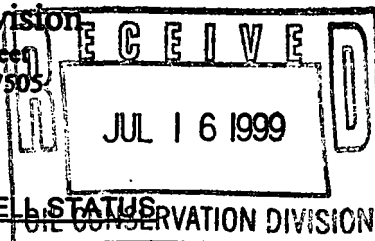


Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131



SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

APPLICATION FOR NEW WELL STATUS

District I - (505) 353-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

I. Operator and Well

Operator name & address Phillips Petroleum Company 5525 Hwy. 64 Farmington, NM 87401							OGRID Number 017654	
Contact Party Patsy Clugston							Phone 505-599-3454	
Property Name San Juan 32 Fed 23						Well Number #2	API Number 30-045-29760	
UL	Section	Township	Range	Feet From The	North/South Line	Feet From The	East/West Line	County
M	23	32N	9W	1060	South	1011	West	San Juan

II. Date/Time Information

Spud Date 3/5/99	Spud Time 2100 hrs	Date Completed 3/26/99	Pool Basin Fruitland Coal
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of New Mexico)
County of San Juan) ss.

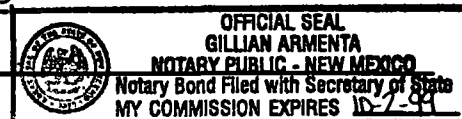
Patsy Clugston being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature Patsy Clugston Title Regulatory Assistant Date 7/6/99

SUBSCRIBED AND SWORN TO before me this 6th day of July, 1999

Gillian Armenta
Notary Public



My Commission expires:

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Hobley</u>	Title <u>P.E. Spec.</u>	Date <u>7-20-99</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 7/20/99

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2005936 451

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other <input type="checkbox"/>				5. LEASE DESIGNATION AND SERIAL NO. SF-079341			
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESER. <input type="checkbox"/> Other <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME			
2. NAME OF OPERATOR Phillips Petroleum Company				7. UNIT AGREEMENT NAME San Juan 32 Fed 23			
3. ADDRESS AND TELEPHONE NO. 5525 Highway 64, NBU 3004, Farmington, NM 87401 505-599-3454				8. FARM OR LEASE NAME, WELL NO. SJ 32 Fed 23 #2			
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface Unit M, 1060' FSL & 1011' FWL At top prod. interval reported below Same as above At total depth Same as above				9. API WELL NO. 30-045-29760			
14. PERMIT NO.				DATE ISSUED		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
15. DATE SPUDDED 3/5/99				16. DATE T.D. REACHED 3/10/99		17. DATE COMPL. (Ready to prod.) 3/26/99	
18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6736' prepared GL				19. ELEV. CASINGHEAD			
20. TOTAL DEPTH, MD & TVD 3560'				21. PLUG, BACK T.D., MD & TVD 3535'		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY →				ROTARY TOOLS X		CABLE TOOLS	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* Basin Fruitland Coal interval - 3371' - 3525' perfs						25. WAS DIRECTIONAL SURVEY MADE no	
26. TYPE ELECTRIC AND OTHER LOGS RUN Litho-Density Compensated Neutron Log & Mud log						27. WAS WELL CORED no	
28. CASING RECORD (Report all strings set in well)							
CASING SIZE/GRADE		WEIGHT, LB./FT.		DEPTH SET (MD)		HOLE SIZE	
9-5/8"		36#, J-55		372'		12-1/4"	
7"		20#, K-55		3350'		8-3/4"	
29. LINER RECORD							
SIZE		TOP (MD)		BOTTOM (MD)		SACKS CEMENT*	
5-1/2" 15.5#		3313'		3535'		no	
(217' liner)							
30. TUBING RECORD							
SIZE		TOP (MD)		BOTTOM (MD)		PACKER SET (MD)	
2-3/8"		3508'					
4.7#							
31. PERFORATION RECORD (Interval, size and number) Basin Fruitland Coal - 208 (.75") holes 3371'-3382' (11'); 3393'-3406' (13'); 3486'-3495' (9') 3506'-3525' (19); Total 52 feet @ 4 spf = 208				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL (MD) 3355' - 3560' Underreamed only 6-1/4" hole to 9-1/2" hole			
33. PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)				WELL STATUS (Producing or shut-in) Shut-in	
DATE OF TEST 3/21/99		HOURS TESTED 1 hr - pitot		CHOKE SIZE 2"		PROD'N. FOR TEST PERIOD →	
FLOW. TUBING PRESS.		CASING PRESSURE SI - 700 psi		CALCULATED 24-HOUR RATE →		OIL - BBL. 3311 mcf	
						GAS - MCF. 200 bwpd	
						WATER - BBL. 3311 mcf	
						OIL GRAVITY - API (CORR.)	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) SI - waiting on approvals.						TEST WITNESSED BY Drew Bates	
35. LIST OF ATTACHMENTS							

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE

Regulatory Assistant

ACCEPTED FOR RECORD
DATE 3/29/99

*(See Instructions and Spaces for Additional Data on Reverse Side)

APR 06 1999

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.

OPERATOR

BY

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	2083	2094	Sandstone			
Kirtland	2094	3205	Shale and sandstone			
Fruitland	3205	3537	Shale, coal and sandstone			
Pictured Cliffs	3537					

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Phillips Petroleum Company

3. Address and Telephone No.

5525 Highway 64, NBU 3004, Farmington, NM 87401 505-599-3454

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

Unit M, 1060' FSL & 1011' FWL
Section 23, T32N, R9W

5. Lease Designation and Serial No.

SF-079341

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

San Juan 32 Fed 23

8. Well Name and No.

SJ 32 Fed 23 #2

9. API Well No.

30-045-29760

10. Field and Pool, or exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan, NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Spud Report
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ 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.)*

3/5/99

MIRU Key Energy #53. Spud 12-1/4" hole @ 2100 hrs 3/5/99. Drilled ahead to 378'. RIH w/9-5/8" 36#, J-55 casing and set @ 372'. RU BJ to cement. Pumped 10 bbls mud flush and 10 bbls water ahead, then pumped 185 sx C1 H w/2% CaCl & 1/4#/sx Cello-flake mixed @ 15.6 ppg w/1.2 cf/sx yield. Displaced wooden plug w/26.8 bbl water. Circulated 20 bbls (113 cf) cement to surface. Plug down @ 1000 hrs 3/6/99. WOC. NU WH & NU BOP. PT BOP, manifold & casing to 200 psi for 3 min. and 1500 psi for 10 min. Held OK.

RECEIVED
BLM
99 MAR - 9 PM 12:56
OTO FARMINGTON, NM

14. I hereby certify that the foregoing is true and correct

Signed

Patsy Chugston

Title

Regulatory Assistant

Date

3-8-99

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

ACCEPTED FOR RECORD

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.

* See Instruction on Reverse Side

MAR 10 1999

OPERATOR

FARMINGTON, NM
BY *[Signature]*

PROP #	Party Uid	Name	WI	WELL NAME/FORMATION
A650436	12001	PHILLIPS PETROLEUM COMPANY	0.820000	SAN JUAN 32 FED 23 #2
A650436	69378	WILLIAMS PRODUCTION COMPANY	0.180000	SAN JUAN 32 FED 23 #2