

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF079380	
2. Name of Operator CONOCOPHILLIPS COMPANY		6. If Indian, Allottee or Tribe Name	
3a. Address PO BOX 2197 WL3 6054 HOUSTON, TX 77252		7. If Unit or CA/Agreement, Name and/or No. NMNM78424B	
3b. Phone No. (include area code) Ph: 832.486.2326 Fx: 832.486.2688		8. Well Name and No. SJ 32-8 213	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T32N R8W SESW 908FSL 1759FWL 36.96442 N Lat, 107.66515 W Lon		9. API Well No. 30-045-29451-00-S1	
		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 checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomple 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 recomple 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.)

ConocoPhillips requests approval to deepen the subject well to allow for sump/rathole in non-producing Pictured Cliffs formation.

The maximum depth we would deepen is to 3850'.

Once TD is reached a mud log will be faxed to Chip Harraden with the BLM to make a determination for approval or denial. If approval is granted, sump will be utilized as intended. If denied the well will be plugged-back to a depth above the main PC sandstone or run additional open-hole logs or production tests to verify initial mud log data.

Attached is our procedure and a BOP schematic.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #32102 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Farmington Committed to AFMSS for processing by ADRIENNE GARCIA on 06/18/2004 (04AXG2692SE)</b>	
Name (Printed/Typed) DEBORAH MARBERRY	Title SUBMITTING CONTACT
Signature (Electronic Submission)	Date 06/17/2004

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>[Signature]</i>	Title <i>Petr. Eng.</i>	Date <i>6/22/04</i>
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

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  
San Juan Area

Deepening and Recavitation Proposal:  
Date: 10-June-2004

1. Well Name: San Juan 32-8 # 213
2. API #: 30-045-29451
3. Location: Unit N, 908' FSL & 1759' FWL, Sec. 22 – T32N – R8W  
San Juan County, New Mexico
4. Elevation: 6832' (GL Elevation)
5. Field: Basin Fruitland Coal
6. APD: Bureau of Land Management
7. Surface Land Owner: Bureau of Land Management
8. Current Status:
  - Current TD is 3701' MD RKB
  - The well is currently completed in pumping configuration with 2-3/8" tubing and insert pump & rods.
9. **Proposed new drilling depth: We propose to deepen this well 149' to a new total depth (TD) of 3850' MD RKB** in order to access additional coal intervals that were not reached in the original drilling and completion of this well and to provide sump hole to optimize the performance of the planned pumping completion for this well.
10. Estimated tops of important geologic markers are as follows:

<u>Fruitland formation:</u>	<u>3290 ft MD RKB</u>
<u>Base of lowest coal interval:</u>	<u>3760 ft MD RKB</u>
<u>Top of Pictured Cliffs formation:</u>	<u>3765 ft MD RKB</u>
<u>New Proposed Total Depth:</u>	<u>3850 ft MD RKB</u>

The new proposed TD includes 90' of sump/rathole. ConocoPhillips Company will comply with the BLM / NMOCD's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs formation.

11. Summary of Proposed Work:
  - Pull pump & rods,
  - Pull 2-3/8" tubing,
  - Mill up liner hanger
  - Pull liner,
  - Clean out to TD
  - **Deepen 149' to new proposed TD of 3850' MD RKB,**
  - Possibly underream deepened 6-1/4" hole to 9.5"
  - Conduct flow test and shut-in pressure build up test
  - Possibly cavitate and perform additional flow tests and shut-in pressure build up tests if warranted,
  - Run new 5-1/2" liner,
  - Perforate 5-1/2" liner in the coal intervals,
  - Run mud anchor, F-Nipple, & 2-3/8" tubing,
  - Run pump & rods,
  - Return well to production.
12. Type of drilling tools will be rotary. A power swivel will be used to provide rotation. (We will not use a kelly).
13. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Oil: None  
Gas & Water: Fruitland Coal from 3290 ft MD RKB to base of lowest coal at 3760' MD RKB.
14. Estimated Reservoir Pressure: 850 – 900 psi
15. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas.
16. The testing, logging, and coring programs are as follows:
  - **We will mud log the deepening footage**
  - No cores
  - No electric logs
  - Flow tests with pipe in the hole or out of the hole will be performed taking returns via the bloopie lines and / or via the choke manifold and 2" vent line.
  - Shut in Pressure Build-Up tests will be performed with pipe in the hole and/or with pipe out of the hole.

17. Current Wellbore Configuration:

Surface Casing:

9-5/8", 36, K-55, ST&C was set at 542 ft and cemented to surface on 23-April-1997

8-3/4" hole was drilled to 3520'

Intermediate Casing:

7", 20# K-55 STC was set at 3520'

- Cement was not circulated to surface on original cement job on 28-April-1997
- A temperature survey was run and top of cement was found at 850'.
- Our sundry of 5/7/97 indicates as follows: *"Contacted Earl Becher w/ BLM @ 8:15 on 4-29-97, he determined that it was not necessary to perforate the 7" casing and circ cement up 9-5/8" x 7" annulus at this time, additional action upon further review by BLM may be required".*

6-1/4" Hole:

- 6-1/4" hole was drilled to TD of 3701' on 30-April-1997.
- The 6-1/4" hole was underreamed to 12" from 3525' to 3700'.

Liner (uncemented)

5-1/2" 15.5# J-55 LT&C liner with hanger was set on 19-June-1997 as follows:

- 5 1/2" SHOE SET @ 3688'
- 4 JTS of 5 1/2", 15.5#, J-55, LT&C
- Baker 7" X 5 1/2" HYFLO 3 hanger with packoff: Top of hanger @ 3500'

Perforations: 0.75" diameter holes, 4 shots per ft, 120 degree phasing

- 3534' – 3565', 31 ft, 124 holes
- 3582' – 3592', 10 ft, 40 holes
- 3649' – 3660', 11 ft, 44 holes

Total = 52 ft, 208 holes

Current Wellbore Configuration (cont):

Tubing (from bottom to top) was run on 1-Aug-2001 (workover):

- 2-7/8" Bullplug
- 1 jt 2-7/8" 6.5 # J-55 EUE 8rd tubing (Bull Plugged)
- 2-7/8' x 2-3/8" Crossover
- 1 ea 2-3/8" connection x 3-1/2" OD x 80 inch long Stanley Gas Separator
- 2-3/8" OD x 1.78" ID F-Nipple
- 116 jts, 2-3/8" 4.7# J-55 EUE 8rd tubing
- Spaced out with 1 ea 8.05 ft tubing sub under top jt of tubing.
  
- Bottom of Bullplug / End of Tubing at 3684.35' MD RKB
- F-Nipple at 3644.97' MD RKB

Pump and Rods

- Insert Pump
- 1 ea 2 ft x 3/4" rod sub
- 145 ea 3/4" rods with 1 ea 8 ft pony rod under top rod.
- 22' long polished rod

18. Proposed Wellbore Configuration

- Surface Casing: 9-5/8", 36, K-55, ST&C at 542' MD RKB as originally set and cemented.
- Intermediate Casing: 7", 20# J-55 ST&C at 3520' MD RKB as originally set and cemented.
- Production liner: We propose to run a 5-1/2" 15.5# J-55 LT&C liner either with or without a liner hanger from approximately 3500' to the new proposed TD of 3850' MD RKB. This liner would be left uncemented.
- Perforations: We propose to perforate the uncemented 5-1/2" liner in the Fruitland Coal intervals using electric line perforating guns. The perforation configuration would be 4 shots per ft, 0.75 inch diameter holes, 120 degree phasing.
- Tubing: We propose a pumping well configuration as follows:
  - Mud Anchor consisting of one joint 2-7/8" tubing, orange peeled, with slots in the upper 2' of the joint below the upset.
  - 2-7/8" x 2-3/8" x-over
  - 2-3/8" OD x 1.78" ID F-Nipple
  - 2-3/8", 4.7#, J-55, EUE 8RD tubing to surface
- Pump and Rods: We propose to run an insert pump on rods and set the insert pump in the F-Nipple.

19. Proposed Wellhead: (pumping configuration)

- 7-1/16" 3M x 2-3/8" EUE 8rd Bonnet
- 11" 3M x 7-1/16" 3M Tubing Head
- 9-5/8" 8rd x 11" 3M Casing Head

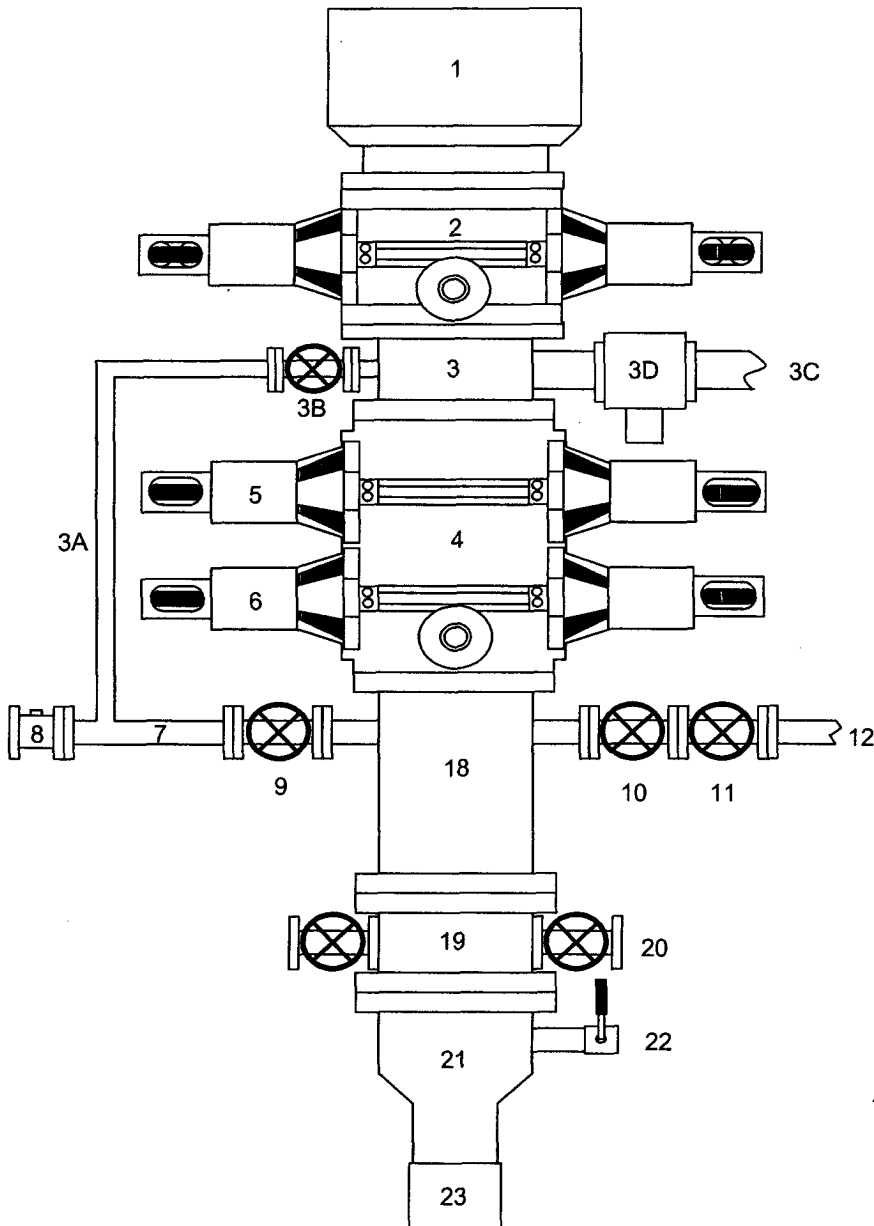
20. The Proposed Blowout Prevention Program is enclosed as an attachment.

21. Drilling Mud Program: The proposed drilling media is air / mist with foamer, corrosion inhibitor, and polymer as needed.

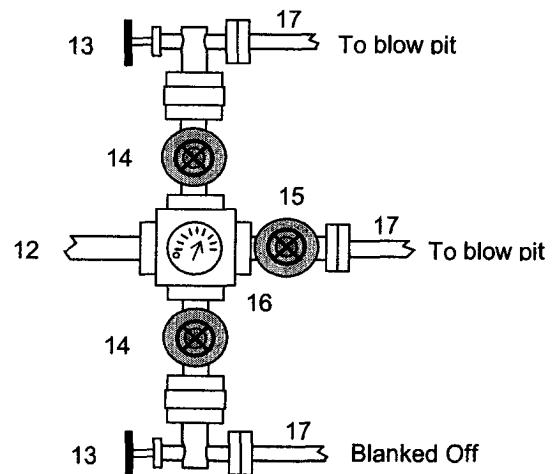
Program proposal prepared by:  
Steven O. Moore, Drilling Engineer, ConocoPhillips Company  
Phone: 832 486 2459

# BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Deepening & Recavitation 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. Blooie 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 deepening and recavitation programs in which we are reentering an existing well for the purpose of deepening and/or recavitating it. The BOP will be installed on the tubing head. The 7" casing will not be pressure tested because it is open at the shoe to the formation. The pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 2-3 minutes and to 1800 psi (high pressure test) for 10 minutes. The initial test will be done with a back pressure valve installed in the tubing hanger. Subsequent tests will be done with a test plug (after removal of the tubing hanger). At a minimum the above tests will be performed per Onshore Oil and Gas Order # 2 as follows: a) when initially installed, b) whenever any seal subject to test pressure is broken, c) following any related repairs, and d) at 30-day intervals.

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