

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-078996	
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 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 32-7 Unit	
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. Lease Name and Well No. SJ 32-7 Unit #19A	
3b. Phone No. (include area code) 505-599-3454		9. API Well No. 30-045-30376	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit G, 660' FNL & 2150' FEL At proposed prod. zone Same as above		10. Field and Pool, or Exploratory Blanco MV; S. Los Pins FS, PC	
14. Distance in miles and direction from nearest town or post office* 20 miles northeast of Blanco, NM		11. Sec., T., R., M., or Blk. and Survey or Area G Seciton 4, T31N, R7W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 660'	16. No. of Acres in lease 2537.37 acres	17. Spacing Unit dedicated to this well 323.15 (see plat)	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 6285'	20. BLM/BIA Bond No. on file ES0048	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6638' GR	22. Approximate date work will start* 4th Qtr 2000	23. Estimated duration 20 days	

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. | 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 <i>Patsy Clugston</i>	Name (Printed/Typed) Patsy Clugston	Date 9/12/00
Title Sr. Regulatory/Proration Clerk		
Approved by (Signautre)	Name (Printed/Typed)	Date 10/3/00
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 approval and
procedural requirements to 43 CFR 3160.3
and appeal pursuant to 43 CFR 3160.4.

R-1066

6438

RECEIVED

District I
 PO 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 APT Number 30-045-30376	¹ Pool Code 80690	¹ Pool Name So. Los Pinos Fruitland Sands Pictured Cliffs
⁴ Property Code 009260	³ Property Name SAN JUAN 32-7 UNIT	⁶ Well Number 19A
⁷ OGRID No. 017654	¹ Operator Name PHILLIPS PETROLEUM COMPANY	⁸ Elevation 6638'

¹⁰ Surface Location

UL or lot no. G	Section 4	Township 31N	Range 7W	Lot Idn	Feet from the 660'	North/South line NORTH	Feet from the 2150'	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

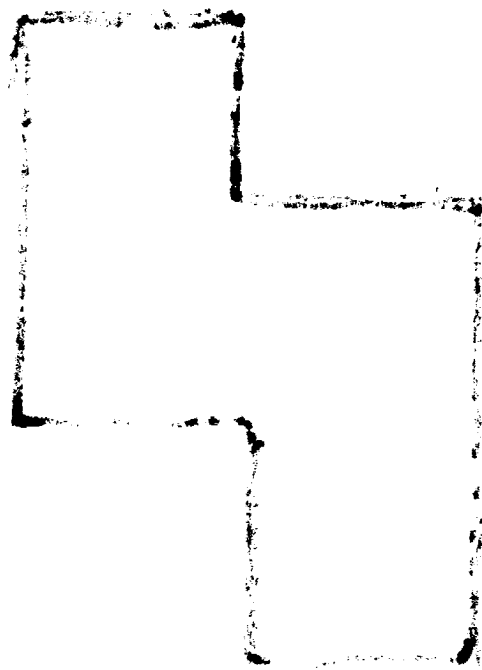
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¹² Dedicated Acres 148.89 323.15	¹³ Joint or Infill Y	¹⁴ Consolidation Code U	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</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><i>Patsy Clugston</i></p> <p>Signature Patsy Clugston</p> <p>Printed Name Sr. Regulatory/Proration Clerk</p> <p>Title 9-12-00</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>12/15/99</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Henry P. Broadhurst</i></p> <p>Certificate Number</p>							

R 6938
 Tract G-2
 Sec 4: Lot 6, NW 1/4 SE 1/4 and SW 1/4



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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-30376		² Pool Code 72319	³ Pool Name Blanco Mesaverde
⁴ Property Code 009260	⁵ Property Name SAN JUAN 32-7 UNIT		⁶ Well Number 19A
⁷ OGRID No. 017654	⁸ Operator Name PHILLIPS PETROLEUM COMPANY		⁹ Elevation 6638'

¹⁰ Surface Location

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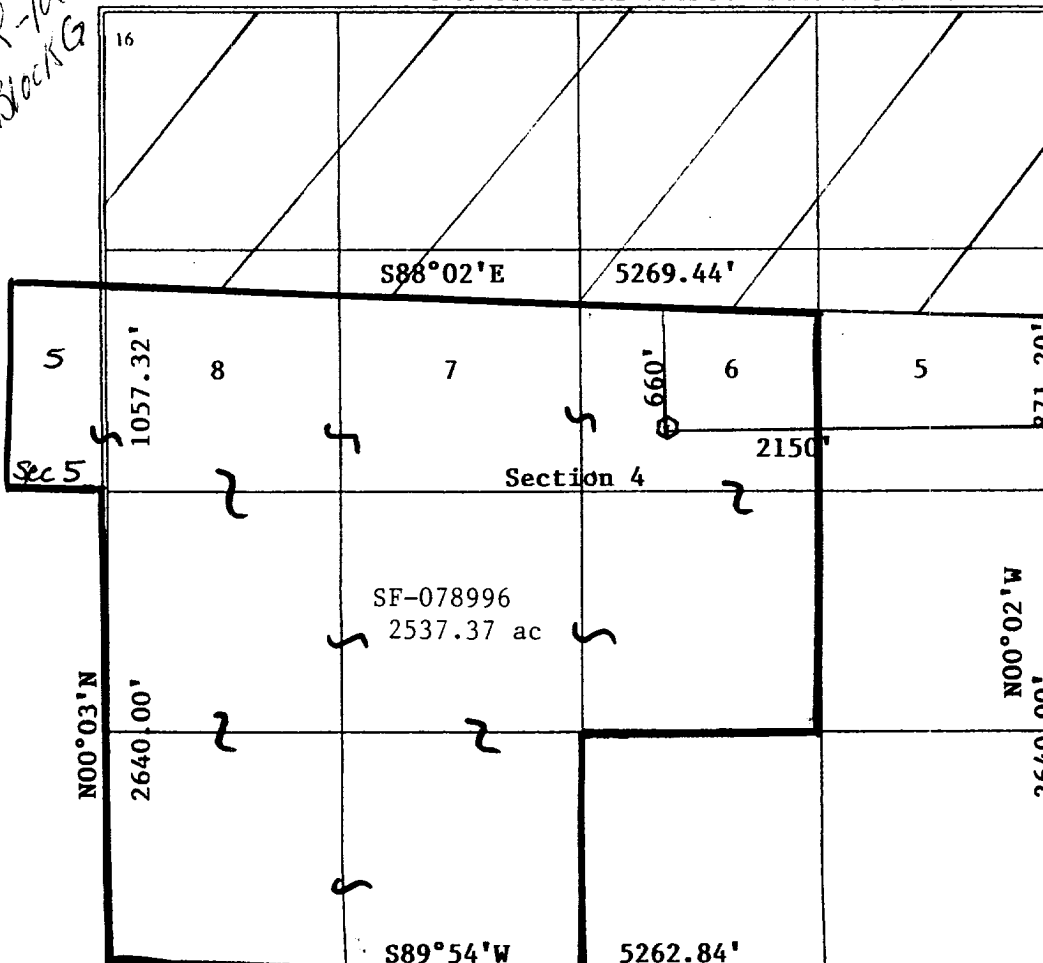
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R-1066
Block G



¹⁷ OPERATOR CERTIFICATION

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

Patsy Clugston
 Signature
 Patsy Clugston

Printed Name
 Sr. Regulatory/Proration Clerk
 Title
 9-12-00
 Date

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.

12/15/99
 Date of Survey
 Signature and Seal of Professional Surveyor:

Henry P. Broadhurst
 Certificate Number
 HENRY P. BROADHURST
 REGISTERED PROFESSIONAL SURVEYOR

PHILLIPS PETROLEUM COMPANY

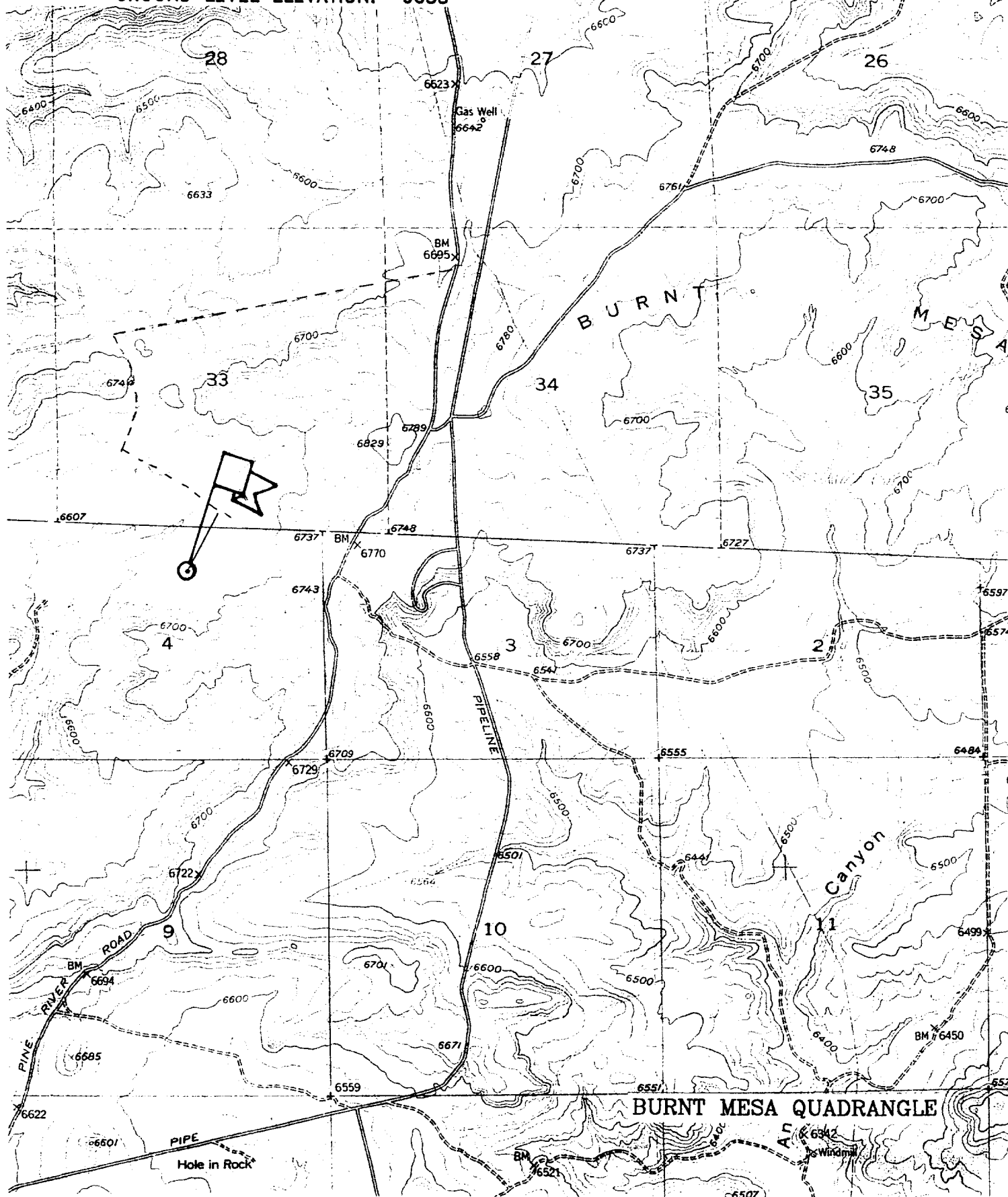
SAN JUAN 32-7 UNIT No. 19A

660' FNL, 2150' FEL

NE/4 SEC. 4, T-31-N, R-07-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6638'



PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 32-7 Unit #19 A MV/PC

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit G, 660' FNL 7 2150' FEL
Section 4, T31N, R7W
2. Unprepared Ground Elevation: @ 6638' (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 6285'.
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 1030'</u>	<u>Menefee Fm. - 5590'</u>
<u>Ojo Alamo - 2405'</u>	<u>Pt. Lookout - 5835'</u>
<u>Kirtland Sh - 2520'</u>	<u>Mancos Sh - 6155'</u>
<u>Fruitland Fm. - 3075'</u>	
<u>Pictured Cliffs - 3400'</u>	
<u>Lewis Shale - 3660'</u>	
<u>Cliff House Ss - 5530'</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 - 2405' - 2520'</u>
Gas & Water:	<u>Fruitland - 3075' - 3400'</u>
Gas:	<u>Pictured Cliffs Ss - 3400' - 3660'</u>
	<u>Mesaverde Gp - 5530' - 6155'</u>

8. The proposed casing program is as follows:

Surface String: 9-5/8", 36#, J/K-55 @ 320' * (may use 32.3# H-40 if 36# not available
Intermediate String: 7", 20#, J/K-55 @ 3875' (J-55 will be used, unless the K-55 is the
only casing available.
Production String: 4-1/2", 11.6#, I-80 @ 6285' (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: 158.5 sx Type III cement + 2% bwoc Calcium Chloride + 0.25#/sx Cello-flake + 60.6% FW (1.41 yield = 223 cf).

Intermediate String: **Lead Cement:** 466.4 sx 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 = 1105 cf). 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 *: 192.1 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 = 409 cf). 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.

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.