

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Phillips Petroleum Company

3. ADDRESS AND TELEPHONE NO.

5525 Highway 64, NBU 3004, Farmington, NM 87401

505-599-3454

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)

At surface

Unit N, 845' FSL & 1435' FWL

At proposed prod. zone

Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

11 miles from Ignacio, CO

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

845'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6311' unprepared groundlevel

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

22. APPROX. DATE WORK WILL START*

3165.3 3rd Qtr 2000

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'* | 102.5sx Type III (1.41 yield=145 cf) |
| 8-3/4" | 7" | 20#, J/K-55 | 2861' | L-321.5sx Type III(2.52 yield=810cf) |
| 6-1/4" | 5-1/2" | 15.5# Liner | 2841' - TD | T-50.0 sx Type III (1.4 yield=70 cf) |

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

* 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 shoe 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 and cemented. The well will then be completed by fracture stimulation.

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

We would like to use the APD/ROW process for this pipeline. See attached pipeline survey for details.

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

Monica D. Rodahl

TITLE

Regulatory Assistant

DATE

3/27/00

(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:

MAY 12 2000

APPROVED BY

/s/ Charlie Beecham

TITLE

*See Instructions On Reverse Side

DATE

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.

NMOC

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

700 MAR 23 PM 12:51

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|---------------------------|---|--------------------|-----------------------------------|
| API Number 30045-30203 | | Pool Code 71629 | Pool Name Basin Fruitland Coal |
| Property Code 009260 | Property Name SAN JUAN 32-7 UNIT | | Well Number 244 |
| OGRID No. 017654 | Operator Name PHILLIPS PETROLEUM COMPANY | | Elevation 6311' |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| N | 17 | 32N | 7W | | 845' | SOUTH | 1435' | WEST | SAN JUAN |

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 |
|-------------------------------|----------------------|-------------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| N | | | | | | | | | |
| Dedicated Acres 342.62 W/2 | Joint or Infill J | Consolidation Code U | 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

| | | | | |
|---|--|--|--|--|
| <p>16</p> <p>579°04'W</p> <p>5435.76'</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>5</p> <p>6</p> <p>8</p> <p>Section 17</p> <p>SF-078460</p> <p>12</p> <p>11</p> <p>10</p> <p>9</p> <p>1435'</p> <p>2562.30 acres</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>N89°44'W</p> <p>2601.72'</p> <p>S72°40'W</p> <p>2645.94'</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>Monica D. Rodahl</p> <p>Signature</p> <p>Monica D. Rodahl</p> <p>Printed Name</p> <p>Regulatory Assistant</p> <p>Title</p> <p>March 16, 2000</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>01/21/2000</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>HENRY P. BROADHURST, JR.</p> <p>NEW MEXICO</p> <p>11973</p> <p>PROFESSIONAL SURVEYOR</p> | | | | |

PHILLIPS PETROLEUM COMPANY

SAN JUAN 32-7 UNIT No. 244

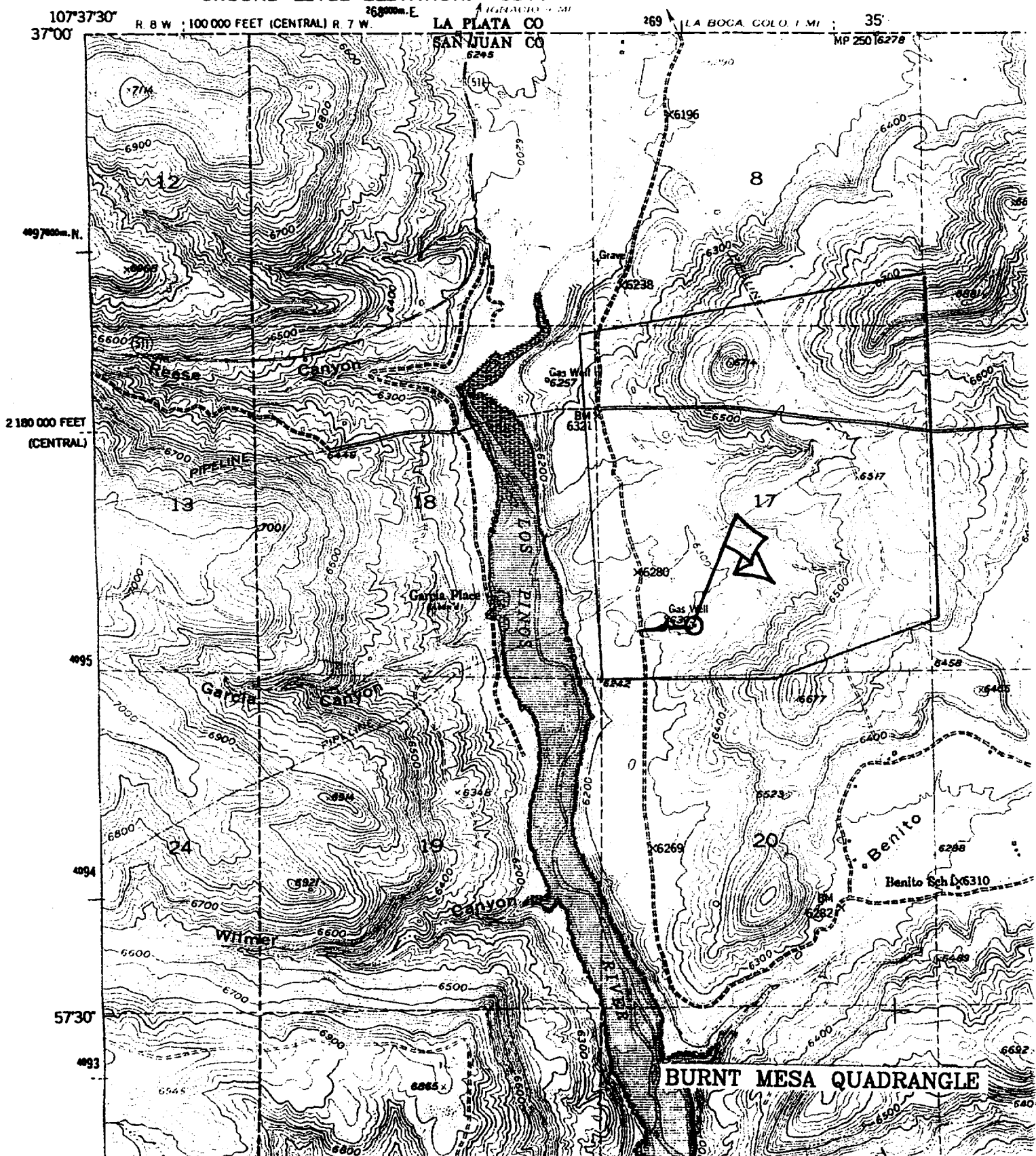
845' FSL, 1435' FWL

SW/4 SEC. 17, T-32-N, R-07-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6311'

438 11 SW
IGNACIO



Blowout Preventer Equipment (BOPE)

ABHP = 1100 PSI; TVD = 3,056 Feet; Mud Weight = 8.34

Operator's Gradient (ABHP / TVD) = 0.360 PSI/Ft is / is not appropriate and does / does not coincide with the Anticipated Mud Weight for each drilled interval.

The most credible ABHP is 0.360 PSI/Ft.

Mud Weight x 0.05195 = Gradient

$$\underline{8.34} \times 0.05195 = \underline{0.433}$$

ABHP - (0.22 x TVD) = ASP

$$\underline{1100} - (0.22 \times \underline{3056}) = \underline{428} \text{ psi}$$

Operator's proposed BOPE of 2 M exceeds / does not exceed the ASP and is therefore adequate / not adequate.

Note ASP - Anticipated Surface Pressure

ABHP - Anticipated Bottom Hole Pressure

(Decmin) = ASP / (GR - .22)