

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2007 JUN 16 PM 3:36

1a. Type of Work DRILL	5. Lease Number NMSF-078412
1b. Type of Well GAS	Unit Reporting Number NMMNM-78415B-DK NMMNM-78415A-MV
2. Operator ConocoPhillips	6. If Indian, All. or Tribe
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	7. Unit Agreement Name San Juan 29-5 Unit
4. Location of Well Unit O(SWSE), 1,170' FSL, 2045' FEL Latitude 36° 40.6825 N Longitude 107° 20.5298 W	8. Farm or Lease Name
	9. Well Number #34M
	10. Field, Pool, Wildcat Basin Dakota/Blanco Mesaverde
	11. Sec., Twn, Rge, Mer. (NMPM) Sec. 34, T29N, R5W API # 30-039-30162
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 150'	
16. Acres in Lease 200	17. Acres Assigned to Well 320.00 acres E/2 (MV/DK)
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease	
19. Proposed Depth 8055'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6694' GL	22. Approx. Date Work will Start RCVD JUN1'07
23. Proposed Casing and Cementing Program See Operations Plan attached	OIL CONS. DIV.
24. Authorized by: <u>James Samuel</u> Regulatory Specialist	1-17-07 DIST. 3 Date

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

Archaeological Report attached

Threatened and Endangered Species Report 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.

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

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

06-08-07
BH

NMOCD

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

District II
PO Drawer 00, 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

2007 JAN 16 PM 3:36

☐ AMENDED REPORT

RCVD JUN1'07
OIL CONS. DIV.
DIST. 3

WELL LOCATION AND ACREAGE DEDICATION PLA

*API Number 30-039-30162		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA	
*Property Code 31325	*Property Name SAN JUAN 29-5 UNIT			*Well Number 34M
*OGRID No. 217817	*Operator Name CONOCOPHILLIPS COMPANY			*Elevation 6694'

¹⁰ Surface Location

0	34	29N	5W	1170	SOUTH	2045	EAST	RIO ARRIBA
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¹¹Bottom Hole Location If Different From Surface

U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
²³ Dedicated Acres 320.0 Acres - (E/2)					²⁵ Joint or Infill	²⁴ Consolidation Code	²⁶ 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

16

5266.80'

LEASE NM
NM-011350-A

5280.00'

34

LEASE FEE

LEASE NMSF-078412
200 acres

5280.00'

5280.00'

1170'

2045'

LAT: 36°40.6825' N
LONG: 107°20.5298' W
DATUM: NAD27

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
Projects & Operations Lead
Title
December 21, 2005
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.

Date of Survey: JULY 20, 2005

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

May 27, 2004

WELL API NO.	30-039-
5. Indicate Type of Lease	STATE ☐ FEE ☒
6. State Oil & Gas Lease No.	NMSF078412
7. Lease Name or Unit Agreement Name	San Juan 29-5 Unit
8. Well Number	#34M
9. OGRID Number	217817
10. Pool name or Wildcat	Blanco Mesaverde/Basin Dakota

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 ☐ Gas Well ☒ Other

2. Name of Operator
ConocoPhillips Company

3. Address of Operator
3401 E. 30TH STREET, FARMINGTON, NM 87402

4. Well Location
Unit Letter O : 1170' feet from the South line and 2045' feet from the East line
Section 34 Township 29N Rng 5W NMPM County Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6694' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type New Drill Depth to Groundwater 70' Distance from nearest fresh water well >1000' Distance from nearest surface water 173'

Pit Liner Thickness: 12 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 ☐ 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.

New Drill, Lined:

ConocoPhillips proposes to construct a new drilling pit, an associated vent/flame pit and a pre-set mud pit (if required). Based on ConocoPhillips' interpretation of the Ecosphere's risk ranking criteria, the new drilling pit and pre-set mud pit will be lined pits as detailed in ConocoPhillips' General Plan dated June 2005 on file at the NMOCD office. A portion of the vent/flame pit will be designed to manage fluids and that portion will be lined as per the risk ranking criteria. ConocoPhillips anticipates closing these pits according to 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 Quantance TITLE Regulatory Specialist DATE 1/8/2007

Type or print name For State Use Only E-mail address: _____ Telephone No. 505-326-9597

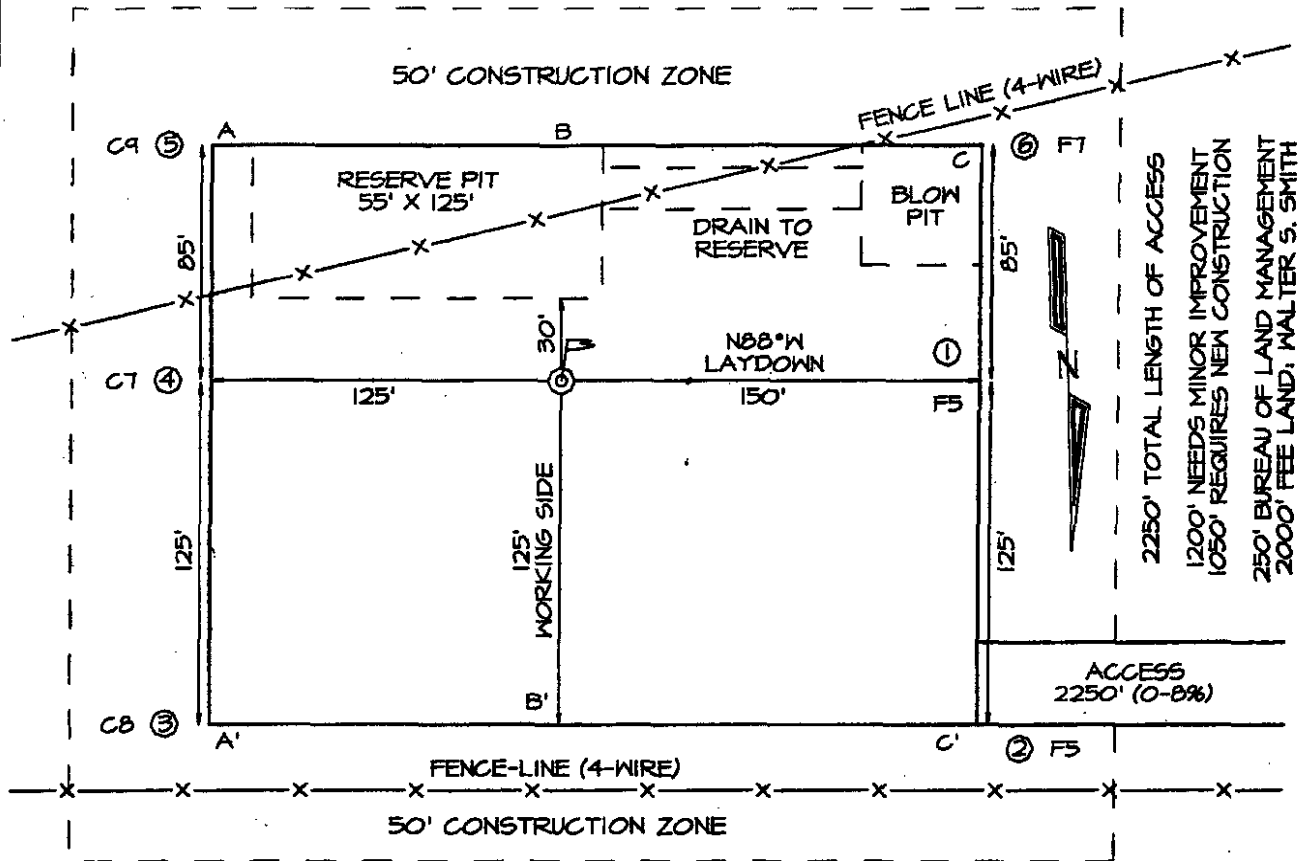
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE JUN 08 2007
Conditions of Approval (if any): _____

CONOCOPHILLIPS COMPANY SAN JUAN 29-5 UNIT #34M
1170' FSL & 2045' FEL, SECTION 34, T29N, R5W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6694'

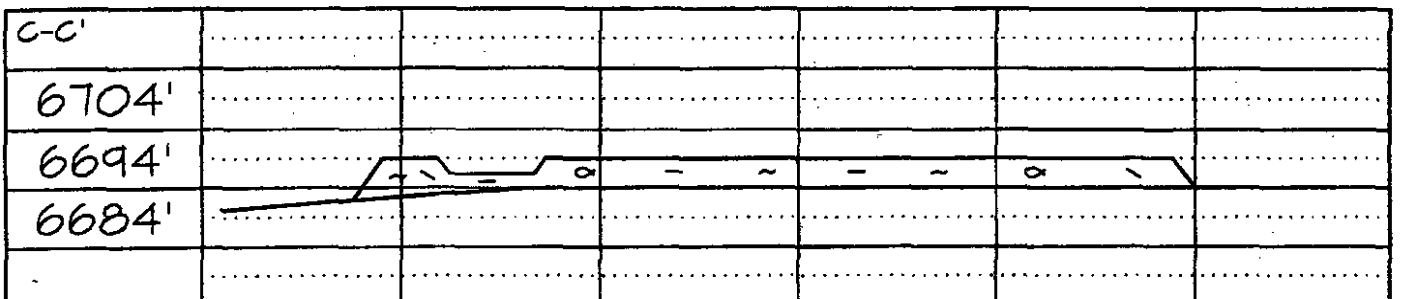
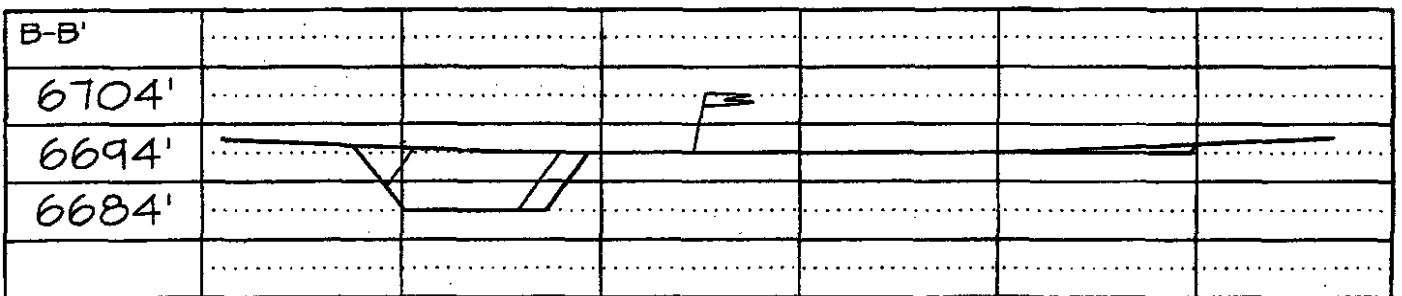
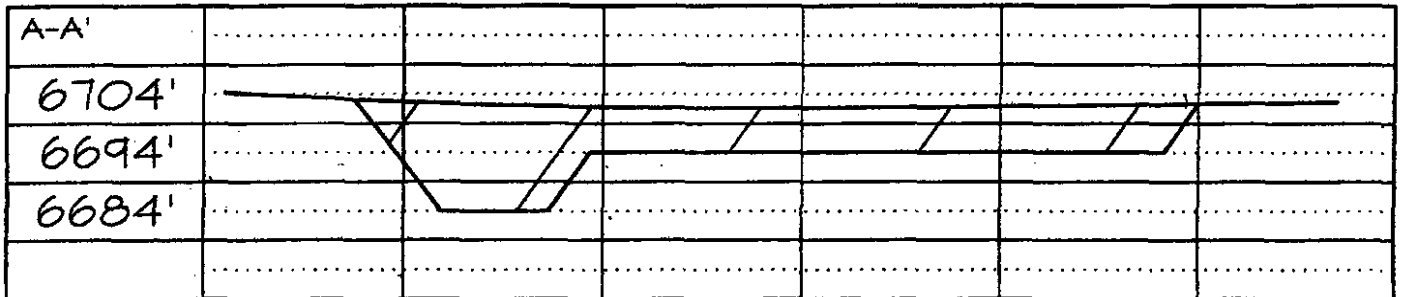
PLAT NOTE:

SURFACE OWNER
 FEE: Walter S. Smith

LATITUDE: 36.67804° N
 LONGITUDE: 107.34216° W
 DATUM: NAD1927



2250' TOTAL LENGTH OF ACCESS
 1200' NEEDS MINOR IMPROVEMENT
 1050' REQUIRES NEW CONSTRUCTION
 250' BUREAU OF LAND MANAGEMENT
 2000' FEE LAND, WALTER S. SMITH



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

SAN JUAN 29-5 34M

Lease:		AFE #: WAN.CNV.6164		AFE \$:	
Field Name: 29-5	Rig: H&P Rig 282	State: NM	County: RIO ARRIBA	API #:	
Geoscientist: Glaser, Terry J		Phone: (832)486-2332	Prod. Engineer:		Phone: 486-2334
Res. Engineer:		Phone: 832-486-2385	Proj. Field Lead: Fransen, Eric E.		Phone:

Primary Objective (Zones):

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

Location: Surface		Datum Code: NAD 27		Straight Hole	
Latitude: 36.678040	Longitude: -107.342160	X: 0.00	Y: 0.00	Section: 34	Range: 005W
Footage X: 2045 FEL	Footage Y: 1170 FSL	Elevation: 6694	(FT)	Township: 029N	
Tolerance:					

Location Type: Summer Only	Start Date (Est.):	Completion Date:	Date In Operation:
Formation Data: Assume KB = 6710 Units = FT			

Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
SURFACE CSG	2465 2460	6494	☐		12 1/4	13 1/2 hole. 9 5/8" 32.3 ppf, H-40, STC casing. Circulate cement to surface.
NCMT	1530	5180	☐			
OJAM	2860	3850	☐			Possible water flows.
KRLD	2960	3750	☐			
FRLD	3385	3325	☐			Possible gas.
PCCF	3670	3040	☐			
CHRA	3835	2875	☐			
LEWS	3870	2840	☐			
Intermediate Casing	3970	2740	☐			8 3/4" Hole. 7", 20 ppf, J-55, STC Casing. Circulate cement to surface.
CLFH	5535	1175	☐			Gas; possibly wet
MENF	5570	1140	☐			Gas.
PTLK	5850	860	☐			Gas.
GLLP	7090	-380	☐			Gas. Possibly wet.
GRHN	7805	-1095	☐			Gas possible, highly fractured
CBBO	7960	-1250	☐			Gas
TOTAL DEPTH DK	8055	-1345	☐			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 29-5 34M

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 is 250' below top of GRHN to avoid potential water in the lower DK. MVNM029N005W34SE1 DK 29N05W34SE1

Zones - MVNM029N005W34SE1 DK 29N05W34SE1

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 2nd, 3rd, & 4th joints

Intermediate: centralizers placed 10' above the shoe latched over a stop collar and at the top of the 2nd, 4th, 6th, 8th, & 10th 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 2nd, 3rd, & 4th joints

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

HOLE: 12.25 "
 CSG OD: 9.625 "
 CSG ID: 9.001 "
 WGT: 32.3 ppg
 GRADE: H-40
 EXCESS: 125 %
 DEPTH: 120'

SURFACE:

Option 1
 79 sx
 16.4 bbls
 91.9 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

Option 2
 76 sx
 16.4 bbls
 91.9 cuft
 1.21 ft³/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

Option 3
 37 sx
 10.6 bbls
 59.3 cuft
 1.61 ft³/sx
 14.5 ppg
 7.41 gal/sx
 Type I-II Ready Mix
 + 20% Fly Ash

Comp. Strength
 6 hrs 250 psi
 8 hrs 500 psi

Option 1
 79 sx
 16.4 bbls
 91.9 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

HOLE: 12.25 "
 CSG OD: 9.625 "
 CSG ID: 9.001 "
 WGT: 32.3 ppg
 GRADE: H-40
 EXCESS: 125 %
 DEPTH: 120'

INTERMEDIATE LEAD:

Option 1
 281 sx
 126.5 bbls
 710.3 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

Option 2
 273 sx
 126.5 bbls
 710.3 cuft
 2.80 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
 270 sx
 126.5 bbls
 710.3 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
 9 hrs 300 psi
 48 hrs 525 psi

Option 1
 281 sx
 126.5 bbls
 710.3 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

HOLE: 8.75 "
 CSG OD: 6.456 "
 CSG ID: 20 ppg
 GRADE: J-55
 EXCESS: 50 %
 TAIL: 794'

DEPTH: 3970'

INTERMEDIATE TAIL:

Option 1
 144 sx
 33.6 bbls
 188.7 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% D048 Antifoam
 + 6 lb/sx Phenoseal

Option 2
 142 sx
 33.6 bbls
 188.7 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
 147 sx
 33.6 bbls
 188.7 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 Antifoam
 + 0.15% D065 Dispersant
 + 1.0 lb/bbl CemNet

Comp. Strength
 3:53 500 psi
 8:22 1000 psi
 24 hrs 3170 psi
 48 hrs 5399 psi

Option 1
 395 sx
 101.3 bbls
 568.5 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% D600 Retarder
 + 0.1% D046 Antifoam
 + 3.5 lb/sx Phenoseal

HOLE: 6.25 "
 CSG OD: 4.5 "
 CSG ID: 4.052 "
 WGT: 10.5/11.6 ppg
 GRADE: J-55
 EXCESS: 30 %
 DEPTH: 8055'

PRODUCTION:

Option 1
 395 sx
 101.3 bbls
 568.5 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% D600 Retarder
 + 0.1% D046 Antifoam
 + 3.5 lb/sx Phenoseal

Option 2
 392 sx
 101.3 bbls
 568.5 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% Helad-9 Fluid Loss Additive
 + 3.5 lb/sx Phenoseal

Option 3
 392 sx
 101.3 bbls
 568.5 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% Helad-9 Fluid Loss Additive
 + 3.5 lb/sx Phenoseal

Comp. Strength
 7 hrs 500 psi
 24 hrs 2100 psi

Option 1
 395 sx
 101.3 bbls
 568.5 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% D600 Retarder
 + 0.1% D046 Antifoam
 + 3.5 lb/sx Phenoseal

HOLE: 6.25 "
 CSG OD: 4.5 "
 CSG ID: 4.052 "
 WGT: 10.5/11.6 ppg
 GRADE: J-55
 EXCESS: 30 %
 DEPTH: 8055'

DEPTH: 8055'

San Juan 29-5 unit #34M

HOLE: 12.25 "
CSG OD: 9.625 "
CSG ID: 9.001 "
WGT: 32.3 ppf
GRADE: H-40
EXCESS: 125 %
DEPTH: 120'

SURFACE:

INTERMEDIATE LEAD:

Option 4

247 sx
126.5 bbls
710.3 cuft
2.88 ft³/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

Option 5

338 sx
126.5 bbls
710.3 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 Antifoam

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

HOLE: 8.75 "
CSG OD: 6.456 "
CSG ID: 20 ppf
GRADE: J-55
EXCESS: 50 %
TAIL: 794'
DEPTH: 3970'

INTERMEDIATE TAIL:

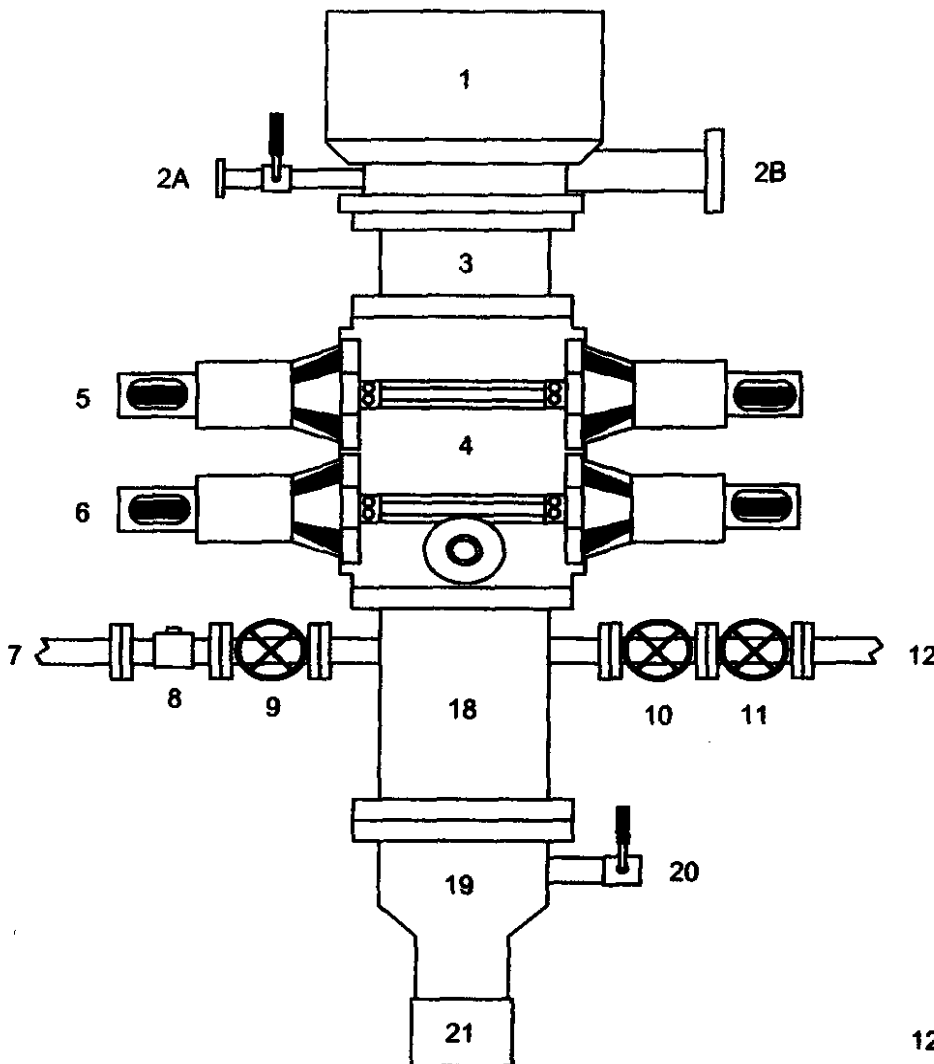
If the 9 5/8" surface casing is preset drilled (NOTE) will cement w/75 sx Type I-II cement w/20% Flyash mixed @ 1.61 cf/sx. Will bring cement to surface. Wait on cement for 24 hours for pre-set hole before pressure testing or drilling out. If H&P rig is used to drill the well will use 13 1/2" surface hole then will adjust cement to insure cement reaches surface.

HOLE: 6.25 "
CSG OD: 4.5 "
CSG ID: 4.052 "
WGT: 10.5/11.6 ppf
GRADE: J-55
EXCESS: 30 %
DEPTH: 3055'

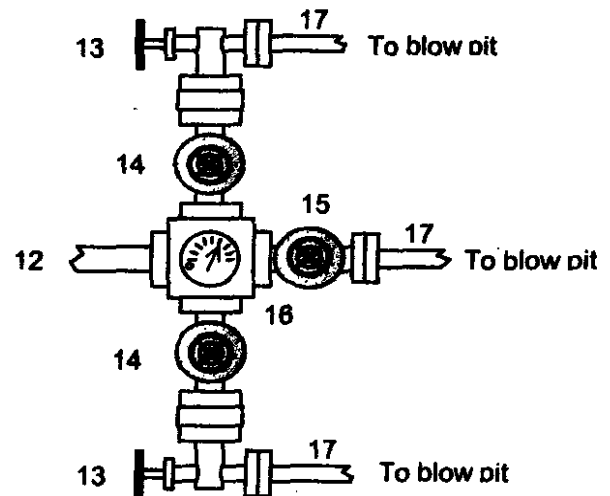
PRODUCTION:

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



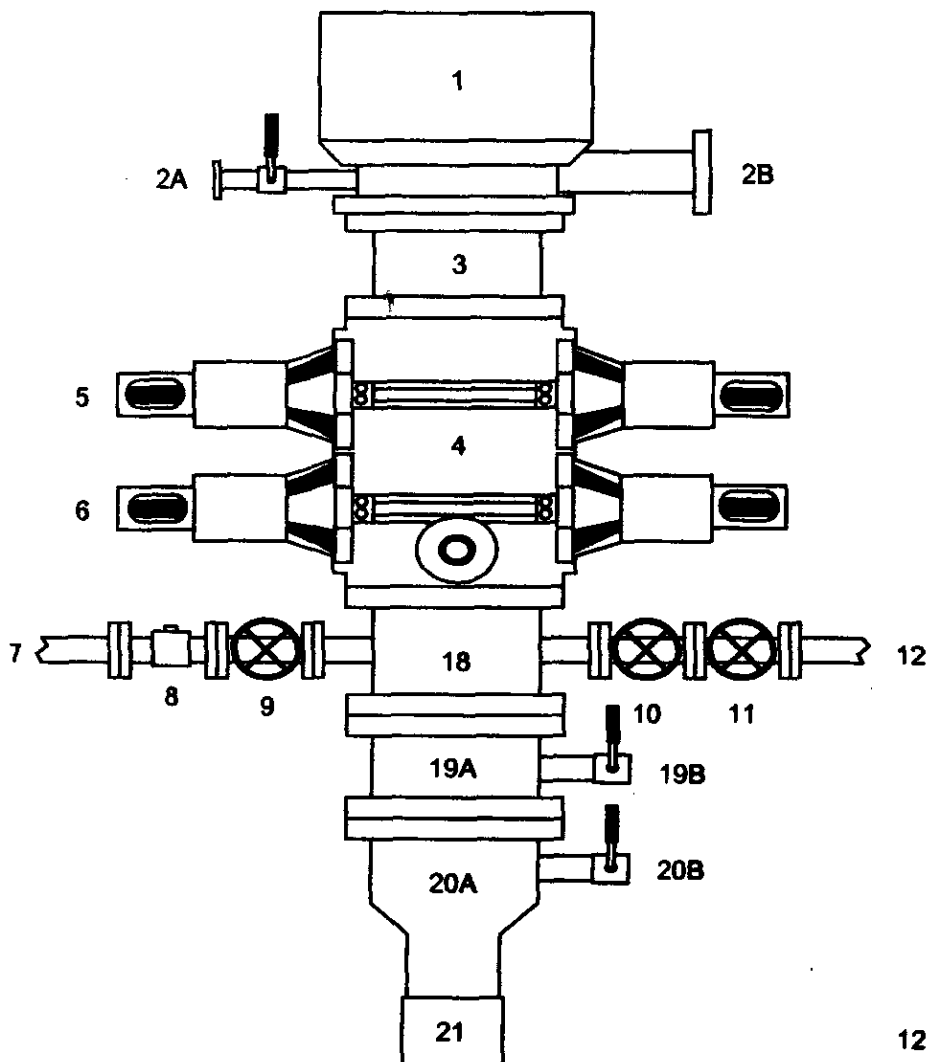
A 12-1/4" hole will be drilled to approximately 220' and the 9-5/8" surface casing will be run and cemented. The Casing Head "A" Section will be screwed onto the 9-5/8" surface casing stub. The BOP will be installed on the Casing Head "A" Section. A test plug will be set in the wellhead and the pipe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

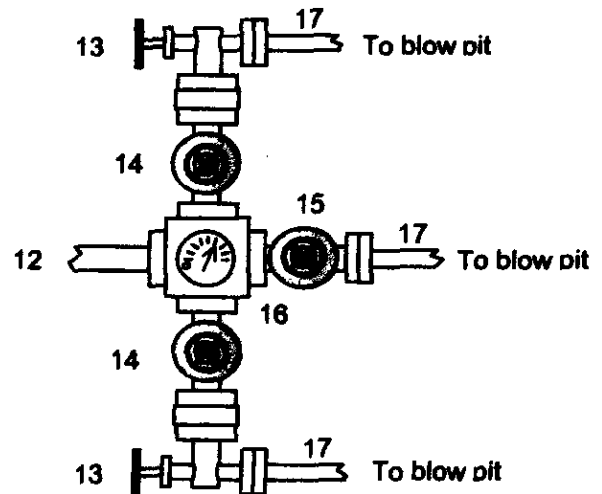
1. Upper Kelly cock Valve with handle
2. Stab-in TIW valve for all drillstrings in use

BLOWOUT PREVENTER ARRANGEMENT & PROGRAM

For 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

Revision Date: September 1, 2004

Directions from the Intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM

to ConocoPhillips Company San Juan 29-5 Unit #34M

1170' FSL & 2045' FEL, Section 34, T29N, R5W, NMPM, Rio Arriba County, NM

From the intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM, travel Easterly on US Hwy 64 for 36.8 miles to General American road just beyond Gobernador School;

Go right (Southerly) on General American road for 1.1 miles to fork in road;

Go left (South-easterly) on Arnold road for 0.1 miles to fork in road;

Go left (North-easterly) for 0.6 miles to fork in road;

Go right (South-easterly) for 1.9 miles to fork in road;

Go left (North-easterly) for 1.0 miles to fork in road;

Go left which is straight (North-westerly) for 0.2 miles to fork in road;

Go right which is straight (North-westerly) for 0.3 miles to an unimproved roadway on right-hand side of existing roadway;

Go right (Easterly) on unimproved roadway for 1200' to new access on left-hand side which continues for an additional 1050' to staked location.

Property : SAN JUAN 29-5 UNIT **Well #:** 34M

Surface Location:

Unit: 0 **Section:** 34 **Township:** 29N **Range:** 5W

County: RIO ARRIBA **State:** New Mexico

Footage: 1170 **from the** SOUTH **line,** 2045 **from the** EAST **line.**

CATHODIC PROTECTION

ConocoPhillips (COP) proposes to drill a cathodic protection deep well groundbed for the subject well. COP will drill a hole vertically at the surface large enough to accommodate 20 feet of 8 inch diameter PVC pipe for surface casing to assist in further drilling and loading. Casing may be cemented in place for stability if needed. COP 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 the existing well pad and a Farmington based company will be doing the drilling for ConocoPhillips.