

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RCVD DEC21'06  
OIL CONS. DIV.  
DIST. 3

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	2006 MAY 11 PM 11 CO RECEIVED OTO FARMINGTON NM	5. Lease Number NMSF-079012 Unit Reporting Number NMNM-078421A-MV
1b. Type of Well GAS		6. If Indian, All. or Tribe
2. Operator ConocoPhillips		7. Unit Agreement Name San Juan 31-6 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name 9. Well Number #13M
4. Location of Well Unit D (NWNW), 1010' FNL & 758' FWL,  Latitude 36° 50.45.8'N Longitude 107° 28.28.8'W	Lot 8	10. Field, Pool, Wildcat Basin Dakota / Blanco MV 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 4, T30N, R06W API # 30-039-29905
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 758'		
16. Acres in Lease	17. Acres Assigned to Well DK & MV 319.84 W/2	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease		
19. Proposed Depth 7961'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6430' GL	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Patsy Clugston</u> Sr. Regulatory Analyst	Date <u>5/18/06</u>	

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

Archaeological Report attached  
Environmental Assessment is attached.

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.

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REGULATIONS"

Operation is subject to technical and  
regulatory requirements pursuant to 43 CFR 3165.3  
and 43 CFR 3165.4

NMOCD

8 12/22/06

RCVD DEC21'06

OIL CONS. DIV.  
DIST. 3State of New Mexico  
Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION  
1220 South St. Francis Dr  
Santa Fe, NM 87505

2005 MAY 11 AM 11:00

Form O-102

Revised June 10, 2003

Submit RECEIVED

OTO FARMING Co. 14 Copies

Fee Loose - 3 Copies

☐ AMENDED REPORT

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-039-29905</b>		Pool Code <b>71629</b>		Pool Name <b>DAKOTA / MESAVERDE</b>	
Property Code <b>AC50114 31328</b>		Property Name <b>SAN JUAN 31-6 UNIT</b>		Well Number <b>13M</b>	
OGRID No. <b>217817</b>		Operator Name <b>CONOCOPHILLIPS COMPANY</b>		Elevation <b>6430</b>	
<b>Surface Location</b>					
UL or lot no. <b>1</b>	Section <b>4</b>	Township <b>30N</b>	Range <b>06W</b>	Lot <b>8</b>	County <b>RIO ARriba</b>
<b>Bottom Hole Location If Different From Surface</b>					
UL or lot no.	Section	Township	Range	Lot	County
Dedicated Acres <b>W/2 319.84</b>					
Joint or Infill <b></b>					
Consolidation Code <b></b>					
Order No. <b></b>					

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

<p>WEST 5080.00'</p> <p>5276.04'</p> <p>5281.32'</p> <p>5007.01'</p> <p>5007.01'</p> <p>489.57'E 5285.28'</p> <p>LEASE LAT: 36°00'45.8" N LONG: 107°28'28.6" W DATUM: NAD83 SF-079012</p> <p>7</p> <p>8</p> <p>6</p> <p>5</p> <p>4</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>Virgil Chavez</i></p> <p>Printed Name <b>Virgil Chavez</b></p> <p>Title and Official Address <b>Projects &amp; Operations Lead</b></p> <p>Date <b>April 12, 2006</b></p>
<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date of Survey: 02/01/06</p> <p>Signature and Seal of Professional Surveyor: <i>W. P. Broadhurst</i></p> <p>Certificate Number: NM 11291</p>		

## 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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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- <b>29905</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		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. NMSF-079012
3. Address of Operator 3401 E. 30TH STREET, FARMINGTON, NM 87402		7. Lease Name or Unit Agreement Name San Juan 31-6 Unit
4. Well Location Unit Letter <u>D</u> : <u>1010</u> feet from the <u>North</u> line and <u>758</u> feet from the <u>West</u> line Section <u>4</u> Township <u>30N</u> Rng <u>6W</u> NMPM County <u>Rio Arriba</u>		8. Well Number #13M
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6430' GL		9. OGRID Number 217817
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Basin Dakota / Blanco Mesaverde
Pit type <u>New Drill</u> Depth to Groundwater <u>&gt;100</u> Distance from nearest fresh water well <u>&gt;1000'</u> Distance from nearest surface water <u>&gt;200'</u> Pit Liner Thickness: <u>n/a</u> mil Below-Grade Tank: <u>Volume</u> bbls; Construction Material <u>&lt;1000</u>		

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

## NOTICE OF INTENTION TO:

 PERFORM REMEDIAL WORK ☐  
 TEMPORARILY ABANDON ☐  
 PULL OR ALTER CASING ☐

 PLUG AND ABANDON ☐  
 CHANGE PLANS ☐  
 MULTIPLE COMPL ☐

OTHER:

New Drill ☒

## SUBSEQUENT REPORT OF:

 REMEDIAL WORK ☐  
 COMMENCE DRILLING OPNS. ☐  
 CASING/CEMENT JOB ☐

 ALTERING CASING ☐  
 P AND A ☐
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.

The pit will be constructed and closed in accordance with Rule 50 and as per the November 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.

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 ☐.

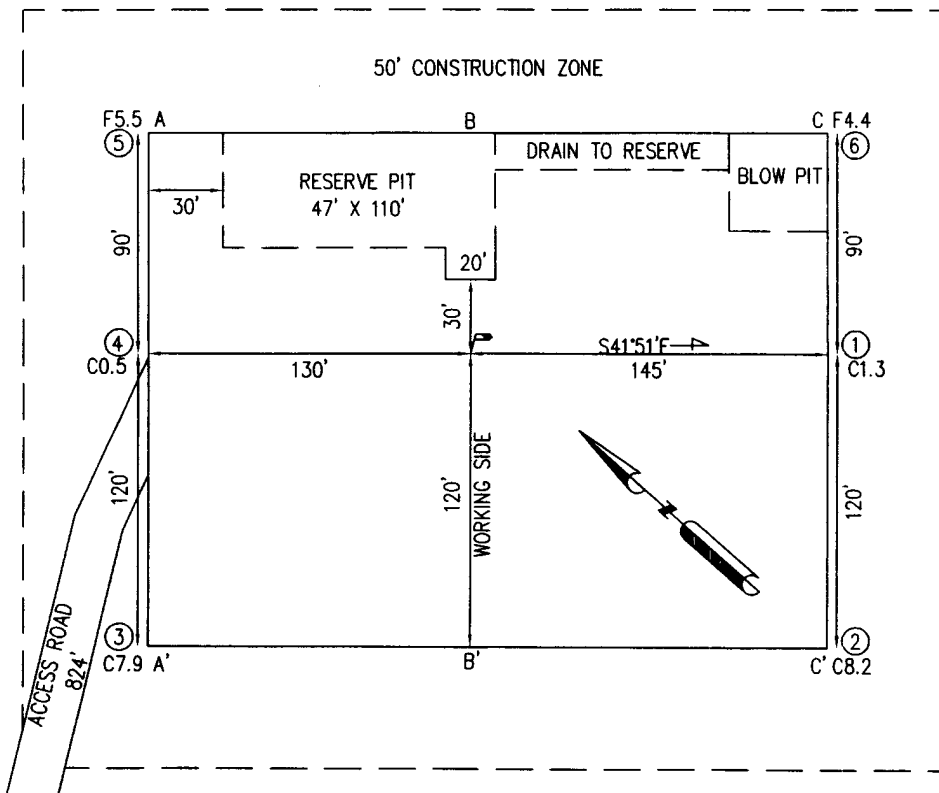
 SIGNATURE Patsy Clugston TITLE Sr. Regulatory Analyst DATE 5/3/2006

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

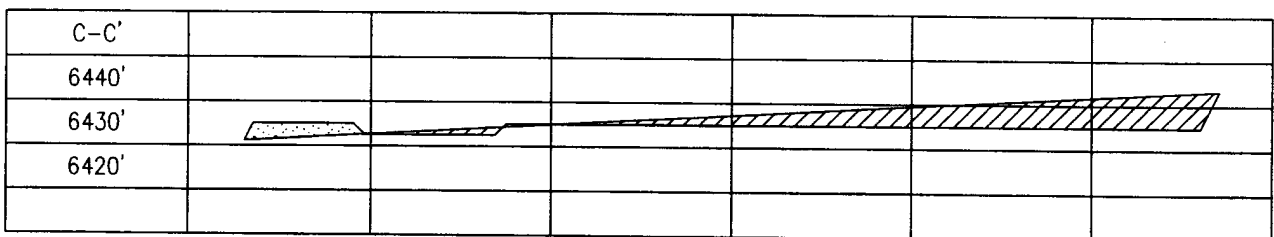
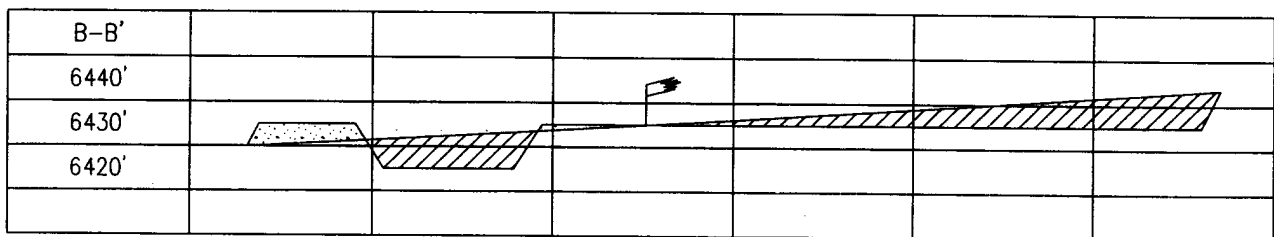
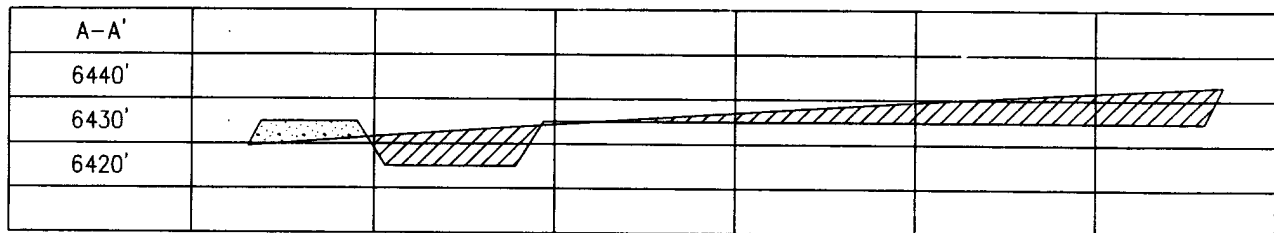
 APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. IV DATE DEC 22 2006  
 Conditions of Approval (if any):

CONOCOPHILLIPS COMPANY SAN JUAN 31-6 UNIT #13M  
 1010' FNL & 758' FWL, SECTION 4, T30N, R06W, NMPM  
 RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6430'

LATITUDE: 36.84604° N  
 LONGITUDE: 107.47405° W  
 DATUM: NAD27



PLAT NOTE:  
 \*SURFACE OWNER\*  
 NM GAME & FISH



# PROJECT PROPOSAL - New Drill / Sidetrack

SAN JUAN 31-6 13M

Lease:		AFE #: 1/1		AFE \$:	
Field Name: 31-6	Rig: H&P 283	State: NM	County: RIO ARRIBA	API #:	
Geoscientist: Glaser, Terry J	Phone: (832)486-2332	Prod. Engineer: Pusch, Jennye	Phone: 832-486-2345		
Res. Engineer: Pena, David Fernando	Phone: 832-486-2328	Proj. Field Lead:	Phone:		

## Primary Objective (Zones):

Zone	Zone Name
R20002	MESAVERDE(R20002)
R20076	DAKOTA(R20076)

## Location: Surface Datum Code: NAD 27 Straight Hole

Latitude: 36.846040	Longitude: -107.474050	X:	Y:	Section: 4	Range: 6W
Footage X: 758 FWL	Footage Y: 1010 FNL	Elevation: 6430	(FT)	Township: 30N	
Tolerance:					

Location Type: Summer Only	Start Date (Est.):	Completion Date:	Date In Operation:
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Formation Data: Assume KB = 6446 Units = FT

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	216	6230	<input type="checkbox"/>			13-1/2" hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
CJAM	2356	4090	<input type="checkbox"/>			Possible water flows.
KRLD	2556	3890	<input type="checkbox"/>			
FRLD	3066	3380	<input type="checkbox"/>			Possible gas.
PCCF	3366	3080	<input type="checkbox"/>			
LEWS	3566	2880	<input type="checkbox"/>			
Intermediate Casing	3666	2780	<input type="checkbox"/>			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CHRA	4526	1920	<input type="checkbox"/>			
CLFH	5346	1100	<input type="checkbox"/>			Gas.
MENF	5386	1060	<input type="checkbox"/>			Gas.
PTLK	5636	810	<input type="checkbox"/>			Gas.
CLLP	6996	-550	<input type="checkbox"/>			Gas. Possibly wet.
CRHN	7651	-1205	<input type="checkbox"/>			Gas possible, highly fractured
CBBO	7836	-1390	<input type="checkbox"/>			Gas
TOTAL DEPTH DK	7961	-1515	<input type="checkbox"/>			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
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# PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 31-6 13M

## 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
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Comments: Location/Tops/Logging - TD 310' below top of Greenhorn

General/Work Description - COP does not own Dk

HOLE: 13.5 "  
 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: **733.2'**  
 DEPTH: **3686'**

HOLE: 6.25 "  
 CSG OD: 4.5 "  
 CSG ID: 4 "  
 WGT: 11.6 ppg  
 GRADE: N-80  
 EXCESS: 50 %  
 DEPTH: **7961'**

SURFACE:

Option 1  
**222 sx**  
 46.2 bbls  
 259.5 cuft  
 1.17 ft<sup>3</sup>/sx  
 15.8 ppg  
 4.973 gal/sx  
 Class G Cement  
 + 3% S001 Calcium Chloride  
 + 0.25 lb/sx D029 Cellophane Flakes

Option 2  
**214 sx**  
 46.2 bbls  
 259.5 cuft  
 1.21 ft<sup>3</sup>/sx  
 15.6 ppg  
 5.29 gal/sx  
 Standard Cement  
 + 3% Calcium Chloride  
 + 0.25 lb/sx Floccle

Comp. Strength  
 6 hrs 250 psi  
 8 hrs 500 psi

INTERMEDIATE LEAD:

Option 1  
**388 sx**  
 188.0 bbls  
 1055.3 cuft  
 2.72 ft<sup>3</sup>/sx  
 11.7 ppg  
 15.74 gal/sx  
 Class G Cement  
 + 3% D079 Extender  
 + 0.20% D046 Antifoam  
 + 10 lb/sx Phenoseal

Option 2  
**406 sx**  
 188.0 bbls  
 1055.3 cuft  
 2.60 ft<sup>3</sup>/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

Option 3  
**401 sx**  
 188.0 bbls  
 1055.3 cuft  
 2.63 ft<sup>3</sup>/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  
 1.47 hrs 50 psi  
 12 hrs 350 psi  
 24 hrs 450 psi

Comp. Strength  
 3 hrs 100 psi  
 24 hrs 443 psi

INTERMEDIATE TAIL:

Option 1  
**218 sx**  
 50.8 bbls  
 285.2 cuft  
 1.31 ft<sup>3</sup>/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 Gilsolite Extender  
 + 0.1% D046 Antifoam  
 + 6 lb/sx Phenoseal

Option 2  
**214 sx**  
 50.8 bbls  
 285.2 cuft  
 1.33 ft<sup>3</sup>/sx  
 13.5 ppg  
 5.52 gal/sx  
 50/50 Poz: Standard Cement  
 + 2% Bentonite  
 + 6.0 lb/sx Phenoseal

Option 3  
**223 sx**  
 50.8 bbls  
 285.2 cuft  
 1.28 ft<sup>3</sup>/sx  
 13.5 ppg  
 5.255 gal/sx  
 50/50 Poz: Class G Cement  
 + 2% D020 Bentonite  
 + 5.0 lb/sx D024 Gilsolite Extender  
 + 2% S001 Calcium Chloride  
 + 0.1% D046 Antifoam  
 + 0.15% D065 Dispersant  
 + 1.0 lb/bbl CemNet

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

Comp. Strength  
 24 hrs 1850 psi  
 48 hrs 3411 psi

PRODUCTION:

Option 1  
**475 sx**  
 121.9 bbls  
 684.7 cuft  
 1.44 ft<sup>3</sup>/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 Gilsolite Extender  
 + 0.25% D167 Fluid Loss  
 + 0.25% D065 Dispersant  
 + 0.1% D800 Relarder  
 + 0.1% D046 Antifoam  
 + 3.5 lb/sx Phenoseal

Option 2  
**472 sx**  
 121.9 bbls  
 684.7 cuft  
 1.45 ft<sup>3</sup>/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 Relarder  
 + 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 31-6 #13M

SURFACE:

HOLE: 13.5 "  
CSG OD: 9.625 "  
CSG ID: 9.001 "  
WGT: 32.3 ppf  
GRADE: H-40  
EXCESS: 125 %

DEPTH: 235'

INTERMEDIATE LEAD:

Option 4

366 sx  
188.0 bbls  
1055.3 cuft  
2.88 ft<sup>3</sup>/sx  
11.5 ppg  
16.85 gal/sx  
Standard Cement  
+ 3% Econolite (Extender)  
+ 10 lb/sx Phenoseal

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

HOLE: 8.75 "  
CSG OD: 7 "  
CSG ID: 6.456 "  
WGT: 20 ppf  
GRADE: J-55  
EXCESS: 150 %

TAIL: 733.2'

DEPTH: 3666'

Option 5

503 sx  
188.0 bbls  
1055.3 cuft  
2.10 ft<sup>3</sup>/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 Antifoam

Comp. Strength  
10:56 500 psi  
42 hrs 1012 psi

INTERMEDIATE TAIL:

PRODUCTION:

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

DEPTH: 7961'



**TOPSET FRUITLAND COAL Wells:** (topset casing above coal to prepare for cavitation/DO/UR)

**Drilling Mud Program:**

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist/nitrogen drilling media with foamer, polymer, & corrosion inhibitor as needed

**Centralizer Program:**

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 3<sup>rd</sup>, & 4<sup>th</sup> joints

Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup>, & 10<sup>th</sup> joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

**CASE & FRAC FRUITLAND COAL Wells:** (casing set below coal to prepare for frac completion)

**Drilling Mud Program:**

Surface: spud mud

Production: fresh water mud with bentonite and polymer as needed

**Centralizer Program:**

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 3<sup>rd</sup>, & 4<sup>th</sup> joints

Production: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup>, & 10<sup>th</sup> joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

**MESA VERDE Wells:**

**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

**Centralizer Program:**

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 3<sup>rd</sup>, & 4<sup>th</sup> joints

Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup>, & 10<sup>th</sup> joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

**DAKOTA Wells:**

**Drilling Mud Program:**

Surface: spud mud

Intermediate: fresh water mud with bentonite and polymer as needed

Below Intermediate: air/mist/nitrogen drilling media with foamer, polymer, & corrosion inhibitor as needed

**Centralizer Program:**

Surface: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 3<sup>rd</sup>, & 4<sup>th</sup> joints

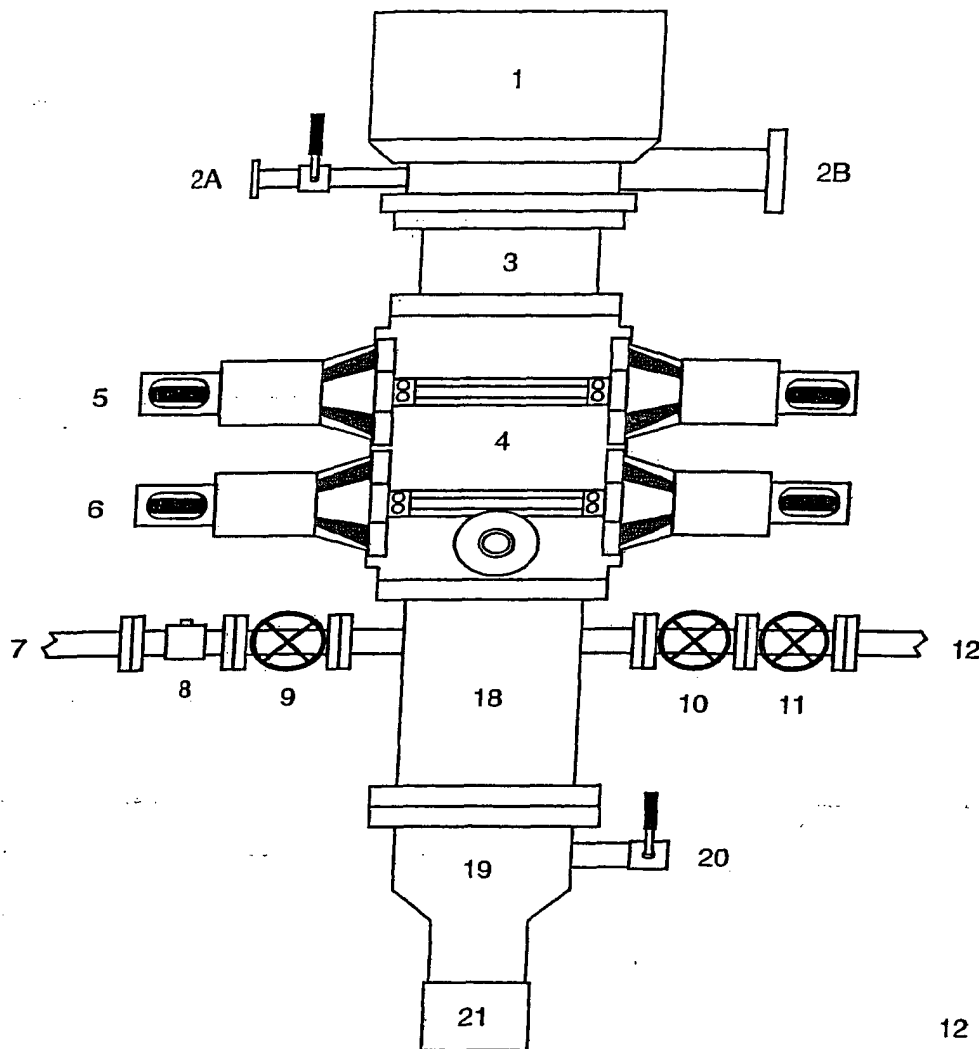
Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup>, & 10<sup>th</sup> joints

Turbolizers placed one per joint from the top of the Ojo Alamo to the top of the Kirtland Shale

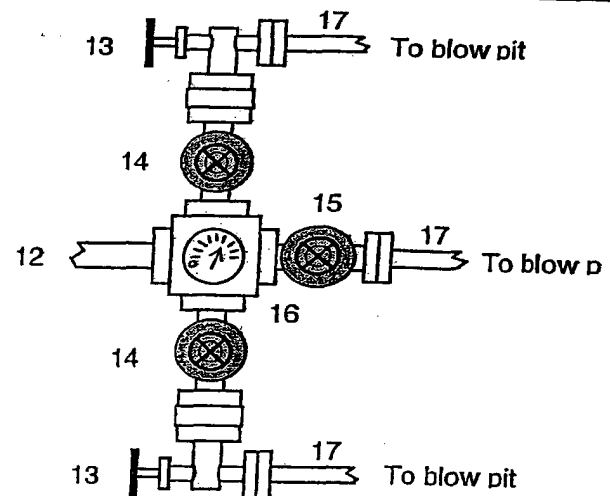
Below Intermediate: no centralizers used in air holes. In mud holes centralizers are spaced out appropriately

# 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

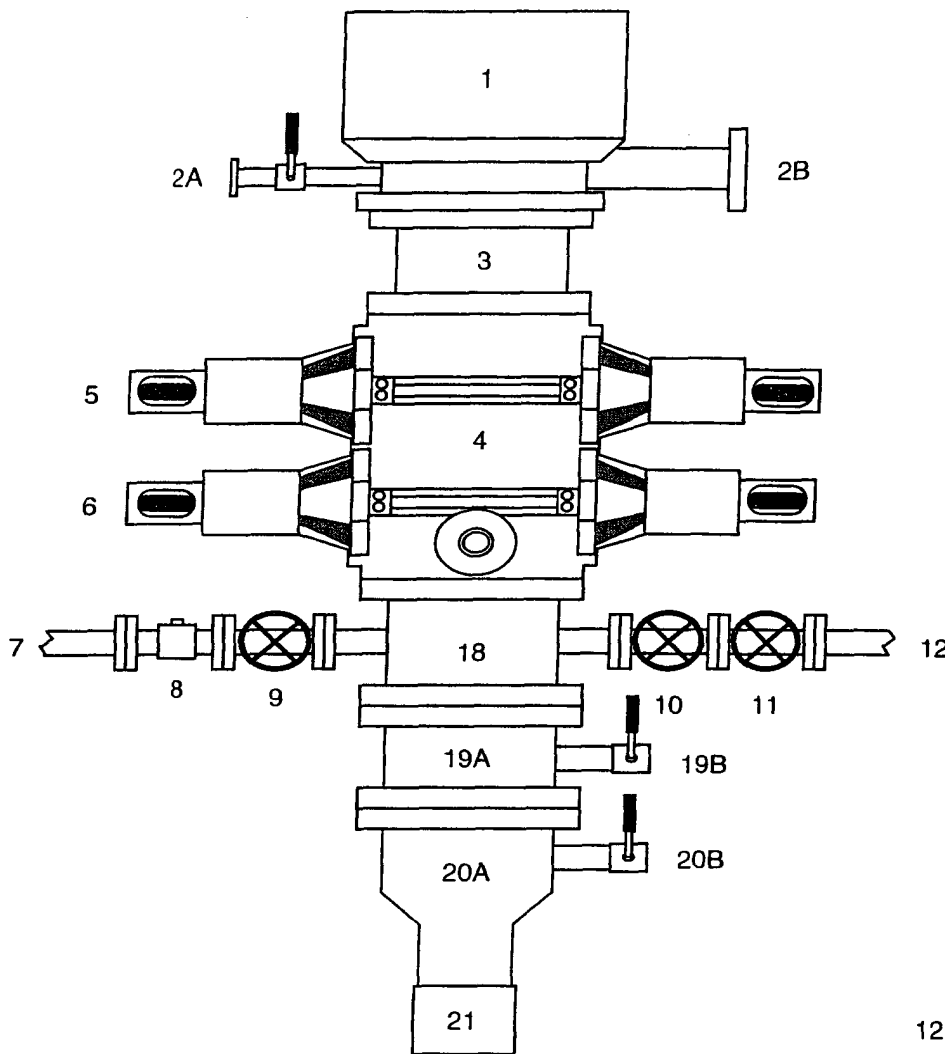


A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

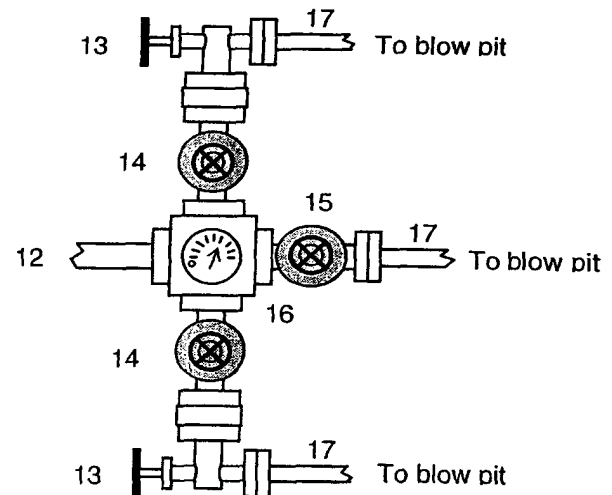
In addition to the equipment in the above diagram the following equipment will comprise the BOP system:

# 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