

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-079322
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator CONOCOPHILLIPS COMPANY Contact: VICKI WESTBY E-Mail: Vicki.R.Westby@conocophillips.com		7. If Unit or CA Agreement, Name and No.
3a. Address 4001 PENBROOK ODESSA, TX 79762	3b. Phone No. (include area code) Ph: 915.368.1352	8. Lease Name and Well No. SAN JUAN 32-9 UNIT 242
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWSW 1806FSL 843FWL At proposed prod. zone NWSW 1806FSL 843FWL		9. API Well No. 30-045-32851
14. Distance in miles and direction from nearest town or post office*	15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
16. No. of Acres in Lease 474.70	17. Spacing Unit dedicated to this well W2318.53	11. Sec., T., R., M., or Blk. and Survey or Area Sec 14 T32N R9W Mer NMP
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3738 MD	12. County or Parish SAN JUAN ✓
20. BLM/BIA Bond No. on file	21. Elevations (Show whether DF, KB, RT, GL, etc.) 6815 GL	13. State NM
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 Ph: 915.368.1352	Date 01/27/2005
Title AGENT		
Approved by (Signature) 	Name (Printed/Typed) AFM	Date 3-28-05
Title AFM	Office FFO	

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 #53461 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Farmington

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE 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 **

NMOCD

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number <i>30-045-32851</i>	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL (GAS)
⁴ Property Code <i>31352</i>	⁵ Property Name SAN JUAN 32-9 UNIT	
⁶ OCRID No. 217817	⁷ Operator Name CONOCOPHILLIPS COMPANY	⁸ Well Number 242 ⁹ Elevation 6815

¹⁰Surface Location

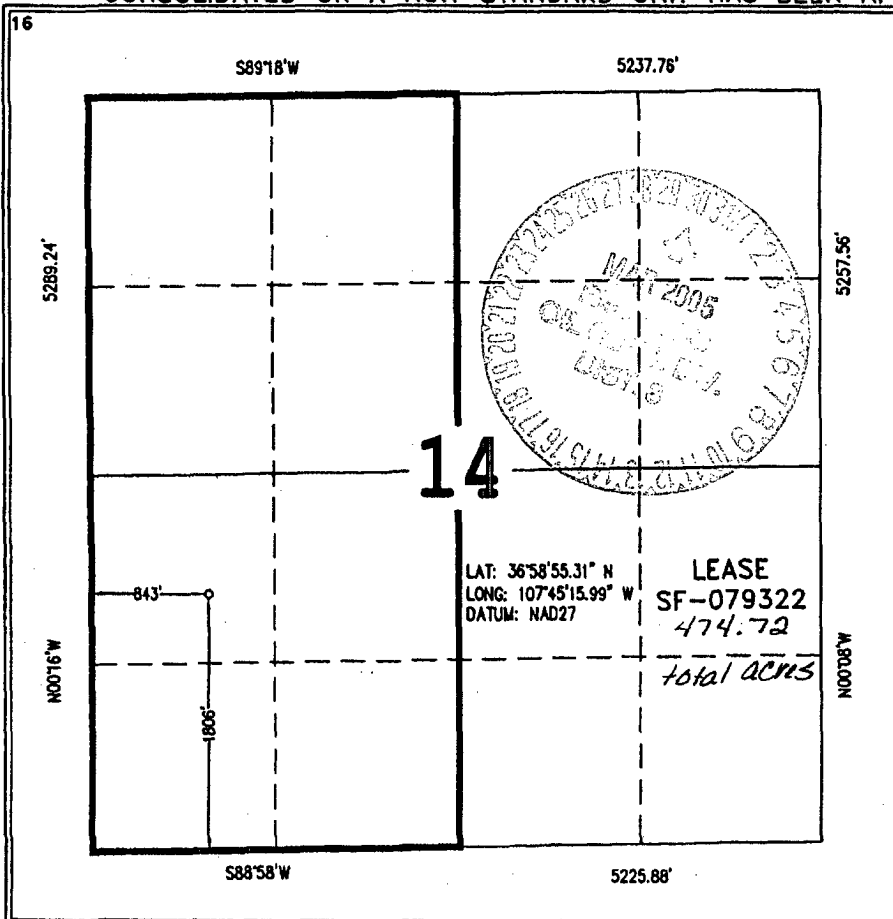
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	14	32N	09W		1806	SOUTH	843	WEST	SAN JUAN

¹¹Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 318.53	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 (pj)
Signature
Vicki Westby
Printed Name
Staff Agent
Title and E-mail Address
Date 1/25/05

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: 1/25/05
Signature and Seal of Professional Surveyor:

Certificate Number: nm-4553

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

Form C-103
 May 27, 2004

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) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/>		WELL API NO. 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No.
2. Name of Operator ConocoPhillips Company		7. Lease Name or Unit Agreement Name SAN JUAN 32-9 UNIT
3. Address of Operator 4001 Penbrook, Odessa, TX 79762		8. Well Number 242
4. Well Location Unit Letter L 1806 feet from the South line and 843 feet from the West line Section 14 Township 32N Range 9W NMPM SAN JUAN County		9. OGRID Number 217817
I 1. Elevation (Show whether DR, RKB, RT, GR, etc.) 6815 GL		10. Pool name or Wildcat Basin Fruitland Coal
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> Closure <input type="checkbox"/> Pit type DRILL Depth to Groundwater 80' Distance from nearest fresh water well >1 Mile Distance from nearest surface water 800' Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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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 I 103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The pit will be constructed and closed in accordance with Rule 50 and as per the Nov. 1, 2004 Guidelines. 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

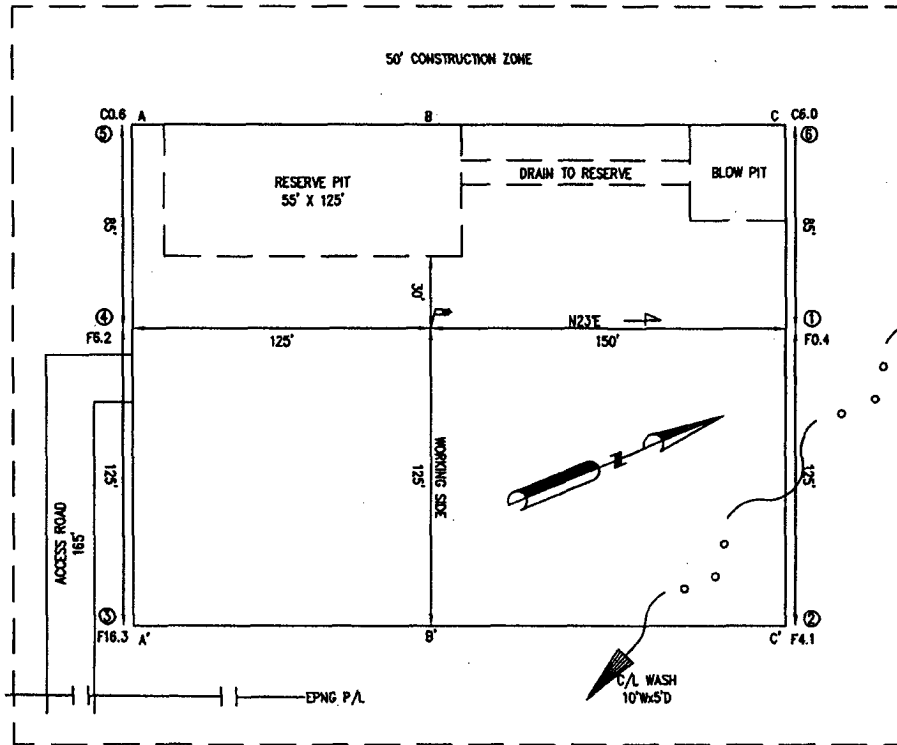
SIGNATURE Vicki Westby TITLE Staff Agent DATE 1/25/04

Type or print name For State Use Only E-mail address: Telephone No.

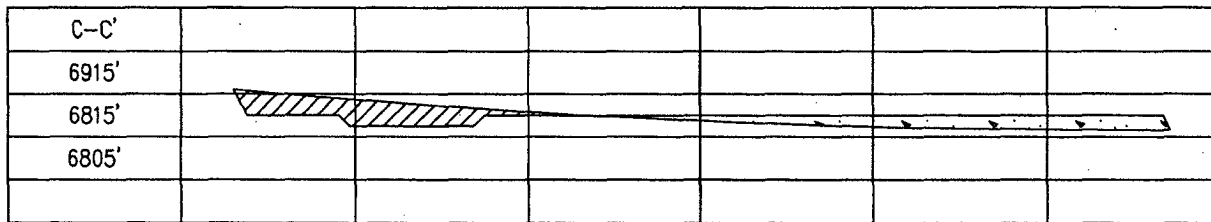
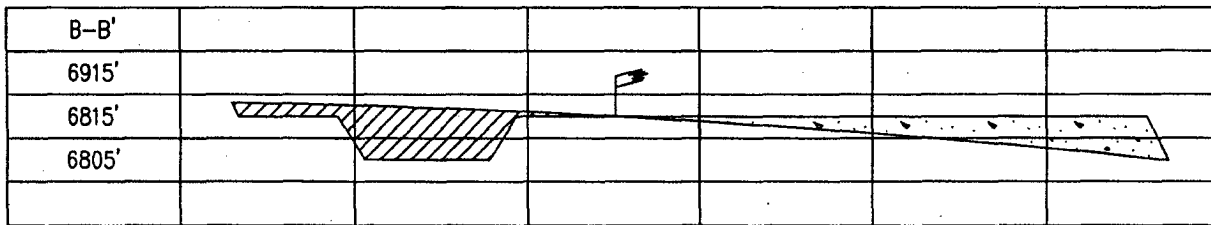
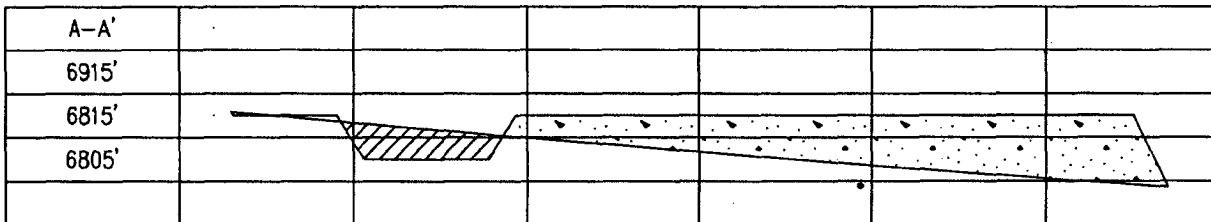
APPROVED BY:  TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 00 DATE APR - 1 2005

CONOCOPHILLIPS COMPANY SAN JUAN 32-9 UNIT #242
 1806' FSL & 843' FWL, SECTION 14, T32N, R09W, NMPM
 SAN JUAN COUNTY, NEW MEXICO ELEVATION: 6815'

LATITUDE: 36°58'55.31" N
 LONGITUDE: 107°45'15.99" W
 DATUM: NAD27



PLAT NOTE:
 SURFACE OWNER
 BLM



PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-9 242

Lease:		AFE #:		AFE \$:	
Field Name: CBM DRILL BLOCKS		Rig:	State: NM	County: SAN JUAN	API #:
Geoscientist: Cloud, Tom A		Phone: +1 832 486-2377	Prod. Engineer:		Phone: 832-486-2254
Res. Engineer: Peterson, Brad T		Phone: 486-2055	Proj. Field Lead:		Phone:

Primary Objective (Zones):

Zone	Zone Name
JCV	BASIN FRUITLAND COAL (GAS)

Location: Surface				Straight Hole	
Latitude: 36.98	Longitude: -107.75	X:	Y:	Section: 14	Range: 9W
Footage X: 843 FWL	Footage Y: 1806 FSL	Elevation: 6815 (FT)	Township: 32N		

Tolerance:			
Location Type:	Start Date (Est.):	Completion Date:	Date In Operation:

Formation Data: Assume KB = 6828 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SAN JOSE	13	6815	<input type="checkbox"/>			
Surface Casing	213	6615	<input type="checkbox"/>			12-1/4 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	928	5900	<input type="checkbox"/>			
OJAM	2208	4620	<input type="checkbox"/>			Possible water flows.
KRLD	2838	3990	<input type="checkbox"/>			
FRLD	3278	3550	<input type="checkbox"/>			Possible gas.
Intermediate Casing	3308	3520	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
BASE MAIN COAL	3478	3350	<input type="checkbox"/>	850		
PC TONGUE	3608	3220	<input type="checkbox"/>			3608' base of lower coal seam
BASE LOWEST COAL	3668	3160	<input type="checkbox"/>			
PCCF	3678	3150	<input type="checkbox"/>			
Total Depth	3738	3090	<input type="checkbox"/>			6-1/4" hole possibly underreamed to 9.5". Optional Liner: 5.5", 15.5#, J-55 LTC - left uncemented.

Reference Wells:		
Reference Type	Well Name	Comments
Intermediate	COP SJ 32 Fed 23 #2A	
Intermediate	Pacific NW SJ #54-14	

Logging Program:

Intermediate Logs: Log only if show GR/ILD Triple Combo

TD Logs: Triple Combo Dipmeter RFT Sonic VSP TDT

Additional Information: TD includes 80 feet sump/rathole & COPC will comply with the BLM's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs formation

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks
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PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 32-9 242

Comments: General/Work Description - TD is 60 ft into Pictured Cliff Sandstone, no existing PCCF PA.
Prospective 10 ft basal coal just above PCCF.
Mud Log from intermediate casing shoe to TD will be obtained.

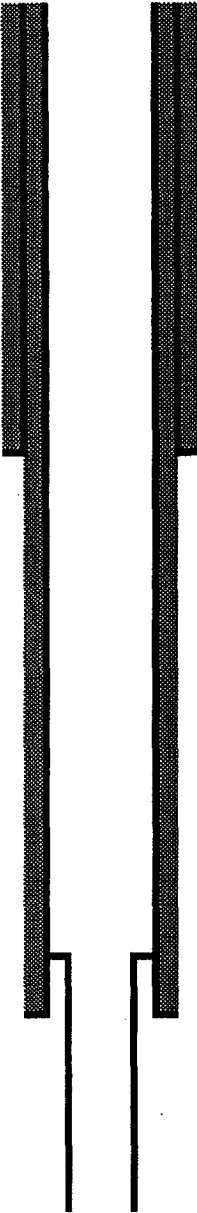
Drilling Mud Program:

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 32-9 # 242



SURFACE CASING :

Drill Bit Diameter	12.28"	
Casing Outside Diameter	9.625"	Casing Inside Diam. 9.000"
Casing Weight	32.3	ppf
Casing Grade	H-40	
Shoe Depth	230'	
Cement Yield	12	cuft/sk
Excess Cement	125	%
Cement Required	147	sx

SHOE 230 ', 9.625 ", 32.3 ppf, H-40 STC

INTERMEDIATE CASING :

Drill Bit Diameter	8.75"	
Casing Outside Diameter	7"	Casing Inside Diam. 6.456"
Casing Weight	20	ppf
Casing Grade	J-55	
Shoe Depth	3308'	
Lead Cement Yield	297	cuft/sk
Lead Cement Excess	160	%
Tail Cement Length	315'	
Tail Cement Yield	133	cuft/sk
Tail Cement Excess	160	%
Lead Cement Required	384	sx
Tail Cement Required	100	sx

LINER TOP 3288 '

SHOE 3308 ', 7 ", 20 ppf, J-55

LINER BOTTOM 3738' (Uncemented)

SAN JUAN 32-9 #242

OPTION 1

9-5/8 Surface Casing		
Cement Recipe	Class C Standard Cement	
	+ 3% Calcium Chloride	
	+0.25 lb/sx Flocele	
Cement Volume	147	sx
Cement Yield	1.21	cuft/sx
Slurry Volume	179.8	cuft
	32.0	bbbls
Cement Density	15.6	ppg
Water Required	5.29	gal/sx

OPTION 2

9-5/8" Surface Casing		
Cement Slurry	Class G	
	+ 2% S001 Calcium Chloride	
	+ 0.25 lb/sx D029 Cellophane Flakes	
Cement Volume	147	sx
Cement Yield	1.16	cuft/sx
Cement Volume	170.59	cuft
Cement Density	15.8	ppg
Water Required	4.983	gal/sx

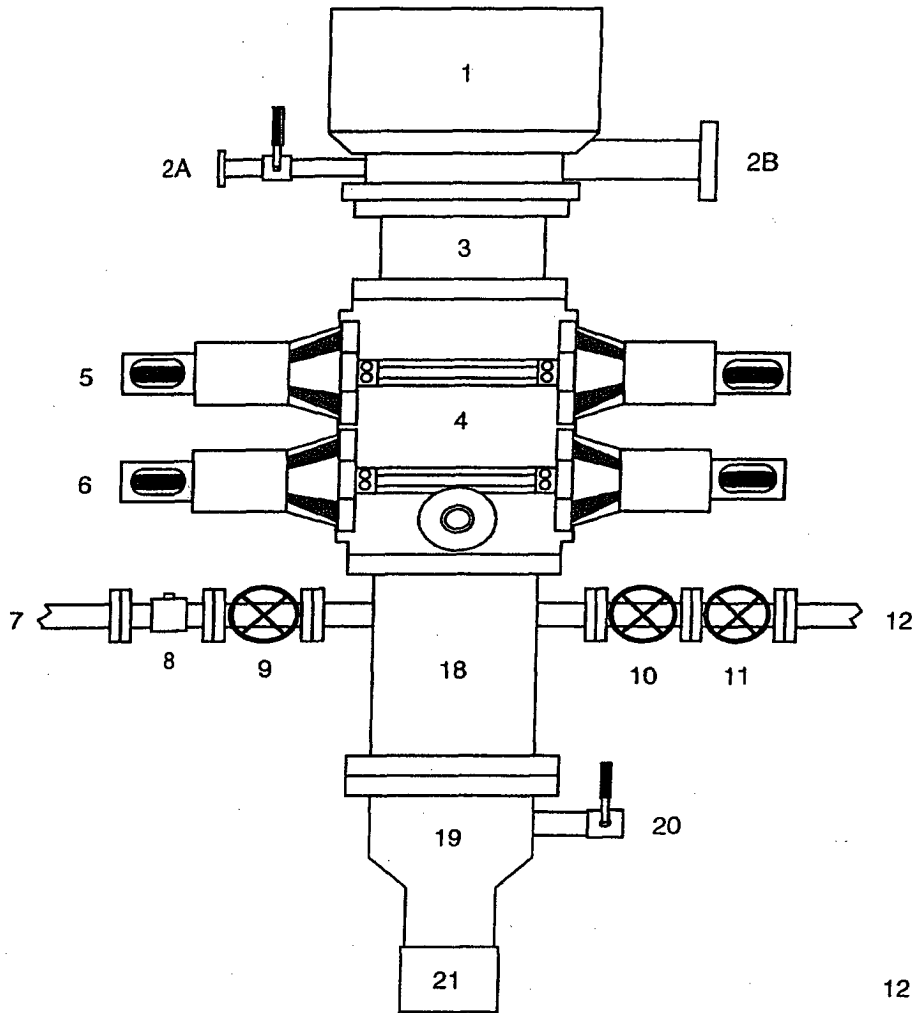
7" Intermediate Casing		
Lead Slurry		
Cement Recipe	Standard Cement	
	+ 3% Econolite (Lost Circulation Additive)	
	+ 10 lb/sx Gilsonite (Lost Circ. Additive)	
	+ 0.25 lb/sx Flocele (Lost Circ. Additive)	
Cement Required	384	sx
Cement Yield	2.91	cuft/sx
Slurry Volume	1118.8	cuft
	199.3	bbbls
Cement Density	11.5	ppg
Water Required	16.88	gal/sx

7" Intermediate Casing		
Lead Slurry		
Cement Slurry	Class G	
	+ 3% D079 Extender	
	+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 0.2% D046 Antifoam	
Cement Volume	431	sx
Cement Yield	2.61	cuft/sx
Cement Volume	1125.89	cuft
Cement Density	11.7	ppg
Water Required	15.876	gal/sx

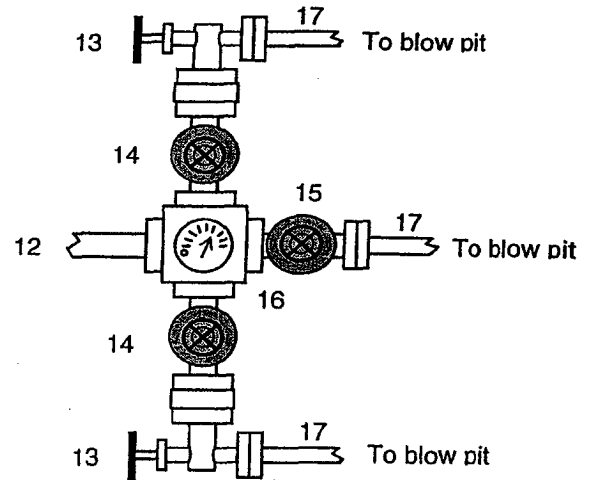
7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50 / 50 POZ:Standard Cement	
	+ 2% Bentonite (Light Weight Additive)	
	+ 5 lbm/sk Gilsonite (Lost Circ. Additive)	
	+ 0.25 lbm/sk Flocele (lost Circ. Additive)	
	+ 2% Calcium Chloride (Accelerator)	
Cement Required	100	sx
Cement Yield	1.33	cuft/sx
Slurry Volume	132.7	cuft
	23.6	bbbls
Cement Density	13.5	ppg
Water Required	5.36	gal/sx

7" Intermediate Casing		
Tail Slurry		
Cement Slurry	50% POZ / 50% Class G cement	
	+ 2% D020 Bentonite	
	+ 2% S001 Calcium Chloride	
	+ 0.25 lb/sx D029 Cellophane Flakes	
	+ 5 lb/sx Gilsonite Extender	
	+ 0.2% D046 Antifoam	
Cement Volume	100	sx
Cement Yield	1.27	cuft/sx
Cement Volume	126.80	cuft
Cement Density	13.5	ppg
Water Required	5.182	gal/sx

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



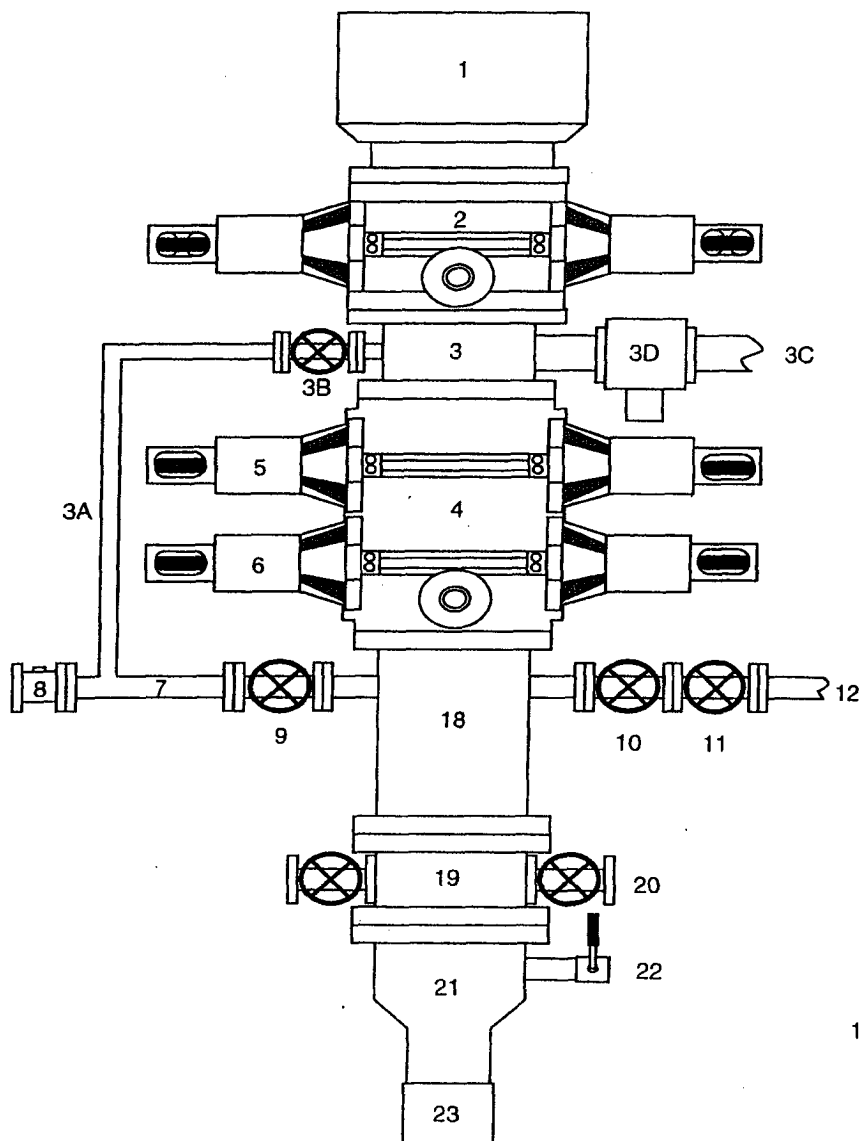
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 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 10 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:

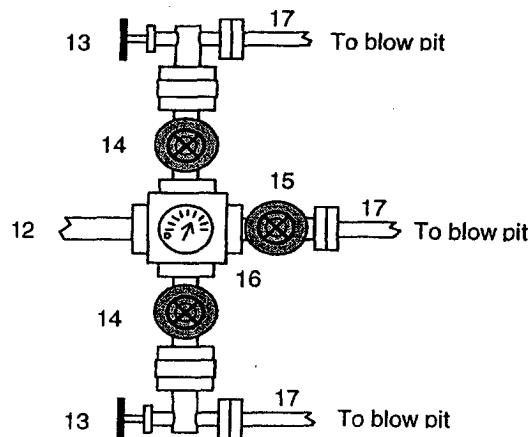
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Cavitation Program



1. 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 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 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. The pipe rams and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 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 blooie line is equipped with a hydraulically controlled valve (HCR valve).

