

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-012641
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 - 14
2. Name of Operator Phillips Petroleum Company		7. Unit or CA Agreement Name and No. Blanco
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401	3b. Phone No. (include area code) 505-599-3454	8. Lease Name and Well No. Blanco #7A
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface Unit C, 958' FNL & 1759' FWL At proposed prod. zone Same as above		9. API Well No. 30-045-30909
14. Distance in miles and direction from nearest town or post office* 15 miles N/NE of Blanco, NM		10. Field and Pool, or Exploratory Blanco Mesaverde
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 958'	16. No. of Acres in lease 2160 acres	11. Sec., T., R., M., or Blk. and Survey or Area C Section 35, T31N, R8W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 5837'	12. County or Parish San Juan
		13. State NM
		17. Spacing Unit dedicated to this well 320 W/2
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6255' GL -	22. Approximate date work will start* 4th Qtr 2000	20. BLM/BIA Bond No. on file ES0048
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 SUPQ 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 10/27/00
Title Sr. Regulatory/Proration Clerk		
Approved by (Signature) <i>/s/ Jim Lovato</i>	Name (Printed/Typed)	Date 12
Title Team Lead, Petroleum Management		

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)

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

PROCESSED BY NEW MEXICO DEPARTMENT OF REVENUE
and approved pursuant to 43 CFR 3160.3

NAHCO

District I
 191 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 30-045-30409		2. Pool Code 72319		3. Pool Name Blanco Mesaverde	
4. Property Code 009254		5. Property Name BLANCO UNIT			6. Well Number 7A
7. OGRID No. 017654		8. Operator Name PHILLIPS PETROLEUM COMPANY			9. Elevation 6255'

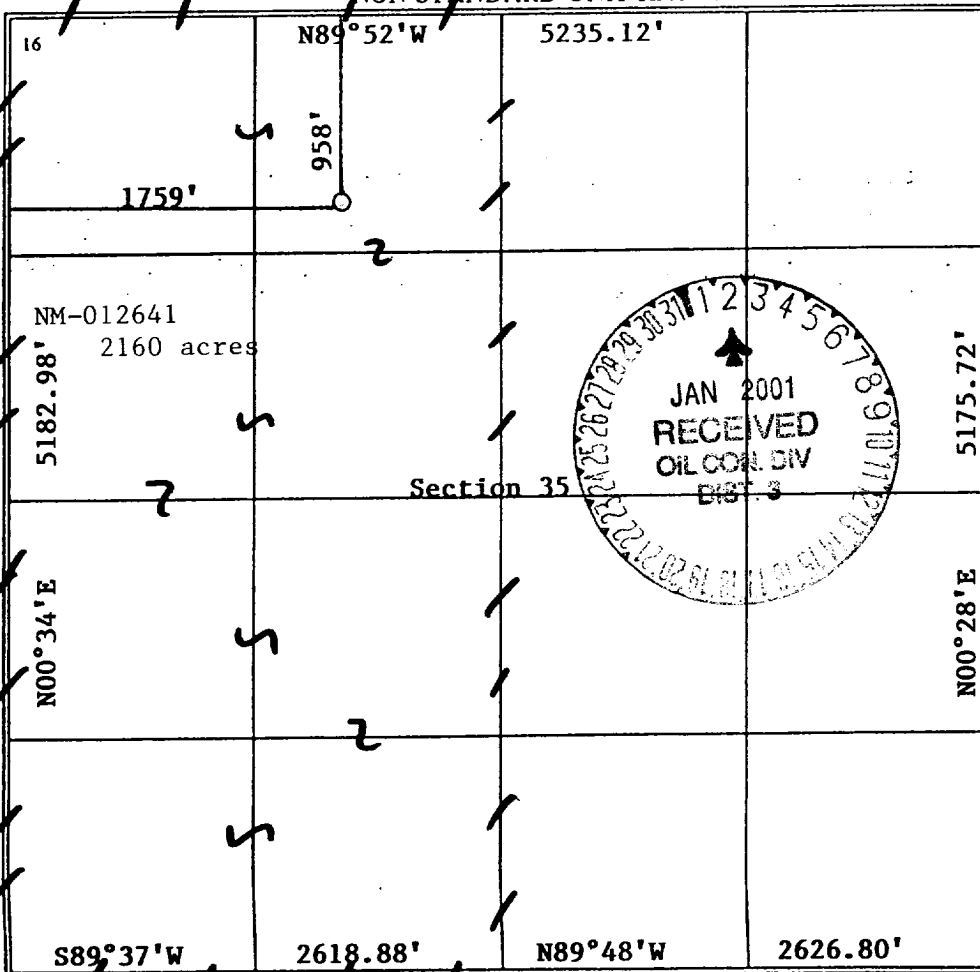
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	31N	8W		958'	NORTH	1759'	WEST	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
C									
12. Dedicated Acres 320 W/2		13. Joint or Infill Y		14. Consolidation Code		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



17 OPERATOR CERTIFICATION

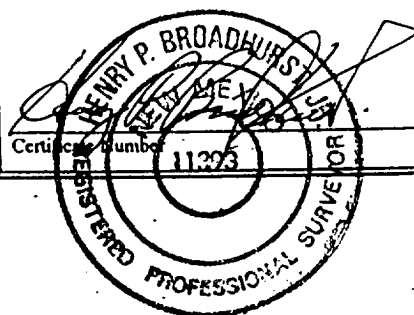
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature
Patsy Clugston
 Printed Name
 Patsy Clugston
 Sr. Regulatory/Proration Clerk
 Title
 10/27/00
 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.

07/13/00
 Date of Survey
 Signature and Seal of Professional Surveyor:



PHILLIPS PETROLEUM COMPANY

BLANCO UNIT No.7A

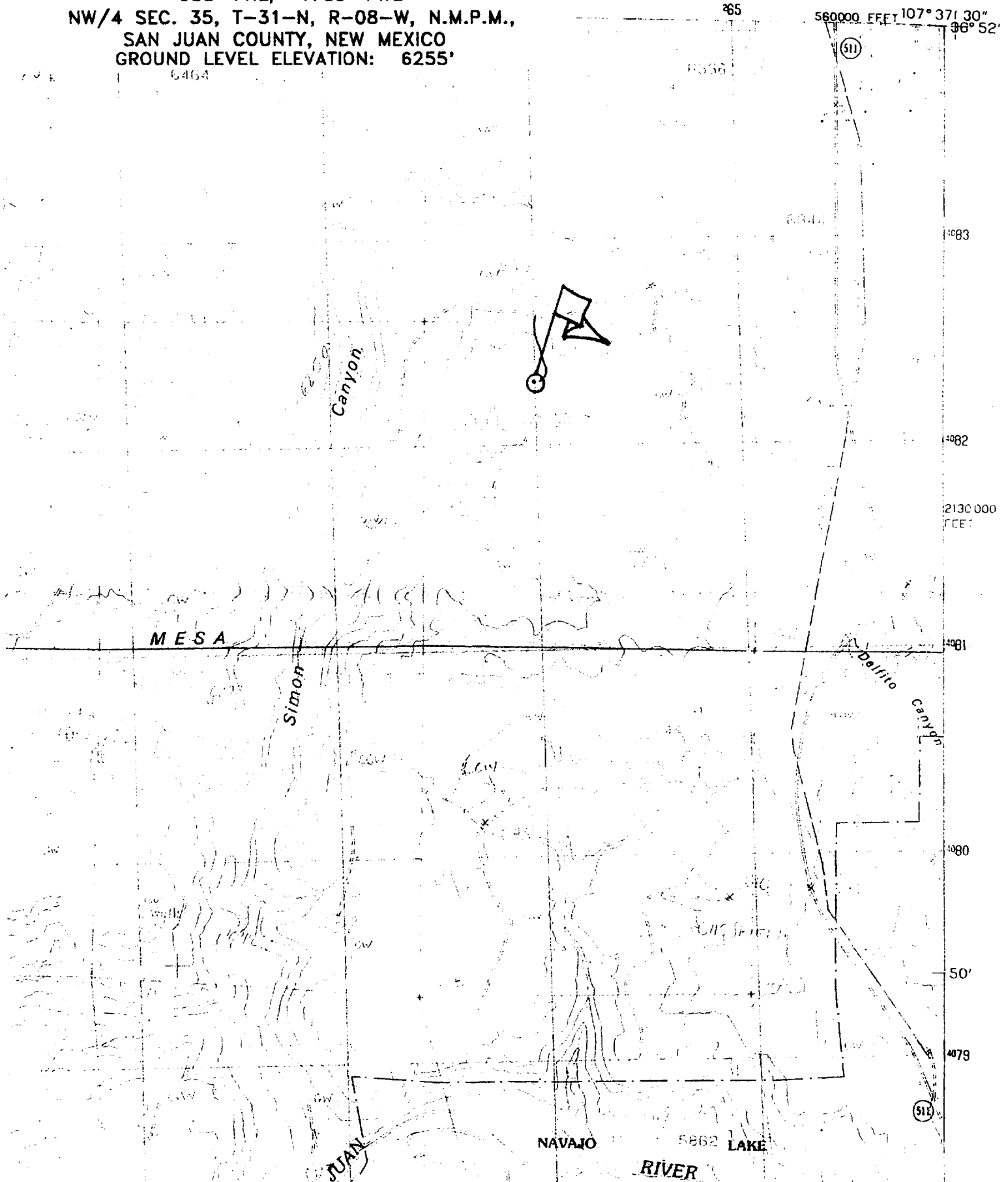
958' FNL, 1759' FWL

NW/4 SEC. 35, T-31-N, R-08-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6255'

ARCHITECTA QUADRANGLE
NEW MEXICO-SAN JUAN CO.
15 MINUTE SERIES (TOPOGRAPHIC)



PHILLIPS PETROLEUM COMPANY

WELL NAME: Blanco #7A MV

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit C, 958' FNL & 1759' FWL
Section 35, T31N, R8W

2. Unprepared Ground Elevation: @ 6255 (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 5837'.

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

<u>Nacimiento - 637'</u>	<u>Lewis Shale - 3357'</u>
<u>Ojo Alamo - 1992'</u>	<u>Cliff House Ss - 5022'</u>
<u>Kirtland Sh - 2127'</u>	<u>Menefee Fm. - 5087'</u>
<u>Fruitland Fm. - 2807'</u>	<u>Pt. Lookout - 5387'</u>
<u>Pictured Cliffs - 3167'</u>	<u>Mancos Sh - 5662'</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 - 1992' - 2127'</u>
Gas & Water:	<u>Fruitland - 2807' - 3167'</u>
Gas:	<u>Mesaverde - 5022' - 5662'</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 @ 3522'
Production String: 4-1/2", 11.6#, N-80 @ 5837'-(TD)

9. Cement Program:

Surface String: 158.5 sx Type III cement with 2% bwoc CaCl₂ + 1/4#/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:** 420.4 sx Type III cement (35:65) POZ with 5#/sx Gilsonite, 1/4#/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 – 996 cf.

Tail Cement: 50 sx – Type III cement with 1/4#/sx Cello-flake and 1% CaCl₂ mixed at 14.5 ppg with a 140. 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 CI 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: 184.7 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 – 393 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

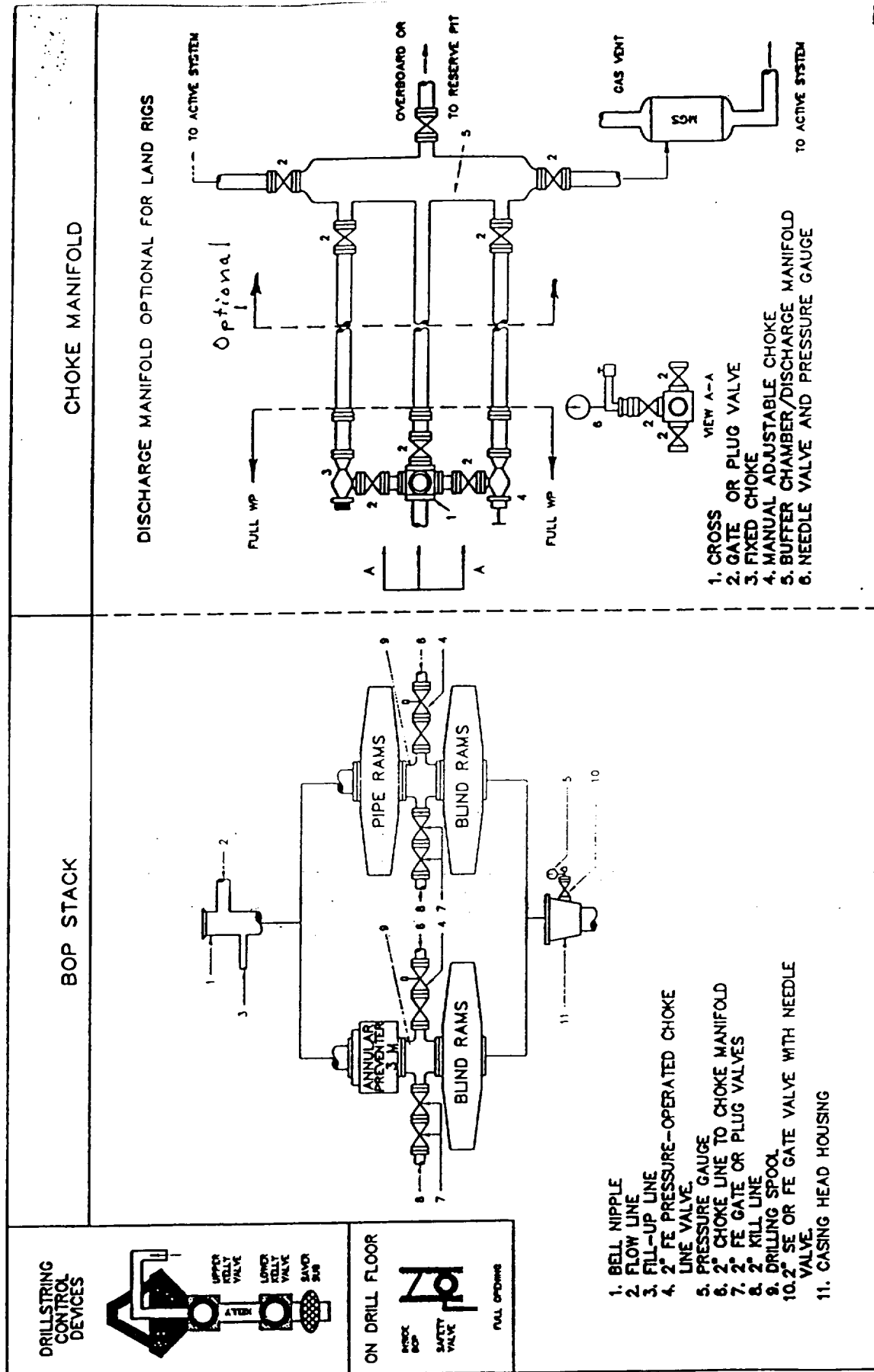


Fig. 2.4. Class 2 BOP and Choke Manifold.