

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 <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE		5. Lease Serial No. NMSF079380
2. Name of Operator PHILLIPS PETROLEUM COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 5525 HWY. 64 FARMINGTON, NM 87401		7. If Unit or CA/Agreement, Name and/or No. NMMN78424B
3b. Phone No. (include area code) Ph: 505.599.3454 Fax: 505-599-3442		8. Well Name and No. SAN JUAN 32-8 UNIT 254
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T32N R8W Mer SWSW 855FSL 990FWL		9. API Well No. 30-045-29802
		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
		11. County or Parish, and State SAN JUAN COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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"/> WRK
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

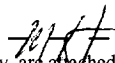
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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.)

Details of procedure used to clean out well and run liner.

8/16/01 MIRU Key Energy #18. Kill well w/15 bbls produced water. ND WH & NU BOP. COOH w/tubing. RIH w/bit & tagged fill @ 3460'. Cleaned out coal fill from 3460' - 3498'. Rotated & reciprocated well cleaning out fill for 2 days. RIH w/225.39' of 5-1/2" 15.5# J-55 casing (liner) followed by liner hanger. Set liner hanger @ 3304' (36' overlap) with bottom of liner set @ 3535'. COOH. RU Blue Jet to perforated FC interval. Shot .75" holes @ 4 spf - 3489' - 91 & 3461' - 73 total 52 holes. Perforated Upper coals -.75" holes @ 4 spf - 3351' - 54', 3380'-84', 3388'-92', 3455'-60' Total 68 holes. Installed WH isolation tool & RU to frac. Pumped 1500 gal 10% Formic Acid & additives. Then pumped 72,100 gal of 60 Quality N2 foam consisting of 22,200 gal of 25#/Spectra Foam gel & 1,398,000 scf N2. Pumped 124,700# of proppant consisting of 122,450# 16/30 sand & 2250# of 8/14 flex sand. Flowed back on 1/4" and 1/2" chokes. Kill well w/25 bbls produced water. RD flowback equipment & WH isolation tool. RIH w/2-3/8", 4.7# tubing and cleaned out fill to PBTD 3537'. PU & land tubing @ 3488' with "F" nipple set @ 3480'. ND BOP, NU WH. Pumped off expendable check. RD & released rig 9/4/01. Turned well back over to production to put back on line.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #7074 verified by the BLM Well Information System For PHILLIPS PETROLEUM COMPANY, sent to the Farmington Committed to AFMSS for processing by Maurice Johnson on 09/10/2001 ()	
Name (Printed/Typed) PATSY CLUGSTON	Title AUTHORIZED REPRESENTATIVE
Signature	Date 09/07/2001

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, 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.

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