

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

5. Lease Serial No.
SF-081089

1a. Type of Work ☒ DRILL ☐ REENTER
1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ 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

3b. Phone No. (include area code)
505-599-3454

8. Lease Name and Well No.
SJ 32-8 Unit #1A

9. API Well No.
30-045-30411

4. Location of Well (Report location clearly and in accordance with any State requirements)*

At surface Unit J, 1870' FSL & 2393' FEL

10. Field and Pool, or Exploratory
Blanco Mesaverde

At proposed prod. zone Same as above

11. Sec., T., R., M., or Blk. and Survey or Area
J Section 23, T31N, R8W

14. Distance in miles and direction from nearest town or post office*

10 miles north of Navajo Dam, NM

12. County or Parish
San Juan

13. State
NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drg. unit line, if any)

1870'

16. No. of Acres in lease
320 acres

17. Spacing Unit dedicated to this well
320 E/2

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
6074'

20. BLM/BIA Bond No. on file
ES0048

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6447' GL

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.
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 *Patsy Clugston*
Title Sr. Regulatory/Proration Clerk

Name (Printed/Typed) Patsy Clugston
Date 10/27/00

Approved by (Signature) */s/ Jim Lovato*
Title

Name (Printed/Typed) *Jim Lovato*
Date DEC 20 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 3165.3 and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS APPROVED ARE
SUBJECT TO THE FOLLOWING ATTACHED
"GENERAL REQUIREMENTS"

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 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 30-045-30411		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 009261		5 Property Name SAN JUAN 32-8 UNIT			6 Well Number 1A
7 OGRID No. 017654		8 Operator Name PHILLIPS PETROLEUM COMPANY			9 Elevation 6447'

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	23	31N	8W		1870'	SOUTH	2393'	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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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	N89°39'W	5233.14'	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 10/27/00 Date
	5187.60'	SF-081089 320 acres Section 23 2393'	
N01°10'W	DEC 2000 RECEIVED OIL CON. DIV DIST. 3	1870'	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. 06/01/00 Date of Survey Signature and Seal of Professional Surveyer: Certificate Number
	N89°50'W	5212.68'	

PHILLIPS PETROLEUM COMPANY

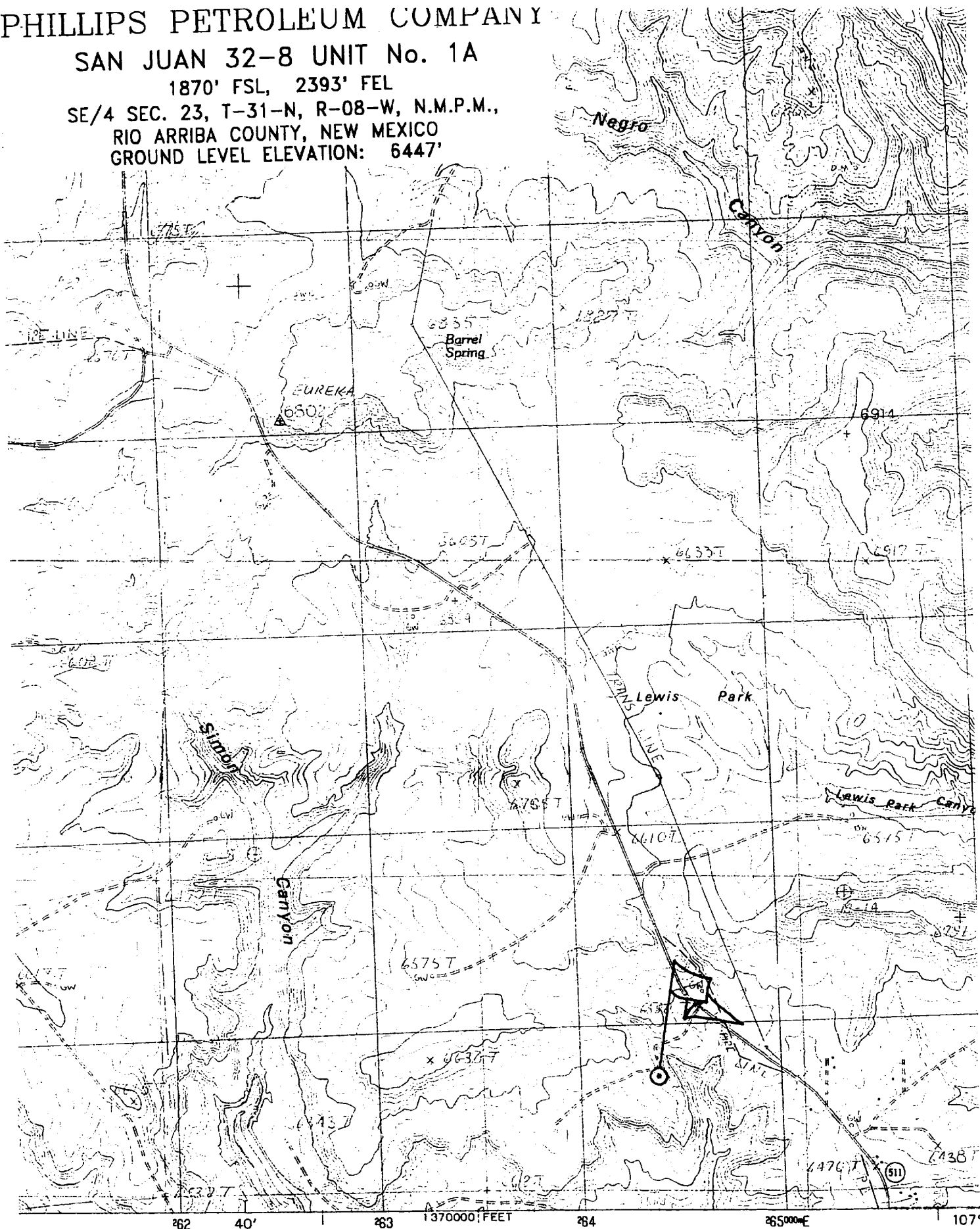
SAN JUAN 32-8 UNIT No. 1A

1870' FSL, 2393' FEL

SE/4 SEC. 23, T-31-N, R-08-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6447'



NEW MEXICO

ANASTACIO SPRING QUADRANGLE

INTERIOR-GEOLOGICAL SURVEY, RESTON, VIRGINIA

PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 32-8 #1A MV

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit J, 1870' FSL & 2393' FEL
Section 23, T31N, R8W
2. Unprepared Ground Elevation: @ 6447 (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 6074'.
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 849'</u>	<u>Lewis Shale - 3529'</u>
<u>Ojo Alamo - 2219'</u>	<u>Cliff House Ss - 5269'</u>
<u>Kirtland Sh - 2339'</u>	<u>Menefee Fm. - 5319'</u>
<u>Fruitland Fm. - 2994'</u>	<u>Pt. Lookout - 5624'</u>
<u>Pictured Cliffs - 3334'</u>	<u>Mancos Sh - 5899'</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 - 2219' - 2239'</u>
Gas & Water:	<u>Fruitland - 2994' - 3334'</u>
Gas:	<u>Mesaverde - 5269' - 5899'</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 @ 3719'
Production String (Liner): 4-1/2", 11.6#, N-80 @ 6074' (TD)-

9. Cement Program:

Surface String: 158.5 sx Type III cement with 2% bwoc CaCl₂ + 1/4#/sx Cello-flake mixed at 14.5 ppg with a 1.41 ft³/sx yield w/46.5% H₂O or sufficient to circulate to surface - 223 cf.

Note: Cement slurry calculations based on cement to surface with 140% excess hole volume.

Intermediate String: **Lead Cement:** 446.6 sx Type III cement (35:65) POZ with 5#/sx Gilsonite, 1/4#/sx Cello-flake, 6% bwoc gel (bentonite), 10#/sx CSE, 3% bwow KCL, 0.4% bwoc FL-25 mixed and 0.02#/sx Static Free mixed at 12.0 ppg with a yield of 2.37 ft³/sx – 1058 cf.

Tail Cement: 50 sx – Type III cement with 1/4#/sx4 Cello-flake and 1% CaCl₂ mixed at 14.5 ppg with a 1.40 ft³/sx yield (70 cf).

In the event we encounter fluid loss during drilling operations, a contingency plan for cementing the intermediate casing may require a stage collar. Phillips cannot predict exact volumes. However the 1st stage will be C1 H cement w/5#/sx Gilsonite, 0.25#/sx Cello-flake, 0.3% FL-25 & 2% CaCl₂ mixed at 15.2 ppg 1.28 yield. Stage 2 - lead slurry: 65 % Class H & 35% POZ w/6% Bentonite mixed at 12.6 ppg 1.79 cf/sx Tail Slurry - Class H w/2% CaCl₂ mixed at 15.6 ppg 1.20 yield. All attempt to be circulated to surface.

Production String

Lead: 165.1 sx Type III (35/65 POZ (Fly Ash) with 6% bwoc Bentonite, 10#/sx CSE, 0.2#/sx Static Free, 1% bwoc FL-52, 0.3% bwoc CD-32, 0.3% bwoc R-3 & 0.25#/sx Cello-Flake mixed at 12.3 ppg w/yield of 2.13 ft³ sx – 352 cf.

Note: The Production String casing cement is designed to cover openhole section (with 40% excess) and 100' inside the 7" shoe.

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.

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.

ATTACHMENT 1

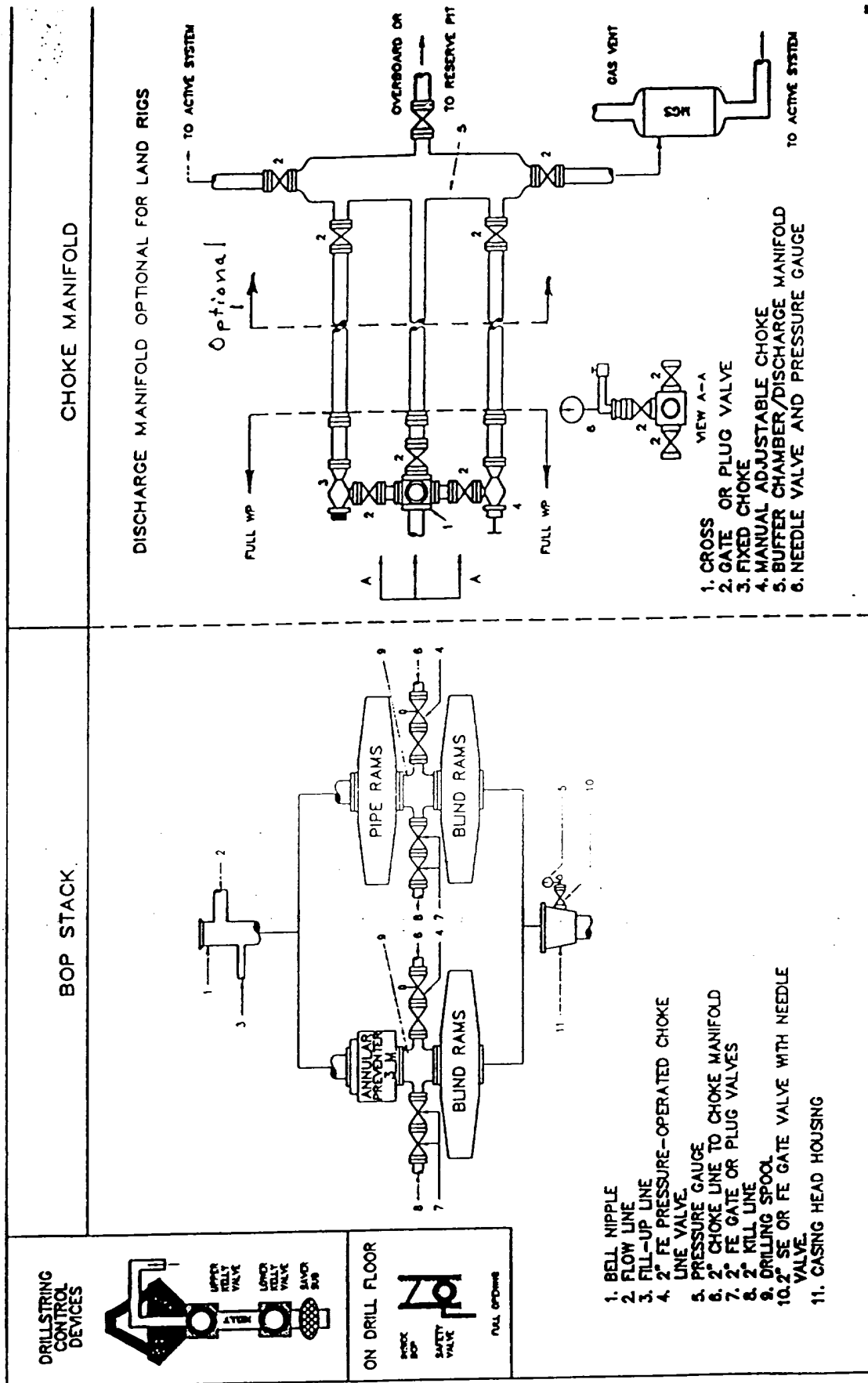


Fig. 2.4. Class 2 BOP and Choke Manifold.