + 2% bwoc Sodium Metasilicate + 1.2% bwoc FL-52 + 0.3% bwoc CD-32 + 108% Fresh Water
Tail Slurry	134	/ 1.3	= 97 sacks Type III Cement + 1% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.2% bwoc FL-52 + 58.9% Fresh Water

Displacement 161.3 bbls Fresh Water @ 8.34 ppg

## **CEMENT PROPERTIES**

	<b>SLURRY NO. 1</b>	<b>SLURRY NO. 2</b>
Slurry Weight (ppg)	10.54	14.60
Slurry Yield (cf/sack)	3.00	1.38
Amount of Mix Water (gps)	12.17	6.64

Operator Name: Conoco-Phillips Company  
 Well Name: SAN JUAN 30-5 UNIT #94M  
 Job Description: 7" Intermediate set @ 4139'  
 Date: July 30, 2009



Proposal No: 575150266A

### PRICE ESTIMATE

#### Product Material

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
92	lbs	Calcium Chloride	1.30	119.60	68.0	38.27
734	lbs	Sodium Metasilicate	3.32	2,436.88	68.0	779.80
25	lbs	Cello Flake	4.14	103.50	68.0	33.12
14664	lbs	LW-6	3.56	52,203.84	68.0	16,705.23
2	gals	GW-3LDF	96.00	192.00	68.0	61.44
110	lbs	CD-32	10.75	1,182.50	68.0	378.40
459	lbs	FL-52	21.80	10,006.20	68.0	3,201.98
487	94lbs	Type III Cement	30.40	14,804.80	68.0	4,737.54
Product Material Subtotal:				\$81,049.32		\$25,935.78

#### Service Charges

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1	ea	Personnel Surcharge - Cement Svc	145.50	145.50	0.0	145.50
1105	cu ft	Bulk Materials Service Charge	3.41	3,768.05	68.0	1,205.78
Service Charges Subtotal:				\$3,913.55		\$1,351.28

#### Equipment

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1	6hrs	Cement Pump Casing, 4001 - 5000 ft	5,400.00	5,400.00	68.0	1,728.00
1	job	Cement Head	515.00	515.00	68.0	164.80
1	job	Data Acquisition, Cement, Standard	1,335.00	1,335.00	68.0	427.20
150	miles	Mileage, Heavy Vehicle	7.40	1,110.00	68.0	355.20
150	miles	Mileage, Auto, Pick-Up or Treating Van	4.20	630.00	68.0	201.60
Equipment Subtotal:				\$8,990.00		\$2,876.80

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Operator Name: Conoco-Phillips Company  
 Well Name: SAN JUAN 30-5 UNIT #94M  
 Job Description: 7" Intermediate set @ 4139'  
 Date: July 30, 2009



Proposal No: 575150266A

### PRICE ESTIMATE

#### Freight/Delivery Charges

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
2320	tonmi	Bulk Delivery, Dry Products	2.47	5,730.40	68.0	1,833.73
Freight/Delivery Charges Subtotal:				\$5,730.40		\$1,833.73

#### Sales Discount

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1	job	Contract Price Temporary Adjustment	-1,599.88	-1,599.88	0.0	-1,599.88
Sales Discount Subtotal:				-\$1,599.88		-\$1,599.88

<b>TOTAL:</b>	<b>\$98,083.39</b>	<b>\$30,397.71</b>
<b>TAXES :</b>		<b>\$1,939.85</b>

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Operator Name: Conoco-Phillips Company  
Well Name: SAN JUAN 30-5 UNIT #94M  
Job Description: 4 1/2" Longstring set @ 4139'  
Date: July 30, 2009



Proposal No: 575150266A

### JOB AT A GLANCE

Depth (TVD)	8,416 ft
Depth (MD)	8,416 ft
Hole Size	6.25 in
Casing Size/Weight :	4 1/2in, 11.6 lbs/ft
Pump Via	4 1/2" O.D. (4.000" I.D) 11.6
Total Mix Water Required	3,319 gals
Spacer	
Chemical Wash	10 bbls
Density	8.5 ppg
Spacer	
Fresh Water	2 bbls
Density	8.3 ppg
Scavenger Slurry	
PREMIUM LITE H.S. FM	10 sacks
Density	11.0 ppg
Yield	3.10 cf/sack
Tail Slurry	
PREMIUM LITE H.S. FM	320 sacks
Density	12.5 ppg
Yield	1.98 cf/sack
Displacement	
Sugar Water	10 bbls
Density	8.3 ppg
Displacement	
Fresh Water	120 bbls
Density	8.3 ppg

Operator Name: Conoco-Phillips Company  
 Well Name: SAN JUAN 30-5 UNIT #94M  
 Job Description: 4 1/2" Longstring set @ 4139'  
 Date: July 30, 2009



Proposal No: 575150266A

## WELL DATA

### ANNULAR GEOMETRY

ANNULAR I.D. (in)	DEPTH(ft)	
	MEASURED	TRUE VERTICAL
6.366 CASING	4,139	4,139
6.250 HOLE	8,416	8,416

### SUSPENDED PIPES

DIAMETER (in)		WEIGHT (lbs/ft)	DEPTH(ft)	
O.D.	I.D.		MEASURED	TRUE VERTICAL
4.500	4.000	11.6	8,416	8,416

Float Collar set @ 8,374 ft  
 Mud Density 0.01 ppg  
 Mud Type Air  
 Est. Static Temp. 206 ° F  
 Est. Circ. Temp. 146 ° F

### VOLUME CALCULATIONS

243 ft	x	0.1106 cf/ft	with	0 % excess	=	26.8 cf
40 ft	x	0.1026 cf/ft	with	0 % excess	=	4.1 cf
4,237 ft	x	0.1026 cf/ft	with	45 % excess	=	630.3 cf
42 ft	x	0.0873 cf/ft	with	0 % excess	=	3.7 cf (inside pipe)
<b>TOTAL SLURRY VOLUME</b>					=	665.0 cf
					=	119 bbls

**Operator Name:** Conoco-Phillips Company  
**Well Name:** SAN JUAN 30-5 UNIT #94M  
**Job Description:** 4 1/2" Longstring set @ 4139'  
**Date:** July 30, 2009



Proposal No: 575150266A

## FLUID SPECIFICATIONS

Spacer 10.0 bbls Chemical Wash + 2 gals GW-3LD + 100% Fresh Water @ 8.45 ppg

Spacer 2.0 bbls Fresh Water @ 8.34 ppg

<u>FLUID</u>	<u>VOLUME CU-FT</u>	<u>VOLUME FACTOR</u>	<u>AMOUNT AND TYPE OF CEMENT</u>
Scavenger Slurry	31	/ 3.	= 10 sacks Premium Lite High Strength FM + 0.25 lbs/sack Cello Flake + 0.3% bwoc CD-32 + 6.25 lbs/sack LCM-1 + 1% bwoc FL-52 + 180.6% Fresh Water
Tail Slurry	634	/ 1.9	= 320 sacks Premium Lite High Strength FM + 0.25 lbs/sack Cello Flake + 0.3% bwoc CD-32 + 6.25 lbs/sack LCM-1 + 1% bwoc FL-52 + 97.5% Fresh Water

Displacement 10.0 bbls Sugar Water @ 8.34 ppg

Displacement 120.2 bbls Fresh Water @ 8.34 ppg

## **CEMENT PROPERTIES**

	<u>SLURRY NO. 1</u>	<u>SLURRY NO. 2</u>
Slurry Weight (ppg)	11.00	12.50
Slurry Yield (cf/sack)	3.10	1.98
Amount of Mix Water (gps)	18.16	9.80

Operator Name: Conoco-Phillips Company  
 Well Name: SAN JUAN 30-5 UNIT #94M  
 Job Description: 4 1/2" Longstring set @ 4139'  
 Date: July 30, 2009



Proposal No: 575150266A

### PRICE ESTIMATE

#### Product Material

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
2063	lbs	LCM-1	0.98	2,021.74	68.0	646.96
83	lbs	Cello Flake	4.14	343.62	68.0	109.96
330	84lbs	Premium Lite High Strength FM	39.60	13,068.00	68.0	4,181.76
2	gals	GW-3LD	87.25	174.50	68.0	55.84
83	lbs	CD-32	10.75	892.25	68.0	285.52
277	lbs	FL-52	21.80	6,038.60	68.0	1,932.35
25	lbs	Granulated Sugar	2.98	74.50	68.0	23.84
Product Material Subtotal:				\$22,613.21		\$7,236.23

#### Service Charges

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1	ea	Personnel Surcharge - Cement Svc	145.50	145.50	0.0	145.50
490	cu ft	Bulk Materials Service Charge	3.41	1,670.90	68.0	534.69
Service Charges Subtotal:				\$1,816.40		\$680.19

#### Equipment

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1	6hrs	Cement Pump Casing, 8001 - 9000 ft	8,500.00	8,500.00	68.0	2,720.00
1	job	Cement Head	515.00	515.00	68.0	164.80
1	job	Data Acquisition, Cement, Standard	1,335.00	1,335.00	68.0	427.20
150	miles	Mileage, Heavy Vehicle	7.40	1,110.00	68.0	355.20
150	miles	Mileage, Auto, Pick-Up or Treating Van	4.20	630.00	68.0	201.60
Equipment Subtotal:				\$12,090.00		\$3,868.80

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**Operator Name:** Conoco-Phillips Company  
**Well Name:** SAN JUAN 30-5 UNIT #94M  
**Job Description:** 4 1/2" Longstring set @ 4139'  
**Date:** July 30, 2009



Proposal No: 575150266A

### PRICE ESTIMATE

#### Freight/Delivery Charges

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1282	tonmi	Bulk Delivery, Dry Products	2.47	3,166.54	68.0	1,013.29
Freight/Delivery Charges Subtotal:				\$3,166.54		\$1,013.29

#### Sales Discount

QTY	UNIT	PRODUCT DESCRIPTION	UNIT PRICE	GROSS AMOUNT	DISC (%)	NET AMOUNT
1	job	Contract Price Temporary Adjustment	-639.93	-639.93	0.0	-639.93
Sales Discount Subtotal:				-\$639.93		-\$639.93

<b>TOTAL:</b>	<b>\$39,046.22</b>	<b>\$12,158.58</b>
<b>TAXES :</b>		<b>\$775.91</b>

Customer will be charged for all 'SPECIAL PROPPANTS' delivered to location, whether they are pumped or not. All proppants other than standard grade frac sand are considered 'SPECIAL PROPPANTS'.

The technical data contained in this proposal is based on the best information available at the time of writing and is subject to further analysis and testing. The pricing data contained in this proposal are estimates only and may vary depending on the work actually performed. Pricing does not include federal, state and local taxes or royalties.

This quotation is based on BJ Services Company being awarded the work on a first call basis and within thirty (30) days of the proposal date. These prices will be subject to review if the work is done after thirty (30) days from the proposal date, or on a second or third call basis.



## CONDITIONS

**BJ Services' performance of services and sale of materials is expressly conditioned upon the applicability of the Terms and Conditions contained in the current BJ Services Price Book.** The Terms and Conditions include, among other things, an indemnity in favor of BJ Services from Customer for damage to the well bore, reservoir damage, loss of the hole, blowouts and loss of control of the well, even if caused by the negligence or other fault of BJ Services. The Terms and Conditions also limit the warranties provided by the BJ Services and the remedies to which Customer may be entitled in the event of a breach of warranty by BJ Services. For these reasons, we strongly recommend that you carefully review a copy of the Terms and Conditions. **If you do not have a copy of the BJ Services Price Book, you can view the Terms and Conditions on BJ Services Web Site, [www.bjservices.com](http://www.bjservices.com).** By requesting that BJ Services perform the services described herein, Customer acknowledges that such Terms and Conditions are applicable to the services. Further, by requesting the services, Customer warrants that its representative on the well location or other service site will be fully authorized to acknowledge such Terms and Conditions by executing a Field Receipt or other document presented by BJ Services containing such Terms and Conditions.

**In the event that Customer and BJ Services have executed a Master Services Agreement covering the work to be performed, such Master Services Agreement shall govern in place of the Terms and Conditions. If you are interested in entering into Master Services Agreement with BJ Services, please contact us through the "Go BJ" button on the BJ Services Web Site.**

**Operator:** Conoco-Phillips Company  
**Well Name:** SAN JUAN 30-5 UNIT #94M  
**Date:** July 30, 2009



**Proposal No:** 575150266A

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## **PRODUCT DESCRIPTIONS**

### **CD-32**

A patented, free-flowing, water soluble polymer that is an efficient and effective dispersant for primary and remedial cementing.

### **Calcium Chloride**

A powdered, flaked or pelletized material used to decrease thickening time and increase the rate of strength development.

### **Cello Flake**

Graded (3/8 to 3/4 inch) cellophane flakes used as a lost circulation material.

### **FL-52**

A water soluble, high molecular weight fluid loss additive used in medium to low density slurries. It is functional from low to high temperature ranges.

### **GW-3LD**

A guar gum gelling agent slurried in a hydrocarbon carrier. Used to prepare hydraulic fracturing fluid systems.

### **GW-3LDF**

A guar gum gelling agent slurried in a environmentally friendly hydrocarbon carrier. Used to prepare hydraulic fracturing fluid systems.

### **LCM-1**

A graded (8 to 60 mesh) naturally occurring hydrocarbon, asphaltite. It is used as a lost circulation material at low to moderate temperatures and will act as a slurry extender. Cement compressive strength is reduced.

### **LW-6**

Natural graded hollow pozzolan microspheres, which when mixed with API cements, yield slurry densities from 8-12 lbs/gal. Besides having low densities and relatively high compressive strengths, these systems also offer good insulating properties for application such as steam floods.

### **Sodium Metasilicate**

An accelerator used to decrease the thickening time of cement slurries.

**Operator Name:** Conoco-Phillips Company  
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**End of Report**

