

District I
190 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 back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APN Number 30-045-31047		² Pool Code 72319	³ Pool Name Blanco Mesaverde
⁴ Property Code 009261	⁵ Property Name SAN JUAN 32-8 UNIT		⁶ Well Number 12B
⁷ OGRID No. 017654	⁸ Operator Name PHILLIPS PETROLEUM COMPANY		⁹ Elevation 6625'

¹⁰ Surface Location

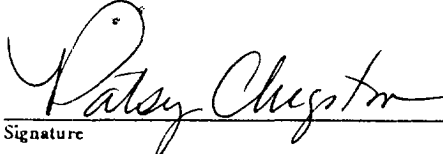
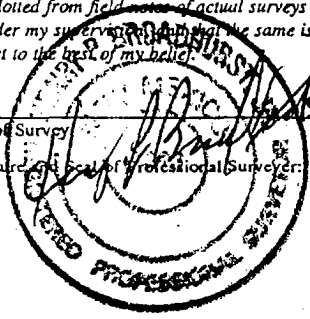
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	21	31N	8W		647'	NORTH	2192'	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

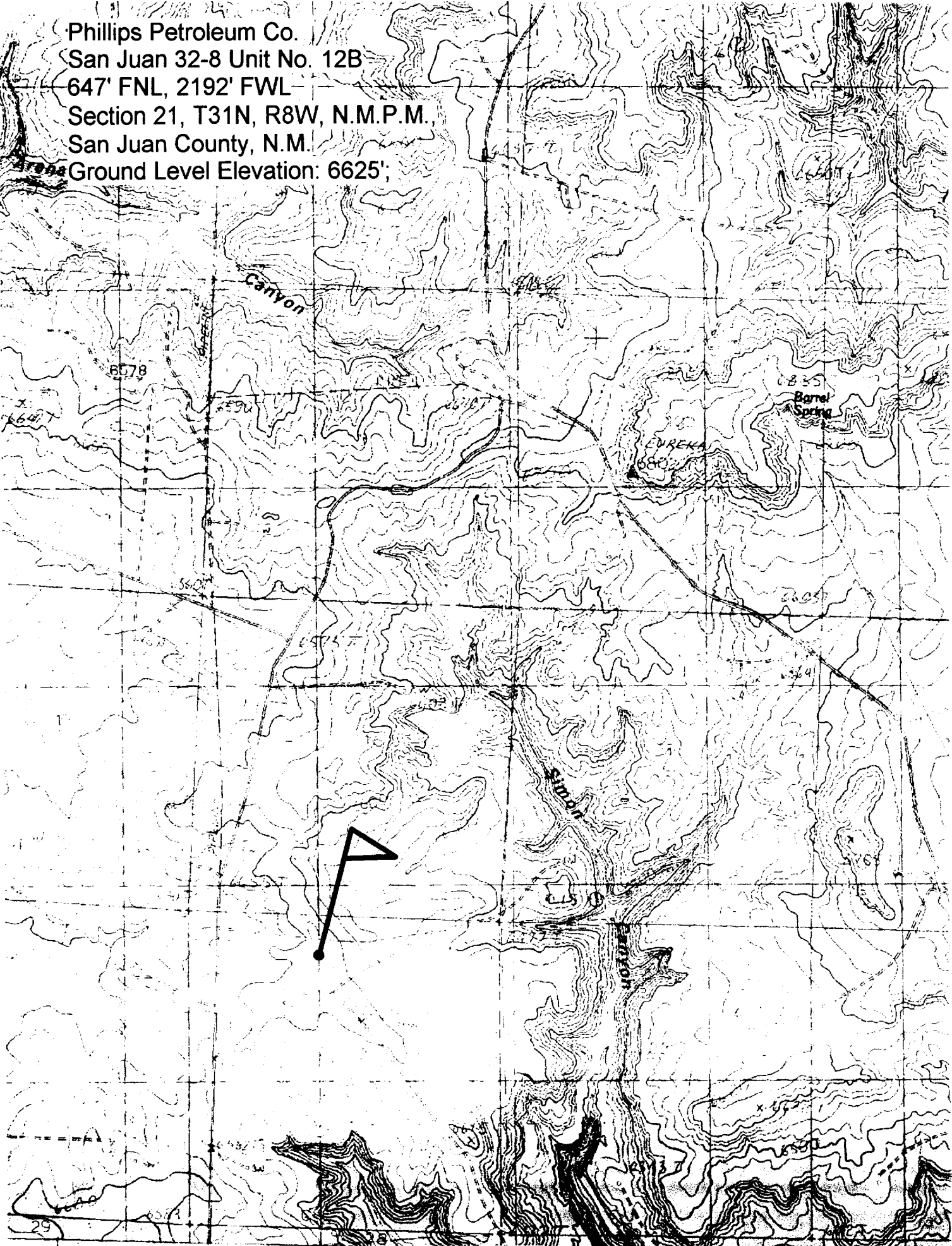
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C									

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

¹⁶ 2192' NM-013364 360.0 acres 5212.68' SF-079029 Section 21 NM-013364 SF-079029 N89°19'W 5225.22'	N89°08'W 647' 5245.68'	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 10-25-01 Date
	5202.12' N01°26'W	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.  Date of Survey 10/29/2010 Signature of Professional Surveyor
	Certificate Number	

Phillips Petroleum Co.
San Juan 32-8 Unit No. 12B
647' FNL, 2192' FWL
Section 21, T31N, R8W, N.M.P.M.,
San Juan County, N.M.
Ground Level Elevation: 6625';



WELL NAME: San Juan 32-8 Unit #12B (MV)

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit C, 647' FNL & 2192' FWL FEL
Section 21, T31N, R8W

2. Unprepared Ground Elevation: @ 6625' (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 6152'.

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

<u>Nacimiento - 1169'</u>	<u>Lewis Shale - 3747'</u>
<u>Ojo Alamo - 2281</u>	<u>Cliff House Ss - 5430'</u>
<u>Kirtland Sh - 2421'</u>	<u>Menefee Fm. - 5475'</u>
<u>Fruitland Fm. - 3219'</u>	<u>Pt. Lookout - 5802'</u>
<u>Pictured Cliffs - 3522'</u>	<u>Mancos Sh - 5952'</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 - 2281' - 2421'</u>
Gas & Water:	<u>Fruitland - 3219' - 3522'</u>
Gas:	<u>Pictured Cliffs - 3522' - 3747'</u>
	<u>Mesaverde - 5430' - 5952'</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 @ 3847' (J-55 will be used, unless the K-55 is the only casing available).
 Production String: 4-1/2", 11.6#, J-55 @ 6152' (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).

9. Cement Program (cont.)

Intermediate String: **Lead Cement:** 485.0 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 = 1149 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: 108.0 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 = 251 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

2

~~M~~ 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.