

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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. NMSF078997
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		6. If Indian, Allottee or Tribe Name
2. Name of Operator PHILLIPS PETROLEUM COMPANY Contact: PATSY CLUGSTON E-Mail: pclugs@ppco.com		7. If Unit or CA Agreement, Name and No.
3a. Address 5525 HWY. 64 FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 505.599.3454 Fx: 505-599-3442	8. Lease Name and Well No. SAN JUAN 30-5 UNIT 78M
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NESE 1980FSL 835FEL 36.82528 N Lat, 107.39190 W Lon At proposed prod. zone		9. API Well No. 30039 27033
14. Distance in miles and direction from nearest town or post office* 26 MILES EAST OF BLANCO, NM		10. Field and Pool, or Exploratory BASIN DK & BLANCO MV
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 835'	16. No. of Acres in Lease 2560.00	11. Sec., T., R., M., or Blk. and Survey or Area I Sec 7 T30N R5W Mer NMP
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7806 MD	12. County or Parish RIO ARRIBA
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6309 GL	22. Approximate date work will start 01/01/2003	13. State NM
23. Estimated duration 20 DAYS		17. Spacing Unit dedicated to this well 320.00 5/2 - DAK; 1/2 MV

## 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 (Electronic Submission)	Name (Printed/Typed) PATSY CLUGSTON	Date 10/19/2002
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) <i>David J. Mankiewicz</i>	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify 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.

## Additional Operator Remarks (see next page)

Electronic Submission #15311 verified by the BLM Well Information System  
For PHILLIPS PETROLEUM COMPANY, sent to the Farmington

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

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

\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\*

NMOCD

District I  
191 Box 1980, Hobbs, NM 88241-1980  
District II  
111 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**

APL Number <b>30-039-27033</b>		Pool Code <b>71599</b>	Pool Name <b>Basin Dakota</b>
Property Code <b>009258</b>	Property Name <b>SAN JUAN 30-5 UNIT</b>		Well Number <b>78M</b>
OGRIID No. <b>017654</b>	Operator Name <b>PHILLIPS PETROLEUM COMPANY</b>		Elevation <b>6309'</b>

**10 Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from line	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>7</b>	<b>30N</b>	<b>5W</b>		<b>1980'</b>	<b>SOUTH</b>	<b>835'</b>	<b>EAST</b>	<b>RIO ARriba</b>

**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
<b>I</b>									

" Dedicated Acres	" Joint or Infill	" Consolidation Code	" Order No.
<b>320 S/2</b>	<b>Y</b>	<b>II</b>	

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>14</p> <p>N89°49'E 5289.24'</p> <p>5280.00'</p> <p>SF-078997</p> <p>North</p> <p>2</p> <p>5</p> <p>FEE</p> <p>N89°51'E 5290.56'</p>	<p>Section 7</p> <p>SF-078997</p> <p>2560 acres</p> <p>835'</p> <p>1980'</p>	<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 <b>Patsy Clugston</b></p> <p>Printed Name <b>Sr. Regulatory/Proration Clerk</b></p> <p>Title <b>April 3, 2001</b></p> <p>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><b>03/14/01</b></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Henry P. Broadhurst</i></p> <p>Certification Number</p>

District I  
 P.O. 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  
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 Santa Fe, NM 87505

Form C-102  
 Revised October 18, 1994  
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 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number <b>30-039-27033</b>		Pool Code <b>72319</b>	Pool Name <b>Blanco Mesaverde</b>
Property Code <b>009258</b>	Property Name <b>SAN JUAN 30-5 UNIT</b>		Well Number <b>78M</b>
OCRID No. <b>017654</b>	Operator Name <b>PHILLIPS PETROLEUM COMPANY</b>		Elevation <b>6309'</b>

<sup>10</sup> Surface Location

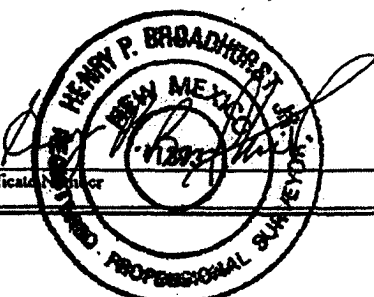
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>7</b>	<b>30N</b>	<b>5W</b>		<b>1980'</b>	<b>SOUTH</b>	<b>835'</b>	<b>EAST</b>	<b>RIO ARriba</b>

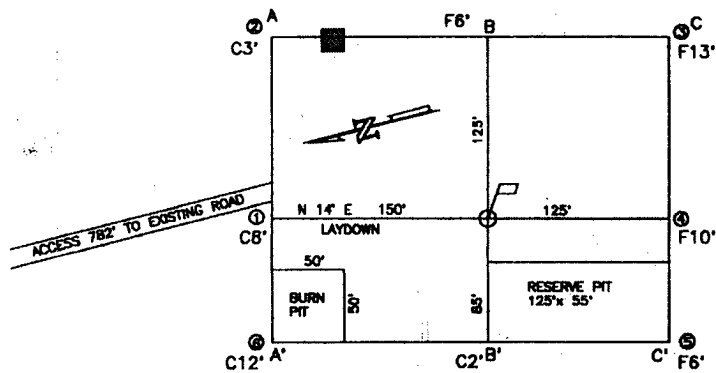
<sup>11</sup> Bottom Hole Location If Different From Surface

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

" Dedicated Acres	" Joint or Infill	" Consolidation Code	" Order No.
<b>320 E/2</b>	<b>Y</b>	<b>U</b>	

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 5280.00' North Section 7 SF-078997 2560. acres FEE N89°51'E 5290.56'	N89°49'E 5289.24'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <i>Patsy Clugston</i> Patsy Clugston Printed Name Sr. Regulatory/Proration Clerk Title April 3, 2001 Date
	5280.00' N00°01'E	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. Date of Survey 03/14/01 Signature and Seal of Professional Surveyor: 
	835' 1980'	



A-A' ELEVATION	C/L			
6329				
6319				
6309				
6299				
6289				

B-B'	C/L			
6329				
6319				
6309				
6299				
6289				

C-C'	C/L			
6329				
6319				
6309				
6299				
6289				

COMPANY: PHILLIPS PETROLEUM CO.

LEASE: SAN JUAN 30-5 UNIT NO. 78M

FOOTAGE: 1980 FSL 835 FEL UNIT I

SEC. 7 TWN. 30 N RNG. 5 W N.M.P.M.

COUNTY: RIO ARriba STATE: N.M.

ELEVATION: 6309

LATITUDE: 36-49-31

LONGITUDE: 107-23-31

<b>PHILLIPS PETROLEUM CO.</b> FARMINGTON, NEW MEXICO		
SURVEYED: 3/14/01	REV. DATE:	APP. BY:
DRAWN BY: K.REA	DATE DRAWN: 3/18/01	FILE NAME: UF129
<b>UNITED FIELD SERVICES INC.</b>		P.O. BOX 3851 FARMINGTON, NM 87489 OFFICE: (505)334-0408

PHILLIPS PETROLEUM COMPANY

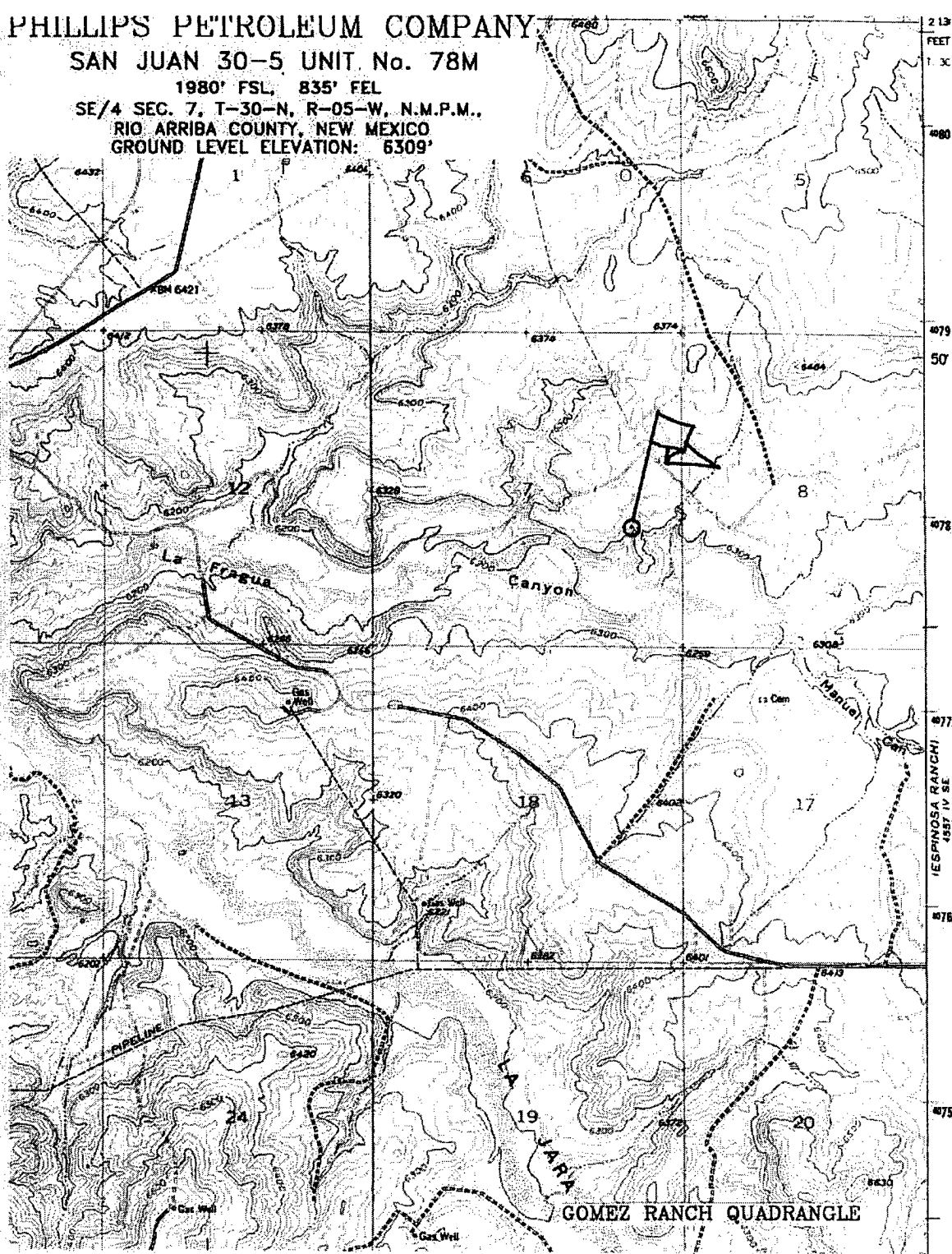
SAN JUAN 30-5 UNIT No. 78M

1980' FSL, 835' FEL

SE/4 SEC. 7, T-30-N, R-05-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6309'



PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 30-5 Unit #78M (MV/DK)

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit L 1980 FSL & 835' FEL  
Section 7, T30N, R5W

2. Unprepared Ground Elevation: @ 6309' (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 7806'

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

<u>Nacimiento - 1181'</u>	<u>Menefee Fm. - 5251'</u>
<u>Ojo Alamo - 2511'</u>	<u>Pt. Lookout - 5501'</u>
<u>Kirtland Sh - 2611'</u>	<u>Mancos Sh - 5951'</u>
<u>Fruitland Fm. - 2846'</u>	<u>Gallup Ss. - 6864'</u>
<u>Pictured Cliffs - 3046'</u>	<u>Greenhorn Ls. - 7496'</u>
<u>Lewis Shale - 3296'</u>	<u>Graneros Sh. - 7621'</u>
<u>Cliff House Ss - 5191'</u>	<u>Dakota Ss - 7671'</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 - 2511' - 2611'</u>
Gas & Water:	<u>Fruitland - 2846' - 3046'</u>
Gas:	<u>Pictured Cliffs - 3046' - 3246'</u>
	<u>Mesaverde - 5251' - 5951'</u>
	<u>Dakota - 7671' - 7806'</u>

8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3# H-40 @ 220' \*

Intermediate String: 7", 20#, J/K-55 @ 3396' (J-55 will be used, unless the K-55 is the only casing available.

Production String: 4-1/2", 11.6#, I-80 @ 7806' (TD)

\* The surface casing will be set at a minimum of 220', but could be set deeper if required to maintain hole stability.

## 9. Cement Program:

Surface String: 138.7 sx Type III cement + 2% bwoc Calcium Chloride + 0.25#/sx Cello-flake + 60.6% FW (1.41 yield = 196 cf).

Intermediate String: Lead Cement: 429.1 sx Type III cement (35:65) POZ + 5#/sx Gilsonite + 0.25 #/sx Cello-Flake + 6% bwoc Bentonite + 10#/sx CSE + 3% bwoc KCL + 0.4% bwoc FL-25 + 0.02#/sx static free + 129% FW (2.37 yield = 1017 cf). Cement to surface with 120% excess casing/hole annular volume.

Tail Cement: 50.0 sx Type III cement + 0.25#/sx Cello-Flake + 1% Calcium Chloride + 60.5% FW (1.4 yield = 70 cf). Cement to surface with 120% excess of casing/hole annulus volume.

Production String \*: Lead Cement: 50 sx Type III (35:65) POZ L (Fly Ash L) with 6% gel Bentonite, 5#/sx Phenoseal, 0.2% bwoc CD-32, 0.75 bwoc FL-52 1#/sx LCM-1 0.25#/sx Cello-Flake, 10#/sx CSE, 0.02#/sx Static Free (2.34 yield = 117 cf).

2<sup>nd</sup> Lead Cement: 247.1 sx Type III (35:65) POZ L (Fly Ash L) with 6% gel Bentonite, 2.5#/sx Phenoseal, 0.2% bwoc CD-32, 0.75 bwoc FL-52 1#/sx LCM-1 0.25#/sx Cello-Flake, 10#/sx CSE, 0.02#/sx Static Free (2.32 yield = 573 cf)

Tail Cement - 20 sx Type III (35:65) POZ L (Fly Ash L) with 6% gel Bentonite, 5#/sx Phenoseal, 0.2% bwoc CD-32, 0.75 bwoc FL-52 1#/sx LCM-1 0.25#/sx Cello-Flake, 10#/sx CSE, 0.02#/sx Static Free (1.91 yield = 38 cf).

\*The production casing cement is calculated to cover the openhole interval with 50% excess and annular volume 200' within intermediate shoe. Depending on hole conditions, the well may be cemented in a single stage or two staged.

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.
11. Drilling Mud Prognosis: Surface - spud mud on surface casing.  
Intermediate - spud mud generated from natural clays with gel sweeps pretreated w/LCM before entering coal interval.  
Below Intermediate - air or gas drilled.
12. The testing, logging, and coring programs are as follows:  
D.S.T.s or cores: \_\_\_\_\_  
Logs: GR/CCL/CBL & GSL over zones of interest
13. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H<sub>2</sub>S equipment will be used.  
  
Estimated Bottomhole pressure:  
Dakota - 2400 psi  
Mesaverde - 510 psi
14. The anticipated starting date is approximately January 1, 2003 with duration of drilling / completion operations for approximately 20 days thereafter.

2003 Drilling\30578M mvdK drill prog.doc



## 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.*

drillingBOPck.lst