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
March 4, 2004

WELL API NO. 30-045-34298	
5. Indicate Type of Lease STATE ☑ FEE ☒	
6. State Oil & Gas Lease No.	
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.)	7. Lease Name or Unit Agreement Name San Juan 32-7 Unit
1. Type of Well: Oil Well ☐ Gas Well X☐ Other	8. Well Number #25A
2. Name of Operator **ConocoPhillips Company**	9. OGRID Number 217817
3. Address of Operator **P.O. Box 4289, Farmington, NM 87499-4289**	10. Pool name or Wildcat Blanco MesaVerde/Basin Dakota
4. Well Location Unit Letter I : 1480 feet from the South line and 1050 feet from the East line Section 36 Township 32N Range W NMPM San Juan County	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6556'

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	X☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND CEMENT JOB	☐		
OTHER:			☐	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.

ConocoPhillips requests permission run the following casing for the production string. This will provide extra tensile strength in the upper part of the 4 ½" casing and extra collapse strength in the lower part of the casing, we request to run the following production casing program:

4 ½" 11.6# J-55 LT & C from surface to 1300'
4 ½" 10.5# J-55 ST & C from 1300' to 7790'
4 ½" 11.6# J-55 LT & C from 7790' to TD @ 8178'

RCVD JUL 13'07
OIL CONS. DIV.

DIST. 3

The APD was originally approved to run 10.5# J-55 ST & C from surface to TD.
Please see attached drilling prog.

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 Tracey N. Monroe TITLE Regulatory Technician DATE 7/13/07

Type or print name Tracey N. Monroe E-mail address: tmonroe@br-inc.com Telephone No. 505-326-9752

(This space for State use)

APPPROVED BY H. Villanueva TITLE Deputy Oil & Gas Inspector, District #3 DATE JUL 16 2007

Conditions of approval, if any:

ConocoPhillips

San Juan Division - Drilling Program

Well Name:	San Juan 32-7 Unit #25A		
Formation:	MV/DK Vertical ND w/Air	AFE#	WAN CNV 7154
Location:	T - 32 N R - 7 W Sec.: 36		
Footage:	1480' FSL & 1050' FEL	Network#	10171753
County:	San Juan State: New Mexico		
Rig:	AWS 711 API #: 30-045-34298		
APD/BLM	05/16/07 Lease #: state	AFE	$638,232
GL:	6,556' EST DAYS: 11	Est. Cost/ft:	$82.00
KB:	6,571' BLM Phone #: 599-8907	Like Kind Cost.	$670,596
TD:	8,178' NMOCD Phone#: 334-6178 - ext 16	Mv Cost	$670,596

In case of Major Emergency Call 911

Give the following information to Operator:

Well Name:	*San Juan 32-7 Unit #25A*	*County:*	*San Juan*
Latitude:	*36 deg. 56' N*	*State:*	*New Mexico*
Longitude:	*107 deg. 30' 46"*		

Driving directions: from the post office in Ignacio, CO, travel east on Hwy 151 for 11.9 miles to county road 330. Turn right onto county road 330 and travel south 1.9 miles to the intersection of county road 4020. Turn right and travel west on county road 4020 for 4.9 miles. Turn left and travel 0.75 miles to well location. Continue past well location and travel 0.6 miles to flagged access on the left.

Environmental, Health & Safety (All Rig Activity)

"Opportunities are usually disguised as hard work, so most people don't recognize them " *Ann Landers* "Nothing is particularly hard if you divide it into small jobs " *Henry Ford*

	TRIR*	LTA	Restrict'd Duty	OSHA Rec	1st Aid
Goal	0	0	0	0	0
Actual (03/7/07)	3.32	4	4	11	30

* TRIR - Total Recordable Incident Rate per 200,000 man-hours

Environmental Goals: Zero Spills on Location, Remove Trash from Roads and Locations

Geology			Hydraulics	Drilling Fluids
	215'	Surf	12 25 Retip	Clean Faze
		Int	8-3/4" 506ZX or 606ZX or 607Z 6-14s 200-1500' 10-12K WOB	Drill out from under surface w/ Clean Faze (Vis 33-35, WT 8.5-9.0 ppg, WL of 6-8 cc/30 min). Sweep hole with gel/fiber as needed Mud up @ 2900' to 45 vis and 20%LCM prior to drilling FC.
	2420'	Ojo Alamo		
	2538'	Kirtland		
Stage Tool	2656'	If needed	1500'-TD 10-30K WOB 70-80 RPM	
	2956'	Fruitland	Turn rotary no quicker than motor speed	
	3379'	Pic. Cliffs	7/8 Motor 0.24 rev/gal 300-450 GPM	Pump 1500-1650 psi 300-450 GPM 100-110 SPM
	3675'	Lewis		
	3775'	Int TD	Prod 6-1/4" New Diamond Air Marquis CV462 on Halco Hammer	Nitrogen/Air: Compressor 400-500 psi 1800 SCFM max
	4744'	Chacra		
	5199'	Upper Cliff House		
	5525'	*Massive Cliff House*		
	5575'	Menefee		
	5819'	Massive Pt Lookout	2 - 4K WOB 30-40 RPM	Use N_2 membrane unit from ICP down to TD.
	6281'	Mancos		
	7159'	Gallup		
	7889'	Greenhorn		
	7940'	Graneros		
	8056'	Paguate		
	8064'	Cubero		
	8107'	Lower Cubero		
	8148'	Est. Bottom Perf		
	8175'	Est. PBTD		
	8178'	TD		

If hole gets wet: Immediately start pulling drill string out of the hole & then contact the drilling *superintendent*

Cement

Surface Cement Job

Type III cement with 3% CaCl2 and 1/4 pps Cello-Flake

180 sks	15 2 ppg	5 77 gal/sk
220 6 cu ft	1.28 cu ft/sk	Excess 200%

Intermediate Cement Job

PF: 10 bbls FW, 10 bbls MC II, 10 bbls FW,

Scavenger: Premium Lite w/ 3% CaCl2, 0.25 pps Cello-Flake, 5 pps LCM-1, 0.4% FL-52, 8% bentonite and 0.4% SMS.

20 sks	11.0 ppg	17.89 gal/sk
56.1 cu.ft	3 02 cu.ft/sk	

Lead: Premium Lite w/ 3% CaCl2, 0.25 pps Cello-Flake, 5 pps LCM-1, 0.4% FL-52, 8% bentonite and 0.4% SMS.

500 sks	12.1 ppg	11.29 gal/sk
1045.1 cu.ft	2.13 cu.ft/sk	120%

Tail: Type III Cement w/1% CaCl2, 0.25 pps Cello-Flake, 0.2% FL-52A

90 sks	14.6 ppg	6.64 gal/sk
123.0 cu.ft	1.38 cu.ft/sk	0%

Top of tail @ 3020

If losses are incurred, see below

Alternative Intermediate 2-Stage DV @ 2656

Stage 1

PF: 10 bbls MC II, 2 bbls FW,

Scavenger: Prem Lite FM w/3% CaCl2, 0.25 pps Cello-Flake, 5 pps LCM-1, 8% bentonite, 0.4% SMS, 0.4% FL-52A

20 sks	11.0 ppg	17.89 gal/sk
56.1 cu.ft	3 02 cu.ft/sk	

Lead: Premium Lite w/ 3% CaCl2, 0.25 pps Cello-Flake, 5 pps LCM-1, 0.4% FL-52, 8% bentonite and 0.4% SMS.

100 sks	12.1 ppg	11.29 gal/sk
200.4 cu.ft	2 13 cu.ft/sk	120%

Tail: Type III Cement w/1% CaCl2, 0.2% FL-52A

90 sks	14.6 ppg	6.65 gal/sk
123.0 cu.ft	1 38 cu.ft/sk	0%

Stage 2

PF: 10 bbls MC II, 2 bbls FW

Scavenger: Prem Lite FM w/3% CaCl2, 0.25 pps Cello-Flake, 5 pps LCM-1, 8% bentonite, 0.4% SMS, 0.4% FL-52A

20 sks	11.0 ppg	17.89 gal/sk
56.1 cu.ft	3.02 cu.ft/sk	

Lead: Prem Lite FM w/3% CaCl2, 0.25 pps Cello-Flake, 5 pps LCM-1, 8% bentonite, 0.4% SMS, 0.4% FL-52A

370 sks	12.1 ppg	11.29 gal/sk
788.6 cu.ft	2.13 cu.ft/sk	120%

For production cement job, add 25 lb. bag of sugar to 1st displacement. Order 35 sxs extra cement for rat & mouse holes.

Materials

~~1 Wood Group wellhead~~
~~1 Wellhead fuzz cap~~
~~215 feet 9-5/8" 32 3# H-40 STC~~
~~1 9-5/8" sawtooth guide shoe~~
~~3 Bow Type Centralizers~~
~~1 Wooden Plug for Displacement~~

Intermediate String

1	7" float shoe (Gemoco)
42 feet	Shoe Joint 7" 20.0#, J-55 ST&C
1	7" float collar
3733 feet	7", 20.0#, J-55 ST&C
6	7" x 8-3/4" bow type 10' above shoe & latched over a stop collar & @ top of 2nd, 4th, 6th, 8th & 10th joints
3	7" x 8-3/4" turbolizer centralizers placed one per joint from top of the Kirtland Shale to the top of the Ojo Alamo

Totals

3925 feet	7", 20.0#, J-55 ST&C + 150' extra
6	7" x 8-3/4" bow type centralizers
3	7" x 8-3/4" turbolizer centralizers

Production String

1	4-1/2" Float Shoe (Gemoco)
1	4-1/2" Float Collar w/ 3/4" insert choke and Latch-
388 feet	4-1/2" 11.6#, J-55 LT&C
10 feet	4-1/2" 10.5#, J-55 ST&C marker joint 150' above the Graneros
3355 feet	4-1/2" 10 5#, J-55 ST&C
10 feet	4-1/2" 10 5#, J-55 ST&C marker joint 1100' above the Cliffhouse
3115 feet	4-1/2" 10 5#, J-55 ST&C
1300 feet	4-1/2" 11.6#, J-55 LT&C
19	4-1/2"X6-1/4" bowspring centralizers, 1 on shoe jt, then 1 every 4th jt f/bottom to above Cliffhouse & 1 on jt below 7" shoe

Totals

6490 feet	4-1/2", 10 5#, J-55 ST&C
1838 feet	4-1/2" 11.6#, J-55 LT&C+150' extra
19	4-1/2"X6-1/4" bowspring centralizers

If mud drilled, deepen TD by 40' and run a 20' shoe joint.

Production Cement Procedure

PF: 10 bbls GW, 2 bbls FW

Scavenger: Premium Lite HS FM + 0.25pps Cello-Flake, 0.3% CD-32, 6.25pps LCM-1, 1% FL-52A.

10 sks	11 0 ppg	18 16 gal/sk
27 0 cu ft	3 10 cu ft/sk	40%

Tail: Premium Lite HS FM + 0.25pps Cello-Flake, 0.3% CD-32, 6.25pps LCM-1, 1% FL-52A.

320 sks	12 5 ppg	9 80 gal/sk
617 4 cu ft	1 98 cu.ft/sk	40%

Offset Summary

Allison Unit Com #76A (MV/DK, 1/3 mi. E, 2001): Rig drilled surface to 242' Ran 9-5/8" 32 3# H-40 ST&C to 236' Pumped 34 bbls cmt, circ 17 bbls to surface, 125% excess. Drilled f/242'-3685' w/ 8-3/4" Reed TD44, max dev.=0.5 deg, avg ROP=55 fph, 330 gpm Mudded up and increased LCM from 0% to 20% at 2900' just above Fruitland Coal. Ran 7" 20 0# J-55 ST&C to 3,675' Pumped 220 bbls cmt @ 130% excess, circ 30 bbls cmt to surf Air drilled f/3,685'-8,152' w/ STC H41R6R2, avg ROP=128 fph, dusted to TD Ran 4-1/2" 10 5# J-55 ST&C on btm and 11.6# L-80 LT&C on top, shoe at 8,151' Pumped 118 bbls cmt, TOC at 2,816', 869' overlap, 40% excess

Allison Unit Com #76 (MV/DK, 1/3 mi. NE, 2001): Rig drilled surface to 236' Ran 9-5/8" 32 3# H-40 ST&C to 231'. Pumped 37 bbls cmt, circ. 15 bbls to surface, 150% excess Drilled f/236'-3,520' w/ 8-3/4" Hughes HX-09C, max dev =1 deg, avg ROP=75 fph, 320 gpm Mudded up at 2,750' lost 200 bbls mud from 3175'-3210' in FC, increased LCM from 0% to 15% Ran 7" 20.0# J-55 ST&C to 3,512' Pumped 229 bbls cmt, circ 65 bbl to surface, 150% excess Air drilled f/3,520'-7,990' w/ STC H41R6R2, avg ROP=120 fph, hole became wet at TD Ran 4-1/2" 10 5# J-55 ST&C on btm and 11 6# L-80 LT&C on top, shoe at 7,986' While pumping dicplacement pressure increased to 2,100 psi. Shut down pumping discplacement before all displacement could be pumped *Left 2,500' ft of cmt inside csg. Multiple squeeze jobs required*

Burnt Mesa #1B (MV/DK, 1 mi. NW, 2006): Rig drilled surface to 150' Ran 9-5/8" 32 3# H-40 ST&C to 145' Pumped 32 bbls cmt, circ 10 bbls to surface, 250% excess Drilled f/150'-3,875' w/ 8-3/4" Hughes HO506ZX, max dev =0 5 deg, avg ROP=115 fph Lost circ at 3,350' mudded up and increased LCM to 25%, 240 bbls needed to regain circ Ran 7" 20 0# J-55 ST&C to 3,866' Pumped 206 bbls cmt, circ 18 bbl to surface, 100% excess Air drilled f/3,875'-8,268' w/ HALCO Hammer and Hughes STX-30, avg ROP=100 fph, dusted to TD Ran 4-1/2" 10 5# J-55 ST&C in middle and 11 6# L-80 LT&C on top and bottom, to 8,268' Pumped 110 bbls cmt, TOC at 4,300' below intermediate shoe, 50% excess

Special Notes:

- **Follow safety rules at all time, every employee has the right to stop any activity to asses safety.**
- **Surface will be set by Mote on July 13, 2007.**
- **Use Sottrock Geological to call TD, have mud loggers on location at 100' above Greenhorn**
- Run a deviation survey every 500' while drilling 8-3/4" hole and @ TD
- Back up bit will be GT09C (2-14's) if 506ZX is not performing
- Install drilling head rotating rubber once BHA is buried
- Use Weatherford/Gemoco float equipment
- Contact John White w/ Southwest Bit and Tool for PDC Bits Phone # 632-1452
- All BOPE Tests must be charted
- All *pits to be lined according to the APD*
- Fill out all check sheets (MIRU, Pre-spud) and take pictures of location
- Circulate 7" casing every 15-20 joints and wash last 5 joints to TD.
- Have GT09C on location
- Pump intermediate cement job at 4 bpm or less to reduce ECD
- *Use BJ Services for cementing needs Use Halliburton for second call.*
- Wet roads as necessary to keep dust down
- Well should take an estimated 8 days to drill.
- Obey posted speed limits and keep all gates locked!!
- Ensure that pilot light is at end of blooie line before drilling air hole
- **Barricade any existing well/metering equipment on location.**
- Transfer mud to next location
- **Call all proper regulatory agencies 24 hours in advance of BOP testing, spud, running csg, or cementing.**
- Notify Woodgroup to install tubing head immediately after substructure has been moved

C:\Documents and Settings\monroth\Local Settings\Temporary Internet Files\OLK12\[SJ 32-7 Unit #25A drill prog xls]PROG

Prepared: 7/13/2007 — **Russell Perkins - Drilling Engineer**

Reviewed: _____ — **Drilling Engineeer**

Approved: _____ — **Tom Bealessio - Drilling Superintendent**