Form 3160-3
(August 1999)

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

5. Lease Serial No.
SF-078281

1a. Type of Work [X] DRILL [ ] REENTER

6. If Indian, Allotee or Tribe Name

1b. Type of Well [ ] Oil Well [X] Gas Well [ ] Other [ ] Single Zone [X] Multiple Zone

7. Unit or CA Agreement Name and No.
San Juan 29-5 Unit

2. Name of Operator
Phillips Petroleum Company

8. Lease Name and Well No.
SJ 29-5 Unit #72M

3a. Address
5525 Highway 64, NBU 3004, Farmington, NM 87401

3b. Phone No. *(include area code)*
(505) 599-3454

9. API Well No.
30-039-26541

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

At surface Unit C, 880' FNL & 1815' FWL

10. Field and Pool, or Exploratory
Basin Dakota and Blanco MV

At proposed prod. zone Same as above

11. Sec., T., R., M., or Blk. and Survey or Area
C Section 17, T29N, R5W

14. Distance in miles and direction from nearest town or post office*
30 miles east of Blanco, NM

12. County or Parish
Rio Arriba,

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
880'	1280.00 acres	320 W/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
	8022'	ES0048
21. Elevations (Show whether DF, KDB, RT, GL, etc.	22. Approximate date work will start*	23. Estimated duration
6580' GL	4th Qtr 2000	20 days

DEC 2000 RECEIVED OIL CON. 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	Name *(Printed/Typed)*	Date
Patsy Clugston	Patsy Clugston	10/30/00

Title
Sr. Regulatory/Proration Clerk

Approved by *(Signautre)*	Name *(Printed/Typed)*	Date
/s/ Jim Lovato		DEC - 5 2000
Title	Office	

Application approval does not warrant or certify that 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 knowlingly 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.

(Instructions on Reverse)

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

OPERATIONS THEREON IS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

NMOCD

District I
PO 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

2000 OCT 31 PM 1:03

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
30-039-26541	71599	Basin Dakota

⁴ Property Code	⁵ Property Name	⁶ Well Number
009256	SAN JUAN 29-5 UNIT	72M
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
017654	PHILLIPS PETROLEUM CO.	6580

¹⁰ Surface Location

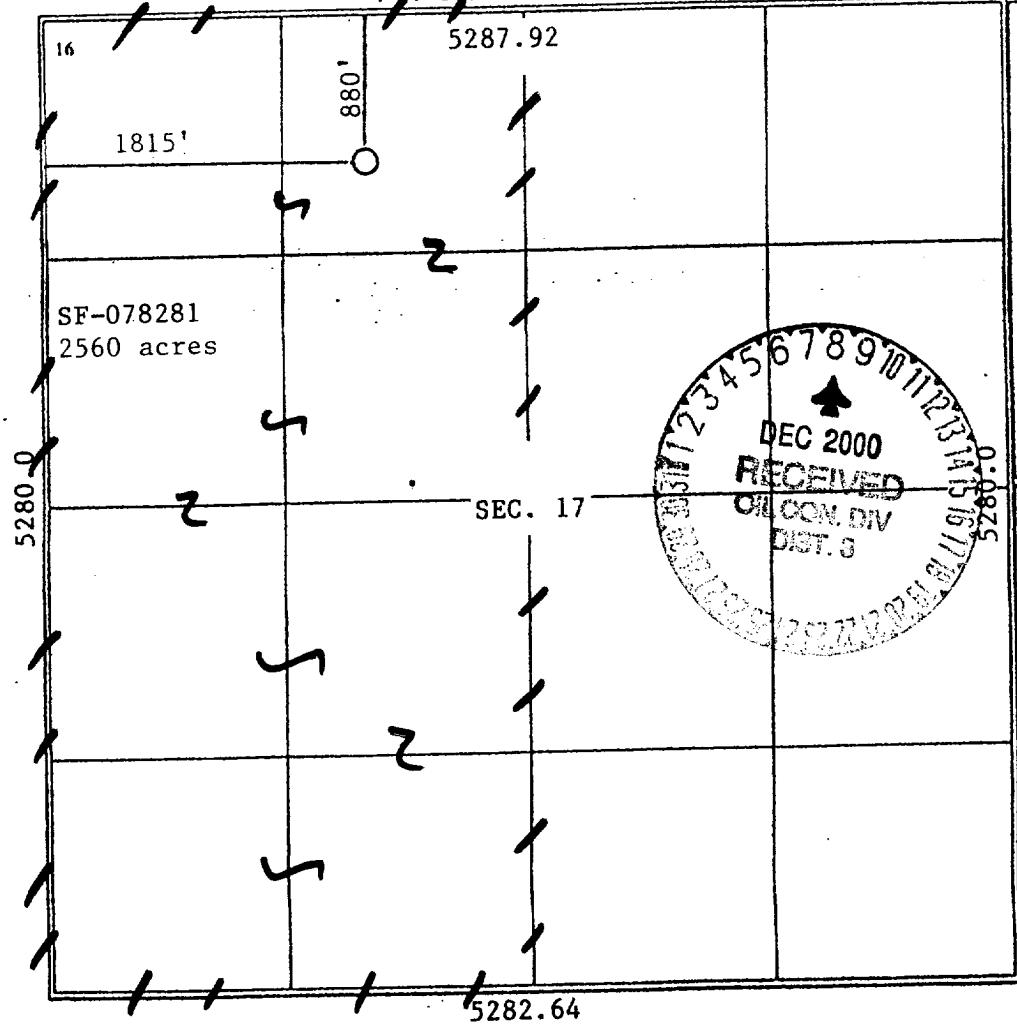
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	17	29N	5W		880	NORTH	1815	WEST	RIO ARRIBA

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
C									

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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



¹⁷ OPERATOR CERTIFICATION

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

Signature

Patsy Clugston
Printed Name

Sr. Regulatory/Proration Clerk
Title

10/30/00
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.

11-10-1997
Date of Survey

Signature and Seal of Professional Surveyer:

HENRY P. BROADHURST, JR.
NEW MEXICO
9393
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

District I
PO 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-10
Revised October 18, 199
Instructions on bac
Submit to Appropriate District Offic
State Lease - 4 Copie
Fee Lease - 3 Copie

☐ AMENDED REPOR

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-039-26541	72319	Blanco Mesaverde

Property Code	Property Name	Well Number
009256	SAN JUAN 29-5 UNIT	72M

OGRID No.	Operator Name	Elevation
017654	PHILLIPS PETROLEUM CO.	6580

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	17	29N	5W		880	NORTH	1815	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
C									

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

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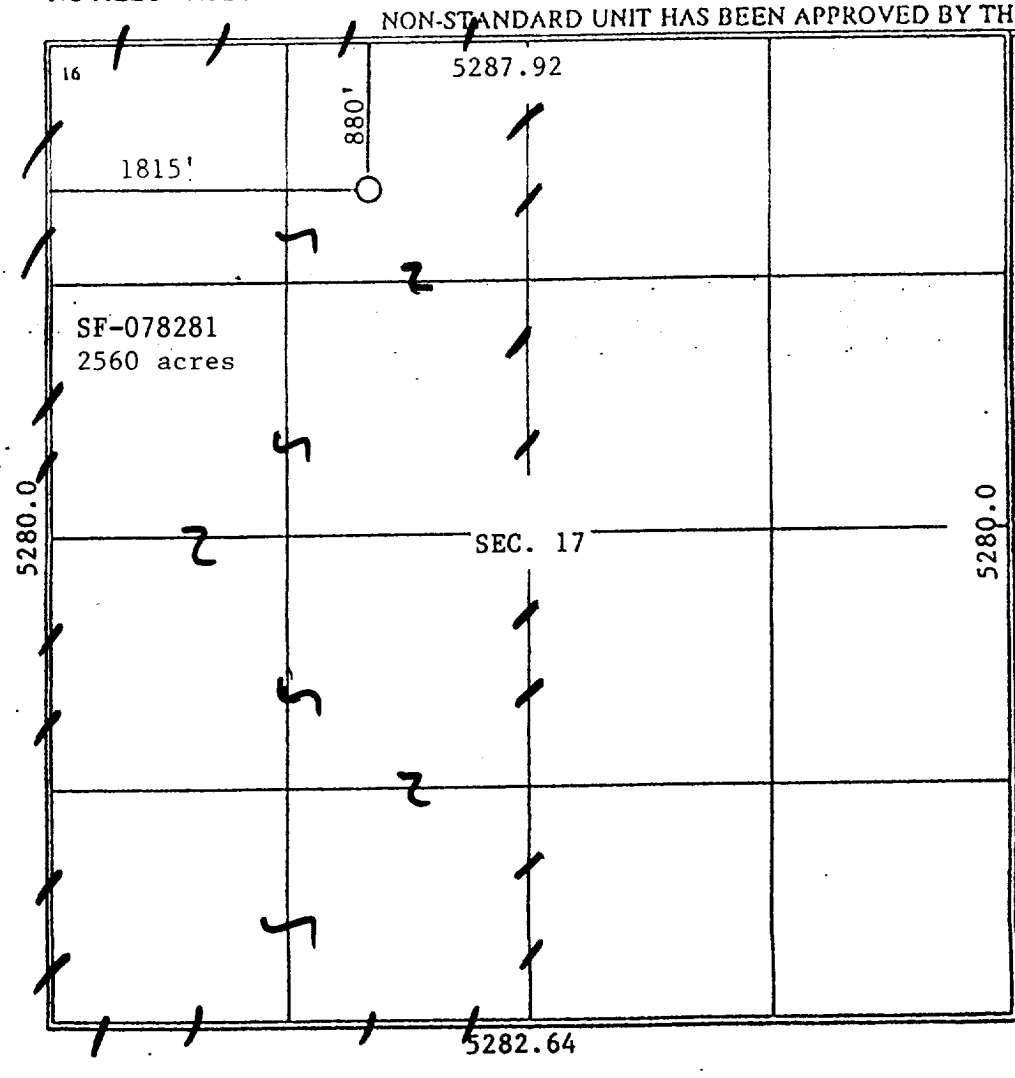

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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: Patsy Clugston

Patsy Clugston
Printed Name

Sr. Regulatory/Proration Clerk
Title

10/30/00
Date

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.

11-10-1997
Date of Survey

Signature and Seal of Professional Surveyer:

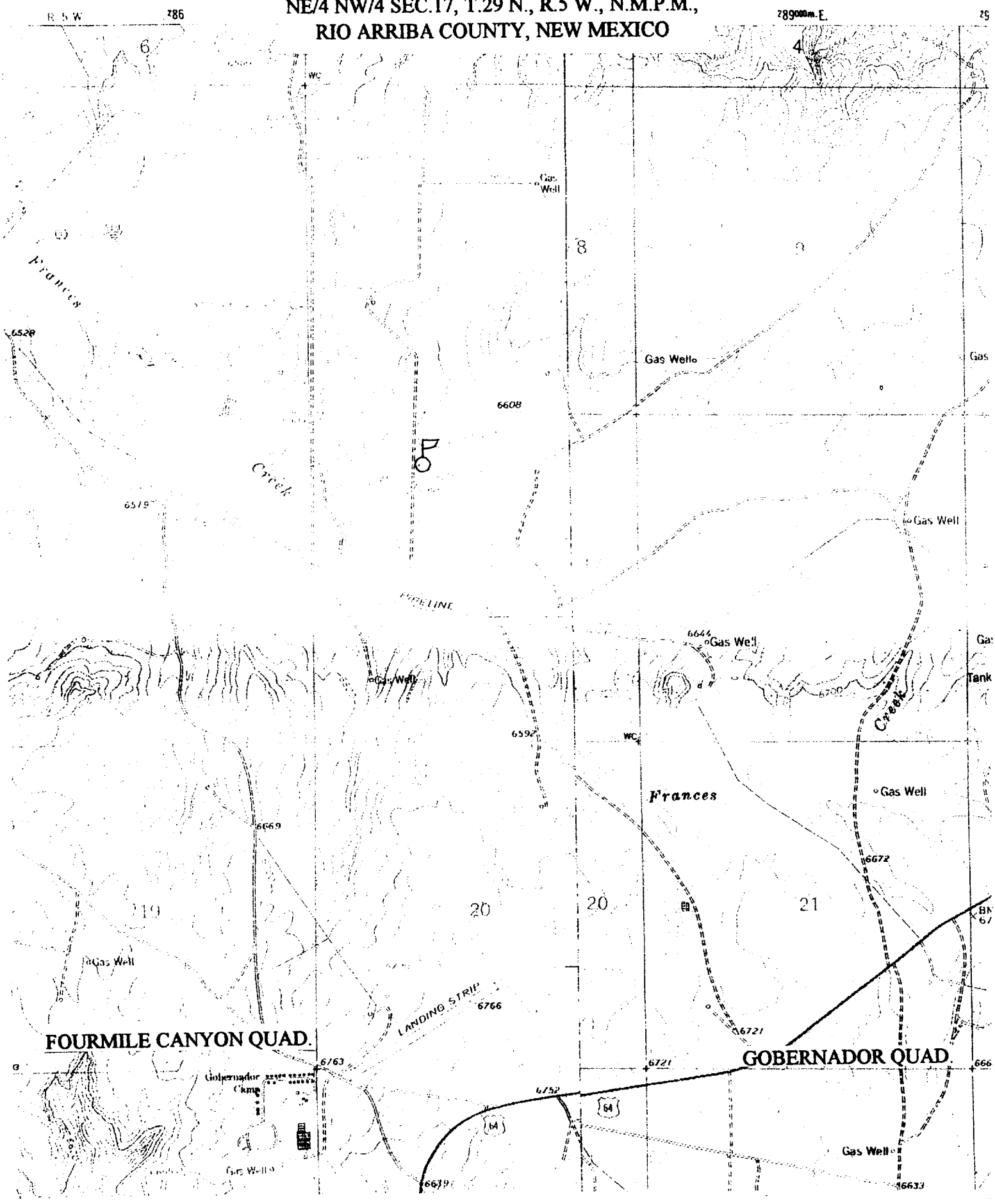
HENRY P. BROADHURST, JR. NEW MEXICO 1393 REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

PHILLIPS PETROLEUM CO.

SAN JUAN 29-5 UNIT #72M

NE/4 NW/4 SEC.17, T.29 N., R.5 W., N.M.P.M.,
RIO ARRIBA COUNTY, NEW MEXICO



PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 29-5 Unit #72M MV/DK

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit C, 880' FNL & 1815' FWL, Section 17, T29N, R5W

2. Unprepared Ground Elevation: @ 6580' (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 8022'.

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

Naciamento -	1418'	Menefee Fm. -	5428'
Ojo Alamo -	2658'	Pt. Lookout -	5690'
Kirtland Sh -	2819'	Mancos Sh -	5840'
Fruitland Fm.	-3183'	Gallup Ss. -	6764'
Pictured Cliffs -	3536'	Greenhorn Ls. -	7686'
Lewis Shale -	3660'	Graneros Sh. -	7736'
Cliff House Ss -	5386'	Dakota Ss -	7872'

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 -	2658' – 2819'
Gas & Water:	Fruitland -	3183' – 3409'
Gas:	Mesaverde -	5386' – 5840'
	Dakota -	7872' – 8022'

8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3#, H-40 @ 320'
Intermediate String: 7", 20#, J/K-55 @ 3785'
Production String: 4-1/2", 11.6#, N-80 @ 8022' (TD)

9. Cement Program:

Surface String: 158.5 sx Type III cement with 2% bwoc CaCl2 + ¼#/sx Cello-flake mixed at 14.5 ppg with a 1.41 ft3/sx yield w/46.5% H2O or sufficient to circulate to surface – 223 cf.

Note: Cement slurry calculations based on cement to surface with 140% excess hole volume.

Intermediate String: **Lead Cement:** 455.4 sx Type III cement (35:65) POZ with 5#/sx Gilsonite, ¼#/sx Cello-flake, 6% bwoc gel (bentonite), 10#/sx CSE, 3% bwow KCL, 0.4% bwoc FL-25 mixed and 0.02#/sx Static Free mixed at 12.0 ppg with a yield of 2.37 ft3/sx – 1079 cf.

Tail Cement: 50 sx – Type III cement with ¼#/sx Cello-flake and 1% CaCl2 mixed at 14.5 ppg with a 1.40 ft3/sx yield (70 cf).

In the event we encounter fluid loss during drilling operations, a contingency plan for cementing the intermediate casing may require a stage collar. Phillips cannot predict exact volumes. However the 1st stage will be Cl H cement w/5#/sx Gilsonite, 0.25#/sx Cello-flake, 0.3% FL-25 & 2% CaCl2 mixed at 15.2 ppg 1.28 yield. Stage 2 - lead slurry: 65 % Class H & 35% POZ w/6% Bentonite mixed at 12.6 ppg 1.79 cf/sx Tail Slurry - Class H w/2% CaCl2 mixed at 15.6 ppg 1.20 yield. All attempt to be circulated to surface.

Production String

Lead: 292.0 sx Type III (35/65 POZ (Fly Ash) with 6% bwoc Bentonite, 10#/sx CSE, 0.2#/sx Static Free, 1% bwoc FL-52, 0.3% bwoc CD-32, 0.3% bwoc R-3 & 0.25#/sx Cello-Flake mixed at 12.3 ppg with a yield of 2.13 ft3/sx –623 cf.

Note: The Production String casing cement is designed to cover openhole section (with 40% excess) and 100' inside the 7" shoe.

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) 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.

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.

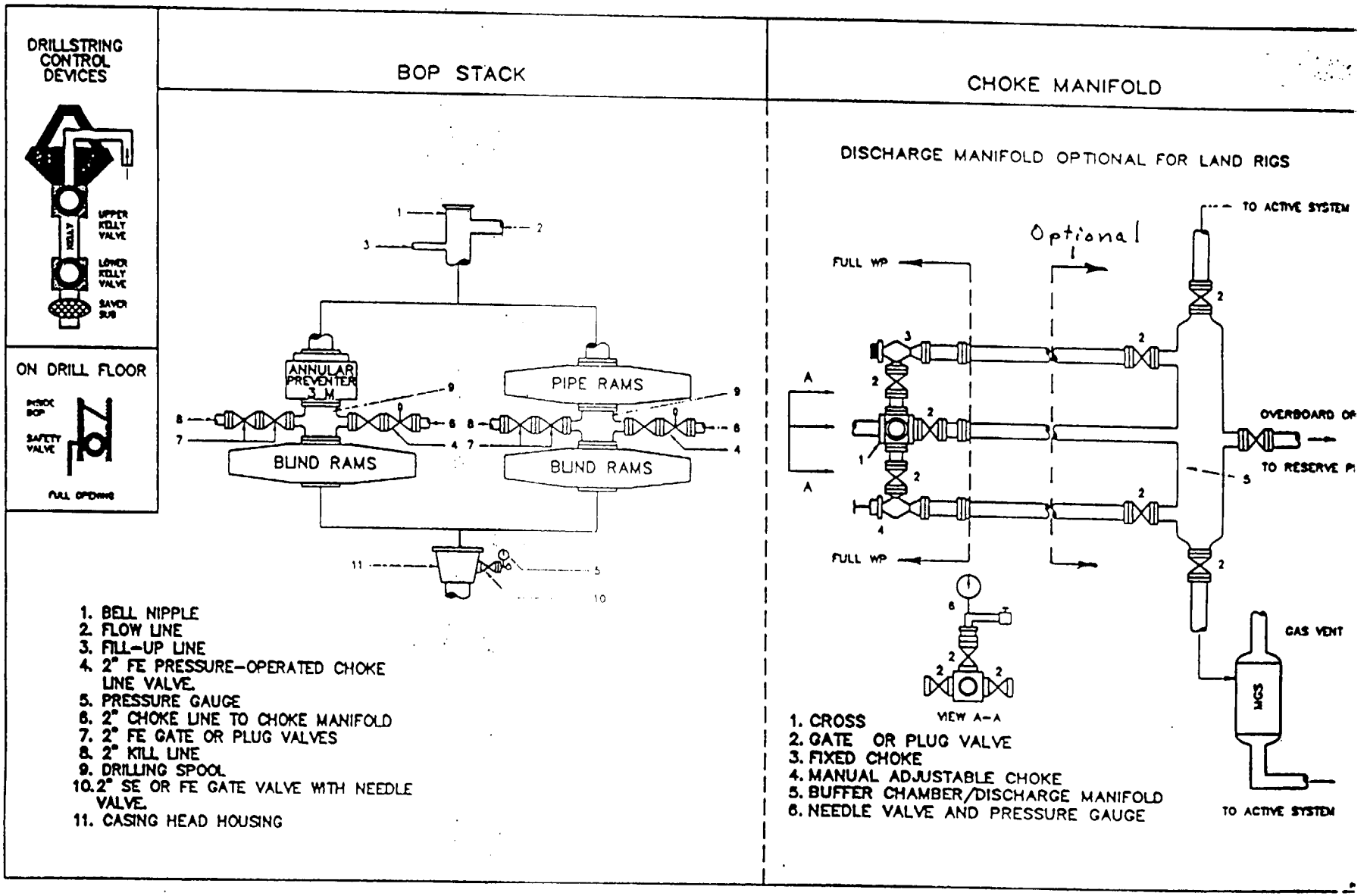


Fig. 2.4. Class 2 BOP and Choke Manifold.