

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

Form C-103
Revised March 25, 1999

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

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| 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.) | | WELL API NO. 30-039-22705 |
| 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 NMSF080066 |
| 3. Address of Operator 5525 Highway 64, NBU 3004, Farmington, NM 87401 | | 7. Lease Name or Unit Agreement Name: San Juan 30-5 Unit 009258 |
| 4. Well Location Unit Letter <u>B</u> : <u>1000</u> feet from the <u>North</u> line and <u>1720</u> feet from the <u>East</u> line Section <u>5</u> Township <u>30N</u> Range <u>5W</u> NMPM County <u>Rio Arriba</u> | | 8. Well No. SJ 30-5 Unit #79 |
| 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6513' GL | | 9. Pool name or Wildcat Basin DK-71599; Blanco MV-72319 |

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|--|---|
| 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"/> 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 DHC'ing the Mesaverde and Dakota intervals of the subject well per Order # 11363. Production will be reported using the subtraction method for 12 months and then convert to the ratio method for the life of the well. The Dakota forecast for the next 12 months is as follows:

DHC 97842

| | | | |
|----------------------|-----------------------|-----------------------|-----------------------|
| 1st month - 2296 mcf | 2nd month - 2358 mcf | 3rd month - 2343 mcf | 4th month - 2103 mcf |
| 5th month - 2313 mcf | 6th month - 2224 mcf | 7th month - 2284 mcf | 8th month - 2196 mcf |
| 9th month - 2255 mcf | 10th month - 2241 mcf | 11th month - 2155 mcf | 12th month - 2213 mcf |

The original Reference Case where Partner notification was made was R-10771. Dakota perms are between 7932'-8028' with a pore pressure of 2500 psi. The proposed Mesaverde perms will be between 5475'-5801'. The pore pressure for MV should be @ 1150 psi. The value of production will not decrease by commingling. Also 100% of liquids allocations will be from the Mesaverde. The BLM will also receive a copy of this notification.

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

SIGNATURE Patsy Clugston TITLE SHEAR Administrative Assistant DATE 11/6/02

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

(This space for State use) Original Signed by STEVEN N. HAYDEN

APPROVED BY DEPUTY OIL & GAS INSPECTOR, DIST. 40 TITLE NOV - 8 2002
Conditions of approval, if any: