

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NMSF-079290B	
1b. Type of Well GAS	Unit Reporting Number NMAAM-078438-MV NMAAM-078438-0210	
2. Operator ConocoPhillips	7. Unit Agreement Name San Juan 28-7 Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name 9. Well Number #222F	
4. Location of Well Surface - Unit H (SENE), 2370' FNL & 200' FEL Est. BH - Unit E (SWNE) 2500' FNL & 10' FWL, Surface - Latitude 36° 63304'N Longitude 107° 53456'W Est. BH - Latitude - 36.63269'N; Longitude 107.53384'W	10. Field, Pool, Wildcat Blanco MV / Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) IT Surf - Sec. 26, T28N, R07W, NMPM E Est. BH - Sec. 25, T28N, R7W, NMPM API # 30-039-30024	
14. Distance in Miles from Nearest Town	12. County Rio Arriba	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 10'	17. Acres Assigned to Well MV & DK - 320 acres W/2	
16. Acres in Lease	18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease	
19. Proposed Depth 7806'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6613' GL	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Faten Chert</u> Sr. Regulatory Analyst	Date <u>8/9/06</u>	

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE Acting AFM DATE 10/2/06

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3
Title 18 U.S.C. Section 1001, makes 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 presentations as to any matter within its jurisdiction.

District II
PO Drawer DD, Artesia, NM 88211-0719

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number	'Pool Code	'Pool Name
30-039-30024	72319 / 71599	BLANCO MESAVERDE / BASIN DAKOTA
'Property Code	'Property Name	'Well Number
31739	SAN JUAN 28-7 UNIT	222F
'OGRID No	'Operator Name	'Elevation
217817	CONOCOPHILLIPS COMPANY	6613'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	26	28N	7W		2370	NORTH	200	EAST	RIO ARRIBA

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
E	25	28N	7W		2500	NORTH	10	WEST	RIO ARRIBA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320.0 Acres - (W/2)			

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

Virgil E. Chavez
Signature

Virgil E. Chavez
Printed Name

Construction Supervisor
Title

July 17, 2006
Date

18 SURVEYOR CERTIFICATION

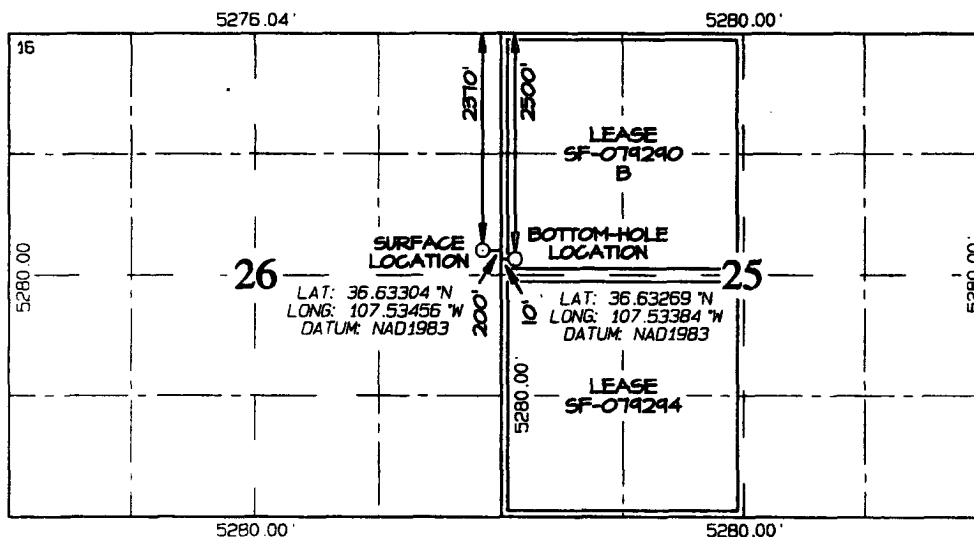
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Survey Date: AUGUST 16, 2005

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269



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.)		WELL API NO. 30-039-
1. Type of Well: Oil Well ☐ Gas Well ☒ Other		5. Indicate Type of Lease STATE ☐ FEE ☐
2. Name of Operator ConocoPhillips Company		6. State Oil & Gas Lease No. Federal Lease - SF-079290B
3. Address of Operator 3401 E. 30TH STREET, FARMINGTON, NM 87402		7. Lease Name or Unit Agreement Name San Juan 28-7 Unit
4. Well Location Unit Letter <u>H</u> : <u>2370</u> feet from the <u>North</u> line and <u>200'</u> feet from the <u>East</u> line Section <u>26</u> Township <u>28N</u> Rng <u>7W</u> NMPM County <u>Rio Arriba</u>		8. Well Number #222F
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6613' GL		9. OGRID Number 217817
Pit or Below-grade Tank Application ☐ or Closure ☐		10. Pool name or Wildcat Blanco Mesaverde / Basin DK
Pit type <u>New Drill</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u><200'</u>		
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u> </u>		

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: New Drill ☒

OTHER: ☐

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.

We are constructing Drilling and workover pits as per our General plan on file with the OCD dated June 2005 and we are closing all pits as per the November 1, 2004 Guidelines.

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 Patsy Clugston TITLE Sr. Regulatory Specialist DATE 8/8/2006

Type or print name Patsy Clugston E-mail address: plclugston@br-inc.com Telephone No. 505-326-9518
For State Use Only

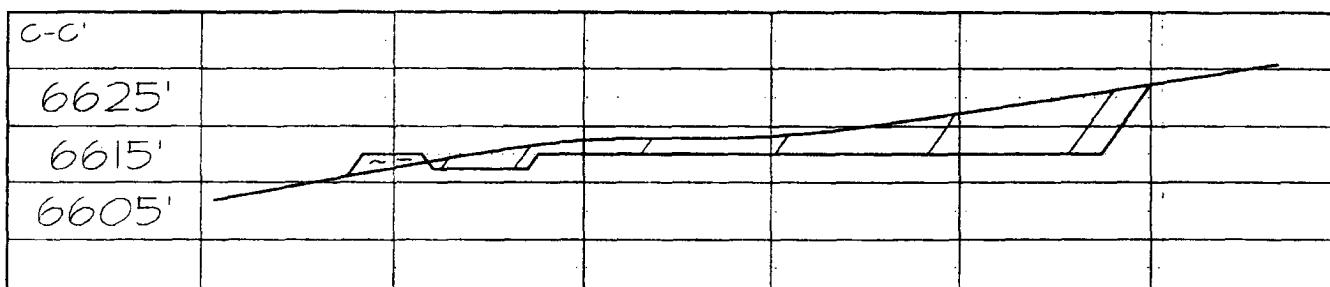
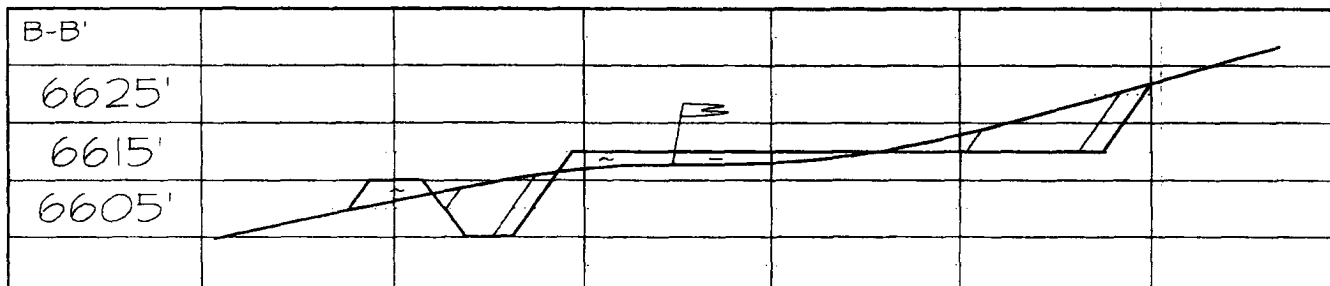
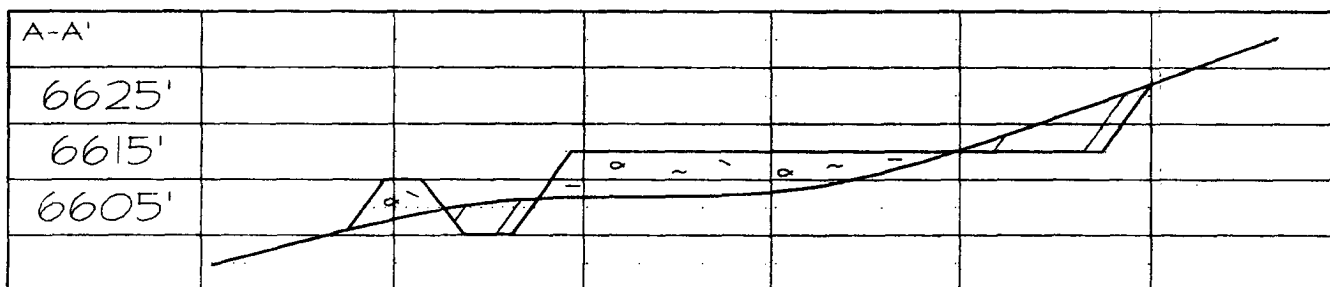
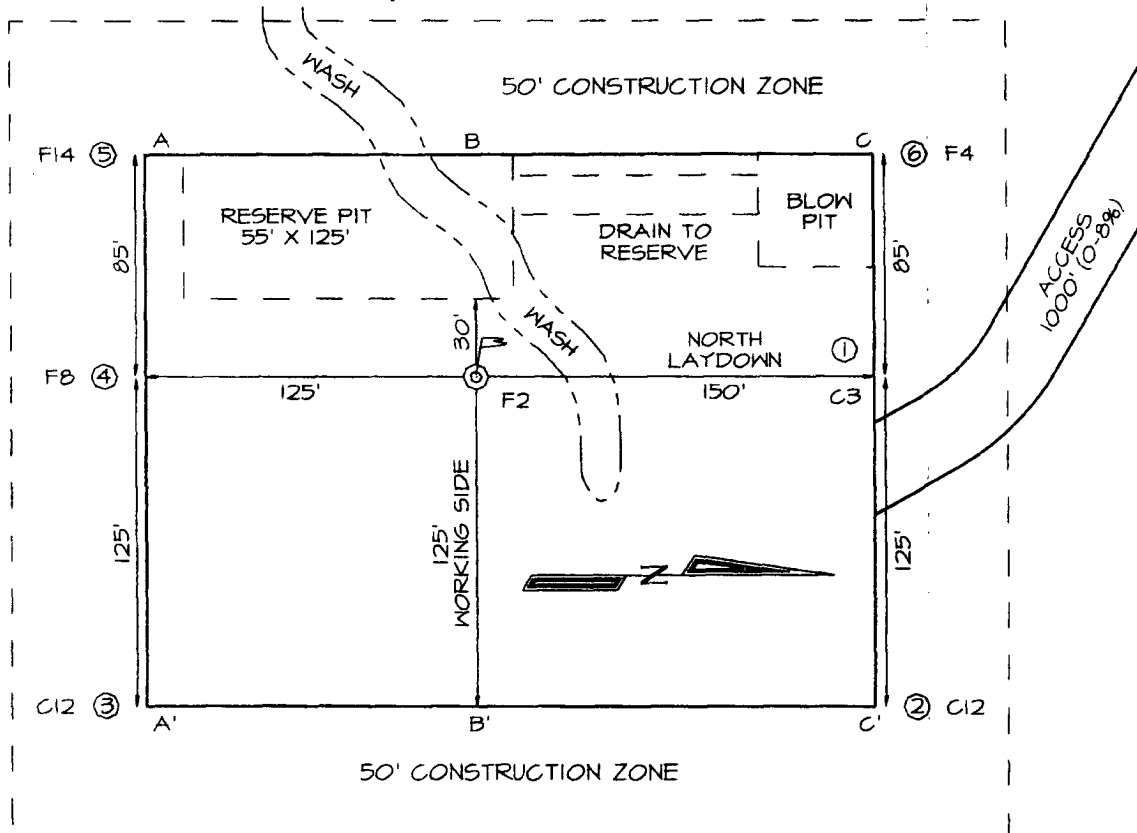
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE OCT 04 2006
Conditions of Approval (if any):

CONOCOPHILLIPS COMPANY SAN JUAN 28-7 UNIT #222F
2370' FNL & 200' FEL, SECTION 26, T28N, R7W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6613'

LATITUDE: 36.63304° N
LONGITUDE: 107.53456° W
 DATUM: NAD83

PLAT NOTE:

SURFACE OWNER
 Bureau of Land
 Management



PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 28-7 222F

Lease:		AFE #: WAN.CNV.6151		AFE \$:	
Field Name: 28-7		Rig: H&P 282		State: NM	County: RIO ARRIBA
Geoscientist: Glaser, Terry J		Phone: (832)486-2332	Prod. Engineer: Fontenot, Jessie C		Phone: +1 832-486-3483
Res. Engineer: Johnson, Tom B.		Phone: (832)-486-2347	Proj. Field Lead: Shenfield, Wayne		Phone:
Primary Objective (Zones):					
Zone	Zone Name				
R20002	MESAVERDE(R20002)				
R20076	DAKOTA(R20076)				

Location: Surface		Datum Code: NAD 27				Deviated
Latitude: 36.632477	Longitude: -107.533868	X:	Y:	Section: 26	Range: 7W	
Footage X: 200 FEL	Footage Y: 2370 FNL	Elevation: 6613	(FT)	Township: 28N		
Tolerance:						
Location: Bottom Hole		Datum Code: NAD 27				Deviated
Latitude: 36.632474	Longitude: -107.533152	X:	Y:	Section: 25	Range: 7W	
Footage X: 10 FWL	Footage Y: 2500 FNL	Elevation:	(FT)	Township: 28N		
Tolerance:						

Location Type: Year Round	Start Date (Est.):	Completion Date:	Date In Operation:
Formation Data: Assume KB = 6626 Units = FT			

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	216	6410	☐			Severe lost circulation is possible. 12 1/4" Hole. 9 5/8", 36 ppf, J-55, STC casing. Circulate cement to surface.
OJAM	2066	4560	☐			Possible water flows
KRLD	2216	4410	☐			
FRLD	3046	3580	☐			Possible gas
PCCF	3296	3330	☐			
LEWS	3496	3130	☐			
Intermediate Casing	3596	3030	☐			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4256	2370	☐			
CLFH	4936	1690	☐	1300		Gas; possibly wet
MENF	5096	1530	☐			Gas
PTLK	5501	1125	☐			Gas
MNCS	5801	825	☐			
GLLP	6751	-125	☐			
GRHN	7456	-830	☐			Gas possible, highly fractured
TWLS	7546	-920	☐			Gas
CBBO	7671	-1045	☐			Gas
TOTAL DEPTH DK	7806	-1180	☐			6-1/4" Hole. 4-1/2", 11.6 ppf, N-80, LTC casing. Circulate cement a minimum of 100' inside the previous casing string. No open hole logs. Cased hole TDT with GR to surface.

Reference Wells:		
Reference Type	Well Name	Comments

PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 28-7 222F

Logging Program:

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

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☒ TDT

Additional Information:

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks
----------	-------	-----------	---------	----------------	---------

Comments: Location/Tops/Logging - Will need to be vertical at least 10' FWL of Section 25 - it's a hard line - need to design to be past that point a little

Zones - Mesaverde/Dakota directional 80-acre infill well, with surface location 2,500' FNL & 200' FEL of Section 26-T28N-R7W, and BHL 2500' FNL & 10' FWL (a hard line) of Section 25, Rio Arriba County, NM. Surface location had to be moved into Section 26 because all of Section 25 is an ACEC, where no surface disturbance is allowed.

HOLE: 12.25 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppg
GRADE: H-40
EXCESS: 125 %
DEPTH: 235'

HOLE: 8.75 "
CSG OD: 7 "
CSG ID: 6.456 "
WGT: 20 ppg
GRADE: J-55
EXCESS: 150 %
TAIL: 721.8'
DEPTH: 3609'

HOLE: 6.25 "
CSG OD: 4.5 "
CSG ID: 4 "
WGT: 11.6 ppg
GRADE: N-80
EXCESS: 50 %
DEPTH: 7819'

SURFACE:

Option 1
148 sx
30.8 bbls
172.9 cuft
1.17 ft³/sx
15.8 ppg
4.973 gal/sx
Class G Cement
+ 3% S001 Calcium Chloride
+ 0.25 lb/sx D029 Cellophane Flakes

Comp. Strength
6 hrs 250 psi
8 hrs 500 psi
psi

Option 2
143 sx
30.8 bbls
172.9 cuft
1.21 ft³/sx
15.6 ppg
5.29 gal/sx
Standard Cement
+ 3% Calcium Chloride
+ 0.25 lb/sx Flocele

Comp. Strength
6 hrs 250 psi
8 hrs 500 psi

Option 3
65 sx
18.6 bbls
104.3 cuft
1.61 ft³/sx
14.5 ppg
7.41 gal/sx
Type I-II Ready Mix
+ 20% Fly Ash

Comp. Strength
8 hrs 475 psi
24 hrs 1375 psi

INTERMEDIATE LEAD:

Option 1
382 sx
184.9 bbls
1038.2 cuft
2.72 ft³/sx
11.7 ppg
15.74 gal/sx
Class G Cement
+ 3% D079 Extender
+ 0.20% D046 Antifoam
+ 10 lb/sx Phenoseal

Comp. Strength
9 hrs 300 psi
48 hrs 525 psi
psi

Option 2
399 sx
184.9 bbls
1038.2 cuft
2.60 ft³/sx
11.5 ppg
14.62 gal/sx
Type III Ashgrove Cement
+ 30 lb/sx San Juan Poz
+ 3% Bentonite
+ 5.0 lb/sx Phenoseal

Comp. Strength
1.47 hrs 50 psi
12 hrs 350 psi
24 hrs 450 psi

Option 3
395 sx
184.9 bbls
1038.2 cuft
2.63 ft³/sx
11.7 ppg
15.92 gal/sx
Class G Cement
+ 3% D079 Extender
+ 0.20% D046 Antifoam
+ 1.0 lb/bbl CemNet

Comp. Strength
3 hrs 100 psi
24 hrs 443 psi

INTERMEDIATE TAIL:

Option 1
214 sx
50.0 bbls
280.9 cuft
1.31 ft³/sx
13.5 ppg
5.317 gal/sx
50/50 Poz: Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% S001 Calcium Chloride
+ 2% D020 Bentonite
+ 1.5 lb/sx D024 Gilsontite Extender
+ 0.1% D046 Antifoamer
+ 6 lb/sx Phenoseal

Comp. Strength
3.53 500 psi
8.22 1000 psi
24 hrs 3170 psi
48 hrs 5399 psi

Option 2
211 sx
50.0 bbls
280.9 cuft
1.33 ft³/sx
13.5 ppg
5.52 gal/sx
50/50 Poz: Standard Cement
+ 2% Bentonite
+ 6.0 lb/sx Phenoseal

Comp. Strength
2.05 50 psi
4.06 500 psi
12 hrs 1250 psi
24 hrs 1819 psi

Option 3
219 sx
50.0 bbls
280.9 cuft
1.28 ft³/sx
13.5 ppg
5.255 gal/sx
50/50 Poz: Class G Cement
+ 2% D020 Bentonite
+ 5.0 lb/sx D024 Gilsontite Extender
+ 2% S001 Calcium Chloride
+ 0.1% D046 Antifoamer
+ 0.15% D065 Dispersant
+ 1.0 lb/bbl CemNet

Comp. Strength
24 hrs 1850 psi
48 hrs 3411 psi

PRODUCTION:

Option 1
468 sx
119.6 bbls
671.6 cuft
1.44 ft³/sx
13.0 ppg
6.47 gal/sx
50/50 Poz: Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% D020 Bentonite
+ 1.0 lb/sx D024 Gilsontite Extender
+ 0.25% D167 Fluid Loss
+ 0.25% D065 Dispersant
+ 0.1% D800 Retarder
+ 0.1% D046 Antifoamer
+ 3.5 lb/sx Phenoseal

Comp. Strength
7 hrs 500 psi
24 hrs 2100 psi
psi

Option 2
463 sx
119.6 bbls
671.6 cuft
1.45 ft³/sx
13.1 ppg
6.55 gal/sx
50/50 Poz: Standard Cement
+ 3% Bentonite
+ 0.2% CFR-3 Friction Reducer
+ 0.1% HR-5 Retarder
+ 0.8% Halad-9 Fluid Loss Additive
+ 3.5 lb/sx Phenoseal

Comp. Strength
9.32 50 psi
12 hrs 500 psi
13.29 1026 psi
24 hrs 2300 psi

Option 3
463 sx
119.6 bbls
671.6 cuft
1.45 ft³/sx
13.1 ppg
6.55 gal/sx
50/50 Poz: Standard Cement
+ 3% Bentonite
+ 0.2% CFR-3 Friction Reducer
+ 0.1% HR-5 Retarder
+ 0.8% Halad-9 Fluid Loss Additive
+ 3.5 lb/sx Phenoseal

Comp. Strength
9.32 50 psi
12 hrs 500 psi
13.29 1026 psi
24 hrs 2300 psi

San Juan 28-7 #222F

HOLE: 12.25 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppf
GRADE: H-40
EXCESS: 125 %
DEPTH: 235'

SURFACE:

INTERMEDIATE LEAD:

Option 4
360 sx
184.9 bbls
1038.2 cuft
2.88 ft³/sx
11.5 ppg
16.85 gal/sx
Standard Cement
+ 3% Econolite (Extender)
+ 10 lb/sx Phenoseal

Option 5
494 sx
184.9 bbls
1038.2 cuft
2.10 ft³/sx
11.7 ppg
11.724 gal/sx
75% Type XI / 25% Class G Cement
+ 0.25 lb/sx D029 Cellophane Flakes
+ 3% D079 Extender
+ 0.20% D046 Antifam

Comp. Strength
1.47 50 psi
12 hrs 350 psi
24 hrs 450 psi

Comp. Strength
1036 500 psi
42 hrs 1012 psi

HOLE: 8.75 "
CSG OD: 7 "
CSG ID: 6.456 "
WGT: 20 ppf
GRADE: J-55
EXCESS: 150 %
TAIL: 721.8'
DEPTH: 3609'

INTERMEDIATE TAIL:

HOLE: 6.25 "
CSG OD: 4.5 "
CSG ID: 4 "
WGT: 11.6 ppf
GRADE: N-80
EXCESS: 50 %
DEPTH: 7819'

PRODUCTION:

ConocoPhillips

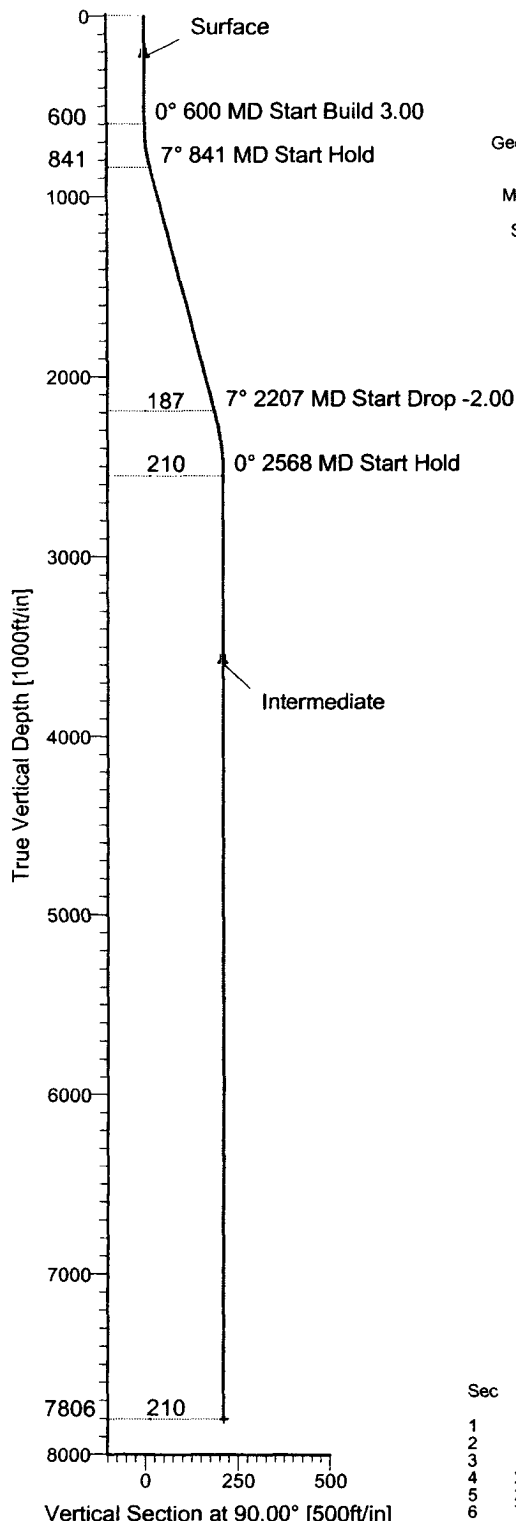
ConocoPhillips

Field: Rio Arriba County, NM
Site: San Juan 28-7 #222F
Well: Well #222F
Wellpath: Original Hole
Plan: Plan #1



Azimuths to Grid North
True North: -0.06°
Magnetic North: 10.43°

Magnetic Field
Strength: 51356nT
Dip Angle: 63.69°
Date: 8/1/2006
Model: igr2005



FIELD DETAILS

Rio Arriba County, NM
USA

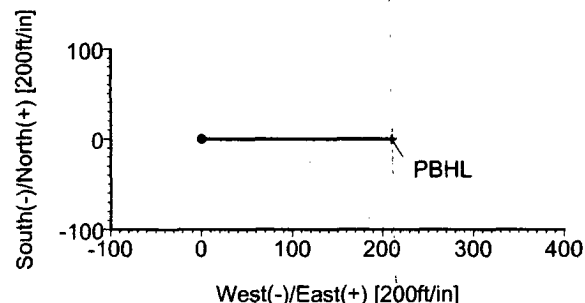
Geodetic System: US State Plane Coordinate System 1927
Ellipsoid: NAD27 (Clarke 1866)
Zone: New Mexico, Western Zone
Magnetic Model: igr2005

System Datum: Mean Sea Level
Local North: Grid North

SITE DETAILS

San Juan 28-7 #222F
Sec. 26, T28N, R7W/
Rio Arriba County

Water Depth: 0.00
Positional Uncertainty: 0.00
Convergence: 0.00



TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	7806.00	0.00	210.00	0.00	0.00	Point

WELLPATH DETAILS

Original Hole

Rig:			
Ref. Datum:	SITE	0.00ft	
V. Section Angle	Origin +N/-S	Origin +E/-W	Starting From TVD
90.00°	0.00	0.00	0.00

CASING DETAILS

No.	TVD	MD	Name	Size
1	230.00	230.00	Surface	9.625
2	3596.00	3608.47	Intermediate	7.000

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	90.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	600.00	0.00	90.00	600.00	0.00	0.00	0.00	0.00	0.00	
3	841.18	7.24	90.00	840.54	0.00	15.21	3.00	90.00	15.21	
4	2206.71	7.24	90.00	2195.20	0.00	187.19	0.00	0.00	187.19	
5	2568.47	0.00	90.00	2556.00	0.00	210.00	2.00	180.00	210.00	
6	7818.47	0.00	90.00	7806.00	0.00	210.00	0.00	0.00	210.00	PBHL

Ryan Energy Technology
15510 Oil Center Blvd
Houston, TX 77073
Ph: 281-443-1414
Fx: 281-443-1676



Ryan The leader in
UNDERGROUND INTELLIGENCE™

Plan: Plan #1 (Well #222F/Original Hole)

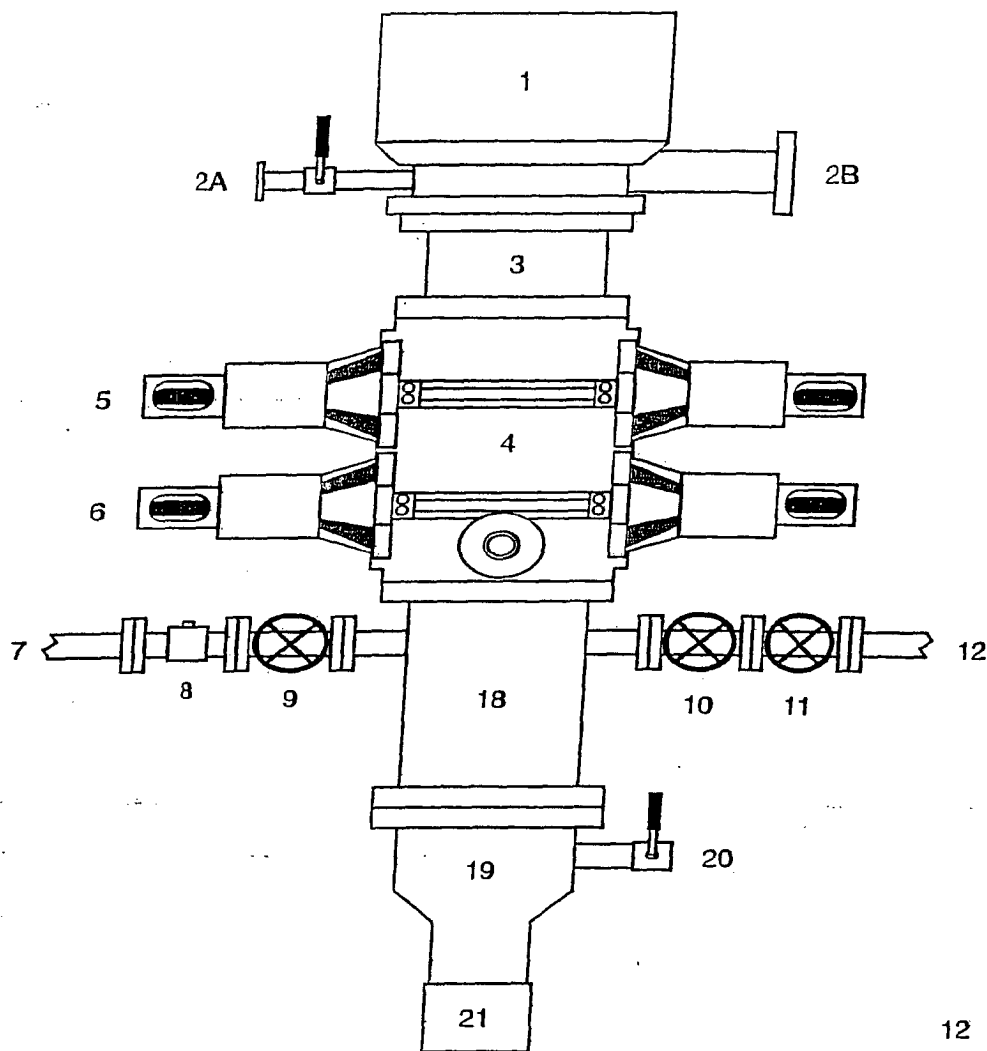
Created By: Alexis Gonzalez Date: 8/1/2006
Checked: _____ Date: _____
Reviewed: _____ Date: _____
Approved: _____ Date: _____

San Juan 28-7 #222F**TVD - MD Formation Tops**

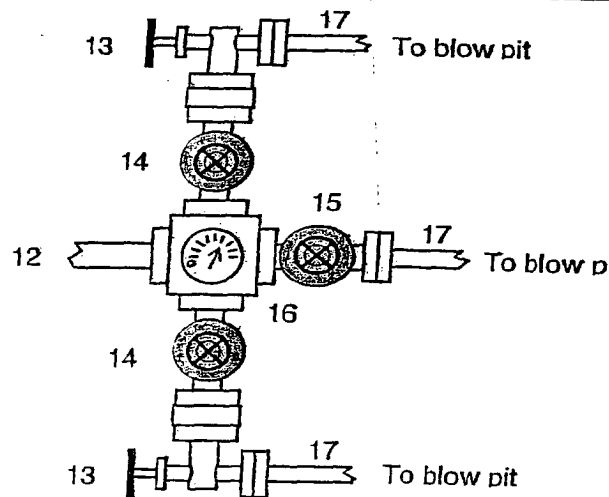
Formation	TVD	MD
San Jose	13	13
Surface Casing	216	216
OJAM	2066	2076.47
KRLD	2216	2227.64
FRLD	3046	3058.47
PCCF	3296	3600.00
Lewis	3496	3520.00
Intermediate Casing	3596	3609.00
Chacra	4256	4268.47
Cliffhouse	4936	4948.47
Menefee	5096	5108.47
Point Lookout	5501	5513.47
Mancos Shale	5801	
Gallup	6751	6763.47
Greenhorn	7456	7468.47
Two Wells	7546	7558.47
Cubero	7671	7683.47
TD	7806	7819.00

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

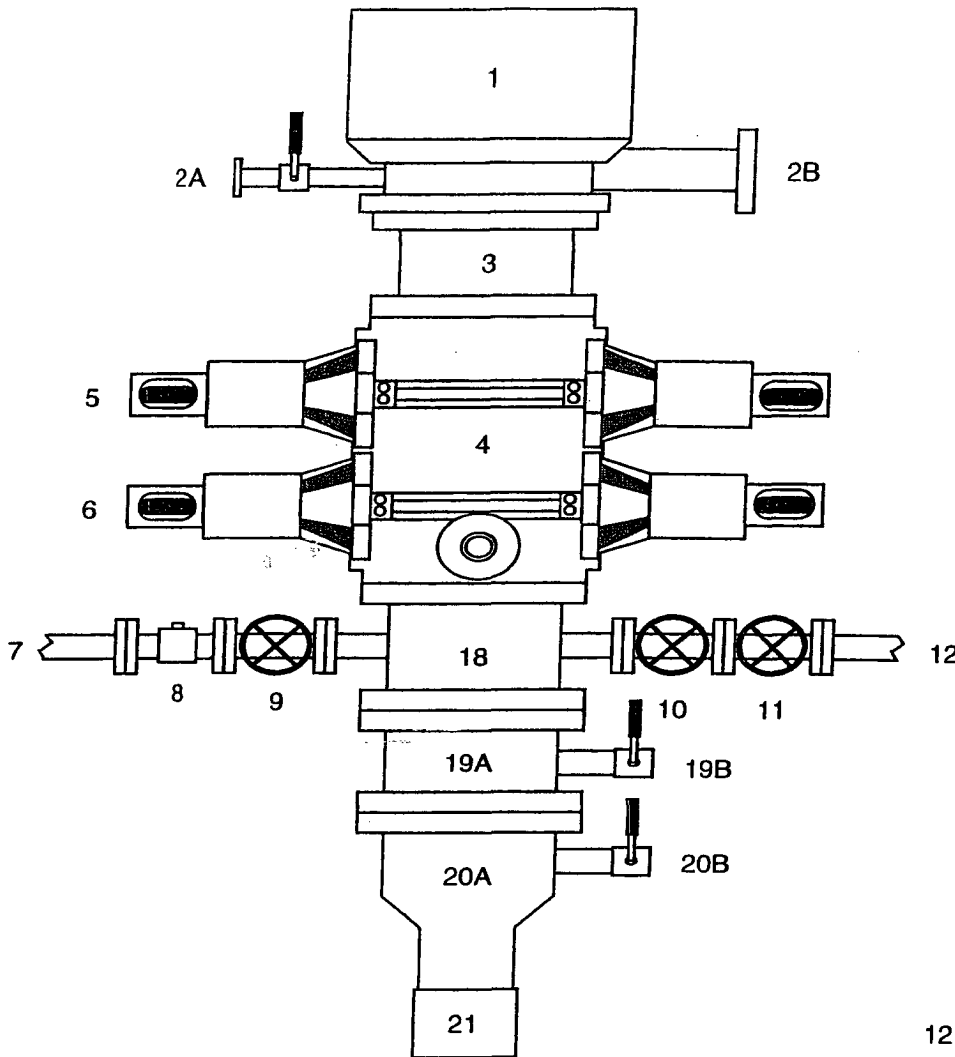


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe 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.

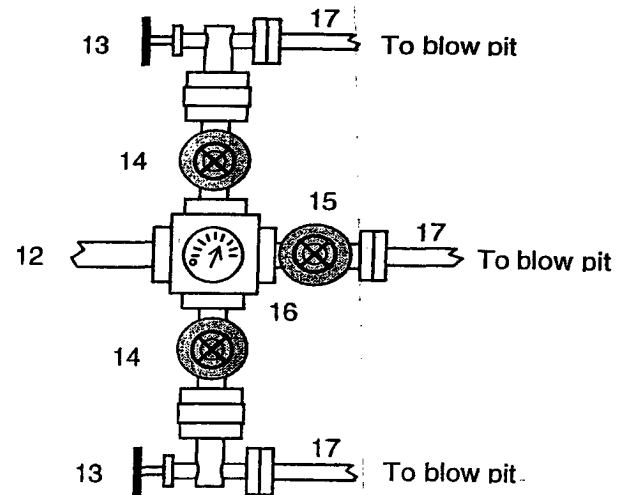
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For Drilling to TD and Setting 4.5 inch Casing



1. Rotating Head
- 2A. Fill-up Line & valve
- 2B. Bleeie Line (for Air Drilling)
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
- 19A Csg Spool "B" Section (11", 3M)
- 19B "B" Section Csg Valve (2", 3M)
- 20A Csg Head "A" Section (11", 3M)
- 20B "A" Section Csg Valve (2", 3M)
21. 9 5/8" Casing Collar



After the 7" intermediate casing has been run and cemented, the Casing Spool ("B" Section) will be installed on the wellhead ("A" Section) and the BOP will be installed on the Casing Spool. A test plug will be set in the wellhead and the pipe rams, blind rams, and choke manifold will be tested to 200 psi to 300 psi (low pressure test) for 10 minutes and to 3000 psi (high pressure test) for 10 minutes. Then the test plug will be removed and 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. Then we will air drill the 6-1/4" hole to TD and run and cement the 4-1/2" casing.

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