

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

Energy Minerals and Natural Resources Department

Form C-140
Revised 06/99

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 PHILLIPS PETROLEUM COMPANY 5525 HYW 64 FARMINGTON, NM 87401							OGRID Number 017654	
Contact Party PATSY CLUGSTON							Phone 505-599-3454	
Property Name San Juan 32-7 Unit					Well Number 41A		API Number 30-045-25080	
UL N	Section 7	Township 32N	Range 7W	Feet From The 1085'	North/South Line South	Feet From The 1820'	East/West Line West	County San Juan

II. Workover

Date Workover Commenced: 10/16/01	Previous Producing Pool(s) (Prior to Workover): Blanco MV and Los Pinos Fruitland Coal
Date Workover Completed: 11/1/01	

- 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)
) ss.
County of San Juan)
Patsy Clugston, being first duly sworn, upon oath states:
1. I am the Operator, or authorized representative of the Operator, of the above-referenced Well.
2. I have made, or caused to be made, a diligent search of the production records reasonably available for this Well.
3. 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/Proration Clerk Date June 27, 2002
SUBSCRIBED AND SWORN TO before me this 27th day of June, 2002.

My Commission expires: 6/13/2003 Notary Public Juanita 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 11-01-2001.

Signature District Supervisor <u>Charlie T. Horn</u>	CCD District <u>AZTEC III</u>	Date <u>07-02-2002</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT:

Workover Tax Incentive Profile for 32-7 Unit #41A

Squeezed existing PC perfs and then added new PC pay to existing MV/PC (Dual) Well

API #	Month	mcf/month MV	Month	mcf/month PC	Combined Volume	Month	mcf/month MV	Month	mcf/month PC	Combined Volume
30-045-25080	Oct-00	934	Oct-00	0	934					
	Nov-00	1,197	Nov-00	0	1,197					
	Dec-00	1,426	Dec-00	0	1,426					
	Jan-01	1,438	Jan-01	0	1,438					
	Feb-01	1,315	Feb-01	0	1,315					
	Mar-01	1,458	Mar-01	0	1,458					
	Apr-01	1,375	Apr-01	0	1,375					
	May-01	1,265	May-01	0	1,265					
	Jun-01	1,082	Jun-01	0	1,082					
	Jul-01	971	Jul-01	0	971					
	Aug-01	252	Aug-01	0	252					
	Sep-01	0	Sep-01	0	0					
12 month average before workover		1,059		0	1,059					
Finished adding workover 11/1/01						Oct-01	947	Oct-01	2,708	3,655
						Nov-01	980	Nov-01	417	1,397
						Dec-01	1,667	Dec-01	527	2,194
						Jan-02	1,663	Jan-02	2,264	3,927
						Feb-02	1,660	Feb-02	2,829	4,489
						Mar-02	1,657	Mar-02	4,756	6,413
						Apr-02	1,654	Apr-02	2,096	3,750
7 month average after pumping unit installed							1,461		2,228	3,689

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078460
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 NMNM78424C
3b. Phone No. (include area code) Ph: 505.599.3454 Fx: 505-599-3442		8. Well Name and No. SAN JUAN 32-7 UNIT 41A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T32N R7W SESW 1085FSL 1820FWL		9. API Well No. 30-045-25080
		10. Field and Pool, or Exploratory N LOS PINOS FRUITLAND SA
		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
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integr
<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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Workover Op
	<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 of work. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and 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 when testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.)

DETAILS OF PROCEDURE USED TO SQUEEZE EXISTING PC PERFS AND THEN ADDED NEW PC PAY TO EXISTING MV/PC WELL.

10/16/01 MIRU Key Energy #40. ND WH & NU BOP. PT-OK. COOH w/1-1/4" tubing & 2-3/8" tubing strings & packer. RIH w/6-1/4" bit & scraper to 3410'. COOH. RIH w/Baker F Pkr & set @ 3435'. Acidized existing MV perfs w/1500 gal 15% HCl. COOH. RIH w/RBP & set @ 3400'. RIH w/FBP & set @ 3382' & PT RBP @ 3400' to 500 psi - OK. Released packer & COOH w/pkr. Dumped 100# sand on top of RBP. RIH w/cement retainer & set @ 3225'. PT- OK. Established injection rate in to existing PC perfs. Squeezed perfs by pumping 50 sx Type 3 Neat cement followed by 50 sx Type 3 w/2% CaCl2 = 25 bbls slurry total (140 cf & 100 sx) displaced and then bumped w/2000#. WOC. COOH. RIH w/bit & tagged cement @ 3225'. D/O cement retainer & cement to 3356' Ran GR/CCL/CBL Log from 3373'. TOC @ 1850'. PT casing & squeeze holes to 500# - 30 minutes Good test.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #8497 verified by the BLM Well Information System For PHILLIPS PETROLEUM COMPANY, sent to the Farmington Committed to AFMSS for processing by Lucy Bee on 11/05/2001 ()	
Name (Printed/Typed) PATSY CLUGSTON	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 11/05/2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	ACCEPTED FOR RECORD NOV 06 2001 FARMINGTON FIELD OFFICE
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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ******OPERATOR**

Additional data for EC transact. #8497 that would not fit on the for.

32. Additional remarks, continued

RIH & circ. sand off RBP @ 3400'. Latched on RPB & PUH to 3280'. PT to 500#.
spot sand on RBP. Blue Jet perforated Pictured Cliffs @ 1 spf .34" holes as follows:

3240', 3238', 3236', 3234', 3232', 3230', 3228', 3226', 3224', 3222', 3220', 3218', 3216', 3214',
3212', Total 15 holes.

Acidized perms w/750 gal 15% HCl. Frac PC w/733 bbls 65 Quality Foam & 53,260# 20/40 sand &
303,000 scf. Flowed back on 1/4" and 1/2" chokes. RD flowback equipment. Released packer &
released RBP & COOH. RIH w/2-2/8" 4.7# tubing & packer. Set EOT @ 5633' w/packer @ 3435'. RIH
w/1-1/2" 2.9# J-55 tubing and set @ 3232' ND BOP, NU WH. PT-OK. Pumped off expendable checks and
RD & released rig 11/1/01. Turned well over to production department to put well back on line as
dual MV/PC well.