

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0136  
Expires: November 30, 2000


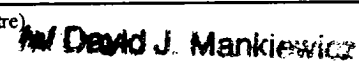
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF079351	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input 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. NMNM78424A & D	
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. Lease Name and Well No. SJ 32-8 Unit #10 M	
3b. Phone No. (include area code) 505-599-3454		9. API Well No. 3004531085	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface Unit 0, 792' FSL & 1850' FEL At proposed prod. zone Same as above		10. Field and Pool, or Exploratory Blanco Mesaverde & Basin DK	
11. Sec., T., R., M., or Blk. and Survey or Area Section 24, T31N, R8W		12. County or Parish San Juan, NM	
14. Distance in miles and direction from nearest town or post office* 16.5 miles N NE of Blanco, NM		13. State NM	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 792'		16. No. of Acres in lease 400.00	
17. Spacing Unit dedicated to this well 306.34 E/2		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	
19. Proposed Depth 7976'		20. BLM/BIA Bond No. on file ES0048	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6419' GL		22. Approximate date work will start* 6/15/02	
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 	Name (Printed/Typed) Patsy Clugston	Date 4/24/02
Title Sr. Regulatory/Proration Clerk		
Approved by (Signature) 	Name (Printed/Typed) David J. Mankiewicz	Date MAY 20
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)

DRILLING 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

RECEIVED  
MAY 20 10 04 AM '02  
BUREAU OF LAND MANAGEMENT  
WASHINGTON, D.C.

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

☐ AMENDED REPO

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-31085		Pool Code 71599	Pool Name Basin Dakota
Property Code 009261	Property Name SAN JUAN 32-8 UNIT		Well Number 10M
GRID No. 017654	Operator Name PHILLIPS PETROLEUM COMPANY		Elevation 6419

Surface Location

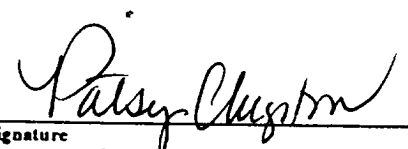
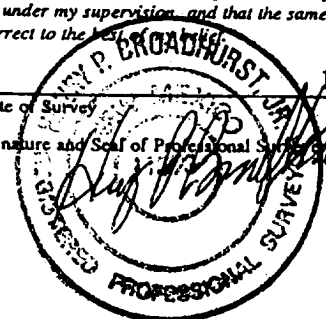
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	24	31N	8W		792	SOUTH	1850	EAST	SAN JUAN

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
0									

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
306.34 E/2	Y	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	N89°22'W	5241.06'	<b>17 OPERATOR CERTIFICATION</b> 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 11-28-01 Date
5176.38'	Section 24		
N00°53'W	SF-079351 400.0 acres		
		1850'	<b>18 SURVEYOR CERTIFICATION</b> 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.   Date of Survey 11/06/01 Signature and Seal of Professional Surveyor Certificate Number
		5232.48'	

District I  
180 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 30-045-31085		2 Pool Code 72319	3 Pool Name Blanco Mesaverde
4 Property Code 009261	5 Property Name SAN JUAN 32-8 UNIT		6 Well Number 10M
7 OGRID No. 017654	8 Operator Name PHILLIPS PETROLEUM COMPANY		9 Elevation 6419

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
0	24	31N	8W		792	SOUTH	1850	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

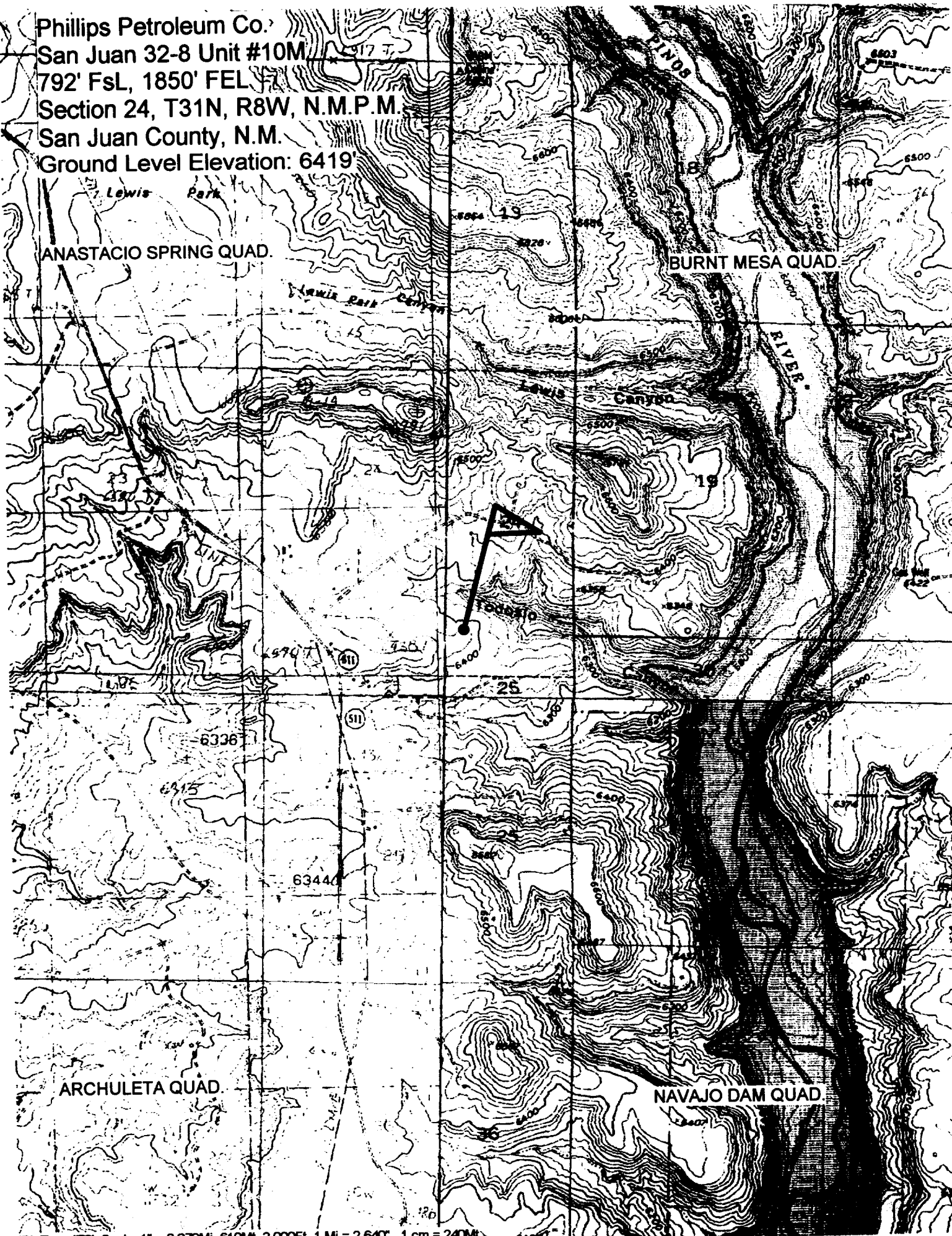
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0									

12 Dedicated Acres 306.34 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 5176.38' N00°53'W	N89°22'W	5241.06'	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 Patsy Clugston Sr. Regulatory/Proration Clerk Title 11-28-01 Date
	Section 24		
	SF-079351 400.0 acres	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 knowledge and belief  Date of Survey 11/06/01 Signature and Seal of Professional Surveyor  Certificate Number	
	792'		
N01°41'W		2570.70'	
1850'		5232.48'	

Phillips Petroleum Co.  
San Juan 32-8 Unit #10M  
792' FSL, 1850' FEL  
Section 24, T31N, R8W, N.M.P.M.  
San Juan County, N.M.  
Ground Level Elevation: 6419'



## PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 32-8 Unit #10M (MV/DK)

### DRILLING PROGNOSIS

1. Location of Proposed Well: Unit O, 792' FSL & 1850' FEL  
Section 24, T31N, R8W
2. Unprepared Ground Elevation: @ 6419' (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 7976'.
6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 1279'</u>	<u>Menefee Fm. - 5345'</u>
<u>Ojo Alamo - 2221'</u>	<u>Pt. Lookout - 5623'</u>
<u>Kirtland Sh - 2337'</u>	<u>Mancos Sh - 5793'</u>
<u>Fruitland Fm. - 3070'</u>	<u>Gallup Ss. - 6605'</u>
<u>Pictured Cliffs - 3320'</u>	<u>Greenhorn Ls. - 7661'</u>
<u>Lewis Shale - 3580'</u>	<u>Graneros Sh. - 7706'</u>
<u>Cliff House Ss - 5301'</u>	<u>Dakota Ss - 7826'</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 - 2221' - 2337'</u>
Gas & Water:	<u>Fruitland - 3070' - 3320'</u>
Gas:	<u>Pictured Cliffs - 3320' - 3580'</u>
	<u>Mesaverde - 5301' - 5793'</u>
	<u>Dakota - 7826' - 8025'</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 @ 3680' (J-55 will be used, unless the K-55 is the only casing available.

Production String: 4-1/2", 11.6#, I-80 @ 7976' (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). *C, L, & K to surface*

Intermediate String: **Lead Cement:** 461.7 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 = 1094 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:** 239.5 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 = 555.64 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.

## **BOP AND RELATED EQUIPMENT CHECK LIST**

### **2M 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.*