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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

NEW MEXICO
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-14
Revised 06/98

SUBMIT ORIGINAL
PLUS 2 COPIES
TO APPROPRIATE
DISTRICT OFFICE

APPLICATION FOR
WELL WORKOVER PROJECT

I. Operator and Well

Operator name & address PHILLIPS PETROLEUM COMPANY 5525 HWY 64 FARMINGTON, NEW MEXICO 87401							OGRID Number 017654	
Contact Party Patsy Clugston							Phone 505-599-3454	
Property Name San Juan 31 Fed 3					Well Number # 2		API Number 30-045-28312	
UL M	Section 3	Township 31N	Range 9W	Feet From The 800	North/South Line South	Feet From The 1158	East/West Line West	County San Juan

II. Workover

Date Workover Commenced: 11/26/98	Previous Producing Pool(s) (Prior to Workover): Basin Fruitland Coal
Date Workover Completed: 11/30/98	

- 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 New Mexico)
County of San Juan) ss.

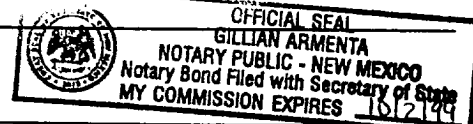
Patsy Clugston, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced Well.
- 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 Regulatory Assistant Date 7/30/99
SUBSCRIBED AND SWORN TO before me this 30th 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 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 11/30/98.

Signature District Supervisor <u>353</u>	OCD District <u>3</u>	Date <u>8/12/99</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: _____

**San Juan 31 Fed 3 #2
SF -080133; API # - 30-045-28312
Unit M, 800' FSL & 1158' FWL
Section 3, T31N, R9W; San Juan County, NM**

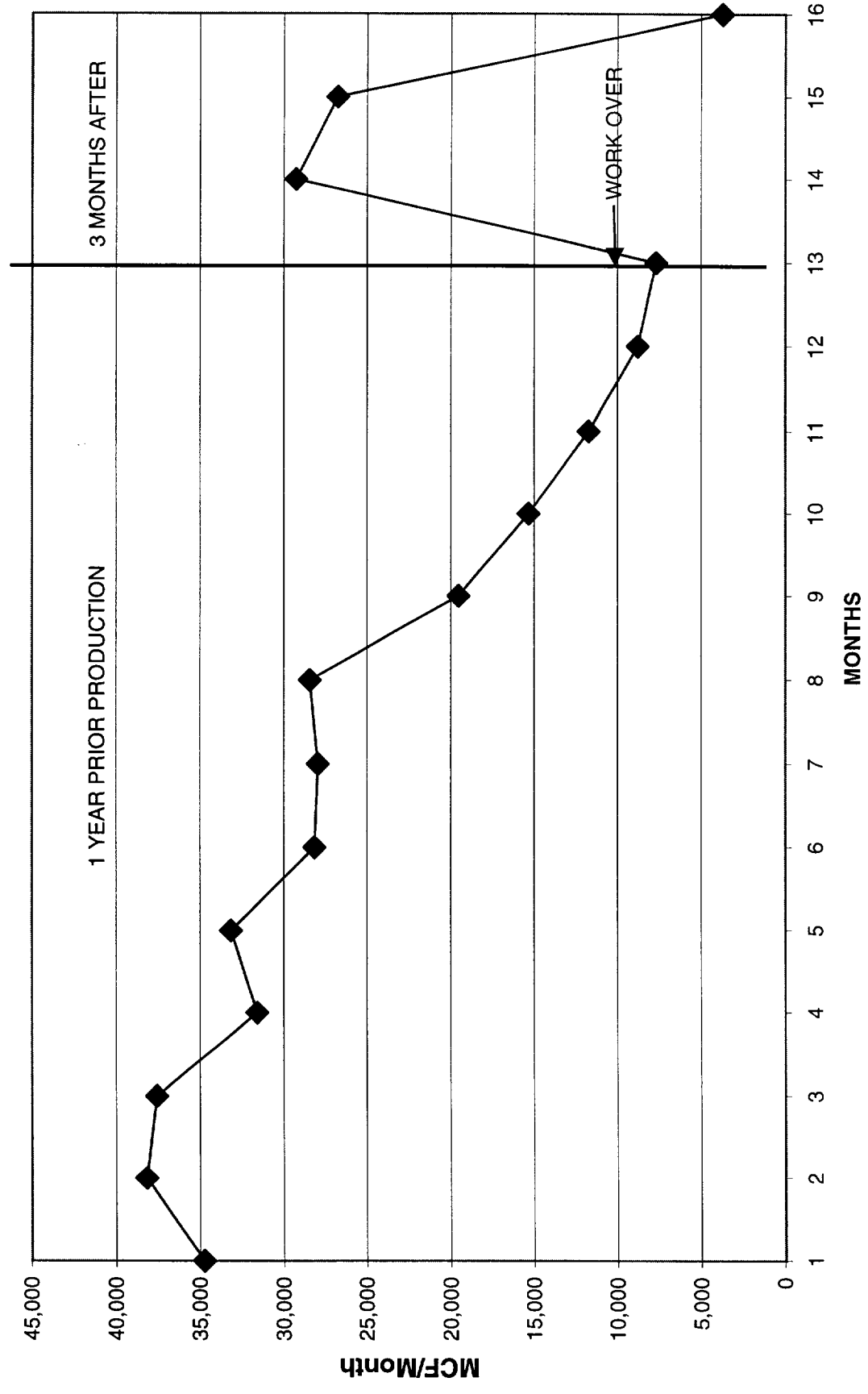
Description of Workover Procedure used to increase production of subject well:

A compressor was installed and the work entailed:

1. Taking exiting surface equipment off.
2. Replacing old equipment with bigger equipment, (i.e... bigger separator and flow lines).
3. Installing compressor manifold.
4. Debottlenecking location - eliminating any restrictions between wellhead and meter-run.
5. Installing compressor and hooking up.

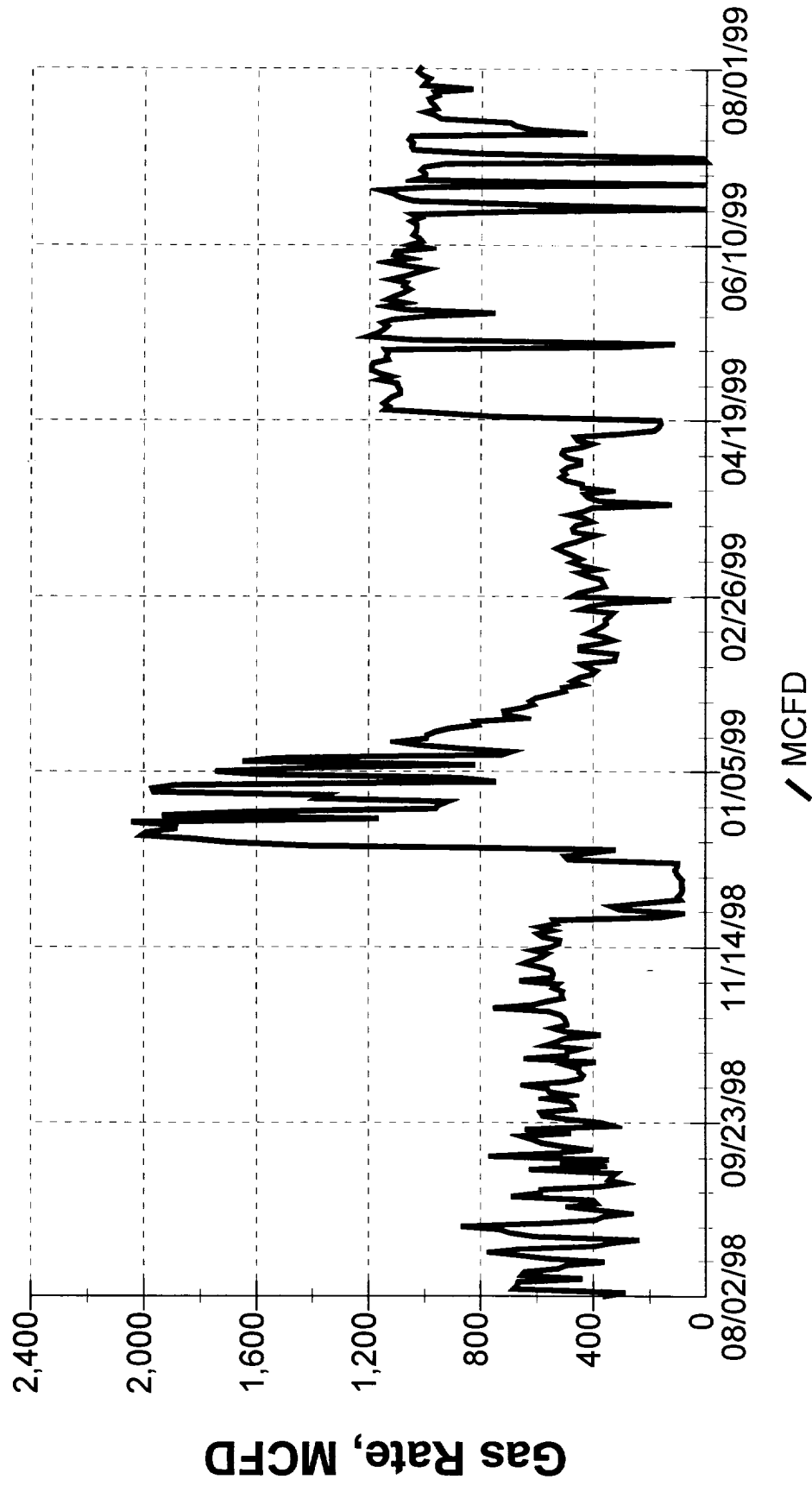
The type of compressor installed is CSI 400 hp. Work began approx. 11/26/98 and was completed 11/30/98.

31 FED 3 #2 Workover Production Increase

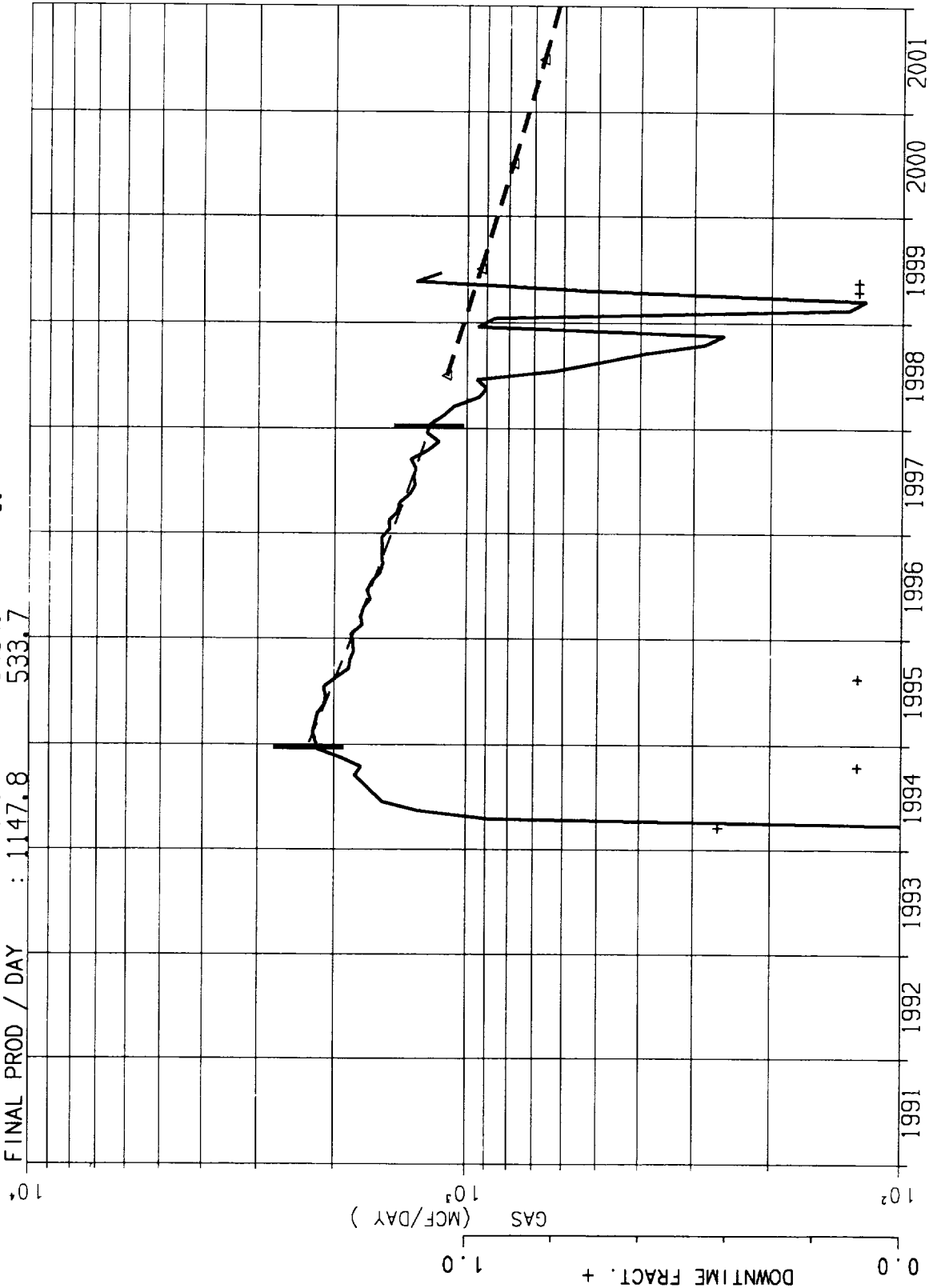


API #	31 FED 3 #2	MCF/Month
30-045-28312	1	34,746
	2	38,186
	3	37,569
	4	31,584
	5	33,153
	6	28,154
	7	27,953
	8	28,426
	9	19,544
	10	15,340
	11	11,733
	12	8,812
WORK OVER →	13	7,702
	14	29,260
	15	26,778
	16	3,715

SJ 31 Fed 3 #2



1/95-12/97 1/98-LIFE ASSOC. Current Cums
 INITIAL PROD / DAY : 2292.3 1218.3 0.0 2681. MMCF GAS
 REMAINING LIFE : 3.00 5.00
 HYPR(0.33) DECL % : 23.47 19.02
 CUM PRODUCTN-MUNITS : 1834. 1484.
 FINAL PROD / DAY : 1147.8 533.7 0. 30616. BBL WTR



LEASE- 650254 : SAN JUAN 31 FED 3 #2
 RESVR- 001 : BASIN
 WELL - 000002 CUM MMCF= 2682.

FRUITLAND COAL
 F8A8101
 ZONE-6502540010000002 F8A8101
 API-30045283120000 THRU 99/06