

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 #222		API Number 30-045-28735		
UL H	Section 20	Township 32N	Range 7W	Feet From The 2249	North/South Line North	Feet From The 876	East/West Line East	County San Juan	

II. Workover

Date Workover Commenced: 12/10/2001	Previous Producing Pool(s) (Prior to Workover): Fruitland Coal
Date Workover Completed: 12/12/2001	

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:

- 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 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

12-12-2001.

Signature District Supervisor <u>Charlie Thern</u>	OCD District <u>AZTEC III</u>	Date <u>6-28-2002</u>
---	----------------------------------	--------------------------

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

32-7 #222
Lease #SF078460; API # - 30-045-28735
Unit H, 2249 FNL & 876 FEL
Section 20, 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.

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

Work began approx. 12/10/2001 and was completed 12/12/2001.

Workover Tax Incentive Profile for SJ 32-7 #222

Workover - Location Debottleneck

API #
30-045-28735

Month	mcf/Month FC	Month	mcf/Month FC
Dec-00	7,014		
Jan-01	7,348		
Feb-01	6,807		
Mar-01	7,174		
Apr-01	6,270		
May-01	6,421		
Jun-01	7,422		
Jul-01	8,002		
Aug-01	15,111		
Sep-01	20,753		
Oct-01	22,763		
Nov-01	22,357		
12 month average before workover	11,454		
Finished location debottleneck - 12/12/01			
3 month average after location debottleneck		Dec-01	17,959
		Jan-02	22,667
		Feb-02	21,132
			20,586

NOTE: This well also had a pumping unit installed June 2001 and then in December the location was debottlenecked (smaller surface equipment & lines replaced with larger ones).
See profile for the pumping unit, also attached.

Workover Tax Incentive Profile for SJ 32-7 #222

Workover - installed a pumping unit

API #
30-045-28735

Month	mcf/Month FC	Month	mcf/Month FC
Jun-00	11,139		
Jul-00	11,104		
Aug-00	10,150		
Sep-00	8,817		
Oct-00	9,078		
Nov-00	7,485		
Dec-00	7,014		
Jan-01	7,348		
Feb-01	6,807		
Mar-01	7,174		
Apr-01	6,270		
May-01	6,421		
12 month average before workover → 7,970			
Finished adding Pumping Unit on 6/22/01			
3 month average after pumping unit installed →		Jun-01 7,422	
		Jul-01 8,002	
		Aug-01 15,111	
		→ 10,178	