

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-039-26681
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Phillips Petroleum Company 017654		6. State Oil & Gas Lease No. Federal Lease - NM03040A
3. Address of Operator 5525 Highway 64, NBU 3004, Farmington, NM 87401		7. Lease Name or Unit Agreement Name: San Juan 29-6 Unit 002957
4. Well Location Unit Letter <u>K</u> : <u>1697'</u> feet from the <u>South</u> line and <u>1791'</u> feet from the <u>West</u> line Section <u>27</u> Township <u>29N</u> Range <u>6W</u> NMPM County <u>San Juan</u>		8. Well No. SJ 29-6 Unit #116P
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6315' GL		9. Pool name or Wildcat Basin FC-71629; S Blanco PC-72439

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
<b>NOTICE OF INTENTION TO:</b> 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"/>	<b>SUBSEQUENT REPORT OF:</b> 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"/> OTHER: <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.

Phillips will be DHCing the Fruitland Coal and Pictured Cliffs intervals of the subject well per Order # 11363. Production will be reported using the ratio method for the life of the well (see attached letter for explanation).

The Fruitland Coal perforations are between 3122' - 3211' with a pore pressure of 635 psi. The Pictured Cliffs perforations are between 3234' - 3294' with a pore pressure of 1165 psi. The value of production will not be decreased by commingling. The BLM has also received a copy of this.

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 3/27/02

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

(This space for Original Signed by STEVEN N. HAYDEN

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE MAR 28 2002  
Conditions of approval, if any:



# PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

March 6, 2002

NM Oil & Gas Conservation Division  
Attn: Steve Hayden  
1000 Rio Bravos Rd.  
Aztec, NM 87410

Recommended Allocation Method  
Ratio Method – San Juan 29-6 Unit #116P  
Unit K, 1697' FSL & 1791' FWL  
Section 27, T29N, R6W; Rio Arriba Co.  
API – 30-039-26681; NM-03040A

Dear Mr. Hayden:

The SJ 29-6 #116P has recently been tested in both the Pictured Cliffs and Fruitland Coal formations. The Pictured Cliffs was completed and produced for approximately 6 months at a stabilized flow rate of 90 – 100 mcf/d. The Fruitland Coal was then completed and has been producing for approximately 3 months at a stabilized flow rate of 100 mcf/d.

Phillips Petroleum plans to commingle the Pictured Cliffs and Fruitland Coal production in May 2002. Because of the similar production on test, the vertical proximity of the two zones and because the Working and Revenue Interest owners in both zones are identical, I recommend using the Ratio Method to allocate production between the two zones: 50% Pictured Cliffs and 50% Fruitland Coal.

If you have any questions, please call me at 505-599-3438.

Sincerely,

PHILLIPS PETROLEUM COMPANY

Josh Cooper  
Reservoir Engineer

cc: Runell Seale  
Jim Lovato – BLM