

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF-078997	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Phillips Petroleum Company		7. UNIT AGREEMENT NAME San Juan 30-5 Unit	
3. ADDRESS AND TELEPHONE NO. 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. FARM OR LEASE NAME, WELL NO. SJ 30-5 Unit # 266	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface Unit M, 665' FSL & 670' FWL At proposed prod. zone Same as above		9. API WELL NO. 30-039-26302	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 27.5 miles from Blanco, NM		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 665'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 10, T30N, R5W	
16. NO. OF ACRES IN LEASE 2560 acres		12. COUNTY OR PARISH Rio Arriba,	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320 acres W/2		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 250' - 30-5 #72E		19. PROPOSED DEPTH 3182'	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6417' unprepared ground level	
22. APPROX. DATE WORK WILL START* February 1, 2000		This action is subject to technical and procedural review pursuant to 43 CFR 3185.4, and appeal pursuant to 43 CFR 3185.4.	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#, J/K-55	200'*	93.3 sx Type III ((131 cf)
8-3/4"	7"	20#, J/K-55	3027'	L-340 sx Type III (819.4 cf)
				T-50 sx Type III (70.5 cf)
6-1/4"	5-1/2"	15.5# liner	3007' - TD	**

- * The surface casing will be set at a minimum of 200', but could be set deeper if required to maintain hole stability.
- ** The 6-1/4" interval from the 7" casing to the base of the coal may be underreamed to 9-1/2". If the coal is clefted a 5-1/2" 15.5# liner will be run in the open hole without being cemented. If the coal is not clefted, a 4-1/2" 11.6# liner will be run & cemented. The well will be completed by fracture stimulation.

See attached for details of Mud Program, BOP equipment and Cathodic Protection.

We would like to use the APD/ROW process for the portion of pipeline on BLM land. We will be filing separately for ROW for the State portion.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Patricia Clayton TITLE Sr. Regulatory/Proration Clerk DATE 1/6/99
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

HOLD OVER FOR NSL

APPROVED BY Chip Harraden TITLE Acting Team Lead DATE 1/27/00

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

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