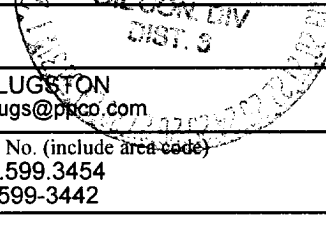


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

| | | | |
|--|--|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE | |  | 5. Lease Serial No. NMSF078459 |
| 2. Name of Operator PHILLIPS PETROLEUM COMPANY | | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 5525 HWY. 64 FARMINGTON, NM 87401 | | | 7. If Unit or CA/Agreement, Name and/or No. NMNM78423A |
| 3b. Phone No. (include area code) Ph: 505.599.3454 Fx: 505-599-3442 | | | 8. Well Name and No. SAN JUAN 32-7 UNIT 203 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T32N R7W NWNE 1265FNL 1775FEL | | 9. API Well No. 30-045-27458 | 10. Field and Pool, or Exploratory BASIN FRUITLAND COAL |
| | | 11. County or Parish, and State SAN JUAN COUNTY, NM | |

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

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input 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 checked="" 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 |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal |

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 recompleat 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 recompleat 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 site is ready for final inspection.)

CASING INTEGRITY TEST RESULTS

9/27/01 MIRU Key #40. ND WH & NU BOP. PT-OK. COOH w/tubing. RIH & set Packer & tailpipe and set @ 3060'. ND BOP, NU WH. Pumped packer fluid (55 gal Petrolite CRW-37 and 5 gal XC-102) and PT packer & casing to 500 psi for 30 minutes. Good test. RD & released rig.

Phillips would like to keep this well as a Pressure Observation well and will report the BH pressures annually from now on.

| | |
|--|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #7570 verified by the BLM Well Information System For PHILLIPS PETROLEUM COMPANY, sent to the Farmington Committed to AFMSS for processing by Lucy Bee on 10/02/2001 () | |
| Name (Printed/Typed) PATSY CLUGSTON | Title AUTHORIZED REPRESENTATIVE |
| Signature (Electronic Submission) | Date 10/02/2001 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | Date _____ |
| 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 _____ |

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

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