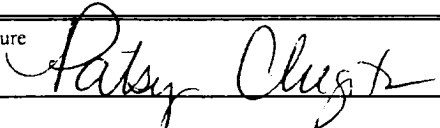
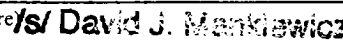


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. NMSF078999	
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 31-6 Unit	
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. Lease Name and Well No. SJ 31-6 Unit #55	
3b. Phone No. (include area code) 505-599-3454		9. API Well No. 30-039-26990	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit F. (SENW) 1496' FNL & 1782' FWL At proposed prod. zone same as above		10. Field and Pool, or Exploratory Rosa Pictured Cliffs	
14. Distance in miles and direction from nearest town or post office* 23 1/2 miles NE of Blanco, NM		11. Sec., T., R., M., or Blk. and Survey or Area F Section 27, T31N, R6W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1496'	16. No. of Acres in lease 2560 acres	17. Spacing Unit dedicated to this well 160 NW/4	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 3637'	20. BLM/BIA Bond No. on file ES0048	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6425' GL	22. Approximate date work will start* 2nd 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. 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 4/22/02	
Title Sr. Regulatory/Proration Clerk			
Approved by (Signature) 	Name (Printed/Typed)	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)

APR 22 2002

61 47 11 22 00 2002

APR 22 2002

✓

District I
190 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-1
Revised October 18, 19
Instructions on ba
Submit to Appropriate District Off
State Lease - 4 Cop
Fee Lease - 3 Cop

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APN Number 30-039-26990	¹ Pool Code 96175	¹ Pool Name Rosa Pictured Cliffs
⁴ Property Code 009259	⁵ Property Name SAN JUAN 31-6 UNIT	⁶ Well Number 55
⁷ OGRID No. 017654	⁸ Operator Name PHILLIPS PETROLEUM COMPANY	⁹ Elevation 6425'

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
F	27	31N	6W		1496'	NORTH	1782'	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

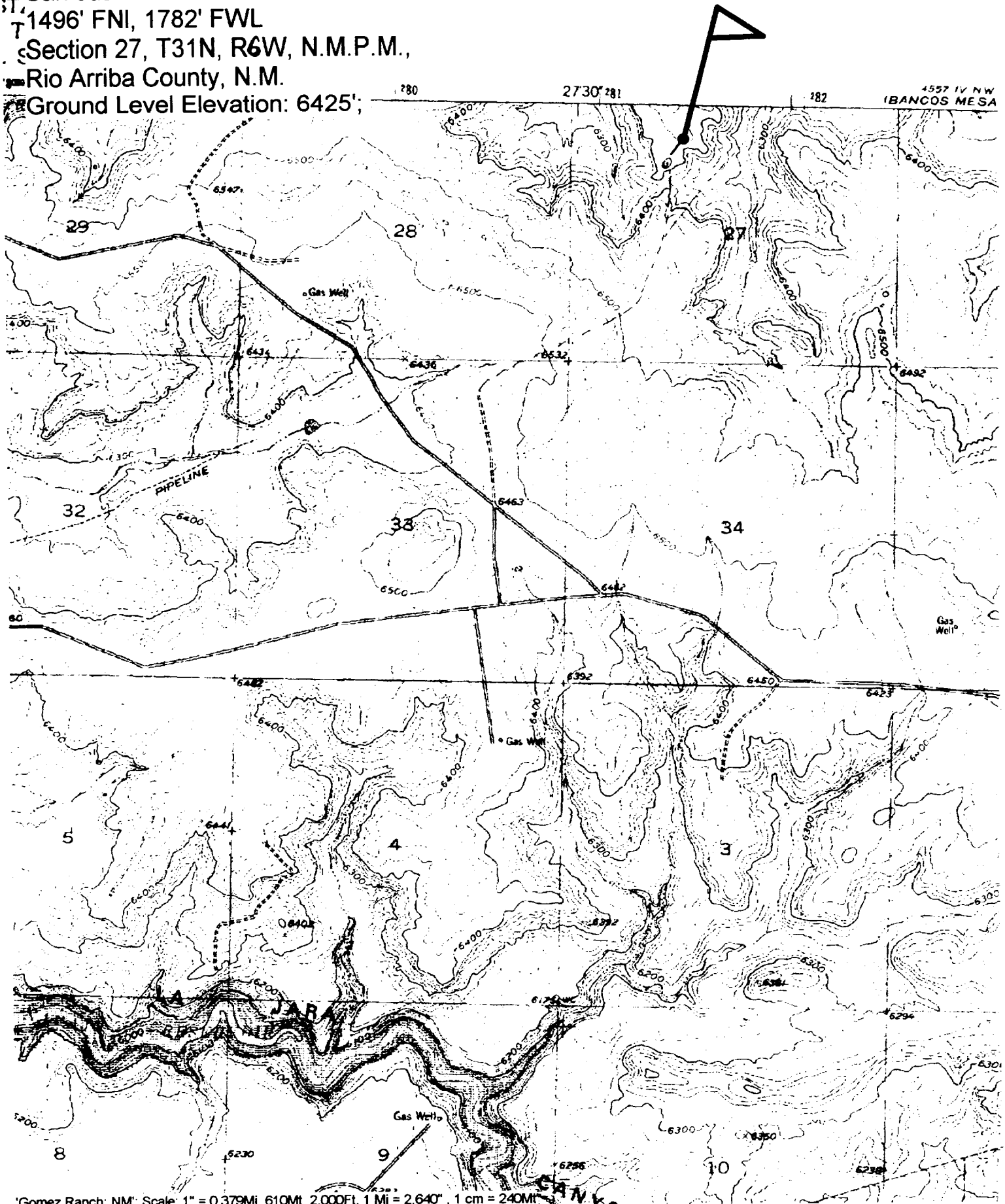
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F									

¹² Dedicated Acres 160 NW/4	¹³ Joint or Infill J	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
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶	N89°40'E	5257.56'	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 10-25/01
1782'	1496'	SF-078999 2560.0 acres	5280.00'
5280.00'	Section 27		
N00°02'E			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from original surveys made by me or under my supervision, and the same is true and correct to the best of my belief. Date of Survey 10/23/01 Signature and Seal of Professional Surveyor [Seal] Certificate Number
	N89°53'E	5266.8'	

Phillips Petroleum Co.
 San Juan 31-6 Unit No. 55
 1496' FNI, 1782' FWL
 Section 27, T31N, R6W, N.M.P.M.,
 Rio Arriba County, N.M.
 Ground Level Elevation: 6425';



Gomez Ranch, NM; Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640", 1 cm = 240Mt

PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 31-6 Unit #55 (PC)

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit F, 1496' FNL & 1782' FWL
Section 27 T31N, R6W, Rio Arriba, NM

2. Unprepared Ground Elevation: @ 6425'.

3. The geological name of the surface formation is San Jose.

4. Type of drilling tools will be rotary.

5. Proposed drilling depth is 3637'.

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

<u>Nacimiento Fm. -</u>	<u>987'</u>
<u>Ojo Alamo -</u>	<u>2460'</u>
<u>Kirtland -</u>	<u>2587'</u>
<u>Fruitland -</u>	<u>3087'</u>
<u>Pictured Cliffs -</u>	<u>3300'</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 - 2460' - 2587'</u>
Gas & Water:	<u>Fruitland - 3087' - 3300'</u>
Gas:	<u>Pictured Cliffs- 3300' - 3587'</u>

8. The proposed casing program is as follows:

Surface String: 8.5/8", 24#, J or K-55 ST&C @ 285'
Production String: 4-1/2", 11.6#, J or K-55 @ 3637'

Surface Centralizers - 10' above shoe & at 2nd, 4th, and 6th joints

Production Centralizers - 10' above shoe & at 1st, 2nd, 4th, 6th, & 8th jts & 1 jt above surface casing shoe.

Turbulators : 1st joint below Ojo Alamo (base 2617') and next 2 jts up.

9. Cement Program:

Surface String: 201.2 sx Class H with 2% CaCl₂ + 1/4#/sx Cello Flake mixed at 15.6 ppg with 1.2 ft³/sx yield or quantity sufficient to circulate cement to surface (243 cf).

Production String:

Lead 326.5 sx 35/65 (POZ/Class H) cement with 6% Bentonite & 5#/sx Gilsonite, & 1/4#/sx Celloflake 2.1 ft³/sx yield (685.65 cf) (100% excess)
must have minimum 100' overlap w/ surface casing
Tail 61 sx Class H cement with 1/4#/sx Celloflake, 5#/sx Gilsonite, 2% CaCl₂ & 0.3% FL-52. Yield 1.21 (74 cf).

Note: Phillips Petroleum continually works to improve the cement slurries on our wells. BJ Services is currently trying to improve what we are using now and before we would use a new cement program it would have to have stronger properties than we are currently using.

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 Hole – water with native clays & bentonite as needed.
 Production Hole – Water with native clays, bentonite and LCM as needed VIS 35-40 All low solids, nondispersed, 9.0+ ppg, fresh water base mud.
12. The testing, logging, and coring programs are as follows:
D.S.T.s or cores: _____
Logs: GSL & GR/CCL/CBL
13. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H₂S equipment will be used.
Estimated bottomhole pressures:
Fruitland – 1300 psi
Pictured Cliffs – 1100 psi
14. Anticipated starting date is sometime in the 2nd Quarter of 2002 with duration of drilling operations for approximately 20 days thereafter.

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.