

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. SF-080554 077380	
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		7. Unit or CA Agreement Name and No. San Juan 32-8 Unit	
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. Lease Name and Well No. SJ 32-8 Unit #46A	
3b. Phone No. (include area code) 505-599-3454		9. API Well No. 30-045-30300	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit J, 1895' FSL & 1810' FEL		10. Field and Pool, or Exploratory Blanco MV and Albino PC	
At proposed prod. zone Same as above		11. Sec., T., R., M., or Blk. and Survey or Area Section 14, T32N, R8W	
14. Distance in miles and direction from nearest town or post office* 12-3/4 miles from Navajo Dam R.O.		12. County or Parish San Juan.	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1810'		13. State NM	
16. No. of Acres in lease 960 acres		17. Spacing Unit dedicated to this well MV/2 -E/2; PC-SE/4	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.		20. BLM/BIA Bond No. on file ES0048	
19. Proposed Depth 6801'		21. Estimated duration 1 month	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7144' Gr Lvl (unprepared)		22. Approximate date work will start* 4th Qtr 2000	

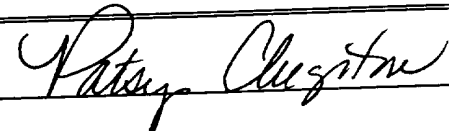
APD/ROW PROCESS

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.
2. A Drilling Plan
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).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
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 7/14/00
Title Sr. Regulatory/Proration Clerk		
Approved by (Signautre) /s/ Jim Lovato	Name (Printed/Typed)	Date SEP 11 2000
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 3105.3 and appeal pursuant to 43 CFR 3105.4.

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

District I
P1 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 APN Number 30-045-30300		2 Pool Code 70120	3 Pool Name Albino Pictured Cliffs
4 Property Code 009261	5 Property Name SAN JUAN 32-8 UNIT		6 Well Number 46A
7 OGRID No. 017654	8 Operator Name PHILLIPS PETROLEUM COMPANY		9 Elevation 7144'

10 Surface Location

UL or lot no. J	Section 14	Township 32N	Range 8W	Lot Idn	Feet from the 1895'	North/South line SOUTH	Feet from the 1810'	East/West line EAST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

UL or lot no. J	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 160 SE/4	13 Joint or Infill Y	14 Consolidation Code U	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

16	N88°18'W	5184.96'		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 Sr. Regulatory/Proration Clerk Title July 13, 2000 Date
5285.94'				5257.56'
N00°06'W				N00°12'W
	N88°34'W	5194.86'		

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.
05/31/00
Date of Survey
Signature and Seal of Registered Professional Surveyor:
HENRY P. BROADBENT, JR.
NEW MEXICO
11393
REGISTERED PROFESSIONAL SURVEYOR
Certificate No.

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
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Santa Fe, NM 87505

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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

1. APN Number 30-045-30300		2. Pool Code 72319		3. Pool Name Blanco Mesaverde		
4. Property Code 009261		5. Property Name SAN JUAN 32-8 UNIT			6. Well Number 46A	
7. OGRID No. 017654		8. Operator Name PHILLIPS PETROLEUM COMPANY			9. Elevation 7144'	

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
J	14	32N	8W		1895'	SOUTH	1810'	EAST	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
J									

12. Dedicated Acres 320 E/2	13. Joint or Infill Y	14. Consolidation Code U	15. Order No.
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16	N88°18'W	5184.96'		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 Title Sr. Regulatory/Proration Clerk Date July 13, 2000
5285.94'				
N00°06'W				
				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 05/31/00 Signature and Seal of Registered Surveyor: HENRY P. BROADBENT, JR. NEW MEXICO 11393 Certificate Number 11393

PHILLIPS PETROLEUM COMPANY

SAN JUAN 32-8 UNIT No. 46A

1895' FSL, 1810' FEL

SE/4 SEC. 14, T-32-N, R-08-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

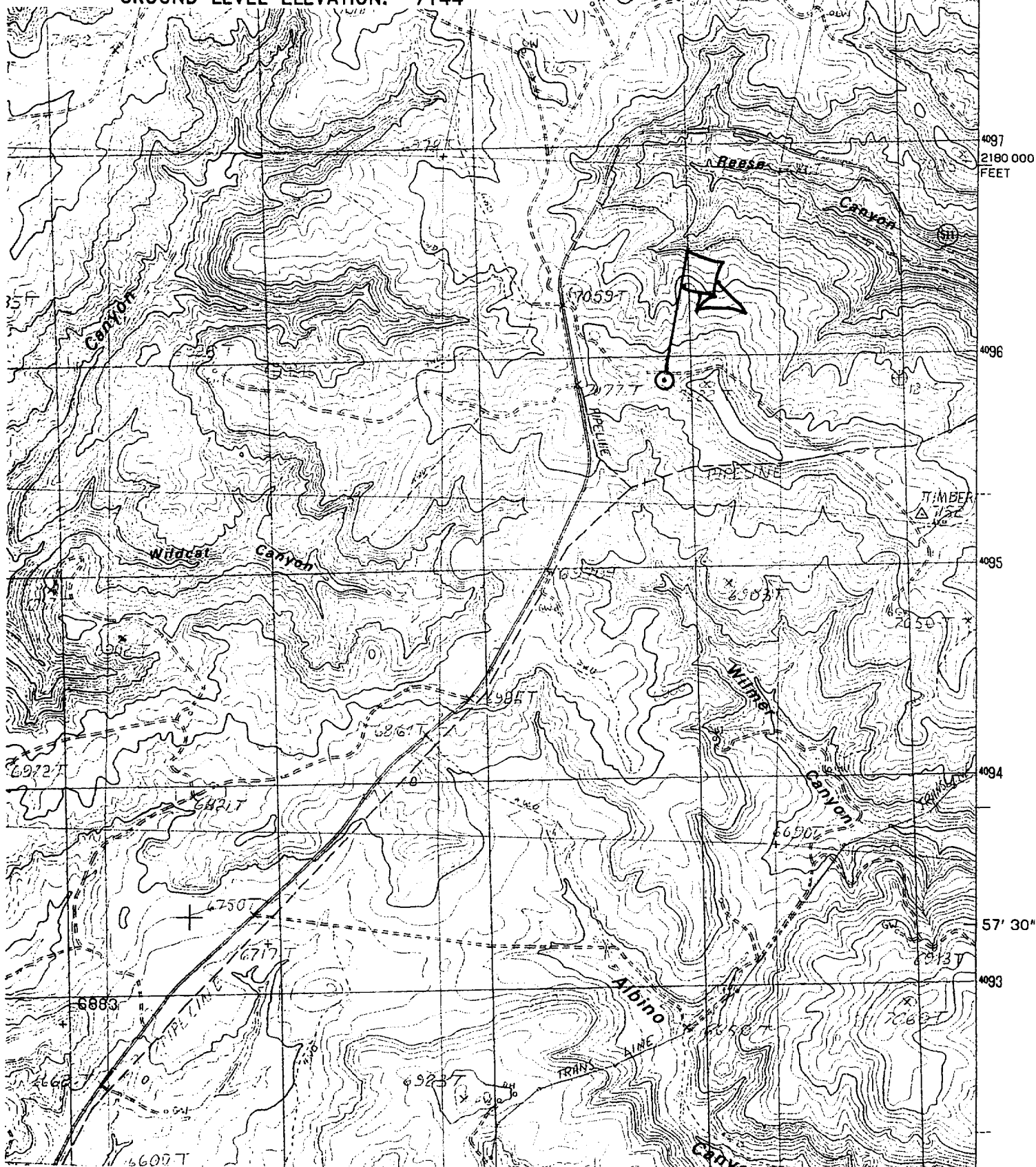
GROUND LEVEL ELEVATION: 7144'

ANASTACIO SPRING QUADRANGLE

NEW MEXICO-COLORADO

75 MINUTE SERIES (TOPOGRAPHIC)

A CO 265 560000 FEET 107° 37' 30" 37° 00'



PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 32-8 Unit #46A MV/PC

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit J, 1895' FSL & 1810' FEL
Section 14, T32N, R8W

2. Unprepared Ground Elevation: @ 7144' (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 6801'.

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

<u>Nacimiento - 1376'</u>	<u>Lewis Shale - 4341'</u>
<u>Ojo Alamo - 2756'</u>	<u>Cliff House Ss - 6066'</u>
<u>Kirtland Sh - 2806'</u>	<u>Menefee Fm. - 6121'</u>
<u>Fruitland Fm. - 3816'</u>	<u>Pt. Lookout - 6401'</u>
<u>Pictured Cliffs - 4036'</u>	<u>Mancos Sh - 6591'</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 - 2756' - 2808'</u>
Gas & Water:	<u>Fruitland - 3616' - 4036'</u>
Gas:	<u>Pictured Cliffs Ss - 4036' - 4341'</u>
	<u>Mesaverde Gp - 6066' - 6591'</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 @ ~~4305'~~ (J-55 will be used, unless the K-55 is the only casing available. 4671')

Production String: 4-1/2", 11.6#, I-80 @ ~~6673'~~ (TD) 6801'

* 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: 158.5 sx Type III cement + 2% bwoc Calcium Chloride + 0.25#/sx Cello-flake + 60.6% FW (1.41 yield = 223 cf).

9. Cement Program (cont.)

Intermediate String: **Lead Cement:** 551.1 x 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 = 1306). 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 *: 182.8 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 = 389.4cf). 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.

12. The testing, logging, and coring programs are as follows:

D.S.T.s or cores: _____

Logs: DIL from surface casing to TD, CNL – FDC over zones of interest

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.