

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

5. Lease Serial No.
NMSF078994

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
SAN JUAN 30-5 UNIT 88M

9. API Well No.

3003927087

10. Field and Pool, or Exploratory
BASIN DK AND BLANCO MV

11. Sec., T., R., M., or Blk. and Survey or Area

Sec 18 T30N R5W Mer NMP

E

12. County or Parish
RIO ARRIBA

13. State
NM

17. Spacing Unit dedicated to this well

320.00 W/2

20. BLM/BIA Bond No. on file

ES0048

23. Estimated duration
20 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission) Name (Printed/Typed) PATSY CLUGSTON Date 10/23/2002

Title
AUTHORIZED REPRESENTATIVE

Approved by (Signature) /s/ David J. Mankiewicz Name (Printed/Typed) Date DEC 13 2002

Title Office

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #15459 verified by the BLM Well Information System
For PHILLIPS PETROLEUM COMPANY, sent to the Farmington

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

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

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

NMOC

District I
141 Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-039-27087		2. Pool Code 72319		3. Pool Name Blanco Mesaverde	
4. Property Code 009258		5. Property Name SAN JUAN 30-5 UNIT			6. Well Number 88M
7. OGRID No. 017654		8. Operator Name PHILLIPS PETROLEUM COMPANY			9. Elevation 6359'

10. Surface Location

11. Ul. or lot no. E	12. Section 18	13. Township 30 N	14. Range 5W	15. Lot 1dn	16. Feet from the 2110'	17. North/South line NORTH	18. Feet from the 1072'	19. East/West line WEST	20. County RIO ARriba
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11. Bottom Hole Location If Different From Surface

21. Ul. or lot no. E	22. Section	23. Township	24. Range	25. Lot 1dn	26. Feet from the	27. North/South line	28. Feet from the	29. East/West line	30. County
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31. Dedicated Acres 320 W/2	32. Joint or Infill Y	33. Consolidation Code U	34. Order No.
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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>16</p> <p>N89°51'E</p> <p>5290.56'</p> <p>2110'</p> <p>SF-078994</p> <p>1080.0 acres</p> <p>1072'</p> <p>5280.00'</p> <p>Section 18</p> <p>North</p> <p>East</p> <p>5292.54'</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Patsy Clugston</i></p> <p>Signature</p> <p>Patsy Clugston</p> <p>Printed Name</p> <p>Sr. Regulatory/Proration Clerk</p> <p>Title</p> <p>April 3, 2001</p> <p>Date</p>	
<p>DEC 2002</p> <p>RECEIVED</p> <p>OIL CONSDIV.</p> <p>DIST. 8</p>		<p>18 SURVEYOR CERTIFICATION</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>03/14/01</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Henry P. Broadbent, Jr.</i></p> <p>HENRY P. BROADBENT, JR.</p> <p>NEW MEXICO</p> <p>11393</p> <p>REGISTERED PROFESSIONAL SURVEYOR</p> <p>Certificate Number</p>	

District I
 PO Box 1980, Hobbs, NM 88241-1980
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State of New Mexico
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Form C-102
 Revised October 18, 1994
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 State Lease - 4 Copies
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-038-27087		Pool Code 71599	Pool Name Basin Dakota
Property Code 009258	Property Name SAN JUAN 30-5 UNIT		Well Number 88M
OGRID No. 017654	Operator Name PHILLIPS PETROLEUM COMPANY		Elevation 6359'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	18	30 N	5W		2110'	NORTH	1072'	WEST	RIO ARriba

Bottom 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									

" Dedicated Acres	" Joint or Infill	" Consolidation Code	" Order No.
320 W/2	Y	U	

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>16 N89°51'E 5290.56'</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Patsy Clugston</i></p> <p>Signature</p> <p>Patsy Clugston</p> <p>Printed Name</p> <p>Sr. Regulatory/Proration Clerk</p> <p>Title</p> <p>April 3, 2001</p> <p>Date</p>
	<p>SF-078994 1080. Acres</p>	<p>18 SURVEYOR CERTIFICATION</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>03/14/01</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Henry P. Broadhead</i></p> <p>Henry P. Broadhead</p> <p>Certificate Number</p>
	<p>Section 18</p>	<p>5280.00'</p>
	<p>North</p>	<p>5292.54'</p>

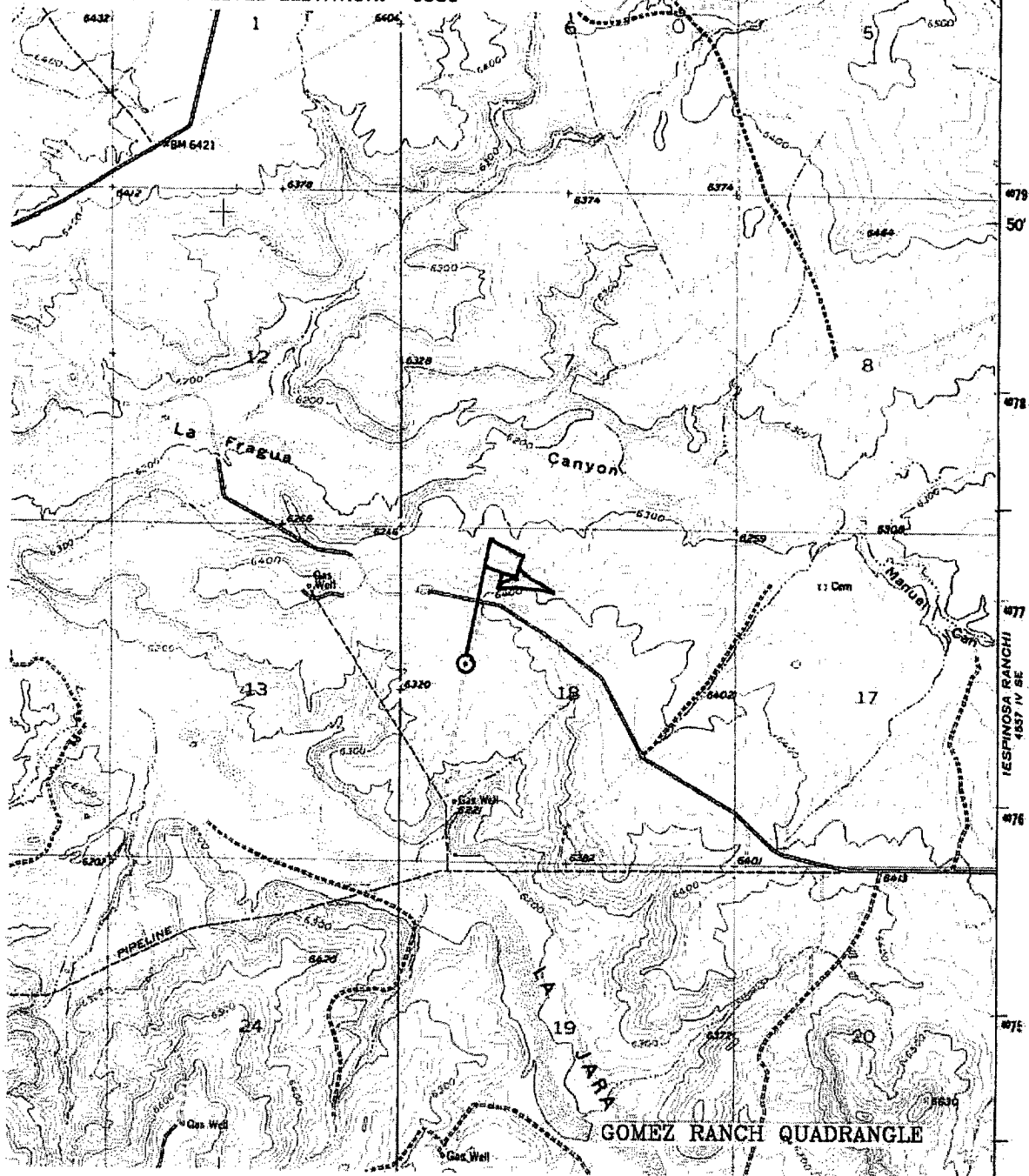
PHILLIPS PETROLEUM COMPANY

SAN JUAN 30-5 UNIT No. 88M

2110' FNL, 1072' FWL

NW/4 SEC. 18, T-30-N, R-5-W, N.M.P.M.,

RIO ARRIBA COUNTY, NEW MEXICO
GROUND LEVEL ELEVATION: 6359'



PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 30-5 Unit #88M (MV/DK)

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit E, 2110' FNL & 1072' FWL
Section 18, T30N, R5W

Unprepared Ground Elevation: @ 6359' (unprepared)

3. The geological name of the surface formation is San Jose.
4. Type of drilling tools will be rotary.
5. Proposed drilling depth is 7866'
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 1121'</u>	<u>Menefee Fm. - 5311'</u>
<u>Ojo Alamo - 2451'</u>	<u>Pt. Lookout - 5551'</u>
<u>Kirtland Sh - 2551'</u>	<u>Mancos Sh - 6011'</u>
<u>Fruitland Fm. - 2931'</u>	<u>Gallup Ss. - 6924'</u>
<u>Pictured Cliffs - 3181'</u>	<u>Greenhorn Ls. - 7556'</u>
<u>Lewis Shale - 3421'</u>	<u>Graneros Sh. - 7671'</u>
<u>Cliff House Ss - 5251'</u>	<u>Dakota Ss - 7721'</u>

7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Water:	<u>Ojo Alamo - 2451' - 2551'</u>
Gas & Water:	<u>Fruitland - 2931' - 3181'</u>
Gas:	<u>Pictured Cliffs - 3181' - 3421'</u>
	<u>Mesaverde - 5251' - 6011'</u>
	<u>Dakota - 7721' - 7866'</u>

8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3# H-40 @ 220' *

Intermediate String: 7", 20#, J/K-55 @ 3521' (J-55 will be used, unless the K-55 is the only casing available.)

Production String: 4-1/2", 11.6#, I-80 @ 7866' (TD)

* The surface casing will be set at a minimum of 220', but could be set deeper if required to maintain hole stability.

9. Cement Program:

Surface String: 138.7 sx Type III cement + 2% bwoc Calcium Chloride + 0.25#/sx Cello-flake + 60.6% FW (1.41 yield = 196 cf).

Intermediate String: Lead Cement: 446.5 sx Type III cement (35:65) POZ + 5#/sx Gilsonite + 0.25 #/sx Cello-Flake + 6% bwoc Bentonite + 10#/sx CSE + 3% bwow KCL + 0.4% bwoc FL-25 + 0.02#/sx static free + 129% FW (2.37 yield = 1058 cf). Cement to surface with 120% excess casing/hole annular volume.

Tail Cement: 50.0 sx Type III cement + 0.25#/sx Cello-Flake + 1% Calcium Chloride + 60.5% FW (1.4 yield = 70 cf). Cement to surface with 120% excess of casing/hole annulus volume.

Production String *: Lead Cement: 50 sx Type III (35:65) POZ L (Fly Ash L) with 6% gel Bentonite, 5#/sx Phenoseal, 0.2% bwoc CD-32, 0.75 bwoc FL-52 1#/sx LCM-1 0.25#/sx Cello-Flake, 10#/sx CSE, 0.02#/sx Static Free (2.34 yield = 117 cf).

2nd Lead Cement: 242.8 sx Type III (35:65) POZ L (Fly Ash L) with 6% gel Bentonite, 2.5#/sx Phenoseal, 0.2% bwoc CD-32, 0.75 bwoc FL-52 1#/sx LCM-1 0.25#/sx Cello-Flake, 10#/sx CSE, 0.02#/sx Static Free (2.32 yield = 563cf)

Tail Cement - 20 sx Type III (35:65) POZ L (Fly Ash L) with 6% gel Bentonite, 5#/sx Phenoseal, 0.2% bwoc CD-32, 0.75 bwoc FL-52 1#/sx LCM-1 0.25#/sx Cello-Flake, 10#/sx CSE, 0.02#/sx Static Free (1.91 yield = 38 cf).

*The production casing cement is calculated to cover the openhole interval with 50% excess and annular volume 200' within intermediate shoe. Depending on hole conditions, the well may be cemented in a single stage or two staged.

Centralizer Program:

Surface: Total four (4) 1 @ 10' above shoe & top of 2nd, 4th & 6th joint

Intermediate: Total seven (7) – 10' above shoe, top of 1st, 2nd, 4th, 6th, & 8th jts & 1 jt. above surface casing.

Production: None planned.

Turbulators: Total Three (3) – on intermediate casing at 1st jt. below the Ojo Alamo and next 2 jts up.

San Juan 30-5 #88M (MV/DK)

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10. The minimum specifications for pressure control equipment which are to be used, a schematic diagram thereof showing sizes, pressure ratings (or) API series and the testing procedure and testing frequency are enclosed within the APD packet.
11. Drilling Mud Prognosis: Surface - spud mud on surface casing.
Intermediate - spud mud generated from natural clays with gel sweeps pretreated w/LCM before entering coal interval.
Below Intermediate - air or gas drilled.
12. The testing, logging, and coring programs are as follows:
D.S.T.s or cores: _____
Logs: GR/CCL/CBL & GSL over zones of interest
13. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H₂S equipment will be used.

Estimated Bottomhole pressure:
Dakota - 2400 psi
Mesaverde - 510 psi
14. The anticipated starting date is approximately January 1, 2003 with duration of drilling / completion operations for approximately 20 days thereafter.

2003 Drilling\30588M mvdk drill prog.doc

BOP AND RELATED EQUIPMENT CHECK LIST

2M SYSTEM

2 hydr. rams (pipe & blind) or hydr. ram and annular with blind ram on bottom

Kill Line (2-inch minimum)

1 kill line valve (2-inch minimum)

1 choke line valve

2 chokes (refer to diagram in attachment 1) on choke manifold

Upper kelly cock valve in open position with handle available

Safety valve (in open position) and subs to fit all drill strings in use (with handle available)

Pressure gauged on choke manifold

2 inch minimum choke line

Fill-up line above the uppermost preventer

The BOPs will be pressure tested according to Onshore Order #2 III, A 1 and 30% safety factor.