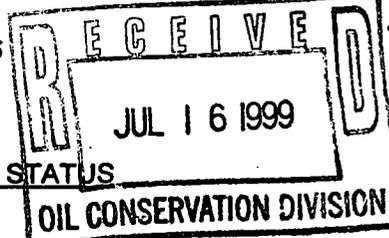


Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131



SUBMIT ORIGINAL PLUS 2 COPIES TO THE SANTA FE OFFICE

District I - (505) 293-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address: Phillips Petroleum Company, 5525 Hwy. 64, Farmington, NM 87401. OGRID Number: 017654. Contact Party: Patsy Clugston. Phone: 505-599-3454. Property Name: San Juan 32-7 Unit. Well Number: #90. API Number: 30-045-29879. Table with columns: UL, Section, Township, Range, Feet From The, North/South Line, Feet From The, East/West Line, County.

II. Date/Time Information

Spud Date: 5/18/99. Spud Time: 1730 hrs. Date Completed: 6/13/99. Pool: S. Los Pinos Fruitland Sands PC, Ext.

III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of New Mexico)
County of San Juan) ss.

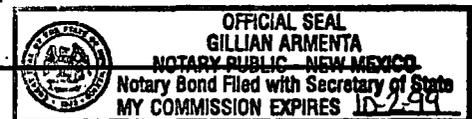
Patsy Clugston being first duly sworn, upon oath states:

- 1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.

Signature: Patsy Clugston Title: Regulatory Assistant Date: 7/6/99

SUBSCRIBED AND SWORN TO before me this 6th day of July, 1999

William Armenta
Notary Public



My Commission expires:

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature: Mark Hahly Title: P.E. Spec. Date: 7-20-99

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 7/20/99

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2005935652

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NO.
SE-078472
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____
 b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP EN PLUG BACK DIFF. RESVR Other _____

2. NAME OF OPERATOR
Phillips Petroleum Company
 3. ADDRESS AND TELEPHONE NO.
5525 Highway 64, NBU 3004, Farmington, NM 87401 505-599-3454

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface: **Unit G, 1630' FNL & 1475' FEL**
 At top prod. interval reported below: **Same as above**
 At total depth: **Same as above**

14. PERMIT NO. _____ DATE ISSUED _____
 9. API WELL NO. **30-045-29879**
 10. FIELD AND POOL, OR WILDCAT: **S. Los Pinos Fruitland Sands PC. Ext.**
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: **Section 27, T32N, R7W**
 12. COUNTY OR PARISH: **San Juan, NM**
 13. STATE: **NM**

15. DATE SPUDDED: **5/18/99** 16. DATE T.D. REACHED: **5/21/99** 17. DATE COMPL. (Ready to prod.): **6/13/99** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.): **6608' (prepared GL)** 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD: **3850'** 21. PLUG, BACK T.D., MD & TVD: **3815'** 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY: _____ 24. ROTARY TOOLS: **X** 25. CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*
Pictured Cliff - 3407' - 3644'
 25. WAS DIRECTIONAL SURVEY MADE: **no**

26. TYPE ELECTRIC AND OTHER LOGS RUN: **Gas spectrum & CBL**
 27. WAS WELL CORED: **no**

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#, K-55	348'	12-1/4"	205 sx (247 cf) C1 H	10 bbls-surf.
2-7/8"	6.5#, J-55	3847'	7-7/8"	L-650 sx (1802 cf) C1 H	
				T-220 sx (265 cf) C1 H	40 bbls-surf.

29. LINER RECORD **30. TUBING RECORD**

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
n/a					n/a		

31. PERFORATION RECORD (Interval, size and number)
Pictured Cliff - @ 1 spf - .36" dia. holes
 3407', 3412', 3416', 3425', 3441', 3449',
 3460', 3482', 3520', 3532', 3537', 3542',
 3574', 3589', 3613', 3644' 16 total holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3407' - 3644'	500 gal 15% HCl & ballsealers
3407' - 3644'	101.760 20/40 Brady sand.
	65 Quality foam, N2- 570,000 scf
	360 bbls total fluid

33. PRODUCTION

DATE FIRST PRODUCTION: **SI** PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump): **Flowing** WELL STATUS (Producing or shut-in): **SI**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL - BBL.	GAS - MCF.	WATER - BBL.	GAS - OIL RATIO
6/13/99	1 hr - pitot	1/2"			4925 mcf	0 bbls	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)	
	773 psi			4925 mcf	0 bbls		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): **Note: This is a slimhole, tubeless completion. SI waiting on approvals**
 TEST WITNESSED BY: **T. D. Bowker**

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED: *Patsy Clayton* TITLE: Regulatory Assistant DATE: 6/15/99

* (See instructions and spaces for Additional Data on Reverse Side)

ACCEPTED FOR RECORD
6/15/99

JUN 17 1999

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	2388	2503	Sandstone			
Kirtland	2503	3123	Shale & Ss			
Fruitland	3123	3388	Shale, coal & Ss			
Pictured Cliffs	3388	3838	Marine Sands			
			These tops are estimates, no open hole logs run.			

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

RECEIVED
BLM

5. Lease Designation and Serial No.

SF-078472

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

99 MAY 20 AM 10:18

6. If Indian, Allottee or Tribe Name

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

070 FARMINGTON, NM

7. If Unit or CA, Agreement Designation

San Juan 32-7 Unit

8. Well Name and No.

SJ 32-7 Unit #90

9. API Well No.

30-045-29879

10. Field and Pool, or exploratory Area

S. Los Pinos Fruitland Sands PC, Ext.

11. County or Parish, State

San Juan, NM

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Phillips Petroleum Company

3. Address and Telephone No.

5525 Highway 64, NBU 3004, Farmington, NM 87401 505-599-3454

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit G, 1630' FNL & 1475' FEL
Section 27, T32N, R7W

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other Spud Report
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

5/18/99

MIRU Key Energy #37. Spud 12-1/4" hole @ 1730 hrs on 5/18/99. Drilled ahead to 348'. RIH w/8-5/8" 24#, K-55 ST&C casing and set @ 279'. RU BJ to cement. Pumped 10 bbls mud clean & 10 bbl water spacer ahead of 205 sx (247 cf) C1 H cement w/2% CaCl2, 1/4#/sx Cello-flake, mixed at 15.6 ppg w/1.20 yield. Dropped wood plug & displaced with 16 bbls water. Had 10 bbls (56 cf) cement circulated to surface. WOC.

NU WH & NU BOP. PT blind rams, caing and manifold to 200 psi for 3 min, then to 2000 psi for 10 min. Good test.

APD / ROW

14. I hereby certify that the foregoing is true and correct

Signed

Rosalyn Clugston

Title

Regulatory Assistant

Date

5/20/99

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

ACCEPTED FOR RECORD

Title 18 U.S.C. Section 1001, 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 statement or representations as to any matter within its jurisdiction.

MAY 24 1999

* See instruction on Reverse Side

OPERATOR

FARMINGTON FIELD OFFICE
BY SM

PROP #	Party Uid	Name	WI	WELL NAME/FORMATION
A650107	12001	PHILLIPS PETROLEUM COMPANY	0.686049	SAN JUAN 32-7 PC UNIT #90 & 91
A650107	69378	WILLIAMS PRODUCTION COMPANY	0.313951	SAN JUAN 32-7 PC UNIT #90 & 91