

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

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. 30-045-31085
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 - SF-079351
3. Address of Operator 5525 Highway 64, NBU 3004, Farmington, NM 87401		7. Lease Name or Unit Agreement Name: San Juan 32-8 Unit 009261
4. Well Location Unit Letter 0 : 792 feet from the South line and 1850' feet from the East line Section 24 Township 31N Range 8W NMPM County San Juan		8. Well No. SJ 32-8 Unit #10M
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6419'		9. Pool name or Wildcat Basin DK-71599; Blanco MV - 72319

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: DHC application <input checked="" 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.

DHC 994A2
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:

1st month - 5360 mcf	2nd month - 5110 mcf	3rd month - 4770 mcf	4th month - 4060 mcf
5th month - 4260 mcf	6th month - 3920 mcf	7th month - 3880 mcf	8th month - 3610 mcf
9th month - 3590 mcf	10th month - 3460 mcf	11th month - 3250 mcf	12th month - 3250 mcf

The original Reference Case where Partner notification was made as R-11189. Dakota perfs are between 7849' - 7961' with a pore pressure of 2900 psi. The MV interval are estimated to be placed between 4956' and 5773' 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)

APPROVED BY Original Signed by STEVEN H. HAYDEN

Conditions of approval, if any:

TITLE

DATE

DEPUTY OIL & GAS INSPECTOR, DHC. #3 NOV 27 2002