

Burlington Resources Oil & Gas Company LP, a subsidiary of ConocoPhillips proposes to drill and complete the referenced horizontal well targeting a coal seam with in the Fruitland formation.

Technical Plan

1. Location

Allison Unit COM #138H

SHL: 176' FNL, 2,615' FWL -- T 32N, R 06W, Sec 08 (New Mexico)

BHL: 675' FNL, 990' FWL -- T 32N, R 06W, Sec 22 (Colorado)

GL: 6,134'

2. Geological Markers

Anticipated formation tops with comments of any possible water, gas, or oil shows are indicated below:

Formation	Depth (TVD)	Remarks
Nacimiento	277'	
Ojo Alamo	1,824'	
Kirtland	1,937'	
Fruitland	2,377'	Gas
Blue Mesa	2,583'	Gas

See attached directional plan for anticipated formation tops in measure depth.

3. Pressure Control Equipment

See Attached BOPE & Choke Manifold Schematic for a diagram of pressure control equipment.

- BOPE will be nipped up on top of wellhead after surface casing is set and cemented.
- Pressure control configuration will be designed to meet the minimum 2M standards.
- All equipment will have 3M pressure ratings.
- A rotating head will be rigged up on top of annular as seen in attached diagram.

4. Casing & Cement Program

A) The proposed casing program is outlined below:

Proposed Casing				
Casing	Hole Size	Casing Size	Weight/Grade	Set Depth TVD/MD
Surface	12-1/4"	9-5/8"	32.3#, H-40, STC, New	500' TVD/MD
Intermediate	8-3/4"	7"	23.0#, L-80, LTC, New	2,575' TVD / 3,249' MD
Production Liner (pre-perforated)	6-1/4"	4-1/2"	11.6#, J-55/L-80, BTC, New	2,548' TVD / 6,698' MD

The production liner will be landed back into the intermediate casing string at a minimum of 100' overlap by means of liner hanger with a pack-off element. Production liner will be pre-perforated and left in open hole.

If the 6-1/4" hole is not drilled to total MD, the production liner setting depth and length will be adjusted accordingly.

The 7" casing string will be set across setback boundary line and within drill block.

B) The proposed cement program is shown below:

Cement Program				
Interval	Depth (MD)	Volume	Slurry	Planned Cement Top
Surface	500'	253 ft ³	Lead Cmt: Type III Cmt 0.25% FL-52, 0.25 pps celloflake 1.25 ft ³ /sk -- 5.75 gal/sk 15.2 ppg	Surface
Intermediate	3,249'	717 ft ³	Lead Cmt: Premium Lite 3% CaCl, 0.25 pps celloflake, 5 ppm LCM-1, 0.4% FL-52, 8% Bentonite, 0.4% SMS 2.13 ft ³ /sk -- 11.29 gal/sk 12.1 ppg Tail Cmt: Type III 1% CaCl, 0.25 pps celloflake, 0.2% FL-52 1.38 ft ³ /sk -- 6.64 gal/sk 14.6 ppg	Surface
Production	6,698'	N/A	N/A – Open hole with pre-perforated liner.	N/A

Slurry additives may be adjusted as needed to accommodate required pump and compressive test times.

For the intermediate hole section a 2-stage cement job may be performed if hole conditions indicate during operations. Stage tool will be placed appropriately as conditions indicate.

C) The proposed centralizer program is shown below:

Centralizer Program	
Interval	Centralizers
Surface	1 per joint on bottom 3 joints
Intermediate	10' above shoe jnt w/ collar clamp On top of 2 nd , 4 th , 6 th , 8 th , 10 th jnts 1 every 4 th jnt (at min) to Ojo Alamo 1 Turbolizer at base of Ojo Alamo 1 every joint thru Ojo Alamo 1 Turbolizer will be placed mid-way into Ojo Alamo 1 every 4 th jnt from top of Ojo Alamo up to surface shoe 1 inside surface casing
Production	N/A

To allow adequate time for cement to achieve a minimum of 500 psi compressive strength, a minimum of 8 hours wait on cement time for each hole section will be observed. The wellhead will not be installed, casing will not be tested, and the prior casing shoe will not be drilled out until adequate wait on cement time is achieved.

5. Drilling Fluids

A) The proposed drilling fluid program is outlined below:

Mud Program			
Interval	Mud Type	Weight (ppg)	Fluid Loss (cc)
Surface	Air / Water Gel System	Air 8.3 - 9.2	NC
Intermediate	LSND / Gel System	8.4 – 9.5	6 – 16
Production	LSND Brine (if needed)*	8.5 – 10	4 – 14

*In the Production hole, Brine will be utilized only if a weighting agent is needed to raise MW (for either well control or wellbore stability purposes).

LCM may be added to the mud system if hole conditions indicate.

B) If brine is utilized, any cuttings drilled with brine will be hauled off to an approved disposal site.

6. Abnormal Pressures & Hazards

- No over-pressured intervals expected.
- Estimated Reservoir Pressure = 1,500 psi.
- Maximum Anticipated Surface Pressure = 1,300 psi

- No hydrogen sulfide gas is expected based off nearby well production.

7. Testing, Logging, Coring

- **Mud Logs:** Mud loggers will be rigged up from above Fruitland coal to production hole TD.
- **MWD:** Directional tools from KOP to production hole TD.
- **LWD:** Gamma Ray utilized in production hole for well placement.
- **Logs:** No planned open hole logs (other than the previously identified LWD logs) will be ran.
- **Cased Hole Logs:** If cement is not circulated to surface on intermediate cement job, a Temp Survey will be ran to verify TOC.

8. Directional Plan

The planned wellbore directional plan and plot are attached.

The planned directional plan is built off geological targets from offset wells. The production hole will be landed and drilled within target formation horizontally utilizing LWD equipment to help steer the wellbore. On site adjustments will be made to the directional plan as formation and hole indicates.

BOPE & Choke Manifold Schematic

1. Rotating Head
2. Flow line
- 2A. Fill up line and valve
3. Spacer Spools (as needed)
4. 11" 3M Annular Preventer
5. 11" 3M Double Ram Preventer
6. Blind Rams
7. Pipe Rams
8. 3M Gate Valves (2")
9. 3M Gate Valve (3")
10. 3M HCR Valve (3")
11. Kill Line Connection
12. Choke Line (3" Hardline or Co-Flex)
13. 3M Valve (2")
- 13A. 3M Adjustable Choke (2")
- 13B. 3M Adjustable or Fixed Choke (2")
14. 3M Studded Cross & Manifold gauge
15. 3M Panic Line Valve (3")
16. Secondary outlet with valve, bull plug, needle valve, and pressure gauge

