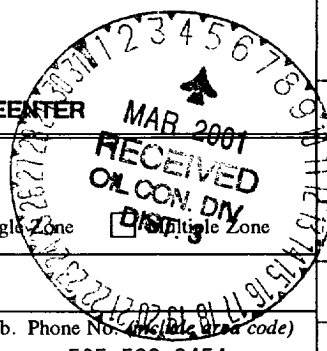


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER



1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-03471
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Phillips Petroleum Company		7. Unit or CA Agreement Name and No. San Juan 29-6 Unit
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. Lease Name and Well No. SJ 29-6 Unit #117
3b. Phone No. (include area code) 505-599-3454		9. API Well No. 30-039-26653
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit M, 806' FSL & 827' FWL At proposed prod. zone same as above		10. Field and Pool, or Exploratory So. Blanco Pictured Cliff, NM
14. Distance in miles and direction from nearest town or post office* 20 miles east of Blanco, NM		11. Sec., T., R., M., or Blk. and Survey or Area Section 28, T29N, R6W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 806'	16. No. of Acres in lease 2200 Acres	17. Spacing Unit dedicated to this well 160 Acres SW/4
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. @ 150'	19. Proposed Depth 3584'	20. BLM/BIA Bond No. on file ES0048
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6377' 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 1/31/01
Title Sr. Regulatory/Proration Clerk		
Approved by (Signature) <i>/s/ Jim Lovato</i>	Name (Printed/Typed)	Date MAR - 2
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 application is subject to technical and procedural review pursuant to 43 CFR 3185.3, and appeal pursuant to 43 CFR 3185.4.

ALL AUTHORIZED ARE
HANDLE WITH ATTACHED

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 30-039-26653		2. Pool Code 72439		3. Pool Name So. Blanco Pictured Cliffs, BL .	
4. Property Code 009257		5. Property Name SAN JUAN 29-6 UNIT			6. Well Number 117
7. OGRID No. 017654		8. Operator Name PHILLIPS PETROLEUM COMPANY			9. Elevation 6377'

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
M	28	29N	6W		806'	SOUTH	827'	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
M									

12. Dedicated Acres 160 SW/4	13. Joint or Infill Y	14. Consolidation Code U	15. 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

	16	N89°55'E	5280.00'	<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>12-21-00</p> <p>Date</p>	
	5280.00'				
	N00°01'E	NM-03471 2200.00 acres			
	827'				
		N89°58'E	5282.64'	<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>11/02/00</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Henry P. Broadbent, Jr.</i></p> <p>Certification Number</p>	

PHILLIPS PETROLEUM COMPANY

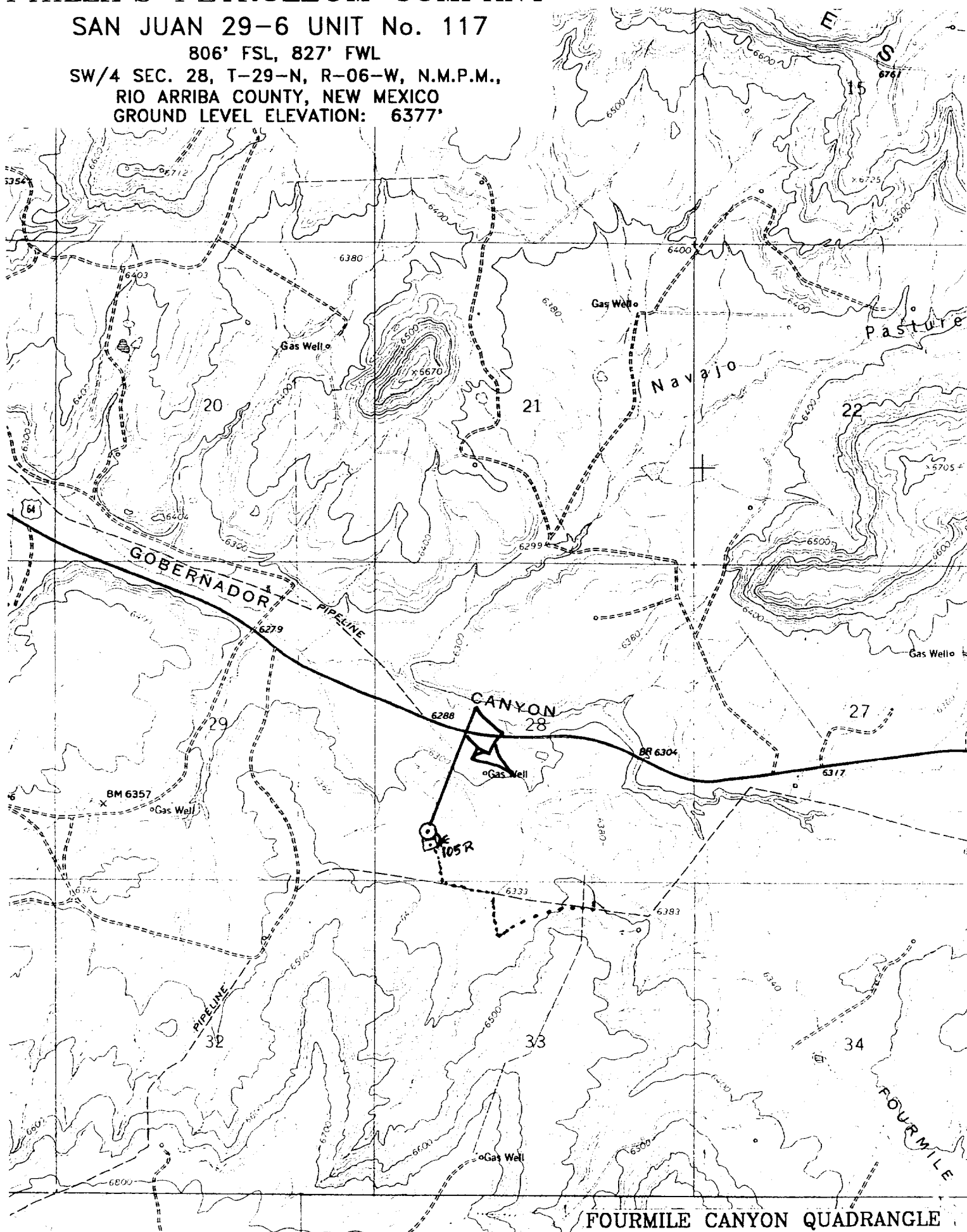
SAN JUAN 29-6 UNIT No. 117

806' FSL, 827' FWL

SW/4 SEC. 28, T-29-N, R-06-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6377'



FOURMILE CANYON QUADRANGLE

PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 29-6 Unit #117

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit M, 806' FSL & 827' FWL
Section 28 T29N, R6W, Rio Arriba, NM

2. Unprepared Ground Elevation: @ 6377'.

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

4. Type of drilling tools will be rotary.

5. Proposed drilling depth is 3584'.

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

<u>Nacimiento Fm. -</u>	<u>1729'</u>
<u>Ojo Alamo -</u>	<u>2754'</u>
<u>Kirtland -</u>	<u>2899'</u>
<u>Fruitland -</u>	<u>3199'</u>
<u>Pictured Cliffs -</u>	<u>3384'</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 - 2754' - 2899'</u>
Gas & Water:	<u>Fruitland - 2899' - 3199'</u>
Gas:	<u>Pictured Cliffs- 3384' - 3484'</u>

8. The proposed casing program is as follows:

Surface String: 8:5/8", 24#, J or K-55 ST&C @ 285'

Production String: 4-1/2", 11.6#, J or K-55 @ 3584' —

Surface Centralizers - 10' above shoe & at 2nd, 4th, and 6th joints

Production Centralizers - 10' above shoe & at 1st, 2nd, 4th, 6th, & 8th jts & 1 jt above surface casing shoe.

Turbulators : 1st joint below Ojo Alamo (base 2931') and next 2 jts up.

9. Cement Program:

Surface String: 201.2 sx Class H with 2% CaCl₂ + ¼#/sx Cello Flake mixed at 15.6 ppg with 1.2 ft³/sx yield or quantity sufficient to circulate cement to surface (243 cf).

Production String:

Lead 321.3 sx 35/65 (POZ/Class H) cement with 6% Bentonite & 5#/sx Gilsonite, & ¼#/sx Celloflake 2.1 ft³/sx yield (674.73 cf) (100% excess)

Tail 61 sx Class H cement with ¼#/sx Celloflake, 5#/sx Gilsonite, 2% CaCl₂ & 0.3% FL-52. Yield 1.21 (74 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.

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 Hole – water with native clays & bentonite as needed.
Production Hole – Water with native clays, bentonite and LCM as needed VIS 35-40 All low solids, nondispersed, 9.0+ ppg, fresh water base mud.
12. The testing, logging, and coring programs are as follows:
D.S.T.s or cores: _____
Logs: GSL & GR/CCCL/CBL
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 pressures:
Fruitland – 800 psi
Pictured Cliffs – 1100 psi
14. Anticipated starting date is sometime in the 1st Quarter of 2001 with duration of drilling operations for approximately 20 days thereafter.

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.