

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 87240

District II

811 South First, Artesia, NM 87210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

| | |
|---------------------------------------|---|
| WELL API NO. | 30-039-23033 |
| 5. Indicate Type of Lease | STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. | Federal Lease - NMSF078917 |
| 7. Lease Name or Unit Agreement Name: | San Juan 29-5 Unit 009256 |
| 8. Well No. | SJ 29-5 Unit #106 |
| 9. Pool name or Wildcat | Blanco MV-723191 Gobernador PC-77440 |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

| | |
|--|--|
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | 2. Name of Operator Phillips Petroleum Company 017654 |
| 3. Address of Operator 5525 Highway 64, NBU 3004, Farmington, NM 87401 | 4. Well Location Unit Letter <u>K</u> <u>1950'</u> feet from the <u>South</u> line and <u>1450'</u> feet from the <u>West</u> line Section <u>25</u> Township <u>29N</u> Range <u>5W</u> NMPM County <u>Rio Arriba</u> |
| 10. Elevation (Show whether DR, RKB, RT, GR, etc.) | |

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

| | |
|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> |
| OTHER: DHC application <input checked="" type="checkbox"/> | |

SUBSEQUENT REPORT OF:

| | |
|---|---|
| REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| CASING TEST AND CEMENT JOB <input type="checkbox"/> | |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

This is a dual ocpleted well which recently failed the yearly packer tests. We have determined that we will be adding the Lewis Shale interval to the Mesaverde zone and then commingle MV/PC production. Production will be reported using the subtraction method for 6-12 months and then convert to the ratio method for the life of the well. The Pictured Cliffs forecast for the next 12 months is as follows:

| | | | |
|---------------------|----------------------|----------------------|----------------------|
| 1st month - 385 mcf | 2nd month - 395 mcf | 3rd month - 393 mcf | 4th month - 353 mcf |
| 5th month - 388 mcf | 6th month - 373 mcf | 7th month - 383 mcf | 8th month - 368 mcf |
| 9th month - 378 mcf | 10th month - 376 mcf | 11th month - 362 mcf | 12th month - 371 mcf |

The original Reference Case where Partner notification was made was R-10770. The PC perf's are between 3724' - 3884' with a pore pressure of 485 psi. The Mesaverde perf's are now between 5640' - 6150' with a pore pressure of 510 psi. The value of produciotn will not decrease by commingling. The BLM will receive a copy of this notification. *DHC 904A2*

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Patsy Clugston* TITLE Sr. Regulatory/Proration Clerk DATE 9/23/02

Type or print name Patsy Clugston Telephone No. 505-599-3454

(This space for State use)

APPROVED BY *[Signature]* TITLE DEPUTY OIL & GAS INVENTORIES DIVISION DATE SEP 24
Conditions of approval, if any: