

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
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-025-02980
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-1565-2
7. Lease Name or Unit Agreement Name: VACUUM GB/SA UNIT EAST TRACT 3328
8. Well No. 001
9. Pool name or Wildcat VACUUM GRAYBURG/SAN ANDRES

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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	2. Name of Operator Phillips Petroleum Company
3. Address of Operator 4001 Penbrook Street Odessa, TX 79762	4. Well Location Unit Letter <u>M</u> : <u>660</u> feet from the <u>SOUTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>33</u> Township <u>17S</u> Range <u>35E</u> NMPM County <u>LEA</u>

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3963' RKB 3955' GL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: DRILL A 1170' LATERAL <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.

3/23/02 - MIRU DDU (POOL CO. #587). KILL WELL. POOH LAYING DOWN RODS AND PUMP. SHUT DOWN.
 3/24/02-3/25/02 - CREW OFF.
 3/26/02 - SAFETY MTG. KILL WELL. ND WELLHEAD. NU BOP. POOH W/ 2-3/8" TBG & G-6 PKR. RIH W/ SANDLINE BAILER & TAG FOR FILL. TAG @ 4600'. POOH W/ SANDLINE BAILER. RIH W/ 17 JTS 2-3/8" FIBERGLASS TAILPIPE & 2-3/8" TBG. TAG @ 4600'. POOH 3'. RU PUMP TRK TO TBG. CIRCULATE HOLE CLEAN. PUMP DYE CALIPER. HAD 94% RETURN RATE. RD PUMP TRK. POOH W/ 10 STANDS 2-3/8" TBG. SHUT WELL IN. SHUT DOWN.
 3/27/02 - SAFETY MTG. OPEN WELL TO FRAC TANK. ND BOP. NU BOP. WAIT ON ORDERS. GIH W/ 10 STANDS 2-3/8" TBG. WAIT ON HES TO ARRIVE. RU PUMP TRK. CIRCULATE 130 BBLS FRESH WTR. RD PUMP TRK. MIRU HES. PUMP 10 BBLS FRESH WTR @ 2 BPM, 253 PSI. PUMP 60 SKS PREMIUM 1% CFR-3 17.5 PPG @ 2 BPM, 271 PSI. PUMP 16 BBLS FRESH WTR @ 2 BPM, 20 PSI. POOH 10 STANDS. REVERSE OUT W/ 31 BBLS FRESH WTR. RD HES. POOH 10 MORE STANDS 2-3/8" TBG. SHUT DOWN.
 3/28/02 - SAFETY MTG. OPEN WELL UP TO FRAC TANK. GIH W/ 20 STANDS 2-3/8" TBG & TAG @ 4577'. RU PUMP TRK & CIRC HOLE W/ 130 BBLS FRESH WTR. RD PUMP TRK. RU HES. PUMP 10 BBLS FRESH WTR @ 2 BPM.

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

SIGNATURE May Kutz for L. M. Sanders TITLE SUPVR., REGULATION/PRORATION DATE 5/09/02

Type or print name L. M. Sanders Telephone No. 915/368-1488

(This space for State use)

ORIGINAL SIGNED BY JUN 18 2002

APPROVED BY _____ TITLE PAUL F. KAUTZ DATE _____
PETROLEUM ENGINEER

Conditions of approval, if any:

VACUUM GB/SA UNIT EAST TRACT 3328-001

220 PSI. PUMP 60 SKS PREMIUM 1% CFR-3 17.5 PPG @ 2 BPM, 260 PSI. PUMP 15.5 BBLS FRESH WTR @ 3 BPM, 500 PSI. SHUT DOWN. PULL 10 STANDS 2-3/8" TBG. REVERSE OUT W/ 25 BBLS FRESH WTR @ 2 BPM, 200 PSI. SHUT DOWN. WAIT ON CMT TO CURE. GIH W/ TBG & TAG @ 4286'. POOH W/ 10 STANDS REVERSE OUT. RD MO HES. POOH LAYING DOWN 2-3/8" TBG & FIBERGLASS 2-3/8" TAILPIPE. SHUT DOWN.

3/29/02 – SAFETY MTG. OPEN WELL TO FRAC TANK. WELL DEAD. ND BOP W/ BLINDS ON BOTTOM. TAKE WELLHEAD OFF CSG. INSTALL FLANGE ON CSG. NU BOP W/ BLINDS ON TOP. MOVE OFF 2-3/8" TBG. MOVE IN CATWALK & 2-7/8" AOH TBG. GIH W/ BIT & 2-7/8" AOH TBG TO 4102'. SHUT DOWN.

3/30/02 – SAFETY MTG. MI RU WEATHERFORD REVERSE UNT. GIH W/ 2-7/8" AOH TBG. TAG TOP OF CMT PLUG @ 4230'. DRILL OUT CMT TO 4443'. CIRCULATE CLEAN. POOH W/ 1 JT 2-7/8" AOH TBG. RD MO WEATHERFORD REVERSE UNIT. MI RU SCIENTIFIC DRILLING. GIH W/ GYRO TOOL. RUN GYRO SURVEY TO 4422'. POOH W/ GYRO TOOL. POOH LAYING DOWN 10 JTS 2-7/8" AOH TBG TO 4102'. SHUT WELL IN. SHUT DOWN.

3/31/02 – SAFETY MTG. CLEAN LOCATION. HANG WELL OFF IN SLIPS ON TOP OF BOP. RD MO DDU.

4/03/02 – MI RU KEY ENERGY SERVICES RIG #115. SDON.

4/04/02 – WAIT ON RIG CREWS. HELD PRE SPUD SAFTY MTG. CONDUCT RIG INSEPCTION. HELD H2S SAFETY TRAINING. CONTINUE TO RU MUD GAS SEPERATOR. HELD SAFETY MTG. SICP ZERO, SIDPP ZERO. OPEN AND OBSERVE WELL. WELL STATIC. POOH W/ 130 JTS OF 2-7/8" 10.40# AOH DP. WAIT ON CLASS II BOPE. OBSERVE WELL. WELL STATIC. HELD SAFETY MTG. REPLACED CLASS II BOPE. NU 7-1/16" 5M CLASS II BOPE. HELD BOP PRESSURE TEST SAFETY MTG. PRESSURE TEST CLASS II BOPE TO 500 PSI, HELD OK. HELD BHA. PU & MU SAFETY MTG. PU & MU BHA CURVE ASSEMBLY.

4/05/02 – PU & MU BHA CURVE ASSEMBLY. TEST MWD. TIH TO 4431'. RU & FUNDTION TEST POWER SWIVEL.

WASH FROM 4431' TO 4443'.

SURVEY @ 4393' 1.50 DEG.

WASH FROM 4443' TO 4452'.

TIME DRILL 1'/HR FROM 4452' TO 4455'.

REPLACE POP OFF VALVE ON #1 MUD PUMP.

TIME DRILL 1'/HR FROM 4455' TO 4458' W/ 270 DEG MTF.

TIME DRILL 3'/HR FROM 4458' TO 4462' W/ 270 DEG MTF W/ 100% DOLOMITE.

SLIDE FROM 4462' TO 4474' W/ 270 DEG MTF 4-5K WOB.

SURVEY @ 4424' 1.2 DEG, 321.2 AZ.

SLIDE FROM 4474' TO 4505'.

SURVEY @ 4455' 7.1 DEG, 289.3 AZ.

SLIDE FROM 4505' TO 4636'.

SURVEY @ 4586' 15.6 DEG, 288.6 AZ.

SLIDE FROM 4536' TO 4568'.

SURVEY @ 4518' 24.1 DEG, 287.1 AZ.

SLIDE FROM 4568' TO 4580'.

4/06/02 – SLIDE FROM 4580' TO 4631'.

SURVEY @ 4581' 39 DEG, 274.6 AZ.

SLIDE FROM 4631' TO 4662' = 31'.

SURVEY @ 4612' 45.7 DEG, 266.8 AZ.

SLIDE FROM 4662' TO 4694' = 32'.

SURVEY @ 4644' 53.5 DEG, 263.8 AZ.

SLIDE FROM 4694' TO 4725' = 31'.

SURVEY @ 4675' 62.4 DEG, 262.7 AZ.

SLIDE FROM 4725' TO 4750' = 25'.

PUMP FLOWZAN SWEEP. POOH. LD TRI CONE BIT. ADJUST MUD MOTOR FROM 2.83 DEG BEND TO 1.69 DEG BEND. TIH.

WASHING FROM 4709' TO 4750', NO FILL.

VACUUM GB/SA UNIT EAST TRACT 3328-001

SLIDE FROM 4750' TO 4773'.
SURVEY @ 4708' 70.9 DEG, 262.9 AZ.
SLIDE FROM 4773' TO 4805'.
SURVEY @ 4740' 79.3 DEG, 264.6 AZ.
SLIDE FROM 4805' TO 4836'.
SURVEY @ 4771' 83.6 DEG, 265.6 AZ.
SLIDE FROM 4836' TO 4861'.
ROTATE FROM 4861' TO 4868' (7K-8K WOB & 30 RPM).
SURVEY @ 4803 87.2 DEG, 266.8 AZ.
ROTATE FROM 4868' TO 4889' (8K WOB & 30 RPM)
SLIDE FROM 4889' TO 4900'.
SURVEY @ 4835' 91.0 DEG, 268.5 AZ.
ROTATE FROM 4900' TO 4931' (8K WOB & 30 RPM)
SURVEY @ 4866' 94.0 DEG, 270 AZ.
ROTATE FROM 4931' TO 4965'.
SURVEY @ 4898' 96 DEG, 270.4 AZ.
ROTATE FROM 4963' TO 4994' (7K-8K WBO & 30 RPM)
SURVEY @ 4929' 96.3 DEG, 270.6 AZ.
ROTATE FROM 4994' TO 5026' (7K-8K WOB & 30 RPM).
SURVEY @ 4961' 96.3 DEG, 270.4 AZ.
SLIDE FROM 5026' TO 5030'.
ROTATE FROM 5030' TO 5058' (8K WOB & 30 RPM).
4/07/02 – SURVEY @ 4993' 95.9 DEG, 270.2 AZ.
ROTATE FROM 5058' TO 5090'.
SURVEY @ 5025' 96.1 DEG, 269.5 AZ.
ROTATE FROM 5090' TO 5105'.
SLIDE FROM 5105' TO 5113'.
ROTATE FROM 5113' TO 5121'.
SURVEY @ 5056' 95.7 DEG, 270.1 AZ.
SLIDE FROM 5121' TO 5129'.
ROTATE FROM 5129' TO 5153'.
SURVEY @ 5088' 96.4 DEG, 270.2 AZ.
SLIDE FROM 5153' TO 5163'.
ROTATE FROM 5163' TO 5185'.
SURVEY @ 5120' 95.4 DEG, 270.5 AZ.
SLIDE FROM 5185' TO 5193'.
ROTATE FROM 5193' TO 5216'.
SURVEY @ 5151' 94.4 DEG, 270.3 AZ.
SLIDE FROM 5216' TO 5224'.
ROTATE FROM 5224' TO 5248'.
SURVEY @ 5283' 93.2, 270.8 AZ.
SLIDE FROM 5248' TO 5254'.
ROTATE FROM 5254' TO 5279'.
SURVEY @ 5214' 92.4 DEG, 270.1 AZ.
ROTATE FROM 5279' TO 5311'.
SURVEY @ 5246' 91.2 DEG, 270.4 AZ.
ROTATE FROM 5311' TO 5343'.
SURVEY @ 5278' 90.7 DEG, 270.4 AZ.
ROTATE FROM 5343' TO 5374'.
SURVEY @ 5309' 91.9 DEG, 270.4 AZ.
SLIDE FROM 5374' TO 5384'.
ROTATE FROM 5384' TO 5406'.
SURVEY @ 5341' 93.1 DEG, 270.2 AZ.
SLIDE FROM 5406' TO 5416'.



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ROTATE FROM 5416' TO 5438'.
SURVEY @ 5373' 94.0 DEG, 269.9 AZ.
SLIDE FROM 5438' TO 5448'.
ROTATE FROM 5448' TO 5469'.
SURVEY @ 5404' 93.5 DEG, 270.0 AZ.
SLIDE FROM 5469' TO 5484'.
ROTATE FROM 5484' TO 5500'.
SURVEY @ 5435' 92.4 DEG, 270.0 AZ.
ROTATE FROM 5500' TO 5532'.
SURVEY @ 5467' 92.2 DEG, 269.3 AZ.
SLIDE FROM 5532' TO 5546'.
ROTATE FROM 5546' TO 5564'.
SURVEY @ 5499' 91.3 DEG, 268.8 AZ.
ROTATE FROM 5564' TO 5595'.
SURVEY @ 5530' 92.1 DEG, 268.8 AZ.
SLIDE FROM 5595' TO 5607'.
ROTATE FROM 5607' TO 5626'.
SURVEY @ 5561' 90.8 DEG, 268.6 AZ.
SLIDE FROM 5626' TO 5632'.
ROTATE FROM 5632' TO 5658'.
SURVEY @ 5593' 91.0 DEG, 269.0 AZ.
SLIDE FROM 5658' TO 5663'.
ROTATE FROM 5663' TO 5689'.
SURVEY, MWD FAILED.
ROTATE FROM 5689' TO 5715'.
TD 4-3/4" HOLE @ 00:45 HRS 04/07/02.
CIRC & COND HOLE. POOH TO 4140' (25 ST WIPER TRIP). LOST +/- 100 BBLS OF MUD LAST 24 HRS.
4/08/02 – POOH. WAIT 1 HOUR. TIH W/ 25 STANDS. PU SWIVEL. WTB, NO FILL. CIRC & COND HOLE. POOH W/ 25 STANDS. LD DP. GIH W/ 25 STANDS & LAY DOWN. LEAVE 4 JTS DP HANGING ON SLIPS W/ PIPE RAMS CLOSED & LOCKED. INSTALL TIW VALVE. ND FLOWLINE, BELL NIPPLE & STRIPPER. LAY DOWN POWER SWIVEL. RIGGING DOWN. SECURE WELL. SDON. RIG RELEASED 19:00 PM 04/07/02.
4/09/02 – SIDETRACK COMPLETE. MI RU DDU (KEY ENERGY SERVICES #164). OPENED RAMS ON BOP TO LAY DOWN 4 JTS 2-7/8" DRILL PIPE. WHILE TRYING TO LAY DOWN DRILL PIPE BOP STACK CAME OFF CSG. SET STACK BACK ON CSG & STABILIZED. LAID DOWN DRILL PIPE. GIH W/ RBP PICKING UP 2-7/8" TBG OFF RACK. SET RBP & COOH W/ TBG. CHANGE OUT BOPS. SDFN.
4/10/02 – GIH W/ RBP OVERSHOT & COOH W/ RBP. PICKED UP PERFORATED SUB & GIH. FINISHED PICKING UP TBG OFF RACK. TAGGED BOTTOM @ 5700'. AND COOH W/ 30 STDS. SDFN.
4/11/02 – GIH W/ TBG & PERFORATED SUB. RU HALLIBURTON TO LOG WELL. PUMPED DOWN WIRELINE LOG. RAN GAMMA RAY LOG. CIRCULATE HOLE CLEAN. COOH. LAID DOWN 51 JTS TBG. LEFT KILL STRING IN HOLE.
4/12/02 – COOH W/ KILL STRING. GIH W/ BIT & SCRAPER. COOH W/ BIT & SCRAPER. PICK UP PKR & HYDROTEST TBG IN HOLE. NIPPLE DOWN BOP. SET PKR & FLANGED UP WELLHEAD. TESTED CSG W/ 500 PSI, HELD OK. RIGGED DOWN UNIT & MOVED OFF WELL.
4/13/02–4/14/02 - SHUT DOWN FOR WEEKEND.
4/15/02 – RIG UP HES FOR ACID JOB W/ COILED TBG. START COILED TBG IN HOLE. WASHED W/ KCL WTR TO 5200'. PMPD ACID AT 10 GALLONS ACID PER FT OF FORMATION. DISCOVERED LEAK ON TBG SPOOL. DISPLACED ACID OUT OF TBG AND COOH UP TO CSG. GIH W/ COILED TBG & CONTINUE ACIDIZING WELL. GIH WITH COILED TBG & CONTINUE ACID JOB. FLUSHED TBG W/ KCL WTR.
ISIP PSI 331 PSI, 2 MIN SIP 94 PSI, 4 MIN SIP 0 PSI. RIGED DOWN HES.

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- 4/16/02 – SWABBED BACK WELL. RECOVERED 200 BBLs. SLIGHT GAS BLOW. NO OIL.
- 4/17/02 – STANDBY TO RIG UP. SWABBING ON WELL TILL 11 AM. MOVE IN & RIGGED UP DDU. NIPPLED UP BOP & RIGGED UP FLOOR. RELEASED PKR. COOH W/ TBG & PKR. GIH W/ KILL STRING & SHUT IN WELL FOR NIGHT.
- 4/18/02 – BLED DOWN WELL & COOH W/ KILL STRING. PICK UP ESP EQUIP & GIH. NIPPLE DOWN BOP. CHANGED OUT WELLHEAD AND FLANGED UP WELLHEAD. SPLICED REDA CABLE. REPLUMBED FLOWLINE & WELLHEAD. SDFN.
- 4/19/02 – RIG DOWN DDU & MOVED OFF WELL. WELL ON PRODUCTION.
- 4/20/02 – TESTING WELL. MADE 40.5 OIL, 838.8 WATER & 91 GAS, 32% CO₂. FLUID LEVEL 865' ABOVE PUMP. UNIT WENT DOWN ON HI PSI.
- 4/21/02 – WELL ON TEST. MADE 57 OIL, 597.1 WATER & 235 GAS. 34% CO₂ FLUID LEVEL 1419' ABOVE PUMP.
- 4/22/02 – WELL ON TEST. MADE 42.9 OIL, 205.8 WATER & 94 GAS, 33% CO₂. FLUID LEVEL 1217' ABOVE PUMP. PUMP STUCK. MOST OF THIS TEST WAS FROM WELL FLOWING.
- 4/23/02 – UNABLE TO TEST WELL TODAY. SATELLITE 3 DOWN FOR INSTALLATION OF NEW LINES AS PER PEAT TEAM RECOMMENDATIONS.
- 4/24/02 – TESTING WELL. 62 OIL, 570 WATER & 322 GAS, 35% CO₂. WELL IS FLOWING UP CSG & TBG.
- 4/25/02 – TESTING WELL. 78.3 OIL, 524.8 WATER & 288 GAS, 35% CO₂. RUNNING BACK PRESSURE REGULATORS ON CSG & TBG. TBG SET AT 300 PSI & 350 PSI ON CSG. WHEN WELL ALLOWS, WE WILL REDUCE BACK PRESSURE.
- 4/26/02 – WELL ON TEST. 78 OIL, 525 WATER & 288 GAS, 35% CO₂. WELL RAN DURING TEST CYCLE.
- 4/27/02 – UNABLE TO TEST WELL. STORM CAUSING PROBLEMS AT SATELLITE 3.
- 4/28/02 – PUMP PICKING UP TRASH. CALLED OUT POOL TRUCKING TO PUMP LOAD OF SOAPY WATER DOWN CSG.
- 4/29/02 – TESTING WELL. 13 HOUR TEST. WELL FOUND DOWN ON HI PSI. SHUT DOWN. 26 OIL, 397 WATER & 166 GAS, 35% CO₂.
- 4/29/02 – TESTING WELL. 63 OIL, 498 WATER & 269 GAS, 35% CO₂. WELL RAN DURING TEST CYCLE.
- 5/01/02 – WELL ON TEST. 24 HOUR TEST: 57 OIL, 460 WATER & 250 GAS, 35% CO₂.
- 5/02/02 – WELL ON TEST. 16.6 HR TEST: 31.1 OIL, 329.5 WATER & 173 GAS, 34% CO₂.
- 5/03/02 – WELL ON TEST: 63 OIL, 463.1 WATER & 253 GAS, 34% CO₂.
- 5/04/02 – WELL ON TEST: 42.9 OIL, 372.7 WATER & 199 GAS, 35% CO₂.
- 5/05/02 – WELL ON TEST: 37.3 OIL, 397.4 WATER & 217 GAS, 36% CO₂.
- 5/06/02 – WELL ON TEST: 46.5 OIL, 410 WATER & 244 GAS, 36% CO₂.
- 5/07/02 – WELL ON TEST: 39 OIL, 366 WATER & 195 GAS, 36% CO₂, 24 HOUR TEST.
- 5/08/02 – WELL ON TEST. 24 HOUR TEST: 35 OIL, 419.2 WATER & 225 GAS, 35% CO₂.
- 5/09/02 – WELL ON TEST: 35 OIL, 425 WATER & 231 GAS, 35% CO₂.