FORM APPROVED **UNITED STATES** Form 3160-5 Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR (June 1990) Expires: March 31, 1993 5. Lease Designation and Serial No. BUREAU OF LAND MANAGEMENT SF-078472 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE San Juan 32-7 Unit 1. Type of Well 8. Well Name and No. 2. Name of Operator SJ 32-7 #235 Phillips Petroleum Company 9. API Well No. 3. Address and Telephone No. 30-045-28748 5525 Highway 64, NBU 3004, Farmington, NM 87401 505-599-3454 10. Field and Pool, or exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Basin Fruitland Coal Unit N. 463' FSL & 1568' FWL 11. County or Parish, State Section 29, T32N, R7W San Juan. NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Abandonment Change of Plans New Construction Recompletion Non-Routine Fracturing Plugging Back Water Shut-Off Casing Repair Final Abandonmen Altering Casing Conversion to Injection Other Packer & on/off tool 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.)* Plans are to try and control where the gas and water seperation occurs. This should solve several production problems. Details of the procedure are as follows: Set wireline plugs. ND WH & NU BOPs. POOH with tubing. GIH with tubing, packer and on/off tool. Set EOT @ bottom perf and packer @ TOL. Release from on/off tool, PU 5' and land tubing. ND BOPs and NU WH. Return well to production. A flow back tank will be utilized instead of a pit. 8-20-97 Regulatory Assistant (This space for Federal or State office use)

Approved by

Approved by AUG 22 1997 Title Conditions of approval, if any: 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 statements

or representations as to any matter within its jurisdiction.