

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

WELL API NO. 30-045-11501	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name: San Juan 32-7 Unit 009260	
8. Well No. SJ 32-7 Unit #36	
9. Pool name or Wildcat Blanco MV - 72319; Basin DK - 71599	

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 F : 790 feet from the North line and 1840 feet from the West line Section 8 Township 32N Range 7W NMPM County San Juan	
10. Elevation (Show whether DR, RKB, RT, GR, etc.)	

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐  
OTHER: Remove packer and DHC MV/DK production ☒

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
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.

This well recently failed the packer leakage test and Phillips wishes to remove the packer and DHC this well per Order #11363. Once the well is put back on line we wish to use the ratio method for allocating production. We believe this will be the most accurate method of allocating production for the life of the well. The original Reference Case where Partner notification was made was R-11210. The value of production will not decrease by commingling. The State Land Office will also receive a copy of the application.

Attached is the historical data that we used to determine the ratio of 71% to be allocated to Mesaverde and 29% to be allocated to the Dakota. The oil production will be allocated at 100% Mesaverde and 0% to Dakota.

DHC 96 2A2

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 10/24/02  
Type or print name Patsy Clugston Telephone No. 505-599-3454

(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE OCT 2  
Conditions of approval, if any: \_\_\_\_\_