

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

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

Form C-103  
Revised March 25, 1999

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-039-26464
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Phillips Petroleum Company 017654		6. State Oil & Gas Lease No. E-347-46
3. Address of Operator 5525 Highway 64, NBU 3004, Farmington, NM 87401		7. Lease Name or Unit Agreement Name: San Juan 31-6 Unit 009259
4. Well Location Unit Letter <u>L</u> : <u>1762</u> feet from the <u>South</u> line and <u>660'</u> feet from the <u>West</u> line Section <u>2</u> Township <u>30N</u> Range <u>6W</u> NMPM County <u>Rio Arriba</u>		8. Well No. SJ 31-6 Unit #48M
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6280' GL		9. Pool name or Wildcat Basin DK-71599; Blanco MV-72319

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
<b>NOTICE OF INTENTION TO:</b> 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: <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> 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: Added MV zone to MV/DK well <input checked="" 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 recompletion.

See attached for details of the procedure used to locate a casing leak at the stage tool (5090') and then procedure used to squeeze cement to eliminate the leak. We then completed the MV interval of this MV/DK well.

Plans are to test the MV flowing up the casing. Will return within 60 days and D/O CIBP @ 6206', run tubing and DHC well per DHC 32AZ.

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 8/14/02

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

(This space for State use)

APPROVED BY Original TITLE DEPUTY OIL & GAS DATE AUG 20 2002

Conditions of approval, if any:

**San Juan 31-6 Unit #48M**  
**30-039-26464: E-347-46**  
**Unit L, 1762' FSL & 660' FWL, Section 2, T30N, R6W**  
**Rio Arriba County, NM**

**Details of the procedure used to locate casing leak and then squeeze cement to seal off leak.**  
**Then added the MV zone to this DK/MV well**

7/19/02 MIRU Key #29. Killed casing w/2% KCL. ND WH & NU BOP. PT-OK. COOH w/2-3/8", tubing. RIH w/4-1/2" N-1 CIBP & set @ 6206'. Load hole & PT CIBP & casing-bled down. RIH to located leak. PT casing and plug below tool to 2500 psi – OK. Tested above tool – OK. Established injection rate @ stage tool @ 5090'. RU Blue Jet & perforated 2 sets of squeeze holes – 3 .34" holes @ 5813' and 3 - .34" holes @ 5122'. RIH w/cement retainer & set @ 5764'. Established injection through lower perfs, not through upper perfs. Pumped 50 sx Premium Lite cement (2.38 cf/sk). Displaced cement to retainer @ 5764' w/half of displacement in, pressure began climbing. Stung out of retainer w/960 psi on formation. Did not circulate through upper holes (5122') at anytime. PU & reversed out tbg, no cement. POOH. RIH w/bit & tagged up 5760'. Circ. w/H2O. Lost 60 bbls to formation. RIH & isolated holes @ 5122' & 5090'. PT casing above holes to 2000 psi – OK. RU BJ to resqueeze top of MV formation. Set retainer & established injection rate into squeeze holes @ 5122'. Pumped 50 sx Premium Lite High Strength Cement (2.38 cf/sx) Displaced w/10 bbls to retainer. Stung out of retainer & reversed out 5 sx good cement to surface. WOC. RIH w/bit & tagged retainer @ 5034'. D/O retainer, hard cement and retainer @ 5762'. Circ. hole. POOH. RIH & milled out cement retainer @ 5764', hard cement from 5766' – 5814'. Circ. hole clean to 6200'.

Blue Jet ran Cased hole GR/CL/CBL logs to 5100' – TOC @ 5100'. Ran GSL. Perforated MV @ 1 spf .34" holes – 5560', 5558', 5548', 5547', 5533', 5531', 5517', 5510', 5508', 5506', 5448', 5446', 5444', 5442', 5347', 5345', 5338', 5334', 5326', 5324' – 20 holes total. Acidized perfs w/1500 gal 15% HCl. RD & released rig 7/30/02.

8/5/02 RU BJ to frac. Pumped 146,790 gal 60 Quality N2 slickwater foam and 25,540 # of 20/40 Tempered LC sand and 125,000# of 20/40 Brown sand. Flowed back on 1/4" and 1/2" chokes. 8/8/02 RD flowback equipment and turned well over to production department to test the MV flowing up the casing. Will return within 60 days and D/O CIBP, run tubing and DHC well per DHC 32 AZ.