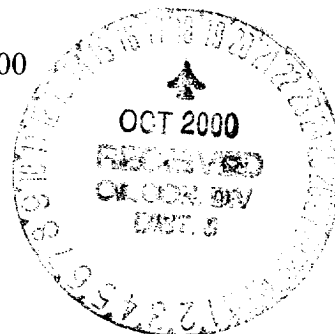




PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

October 13, 2000



NM Oil & Gas Conservation Division
Attn: Charlie T. Perrin
1000 Rio Brazos Rd.
Aztec, NM 87410

Demand letter for 32-7 #68
API - 30-45-24776

p- 34-32N-7u)

Dear Charlie:

In reference to your September 12, 2000 letter concerning the 32-7 #68 well, find attached a copy of the sundry I submitted to the BLM today. The sundry was a Notice of Intent to keep the SI status on the well until we could re-evaluate this well for uphole recompletion into the MV zone. If you need anything else from us to comply with Rule 201.B, please call me at 505-599-3454.

Thank you,

PHILLIPS PETROLEUM COMPANY

Patsy Clugston
Sr. Regulatory/Proration Clerk

cc: Jim Kennedy
Mike Larimer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

5. Lease Serial No.

SF-78998

6. If Indian, Allottee or Tribe Name

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

San Juan 32-7 Unit

8. Well Name and No.

SJ 32-7 Unit #68

9. API Well No.

30-045-24776

10. Field and Pool, or Exploratory Area

Basin Dakota,

11. County or Parish, State

San Juan, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Phillips Petroleum Company

3a. Address

5525 Highway 64, NBU 3004, Farmington, NM 87401

3b. Phone No. (include area code)

505-599-3454

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit P, 9920' FSL & 1080' FEL
Section 34, T32N, R7W

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Extend SI</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>status till can</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>evaluate for recom</u>

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.)

The subject well has been shut in for April 1999 and we would like to extend the SI status to evaluate of the well for uphole recompletion into the Mesaverde interval. This well is in the wildlife restricted area and our rigs are committed for this year, so we will have to plan the workover to begin after the March 31, closure date.

Once the evaluation is complete a NOI will be submitted with details of the recompletion. The casing will be tested before the workover commences and if the casing fails we will remediate with cement before completing the new zone.

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

Patsy Clugston

Title

Sr. Regulatory/Proration Clerk

Date

10/13/00

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