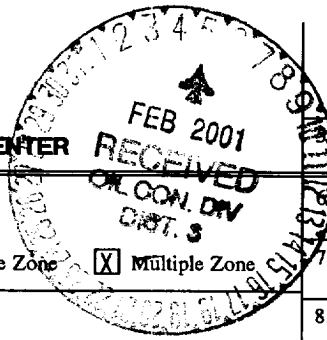


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER



Lease Serial No.  
SF-078284

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 23, T29N, R6W	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		12. County or Parish Rio Arriba, NM	
2. Name of Operator Phillips Petroleum Company		13. State NM	
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401		14. Distance in miles and direction from nearest town or post office* 21-1/2 miles east of Blanco, NM	
3b. Phone No. (include area code) 505-599-3454		15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1100'	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit L, 1860' FSL & 1100' FWL At proposed prod. zone Same as above		16. No. of Acres in lease 1273.24 acres	
14. Distance in miles and direction from nearest town or post office* 21-1/2 miles east of Blanco, NM		17. Spacing Unit dedicated to this well 320 W/2	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1100'		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 8099'	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 8099'		19. Proposed Depth 8099'	
20. BLM/BIA Bond No. on file ES0048		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6699' GL	
22. Approximate date work will start* 1st Qtr 2001		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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan  | 5. Operator certification.   |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Patsy Clugston</i>	Name (Printed/Typed) Patsy Clugston	Date 11/30/00
Title Sr. Regulatory/Proration Clerk		
Approved by (Signature) <i>/s/ Jim Lovato</i>	Name (Printed/Typed) Jim Lovato	Date FEB - 1 2001
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 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.

\*(Instructions on Reverse)

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

FOR THE STATE, NONE AUTHORIZED ARE  
NOT TO BE IN ADOPTED WITH ATTACHED  
"RECEIVED" STAMP

2001 FEB 10 PM 4:07

District I  
 (N) 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

AP Number 30039-26591		Pool Code 71599	Pool Name Basin Dakota
Property Code 009257	Property Name SAN JUAN 29-6 UNIT		Well Number 76E
OGRID No. 017654	Operator Name PHILLIPS PETROLEUM COMPANY		Elevation 6699'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	23	29N	6W		1860'	SOUTH	1100'	WEST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L									

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

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>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>          Signature          Patsy Clugston          Printed Name          Sr. Regulatory/Proration Clerk          Title          11/30/00          Date</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>09/19/00          Date of Survey          Signature and Seal of Professional Surveyer:            Certificate Number</p>

District I  
 (N) Box 1900, Hobbs, NM 88241-1900  
 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

API Number <b>30-039-66591</b>		Pool Code <b>72319</b>	Pool Name <b>Blanco Mesaverde</b>
Property Code <b>009257</b>	Property Name <b>SAN JUAN 29-6 UNIT</b>		Well Number <b>76E</b>
OGRID No. <b>017654</b>	Operator Name <b>PHILLIPS PETROLEUM COMPANY</b>		Elevation <b>6699'</b>

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	23	29N	6W		1860'	SOUTH	1100'	WEST	RIO ARriba

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L									
Dedicated Acres 320 W/2		Joint or Infill Y	Consolidation Code U	Order No.					

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><b>17 OPERATOR CERTIFICATION</b>          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>          Signature          Patsy Clugston          Printed Name          Sr. Regulatory/Proration Clerk          Title          11/30/00          Date</p>
	<p><b>18 SURVEYOR CERTIFICATION</b>          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>09/19/00          Date of Survey</p> <p>Signature and Seal of Professional Surveyer:            Certificate Number</p>

# PHILLIPS PETROLEUM COMPANY

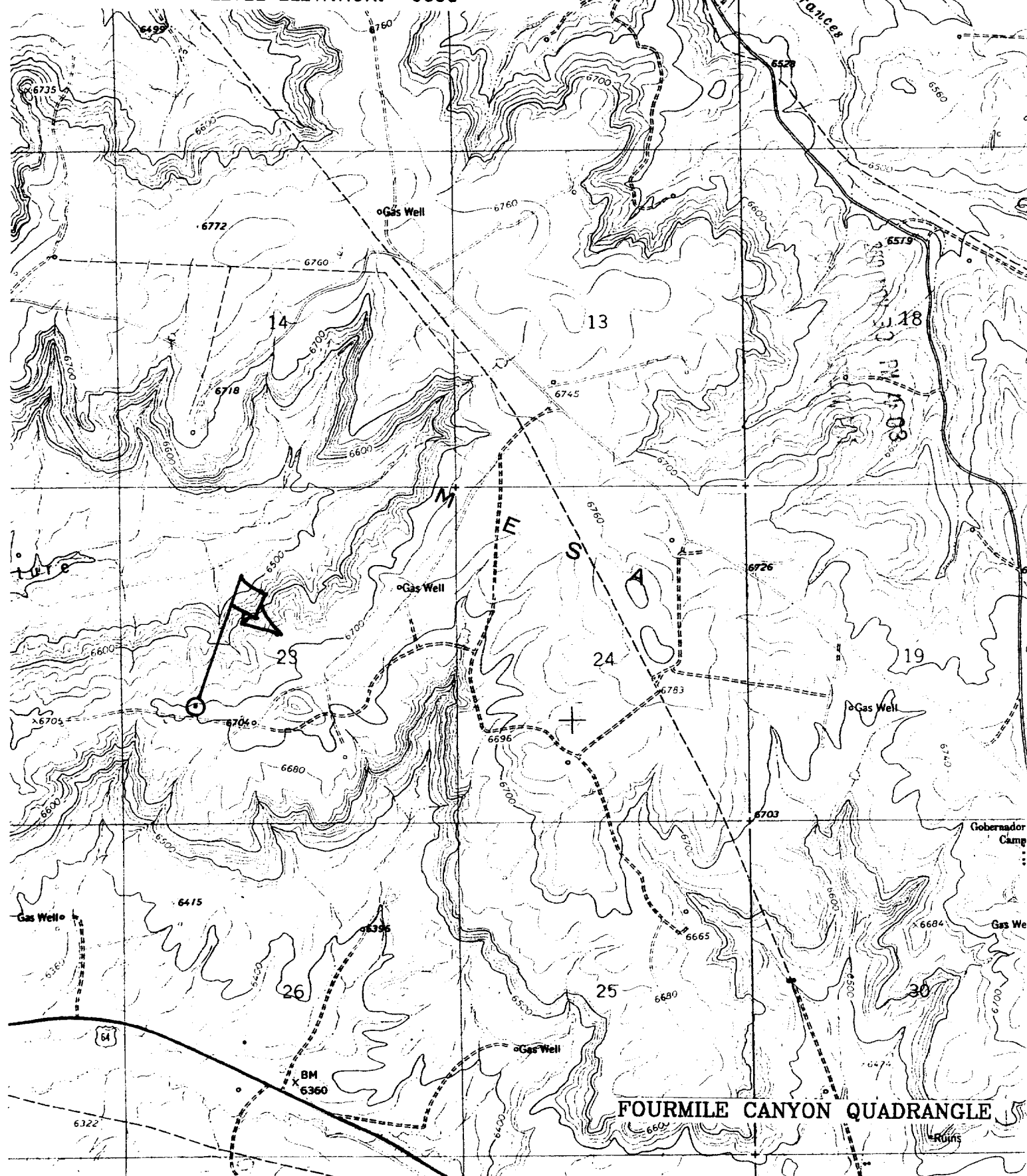
SAN JUAN 29-6 UNIT No. 76E

1860' FSL, 1100' FWL

SW/4 SEC. 23, T-29-N, R-06-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6699'



FOURMILE CANYON QUADRANGLE

# PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 29-6 Unit #76E MV/DK

## DRILLING PROGNOSIS

1. Location of Proposed Well: Unit L, 1860' FSL & 1100' FWL  
Section 23, T29N, R6W

2. Unprepared Ground Elevation: @ 6699' (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 8099'.

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

<u>Nacimiento - 1491'</u>	<u>Menefee Fm. - 5496'</u>
<u>Ojo Alamo - 2751'</u>	<u>Pt. Lookout - 5779'</u>
<u>Kirtland Sh - 2904'</u>	<u>Mancos Sh - 5956'</u>
<u>Fruitland Fm. - 3319'</u>	<u>Gallup Ss. - 6817'</u>
<u>Pictured Cliffs - 3581'</u>	<u>Greenhorn Ls. - 7761'</u>
<u>Lewis Shale - 3711'</u>	<u>Graneros Sh. - 7811'</u>
<u>Cliff House Ss - 5399'</u>	<u>Dakota Ss - 7949'</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 - 2751' - 2904'</u>
Gas & Water:	<u>Fruitland - 3319' - 3581'</u>
Gas:	<u>Mesaverde - 5399' - 5779'</u>
	<u>Dakota - 7949' - 8099'</u>

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 @ 3836'  
Production String: 4-1/2", 11.6#, I-80 or N-80 @ 8099' (TD)

9. Cement Program:

Surface String: 158.5 sx Type III cement with 2% bwoc CaCl<sub>2</sub> + 1/4#/sx Cello-flake mixed at 14.5 ppg with a 1.41 ft<sup>3</sup>/sx yield w/46.5% H<sub>2</sub>O or sufficient to circulate to surface - 223 cf.

Note: Cement slurry calculations based on cement to surface with 110% excess hole volume.

200 NOV 30 PM 4:07  
OJO WATERSHED, N.M.

Intermediate String: **Lead Cement:** 462.2 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 – 1095 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 1<sup>st</sup> 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:** 334.9 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 – 713 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 2<sup>nd</sup>, 4<sup>th</sup> & 6<sup>th</sup> joint

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

Production: None planned.

Turbulators: Total Three (3) – on intermediate casing at 1<sup>st</sup> 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.

# ATTACHMENT 1

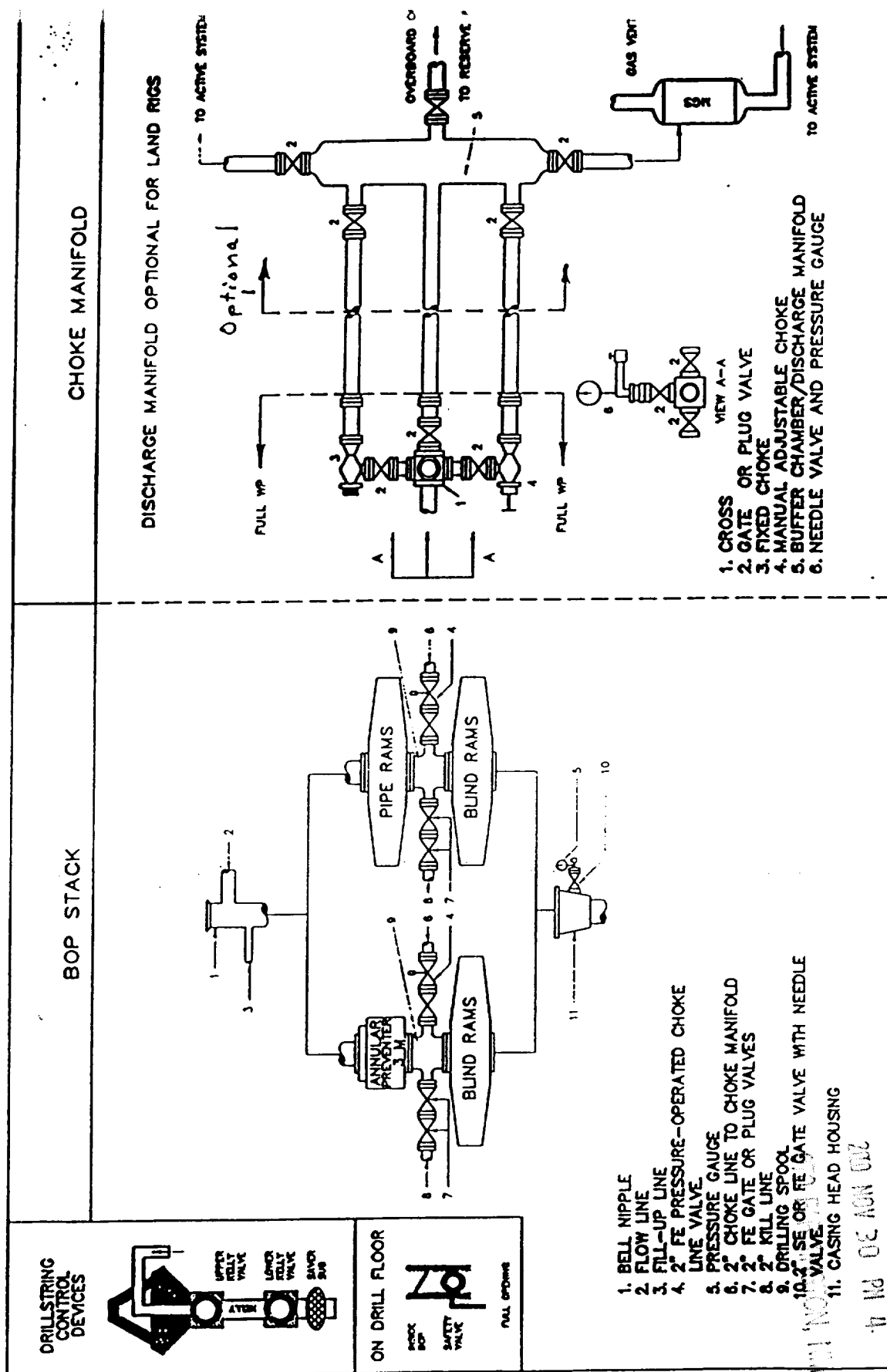


Fig. 2.4. Class 2 BOP and Choke Manifold.