

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Resource Development Technology, LLC

3a. Address
P. O. Box 1020, Morrison CO 80465

3b. Phone No. (include area code)
303-716-3200

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

760 FSL & 990 FEL Section 4, T.24 N. R.8 W. NMPM

1880 FAL - 1730 FAL

S, T23N, R66W

5. Lease Serial No.

USA SF-078359

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NMA 0072

8. Well Name and No.

Rita Fed. Com. #4

9. API Well No.

30 039-23378

10. Field and Pool, or Exploratory Area

Counselors Gallup/Dakota

11. County or Parish, State

Rio Arriba County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or to recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Operations conducted between 1/24/2006 & 3/2/2006 have resulted in NO Permanent Fix for 2 Casing Leaks @ 3930'-3932' & 4266'-4268' in water sands of the Mesaverde Fm. The well has cement coverage from a DV Tool @ 4707' to surface and the leaks are @ Holidays in the Cement Coverage. 3 Cement Squeezes & 2 PHPA Polymer Squeezes have not cured the problem. These Leaks are Low Volume Under High Injection Pressure Last @ LT 1/8 BPM @ 2450 PSIG. 30-Minute Casing Integrity Tests have met the 18% Pressure loss criteria on 2 Occasions. But each time that RDT has swabbed the wells down the water influx rate of approx. 24 GWP/D has been too high to resume economic production. Furthermore, the hole[s] @ 4266'-4268' is/are becoming unstable with reaming required prior to tool running after the well is swabbed down for the evacuation tests. RDT has now set a Composite Bridge Plug in the well @ 5,090' above Gallup Perfs. & Graneros Perfs.

FOR REPAIR:
Set Casing Patches: Lower Patch: 10" 4262'-4272' & Upper Patch: 10" 3926'-3936'. 2. Load Hole & Test Casing. RHT & Swab Down well to check influx. Should be NONE.
3. Load Hole & Drill-Out Composite Plug after successful tests.
4. RHT Production String & Resume Production.

PLAN
1. RHT 2 Owens WL

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Robert A. Schwerling, P.E.

Title

Operations Manager

Signature

Date

3/15/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

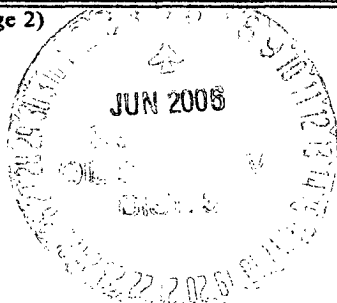
Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)



NMOCD

ACCEPTED FOR RECORD

JUN 02 2006

FARMINGTON FIELD OFFICE
BY

R A Schwering

From: R A Schwering [ras.rdt@mindspring.com]
Sent: Sunday, March 05, 2006 6:27 PM
To: Jim Lovato (jim_lovato@blm.gov)
Cc: gregtwombly@mindspring.com; Steve Stepanek
Subject: Sundry Notice to Run Casing patches in the Rita #4

Attachments: Rita #4.Sundry Notice.Repair Casing.03-03-2006.tif



Rita #4.Sundry
Notice.Repair C...

Mr. Lovato:

Attached is the Sundry Notice that you & I discussed for the Rita #4 well. A Hard Copy will follow in the mail.

Background:

You have a well file & I provided a CBL & MTT/Caliper Log above 5100'.

The Mesaverde Fm., Chacra Fm., Lewis Fm., Pictured Cliffs Fm., Fruitland Fm., Ojo Alamo Fm. & Nacimiento Fm. are all isolated behind pipe with Cement from a DV Tool @ 4705'-4707' to Surface on the 4-1/2" 10.5# J-55 8rd. ST&C Production Casing. The Casing Holes @ 3930'-3932' & 4266'-4268' are likely the result of corrosion where the pipe laid up against the low side of the hole in water sands. The cement could not get between the decentralized casing and the wall of the hole. Corrosion occurred. The holes are the outgrowth of the poor coverage. ALL OF THE POTENTIALLY PRODUCTIVE OIL, GAS AND/OR WATER SANDS ARE ISOLATED BY THE 2ND STAGE CEMENT COVERAGE ON THE OUTSIDE OF THE CASING.

The Productive Intervals in the well are Gallup Fm. Perfs. 5149' to 5506' & Graneros Fm. Perfs. 6298' to 6306'. These intervals are isolated on the outside of the casing from each other & the Up-Hole Intervals addressed above by the 1st Stage Cement Job.

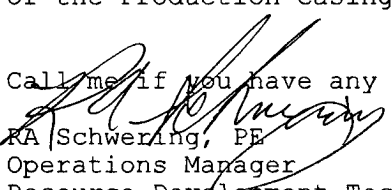
The proposed casing patches:

4262'-4272' f/ Holes 4266'-4268' & 3926'-3936' for Holes 3930'-3932'.

A longer lower patch may be run to cover other potential corrosion sites near the lower patch if it is economical & prudent.

In the Event of an eventual P&A for this well all of the necessary cement plugs for Zonal Isolation may be set inside the casing as this has already been addressed on the exterior of the Production Casing by the Primary Cementing of the Production Casing.

Call me if you have any questions @ (505) 947-3072.


RA Schwering, PE
Operations Manager
Resource Development Technology, LLC

PS I apologize for the inadequacy of my ability to Prepare & Manipulate the Scanned Image of the Microsoft Image Documents. I believe that the Microsoft Imaging Software has changed as I can no longer manipulate & save them as I once did. Anyway, as we discussed, the Date is WRONG on the image I am transmitting. Hard Copies with a Corrected Date will be sent by Mail.