

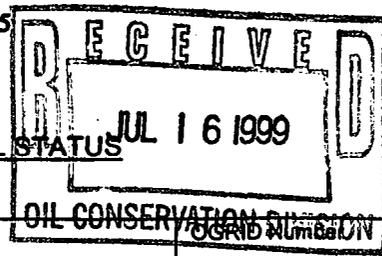
Energy Minerals and Natural Resources Department

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
Albuquerque, NM 88241-1980
District II - (505) 748-1283
811 S. First
Albuquerque, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Albuquerque, 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, Phone: 505-599-3454
Property Name: San Juan 32-7 Unit, Well Number: #240, API Number: 30-045-29874
UL Section Township Range Feet From The North/South Line Feet From The East/West Line County: E 20 32N 7W 1680 North 135 West San Juan

II. Date/Time Information
Spud Date: 4/23/99, Spud Time: 2130 hrs, Date Completed: 5/28/99, 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:

Affidavit section including State of New Mexico, County of San Juan, 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
Notary Public: Gillian Armenta
OFFICIAL SEAL GILLIAN ARMENTA NOTARY PUBLIC - NEW MEXICO
My Commission expires: 10-1-99

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 P. Speer, Title: P.E. Speer, 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.

PVZV2005936142

Submit to Appropriate District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-105  
Revised 1-1-89

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**OIL CONSERVATION DIVISION**

2040 Pacheco St.  
Santa Fe, NM 87505

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.  
**30-045-29874**

5. Indicate Type Of Lease  
STATE  FEB

6. State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL  GAS WELL  DRY  OTHER

b. Type of Completion: NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF RESVR  OTHER

7. Lease Name or Unit Agreement Name  
San Juan 32-7 Unit 009260

2. Name of Operator  
Phillips Petroleum Company

8. Well No.  
SJ 32-7 Unit #240

3. Address of Operator  
5525 Highway 64, NBU 3004 Farmington, NM 87401

9. Pool name or Wildcat  
Basin Fruitland Coal 71629

4. Well Location  
Unit Letter **E** : **1680'** Feet From The **North** Line and **135'** Feet From The **West** Line

Section **20** Township **32N** Range **7W** NMPM **San Juan** County

10. Date Spudded **4/23/99** 11. Date T.D. Reached **4/30/99** 12. Date Compl.(Ready to Prod.) **5/28/99** 13. Elevations(DF & RKB, RT, GR, etc.) **6286' prepared groundlevel** 14. Elev. Casinghead

15. Total Depth **3094' (TMD)** 16. Plug Back T.D. **3094' (TMD)** 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools **X** Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name  
**Basin Fruitland Coal 2921' - 3045'**

20. Was Directional Survey Made **no**

21. Type Electric and Other Logs Run  
**Mud Log**

22. Was Well Cored **no**

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36#, K-55	370'	12-1/4"	250 sx C1 H cement	8 bbls - surf.
7"	20#, K-55	2860' (TMD)	8-3/4"	L-365 sx 35/65 POZ C1 H	
				T-100 sx C1 H	20 bbl - surf.

**24. LINER RECORD**      **25. TUBING RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
5-1/2"	2818' (TMD)	3090' (TMD)	n/a		2-7/8"	3063'	no
15.6# J-55	272' total				6.5#		

26. Perforation record (interval, size, and number)  
**Basin Fruitland Coal - .75" hole @ 4 spf  
2921' - 2937' (16'); 2965' - 2972' (7');  
3021' - 3045' (24'); Total 96' = 188 holes**

27. ACID, SHOT, FRACTURE, CEMENT, SOEZE, ETC.  
DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED  
**2875' - 3094'      Undercreamed only  
6-1/4" hole to 9-1/2" hole**

**28. PRODUCTION**

Date First Production **SI**      Production Method (Flowing, gas lift, pumping - Size and type pump) **Flowing**      Well Status (Prod. or Shut-in) **SI**

Date of Test **5/20/99**      Hours Tested **1 hr-pitot**      Choke Size **2"**      Prod'n For Test Period      Oil - Bbl.      Gas - MCF **2050 mcf**      Water - Bbl. **@ 150 bwpd**      Gas - Oil Ratio

Flow Tubing Press.      Casing Pressure **SI - 400 psi**      Calculated 24-Hour Rate      Oil - Bbl.      Gas - MCF **2050 mcf**      Water - Bbl. **@ 150 bwpd**      Oil Gravity - API (Corr.)

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
**SI waiting on approvals**

Test Witnessed By  
**David Green**

30. List Attachments  
**See C103 dated 6/1/99 with the bottomhole location information**

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature *Patsy Clugston*      Printed Name **Patsy Clugston**      Title **Regulatory Asst.**      Date **6/1/99**

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

OIL CONSERVATION DIVISION

2040 Pacheco St  
Santa Fe, NM 87505

RECEIVED  
APR 27 1999  
OIL CON. DIV.

DISTRICT I  
P.O. Box 1980, Hobbs NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. 30-045-29874

5. Indicate Type of Lease  
STATE  FEE

6. State Oil & Gas Lease No.

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  GAS WELL  OTHER 017654

7. Lease Name or Unit Agreement Name  
San Juan 32-7 Unit 009260

2. Name of Operator  
Phillips Petroleum Company

8. Well No.  
SJ 32-7 Unit #240

3. Address of Operator  
5525 Highway 64, NBU 3004, Farmington NM 87401

9. Pool name or Wildcat  
Basin Fruitland Coal 71629

4. Well Location  
Unit Letter E : 1680' Feet From The North Line and 135' Feet From The West Line  
Section 20 Township 32N Range 7W NMPM San Juan County

10. Elevation (Show whether DF, 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  OTHER:   
SUBSEQUENT REPORT OF: REMEDIAL WORK  ALTERING CASING  COMMENCE DRILLING OPNS.  PLUG AND ABANDONMENT  CASING TEST AND CEMENT JOB  OTHER: Spud Report

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.

4/23/99  
MIRU Key Energy #53. Spud 12-1/4" hole @ 2130 hrs on 4/23/99. Drilled ahead to 375'. RIH w/9-5/8" 36#, K-55 casing and set @ 370'. RU BJ to cement. Pumped 10 bbls mud clean, 10 bbls FW spacer, then pumped 250 sx (268 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 26.5 bbls water. Plug down 2240 hrs w/125 ppg. Had 8 bbls cement returns to surface. WOC. NU WH & NU BOPs. PT casing, blinds rams & valves - 200 psi 3 minutes and 1500 psi 10 minutes. Good Test.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
SIGNATURE Patsy Cluaston TITLE Regulatory Assistant DATE 4/26/99  
TYPE OR PRINT NAME Patsy Cluaston TELEPHONE NO. 505-599-3454

(This space for State Use)  
ORIGINAL SIGNED BY CHARLIE T. PEFFIN DEPUTY OIL & GAS INSPECTOR, DIST. 03 APR 27 1999  
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

<b>PROP #</b>	<b>Party Uid</b>	<b>Name</b>	<b>WI</b>	<b>WELL NAME/FORMATION</b>
A650425	12001	PHILLIPS PETROLEUM COMPANY	0.820000	SAN JUAN 32-7 UNIT #240
A650425	69378	WILLIAMS PRODUCTION COMPANY	0.180000	SAN JUAN 32-7 UNIT #240

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

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P.O. Box 1980, Hobbs NM 88241-1980

2040 Pacheco St.  
Santa Fe, NM 87505

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1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-045-29874
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 #240
9. Pool name or Wildcat Basing Fruitland Coal 71629
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6286' prepared GL

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.)

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10. Elevation (Show whether DF, RKB, RT, GR, etc.)  
6286' prepared GL

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

**NOTICE OF INTENTION TO:**

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- OTHER:
- PLUG AND ABANDON
- CHANGE PLANS

**SUBSEQUENT REPORT OF:**

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING TEST AND CEMENT JOB
- OTHER: Bottomhole location report
- ALTERING CASING
- PLUG AND ABANDONMENT

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.

The subject well was directional drilled and the bottomhole location is:

Unit H, 1882' FNL & 330' FEL Section 19, T32N, R7W.

The TVD of the well was 2802'. The TMD of well is 3094'.

**RECEIVED**  
JUN - 1 1999  
**OIL CON. DIV.**  
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Patsy Clugston TITLE Regulatory Assistant DATE 6/1/99  
TYPE OR PRINT NAME Patsy Clugston TELEPHONE NO. 505-599-3454

(This space for State Use)

DEPUTY OIL & GAS INSPECTOR, DIST. #3

APPROVED BY Ernie Bush TITLE \_\_\_\_\_ DATE JUN 1 1999

CONDITIONS OF APPROVAL, IF ANY:

DD-194

6-1-99

JUN 1 1999