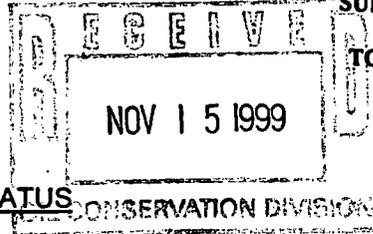


Energy Minerals and Natural Resources Department

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) 593-6161
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 CONSERVATION DIVISION

I. Operator and Well

Operator name & address: Phillips Petroleum Company, 5525 Hwy. 64, Farmington, New Mexico 87401. OGRID Number: 017654. Contact Party: Patsy Clugston, Phone: 505-599-3454. Property Name: San Juan 32 Fed Com 22. Well Number: 2. API Number: 30-045-29788. UL: N, Section: 22, Township: 32N, Range: 9W, Feet From The: 909, North/South Line: south, Feet From The: 1583, East/West Line: West, County: San Juan.

II. Date/Time Information

Spud Date: 9/26/99, Spud Time: 2000 hrs, Date Completed: 10/19/99, 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.

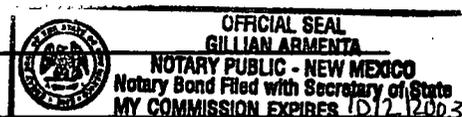
Patsy Clugston, being first duly sworn, upon oath states:

- 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: 11/12/99

SUBSCRIBED AND SWORN TO before me this ___ day of ___, 1999.

Notary Public signature and title.



My Commission expires: 10/12/2003

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 Kelly, Title: P.E. Spec., Date: DEC 20 1999

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: DEC 20 1999

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

PVZV2007232404

**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

RECEIVED

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 DEEP-EN PLUG BACK DIFF. RESRV 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 N, 909' FSL & 1583' FWL**
At top prod. interval reported below: **Same as above**
At total depth: **Same as above**

5. LEASE DESIGNATION AND SERIAL NO.: **SF-079341**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT AGREEMENT NAME: **San Juan 32 Fed Com 22**

8. FARM OR LEASE NAME, WELL NO.: **SJ 32 Fed Com 22 #2**

9. API WELL NO.: **30-045-29788**

10. FIELD AND POOL, OR WILDCAT: **Basin Fruitland Coal**

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: **Section 22, T32N, R9W**

12. COUNTY OR PARISH: **San Juan**

13. STATE: **NM**

14. PERMIT NO.: _____ DATE ISSUED: _____

15. DATE SPUDDED: **9/26/99**

16. DATE T.D. REACHED: **10/2/99**

17. DATE COMPL. (Ready to prod.): **10/19/99**

18. ELEVATIONS (DF, RKB, RT, GR, ETC.): **6738'**

19. ELEV. CASINGHEAD: _____

20. TOTAL DEPTH, MD & TVD: **3538'**

21. PLUG, BACK T.D., MD & TVD: **3537'**

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 3335' - 3529'**

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	345'	12-1/4"	195 sx C1 H cement	8 bbls - surf
7"	20#, J-55	3319'	8-3/4"	L-425 sx 35/65 POZ	
				T- 100 sx C1 H	0sur-TOC-370'

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
5-1/2"	3284'	3537'	no		2-7/8"	3515'	no
15.5#	243' total				6.5#		

30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
5-1/2"	3284'	3537'	no		2-7/8"	3515'	no
15.5#	243' total				6.5#		

31. PERFORATION RECORD (Interval, size and number)
Basin Fruitland Coal .75" holes @ 4 spf
 3509' - 3529' (20'); 3480' - 3485' (5');
 3377' - 3387' (10'); 3335' - 3341' (6');
 Total 41' = 164 holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
	Underreamed only
3330' - 3538'	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
10/17/99	1 hr - pitot	1/2"			1650 mcf	200 bwpd	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)	
	flow-263 psi			1650 mcf	200 bwpd		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): **SI waiting for approvals to first deliver**

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: *Patricia Chugster* TITLE: **Regulatory Assistant** DATE: **10/19/99**

ACCEPTED FOR RECORD
OCT 21 1999

*(See Instructions and Spaces for Additional Data on Reverse Side)

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
Nacimiento	753					
Ojo Alamo	2033	2053	Sandstone			
Kirtland	2053	3153	Shale & sandstone			
Fruitland	3153	3178	Shale, coal & sandstone			
Fruitland Coal	3178	3563	Shale & coal			
Pictured Cliffs	3563		Marine Sands			
			These are estimated tops from off-set logs, no open hole logs were run.			

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0195
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

5. Lease Designation and Serial No.

SF-079341

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

San Juan 32 Fed Com 22

8. Well Name and No.

2

SJ 32 Fed Com 22 #

9. API Well No.

30-045029788

10. Field and Pool, or exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan, NM

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 N, 909' FSL & 1583' FWL
Section 22, T32N, R9W

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.)*

9/25/99 MIRU Key Energy #53. Spud 12-1/4" hole @ 2000 hrs 9/26/99. Drilled ahead to 350'. Circ. hole. RIH w/9-5/8" 36#, K-55 casing and set @ 345'. RU BJ to cement. Pumped 195 sx (234 cf) Class H cement w/2% CaCl2, 1/4#/sx Cello-flake mixed at 15.6 ppg w/1.20 yield. Circulated 8 bbls (45 cf) cement to surface. RD BJ. WOC.

NU BOPs. PT casing, rams, valves to 200 psi for 3 minutes and 1500 psi for 10 minutes. Good test.

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

Signed

Patricia Clugston

Title

Regulatory Assistant

Date

9/28/99

(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.

OCT 01 1999

* See instruction on Reverse Side

OPERATOR

FARMINGTON FIELD OFFICE
BY *[Signature]*

OWNER NAME	ADDRESS	WI	PROPERTY NAME
PHILLIPS PETROLEUM COMPANY		0.820000	SAN JUAN 32 FED 22 COM #2
WILLIAMS PRODUCTION COMPANY	ONE WILLIAMS CENTER, P O BOX 3102, MS 37-5, TULSA, OK 74101	0.180000	