Form 3160-3
(August 1999)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMSF079381

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
31330

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other: CBM ☒ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
SAN JUAN 32-8 UNIT 203A

2. Name of Operator
PHILLIPS PETROLEUM COMPANY
Contact: PATSY CLUGSTON
E-Mail: plclugs@ppco.com

9. API Well No.
30 045 31338

3a. Address
5525 HWY. 64
FARMINGTON, NM 87401

3b. Phone No. (include area code)
Ph: 505.599.3454
Fx: 505-599-3442

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface SESE 910FSL 685~~FWL~~ FEL 36.93556 N Lat, 107.67310 W Lon

At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 33 T32N R8W Mer NMP

14. Distance in miles and direction from nearest town or post office*
34.3 MILES FROM BLOOMFIELD, NM

12. County or Parish
SAN JUAN

13. State
NM

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
685

16. No. of Acres in Lease
2240.00

17. Spacing Unit dedicated to this well
320.00 E/2

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.

19. Proposed Depth
3607 MD
3607 TVD

20. BLM/BIA Bond No. on file
ES0048

21. Elevations (Show whether DF, KB, RT, GL, etc.
6712 GL

22. Approximate date work will start
03/01/2003

23. Estimated duration
30 DAYS

RECEIVED
JAN 2003
OIL CONS. DIV.
DIST. 3

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
01/13/2003

Title
AUTHORIZED REPRESENTATIVE

Approved by (Signature)
/s/ David J. Mankiewicz

Name (Printed/Typed)

Date
JAN 22 2003

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 #17618 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 ****

NMOCD

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised Febuary 21, 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	[2] Pool Code	[3] Pool Name
30-045-31338	71629	Basin Fruitland Coal

[4] Property Code	[5] Property Name	[6] Well Number
~~009261~~ 31330	SAN JUAN 32-8 UNIT	203A

[7] OGRID No.	[8] Operator Name	[9] Elevation
~~017654~~ 217817	PHILLIPS PETROLEUM COMPANY	6712

[10] Surface Location

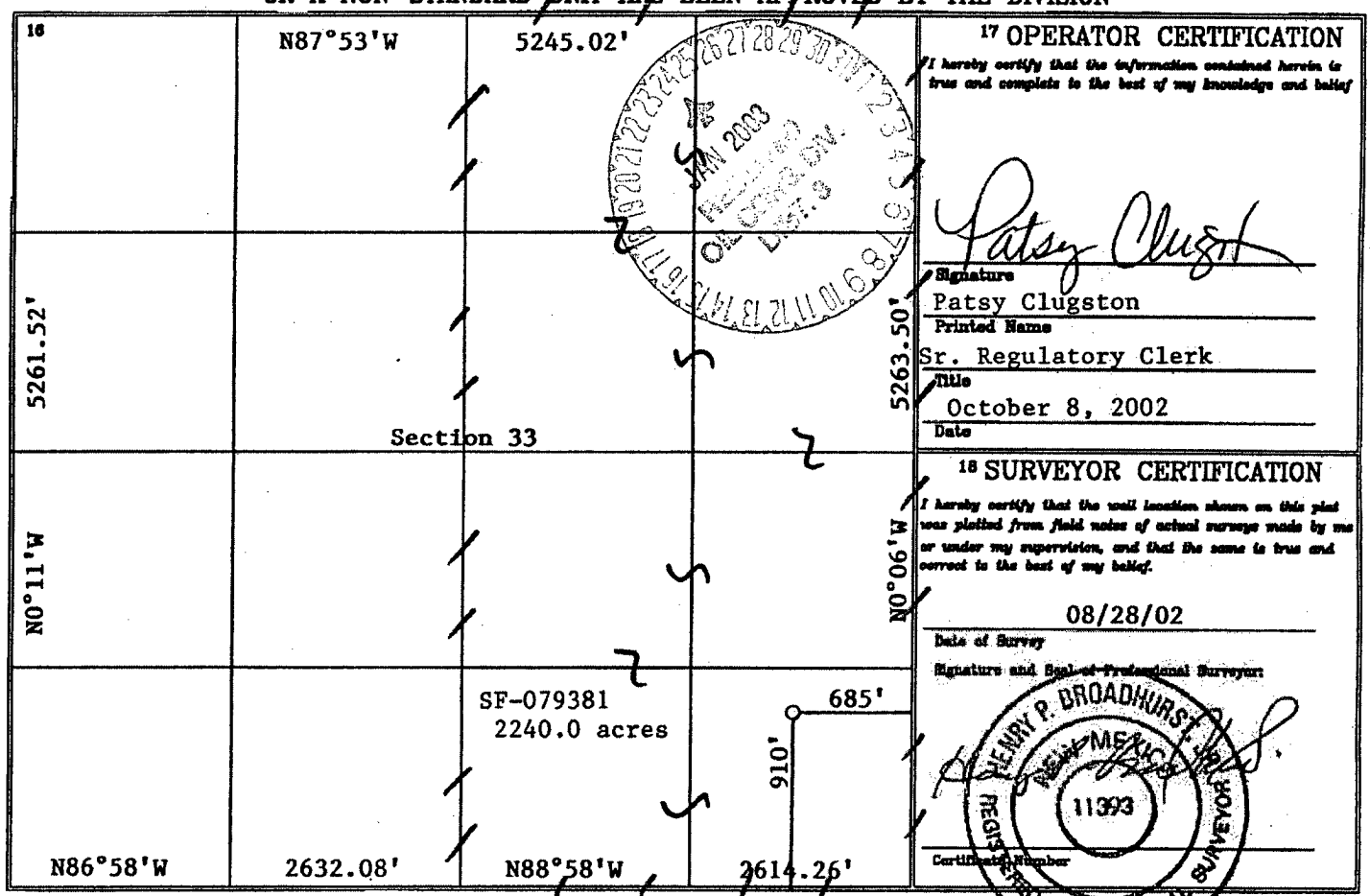
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	32N	8W		910	SOUTH	685	EAST	SAN JUAN

[11] 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
P									

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320.0 E/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



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Patsy Clugston
Signature
Patsy Clugston
Printed Name
Sr. Regulatory Clerk
Title
October 8, 2002
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.

08/28/02
Date of Survey

Signature and Seal of Professional Surveyor:

HENRY P. BROADHURST
NEW MEXICO
11393
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 32-8 Unit #203A

DRILLING PROGNOSIS

1 Location of Proposed Well: Unit P, 910' FSl & 685' FEL, Section 33, T32N, R8W

2. Unprepared Ground Elevation: @ 6712'.

3. The geological name of the surface formation is San Jose.

4. Type of drilling tools will be rotary

5. Proposed drilling depth is 3607'.

6. The estimated tops of important geologic markers are as follows

Naciamento - 862'	
Ojo Alamo - 2322'	Base Coal Interval - 3607'
Kirtland - 2372'	Picture Cliffs - 3607'
Fruitland - 3227'	Interm. Casing - 3402'
Top of Coal - 3292'	T. D. - 3607'

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

Water:	Ojo Alamo - 2322' - 2372'
Oil:	none
Gas:	Fruitland Coal - 3292' - 3607'
Gas & Water:	Fruitland Coal - 3292' - 3607'

8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3#, H-40 @ 200' *
Intermediate String: 7", 20#, J/K-55 @ 3402'
Production Liner: 5-1/2", 15.5# J/K-55 @ 3382' - 3607' (see details below)

* The surface casing will be set at a minimum of 200', but could be set deeper if required to maintain hole stablity.

9. Cement Program:
Surface String: 102.7 sx Type III cement. Cement to surface w/110% excess of casing/hole annulus volume w/Type III cement + 2% bwoc Calcium Chloride + 0.25#/sx Cello-flake + 60.6% Fresh water (14.5 ppg). (1.41 cf/sx yield = 145 cf)

9. Cement program: (continued from Page 1

Intermediate String: **Lead Cement:** 389.8 sx Type III cement. Cement to surface - 110% excess casing/hole annular volume w/ Type III cement + 0.25#/sx Cello-flake + 5#/sx Gilsonite + 6% bwoc Bentonite + 10#/sx CSE + 3% bwow KCL + 0.4% bwoc FL-25 mixed + 0.02#/sx static free mixed at 12.0 ppg. (2.52 cf/sx yield = 982)

Tail: 50 sx Type III cement + 0.25#/sx Cello-flake + 1% Calcium Chloride mixed at 14.5 ppg. (1.40 cf/sx yield = 70 cf)

Note: Phillips Petroleum continually works to improve the cement slurries on our wells. BJ Services is currently trying to improve what we are using now and before we would use a new cement program it would have to have stronger properties than we are currently using.

Centralizer Program:

Surface: Total four (4) - 10' above shoe and top of 2nd, 3rd, & 4th jts.

Intermediate: Total seven (7) - 10' above shoe and top of 1st, 2nd, 4th, 6th, 8th, & 1st jt. into shoe.

Turbulators: Total three (3) - one at 1st jt below Ojo Alamo and next 2 jts up.

Liner :

- If the coal is cleated a 5 ½" 15.5# liner will be run in the open hole without being cemented.
- If the coal is NOT cleated, a 4-1/2" 11.6# liner will be run & cemented. The well will then be completed by fracture stimulation. The top of the liner will be set approx. 200' into the 7" casing and be set @ TD and be cement in place as follows:

Lead Cement: Type III cement - 150% excess casing/hole annular volume w/Type III cement + 0.25#/sx Cello-flake + 5#/sx Gilsonite + 6% bwoc Bentonite + 10#/sx CSE + 3% bwow KCL + 0.4% bwoc FL-25 mixed + 0.02#/sx static free mixed at 12.0 ppg. (2.52 cf/sx yield)

Tail: 50 sx Type III cement + 0.25#/sx Cello-flake + 1% Calcium Chloride mixed at 14.5 ppg. (1.40 cf/sx yield = 70 cf)

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 - fresh water w/polymer sweeps. Bentonite as required for viscosity.
Below Intermediate - air drilled.

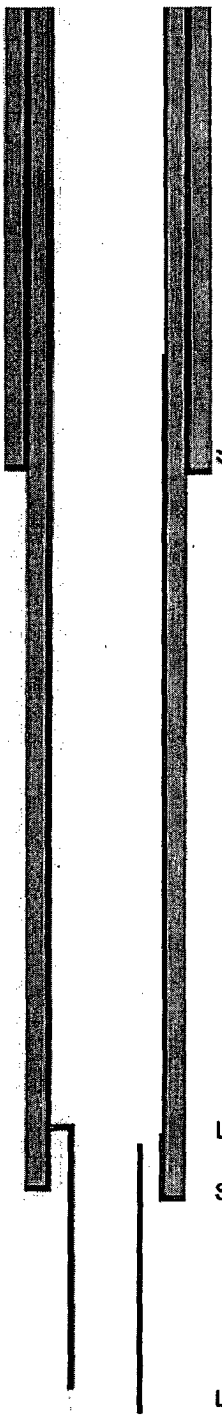
12. The testing, logging, and coring programs are as follows:
D.S.T.s or cores:
Logs: Mud logs only

13. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H_2S equipment will be used.

Estimated Bottomhole pressures: Fruitland Coal - +/- 700 psi

14. The anticipated starting date is sometime around March 1, 2003 with duration of drilling operations for approximately 30 days thereafter.

San Juan 32-8 Unit #203A



SURFACE CASING :

Drill Bit Diameter	12.25	"	
Casing Outside Diameter	9.625	"	8.989
Casing Weight	32.3	ppf	
Casing Grade	H-40		
Shoe Depth	200		30 '
Cement Yield	1.41	cuft/sk	
Excess Cement	110	%	
Casing Capacity	0.0785	bbl/ft	0.4407 cuft/ft
Hole / Casing Annulus Capacity	0.0558	bbl/ft	0.3132 cuft/ft
Cement Required	**102.7**	**sx**	

SHOE 200 ', 9.625 ", 32.3 ppf,

INTERMEDIATE CASING :

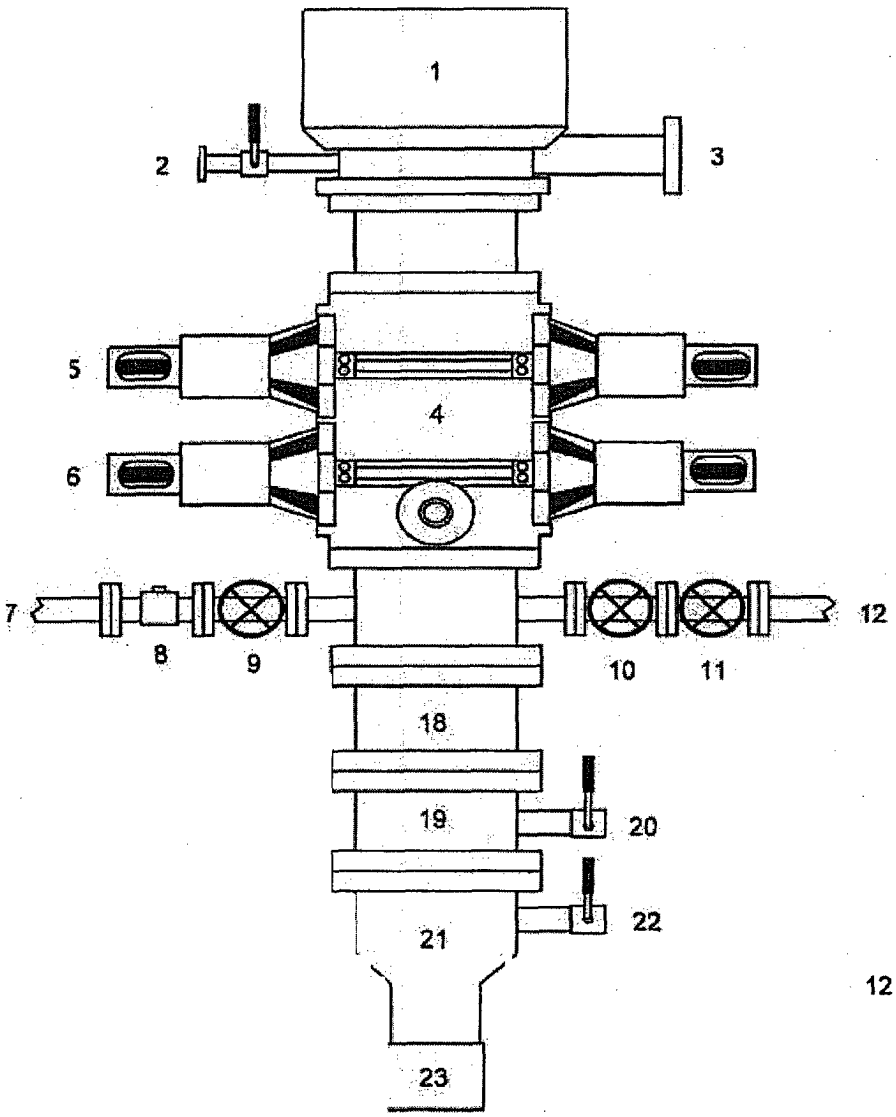
Drill Bit Diameter	8.75	"	
Casing Outside Diameter	7	"	6.455
Casing Weight	20	ppf	
Casing Grade	J-55		
Shoe Depth	3402	'	
Lead Cement Yield	2.52	cuft/sk	
Lead Cement Excess	110	%	
Tail Cement Length	200	'	30 '
Tail Cement Yield	1.4	cuft/sk	
Tail Cement Excess	110	%	
Casing Capacity	0.0405	bbl/ft	0.2272 cuft/ft
Casing / Casing Annulus Capacity	0.0309	bbl/ft	0.1734 cuft/ft
Hole / Casing Annulus Capacity	0.0268	bbl/ft	0.1503 cuft/ft
Lead Cement Required	**389.8**	**sx**	
Tail Cement Required	**50.0**	**sx**	

LINER TOP 3382 '

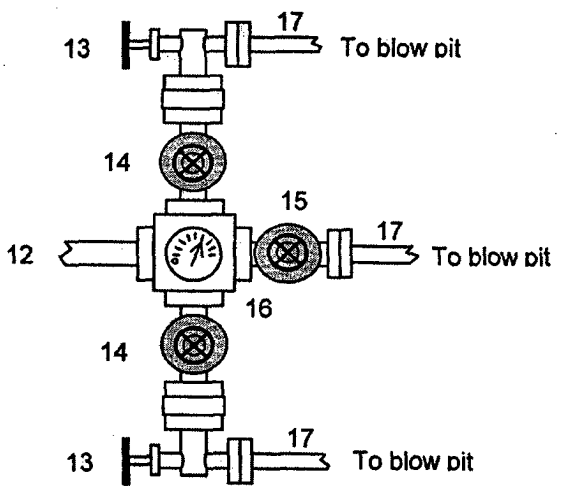
SHOE 3402 ', 7 ", 20 ppf,

LINER BOTTOM 3607 '

BLOWOUT PREVENTER HOOKUP



1. Rotating Head
2. Fill-up Line & valve
3. Flowline
4. Blowout Preventer (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. Spacer Spool
19. Casing Spool "B" Section
20. Casing Spool "B" Section 2" Valve
21. Casing Head "A" Section
22. Casing Head "A" Section 2" Valve
23. 9 5/8" Casing Collar



Drilling contractors used in the San Juan Basin suppy 3000 psi equipment, but cannot provide annular preventors because of sub-structure limitations. Maximum anticipated surface pressures for this well will not exceed the working pressure of the proposed BOP system. The above diagram of the BOP system details 2000 psi equipment according to Onshore Order No. 2 even thought the equipment will test to 3000 psi. The 2000 psi system allows deletion of the annular preventor and fulfills your requirements.

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