

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-078472
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator CONOCOPHILLIPS COMPANY		7. If Unit or CA Agreement, Name and No.
Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conocophillips.com		8. Lease Name and Well No. SAN JUAN 32-7 UNIT 207A
3a. Address 4001 PENBROOK, SUITE 346 ODESSA, TX 79762	3b. Phone No. (include area code) Ph: 915.368.1352	9. API Well No. 30-045-32476
3c. Field and Pool, or Lease Unit BASIN FRUITLAND COAL		10. Field and Pool, or Lease Unit
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENW 900FNL 1660FWL At proposed prod. zone		11. Sec., T., R., M., or Blk. and Survey or Area Sec 27 T32N R7W Mer NMP C
14. Distance in miles and direction from nearest town or post office*		12. County or Parish SAN JUAN
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		13. State NM
16. No. of Acres in lease		17. Spacing Unit dedicated to this well 305.1 W2
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		20. BLM/BIA Bond No. on file
19. Proposed Depth 3308 MD		21. Estimated duration
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6516 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, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) VICKI WESTBY	Date 05/28/2004
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Title AGENT	
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Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 6/21/04
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Title Acting Field Manager - Minerals	Office
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Application approval does not warrant or certify 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.

Additional Operator Remarks (see next page)

Electronic Submission #31293 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Farmington

ONLY PERSONS AUTHORIZED ARE
GRANTED ACCESS TO THIS INFORMATION 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

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

WMMCH

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer 00, 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

*API Number 30-039-27774		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 31329	*Property Name SAN JUAN 32-7 UNIT		*Well Number 207A
*OGAID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY		*Elevation 6516'

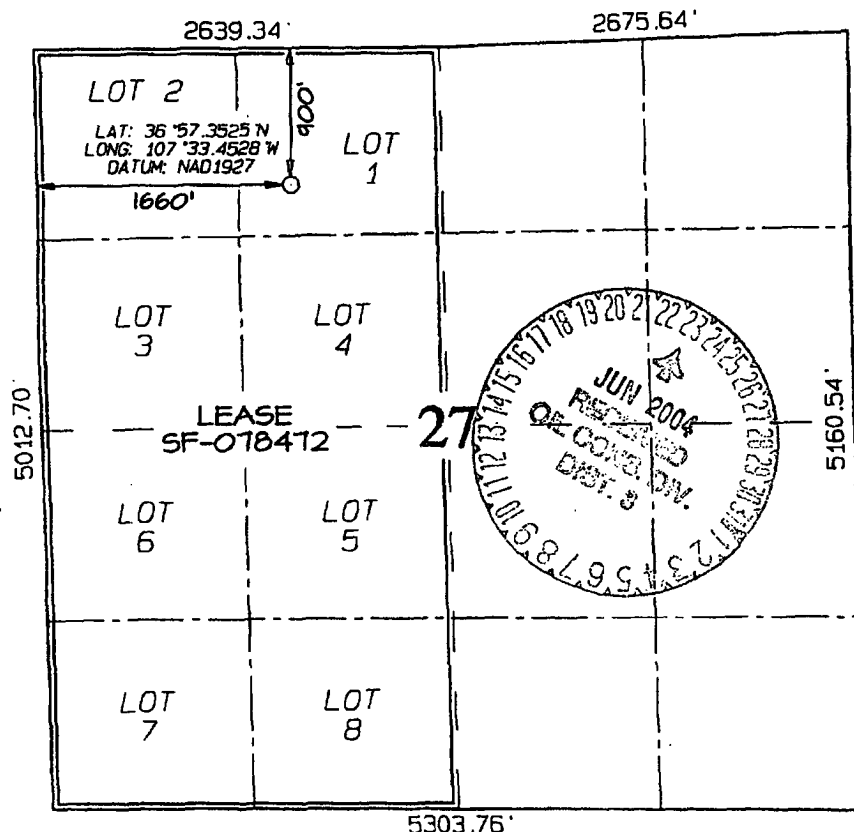
¹⁰ Surface Location

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	32N	7W		900	NORTH	1660	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 305.10 Acres - W/2					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.

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
May 28, 2004
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: APRIL 10, 2004
Signature and Seal of Professional Surveyor

JASON C. EDWARDS
Certificate Number 15269

Additional Operator Remarks:

- 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. ConocoPhillips will have mudloggers on location and they will be picking the TD to prevent us from accessing the PC. This application is for APD/ROW.

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

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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.)		WELL API NO.
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator ConocoPhillips Company		6. State Oil & Gas Lease No.
3. Address of Operator 4001 Penbrook, Odessa, TX 79762		7. Lease Name or Unit Agreement Name San Juan 32-7 Unit
4. Well Location Unit Letter <u>C</u> : <u>900</u> feet from the <u>North</u> line and <u>1660</u> feet from the <u>West</u> line Section <u>27</u> Township <u>32N</u> Range <u>7W</u> NMPM San Juan County		8. Well Number 207A
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6516' GL		9. OGRID Number 217817
Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)		
Pit Location: UL <u>C</u> Sect <u>27</u> Twp <u>32N</u> Rng <u>7W</u> Pit type <u>Drill Pit</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>1000'</u> Below-grade Tank Location UL _____ Sect _____ Twp _____ Rng _____ ; _____ feet from the _____ line and _____ feet from the _____ line		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: Drill Pit Notification <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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.

ConocoPhillips Company's Generic Pit Plan is on file at NMOCD in Aztec, NM. 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. The solids left after the water has been disposed of will be sampled and NMOCD approval will be obtained prior to closure of this pit.

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

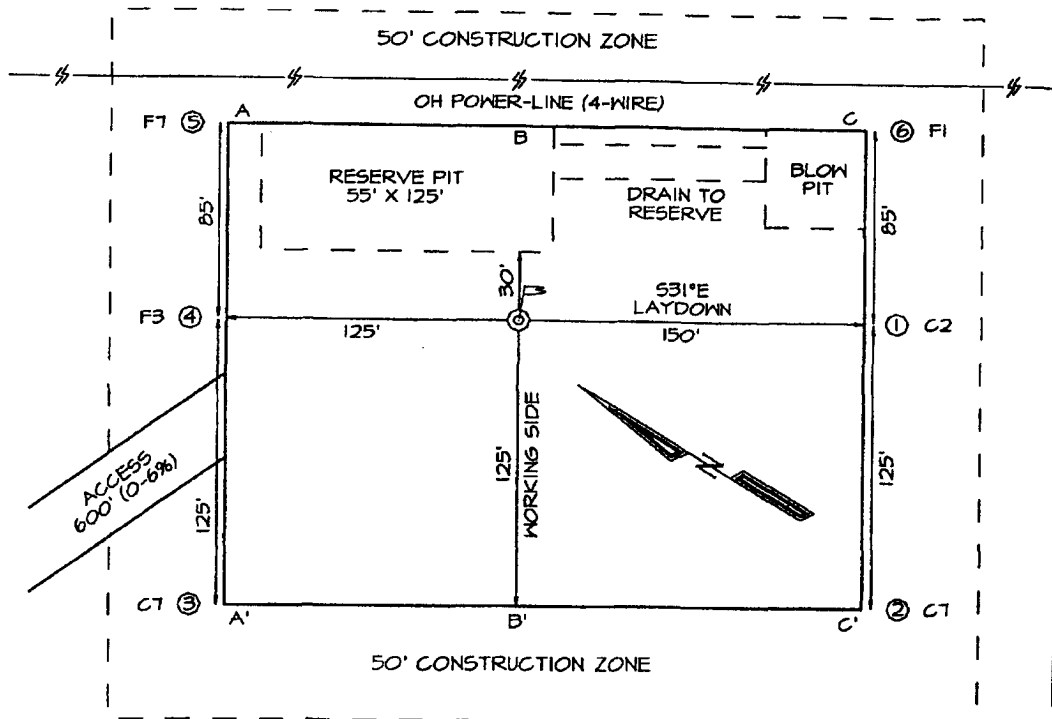
SIGNATURE Vicki Westby TITLE Sr. Analyst DATE 5/25/04

Type or print name Vicki Westby E-mail address: Vicki.R.Westby@conocophillips.com Telephone No. 432-368-1352

(This space for State use)

APPROVED BY [Signature] TITLE _____ DATE _____
Conditions of approval, if any:

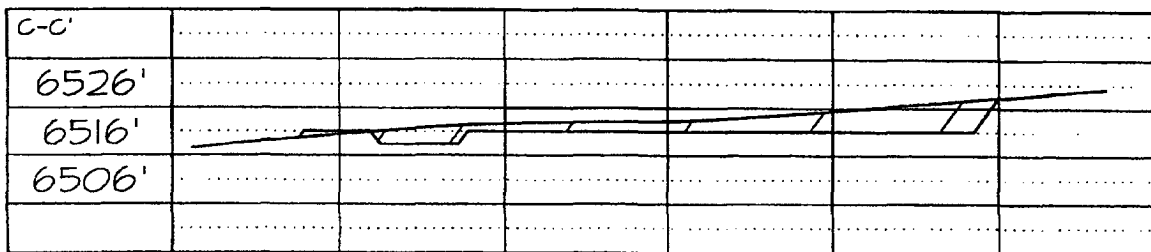
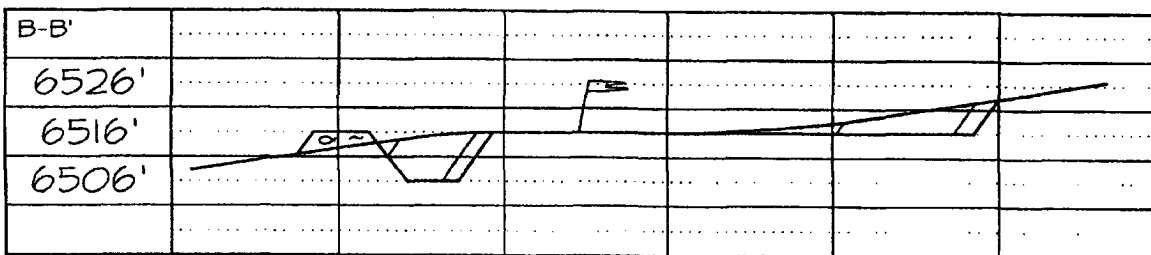
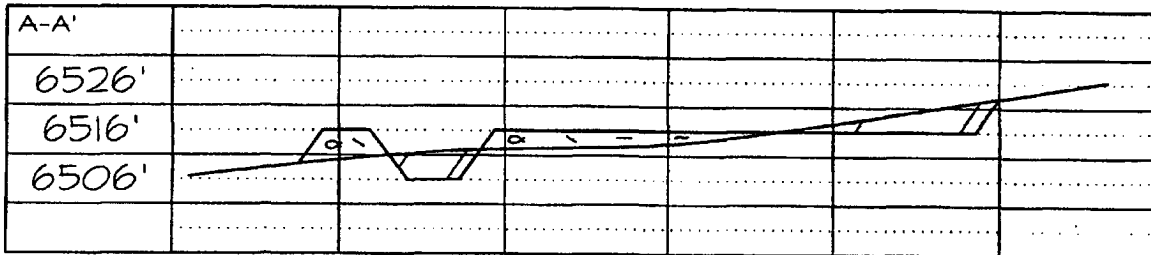
CONOCOPHILLIPS COMPANY SAN JUAN 32-7 UNIT #207A
900' FNL & 1660' FWL, SECTION 27, T32N, R7W, NMPM
SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6516'



LATITUDE: 36.95388° N
LONGITUDE: 107.55755° W
 DATUM: NAD1927

PLAT NOTE:

SURFACE OWNER
 Bureau of Land
 Management



FILENAME: 32T27C1

SHEET 2 OF 6

NCE SURVEYS, INC.

DRAWN BY: EDO

CHECKED BY: JCE

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-7 207A

Lease:		AFE #: WAN.CBM.4157		AFE \$:	
Field Name: hPHILLIPS 32-7		Rig:	State: NM	County: SAN JUAN	API #:
Geoscientist: Murphy, Jim O.	Phone: 832-486-2361	Prod. Engineer: Bergman, Pat W.	Phone: (832) 486-2358		
Res. Engineer: Anderson, Derrick K	Phone: 832 486-3486	Proj. Field Lead:	Phone:		

Zone	Zone Name
JCV	BASIN FRUITLAND COAL (GAS)

Latitude: 36.96		Longitude: -107.56		X:	Y:	Section: 27	Range: 7W
Footage X: 1660 FWL		Footage Y: 900 FNL		Elevation: 6516	(FT)	Township: 32N	
Tolerance:							

Location Type:	Start Date (Est.):	Completion Date:	Date In Operation:
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Formation Data:	Assume KB = 6529	Units = FT
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Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SAN JOSE	13	6516	<input checked="" type="checkbox"/>			
Surface Casing	213	6316	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	779	5750	<input type="checkbox"/>			
OJAM	2269	4260	<input type="checkbox"/>			Possible water flows.
KRLD	2389	4140	<input type="checkbox"/>			
FRLD	2965	3564	<input type="checkbox"/>			Possible gas.
Intermediate Casing	3085	3444	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
BASE MAIN COAL	3215	3314	<input type="checkbox"/>			
Total Depth	3308	3221	<input type="checkbox"/>	400		6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented.
PC TONGUE	3315	3214	<input type="checkbox"/>			

Reference Type	Well Name	Comments
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Logging Program:	
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:	

Comments: General/Work Description -

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

San Juan 32-7 # 207A

SURFACE CASING :

Drill Bit Diameter	12 1/2"	
Casing Outside Diameter	9 5/8"	9.001
Casing Weight	32.3	ppf
Casing Grade	H-40	
Shoe Depth		40'
Cement Yield		cuft/sk
Excess Cement		%

Casing Capacity	0.0787 bbl/ft	0.4419 cuft/ft
Hole / Casing Annulus Capacity	0.0558 bbl/ft	0.3132 cuft/ft

Cement Required 144.6 sx **Class G, 2% CaCl₂**
0.25 #/sk celloflake

SHOE 213', 9.625", 32.3 ppf, H-40

INTERMEDIATE CASING :

Drill Bit Diameter	9 5/8"	
Casing Outside Diameter	7 1/8"	6.456
Casing Weight	20	ppf
Casing Grade	J-55	
Shoe Depth	3085'	
Lead Cement Yield		cuft/sk
Lead Cement Excess		%
Tail Cement Length		42'
Tail Cement Yield		cuft/sk
Tail Cement Excess		%

Casing Capacity	0.0405 bbl/ft	0.2273 cuft/ft
Casing / Casing Annulus Capacity	0.0311 bbl/ft	0.1746 cuft/ft
Hole / Casing Annulus Capacity	0.0268 bbl/ft	0.1503 cuft/ft

Lead Cement Required 399.4 sx
 Tail Cement Required 99.8 sx

LINER TOP 3065'

SHOE 3085', 7", 20 ppf, J-55

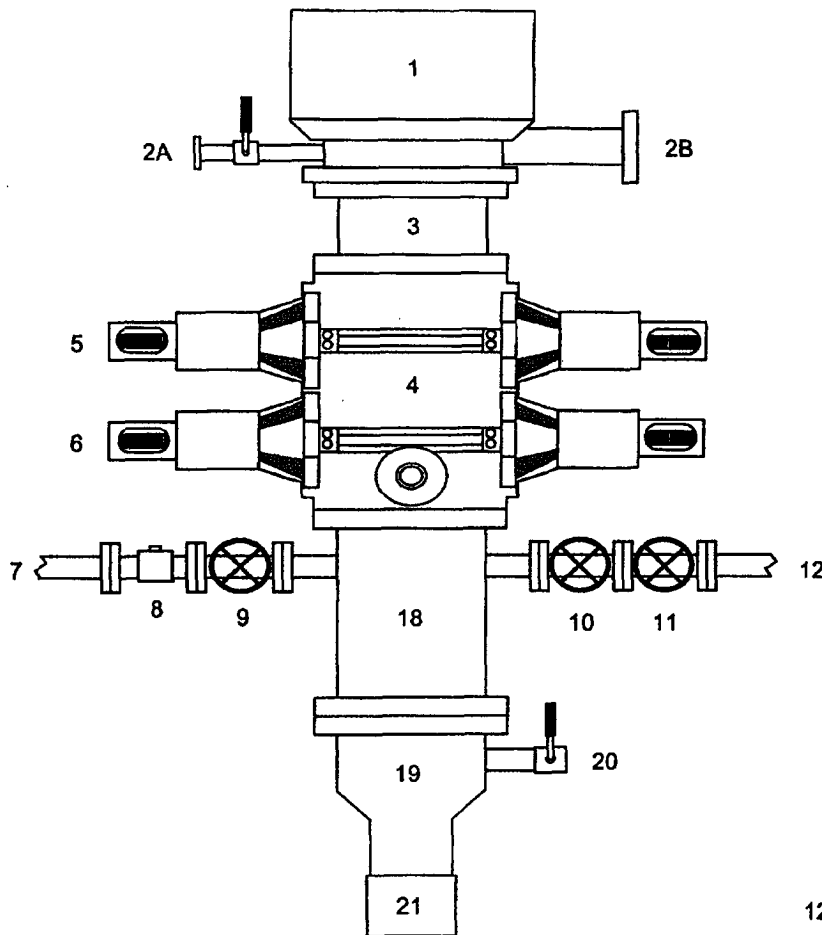
Lead: Class G, 3% DO29,
 0.25 #/sk DO29, 0.2% DO44
 @ 11.7 ppg

LINER BOTTOM 3085' (Uncemented)

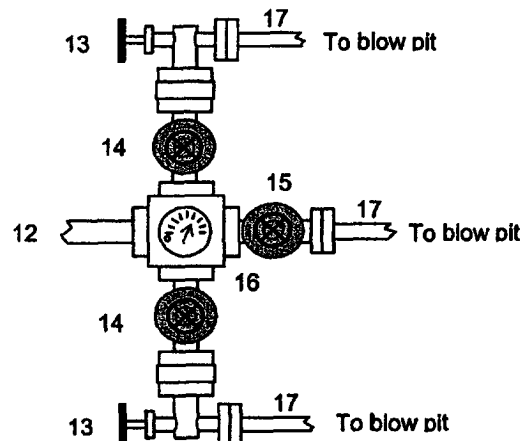
Tail: 50/50 G/POZ, 2% DO20,
 2% SOOL, 5 #/sk DO24,
 0.25 #/sk DO29, 2% DO44
 @ 13.5 ppg

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



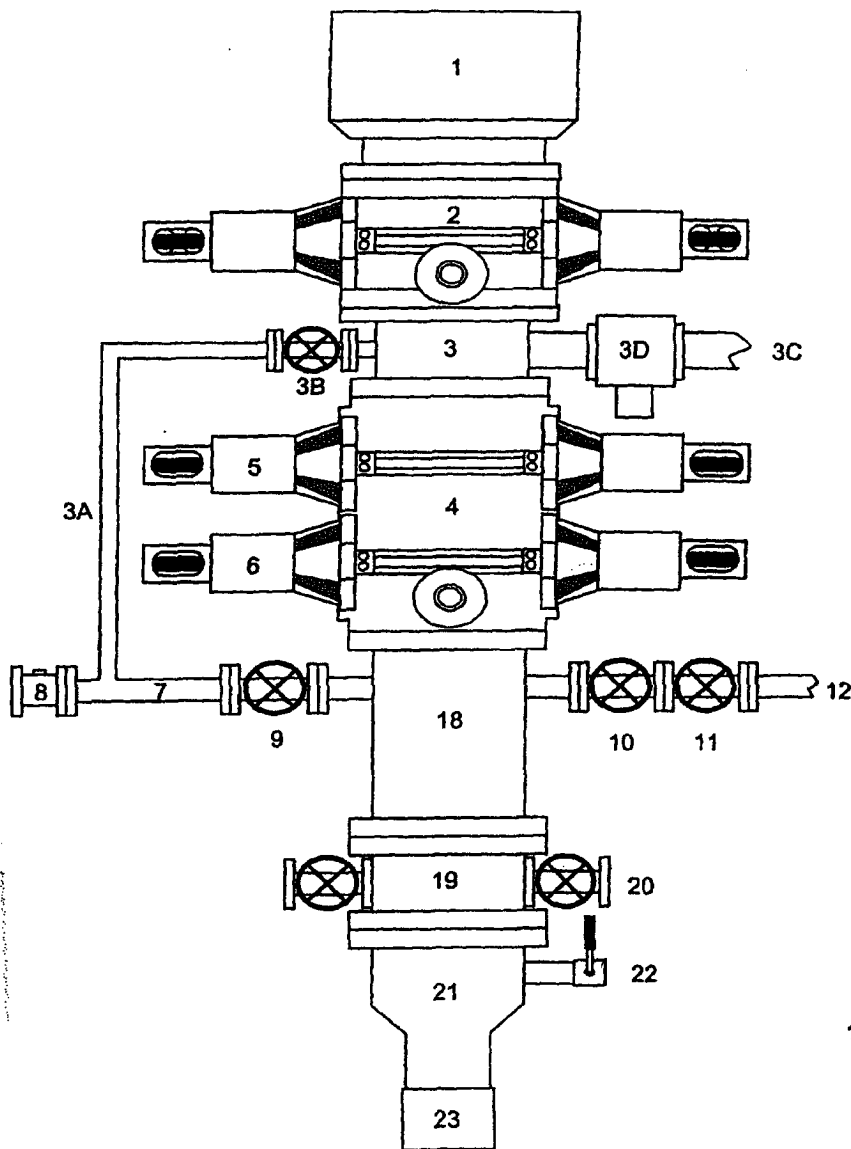
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 2-3 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 2-3 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:

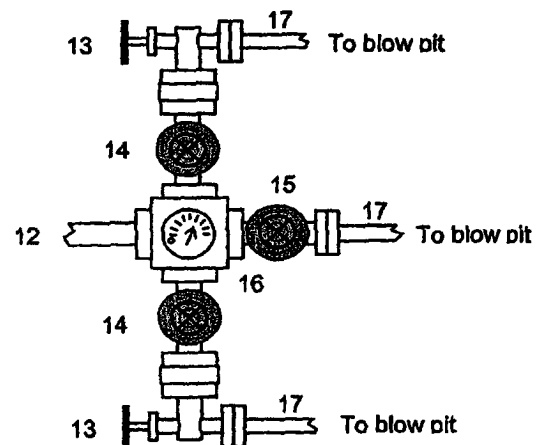
1. Upper Kelly cock Valve with handle
2. Stab-In TIW valve for all drillstrings in use

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Cavitation Program



1. Rotating Head
2. Single Ram BOP (7-1/16", 3M)
3. Mud Cross
- 3A. Equalizing Line (2")
- 3B. Wing Valve (2-1/16", 3M)
- 3C. Bloop 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 2-3 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 2-3 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).