

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. NMSF079047	
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 checked="" 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. NMMN78424A & D	
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. Lease Name and Well No. SJ 32-8 Unit #23M	
3b. Phone No. (include area code) 505-599-3454		9. API Well No. 30-045-30967	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit D, 1261' FNL & 1224' FWL (Lat36.90083 & Long 107.6492) At proposed prod. zone same as above		10. Field and Pool, or Exploratory Basin DK & Blanco MV	
14. Distance in miles and direction from nearest town or post office* 16 miles N NE of Blanco, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area Section 14, T31N, R8W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any)		12. County or Parish San Juan,	
16. No. of Acres in lease 2160.0 acres		13. State NM	
17. Spacing Unit dedicated to this well 320 W/2 - MV & DK		18. Distance from proposed location* to nearest well, drilling, completed applied for, on this lease, ft.	
19. Proposed Depth 8232'		20. BLM/BIA Bond No. on file ES0048	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6662' GL		22. Approximate date work will start* May 25, 2002	
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 1/02/02
Title Sr. Regulatory/Proration Clerk		
Approved by (Signautre) <i>/s/ Jim Lovato</i>	Name (Printed/Typed)	Date 3/7/02
Title <i>Petr. Eng.</i>	Office BLM-FRO	

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)

It is hereby acknowledged that the applicant has been advised of the procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

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

District I  
1901 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 b  
Submit to Appropriate District Off  
State Lease - 4 Cop  
Fee Lease - 3 Cop  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-30967	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name Basin Dakota
<sup>4</sup> Property Code 009261	<sup>5</sup> Property Name SAN JUAN 32-8 UNIT	<sup>6</sup> Well Number 23M
<sup>7</sup> OGRID No. 017654	<sup>8</sup> Operator Name PHILLIPS PETROLEUM COMPANY	<sup>9</sup> Elevation 6662'

<sup>10</sup> Surface Location

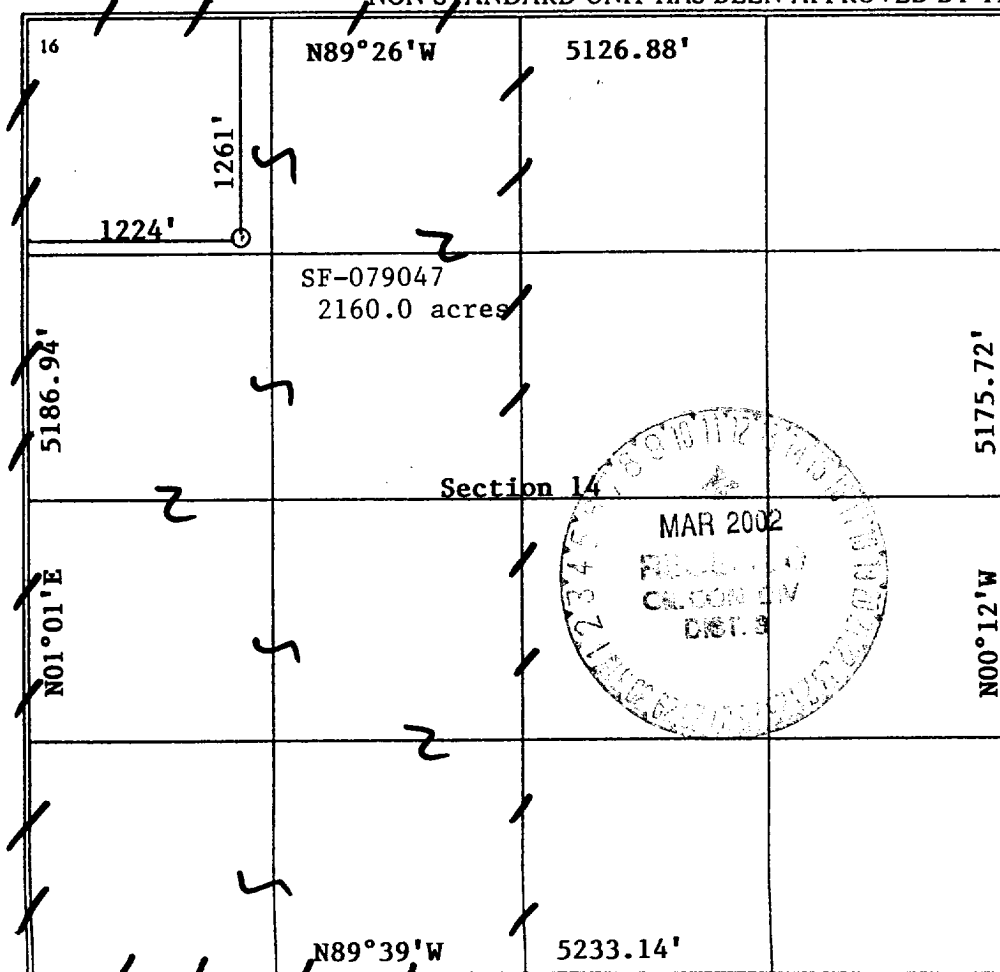
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	31N	8W		1261'	NORTH	1224'	WEST	SAN JUAN

<sup>11</sup> 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
D									

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
320.0 W/2	J	U	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR  
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<sup>17</sup> 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 Cle  
Title

October 25, 2001  
Date

<sup>18</sup> 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 knowledge and belief

9/12/01  
Date of Survey

Signature and Seal of Professional Surveyor:  
*[Signature]*



Certificate Number

District I  
193 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  
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☐ AMENDED REPO

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-30967	<sup>2</sup> Pool Code 72319	<sup>3</sup> Pool Name Blanco Mesaverde
<sup>4</sup> Property Code 009261	<sup>5</sup> Property Name SAN JUAN 32-8 UNIT	<sup>6</sup> Well Number 23M
<sup>7</sup> OGRID No. 017654	<sup>8</sup> Operator Name PHILLIPS PETROLEUM COMPANY	<sup>9</sup> Elevation 6662'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>11</sup> Bottom Hole Location If Different From Surface

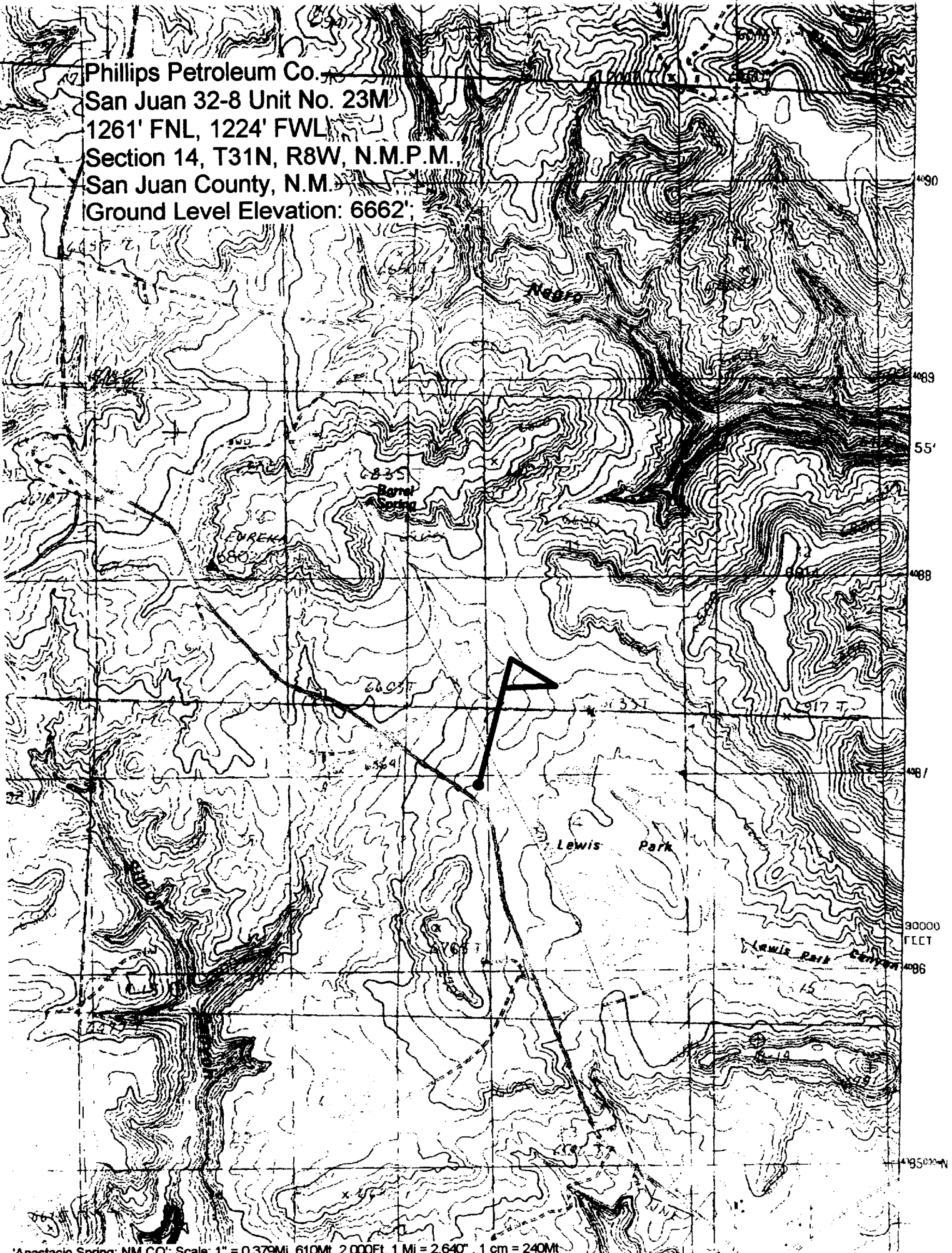
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320.0 W/2	I	U	

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NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><p>16</p><p>N89°26'W</p><p>5126.88'</p><p>1261'</p><p>1224'</p><p>SF-079047</p><p>2160.0 acres</p><p>Section 14</p><p>5186.94'</p><p>N01°01'E</p><p>N89°39'W</p><p>5233.14'</p><p>N00°12'W</p></div>	<div><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</p><p>Patsy Clugston</p><p>Printed Name</p><p>Sr. Regulatory/Proration Clerk</p><p>Title</p><p>10/25/01</p><p>Date</p></div>
	<div><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 knowledge and belief</p><p>10/25/01</p><p>Date of Survey</p><p>Signature and Seal of Professional Surveyor</p><p>Certificate Number</p></div>

Phillips Petroleum Co.  
San Juan 32-8 Unit No. 23M  
1261' FNL, 1224' FWL  
Section 14, T31N, R8W, N.M.P.M.,  
San Juan County, N.M.  
Ground Level Elevation: 6662'



## PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 32-8 Unit #23M (MV/DK)

### DRILLING PROGNOSIS

1. Location of Proposed Well: Unit D, 1261' FNL & 1224' FWL  
Section 14, T31N, R8W
2. Unprepared Ground Elevation: @ 6662' (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 8232'.
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 1338'</u>	<u>Menefee Fm. - 5597'</u>
<u>Ojo Alamo - 2363'</u>	<u>Pt. Lookout - 5844'</u>
<u>Kirtland Sh - 2459'</u>	<u>Mancos Sh - 6174'</u>
<u>Fruitland Fm. - 3260'</u>	<u>Gallup Ss. - 6854'</u>
<u>Pictured Cliffs - 3543'</u>	<u>Greenhorn Ls. - 7907'</u>
<u>Lewis Shale - 3815'</u>	<u>Graneros Sh. - 7968'</u>
<u>Cliff House Ss - 5556'</u>	<u>Dakota Ss - 8082'</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 - 2363' - 2459'</u>
Gas & Water:	<u>Fruitland - 3260' - 3543'</u>
Gas:	<u>Pictured Cliffs - 3543' - 3815'</u>
	<u>Mesaverde - 5556' - 6174'</u>
	<u>Dakota - 8082' - 8284'</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 @ 3915' (J-55 will be used, unless the K-55 is the only casing available.)

Production String: 4-1/2", 11.6#, I-80 @ 8232' (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). *Circ Cement*

Intermediate String: Lead Cement: 494.5 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 = 1172 cf). 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).

2<sup>nd</sup> Lead Cement: 240.9 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 = 558.88 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 2<sup>nd</sup>, 4<sup>th</sup> & 6<sup>th</sup> joint

Intermediate: Total seven (7) – 10' above shoe, top of 1<sup>st</sup>, 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, & 8<sup>th</sup> jts & 1 jt. above surface casing.

Production: None planned.

Turbulators: Total Three (3) – on intermediate casing at 1<sup>st</sup> 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.
12. The testing, logging, and coring programs are as follows:  
D.S.T.s or cores: \_\_\_\_\_  
Logs: GR/CCL/CBL & GSL over zones of interest
13. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H<sub>2</sub>S equipment will be used.  
  
Estimated Bottomhole pressure:  
                                      Mesaverde - 1050 psi  
                                      Dakota - 1900 psi
14. The anticipated starting date is approximately May 25, 2002 with duration of drilling / completion operations for approximately 20 days thereafter.

# **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.*