

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

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

2. Name of Operator
Phoenix Hydrocarbons Operating Corp.

3a. Address
P O Box 3638, Midland, TX 79702

3b. Phone No. (include area code)
915-686-9869

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1110' FSL & 990' FEL; P-11-27N-08W

5. Lease Serial No.
NMSF078476

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Federal J #2

9. API Well No.
30-045-23460

10. Field and Pool, or Exploratory Area
Otero Chacra

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 Surface
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Commingle
	☐ 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 recompleat 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 recompleat 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 site is ready for final inspection.)

Surface Commingle the Federal J #2 with the Federal J #1A

Application Attached

Common Federal Lease surface commingle

PG 1080

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

Phyllis R. Gunter

Title Agent

Signature

Phyllis R. Gunter

Date

10-25-02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

Petr. Eng

Date

11/26/03

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

BLM-AFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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

FARMINGTON

PHOENIX HYDROCARBONS OPERATING CORPORATION

415 WEST WALL, SUITE 703
MIDLAND, TX 79701

P. O. BOX 3638
Midland, Texas 79702

432
RECEIVED
Phone 915 686-9869
FAX 915 686-7798

2002 OCT 28 PM 12:38

070 FARMINGTON, NM

October 25, 2002

Mr. William V. Jones, Jr. PE
New Mexico Oil Conservation Division
1220 South St Francis Drive
Santa Fe, NM 87505

Mr. Jim Lovato
Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, NM 87401

RE: APPLICATION TO COMMINGLE
FEDERAL J-#1A NMSF078476
FEDERAL J-#2 NMSF078476

Dear Sirs:

Phoenix is submitting (in triplicate) the attached Applications to Commingle the above referenced wells. This application is tentatively following the outline set forth in the new proposed Oil Conservation Division's "Application for Surface Commingling".

The commingling of these two wells would constitute a Pool and Lease Commingling Application. The Federal J#1A and Federal J#2 are located on the same well pad approximately 250' apart.

WELL NAME:	FEDERAL J#1A	FEDERAL J#2
POOL CODE:	72319	82329
POOL NAME:	BLANCO MESAVERDE	OTERO CHACRA
U-S-T-R:	P-11-27N-08W	
LOCATION OF WELL:	1180' FSL & 800' FEL	1110' FSL & 990' FEL
OGRID:	188483	
PROP CODE:	26851	26849
API:	30-045-23461	30-045-23466
LEASE TYPE:	GAS (FLOWING)	
MCF PER MONTH:	5430	± 25
BTU:	1.291	1.176
COMMINGLED BTU:	1.236	
VALUE NON-COMM:	\$14,952 (AUG SALES)	\$499 (AUG SALES)
CAL COMM VALUE:	\$18,038	
LEASE USE:	± 4 MCFPD	NO
WATER PRODUCTION:	±20 BPM	NO
CONDENSATE PROD:	±10 BPM	NO
WORKING INTEREST:	SAME	
ROYALTY INTEREST:	SAME	
OVERRIDDING ROY:	SAME	
MEASUREMENT TYPE:	WELL TEST	
DISTRIBUTION:	COMMINGLING ORDER PC-1063	

The commercial value is greater commingled than sold individually. Alone the Federal J#2 does not make enough gas to buck the line pressure. A compressor has been added to the Federal J#1A that will help both wells production. The J#2 does not produce at top allowables.

October 25, 2002

Please find attached Exhibits 1 through 8 for both wells; and 9 for Federal J-1A.

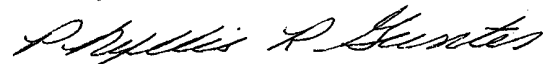
1. Owner Information
2. Plat (C-107)
3. Schematic diagram of facility
4. Orifice Meter Station Inspection Report
5. Pumper Drawing of the Area
6. Pumper Gauge Sheet for September
7. El Paso's September Monthly Summary of Gas Sales
8. El Paso's breakdown of Gas Produced
9. Federal J-1A only additional pumper information

The sound mechanical integrity of the surface commingling system is dependent upon physical monitoring of the wells. Physically monitoring and verifying that both wells are producing test the surface commingled system's integrity daily.

Testing frequency of each well for accurate allocation verification would be a 72-hour well test performed annually on each well.

Thanking you in advance for your prompt attention. Please do not hesitate to contact me, Phyllis R. Gunter at 915-686-9869.

Sincerely,



Phyllis R. Gunter

Prg

Enclosures

**PHOENIX HYDROCARBONS OPERATING CORPORATION
P O BOX 3638**

MIDLAND, TEXAS 79702

351015	FEDERAL J-2	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INT
		CO826 75-6545956 JESSICA ANN CORTEZ TRST CORTEZ MICHELLE BLEDSOE TTE 4811 HALLMARK DRIVE DALLAS TX 75229	0.00000000	0.00250000	0.00250000	OR
		DA955 76-6049139 DAWSON FAMILY TRUST C/O ROBBIN R DAWSON P O BOX 1507 PANHANDLE TX 79068-1507	0.00000000	0.01000000	0.01000000	OR
		DE112 75-2824870 DEALEY FAMILY LTD 250 HIGHLAND PARK VILLAGE SUITE 100-311 DALLAS TX 75205-2789	0.03906250	0.02929680	0.02929680	WI
		DL500 75-6392940 BURK C MURCHISON (DLM TRST) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS TX 75240	0.00500000	0.00375000	0.00375000	WI
		EN375 63-0808872 ENERGEN RESOURCES CORP 605 21ST STREET NORTH BIRMINGHAM AL 35203-2707	0.00000000	0.01750000	0.01750000	OR
		GFB 01-0552588 GFB ACQUISITIONS - I, LLP P O BOX 3638 MIDLAND TX 79702	0.14993688	0.11245265	0.11245265	WI
		HE150 75-2929693 HEARN CAPITAL, LTD 109 NORTH RIVERCREST DRIVE FT WORTH TX 76107	0.12500000	0.09375000	0.09375000	WI
		MMS 84-0848646 MINERALS MANAGEMENT SERV RMP P O BOX 580 DENVER CO 80217	0.00000000	0.12500000	0.12500000	MI

**PHOENIX HYDROCARBONS OPERATING CORPORATION
P O BOX 3638**

MIDLAND, TEXAS 79702

351015	FEDERAL J-2	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INT
		PU761 75-2715696 PURE RESOURCES, L P P O BOX 910552 DALLAS TX 75391-0552	0.00000000	0.00750000	0.00750000	OR
		RU663 75-2403305 MURCHISON CAPITAL PTNRS LLC 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS TX 75240	0.10000000	0.07500000	0.07500000	WI
		RU774 75-6415363 THE A WILLIAM RUTTER TRST P O BOX 3186 MIDLAND TX 79702	0.00000000	0.00125000	0.00125000	OR
		RU775 75-6467231 THE DOROTHY T RUTTER TRST P O BOX 3186 MIDLAND TX 79702	0.00000000	0.00125000	0.00125000	OR
		TRI 75-2768707 TRANSREPUBLIC RESOURCES INC P O BOX 3638 MIDLAND TX 79702	0.00631312	0.00473485	0.00473485	WI
		WK500 75-6393054 BURK C MURCHISON (WKM TR) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS TX 75240	0.00500000	0.00375000	0.00375000	WI
			1.00000000	1.00000000	1.00000000	

PHOENIX HYDROCARBONS OPERATING CORPORATION

P O BOX 3638

MIDLAND, TEXAS 79702

351015	FEDERAL J-2	OWNER INFORMATION	COST DDI	OIL DDI	GAS DDI	INT
		BA430 433-27-7965 GREGG BAIANO 2700 BLUEBIRD LANE MIDLAND, TX 79705	0.37500000	0.28125000	0.28125000	WI
		BC500 75-6392937 BURK C MURCHISON (BCM TR) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS TX 75240	0.00500000	0.00375000	0.00375000	WI
		BE110 463-52-8798 W R BEAVERS, MD 3613 CEDAR SPRINGS RD DALLAS TX 75219	0.11718750	0.08789070	0.08789070	WI
		BL130 75-2402678 BLACK HOLE RANCH CORP C/O GLENN SODD P O BOX 837 CORSICANA TX 75151	0.06250000	0.04687500	0.04687500	WI
		BP110 73-0466080 BPAMERICA PRODUCTION CO P O BOX 277897 ATLANTA GA 30384-7985	0.00000000	0.08500000	0.08500000	OR
		CA500 75-6399738 BURK C MURCHISON (CAM TR) 1450 THREE LINCOLN CENTER 5430 LBJ FREEWAY DALLAS TX 75240	0.00500000	0.00375000	0.00375000	WI
		CE500 75-6392939 BURK C MURCHISON (CEM TR) 1450 THREE LINCOLN CENTRE 5430 LBJ FREEWAY DALLAS TX 75240	0.00500000	0.00375000	0.00375000	WI

All distances must be from the outer boundaries of the Section.

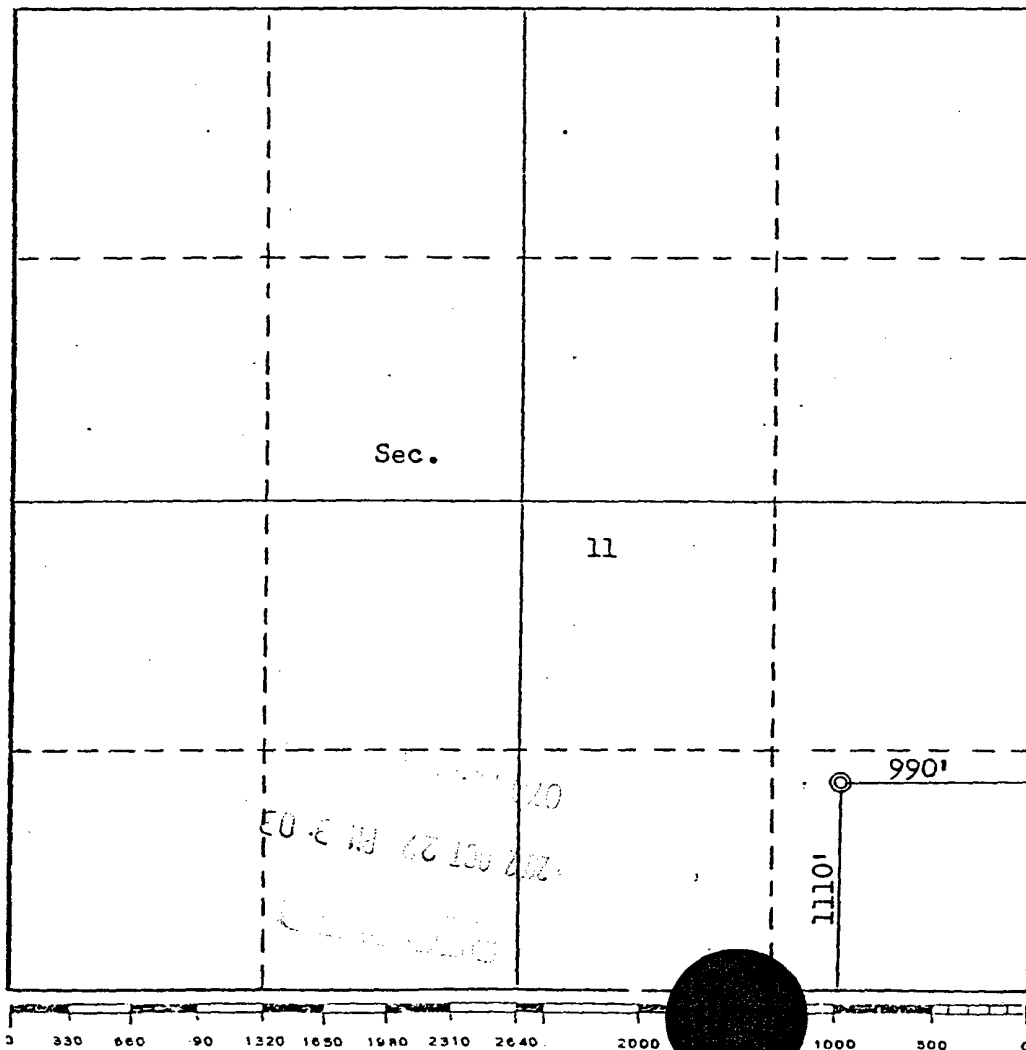
Operator BLEDSOE PETRO CORPORATION			Lease FEDERAL "J"		Well No. 2
Unit Letter P	Section 11	Township 27N	Range 8W	County San Juan	
Actual Footage Location of Well: 1110 feet from the South line and 990 feet from the East line					
Ground Level Elev. 6618	Producing Formation Chacra		Pool Otero Chacra		Dedicated Acreage: Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

RC Wynn
Name

Operator
Position

Company

Date
4/9/79

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

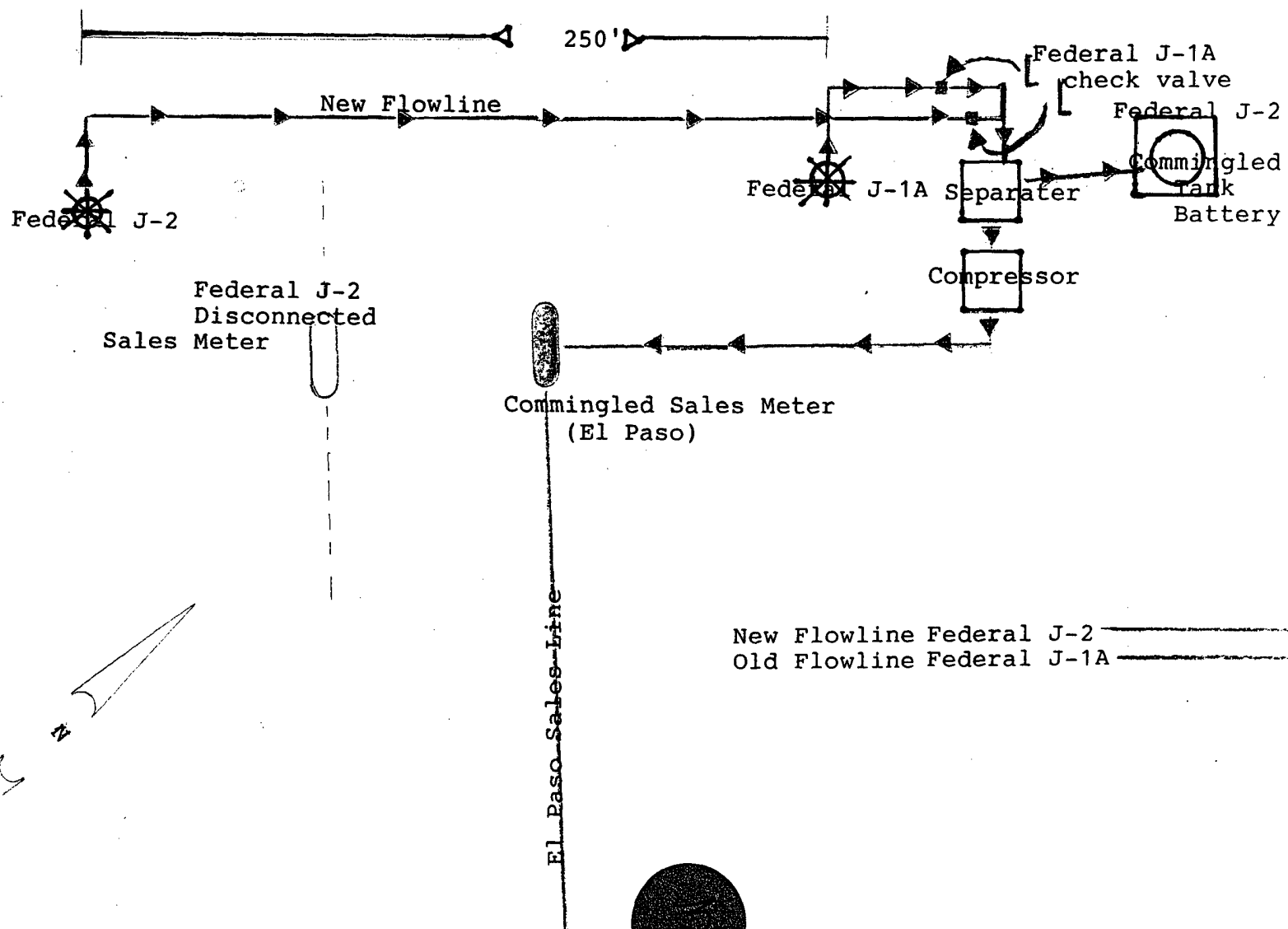
April 6, 1979

Registered Professional Engineer and/or Land Surveyor

Fred B. Kiser, Jr.

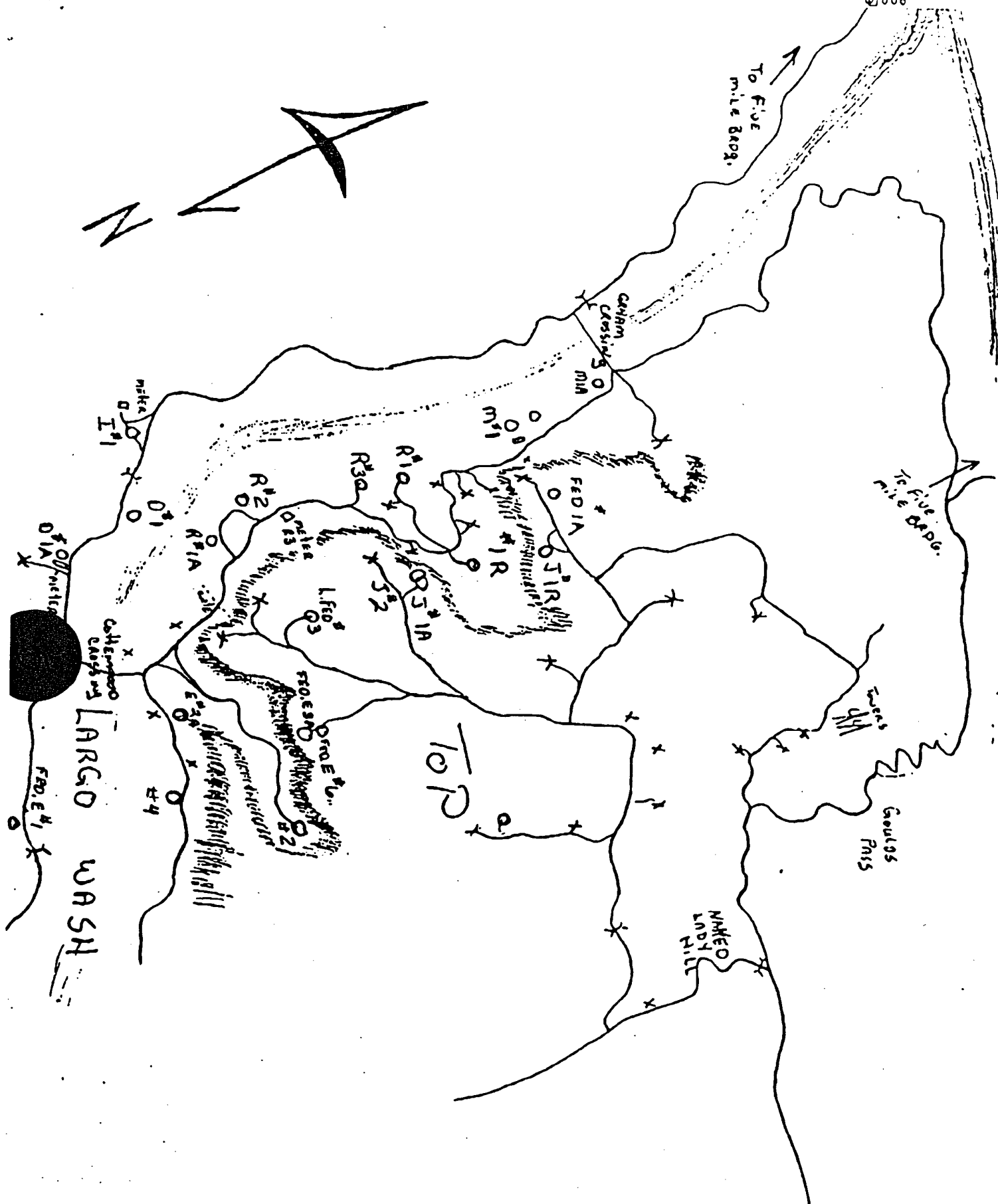
Certification No. *3950*

SCHEMATIC
 COMMINGLED FACILITY
 FEDERAL J-1A & FEDERAL J-2
 NMSF078476
 P-11-27N-08W



New Flowline Federal J-2
 Old Flowline Federal J-1A

Integrated by El Paso Natural Gas Company El Paso, Texas



Well#	Date	Deff.	Stat.	Est. Prod.
*NOTE;	8-31-02	1.0	7.8	
		ON 30	DAYS	
Fed #4	9-30-02			226
30 DAYS	8-31-02	1.8	7.8	
Fed #2	9-30-02	2.0	7.8	1076
30 DAYS	8-31-02	1.8	7.8	
Fed J#1	9-30-02	8.1	3.5	410
30 DAYS	8-31-02	1.0	7.8	
Fed L#6	9-30-02	1.0	8.0	150

NOTE:

EPNG Installed EFM ON THE E#4

Total from page one 10673Total from page two 28758Total from page three 1862Total for month 41293


SEPT 2002

EP FIELD SERVICES--SAN JUAN
 Preparer Code: 837495894
 Statement Title: Monthly Summary Statement
 Contact: JUAN DESANTIAGO (832)676-7958
 Statement Type: Original

Accounting/Production Period: 09/2002

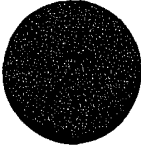
PHOENIX HYDROCARBONS OPERATING CORP
 Recipient Code: 0
 Location Code: NA DRN
 Report Date/Time: 10/11/2002 07:16

Reporting Basis: MCF @ 14.730

On Date	Meter	Location Code	Name	Gas Analysis	Volume State PB	PB	Type Code	Volume MCF	Energy DTH	BTU DRY	Press PSIA	Temp F	Flow Time HR	Off Date
09/01/2002 07:00	75980 01	75980	DRN FEDERAL R #1 MV	75980	1,351	15.025	ACT	1,378	1,702	1235	142.8	69.6	718.3	10/01/2002 07:00
09/01/2002 07:00	87108 01	87108	DRN FEDERAL I #1 MV	87108	1,112	15.025	ACT	1,134	1,605	1295	149.4	68.7	224.6	10/01/2002 07:00
09/01/2002 07:00	87110 01	87110	DRN FEDERAL D #1 MV	87110	1,203	15.025	ACT	1,227	1,638	1335	148.2	71.5	364.5	10/01/2002 07:00
09/01/2002 07:00	87598 01	87598	DRN LARGO FEDERAL #3 MV	87598	828	15.025	ACT	845	1,091	1287	164.8	69.3	563.0	10/01/2002 07:00
09/01/2002 07:00	87605 01	87605	DRN LARGO FEDERAL #2 CH	87605	923	15.025	ACT	941	1,135	1206	156.1	60.0	654.6	10/01/2002 07:00
09/01/2002 07:00	90708 01	90708	DRN FEDERAL E #2A MV	90708	0	15.025	ACT	0	0	0	0.0	0.0	0.0	10/01/2002 07:00
09/01/2002 07:00	90713 01	90713	DRN FEDERAL E4 CH	90713	141	15.025	ACT	144	172	1205	153.1	68.3	406.3	10/01/2002 07:00
09/01/2002 07:00	90971 01	90971	DRN FEDERAL J1A	90971	5,430	15.025	ACT	5,539	7,149	1291	177.2	68.3	708.2	10/01/2002 07:00
09/01/2002 07:00	90972 01	90972	DRN FEDERAL J2	90972	25	15.025	ACT	25	31	1171	176.6	60.0	8.9	10/01/2002 07:00
09/01/2002 07:00	90986 01	90986	DRN FEDERAL E #6	90986	100	15.025	ACT	102	136	1387	169.8	60.0	720.0	10/01/2002 07:00
09/01/2002 07:00	90987 01	90987	DRN FEDERAL E #3A	90987	4,088	15.025	ACT	4,170	5,823	1396	166.1	68.7	713.1	10/01/2002 07:00
09/01/2002 07:00	94867 01	94867	DRN FEDERAL R #1A	94867	1,038	15.025	ACT	1,059	1,454	1371	142.2	61.0	700.8	10/01/2002 07:00
09/01/2002 07:00	94922 01	94922	DRN FEDERAL R #3	94922	688	15.025	ACT	702	827	1174	155.5	66.1	693.6	10/01/2002 07:00
09/01/2002 07:00	94925 01	94925	DRN FEDERAL R #2	94925	954	15.025	ACT	973	1,135	1165	155.3	80.0	559.0	10/01/2002 07:00
09/01/2002 07:00	97559 01	97559	DRN FEDERAL M #1A CPD	97559	4,117	15.025	ACT	4,199	5,526	1315	144.4	78.5	662.3	10/01/2002 07:00
09/01/2002 07:00	97560 01	97560	DRN FEDERAL M #1 CPD	97560	1,507	15.025	ACT	1,537	2,053	1334	142.5	69.6	712.5	10/01/2002 07:00
09/01/2002 07:00	97607 01	97607	DRN LARGO FEDERAL #1 R	97607	4,307	15.025	ACT	4,393	5,610	1277	176.7	73.1	634.3	10/01/2002 07:00
09/01/2002 07:00	97755 01	97755	DRN FEDERAL J #1R MV	97755	3,035	15.025	ACT	3,096	3,877	1251	184.3	68.6	669.5	10/01/2002 07:00
09/01/2002 07:00	97778 01	97778	DRN LARGO FEDERAL #1A M	97778	4,335	15.025	ACT	4,422	5,625	1272	180.3	68.0	648.8	10/01/2002 07:00
09/01/2002 07:00	98171 01	98171	DRN LARGO FEDERAL D #1 A	98171	4,041	15.025	ACT	4,122	5,576	1353	145.4	71.5	697.1	10/01/2002 07:00
Total					39,223			40,008	52,165					

		15.025	14.73	14.65
m1@15.025	m1	1130	1153	1159
1507	m3	377	384	386
	TOTAL	1507	1537	1546
m1a@15.025	m1a	3541	3612	3631
4117	m2	576	588	591
	TOTAL	4117	4199	4222

SEPT 2002


 SEPT 2002

EP FIELD SERVICES--SAN JUAN
Preparer Code: 837495894
Statement Title: Monthly Summary Statement
Contact: JUAN DESANTIAGO (832)676-7958
Statement Type: Original

Accounting/Production Period: 09/2002

PHOENIX HYDROCARBONS OPERATING CORP
Recipient Code: 0
Location Code: NA DRN
Report Date/Time: 10/11/2002 07:16

Reporting Basis: MCF @ 14.730

Analysis Id: 90713 FEDERAL E4 CH Device: (No spec equip) GPA Version: GPAEP97

Effective Date Type Sample Date Dry BTU Wet BTU Gravity

10/01/2001 07:00 SPOT 09/25/2001 1205 1184 0.6930

					Iso		Iso	Neo								
	Methane	Ethane	Propane	Butane	Butane	Pentane	Pentane	Pentane	Hexane	Heptane	Octane	H2S	CO2	Nitrogen	Total	
Mole %-	84.84	6.39	4.17	1.16	0.77	0.28	0.40	0.00	0.66	0.00	0.00	0.00	0.22	1.11	100.00	
GPM-		1.7090	1.1490	0.3657	0.2519	0.1014	0.1464	0.0000	0.2880						4.0114	

Analysis Id: 90971 FEDERAL J1A Device: (No spec equip) GPA Version: GPAEP97

Effective Date Type Sample Date Dry BTU Wet BTU Gravity

09/01/2001 07:00 SPOT 08/07/2001 1291 1269 0.7490

					Iso		Iso	Neo							
	Methane	Ethane	Propane	Butane	Butane	Pentane	Pentane	Pentane	Hexane	Heptane	Octane	H2S	CO2	Nitrogen	Total
Mole %-	77.98	10.32	6.22	1.62	1.08	0.38	0.50	0.00	0.65	0.00	0.00	0.00	0.62	0.63	100.00
GPM-		2.7601	1.7139	0.5108	0.3533	0.1376	0.1830	0.0000	0.2836						5.9423

Analysis Id: 90972 FEDERAL J2 Device: (No spec equip) GPA Version: GPAEP97

Effective Date Type Sample Date Dry BTU Wet BTU Gravity

09/01/2002 07:00 SPOT 07/31/2002 1171 1151 0.6640

					Iso		Iso	Neo							
	Methane	Ethane	Propane	Butane	Butane	Pentane	Pentane	Pentane	Hexane	Heptane	Octane	H2S	CO2	Nitrogen	Total
Mole %-	87.32	6.56	3.18	0.86	0.55	0.21	0.30	0.00	0.39	0.00	0.00	0.00	0.35	0.28	100.00
GPM-		1.7545	0.8762	0.2712	0.1799	0.0761	0.1098	0.0000	0.1702						3.4378