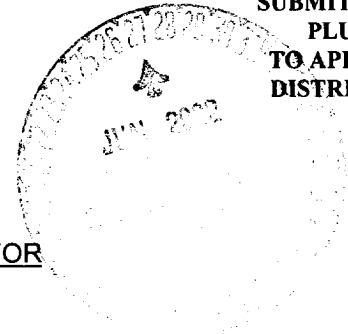


District I - (505) 393-6161
1625 N. French Dr, Hobbs, NM 88240
District II - (505) 748-1283
1301 W. Grand Avenue, Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road, Aztec, NM 87410
District IV - (505) 476-3440
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 #224		API Number 30-045-28658	
UL N	Section 21	Township 32N	Range 7W	Feet From The 1294	North/South Line South	Feet From The 1407	East/West Line West	County San Juan

II. Workover

Date Workover Commenced: 12/17/01	Previous Producing Pool(s) (Prior to Workover): Fruitland Coal
Date Workover Completed: 12/19/01	

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

12-19-2001

Signature District Supervisor <u>Charlie Thomas</u>	OCD District <u>Aztec III</u>	Date <u>06-28-2002</u>
--	----------------------------------	---------------------------

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

32-7 #224
Fee Lease; API # - 30-045-28658
Unit N, 1294 FSL & 1407 FWL
Section 21, 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.

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

Work began approx. 12/17/01 and was completed 12/19/01.

Workover Tax Incentive Profile for SJ 32-7 #224

Workover - Location Debottleneck

API #
30-045-28658

Month	mcf/month FC	Month	mcf/month FC
Dec-00	44,600		
Jan-01	43,446		
Feb-01	40,232		
Mar-01	48,151		
Apr-01	45,098		
May-01	45,884		
Jun-01	46,211		
Jul-01	48,078		
Aug-01	48,957		
Sep-01	46,977		
Oct-01	47,507		
Nov-01	45,316		
12 month average before workover → 45,871			
Finished location debottleneck 12/19/01			
		Dec-01	44,659
		Jan-02	47,361
		Feb-02	43,631
		Mar-02	51,464
		Apr-02	50,923
			47,608
			45,217
			43,631
			47,361
			44,659
			47,608
			50,923
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