Submit 3 Copies to Appropriate District Office

CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

District Office OIL CONSERVATION DIVISION DISTRICT I WELL API NO. P.O. Box 1980, Hobbs NM 88241-1980 2040 Pacheco St. 30-045-29546 Santa Fe, NM 87505 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 FEE X STATE L DISTRICT III 6. State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: San Juan 32-7 Unit WELL X WELL OTHER 017654 2. Name of Operator 8. Well No. Phillips Petroleum Company SJ 32-7 Unit #241 3. Address of Operator 9. Pool name or Wildcat 5525 Highway 64, NBU 3004, Farmington NM 87401 Basin Fruitland Coal 4. Well Location 2234 North 1841 Unit Letter Feet From The Line and Feet From The 21 32N San Juan, Township Range **NMPM** 10. Elevation (Show whether DF, RKB, RT, GR, etc.) Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. **NOTICE OF INTENTION TO:** SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING COMMENCE DRILLING OPNS. **TEMPORARILY ABANDON CHANGE PLANS** PLUG AND ABANDONMENT **PULL OR ALTER CASING** CASING TEST AND CEMENT JOB X OTHER: -OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. The subject well's APD is due to expire 3/3/99 and we would like to extend this for another 6 month. Plans are to move on this well and begin drilling in March 1999. I hereby certify that complete to the best of my knowledge and belief. Regulatory Assistant 2/25/99 SIGNATURE Patsy Clugston TYPE OR PRINT NAME (This space for State Use) DEPUTY OIL & GAS INSPECTOR, DIST. #3 DRIGINAL SIGNED BY ERNIE BUSCA

TITLE