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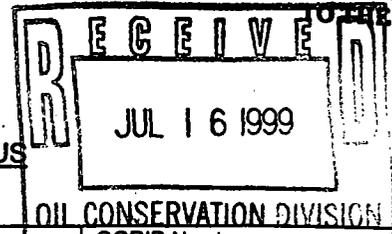
Energy Minerals and Natural Resources Department

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) 393-6161
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. Contact Party: Patsy Clugston. Property Name: San Juan 32-7 Unit. Well Number: 205. API Number: 30-045-29607. 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: 4/22/99, Spud Time: 1500 hrs, Date Completed: 5/17/99, Pool: Basin Fruitland Coal

- 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.

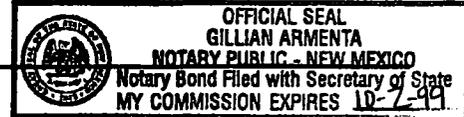
Patsy Clugston being first duly sworn, upon oath states:

- 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 Bahly, 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.

PV2V2005936020

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

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

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

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 M, 791' FSL & 1073' FWL
Section 22, T32N, R7W

5. Lease Designation and Serial No.

SF-078459

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

San Juan 32-7 Unit

8. Well Name and No.

SJ 32-7 Unit #205

9. API Well No.

30-045-29607

10. Field and Pool, or exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan, NM

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.)*

4/21/99

MIRU Key Energy #37. Spud 12-1/4" hole @ 1500 hrs 4/22/99. Drilled ahead to 380'. RIH w/9-5/8" 36#. K-55 casing and set @ 376'. RU BJ to cement. Pumped 10 bbls mud clean, 10 bbls water spacer, then pumped 185 sx (222 cf) Class H cement w/2% CaCl2, 1/4#/sx Cello-flake, mixed at 15.6 ppg w/1.20 yield. Dropped wood plug & displaced with 27 bbls water. Plug down @ 0910 hrs with 200 psi. Had 6 bbls cement returns to surface. WOC. NU WH & NU BOPs. PT casing, blind rams, & valves - 200 psi 3 minutes and 1500 psi for 10 minutes. Good test.

RECEIVED
BLM
APR 26 PM 3:06
070 FARMINGTON, NM

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

Signed Falvey Chagston Title Regulatory Assistant Date 4/26/99

(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 statements or representations as to any matter within its jurisdiction.

APR 28 1999

* See Instruction on Reverse Side

FARMINGTON FIELD OFFICE
BY Sm

OPERATOR

**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

3. LEASE DESIGNATION AND SERIAL NO.
SF-078459

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. RESER. Other _____

7. UNIT AGREEMENT NAME
San Juan 32-7 Unit

2. NAME OF OPERATOR
Phillips Petroleum Company

3. ADDRESS AND TELEPHONE NO.
5525 Highway 64, NBU 3004, Farmington, NM 87401 505-599-3454

8. FARM OR LEASE NAME, WELL NO.
NMSJ 32-7 Unit #205

9. API WELL NO.
30-045-29607

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface
Unit M, 791' FSL & 1073' FWL
At top prod. interval reported below
Same as above
At total depth
Same as above

10. FIELD AND POOL, OR WILDCAT
Basin Fruitland Coal

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 22, T32N, R7W

12. COUNTY OR PARISH
San Juan

13. STATE
NM

14. PERMIT NO. _____ DATE ISSUED _____

15. DATE SPUNDED **4/22/99** 16. DATE T.D. REACHED **4/27/99** 17. DATE COMPL. (Ready to prod.) **5/17/99** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* **6515' prepared GL** 19. ELEV. CASINGHEAD _____

20. TOTAL DEPTH, MD & TVD **3256'** 21. PLUG, BACK T.D., MD & TVD **3256'** 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS **X** CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*
Basin Fruitland Coal - 3126' - 3216'

25. WAS DIRECTIONAL SURVEY MADE
no

26. TYPE ELECTRIC AND OTHER LOGS RUN
Mud log

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
9-5/8"	36#, K-55	376'	12-1/4"	185 sx (222 cf) C1 H	6 bbls-surf.
7"	20#, K-55	3109'	8-3/4"	L-385sx (809 cf) 35/65 POZ C1H	
				T-100 sx (129 cf) C1 H	6 bbls-surf

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
5-1/2"	3062'	3247'	n/a		2-3/8"	3194'	no
15.5# K-55					4.7#		

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)
Basin Fruitland Coal @ 4 spf (.75") holes
3126' - 3143' (17'); 3164' - 3180' (16');
3198' - 3216' (18'); 51 Total feet
Total 204 holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
	Underreamed only
3115' - 3256'	6-1/4" hole to 9-1/2" hole

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
5/10/99	1 hr-pitot	2"			1305 mcf	250 bwpd	
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)	
	SI - 610 psi			1305 mcf	250 bwpd		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
SI waiting on approvals

TEST WITNESSED BY
David Green

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 *Felicia Clayton* TITLE Regulatory Assistant DATE 5/17/99

ACCEPTED FOR RECORD
DATE 5/17/99

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

MAY 20 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	2277	2397	Sandstone			
Kirtland Sh	2397	3067	Shale and sandstone			
Fruitland Fm	2397	3127	Shale, sandstone & coal			
Fruitland Coal	3127	3262	Shale & coal			
			These tops are estimated, no open hole logs run.			

PROP #	Party Uid	Name	WI	WELL NAME/FORMATION
A650446	12001	PHILLIPS PETROLEUM COMPANY	0.820000	SAN JUAN 32-7 UNIT #205 FC
A650446	69378	WILLIAMS PRODUCTION COMPANY	0.180000	SAN JUAN 32-7 UNIT #205 FC