

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.

5. Lease Serial No.

SF-080854

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

San Juan 32-8 Unit

8. Well Name and No.

SJ 32-8 Unit #15A

9. API Well No.

30-045-30408

10. Field and Pool, or Exploratory Area

Blanco Mesaverde

11. County or Parish, State

San Juan, NM

2001 MAR 15 PM 1:14

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Phillips Petroleum Company

3a. Address

5525 Highway 64, NBU 3004, Farmington, NM 87401

3b. Phone No. (include area code)

505-599-3454

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

Unit E, 1450' FNL & 195' FWL
Section 24, T31N, R8W

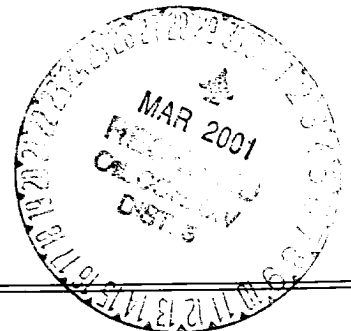
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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"/> Other <u>Changing</u>
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>APD to add DK and</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>will commingle</u>

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 recomplate 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 recomplate 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 final site is ready for final inspection.)

The APD for this well was approved 11/30/00 as a single zone MV well. We have decided to make this well a DK/MV commingle well. The well name will change to 32-8 #15M and all future paperwork will have this name on it.

The new drilling prognosis is attached and the new depth of this well is 8085'. The BOP will stay the same and the estimated BHP is 2400 psi. Also find attached a new C102 for the Dakota zone and a new casing design worksheet.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Patsy Clugston

Patsy Clugston

Title

Sr. Regulatory/Proration Clerk

Date

3/13/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jim Lovato

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

District I
 211 N. 1st St., Hobbs, NM 88241-1980
 District II
 211 South First, Artesia, NM 88210
 District III
 1000 Rio Huerfano Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C
 Revised October 18,
 Instructions on
 Submit to Appropriate District C
 State Lease - 4 C
 Fee Lease - 3 C

AMENDED REP

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-045-30408		* Pool Code 71599	* Pool Name Basin Dakota
* Property Code 009261	* Property Name SAN JUAN 32-8 UNIT		* Well Number 15M
* OGRID No. 017654	* Operator Name PHILLIPS PETROLEUM COMPANY		* Elevation 6538'

10 Surface Location

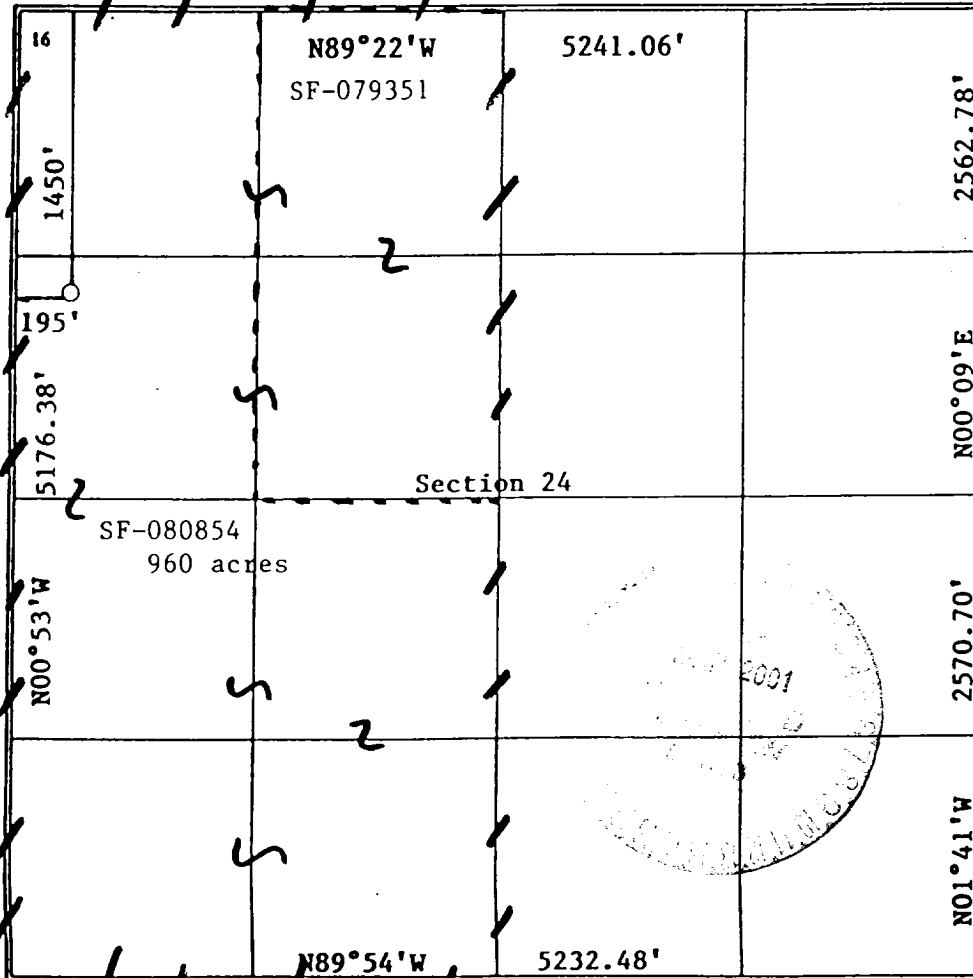
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	31N	8W		1450'	NORTH	195'	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E									

12 Dedicated Acres 320 W/2	13 Joint or Infill Y	14 Consolidation Code U	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR
 NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATIO

I hereby certify that the information contained hereta i
 true and complete to the best of my knowledge and bel.

Patsy Clugston
 Signature

Patsy Clugston
 Printed Name

Sr. Regulatory/Proration
 Title

March 13, 2001
 Date

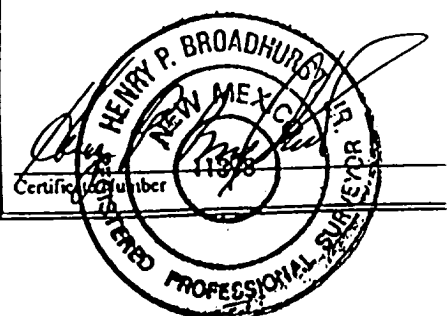
18 SURVEYOR CERTIFICATIO

I hereby certify that the well location shown on this pl
 was plotted from field notes of actual surveys made by
 or under my supervision, and that the same is true and
 correct to the best of my belief.

07/13/00

Date of Survey

Signature and Seal of Professional Surveyor:



San Juan 32-8 #15M (MV/DK)

SURFACE CASING :

Drill Bit Diameter 9.25 "
Casing Outside Diameter 9.625 " 8.989
Casing Weight 32.3 ppf
Casing Grade H-40
Shoe Depth 320 '
Cement Yield 9.625 cuft/sk
Excess Cement 32.3 %

Hole / Casing Annulus Capacity 0.0558 bbl/f 0.3132 cuft/ft

Cement Required 158.6 sx

SHOE 320 ', 9.625 ", 32.3 ppf, H-40

INTERMEDIATE CASING :

Drill Bit Diameter 6.75 "
Casing Outside Diameter 7 " 6.455
Casing Weight 20 ppf
Casing Grade J-55
Shoe Depth 3819 '
Lead Cement Yield 7 cuft/sk
Lead Cement Excess 20 %
Tail Cement Length 22.9 '
Tail Cement Yield 22.9 cuft/sk
Tail Cement Excess 20 %

Casing / Casing Annulus Capacity 0.0309 bbl/f 0.1734 cuft/ft
Hole / Casing Annulus Capacity 0.0268 bbl/f 0.1503 cuft/ft
Casing Capacity 0.0405 bbl/f 0.2272 cuft/ft

Lead Cement Required 459.9 sx

Tail Cement Required 50.0 sx

SHOE 3819 ', 7 ", 20 ppf, J-55

PRODUCTION CASING :

Drill Bit Diameter 6.25 "
Casing Outside Diameter 4.5 " 4.000
Casing Weight 11.6 ppf
Casing Grade I-80 or N-80
Top of Cement 3719 ' 100' within intermediate shoe
Shoe Depth 8128 '
Cement Yield 2.13 cuft/sk
Cement Excess 60 %

Casing / Casing Annulus Capacity 0.0208 bbl/f 0.1168 cuft/ft
Hole / Casing Annulus Capacity 0.0183 bbl/f 0.1026 cuft/ft
Casing Capacity 0.0155 bbl/f 0.0872 cuft/ft

Cement Required 338.4 sx

SHOE 8128 ', 4.5 ", 11.6 ppf, I-80 or N-80

PHILLIPS PETROLEUM COMPANY

WELL NAME: San Juan 32-8 Unit #15M MV/DK

DRILLING PROGNOSIS

1. Location of Proposed Well: Unit E, 1450' FNL & 195' FWL
Section 24, T31N, R8W

2. Unprepared Ground Elevation: @ 6538' (unprepared) .

3. The geological name of the surface formation is San Jose .

4. Type of drilling tools will be rotary .

5. Proposed drilling depth is 8128' .

6. The estimated tops of important geologic markers are as follows:

<u>Nacimiento - 949'</u>	<u>Menefee Fm. - 5419'</u>
<u>Ojo Alamo - 2319'</u>	<u>Pt. Lookout - 5724'</u>
<u>Kirtland Sh - 2439'</u>	<u>Mancos Sh - 5999'</u>
<u>Fruitland Fm. - 3094'</u>	<u>Gallup Ss. - 7192'</u>
<u>Pictured Cliffs - 3434'</u>	<u>Greenhorn Ls. - 7782'</u>
<u>Lewis Shale - 3629'</u>	<u>Graneros Sh. - 7842'</u>
<u>Cliff House Ss - 5369'</u>	<u>Dakota Ss - 7978'</u>

7. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Water:	<u>Ojo Alamo - 2319' - 2439'</u>
Gas & Water:	<u>Fruitland - 3094' - 3434'</u>
Gas:	<u>Mesaverde - 5369' - 5999'</u>
	<u>Dakota - 7978' - 8128'</u>

8. The proposed casing program is as follows:

Surface String: 9-5/8", 32.3#, H-40 @ 320'
Intermediate String: 7", 20#, J/K-55 @ 3819'
Production String: 4-1/2", 11.6#, I or N-80 @ 8128' (TD)

9. Cement Program:

Surface String: 158.5 sx Type III cement with 2% bwoc CaCl₂ + 1/4#/sx Cello-flake mixed at 14.5 ppg with a 1.41 ft³/sx yield w/46.5% H₂O or sufficient to circulate to surface - 223 cf.

Note: Cement slurry calculations based on cement to surface with 140% excess hole volume.

Intermediate String: **Lead Cement:** 459.9 sx Type III cement (35:65) POZ with 5#/sx Gilsonite, ¼#/sx Cello-flake, 6% bwoc gel (bentonite), 10#/sx CSE, 3% bwow KCL, 0.4% bwoc FL-25 mixed and 0.02#/sx Static Free mixed at 12.0 ppg with a yield of 2.37 ft³/sx – 1090 cf.

Tail Cement: 50 sx – Type III cement with ¼#/sx Cello-flake and 1% CaCl₂ mixed at 14.5 ppg with a 1.40 ft³/sx yield (70 cf).

In the event we encounter fluid loss during drilling operations, a contingency plan for cementing the intermediate casing may require a stage collar. Phillips cannot predict exact volumes. However the 1st stage will be Cl H cement w/5#/sx Gilsonite, 0.25#/sx Cello-flake, 0.3% FL-25 & 2% CaCl₂ mixed at 15.2 ppg 1.28 yield. Stage 2 - lead slurry: 65 % Class H & 35% POZ w/6% Bentonite mixed at 12.6 ppg 1.79 cf/sx Tail Slurry - Class H w/2% CaCl₂ mixed at 15.6 ppg 1.20 yield. All attempt to be circulated to surface.

Production String

Lead: 338.4 sx Type III (35/65 POZ (Fly Ash) with 6% bwoc Bentonite, 10#/sx CSE, 0.2#/sx Static Free, 1% bwoc FL-52, 0.3% bwoc CD-32, 0.3% bwoc R-3 & 0.25#/sx Cello-Flake mixed at 12.3 ppg with a yield of 2.13 ft³/sx –721cf.

Note: The Production String casing cement is designed to cover openhole section (with 40% excess) and 100' inside the 7" shoe.

Note: Phillips Petroleum continually works to improve the cement slurries on our wells. BJ Services is currently trying to improve what we are using now and before we would use a new cement program it would have to have stronger properties than we are currently using.

Centralizer Program:

Surface: Total four (4) 1 @ 10' above shoe & top of 2nd, 4th & 6th joint

Intermediate: Total seven (7) – 10' above shoe, top of 1st, 2nd, 4th, 6th, & 8th jts & 1 jt. Above surface casing.

Production: None planned.

Turbulators: Total Three (3) – on intermediate casing at 1st jt. Below the Ojo Alamo and next 2 jts up.

10. The minimum specifications for pressure control equipment which are to be used, a schematic diagram thereof showing sizes, pressure ratings (or) API series and the testing procedure and testing frequency are enclosed within the APD packet.

11. Drilling Mud Prognosis: Surface - spud mud with water with native clays & bentonite as needed on surface casing.
Intermediate - water with native clays and bentonite as need/Polymer sweeps.
Below Intermediate – natural gas drilled.

12. The testing, logging, and coring programs are as follows:

D.S.T.s or cores: _____

Logs: DIL from surface casing to TD, CNL – FDC over zones of interest

13. Anticipated no abnormal pressures or temperatures to be encountered or any other potential hazards such as Hydrogen Sulfide Gas. Low risk H₂S equipment will be used.

Estimated Bottomhole pressures:

Mesaverde – 600 psig

Dakota – 2400 psig

14. The anticipated starting date is approximately 2nd Qtr 2001 with duration of drilling / completion operations for approximately 20 days thereafter.

Casing Design Worksheet - DK wells

Surface Casing

Size	Grade	#/foot	Collapse	Yield	Tensile	Coupling	Length	Weight
9-5/8"	H-40	32.3	1400	2270	254	ST&C	320	10,336

Intermediate Casing

Size	Grade	#/foot	Collapse	Yield	Tensile	Coupling	Length	Weight
7"	J-55	20	2270	3740	254	ST&C	3,819	76,380
								-
								-
								-
							Total Weight	76,380

Production Casing

Size	Grade	#/foot	Collapse	Yield	Tensile	Coupling	Length	Weight
4-1/2"	I-80	11.6	6360	7780	212	LT&C	8,128	94,285
								-
								-
								-
							Total Weight	94,285

Casing Parameters

Tensile

$SF_t = \text{Tensile} / ; \text{ Must Exceed 1.8 for Dry or 1.6 for Bouyant}$

9-5/8"	Surf.	254000 /	10,336	=	24.6
7"	Int.	254000 /	76,380	=	3.3
4-1/2"	Prod.	212000 /	94,285	=	2.2

Collapse

$SF_c = \text{Collapse} / (\text{Maximum Formation Pressure}) \text{ or } (\text{Mud Gradient X T. V. D.}); \text{ Must Exceed 1.125}$

9-5/8"	Surf.	1400 /	160	=	8.8
7"	Int.	2270 /	1300	=	1.7
4-1/2"	Prod.	6360 /	2400	=	2.7

Burst

$SF_b = \text{Burst} / (\text{Maximum Formation Pressure}) \text{ or } (\text{Mud Gradient X T. V.D.}); \text{ Must Exceed 1.0}$

9-5/8"	Surf.	2270 /	160	=	14.2
7"	Int.	3740 /	1300	=	2.9
4-1/2"	Prod.	7780 /	3300	=	2.4

B.O.P. Requirement - (Maximum Formation Pore Pressure) or (Mud Weight X 0.05195 x T. V. D.) - 0.22 X T.V.D.
2,400

Excess Cement Volumes

Surface	110%
Intermediate	110%
Production	N.A.

Note: Cement volume calculations are stored in the computer log.

Blowout Preventer Equipment (BOPE)

ABHP = 2400 PSI; TVD = 8,128 Feet; Mud Weight = NA*

* Air drilled hole for production casing.

Operator's Gradient (ABHP / TVD) = 0.295 PSI/Ft is/ ~~is not~~ appropriate and does/ ~~does not~~ coincide with the Anticipated Mud Weight for each drilled interval.

The most credible ABHP is 0.295 PSI/Ft.

Mud Weight x 0.05195 = Gradient

NA* X 0.05195 = #VALUE!

ABHP - (0.22 x TVD) = ASP

2400 - (0.22 X 8128) 612 psi

Operator's proposed BOPE of 3 M exceeds/ ~~does not exceed~~ the ASP and is therefore adequate/ ~~not adequate~~.

Note ASP - Anticipated Surface Pressure

ABHP - Anticipated Bottom Hole Pressure