

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRI
ARTESIA (Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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.

4001 Penbrook Street Odessa, TX 79762

(915) 368-1488

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

660' FSL & 330' FEL

At proposed prod. zone

1650' FSL & 1980' FEL

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

23 MI. E CARLSBAD, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 330'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

7410' M.D.

20. ROTARY OR CABLE TOOLS

ROTARY

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

3216.1' G.L.

Kickoff-6200'
6372' TVD

22. APPROX. DATE WORK WILL START*

FEBRUARY, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	J-55, 13-3/8"	48#	393'	800 SX CL "C"
12-1/4"	J-55, 8-5/8"	24#	3497'	1600 SX CL "C"
7-7/8"	J-55, 5-1/2"	15.5#	7540'	400 SX CL "C" NEAT (1ST STAGE)
4-3/4"	O.H.	-	-	750 SX CL "C" NEAT (2ND STAGE)

SEE ATTACHED

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

[Signature]

TITLE Senior Regulation Analyst

DATE 12/23/97

(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:

(ORIG. SCD) DAVID R. GLASS

PETROLEUM ENGINEER

APPROVED BY

TITLE

DATE

JAN 06 1998

*See Instructions On Reverse Side

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.

SIDE-TRACK PROCEDURE FOR PEAKVIEW WELL NO. 1

NOTE: There is a slight possibility that an undrained sand section with original reservoir pressure of 2900 psia @ 6334' could be encountered while drilling the 1000' lateral.

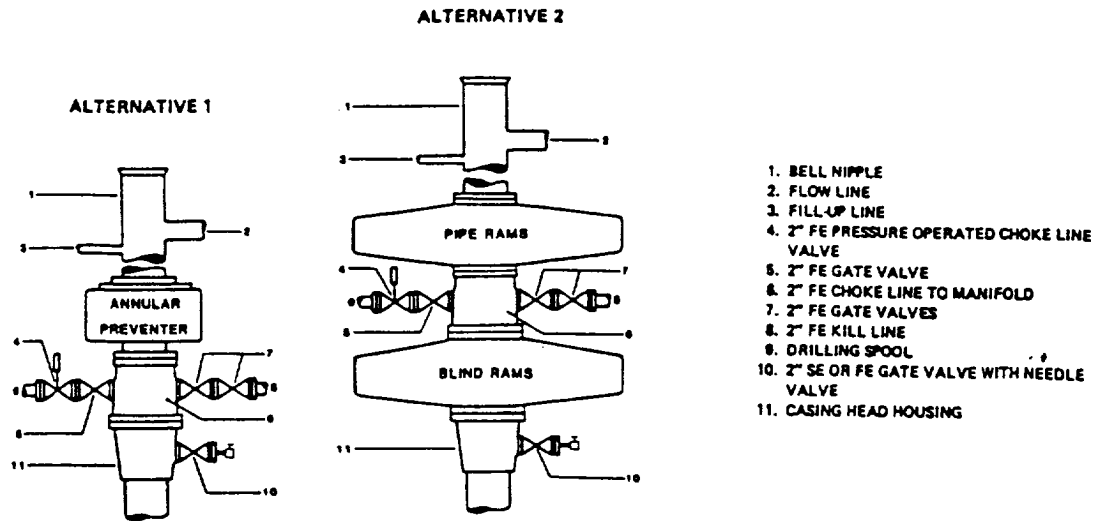
1. MI and RU Workover Rig. Check tubing and casing pressures. SI well.
2. Kill well with 2 % KCl fluid (with iron precipitate inhibitor.) (**Note: The conditions may require using heavier fluid to kill the well**). Observe the well for 30 minutes for flow. POOH with rods and pump. ND tree. NU a hydraulic controlled BOP stack and test per PPCo. Well Control Manual. (Class 2 BOP is needed but it is recommended to use double rams preventer plus hydril).
3. POOH with 2 7/8" production tubing and stand 2 7/8" tubing in derrick. RIH with bit and scraper on production tubing to 7540' TVD. POOH.
4. RU electric line unit and test lubricator to 500 psi. Make a gauge ring run with GR/CCL to 6600'TVD. RIH with CIBP and set at 6230' TVD.
5. RIH with gyro to top of CIBP to determine the bottomhole well location. **Note: Call in bottomhole location immediately to Phoenix Drilling Services to finalize the directional plans.**
6. RIH with whipstock on 2 7/8" PH_6 working string to 6230' TVD . RU electric line unit and run a gyro to orient whipstock and set top at 6215' TVD. Cut window and initiate pilot hole to KOP at 6225' TVD with 2% KCl fluid. Pump a high-vis pill to remove all cuttings and junk from the wellbore. Circulate and condition hole until returns are clean. Trip out of hole.
- 8.. Pick up the following BHA.(see attached schematic)
 - a. 4 3 /4" bit.
 - b. 3 1/2" Short Radius Motor.
 - c. 3 1/2" Orienting sub.
 - d. Two non-magnetic collars
 - e. x-over (3 1/2" X 2 7/8" PH-6)
 - f. 2 7/8" PH-6 tubing
9. RIH with BHA to KOP @ 6225' TVD and break circulation with 2 % KCl fluid. Drill one foot to insure proper operation of motor.

10. Run in hole with surface recording gyro. Survey per state requirements and seat in mule shoe. Orient tool face to desired azimuth.
11. Begin pumping fluid and drill ahead slowly checking tool face orientation as necessary with the gyro until sufficient inclination has been built to steer from high side toolface reading. POOH with gyro tool.
12. Pick up steering tool and run in hole to seat in mule shoe. Rig up the wet connect. Continue drilling at the same flow rate and pressure. Complete the build portion. (**Note: The build portion will be determined after the bottomhole location is established and will be submitted to the job site upon completion.**)
13. TOOH to the wet connect subs and retrieve steering tool. Finish TOOH with BHA no. 1.
14. Pick up, orient and test BHA No. 2 per onsite directional engineer. Trip in hole to 6634' MD. PU steering tool and run in hole to seat in mule shoe. RU the wet connect. Continue drilling to 7634' MD.
15. Drill ahead with 2 % KCl fluid to the programmed well path. (**Note: The final well path will be completed and submitted to the job site when the bottomhole location is established.**)
16. TOOH to wet connect subs and retrieve steering tool. Finish TOOH with BHA no. 2 (**Note: Lay down all of the 2 7/8" PH-6 tubing**).
17. RIH with 2 7/8" production tubing and set at 6095' TVD. ND BOP. NU and test wellhead. Run rods and pump. RD and release rig . Turn well over to production.

CASING AND TUBING DESIGN SPECIFICATIONS:

Casing Size, Wt. & Grade	Burst	Collapse	Tension
5 1/2" 15.5 J-55 LT&C	4510	3810	131 K
Tubing Size, Wt & Grade			
2 7/8" 6.5# J-55 IPC	5930	6670	67.6K

FIELD PRACTICES AND STANDARDS



NOTE: THE DRILLING SPOOL MAY BE LOCATED BELOW BOTH SETS OF RAMS IF A DOUBLE PREVENTER IS USED AND IT DOES NOT HAVE SUITABLE OUTLETS BETWEEN RAMS

Figure 7-9. Standard Hydraulic Blowout Preventer Assembly
(2 M or 3 M Working Pressure) Alternative 1

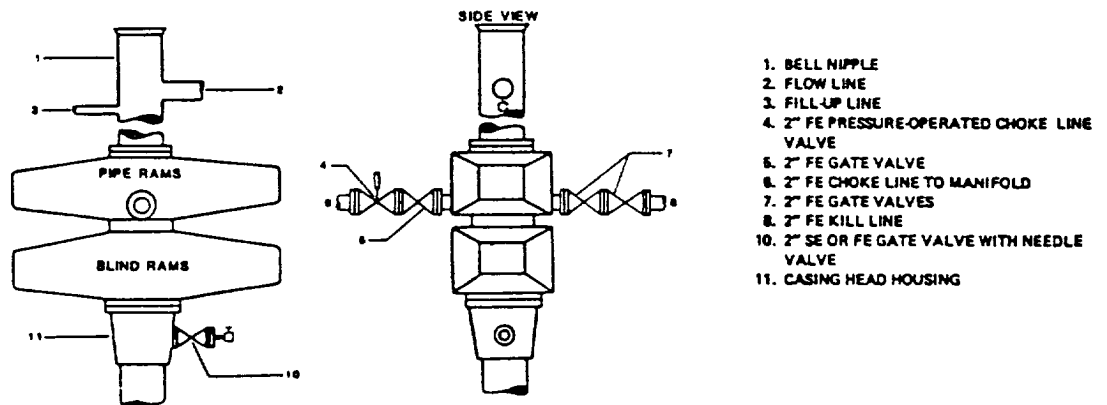


Figure 7-10. Standard Hydraulic Blowout Preventer Assembly
(2 M or 3 M Working Pressure) Alternative 3 (without Drilling Spool)

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
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

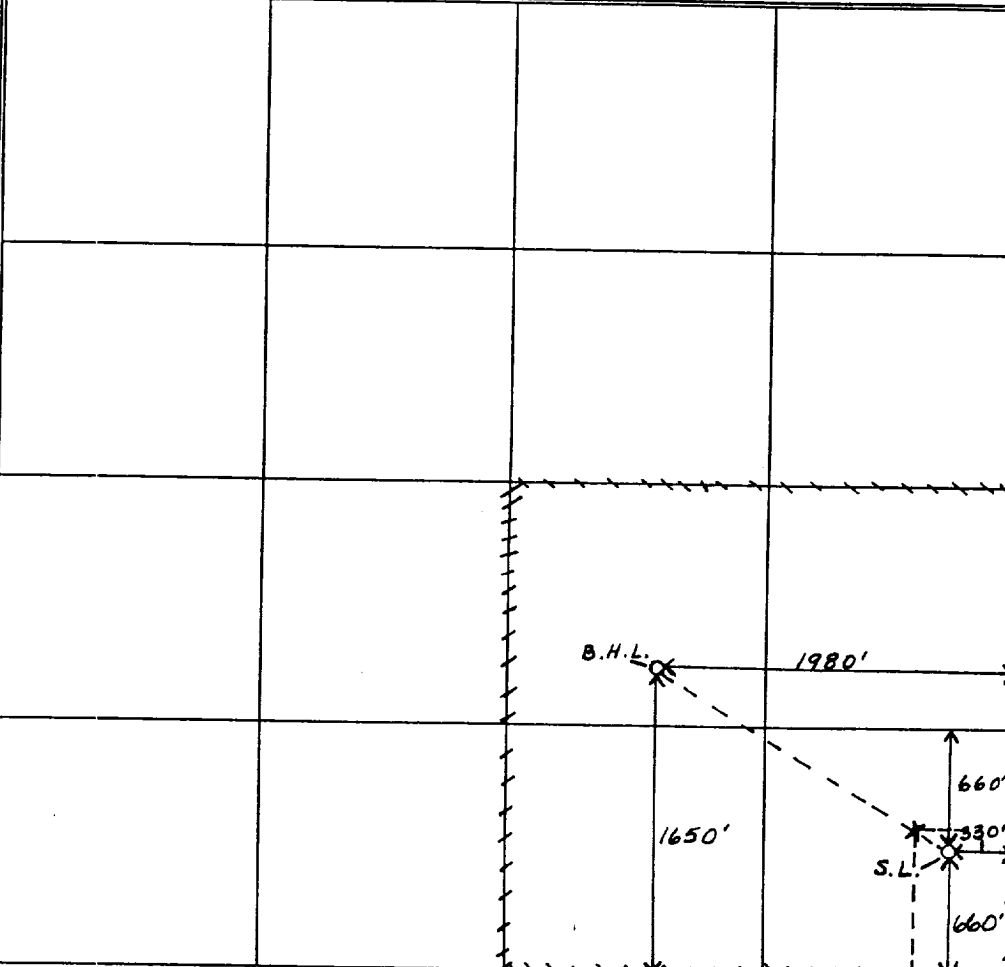

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-26678		² Pool Code 08435		³ Pool Name CABIN LAKE (DELAWARE)	
⁴ Property Code 009131		⁵ Property Name PEAK VIEW			⁶ Well Number 1
⁷ OGRID No. 017643		⁸ Operator Name Phillips Petroleum Company			⁹ Elevation 3216.1' G.L.

¹⁰ Surface Location									
UL or lot no. P	Section 35	Township 21-S	Range 30-E	Lot. Idn	Feet from the 660'	North/South Line SOUTH	Feet from the 330'	East/West line EAST	County EDDY

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. J	Section 35	Township 21-S	Range 30-E	Lot. Idn	Feet from the 1650'	North/South Line SOUTH	Feet from the 1980'	East/West line EAST	County EDDY
¹² Dedicated Acres 160		¹³ Joint or Infill N	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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature LARRY M. SANDERS Printed Name SENIOR REGULATIONS ANALYST Title 12/23/97 Date
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> March 14, 1991 Date of Survey Signature and Seal of Professional Surveyer: 4882 Certificate Number

H+H = Project Area (160 acres)
X = TVD at 200' from wellbore
760' FSL 500' FEL

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator PHILLIPS PETROLEUM			Lease PEAKVIEW		Well No. # 1
Unit Letter P	Section 35	Township 21-SOUTH	Range 30- EAST	County EDDY	
Actual Footage Location of Well: 660 feet from the SOUTH line and 330 feet from the EAST line					
Ground level Elev. 3215'		Producing Formation CABINLAKE (DELAWARE)		Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or leadless marks on the plat below.

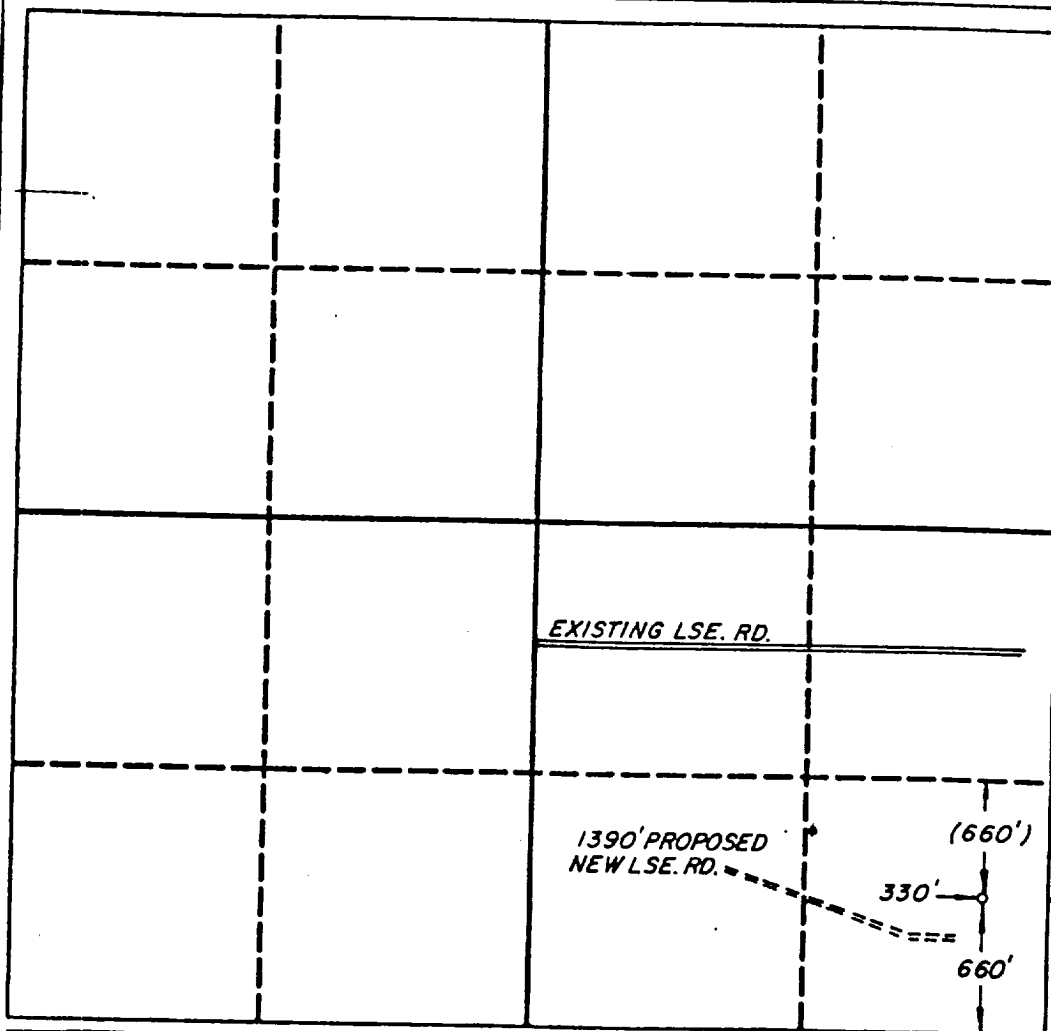
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

Position

Company

Date

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 knowledge and belief.

Date Surveyed

MARCH 14, 1991

Signature & Seal of
Professional Surveyor

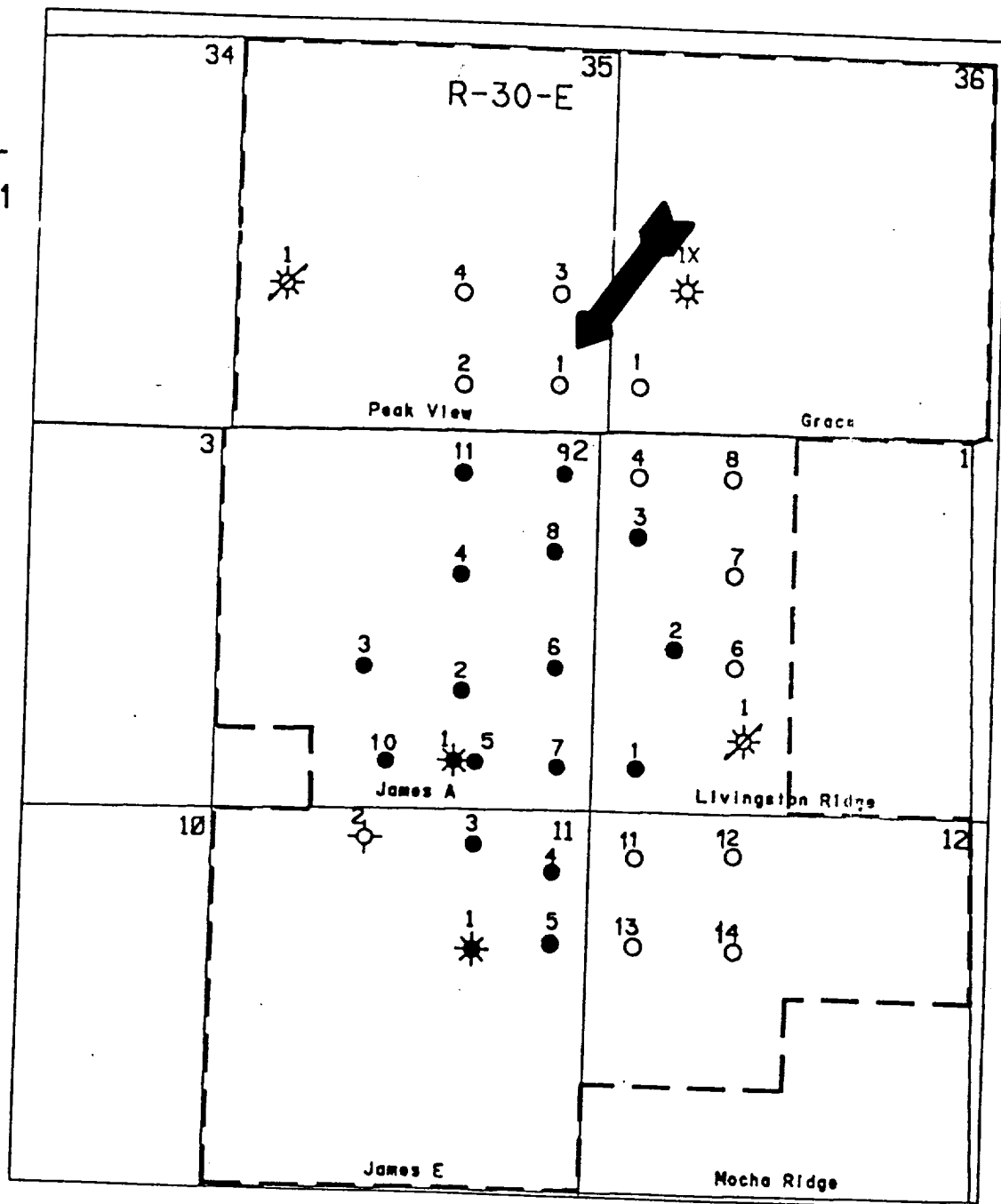
Bill B. Francis

Certificate No.

4882

T
21
S

T
22
S



PHILLIPS PETROLEUM COMPANY			
PERMIAN BASIN GEOLOGY			
CABIN LAKE FIELD			
T-21,22-S , R-30-E			
EDDY CO., NEW MEXICO			
LOCATION MAP			
DATE	BY	SCALE	DATE
10-1-50	J.L.T.	1/4" = 1 MILE	10-1-50
APPROVED BY		FOR FILE	
J.L.T.		J.L.T.	



PHILLIPS PETROLEUM COMPANY

4001 PENBROOK
ODESSA, TEXAS 79762

EXPLORATION AND PRODUCTION
Permian Profit Center

December 30, 1997

Mr. Tim Gum
State of New Mexico
Oil Conservation Division
811 S. First Street
Artesia, NM 88210

Dear Mr. Gum:

Phillips Petroleum Company is proposing to drill a lateral extension from an existing vertical wellbore in Eddy County, NM. The well is the Peak View #1 (API #30-015-26678) originally completed as Cabin Lake (Delaware) in 1991 and drilled to 7540' TVD. The proposed 1000 ft. horizontal lateral will be drilled to a total measured depth of 7410' with a kickoff point of 6200'. The targeted TVD is 6372' at approximately 200' away from the wellbore to test the Middle Brushy Canyon (Delaware) sand. The lateral will be drilled in a northwestern direction out of the Peak View #1 existing wellbore.

Since this is a Federal lease, copies of our application to the U. S. Bureau of Land Management are enclosed for your convenience. Your consideration given this matter is greatly appreciated. Should you have any questions, or require more information, please feel free to call me at (915) 368-1488 or Celeste Dale (915) 368-1667.

Sincerely,

Larry M. Sanders
Senior Regulations Analyst

LS/cgd