

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

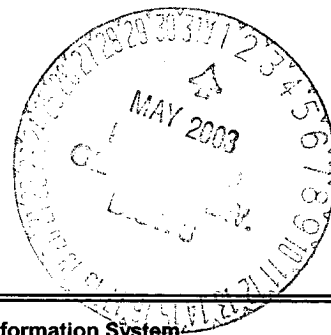
| | | |
|--|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE | | 5. Lease Serial No. NMSF079381 |
| 2. Name of Operator CONOCOPHILLIPS COMPANY | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address PO BOX 2197 WL3 4066 HOUSTON, TX 77252 | | 7. If Unit or CA/Agreement, Name and/or No. NMMN78424B |
| 3b. Phone No. (include area code) Ph: 505.599.3454 Fx: 505-599-3442 | | 8. Well Name and No. SAN JUAN 32-8 UNIT 203A |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T32N R8W SESE 910FSL 685FWL 36.93556 N Lat, 107.67310 W Lon | | 9. API Well No. 30-045-31338-00-X1 |
| | | 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 type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Alter Casing |
| | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Convert to Injection |
| | <input type="checkbox"/> Plug Back |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input checked="" type="checkbox"/> Other Change to Original APD |

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 recompleat 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 recompleat 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 will be using a different cement slurry than approved with the APD. See attached for a description of what will be used.



| | |
|---|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #20993 verified by the BLM Well Information System For CONOCOPHILLIPS COMPANY, sent to the Farmington Committed to AFMSS for processing by Adrienne Garcia on 04/28/2003 (03AXG1053SE) | |
| Name (Printed/Typed) PATSY CLUGSTON | Title AUTHORIZED REPRESENTATIVE |
| Signature (Electronic Submission) | Date 04/23/2003 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|-------------------------|
| Approved By /s/ Jim Lovato | Title | Date APR 30 2003 |
| 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

San Juan 32-8 #203A

SURFACE CASING :

| | | |
|--------------------------------|---------------|----------------|
| Drill Bit Diameter | 12.25" | |
| Casing Outside Diameter | 9.625" | 8.989 |
| Casing Weight | 32.3 | ppf |
| Casing Grade | H-40 | |
| Shoe Depth | 200' | 40' |
| Cement Yield | 118 | cuft/sk |
| Excess Cement | 310.0 | % |
| Casing Capacity | 0.0785 bbl/ft | 0.4407 cuft/ft |
| Hole / Casing Annulus Capacity | 0.0558 bbl/ft | 0.3132 cuft/ft |

Cement Required 123.2 sx

SHOE 200', 9.625", 32.3 ppf, H-40

INTERMEDIATE CASING :

| | | |
|----------------------------------|---------------|----------------|
| Drill Bit Diameter | 7.875" | |
| Casing Outside Diameter | 5.5" | 4.901 |
| Casing Weight | 17 | ppf |
| Casing Grade | J-55 | |
| Shoe Depth | 3607' | |
| Lead Cement Yield | 251 | cuft/sk |
| Lead Cement Excess | 130 | % |
| Tail Cement Length | 200' | 90' |
| Tail Cement Yield | 127 | cuft/sk |
| Tail Cement Excess | 50 | % |
| Casing Capacity | 0.0233 bbl/ft | 0.1310 cuft/ft |
| Casing / Casing Annulus Capacity | 0.0491 bbl/ft | 0.2757 cuft/ft |
| Hole / Casing Annulus Capacity | 0.0309 bbl/ft | 0.1733 cuft/ft |

Lead Cement Required 503.5 sx

Tail Cement Required 179.8 sx

SHOE 3607', 5.5", 17 ppf, J-55

PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 32-8 Unit #203A

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit P, 910' FSL & 685' FWL
Section 33, T32N, R8W
2. Unprepared Ground Elevation: @ 6712'
3. The geological name of the surface formation is San Jose.
4. Type of drilling tools will be rotary.
5. Proposed drilling depth is 3607'.
6. The estimated tops of important geologic markers are as follows:

| | |
|----------------------------|-------------------------------------|
| <u>Nacimiento - 862'</u> | <u>Base Coal Interval - 3607'</u> |
| <u>Ojo Alamo - 2322'</u> | <u>Pictured Cliffs Tongue - n/a</u> |
| <u>Kirtland - 2372'</u> | <u>Picture Cliffs - 3607'</u> |
| <u>Fruitland - 3227'</u> | <u>Interm. Casing - n/a</u> |
| <u>Top of Coal - 3292'</u> | <u>T. D. - 3607'</u> |
7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

| | |
|--------------|---------------------------------------|
| Water: | <u>Ojo Alamo - 2322' - 2372'</u> |
| Oil: | <u>none</u> |
| Gas: | <u>Fruitland Coal - 3292' - 3607'</u> |
| Gas & Water: | <u>Fruitland Coal - 3292' - 3607'</u> |
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 @ 3607'

* 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: *Circulate Cement*
Surface String: 123.2 sx - 15.8 ppg Class G cement + 2% bwoc CaCl₂ & 0.25
#/sx Cello-flake. Yield = 1.16 ft³/sx Volume from 235 feet to
surface with 100% excess = 143 cf - 25.45 bbls

9. Cement program: (continued from Page 1) *TOC min 100' overlap w surface pipe*
Production String: Lead - 503.5 sx - 11.7 ppg, Class G cement + 0.25#/sx D029 (lost circulation), 3% D0079 (extender), 0.2% D046 (anti-foam), Yield - 2.61 ft³/sx, Mix water = 15.79 gal/sx. Volume from 2925' to surface with 150% excess in open hole = 1314.13 cf - 234.03 bbls.

Tail - 179.8 sx - 13.5 ppg, 50/50 Class G/POZ + 0.25#/sx D029 (lost circulation), 5#/sx D024 (lost circulation), 5#/sx D024 (extender), 2% D020 (extender), 2% S001 (accelerator), 0.1% D046 (anti-foam). Yield - 1.27 ft³/sx, Mix water = 6.33 gal/sx. Volume from 3697' to 2925' with 150% excess - 228.34 cf = 40.86 bbls.

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 H₂S equipment will be used.
 Estimated Bottomhole pressures: Fruitland Coal - +/-700 psi
14. The anticipated starting date is sometime around May 15, 2003 with duration of drilling/ completion operations for approximately 30 days thereafter.