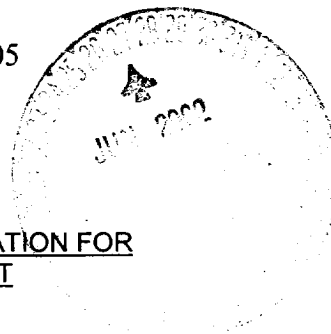


District I - (505) 393-6161
1625 N. French Dr, Hobbs, NM 88240
District II - (505) 748-1283
1301 W. Grand Avenue, Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road, Aztec, NM 87410
District IV - (505) 476-3440
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 PHILLIPS PETROLEUM COMPANY 5525 Hwy. 64 Farmington, NM 87401							OGRID Number 017654	
Contact Party Patsy Clugston							Phone 505-599-3454	
Property Name San Juan 32-7					Well Number #207		API Number 30-045-27745	
UL H	Section 27	Township 32N	Range 7W	Feet From The 1568	North/South Line North	Feet From The 790	East/West Line East	County San Juan

II. Workover

Date Workover Commenced: 11/13/01	Previous Producing Pool(s) (Prior to Workover): Fruitland Coal
Date Workover Completed: 11/15/01	

- 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 San Juan) ss.
County of New Mexico
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 Clerk Date June 26, 2002
SUBSCRIBED AND SWORN TO before me this 26th day of June, 2002.

My Commission expires: 10-08-2005
Notary Public Nancy J. Brown
Notary for State of N.M., San Juan County

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 _____.

Signature District Supervisor	OCD District	Date
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DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT:

32-7 #207
Lease #SF078472; API # - 30-045-27745
Unit H, 1568 FNL & 790 FEL
Section 27, T32N, R7W, San Juan County, NM

Description of workover procedure used to increase production of the subject well:

The location was debottlenecked, meaning we replaced small lines and equipment with larger lines and equipment to eliminate flow restrictions between wellhead and meter-run.

19. Taking existing surface equipment off:
20. Replaced old equipment with bigger equipment, (i.e... bigger separator and flow lines).

Work began approx. 11/13/01 and was completed 11/15/01.

Workover - Location Bottleneck

Month	mcf/month FC	Month	mcf/month FC
Nov-00	44,529		
Dec-00	47,158		
Jan-01	50,505		
Feb-01	44,117		
Mar-01	50,368		
Apr-01	47,935		
May-01	47,672		
Jun-01	45,725		
Jul-01	41,414		
Aug-01	44,771		
Sep-01	43,363		
Oct-01	40,918		

12 month average before
workover → **45,706**

Finished location debottleneck 11/15/01	Nov-01	22,693
	Dec-01	41,818
3 month average after location debottleneck	Jan-02	54,617
		39,709

The average of 12 months previous production is still higher than 3 months after the work, but the average of the next 6 months average is higher.

Nov-01	22,693
Dec-01	41,818
Jan-02	54,617
Feb-02	55,446
Mar-02	62,923
Apr-02	64,364