

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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| WELL API NO. 30-045-30157 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. Federal Lease - SF-078459 |
| 7. Lease Name or Unit Agreement Name: San Juan 32-7 Unit 009260 |
| 8. Well No. SJ 32-7 Unit #44M |
| 9. Pool name or Wildcat Basin DK-71599; Blanco MV - 72319 |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

| | |
|---|--|
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | 10. Elevation (Show whether DR, RKB, RT, GR, etc.) |
| 2. Name of Operator Phillips Petroleum Company 017654 | |
| 3. Address of Operator 5525 Highway 64, NBU 3004, Farmington, NM 87401 | |
| 4. Well Location Unit Letter I : 1844' feet from the South line and 1189' feet from the East line Section 22 Township 32N Range 7W NMPM County San Juan | |

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

| | |
|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> |
| OTHER: DHC application | <input checked="" type="checkbox"/> |

SUBSEQUENT REPORT OF:

| | |
|---|---|
| REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | |

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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Phillips will be DHC'ing the Mesaverde and Dakota intervals of the subject well per Order #11363. Production will be reported using the subtraction method for 12 months and then convert to the ratio method for the life of the well. The Dakota forecast for the next 12 months is as follows:

| | | | |
|----------------------|-----------------------|-----------------------|-----------------------|
| 1st month - 1840 mcf | 2nd month - 1790 mcf | 3rd month - 1840 mcf | 4th month - 1830 mcf |
| 5th month - 1770 mcf | 6th month - 1830 mcf | 7th month - 1770 mcf | 8th month - 1820 mcf |
| 9th month - 1820 mcf | 10th month - 1640 mcf | 11th month - 1800 mcf | 12th month - 1750 mcf |

The Reference Case where Partner notification was made was R-11210. Dakota perms are between 8113' - 8171' with a pore pressure of 2800 psi. The Mesaverde perforations will be between 5806 & 5876'. The estimated pore pressure of 1200 psi. The value of production will not decrease by ccmmingling. Also 100% of liquids allocations is to the Mesaverde. The BLM will receive a copy of this notification also.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Patsy Clugston TITLE Sr. Regulatory/Proration Clerk DATE 4/29/02

Type or print name Patsy Clugston Telephone No. 505-599-3454

(This space for State use)

APPROVED BY DEPUTY OIL & GAS INSPECTOR TITLE DEPUTY OIL & GAS INSPECTOR DATE APR 30 2002

Conditions of approval, if any: