Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
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
June 23, 2006

WELL API NO. 30 – 039 - 22903	
5. Indicate Type of Lease STATE ☐ FEE ☒	
6. State Oil & Gas Lease No.	
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.)	7. Lease Name or Unit Agreement Name Canyon Largo Unit
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number #314
2. Name of Operator RESOURCE DEVELOPMENT TECHNOLOGY, LLC (RDT)	9. OGRID Number 225774
3. Address of Operator PO BOX 1020, MORRISON, CO 80465	10. Pool name or Wildcat Devil's Fork: Gallup
4. Well Location Unit Letter: 'J': 1650' feet from the South line and 1850' feet from the East line Section: 21 Township 25 North Range 6 West NMPM Rio Arriba County	
	11. Elevation (Show whether DR, RKB, RT, GR, etc.) KB 6335' GL 6322'
Pit or Below-grade Tank Application ☐ or Closure ☐	
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water	
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material	

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☒	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:	☐			OTHER:			☐

13. 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.

RDT does desire to Repair the Casing in the subject well which is believed to have a potential hole or holes in the casing. The well is cased with 4-1/2" 11.6# K-55 ST&C Casing which was set & cemented on 06/17/1982. A temperature survey run on 6/18/1982 indicated a Firm TOC @ 1100'. From analysis of the MTT Log run on 1/23/2006 there is definite and substantial metal loss for the Production Casing from 1070' to Surface. The MTT-Log also identified potential casing holes @ 344' & 798'.

Due to air effects trying to Top-Load the casing the CBL run on 1/23/2006 is non-definitive above 3300'. A scaled wellbore diagram with formation tops, perforations and cement tops is attached for the purposes of this filing & to assist in your decision making. The well has a Holiday in the Cement Coverage between 4820' & 5184'. A Stage Collar is set @ 4810'. All cemented intervals show excellent bond EXCEPT where air in the well attenuated the signal (1100' to 3300').

RDT will move in A-Plus Rig #10 to commence remedial operations on 6/26/2006. RDT does propose to initially confirm wellbore integrity from 5210' to 1250' with a Packer & Plug & Pressure Test to 1000# for 30 min. RDT will then use a Packer & Plug to locate the Leak(s) above 1250'. RDT will then Plan (with NMOCD concurrence) & Squeeze Cement & Repair the Casing Leak(s) as necessary to meet the NMOCD well-bore integrity requirements. RDT will then confirm integrity above 1250' after remedial operations to 1000 # for 30 min. The well will then be re-equipped & returned to service.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE R. A. Schwering TITLE Operations Manager DATE 06/23/2006

Type or print name R. A. Schwering, PE E-mail address: ras.rdt@mindspring.com Telephone No.: (303) 716-3200

For State Use Only

APPROVED BY: A. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUN 23 2006

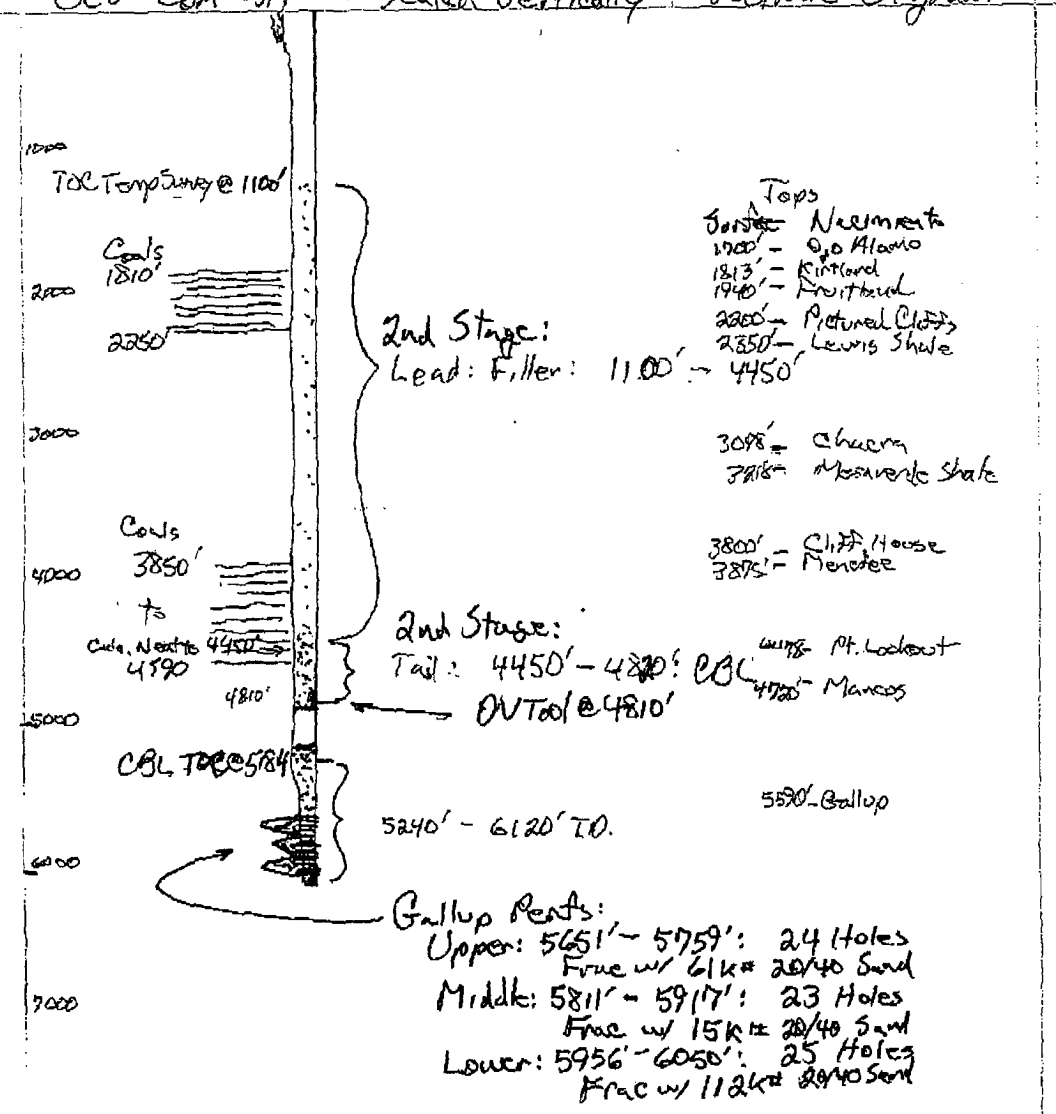
Conditions of Approval (if any):

PHONE LIST FOR RESOURCE DEVELOPMENT TECHNOLOGY, LLC:

RA Schwering, PE: Operations Manager
PHONE: (303) 716-3200
FAX: (303) 716-5780
Colo. Cell: (303) 919-6826
NM Cell: (505) 947-3072

Mr. Arthur Sullivan: Pumper
Cell: (505) 320-1983
Home: (505) 632-9126

CLV Com #314 Sealed Vertically Wellbore Diagram



RESOURCE DEVELOPMENT TECHNOLOGY LLC

June 22, 2006

AFE RDT-0022

Repair Well & Return to Service
Or P&A Well
Canyon Largo Unit Fed. Com. #314
API #: 30-039-22903
1650' FSL & 1850' FEL, Unit J
Section 21, T. 25 N., R. 6 W., Rio Arriba County, NM

CASING DETAILS: 4-1/2" 11.6# K-55 8rd. LT&C Casing: Surf. to 6120'.
FC @ 6078'. PBD shown @ 6067' (Tefteller in 10/2004).

CEMENTING DETAILS:
Estimated TOC: 1st Stage: 5184': CBL.
225 sx. Class 'H' Cement + 2% Gel:
@ 1.22 cu. ft./sx.@ 15.4 PPG.
Holiday: 5184' to 4820'.
Stage Collar: 4810'.
Estimate TOC: 2nd Stage: 4450': Tail Slurry: 100 sx. Class 'H' Cement + 2% Gel:
@ 1.22 cu. ft./sx.@ 15.4 PPG.
1200': Lead Slurry: Based on Temp Survey
600 sx. of Class 'B' + 2% Na-Meta-Sillicate
@ 2.06 cu.ft./sx @ 12.5 PPG
Uncemented: 1200' to Surface.

COMPLETION DETAILS:
Upper Gallup: 5651' - 5749': 24 Holes:
5651'+5653'+5661'+5663'+5673'+5675'+5689'+5691'
5703'-5711': 5 Holes: 1SP2F
5749'-5759': 11 Holes: 1 SPF
Spot 250 Ga. 15% HCl & Break Down Individual Perfs. Pre-Frac
Frac w/ 61,000# 20/40 Mesh Sand + 1.0 MMCF N2 + 460 BW 2% Slick KCl

Middle Gallup: 5811' - 5917': 23 Holes:
5811'-5819': 4 Holes: 1 SP2F
5846'-5850': 3 Holes: 1 SP2F
5881'-5894': 7 Holes: 1 SP2F
5901'-5917': 9 Holes: 1 SP2F
Spot 250 Ga. 15% HCl & Break Down Individual Perfs. Pre-Frac
SCREEN-OUT Frac w/ 15,000# 20/40 Mesh Sand + 1.0 MMCF N2 + 265 BW 2% Slick KCl

Lower Gallup: 5956' - 6050': 25 Holes:
5956'-5966': 6 Holes: 1 SP2F
6001'-6005': 3 Holes: 1 SP2F
6013'-6019': 4 Holes: 1 SP2F
6023'-6031': 5 Holes: 1 SP2F
6038'-6050': 7 Holes: 1 SP2F
Spot 250 Ga. 15% HCl & Break Down Individual Perfs. Pre-Frac
Frac w/ 112,300# 20/40 Mesh Sand + 2.1 MMCF N2 + 655 BW 2% Slick KCl

History: LIKELY Hole In Casing: ??? @ Unknown Depth.
Holes in Tubing: 1989 + 1996
Clean-Out Fill to PBD : 1997.
Tubing Detail: KB =12': Bottom @ 5576'.
1Jt.: 2-3/8" 4.7# J-55 8rd. EUE Tubing: 31'.

PO BOX 1020 • MORRISON, CO • 80465 USA
PHONE: 303-716-3200 • FAX: 303-716-5780

ALWAYS HAVE A SEATING NIPPLE ON THE TUBING.

THIS WELL HAS HAD TRACE AMOUNTS OF H2S AT THE SURFACE.

HAVE H2S SAFETY & FIRE PREVENTION SAFETY ADDRESSED DAILY IN SAFETY MEETINGS WHILE WORKING ON THIS WELL.

1. MIRU PU. Receive 6150' Yellow-Band Tubing from Company Stock. MI Rig Tanks & 100 Bbl. Work Tank. RU H2S Gas Detection Eqpt. Dig out casinghead valves. There is 1 Jt. With a 2" Valve in the top of the well. Disconnect Well @ HP Hose away from rig. Blow-Down any Gas Pressure @ Old Separator Tie-In. Monitor for H2S. NU BOPE. Replace the 2: 2" Tubing-Head Valves (they are old & worn out).

2. PU Used Bit & 2 Piggy-Backed Watermelon Reamers (3-7/8" on Bottom & 3.9" on top) & PU Tubing & Tally-In-Hole to est. PBD @ 6067' (KB = 13' @ GL). Work Reamers repeatedly thru any Tight Spots & @ 344' & 798'. POOH & LD Reamers.

3. RIH w/ SN & RBP & Set @ 5210' (avoid collars @ 5194' & 5236'). Load casing w/ 5% KCl Water down tubing. Circ. to rig pit until clean & monitor returns for H2S. Close Pipe Rams. Open Braden-Head Valve & RU Yellow Dog to Pump Cellar to wash-up pit. Pressure Test Casing to 500# for 30 min. If it HOLDS then call RAS.

NOTE: IF NO LEAK & Tests OK to 500# above 5210' then RU & Swab Well Down & confirm NO FLUID ENTRY overnight prior to proceeding. IF THERE IS NO ENTRY then Engage & Release the RBP & POOH & LD RBP. Proceed to Step 7.

NOTE: The MIT Casing Inspection & CBL & Temp Survey indicated TOC @ 1,200' & Possible Holes in the Casing @ 798' (scale) & 344' (metal loss).

If there is a leak we should try to get a rate thru it. Note Braden-Head Returns (if any) and call RAS immediately if the Braden-Head Circulates. Likely Plan is to remove the Braden-Head Valves/Nipples/Bull Plugs & Circ. Production Casing Annulus until clear returns. Do not exceed 1000# pumping into well. POOH & LD Retrieving Head.

4. RIH w/ Tension Packer w/ SN to 1250'. Test below Packer to 1000# for 30 min. It should be OK. Begin step-wise search for casing hole(s). After isolating hole(s) and determining injection rate(s) then POOH w/ Tension Packer & LD Same. RIH w/ Retrieving Head & Release RBP & POOH & Set Same at Appropriate Well Depth for Squeeze Cementing Work & Spot 4: 50# sx. of sand on plug.

   OR

   RU A-Plus WL Service. Set Weatherford Composite CIBP @ 1200' or as appropriate for Leak(s). Dump Bail 4 sx. Class 'C' Cement on Plug. RD WL Unit.

5. Plan & execute remedial cementing work as necessary w/ RAS.

6. PU 3-7/8" Bit & 4: 3-1/8" DC & drill out retainers/cement with a bit and test squeeze/remedial cementing to 1000 psi. Swab well down & check for fluid entry. Make sure the work is complete BEFORE Proceeding.

NOTE: If the Leak(s) are not cured in a Timely Fashion with 1 or 2 Squeezes per Casing Hole then use The 300 PSI System to Cure the Leaks. **Get all of the potential casing leaks above the Gallup Perfs. cured PRIOR to drilling out or removing the Bottom Plug above the Gallup Perfs. This includes a SUCCESSFUL & ABSOLUTELY CONCLUSIVE Pressure Test & Drawdown Test before Plug Removal/Drill-Out.**

7. RIH & Circ. Clean w/ 5% KCl Water & Recover RBP above Gallup Fm. OR PU 3-7/8" Bit & 4: 3-1/8" DC & drill-out Cement/Plug. Circ. Clean. RIH & Attempt to Clean-Out to 6,100'. POOH & LD BHA. RIH w/ Completion Assembly:
   20' OE Mud Anchor + 4' Perf. Pup + SN @ 6051'+ w/ 2-3/8" Tubing to Surface.
   Swab down tubing and assess productivity. Determine if a stimulation is necessary after the bottom CIBP is removed Re-perforate and/or Stimulate Perfs. as required. Clean-Up Stimulation & evaluate BHP & Productivity.

8. RIH w/ RHAC Pump w/ Sand Check Per CDI & Rod Assy. As follows:
   Picking up On Bottom:
   - 1: 6'x 10' x 13' x 14' RHAC San Juan Pump w/ Sand Check
   - 5: ¾" Guided Rods w/ SHSM Cplgs.
   - 10: ¾" Rods w/ Every Other One Guided w/ SHSM Cplgs.
   - 25: ¾" Rods w/ SHSM Cplgs.
   - 102: 5/8" Rods w/ FHSM Cplgs.
   - 100: ¾" Rods w/ SHSM Couplings & PATCO Scrapers

9. Load Tubing & Test to 500#. Use Lease Crude if enough has been recovered. Use 5% KCl water if ncc.

10. Pump Up Well to 500# w/ unit. Resume Production as soon as Facility Installations are complete. Well Inventory on Next Page.

SURFACE FACILITY INSTALLATIONS:

There are no tanks or surface production equipment at the wellsite. Transfer a 400 Bbl. Tank from the Fikes Fed. Com. #2. Install a new fiberglass tank. The Separator had been removed by Merrion prior to RDT's Acquisition. Install Pumping Unit with Electric Motor. Install a Xylene Tank Facility. Complete installation of Power Line & Facilities. As soon as it becomes apparent that the well will be repaired & successfully recovered then RDT will commence Separator Installation, Tank Battery Construction & Pumping Unit Installation & Electrification.

RA Schwering
Operations Manager @ RDT