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

MAR 2002

5. Lease Serial No.: NMSF081089

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.: NMNM78424A

2. Name of Operator: Phillips Petroleum Company

8. Lease Name and Well No.: San Juan 32-8 Unit #1B

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

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

9. API Well No.: 30-045-30978

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

At surface: O (SWSE), 669' FSL & 2576' FEL, Lat-36.8775, Long-107.6439

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: O Section 23, 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)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
669'	320.0 acres	320 E/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
	5988'	ES0048
21. Elevations (Show whether DF, KDB, RT, GL, etc.	22. Approximate date work will start*	23. Estimated duration
6327' GL	6/29/02	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	Name (*Printed/Typed*)	Date
Patsy Clugston	Patsy Clugston	1/22/02
Title: Sr. Regulatory/Proration Clerk		
Approved by (Signature): /s/ Jim Lovato	Name (*Printed/Typed*)	Date: 3/7/02
Title: Petr. Eng	Office: BLM- FFO	

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 knowlingly 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.

GENERAL REQUIREMENTS

NMOCD

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-
Revised October 18, 1
Instructions on b
Submit to Appropriate District Off
State Lease - 4 Cop
Fee Lease - 3 Cop

☐ AMENDED REPO

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-30978	72319	Blanco Mesaverde

[4] Property Code	[5] Property Name	[6] Well Number
009261	SAN JUAN 32-8 UNIT	1B
[7] OGRID No.	[8] Operator Name	[9] Elevation
017654	PHILLIPS PETROLEUM COMPANY	6327'

[10] Surface Location

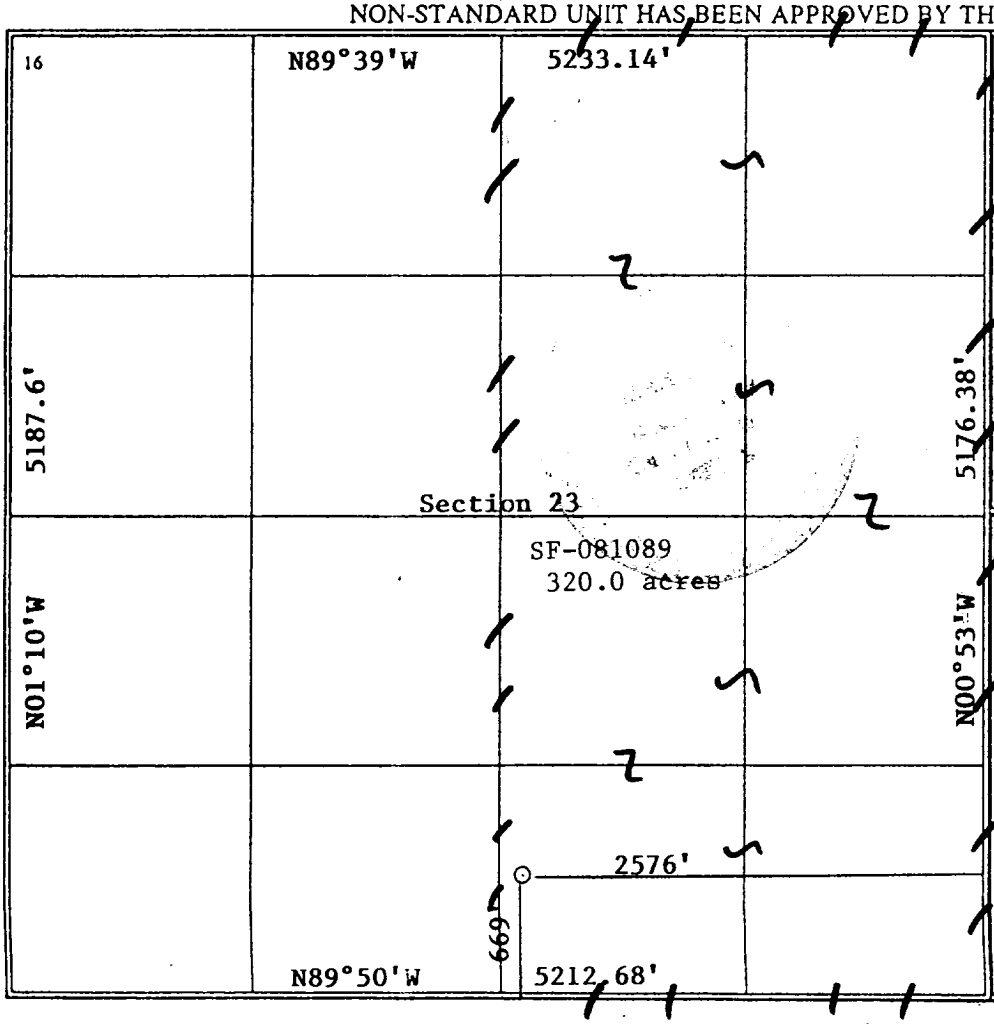
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	23	31N	8W		669'	SOUTH	2576'	EAST	SAN JUAN

[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
O									

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320 E/2	I	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



[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 Cle
Title

10-25-01
Date

[18] SURVEYOR CERTIFICATION

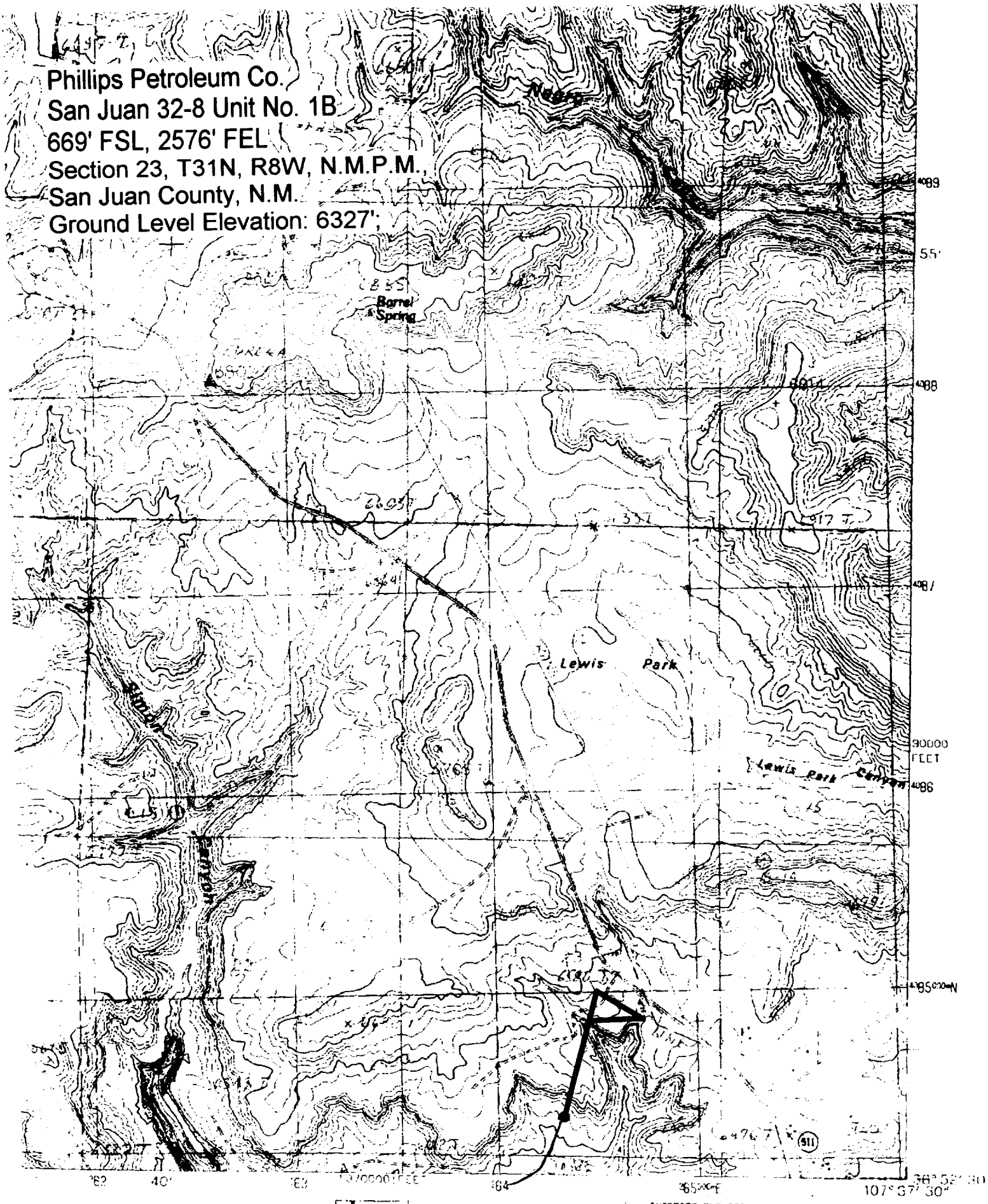
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

9/18/01
Date of Survey

Signature and Seal of Professional Surveyor

GARY P. BROADHURST JR.
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number



'Anastacio Spring; NM,CO'; Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640" , 1 cm = 240Mt

PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 32-8 Unit #1B (MV)

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit O, 669' FSL & 2576' FEL
   Section 23, T31N, R8W

2. Unprepared Ground Elevation: @ 6327' (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 5988'.

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

Naciemento - 839'	Lewis Shale - 3446'
Ojo Alamo - 2046'	Cliff House Ss - 5164'
Kirtland Sh - 2169'	Menefee Fm. - 5244'
Fruitland Fm. - 2977'	Pt. Lookout - 5513'
Pictured Cliffs - 3221'	Mancos Sh - 5788'

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 -	2046' - 2169'
Gas & Water:	Fruitland -	2977' - 3221'
Gas:	Pictured Cliffs -	3221' - 3446'
	Mesaverde -	5164' - 5788'

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 @ 3546' (J-55 will be used, unless the K-55 is the only casing available.
Production String: 4-1/2", 11.6#, J-55 @ 5988' (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). Circulate

9. Cement Program (cont.)

Intermediate String: **Lead Cement:** 443.0 sx Type III cement (35:65) POZ + 5#/sx Gilsonite + 0.25 #/sx Cello-Flake + 6% bwoc Bentonite + 10#/sx CSE + 3% bwow KCL + 0.4% bwoc FL-25 + 0.02#/sx static free + 129% FW (2.37 yield = 1050 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).

2nd Lead Cement: 117.1 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 = 272 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 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.

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.

drilling\BOPck.lst