

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

WELL API NO. 30-045-30968
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No. Federal Lease - SF-079047
7. Lease Name or Unit Agreement Name: San Juan 32-8 Unit 009261
8. Well No. SJ 32-8 Unit #17M
9. Pool name or Wildcat Basin DK-71599; Blanco MV - 72319
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6593' GL

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 [] Gas Well [X] 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 E : 1570 feet from the North line and 663 feet from the West line
Section 23 Township 31N Range 8W NMPM County San Juan

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] REMEDIAL WORK [] ALTERING CASING []
TEMPORARILY ABANDON [] CHANGE PLANS [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT []
PULL OR ALTER CASING [] MULTIPLE COMPLETION [] CASING TEST AND CEMENT JOB []
OTHER: DHC application [X] OTHER: []

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 Mesaverde and Dakota intervals of the subject well per Order #11363. Production will be reported using the subtraction method for 12 months and then covert to the ratio method for the life of the well. The Dakota forecast for the next 12 months is as follows:

Table with 4 columns and 3 rows of production forecast data: 1st month - 2350 mcf, 2nd month - 2400 mcf, 3rd month - 2370 mcf, 4th month - 2120 mcf, 5th month - 2310 mcf, 6th month - 2210 mcf, 7th month - 2260 mcf, 8th month - 2160 mcf, 9th month - 2200 mcf, 10th month - 2180 mcf, 11th month - 2090 mcf, 12th month - 2120 mcf

The original Reference Case where Partner notification was made as R-11189. Dakota perms are between 7967'-8121' with a pore pressure of 2900 psi. The MV interval are estimated to be placed between 5131'-5871' with an estimated pore pressure of 1025 psi. Also 100% of the fluid production will be allocated to the MV interval. The value of production will not decrease by commingling. 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 11/26/02

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

(This space for State use) Original Signed by STEVEN N. HAYDEN DEPUTY OIL & GAS INSPECTOR, DIST. NOV 27 2002

APPROVED BY TITLE DATE
Conditions of approval, if any: