

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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


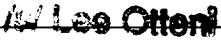
APPLICATION FOR PERMIT TO DRILL OR REENTER

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 #70B	
3b. Phone No. (include area code) 505-599-3454		9. API Well No. 30-039-26738	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit L, 1580' FSL & 320' FWL At proposed prod. zone Same as above		10. Field and Pool, or Exploratory Blanco Mesaverde	
14. Distance in miles and direction from nearest town or post office* 19 miles east of Blanco		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 29, T29N, R6W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 320'		12. County or Parish Rio Arriba	
16. No. of Acres in lease 1960.0 Acres		13. State NM	
17. Spacing Unit dedicated to this well 320 W/25		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	
19. Proposed Depth 5798'		20. BLM/BIA Bond No. on file ES00487	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6366' GL		22. Approximate date work will start* 2nd 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:

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| 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 	Name (Printed/Typed) Patsy Clugston	Date 4/24/01
Title Sr. Regulatory/Proration Clerk		
Approved by (Signature) 	Name (Printed/Typed) Leo Ottoni	Date MAY 23
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 technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS AND BONDING ARE
SUBJECT TO COMPLY WITH ATTACHED
GENERAL REQUIREMENTS

District I
170 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 30-039-26738		2. Pool Code 72319	3. Pool Name Blanco Mesaverde
4. Property Code 009257	5. Property Name SAN JUAN 29-6 UNIT		6. Well Number 70B
7. OGRID No. 017654	8. Operator Name PHILLIPS PETROLEUM COMPANY		9. Elevation 6366'

10. Surface Location

UL or lot no. L	Section 29	Township 29N	Range 6W	Lot Idn	Feet from the 1580'	North/South line SOUTH	Feet from the 320'	East/West line WEST	County RIO ARriba
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11. Bottom Hole Location If Different From Surface

UL or lot no. L	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12. Dedicated Acres 320 W/2	13. Joint or Infill I	14. Consolidation Code II	15. Order No.
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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 February 26, 2001 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>10/28/99 Date of Survey Signature and Seal of Professional Surveyor HENRY P. BROADHURST, JR. NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 11393 Certificate Number</p>

PHILLIPS PETROLEUM COMPANY

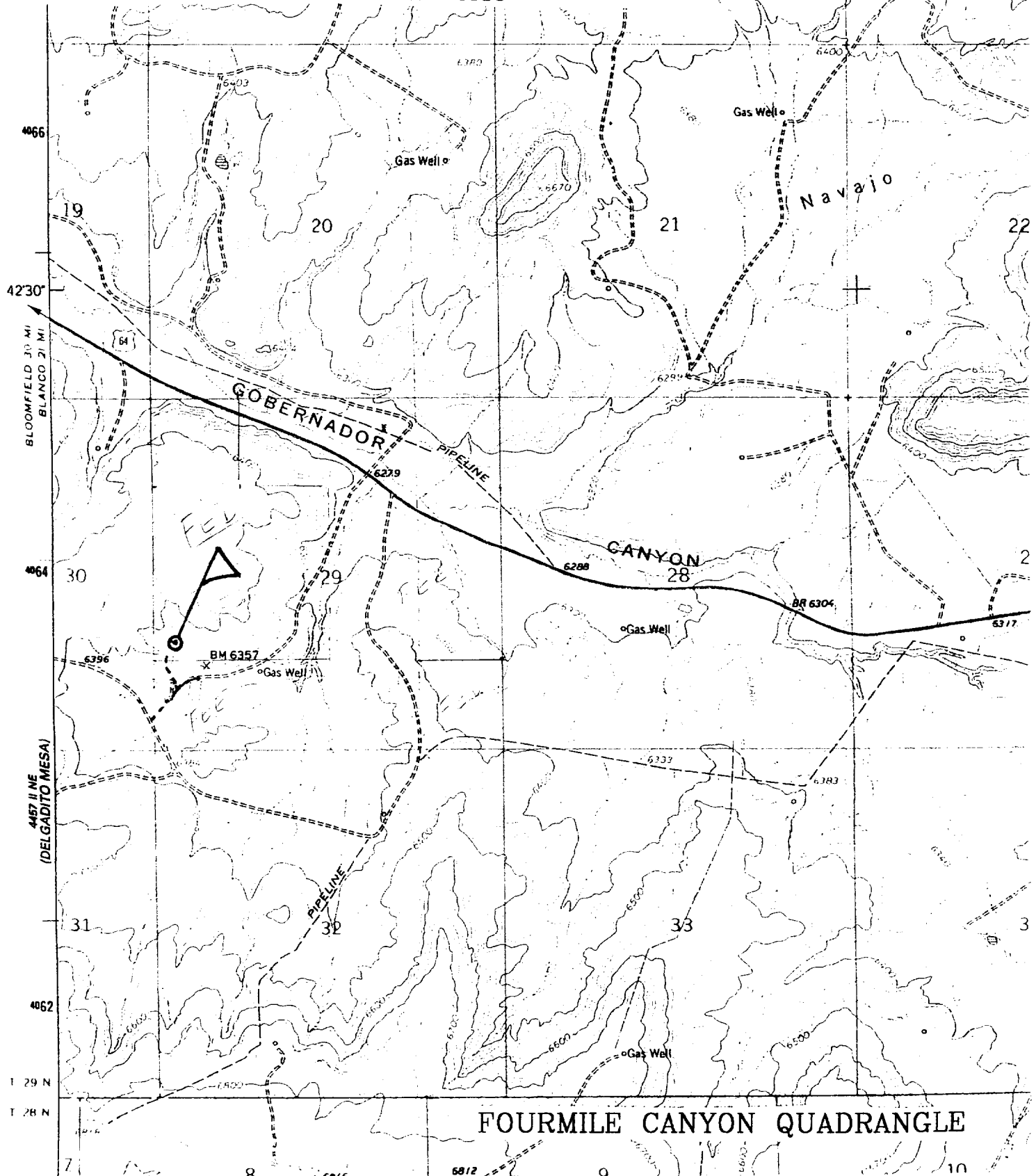
SAN JUAN 29-6 UNIT No. 70B

1580' FSL, 320' FWL

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

RIO ARRIBA COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6636'



PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 29-6 Unit #70B MV

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit L, 1580' FSL & 320' FWL
Section 29, T29N, R6W

2. Unprepared Ground Elevation: @ 6366' (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 5798'

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

<u>Nacimiento - 1293'</u>	<u>Lewis Shale - 3425'</u>
<u>Ojo Alamo - 2375'</u>	<u>Cliff House Ss - 5008'</u>
<u>Kirtland Sh - 2533'</u>	<u>Menefee Fm. - 5086'</u>
<u>Fruitland Fm. 2983'</u>	<u>Pt. Lookout - 5433'</u>
<u>Pictured Cliffs - 3268'</u>	<u>Mancos Sh - 5658'</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 - 2375' - 2533'</u>
Gas & Water:	<u>Fruitland - 2983' - 3268'</u>
Gas:	<u>Mesaverde - 5008' - 5658'</u>

8. The proposed casing program is as follows:

Surface String: 9-5/8", 36#, J/K-55 @ 320' *

Intermediate String: 7", 20#, J/K-55 @ 3550' (J-55 will be used, unless the K-55 is the only casing available.)

Production String: 4-1/2", 11.6#, J-55 @ 5798' (TD) —

* The surface casing will be set at a minimum of 320', but could be set deeper if required to maintain hole stability.

9. Cement Program:

Surface String: 158.6 sx Type III cement + 2% bwoc Calcium Chloride + 0.25#/sx Cello-flake + 60.6% FW (1.41 yield = 224 cf).

Intermediate String: **Lead Cement:** 424.1 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 = 1005 cf). Cement to surface with 110% 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 110% excess of casing/hole annulus volume.

Production String *: 179.6 sx (35:65) Poz Class H cement + 10#/sx CSE + 0.25#/sx Cello-Flake + 0.2% bwoc CD-32 + 5#/sx Gilsonite + 0.5% bwoc FL-52 + 6% bwoc Bentonite + 112.4% FW (2.13 yield = 383 cf). The production string casing cement is designed to cover openhole section with 60% excess.

*The production casing cement is calculated to cover the openhole interval with 60% excess and annular volume 100' 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 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 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.

BOP AND RELATED EQUIPMENT CHECK LIST

3M 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.