



**District I** - (505) 393-6161  
1625 N. French Dr, Hobbs, NM 88240  
**District II** - (505) 748-1283  
1301 W. Grand Avenue, Artesia, NM 88210  
**District III** - (505) 334-6178  
1000 Rio Brazos Road, Aztec, NM 87410  
**District IV** - (505) 476-3440  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505  
(505) 476-3440

**SUBMIT ORIGINAL  
PLUS 2 COPIES  
TO APPROPRIATE  
DISTRICT OFFICE**

APPLICATION FOR  
WELL WORKOVER PROJECT

I. Operator and Well

|  |                     |                        |                    |                              |                                  |                              |                                   |                           |
|--|---------------------|------------------------|--------------------|------------------------------|----------------------------------|------------------------------|-----------------------------------|---------------------------|
| Operator name & address<br><b>PHILLIPS PETROLEUM COMPANY</b><br><b>5525 Hwy. 64</b><br><b>Farmington, NM 87401</b> |                     |                        |                    |                              |                                  |                              | OGRID Number<br><b>017654</b>     |                           |
| Contact Party<br><b>Patsy Clugston</b>   |                     |                        |                    |                              |                                  |                              | Phone<br><b>505-599-3454</b>      |                           |
| Property Name<br><b>San Juan 32-7</b>  |                     |                        |                    |                              | Well Number<br><b>#232</b>       |                              | API Number<br><b>30-045-28304</b> |                           |
| UL<br><b>N</b>   | Section<br><b>8</b> | Township<br><b>31N</b> | Range<br><b>7W</b> | Feet From The<br><b>1064</b> | North/South Line<br><b>South</b> | Feet From The<br><b>2191</b> | East/West Line<br><b>West</b>     | County<br><b>San Juan</b> |

I. Workover

|   |  |
|---|--|
| Date Workover Commenced:<br><b>10/8/01</b>  | Previous Producing Pool(s) (Prior to Workover):<br><b>Fruitland Coal</b> |
| Date Workover Completed:<br><b>10/16/01</b> |  |

III. Attach a description of the Workover Procedures performed to increase production.

IV. Attach a production decline curve or table showing at least twelve months of production prior to the workover and at least three months of production following the workover reflecting a positive production increase.

V. AFFIDAVIT:

State of San Juan) ss.  
County of New Mexico)  
Patsy Clugston, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced Well.
- I have made, or caused to be made, a diligent search of the production records reasonably available for this Well.
- To the best of my knowledge, this application and the data used to prepare the production curve and/or table for this Well are complete and accurate.

Signature Patsy Clugston Title Sr. Regulatory Clerk Date July 12, 2002  
SUBSCRIBED AND SWORN TO before me this 12<sup>th</sup> day of July, 2002.

My Commission expires: 6/13/2003 Notary Public Quanta Farrell

**FOR OIL CONSERVATION DIVISION USE ONLY:**

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a Well Workover Project and the Division hereby verifies the data shows a positive production increase. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project was completed on

10-16, 2001

|  |                                  |                          |
|--|----------------------------------|--------------------------|
| Signature District Supervisor<br><u>Charlie T. Lerra</u> | OCD District<br><u>AZTEC III</u> | Date<br><u>7-19-2002</u> |
|--|----------------------------------|--------------------------|

DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT:

# Workover Tax Incentive Profile for 32-7 Unit #232

Workover - Installed a pumping unit

API #  
30-045-28304

| Month   | mcf/month<br>FC | Month  | mcf/month<br>FC |
|---|-----------------|--------|-----------------|
| Jun-00  | 5,982           |        |                 |
| Jul-00  | 5,334           |        |                 |
| Aug-00  | 8,843           |        |                 |
| Sep-00  | 7,687           |        |                 |
| Oct-00  | 8,156           |        |                 |
| Nov-00  | 5,637           |        |                 |
| Dec-00  | 2,018           |        |                 |
| Jan-01  | 700             |        |                 |
| Jun-01  | 2,324           |        |                 |
| Jul-01  | 2,968           |        |                 |
| Aug-01  | 1,219           |        |                 |
| Sep-01  | 947             |        |                 |
| 12 month average before<br>workover             |                 |        | 4,318           |
| Finished adding pumping unit on 10/16/01        |                 |        |                 |
| 4 month average after<br>pumping unit installed |                 | Oct-01 | 4,465           |
|   |                 | Nov-01 | 11,943          |
|   |                 | Dec-01 | 13,177          |
|   |                 | Jan-02 | 17,506          |
|   |                 |        | 11,773          |

(Operator had a learning curve on how to keep pumping unit running and dialed in and that is why November production was down).

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

5. Lease Serial No.  
NMSF078996

**6. If Indian, Allottee or Tribe Name**

7. If Unit or CA/Agreement, Name and/o  
NMNM78423A

8. Well Name and No.  
SJ 32-7 232

9. API Well No.  
30-045-28304-00-S1

10. Field and Pool, or Exploratory  
BASIN FRUITLAND COAL

11. County or Parish, and State

SAN JUAN COUNTY, NM

| TYPE OF SUBMISSION  | TYPE OF ACTION  |  |  |  |  |
|---|---|--|--|--|--|
| <input type="checkbox"/> Notice of Intent<br><input checked="" type="checkbox"/> Subsequent Report<br><input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Acidize<br><input type="checkbox"/> Alter Casing<br><input type="checkbox"/> Casing Repair<br><input type="checkbox"/> Change Plans<br><input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Deepen<br><input type="checkbox"/> Fracture Treat<br><input type="checkbox"/> New Construction<br><input type="checkbox"/> Plug and Abandon<br><input type="checkbox"/> Plug Back | <input type="checkbox"/> Production (Start/Resume)<br><input type="checkbox"/> Reclamation<br><input type="checkbox"/> Recomplete<br><input type="checkbox"/> Temporarily Abandon<br><input type="checkbox"/> Water Disposal | <input type="checkbox"/> Water Shut-in<br><input type="checkbox"/> Well Integrity<br><input checked="" type="checkbox"/> Other Workover Operations |  |

RIH w/1 jt 2-7/8", 6.5# J-55 tubing, 1 crossover and then 102 jts of 2-3/8", 4.7# tubing and landed tubing @ 3263'. Landed tubing hanger, ND BOP, NU WH. Ran Rods and Pump. RD & released rig 10/16/01. Turned well over to production department to put back on line.

Date 10/17/2001

|   |  |                              |  |
|---|--|------------------------------|--|
| Approved By _____   |  | (BLM Approver Not Specified) |  |
| 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 Farmington            |  |

[illegible]