

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF-078687
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR Phillips Petroleum Company		7. UNIT AGREEMENT NAME San Juan 32-9 Unit
3. ADDRESS AND TELEPHONE NO. 5525 Highway 64, NBU 3004, Farmington, NM 87401		8. FARM OR LEASE NAME, WELL NO. SJ 32-9 Unit #302
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface Unit K, 2215' FSL & 1333' FWL At proposed prod. zone Same as above		9. API WELL NO. 30-095-29803
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 16 1/2 miles northeast of Aztec		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1333'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 9, T32N, R9W
16. NO. OF ACRES IN LEASE 1818.20		12. COUNTY OR PARISH San Juan.
17. NO. OF ACRES ASSIGNED TO THIS WELL 362.28		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3720'		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) Unprepared Groundlevel - 6990'		22. APPROX. DATE WORK WILL START* 2nd Qtr 1999

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#, J/K-55	350'	185 sx (204 cf) C1 H
8-3/4"	7"	20#, J/K-55	3415'	L-370 sx (777 cf) 35/65 C1 H POZ
6-1/4"	5-1/2" liner	15.5#	3395' - 3720'	T-100 sx (120 cf) C1 H

** The 6-1/4" interval from the 7" casing shoe to the base of the coal may be underreamed to 9-1/2".

See the drilling prognosis for more details on the 5-1/2" liner.

See attached for BOP equipment, mud program and cathodic protection.

The APD & pipeline qualify for the APD/ROW process, see attached pipeline survey for details.

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

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Patsy Chugston SIGNED Regulatory Assistant TITLE 1/26/99 DATE
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 4/12/99

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:

/s/ Duane W. Spencer

APPROVED BY _____ TITLE Team Lead, Petroleum Management DATE APR 12 1999

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

District I
170 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

Form C-102
Revised October 18, 1994

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

53 JUN 28 5 11:03 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

AP# Number 30-045-29803		Pool Name Basin Fruitland Coal	
Property Code 24510	APR 15 1999	Property Name SAN JUAN 32-9 UNIT	Well Number 302
GRID No. 017654	Operator Name OIL CON. DIV. IPS PETROLEUM COMPANY		Elevation 6990'

DIST. 3

10 Surface Location

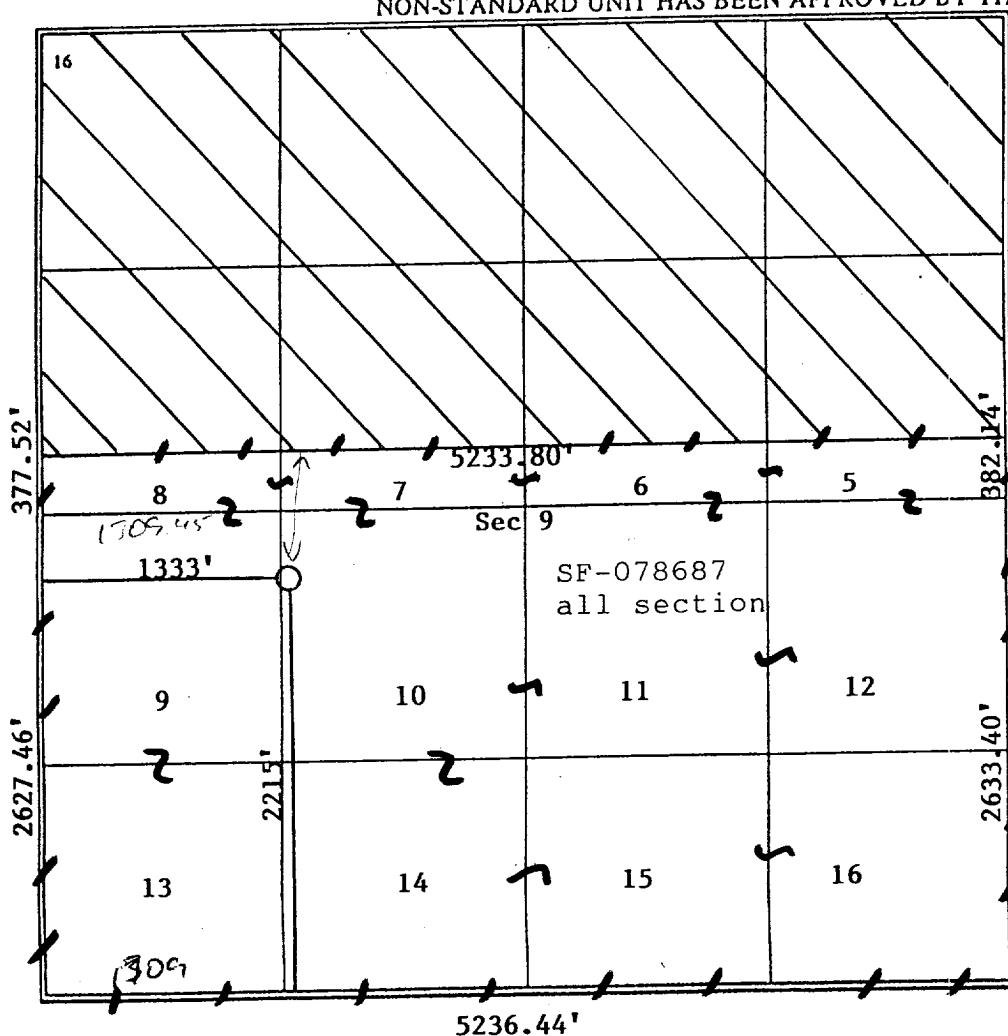
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	9	32N	9W		2215'	SOUTH	1333'	WEST	SAN JUAN

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
K									

Dedicated Acres 362.28A11	Joint or Infill N	Consolidation Code C	Order No. NSP Order R-9222
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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



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
Regulatory Assistant
Title
1-26-99
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.

10/13/98
Date of Survey
Signature and Title of Professional Surveyor:
Henry P. Broadhurst, Jr.
HENRY P. BROADHURST, JR.
REGISTERED PROFESSIONAL SURVEYOR
NEW MEXICO
11393
Certificate Number

PHILLIPS PETROLEUM CO.

SAN JUAN 32-9 UNIT #302

SW/4 SEC.9, T.32 N., R.9 W., N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

NEW MEXICO-COLOR
MINUTE SERIES (TOPOG)

