

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF078401	
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. Unit or CA Agreement Name and No.	
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. Lease Name and Well No. San Juan 31-6 Unit #202A	
3b. Phone No. (include area code) 505-599-3454		9. API Well No. 3003927467	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit D (NWNW), 855' FNL & 1010' FWL At proposed prod. zone Same as above			
10. Field and Pool, or Exploratory Basin Fruitland Coal			
11. Sec., T., R., M., or Blk. and Survey or Area d Section 1, T30N, R6W			
14. Distance in miles and direction from nearest town or post office* approx. 54.5 miles from Bloomfield, NM		12. County or Parish Rio Arriba, NM	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 855'		13. State NM	
16. No. of Acres in lease 3. DIV. DIST. 3		17. Spacing Unit dedicated to this well 319.69 W/2	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.		20. BLM/BIA Bond No. on file ES0085	
19. Proposed depth 3558'		23. Estimated duration 30 days	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6420' GL		22. Approximate date work will start* 8/1/03	

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 <i>Patsy Clugston</i>	Name (Printed/Typed) Patsy Clugston	Date 7/10/03
Title SHEAR Administrative Assistant		
Approved by (Signature) <i>David J. Markiewicz</i>	Name (Printed/Typed)	Date JUL 24 2003
Title Office		

Application approval 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.  
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.

\*(Instructions on Reverse)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS".

NMOC

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

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

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 <b>30-039-27467</b>		Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 31328	Property Name SAN JUAN 31-6 UNIT		Well Number 202A
GRID No. 217817	Operator Name CONOCOPHILLIPS COMPANY		Elevation 6420'

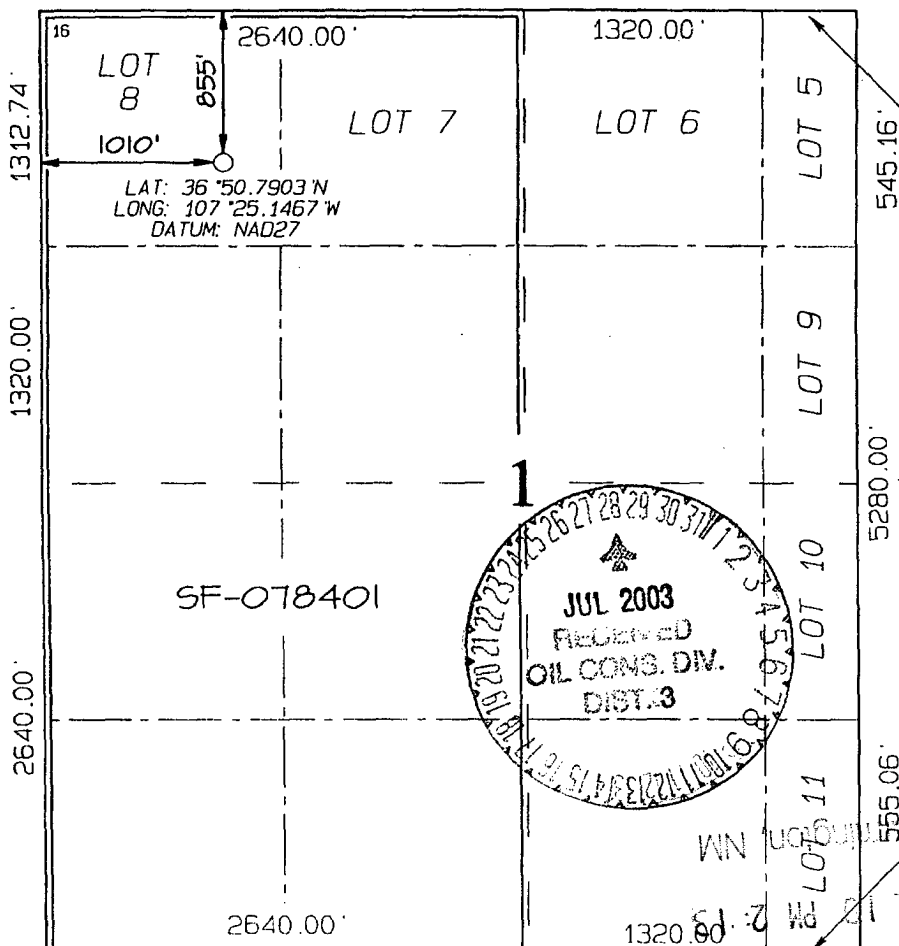
<sup>10</sup> Surface Location

UL or lot no. 0	Section 1	Township 30N	Range 6W	Lot Idn	Feet from the 855	North/South line NORTH	Feet from the 1010	East/West line WEST	County RIO ARriba
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<sup>11</sup> Bottom 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
<sup>12</sup> Dedicated Acres 319.69 Acres - (W/2)					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Dicki Westby*  
Signature  
*Dicki Westby*  
Printed Name  
*Sr. Analyst*  
Title  
*July 7, 2003*  
Date

<sup>18</sup> 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: MAY 28, 2003  
Signature and Seal of Professional Surveyor

*JASON C. EDWARDS*  
REGISTERED PROFESSIONAL SURVEYOR  
NEW MEXICO  
15269  
Certificate Number 15269

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WELL NAME: San Juan 31-6 Unit #202A

## DRILLING PROGNOSIS

1. Location of Proposed Well: Unit D (NWNW) 855' FNL & 1010' FWL  
Section 1, T30N, R6W
2. Unprepared Ground Elevation: @ 6420'
3. The geological name of the surface formation is San Jose.
4. Type of drilling tools will be rotary.
5. Proposed drilling depth is 3558'.
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 1283'</u>	<u>Base of Coal - 3358'</u>
<u>Ojo Alamo - 2447'</u>	<u>Pictured Cliffs - 3358'</u>
<u>Kirtland - 2597'</u>	<u>T. D. - 3558'</u>
<u>Fruitland - 3023'</u>	

TD includes 200' of sump/rathole & COPC will comply with the BLM/OCD's Conditions of Approval for the proposed sump/rathole in this non-producing Pictured Cliffs Formation.

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 - 2447' - 2597'</u>
Oil:	<u>none</u>
Gas:	<u>Fruitland Coal - 3023' - 3358'</u>
Gas & Water:	<u>Fruitland Coal - 3023' - 3358'</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 @ 3558'

\* 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: 150 sx - 15.8 ppg Class G cement + 2% S001 CaCl<sub>2</sub>, + 0.25#/sx  
D029 Cellophane Flakes. Water required - 4.983 gal/sx . Yield -  
1.16 cf/sx (174.27 cf.) Will circulated cement to surface.

9. Cement program: (continued from Page 1) *TOC must be at 100' min w/ surface casing*  
**Production String:** Lead – 462 sx – 11.7 ppg, Class G cement + 3% D079 (Extender) + 0.25#/sx D029 (Cellophane Flakes) + 5#/sx Pheno Seal, + 0.2% D046 Antifoam. Mix water = 15.876 gal/sx. Yield – 2.61 ft<sup>3</sup>/sx (1206.55 cf)

Tail – 243 sx – 13.5 ppg, 50/50 Class G/POZ + 2% D029 (Bentonite) + 2% S001 (CaCl<sub>2</sub>) + 0.25#/sx D029 (Cellophane Flakes), + 5#/sx Gilsonite extender, + 2.5#/sx Pheno Seal, + 0.2% D046 Antifoam. ) Mix water = 5.182 gal/sx. Yield = 1.27 ft<sup>3</sup>/sx (308.67 cf). Anticipate circulating cement to surface.

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 2<sup>nd</sup>, 3<sup>rd</sup>, & 4<sup>th</sup> jts.

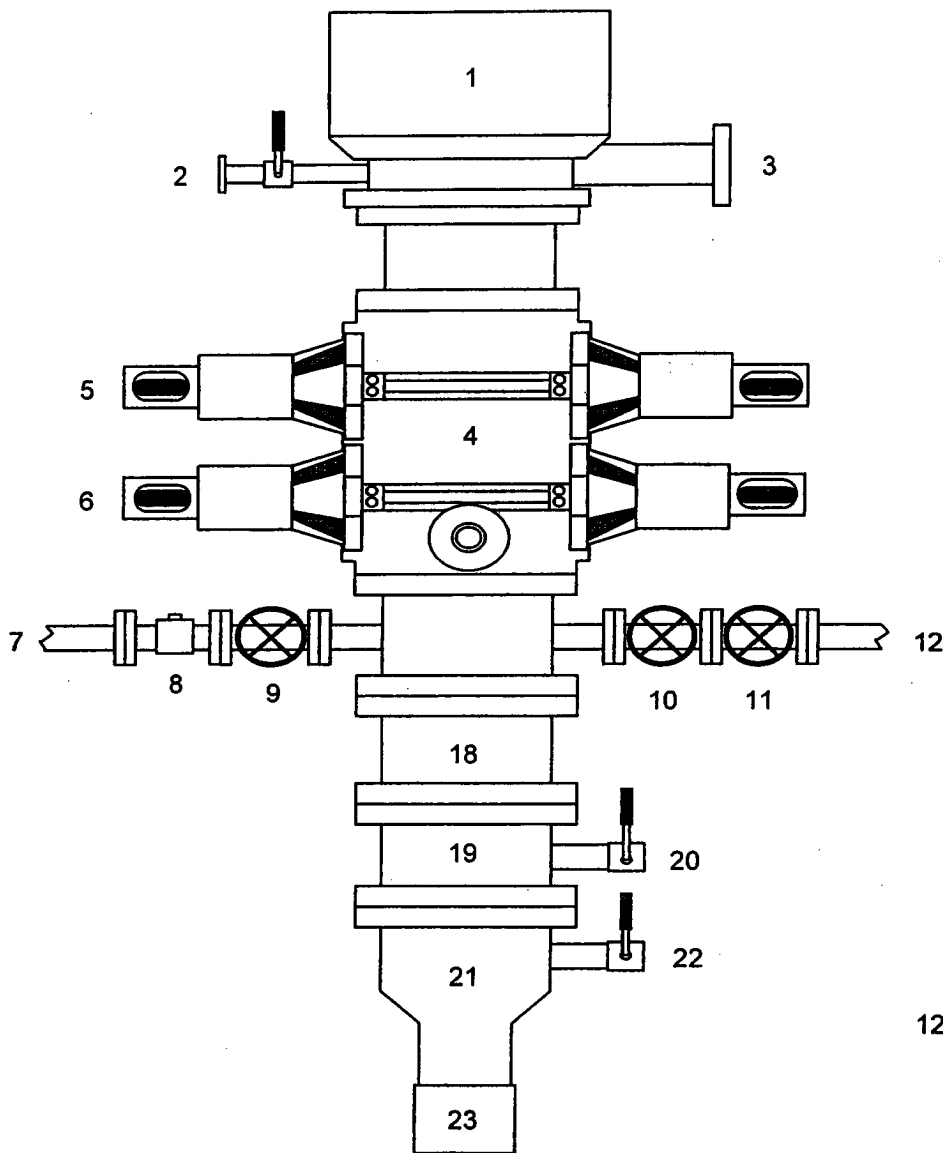
Production : Total seven (7) - 10' above shoe and top of 1<sup>st</sup>, 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup>, & 1<sup>st</sup> jt. into shoe.

Turbulators: Total three (3) - one at 1<sup>st</sup> jt below Ojo Alamo and next 2 jts up.

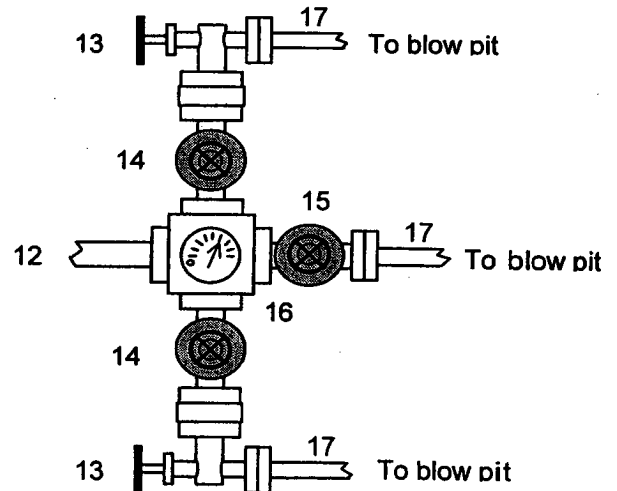
**The well will be completed by fracture stimulation.**

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 H<sub>2</sub>S equipment will be used.  
 Estimated Bottomhole pressures: Fruitland Coal – 425 psi
14. The anticipated starting date is sometime around August 1, 2003 with duration of drilling/ completion operations for approximately 30 days thereafter.

# BLOWOUT PREVENTER HOOKUP



1. Rotating Head
2. Fill-up Line & valve
3. Flowline
4. Blowout Preventer (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. Spacer Spool
19. Casing Spool "B" Section
20. Casing Spool "B" Section 2" Valve
21. Casing Head "A" Section
22. Casing Head "A" Section 2" Valve
23. 9 5/8" Casing Collar



Drilling contractors used in the San Juan Basin supply 3000 psi equipment, but cannot provide annular preventors because of sub-structure limitations. Maximum anticipated surface pressures for this well will not exceed the working pressure of the proposed BOP system. The above diagram of the BOP system details 2000 psi equipment according to Onshore Order No. 2 even though the equipment will test to 3000 psi. The 2000 psi system allows deletion of the annular preventor and fulfills your requirements.

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

*The BOPs will be pressure tested according to Onshore Order #2III, A1 and 30% Safety factor.*

**San Juan 31-6 Unit #202A  
NMSF078401 – Unit D, 855' FNL & 1010' FWL  
Section 1, T30N, R6W; Rio Arriba County, NM**

**Cathodic Protection**

ConocoPhillips proposes to drill a cathodic protection deep well groundbed for the subject well. Will drill a 6-7/8" hole to an anticipated minimum depth of 300' (maximum depth of 500'). Cement plugs will not be used unless more than one water zone is encountered. Prior drilling history for the area indicates only one zone to that depth. If more than one water zone is encountered, notification will be made and details of cement and casing will be provided.

All drilling activity will remain on existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.

See attached drawing on proposed placement of groundbed & underground AC & DC cables and rectifier.