

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. NMSF078410 |
| 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. NMNM78415A |
| 3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401 | | 8. Lease Name and Well No. SJ 29-5 Unit #4B |
| 3b. Phone No. (include area code) 505-599-3454 | | 9. API Well No. 30-039-26993 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements) At surface Unit E. 2333' FNL & 147' 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* 24 miles east of Blanco, NM | | 11. Sec., T., R., M., or Blk. and Survey or Area E Sec. 6, T29N, R5W |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 147' | 16. No. of Acres in lease 920.88 acres | 17. Spacing Unit dedicated to this well 320.22 W/2 |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth 5978' | 20. BLM/BIA Bond No. on file ES0048 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6514' GL | 22. Approximate date work will start* 4th Qtr 2002 | 23. Estimated duration 20 days |

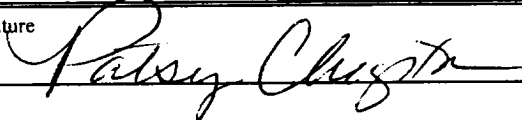
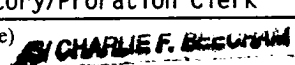
This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

24. Attachments

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

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  | Name (Printed/Typed) Patsy Clugston | Date 4/22/02 |
| Title Sr. Regulatory/Proration Clerk | | |
| Approved by (Signautre)  | Name (Printed/Typed) | Date AUG 9 2002 |
| Title Acting AFM Minerals | Office FFO | |

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)

2002 AUG 23 PM 4:23
BUREAU OF LAND MANAGEMENT
FARMINGTON, NM

District I
100 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, 1992

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 30-039-26 993 | | 2 Pool Code 72319 | | 3 Pool Name Blanco Mesaverde | | | |
| 4 Property Code 009256 | | 5 Property Name SAN JUAN 29-5 UNIT | | | | 6 Well Number 4B | |
| 7 OGRID No. 017654 | | 8 Operator Name PHILLIPS PETROLEUM COMPANY | | | | 9 Elevation 6514' | |

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 |
|---------------|----------|------------|-----------|---------|---------------|------------------|---------------|----------------|-------------------|
| E | 6 | 29N | 5W | | 2333' | NORTH | 147' | WEST | RIO ARriba |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | | | | | | | | | |

| | | | |
|---|--------------------------------|-----------------------------------|--------------|
| 12 Dedicated Acres 320.22 W/2 | 13 Joint or Infill Y | 14 Consolidation Code U | 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

| | | | | | | |
|--|--|---|---|---|--|---|
| 16 5280.00' 2333' 147' South | 4 | 3 | 2 | 1 | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Patsy Clugston</i> Signature Patsy Clugston Printed Name Sr. Regulatory/Proration Clerk Title 10-8-01 Date | |
| | Section 6 SF-078410 920.88 acres | | | | | 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 8/28/01 Date of Survey Signature and Seal of Professional Surveyor PROFESSIONAL SURVEYOR Certificate Number |
| | S89°53'E | | | | | |
| | 5276.04' | | | | | |

PHILLIPS PETROLEUM COMPANY

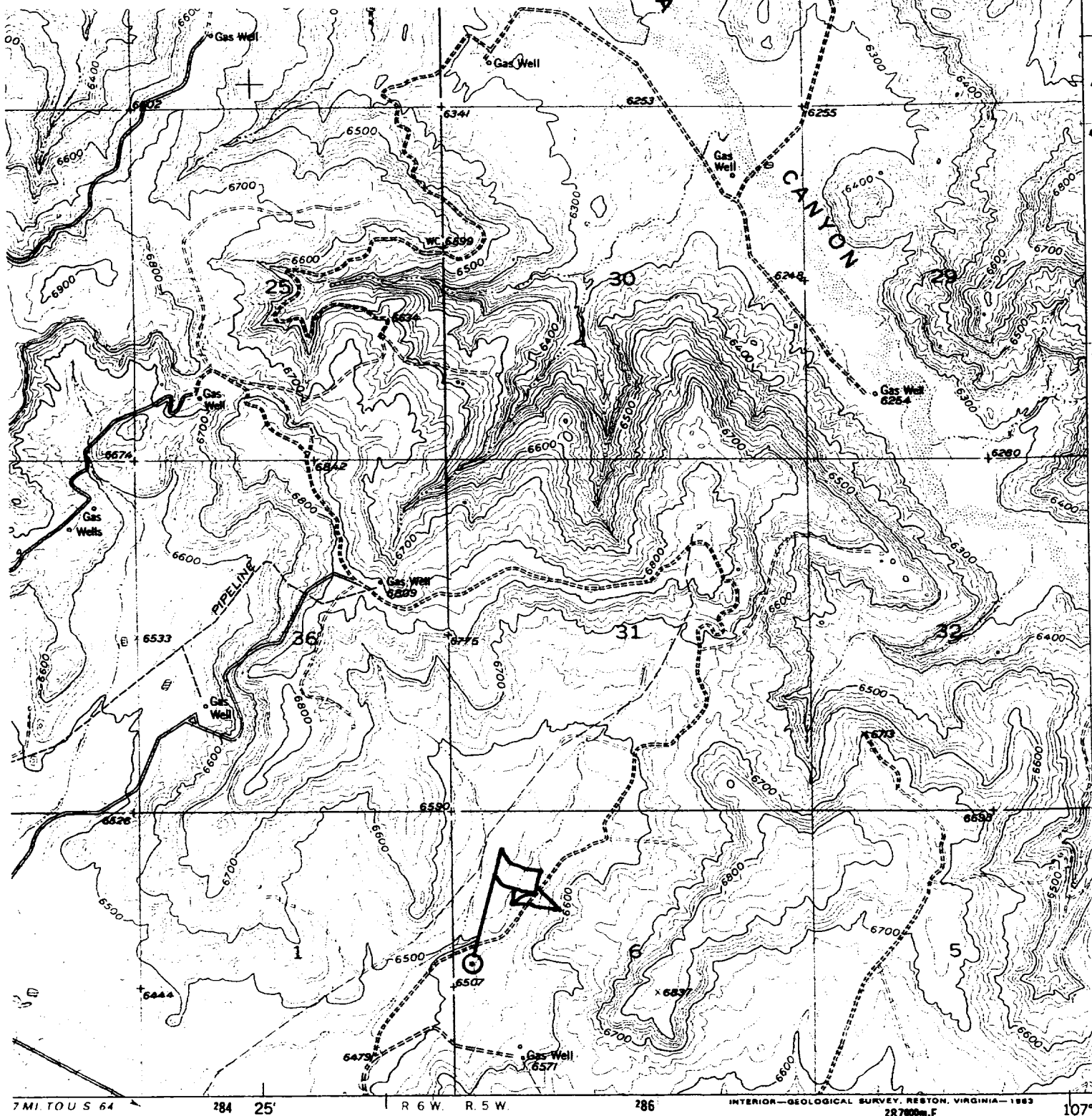
SAN JUAN 29-5 UNIT No. 4B

2333' FNL, 147' FWL

NW/4 SEC. 6, T-29-N, R-05-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6514'



7 MI. TO US 64

284 25'

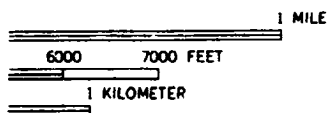
R 6 W. R 5 W.

286

INTERIOR-GEOLOGICAL SURVEY, RESTON, VIRGINIA-1983

287000m E

107°



GOMEZ RANCH QUADRANGLE

Light-duty Unimproved dirt

PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 29-5 Unit #4 B (MV)

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit E, 2333' FNL & 147' FWL
Section 6, T29N, R5W
2. Unprepared Ground Elevation: @ 6514' (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 5978'.
6. The estimated tops of important geologic markers are as follows:

| | |
|--------------------------------|-------------------------------|
| <u>Nacimiento - 1359'</u> | <u>Lewis Shale - 3625'</u> |
| <u>Ojo Alamo - 2621'</u> | <u>Cliff House Ss - 5327'</u> |
| <u>Kirtland Sh - 2785'</u> | <u>Menefee Fm. - 5367'</u> |
| <u>Fruitland Fm. - 3122'</u> | <u>Pt. Lookout - 5647'</u> |
| <u>Pictured Cliffs - 3472'</u> | <u>Mancos Sh - 5778'</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 - 2621' - 2785'</u> |
| Gas & Water: | <u>Fruitland - 3122' - 3472'</u> |
| Gas: | <u>Pictured Cliffs - 3472' - 3625'</u> |
| | <u>Mesaverde - 5327' - 5778'</u> |

8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3# H-40 @ 320' *
Intermediate String: 7", 20#, J/K-55 @ 3725' (J-55 will be used, unless the K-55 is the only casing available.
Production String: 4-1/2", 11.6#, J-55 @ 5978' (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: 197.6 sx Type III cement + 2% bwoc Calcium Chloride + 0.25#/sx Cello-flake + 60.6% FW (1.41 yield = 278 cf).

9. Cement Program (cont.)

Intermediate String: **Lead Cement:** 468.0 sx Type III cement (35:65) POZ + 5#/sx Gilsonite + 0.25 #/sx Cello-Flake + 6% bwoc Bentonite + 10#/sx CSE + 3% bwow KCL + 0.4% bwoc FL-25 + 0.02#/sx static free + 129% FW (2.37 yield = 1109). 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).

2nd Lead Cement: 104.6 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 = 243 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 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.

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.