Form 3160-5
(August 1999)

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 side

5. Lease Serial No.
NMSF079341

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No
San Juan 32 Fed 23

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
SJ 32 Fed 23 #1

2. Name of Operator
Phillips Petroleum Company

9. API Well No.
30-045-30242

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

3b. Phone No. (*include area code*)
505-599-3454

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
Unit N, 909' FSL & 1583' FWL
Section 22, T32N, R9W

11. County or Parish, State
San Juan, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☒ 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 recomplete 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 recompletion 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 final site is ready for final inspection.)

Phillips is requesting permission to dispose of the subject well's produced water off lease. A water analysis is attached as well as other information the BLM needs to grant this approval. The State issued permits for the Disposal Facilities the water will be disposed at, are already on file at the BLM.

MAR 2003
OIL CONS. DIV.
DIST. 3

APPROVED
MAR - 3 2003
/s/ V.R. Balderaz
FIELD MANAGER

RECEIVED
2003 FEB 26 PM 3:31
070 Farmington, NM

14. I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*) Patsy Clugston

Title SHEAR Administrative Assistant

Date 1/16/03

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, 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.

NMOCD

Phillips Petroleum Company
5525 Hwy. 64
Farmington, NM 87401

Application to dispose of water off lease into an approved Water Disposal Well on the subject well

Well Name: **SJ 32 Fed 23 #1**
Legal Location: SENE of Section 23, T32N, R9W
API Number: 30-045-30242
Lease Number: SF-079341
County in NM: San Juan County

1. Name of formation producing water on the lease – Basin Fruitland Coal
2. Amount of water produced from all formations in barrels per day - 34 bwpd
3. Current water analysis of produced water from all zones showing at least the total dissolved solids, ph and concentrations of chlorides and sulfates available if needed.
4. How water is stored on the lease – Two 500 bbl pit tank
5. How water is moved to the disposal facility – Water flows from the well's storage tanks to the 32-8 disposal system and is commingled with 32-8 water. Then the 32-8 water is disposed via pipeline to any of the following three WDSs – the 32-8 #301, 32-8 #303 or the 32-7 #301.
6. Identify the Disposal Facility:
    a. Facility Operator Name: Phillips Petroleum Company
    b. Name of facility or well name and number – SJ 32-8 #301, SJ 32-8 #303, or SJ 32-7 #301 WDW.
    c. Type of facility of well (WDW) (WIW), etc.: - WDW
    d. Location by ¼/¼, Section, Township, and Range. – 32-8 #301 – NE/SW Section 16 of 31N, R8W; 32-8 #303 – SWNW Section 14 T31N, R8W; or SJ 32-7 #301 - SWSW of Section 34, T32N, R7W
7. Copy of the State issued permits for the Disposal Facility already on file at the BLM.

NOTE: According to the NMSU agricultural center, the average evaporation rate for their weather station up by NAPI is 56.3" per year. The matching average precipitation for the weather station is 8.2" per year.

Rocky Mountain Region
1675 Broadway, Suite 1500
Denver, CO 80202
(303) 573-2772
Lab Team Leader - Sheila Hernandez
(915) 495-7240

Water Analysis Report by Baker Petrolite

Company:	CONOCO - PHILLIPS PETROLEUM CO	Sales RDT:	44211
Region:	ROCKY MOUNTAINS	Account Manager:	CRAIG SMITH (505) 330-3224
Area:	FARMINGTON, NM	Sample #:	173058
Lease/Platform:	FARMINGTON SYSTEM	Analysis ID #:	20114
Entity (or well #):	SAN JUAN FEDERAL 32 23 1	Analysis Cost:	$40.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary	
Sampling Date:	7/6/01
Analysis Date:	7/17/01
Analyst:	MARILYN BRANNON
TDS (mg/l or g/m3):	16362.4
Density (g/cm3, tonne/m3):	1.01
Anion/Cation Ratio:	0.9999999
Carbon Dioxide:	
Oxygen:	N/A
Comments:	

Analysis of Sample 173058 @ 75 °F

Anions	mg/l	meq/l	Cations	mg/l	meq/l
Chloride:	**759.0**	**21.41**	**Sodium:**	**4585.4**	**199.45**
Bicarbonate:	**10370.0**	**169.95**	**Magnesium:**	**29.0**	**2.39**
Carbonate:	**264.0**	**8.8**	**Calcium:**	**28.0**	**1.4**
Sulfate:	**236.0**	**4.91**	**Strontium:**	**18.0**	**0.41**
Phosphate:			**Barium:**	**41.0**	**0.6**
Borate:			**Iron:**	**1.0**	**0.04**
Silicate:			Potassium:	31.0	0.79
			Aluminum:		
Hydrogen Sulfide:		0 PPM	Chromium:		
pH at time of sampling:		8.5	Copper:		
pH at time of analysis:			Lead:		
pH used in Calculation:		**8.5**	Manganese:		
			Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite $CaCO_3$		Gypsum $CaSO_4*2H_2O$		Anhydrite $CaSO_4$		Celestite $SrSO_4$		Barite $BaSO_4$		CO_2 Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	1.68	23.79	-2.59	0.00	-2.66	0.00	-0.96	0.00	2.55	24.14	0.39
100	0	1.63	23.79	-2.62	0.00	-2.62	0.00	-0.94	0.00	2.41	24.14	0.75
120	0	1.59	23.45	-2.64	0.00	-2.56	0.00	-0.90	0.00	2.30	24.14	1.36
140	0	1.55	23.45	-2.66	0.00	-2.48	0.00	-0.86	0.00	2.21	24.14	2.35

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

LOCATION: 5.J. 32 PEN 23
WELL #: # 1
DATE: 10/25/01

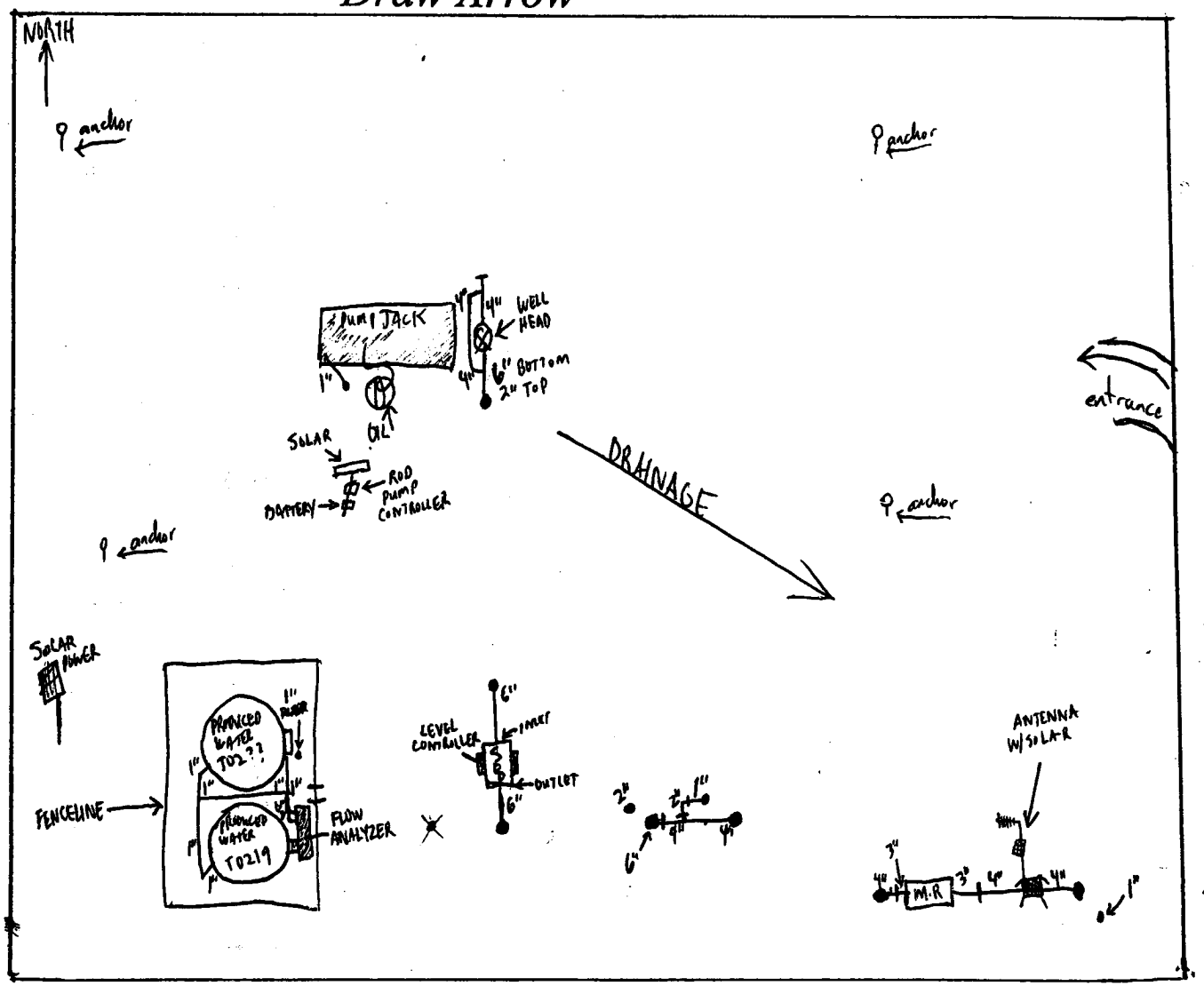
PROCESS FLOW DIAGRAM

(MUST SHOW)

- *Entrance*
- *Direction Indicator*
- *Flow Lines* _____
- *Water lines* ----------
- *Pipe Size*
- *Equipment*
- *Pits*
- *Anchors*
- *Direction of Drainage*

N

Draw Arrow



Location # 32 FED 23 #1 Date 10/25/01 Inspector R. Gould

Equipment	Size/cap model #	Mfgr.	Serial # or Meter #	Idle (Y/N)	Comments:
Prod. Unit	30"OD X 10'0"	PESCO	204038		
Dehy Sep.					
Dehy Reboiler					
Dehy Contactor					
Meter Run	250"X500#	N/A	A65025-17	Y	
Compressor					
Tanks/Pit Tanks					
TANK 1	13'4"X20' HIGH	PESCO	TO2???	Y	SER. NO. SCRATCH OFF AFTER NUMBER 2.
TANK 2	13'4"OD X 20' HIGH	PESCO	TO219	Y	

Tanks/Pit Tanks	Leak det. (Y/N)	Comments:

Surplus Equipment - Phillips

Equipment	Size/cap	MFGR	Serial #	Idle (Y/N)	Leak det. (Y/N)	Comments:

Other Equipment Non-Phillips (separators, dehydrators, pits)

Equipment	Owner of equipment	Active/Inactive	Idle (Y/N)	Comments:

	Hi-low Valve	Choke Valve	Misc.	Comments:
Pipe Size				
Trim Size				
MFGR				