Form 3160-3
(August 1999)

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.
NM-~~023752~~ 012641

1a. Type of Work [X] DRILL [ ] REENTER

6. If Indian, Allotee or Tribe Name

1b. Type of Well [ ] Oil Well [X] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

7. Unit or CA Agreement Name and No.
Blanco

2. Name of Operator
Phillips Petroleum Company

8. Lease Name and Well No.
Blanco #10A

3a. Address
5525 Highway 64, NBU 3004, Farmington, NM 87401

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

9. API Well No.
30-045-30913

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

At surface Unit C, 1039' FNL & 1453' FWL

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
C Section 26, T31N, R8W

14. Distance in miles and direction from nearest town or post office*
15 miles N/NE of Blanco, 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)
1039'

16. No. of Acres in lease
2160.8

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

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

19. Proposed De
592

Bond No. on file
ES0048

21. Elevations (Show whether DF, KDB, RT, GL, etc.
6284' GL

22. Approxim
4t

. Estimated duration
20 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Ord

orm:

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 cov 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)*	Date
Patsy Clugston	Patsy Clugston	10/27/00

Title
Sr. Regulatory/Proration Clerk

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ Jim Lovato		JAN 2 - 2001

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)

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

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

NMOCD

JAN 2001
RECEIVED
OIL CON. DIV.
DIST. 3

128 Lots Ent 320.96 AC.

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-10
Revised October 18, 199
Instructions on bac
Submit to Appropriate District Offic
State Lease - 4 Copie
Fee Lease - 3 Copie

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
30-045-30413	72319	Blanco Mesaverde

⁴ Property Code	⁵ Property Name	⁶ Well Number
009254	BLANCO UNIT	10A
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
017654	PHILLIPS PETROLEUM COMPANY	6284'

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
C	26	31N	8W		1039'	NORTH	1453'	WEST	SAN JUAN

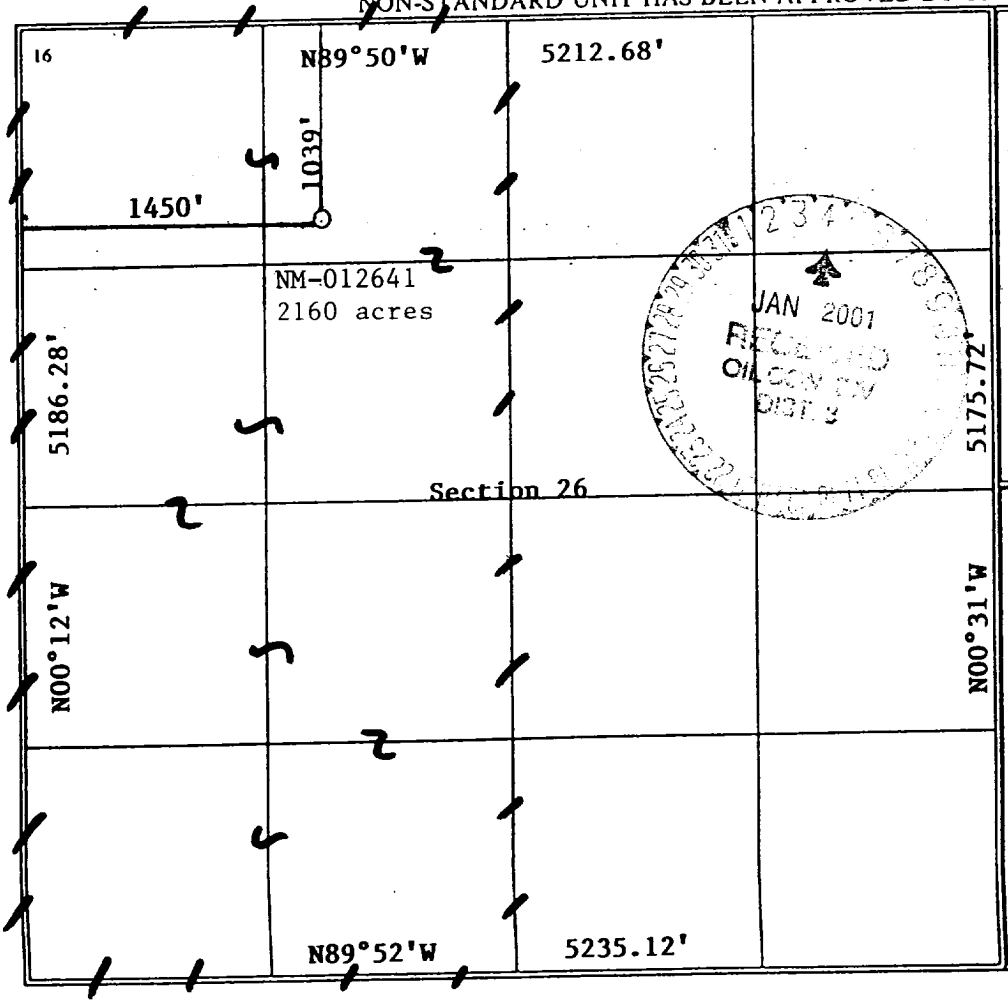
¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
~~320~~ W/2	Y		

310.86

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 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 Cler

Title

10/27/00

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.

07/13/00

Date of Survey

Signature and Seal of Professional Surveyer:

HENRY P. BROADHURST, JR.
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

PHILLIPS PETROLEUM COMPANY

BLANCO UNIT No.10A

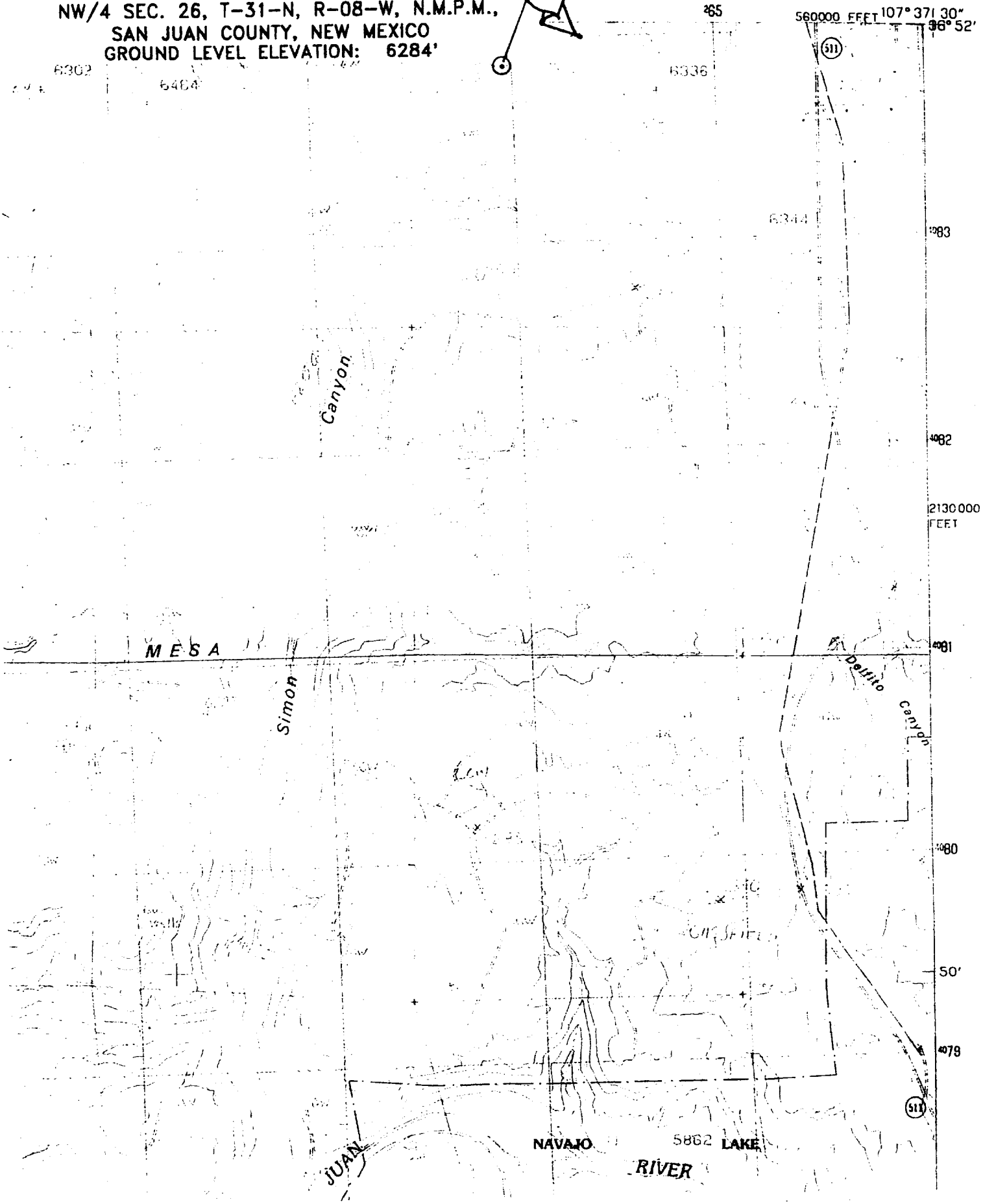
1039' FNL, 1453' FWL

NW/4 SEC. 26, T-31-N, R-08-W, N.M.P.M.,

SAN JUAN COUNTY, NEW MEXICO

GROUND LEVEL ELEVATION: 6284'

ARCHULETA QUADRANGLE
NEW MEXICO-SAN JUAN CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)



PHILLIPS PETROLEUM COMPANY

WELL NAME: Blanco #10A MV

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit C, 1039' FNL & 14153' FWL
   Section 26, T31N, R8W

2. Unprepared Ground Elevation: @ 6284 ' (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 5926 ' .

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

Naciamento - 641'	Lewis Shale - 3391'
Ojo Alamo - 2026'	Cliff House Ss - 5086'
Kirtland Sh - 2131'	Menefee Fm. - 5141'
Fruitland Fm. -2826'	Pt. Lookout - 5476'
Pictured Cliffs - 3196'	Mancos Sh - 5751'

7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Water:	Ojo Alamo - 2026' – 2131'
Gas & Water:	Fruitland - 2826' – 3196'
Gas:	Mesaverde - 5086' – 5751'

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 @ 3556'
Production String (Liner): 4-1/2", 11.6#, N-80 @ 5926' (TD)

9. Cement Program:
   Surface String: 158.5 sx Type III cement with 2% bwoc CaCl2 + ¼#/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:** 424.9 sx Type III cement (35:65) POZ with 5#/sx Gilsonite, ¼#/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 – 1007 cf.

Tail Cement: 50 sx – Type III cement with ¼#/sx4 Cello-flake and 1% CaCl2 mixed at 14.5 ppg with a 140. 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 Cl 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: 189 sx Type 3I (35/65 POZ (Fly Ash) w/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 402.5 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

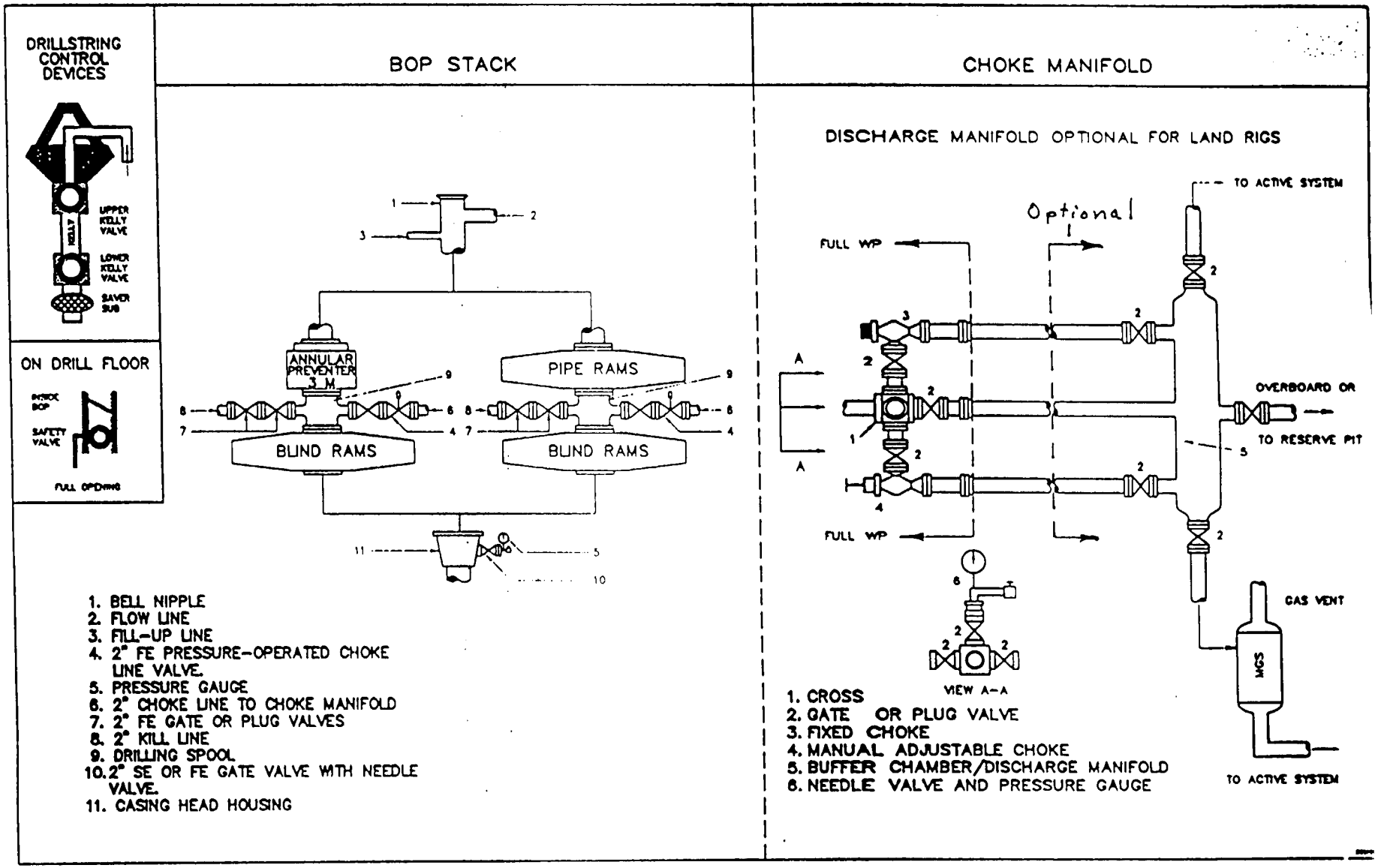


Fig. 2.4. Class 2 BOP and Choke Manifold.