

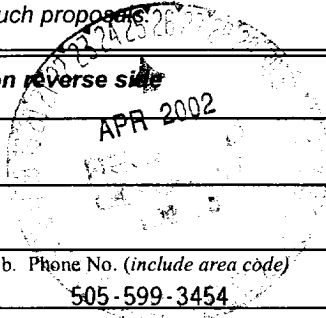
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side



1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078998
2. Name of Operator Phillips Petroleum Company		6. If Indian, Allottee or Tribe Name
3a. Address 5525 Highway 64, NBU 3004, Farmington, NM 87401	3b. Phone No. (include area code) 505-599-3454	7. If Unit or CA/Agreement, Name and/or No. NMNM78423A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit L, 1474' FSL & 1234' FWL Section 17, T31N, R7W		8. Well Name and No. SJ 32-7 Unit #231
		9. API Well No. 30-045-28348
		10. Field and Pool, or Exploratory Area Basin Fruitland Coal
		11. County or Parish, State San Juan, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Deepen to</u>
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>add additional</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>FC pay</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

This is a revised Notice of Intent and replaces the NOI dated 4/4/02.

Phillips wishes to deepen the subject well to 3364'. Logs from offset wells indicate the base of the Fruitland Coal @ 3364'. The Pictured Cliffs Sandstone interval should start @ 3365'. There are two different scenerios that could be determine how we proceed. The following are "If Statements"

- IF we are unable to retrieve the fish in the hole we will not drill any deeper (TD +/- 3360') and no cement will be dumped. (Lost fish while deepening - 5' of fish in hole now).
- IF we are able to retrieve the fish, we plan to drill deeper until the mud logger on location identifies the PC sand.
 - IF we do not see any additional coals below the coal at +/- 3334' we will use a dump bailer and fill the hole with cement to +/- 3355'.
 - if we see addional coals we will stop drilling per the mud logger. If the top of the PC is exposed, a dump bailer will be used to cover the top of the PC with cement.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Patsy Clugston	Title Sr. Regulatory/Proration Clerk
	Date 4/9/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ Jim Lovato	Title Petr. Eng	Date 4/9/02
Conditions of approval, if any, are attached. Approval of this notice 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.	Office BLM-FFO	

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.