

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

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

WELL API NO.

30 - 039 - 82326

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

E - 1207 - 1

7. Lease Name or Unit Agreement Name
NCRA State

8. Well Number #4

9. OGRID Number 225774

10. Pool name or Wildcat
Devil's Fork: Gallup & Mesaverde

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK OR TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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

2. Name of Operator

RESOURCE DEVELOPMENT TECHNOLOGY, LLC (RDT)

3. Address of Operator

PO BOX 1020, MORRISON, CO 80465

4. Well Location

Unit Letter: 'J': 1685' feet from the South line and 1710' feet from the East line

Section: 16 Township 24 North Range 6 West NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

GL = 5649'. KB = 5660'. RKB = 11'.

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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: Casing Repair ☐

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.

NCRA State #4: Sundry Notice & Report for Well Repair Operations:

1/18/2006 to 1/21/2006: MIRU A-Plus Rig #9. NU BOPE. Load w/ 7 BW & Circ. Well w/ TR Oil.

RIH 4 Jts. & Tag PBD @ 5544' (176' Fill). LD 178 Jts. Tubing.

Run MTT Casing Inspection Log f/ 4156' to Surface:

Indicated Holes @ 2205-2206' + 2244- 2245' + 2247-2251' + 3276-3277'.

Run CBL f/ 5511-3100' & 2550-2100': 1st Stage Cement: 5210' - TD.

Mesaverde Block Squeeze: 3534' - 4915'.

2nd Stage Cement: 2280' - 2468'.

RDMO Rig #9. W/O Rig #5.

3/16/2006: MIRU A-Plus Rig #5. NU BOPE. PU 3-7/8" Bit & BHA & RIH to 5367' (353' Fill). Circ. Clean to 5720' CIBP.

3/17/2006: Clean out to PBTD w/ Watermelon Mill.

Continued:

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 10/13/2006

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. 68

DATE OCT 19 2006

Conditions of Approval (if any):

need to record, if applicable

NCRA State #4: Sundry Notice & Report of Well Operations: Continued:

- 3/18/2006: RU A-Plus WL Unit & Set Composite BP @ 5580'. Dump Bail 6 sx. Cement on Plug. TO Gallup Fm. Isolated. Set CIBP @ 3827'. Dump Bail 5 sx. Cement on Plug. TO Mesaverde Fm. Isolated. Set CIBP @ 2288'. TO Pictured Cliffs Fm. Isolated. Perf. 3 Squeeze Holes @ 2258'. RD A-Plus WL Unit. RIH w/ Packer & set @ 720'. Test 4-1/2" Casing/Tubing Annulus to 500# & well began to Circulate to Surface out Braden Head (Casing/Open-Hole Annulus) @ 1/2 BPM @ 300#. Release Packer & POOH.
- 3/20/2006 – 3/23/2006: Free Point to Recover 4-1/2" Casing to 2260'. No Success. Casing Stuck Solid between 900'-1400'. RU & Load well w/ 35 BW & Circ. 135 BW w/ Oily Mud Returns. RIH w/ Packer to 720'. Inject into Casing Holes f/ 2205' – 2259' w/ 1250# @ 1 BPM. Release Packer & PU to 655' & Set Packer. Circ. Casing/Open-Hole Annulus to Surface @ 1250# @ 1.5 BPM w/ Full Returns. Est. Hole in Casing @ 682'. POOH Packer. RIH & Set RBP @ 2135'. Dump 2 Sx. Sand on Plug. RIH Packer & Set @ 720'. Test Casing f/ 720' – 2135' to 1580#. OK. POOH Packer & RU A-Plus WL & RIH & Perf. 3 Holes @ 2121'. RIH Packer to 720'. Attempt to Circ. Casing/Open-Hole Annulus to Surface thru Holes @ 2121'. No Success. Release & POOH Packer. RIH & Circ. Clean & Release Plug & PUH to 753' & Set Plug. RIH Packer to 655' & Circ. to Surface 50 Bbls. w/ Dyed Marker @ 1 BPM @ 1000#. Release Packer. ELECT TO SQUEEZE REPAIR CASING.
- 3/24/2006: Squeeze #1: Hole In Casing @ 682': RIH & Dump 2 Sx. Sand on Plug @ 753'. POOH & LD Packer. A-Plus Mixed & Pumped 340 Sx. Class 'C' Cement (448.8 Cu. Ft. or 80 Bbl. of Cement) @ 1.5 BPM @ 900# w/ 6.3 Gal./Sx. Mix Water @ 14.8 PPG & 1.32 Cu. Ft./Sx. Down Casing to Hole @ 682' & Up Annulus to Surf. Braden-Head plugged-off w/ cuttings @ 1st cement returns to surface. Press. To 1200# & Flush w/ Est. 6 BW. JC & SI 1200# @ 1130 Hrs. 3/24/2006.
- 3/27/2006 – 3/29/2006: SICP @ 0# & Drill-Out Cement in Casing f/ 285' to 742': Left 457' Cement in Casing: Squeeze #1: Est. 31.6 Sx. or 41.7 Cu. Ft. Cement Left in 4-1/2" Casing & Placed 308.4 Sx. or 407.1 cu. ft. of Class 'C' Cement on the outside of the Production Casing from Est. Hole @ 682' to Surface verified by CBL Dated 5/12/2006. POOH Bit. RIH & Circ. Clean & Release Plug & POOH. Round Trip Water-Melon Mill @ 780'. RIH Packer to 780'. Set Packer & Test Tubing/Casing Annulus Surf. to 720' @ 1250# f/ 5 min. OK. Release & RIH & Set Packer @ 1902'.
- 3/29/2006: Squeeze #2: Squeeze Perfs. (2121'-2122' & 2258'-2259') & Casing Holes (2205'-2206' & 2240'-2241' & 2247'-2248'): A-Plus Mixed & Pumped 255 Sx. Class 'C' Cement (336.6 Cu. Ft. or 60 Bbl. of Cement) @ 1 – 1.5 BPM @ 500# - 1250# Pressure w/ 6.3 Gal./Sx. Mix Water @ 14.8 PPG & 1.32 Cu. Ft./Sx. Down Tubing & Casing to Holes @ 2121' – 2259' OA. Attempt Squeeze On Flush using Hesitation Method w/ Leaky Valves on Cementing Unit f/ 45 min. Release Packer & Circ. Clean @ max. 1700# & PUH to 1804'. Circ. Clean & Re-Set Packer @ 1804' & Flush & Continue Hesitation Squeeze until Stable @ 1500#. JC @ 1430 Hrs. 3/29/2006. Release & POOH Packer & Leave 400# SI on Casing On.
- 3/30/2006: NU & Test Casing & PI Well @ 1 BPM @ 875#. RIH w/ Bit & Scraper & Tag Cement @ 1858'. POOH Bit & Scraper. RIH Packer to 650'. Test Tubing/Casing Annulus f/ 650' to Surface @ 1000# f/ 10 min. OK. Release Packer & RIH & Set Packer @ 875'. P Test Casing 875' – 1858' to 1000#. OK. P Test Annulus & PI Casing/Open-Hole Annulus @ 1 BPM @ 875#. No Surface Returns. Release & POOH Packer. RIH & Set Plug @ 870' & Dump 2 Sx. Sand on Plug.
- 3/30/2006: Squeeze #3: Est. Hole(s)/Splits In Casing @ Est. 682'-742': RIH Packer & Set @ 458'. A-Plus Mixed & Pumped 130 Sx. Class 'C' Cement (171.6 Cu. Ft. or 30.6 Bbl. of Cement) @ 1 – 1.5 BPM @ 1000# - 1500# Pressure w/ 6.3 Gal./Sx. Mix Water @ 14.8 PPG & 1.32 Cu. Ft./Sx. Down Tubing & Casing to Holes @ 682' - 742' OA. Attempt Squeeze on Flush using Hesitation Method w/ Leaky Valves on Cementing Unit f/ 135 min. Release Packer & Circ. Clean & Re-Set 458'. Continue Hesitation Squeeze until Stable @ 2000#. JC @ 1915 Hrs. 3/30/2006. Release & POOH Packer & Leave 1000# SI on Casing Over Weekend.
- 4/03/2006: Found SICP = 0#. Drilling Hard Cement f/ 558' to 730' w/ Stringer @ 740' to 741': 173' Cement Left in Casing. Squeeze #3: Est. 12.0 Sx. or 15.8 Cu. Ft. Cement Left in 4-1/2" Casing & Placed 118 Sx. or 155.4 Cu. Ft. of Class 'C' Cement on the outside of the Production Casing from Est. Holes @ 682'-730' Covering 682'-950' Verified by CBL Dated 5/12/2006. Test Casing to 1000# for 30 Min. & Bled to 975#. OK. RIH to TOC @ 1858'.
- 4/04/2006: Drilling Hard Cement f/ 1858' to 2120' & 2173' to 2268' w/ Void f/ 2120' to 2173': 357' Cement Left in Casing. Squeeze #2: Est. 24.7 Sx. or 32.6 Cu. Ft. Cement Left in 4-1/2" Casing & Placed 105.3 Sx. or 138.6 Cu. Ft. of Class 'C' Cement on the outside of the Production Casing thru Casing & Squeeze Holes @ 2121' – 2259' & Up Casing/Hole Annulus to 1585' verified by CBL Dated 5/12/2006 & subsequent Pressure Work. Attempt to P Test to 1000# & Bled to 500# in 10 Min. POOH & LD Bit. RIH w/ SN & Tag-Up & Swab well down for Influx Test ON.

NCRA State #4: Sundry Notice & Report of Well Operations: Continued:

4/05/2006: RIH Swab: 150' Water Influx: 2.2 Bbl. in 15 Hours or 3.5 BWD. POOH Tubing. RIH Packer & Test CIBP @ 2279'-2288' to 1000# f/ 10 Min. OK. PUH & Set Packer @ 2059'. Test Casing f/ Surface to 2059' @ 1000# f/ 10 Min. OK. PI thru Casing Perfs./Holes f/ 2120'-2259' OA @ 2/3 BPM @ 1250#. Release Packer & POOH. RIH & Set Cement Retainer @ 1806'.

4/05/2006: **Squeeze #4: Squeeze Perfs. (2121'-2122' & 2258'-2259') & Casing Holes (2205'-2206' & 2240'-2241' & 2247'-2248'):**
A-Plus Mixed & Pumped 110 Sx. Class 'C' Cement (145.2 Cu. Ft. or 26 Bbl. of Cement) @ 0.75 BPM @ 900# - 1700#
Pressure w/ 6.3 Gal./Sx. Mix Water @ 14.8 PPG & 1.32 Cu. Ft./Sx. Down Tubing & Casing to Holes @ 2121' - 2259' OA.
Attempt Squeeze On Flush using Hesitation Method w/ Max. Final Squeeze Pressure @ 2400#.
JC @ 1645 Hrs. 4/05/2006. Sting-Out & Circ. Clean. POOH & LD Stinger.

4/06/2006 - 4/7/2006: RIH & Drill-Out CIBP @ 1805'. POOH. Fish Junk w/ Magnet. Drill-Out Cement f/ 1936' - 2273':
Left 297' Cement in Casing:
Squeeze #4: Est. 25.6 Sx. or 30.7 Cu. Ft. Cement Left in 4-1/2" Casing & Placed 84.4 Sx. or 114.5 Cu. Ft. of Class 'C' Cement on the outside of the Production Casing thru Perf./Casing Holes @ 2121'-2259' verified by CBL Dated 5/12/2006.

4/7/2006-4/11/2006: Attempt to Test Casing w/ Surf Leaks @ BOPE: Bled f/ 960# to 710# in 30 Min. POOH & LD Bit. RIH w/ SN & RU Swab. Swab well down to 1946'. SI 45 Hrs. Check FL @ 115' Influx in (1.7 BW in 45 Hrs.): Avg. 0.90 BWD Influx. RIH Tubing & Circ. Hole Full. Test Casing @ 1000# & Bled to 650# in 30 Min. POOH & RIH w/ Packer to 2275'. Test CIBP @ 2275' - 2288' @ 1000# f/ 15 min. OK. Release Packer & PUH & Set @ 2172'. Test Casing Annulus f/ Surface to 2172' to 1000# f/ 15 Min. OK. PI thru Packer @ 2/3 BPM @ 2150#-2350#. RIH w/ Cement Retainer & Set @ 1926'. RU HOWCO. Attempt Squeeze #5. Begin Mix & Pump Squeeze & Engine Failed. Sting-Out of Retainer & Circ. Clean w/ Rig.

4/12/2006: **Squeeze #5: Squeeze Perfs. (2121'-2122' & 2258'-2259') & Casing Holes (2205'-2206' & 2240'-2241' & 2247'-2248'):**
Halliburton Mixed & Pumped 38 Sx. 50/50 Micro-Matrix Pozmix Cement w/ 0.3% CFR-3 (39.9 Cu. Ft. or 7 Bbl. of Cement) @ 0.75 BPM @ 2200 to 2600# w/ 4.2 Gal./Sx. Mix Water @ 1.05 Cu. Ft./Sx. @ 12.5 PPG foll/ w/ 70 Sx. Class 'G' Cement Containing 0.2% Super CBL (82.6 Cu. Ft. or 14.7 Bbl. of Cement) @ 0.75 BPM @ 2130# to 3080# Pressure w/ 5.2 Gal./Sx. Mix Water @ 15.8 PPG & 1.18 Cu. Ft./Sx. Down Tubing & Casing to Holes @ 2121' - 2259' OA. Attempt Squeeze on Flush using Hesitation Method w/ Max. Final Squeeze Pressure @ 3510#. Reverse Out 1 Bbl. Cement (4.75 Sx.: 5.5 Cu. Ft.) to Pit. JC @ 1630 Hrs. 4/12/2006. Sting-Out & Circ. Clean. POOH & LD Stinger.

4/14/2006: RIH & Drill Hard Cement-Retainer-Cement f/ 1914'-2265': 349' Cement Left in Casing:
Squeeze #5: Est. 27 Sx. or 31.8 Cu. Ft. Class 'G' Cement Left in 4-1/2" Casing & Placed 38 Sx. or 39.9 Cu. Ft. 50/50 Micro-Matrix Cement & 38.25 Sx. or 45.1 Cu. Ft. of Class 'G' Cement on the outside of the Production Casing thru Perf & Casing Holes f/ 2121' to 2259' resulting in Coverage from 1585' - 2280' verified by CBL Dated 5/12/2006.
Test Casing to 1025# & Bled to 960# in 30 min. w/ visible pipe ram leak. POOH 25 Stands.

4/15/2006-4/19/2006: POOH. ND BOPE. Cut-Off & Install New Bell Nipple on Casing. NU BOPE. Re-Test Casing @ 1000# & Gauge showed No Loss in 30 min. while Dead-Weight Tested Meter showed loss of 40# to 960# in 30 min. (Original Chart Attached). Received permission from H. Villanueva @ NMOC to Drill-Out CIBP @ 2288'. RIH & Drill Out CIBP @ 2288' & Tag Fill @ 3780'. POOH & LD Bit. RIH to 3774' w/ Tubing. Attempt to swab test Chacra Fm. thru Casing Hole @ 3291'-3292'. Recover 65 BW + 25 Bbl Mud w/ only Trace Oil & Show Gas. Circ. well & recover another 25 Bbl. of Mud + TR Oil & Show Gas. Elect to Suicide Squeeze the Chacra Fm. Casing Hole. POOH. RIH Scraper to 3780' & POOH. RU A-Plus WL Unit & Perf. 3 Squeeze Holes @ 2540'-2541'. RIH Cement Retainer & Set @ 2631'. Estab. Circ. thru Casing Holes 3291'-3292' & up Casing/Open-Hole Annulus to Perf. Squeeze Holes @ 2540'-2541' w/ 80 BW @ 1-1/2 BPM @ 1000#.

4/19/2006: **Squeeze #6: Down Tubing thru Retainer @ 2631' & Down Casing to Holes (3276'-3277') & Up Casing/Open-Hole Annulus thru Perf. Holes (2540'-2541') and Up Casing/Tubing Annulus to Surface:**
A-Plus Mixed & Pumped 215 Sx. Class 'C' Cement (283.8 Cu. Ft. or 50.5 Bbl. of Cement) @ 1.5 BPM @ 1500# - 1050#
Pressure w/ 6.3 Gal./Sx. Mix Water @ 14.8 PPG & 1.32 Cu. Ft./Sx. Down Tubing & Casing to Holes @ 3276'-3277'.
Developed Hole in Tubing due to Erosion @ 2540'-2541' with 87 Sx. of Cement Left to Mix & Pump & Displace. Finish Cement Job As Planned & Attempt Hesitation Squeeze on Flush. JC @ 1700 Hrs. 4/19/2006. Sting-Out.

4/19/2006-4/20/2006: Nearly Stuck in Cement & POOH. RIH & Circ/Drill-Out Cement f/ 650' to 2540' & later found Cement 2633-3277' under CIBP @ 2631'. Left 2534' of Cement in Casing:
Squeeze #6: Est. 175.1 Sx. or 231.1 Cu. Ft. Cement Left in 4-1/2" Casing & Placed 39.9 Sx. or 52.7 Cu. Ft. of Class 'C' Cement on the outside of the Production Casing from Est. Holes @ 3277' up to 3170' verified by CBL Dated 5/12/2006.
Wash to Retainer in Cuttings f/ 2540' - 2631'. Circ. Clean. POOH. Round Trip w/ Bit & Scraper. RIH Packer & Set @ 2445'. Unable to get P Test. Inject 1 BPM @ 1550# thru Perfs. @ 2540'-2541'. POOH & LD Packer.

NCRA State #4: Sundry Notice & Report of Well Operations: Continued:

4/21/2006: RIH w/ Retainer & Set @ 2318'.

Squeeze #7: Squeeze Perfs. (2540'-2541'):

A-Plus Mixed & Pumped 60 Sx. Class 'C' Cement (79.2 Cu. Ft. or 14.1 Bbl. of Cement) @ 0.50 BPM @ 1750# - 650# Pressure w/ 6.3 Gal./Sx. Mix Water @ 14.8 PPG & 1.32 Cu. Ft./Sx. Down Tubing & Squeeze Perfs. @ 2540'-2541'. Attempt Squeeze On Flush using Hesitation Method w/ Max. Final Squeeze Pressure @ 2000#. JC @ 1130 Hrs. 4/21/2006. Sting-Out & Circ. Clean. POOH & LD Stinger.

4/24/2006-4/25/2006: Drill-Out Cement-Retainer-Cement f/ 2316'-2541': Left 223' Cement in Casing:

Squeeze #7: Est. 15.4 Sx. or 20.3 Cu. Ft. Cement Left in 4-1/2" Casing & Placed 44.6 Sx. or 58.9 Cu. Ft. of Class 'C' Cement on the outside of the Production Casing Covering from 2468' - 2555' & verified by CBL Dated 5/12/2006. P Test Surface to 2631' @ 930# f/ 30 Min. OK. Chart Attached to Report.

4/25/2006- 5/1/2006: Drill-Out Cement Retainer @ 2631' & Fish Junk. Drill cement f/ 2633' to 3277'. POOH. Attempt to P Test Casing to 1000# & Bled to 850# in 10 Min. Run Bit & Scraper to 3713'. POOH. Run & Set Packer @ 2685'. PI @ 1 BPM @ 1500# to 1250#. Test Annulus f/ Surface to 2685' to 1000# & Bled to 855# in 5 Min. Poss. Leak in the Fruitland Fm. again. Release Packer & POOH.

5/2/2006: RIH w/ Retainer & Set @ 3029'.

Squeeze #8: Casing Holes (3276'-3277'):

A-Plus Mixed & Pumped 120 Sx. Class 'C' Cement (158.4 Cu. Ft. or 28.2 Bbl. of Cement) @ 1.50 BPM @ 1250# - 1800# Pressure w/ 6.3 Gal./Sx. Mix Water @ 14.8 PPG & 1.32 Cu. Ft./Sx. Down Tubing & Casing Holes @ 3276'-3277'. Attempt Squeeze On Flush using Hesitation Method w/ Max. Final Squeeze Pressure @ 2540#. JC @ 1300 Hrs. 5/2/2006. Sting-Out & Circ. Clean. POOH & LD Stinger.

5/3/2006-5/4/2006: Drill Retainer # 3029' & Junk & Cement f/ 3031'-3277': Left 246' Cement in Casing.

Squeeze #8: Est. 17 Sx. or 22.4 Cu. Ft. Cement Left in 4-1/2" Casing & Placed 103 Sx. or 136 Cu. Ft. of Class 'C' Cement on the outside of the Production Casing Covering from 3276'-3350' & verified by CBL Dated 5/12/2006. P Test Casing @ 1000# & Bled to 900# in 10 Min. RIH & Tag @ 3715'. POOH. RIH w/ Packer & Set @ 3309'. Test Casing f/ 3309'-3715' to 1075# f/ 10 Min. OK. Release Packer & PUH & Set @ 3002'. P Test Casing Holes @ 3276'-3277' @ 990# & Bled to 775# in 10 Min. PI @ 2400#-2500# @ 1/2 BPM. Release Packer & POOH.

5/4/2006: RIH Cement Retainer & Set @ 3060'.

Squeeze #9: Squeeze Casing Holes (3276'-3277'):

Halliburton Mixed & Pumped 38 Sx. 50/50 Micro-Matrix Pozmix Cement w/ 0.3% CFR-3 (39.9 Cu. Ft. or 7 Bbl. of Cement) @ 0.75 BPM @ 2200 to 2600# w/ 4.2 Gal./Sx. Mix Water @ 1.05 Cu. Ft./Sx. @ 12.5 PPG foll/ w/ **100 Sx. Class 'G' Cement Containing 0.2% Super CBL** (118 Cu. Ft. or 21 Bbl. of Cement) @ 1.0 BPM @ 2100# to 1100# Pressure w/ 5.2 Gal./Sx. Mix Water @ 15.8 PPG & 1.18 Cu. Ft./Sx. Down Tubing & Casing to Holes @ 3276'-3277'. Attempt Squeeze on Flush using Hesitation Method w/ Max. Final Squeeze Pressure @ 3550#. Sting-Out & Reverse Clean w/ 6 Bbl. (28.5 Sx. or 33.7 Cu. Ft.) Good Cement to Pit. JC @ 1215 Hrs. 5/04/2006. Sting-Out & Circ. Clean. POOH & LD Stinger.

RIH w/ Packer @ P Test Below 3002' @ 1075#. OK. Release & PUH & P Test Below 2438' @ 1030#. OK. Release & PUH & P Test Below 2190' @ 525# & Bled to 465# in 30 Min. thru Casing Holes @ 2205'-2259': OA. Test Surface to 2190' @ 535# f/ 30 Min. OK. POOH & LD Packer. Call out 300 PSI w/ NMOCD Permission.

5/8/2006-5/10/2006: Drill-Out Cement Retainer @ 3060' & Cement f/ 3062'-3285': Left 223' Cement in Casing:

Squeeze #9: Est. 17.2 Sx. or 20.3 Cu. Ft. Class 'G' Cement in 4-1/2" Casing & Placed 38 Sx. or 39.9 Cu. Ft. 50/50 Micro-Matrix Cement & 54.3 Sx. or 64.1 Cu. Ft. of Class 'G' Cement on the outside of the Production Casing thru Perf & Casing Holes f/ 2121' to 2259' resulting in Coverage from 3168'-3355' & verified by CBL Dated 5/12/2006. Clean out to Cement @ 3820'-3827' above CIBP. Swab well down to 3300'. Check Entry after 14 Hours @ 3264' = 0.90 Bbl. in 24 Hrs. RIH Packer & Set @ 3372' & P Test Plug @ 3372'-3727' @ 1000#. OK. Release Packer & PUH & Set @ 3124' & Test Casing Holes @ 3276'-3277' to 1000# & Bled to 900# in 10 Min. Loss is in Porosity next to Casing.

5/10/2006: RIH Packer to 3309'.

Squeeze #10: 300 PSI Spotted & Displaced 650 Gallons of Components A, B & C Patch System across Casing Holes 3276'-3277'. PUH to 2340' & Press. To 1300# w/ N2 & SION. JC @ 1600 Hrs.

NCRA State #4: Sundry Notice & Report of Well Operations: Continued:

5/11/2006: Found well @ 1300# in am. Test Below Packer @ 965# f/ 30 Min. OK. POOH Packer. RIH & Set RBP @ 2312'. POOH. RIH & Set Packer @ 2282'. P Test Tubing & Casing f/ 2282' to RBP @ 2312' to 1600#. OK. Release Packer & PUH to 2188' & Set Packer. Test Casing Holes/Perfs f/ 2205'-2259' @ 910# & Bled to 760# in 2 Min. Release Packer. RIH Packer to 2282':

Squeeze #11: 300 PSI Spotted & Displaced 650 Gallons of Components A, B & C Patch System across Casing Holes 2205'-2259'. PUH to 1360' & Press. To 1300# w/ N2 & SION. JC @ 1600 Hrs.

5/12/2006: Found Well @ 1300# in am. RIH Packer & Circ. Clean & Set @ 1420'. P Test Surface to 1420' to 530# f/ 30 Min. w/ No Loss. Release Packer & POOH. RIH w/ Retrieving Head & Circ. Clean @ RBP. Release RBP & POOH.

TEST CASING FROM 3820' TO SURFACE w/ H. VILLANUEVA w/ NMOCD as WITNESS: *K*
P TEST TO 580# & BLED TO 568# IN 30 MIN. USING N2 W/ SLIGHT LEAK @ REGULATOR & BLIND RAMS.
MR. VILLANUEVA TOOK THE CHART TO NMOCD FOR FILES. WELL REPAIRS COMPLETE.
RECEIVED PERMISSION TO RETURN WELL TO PRODUCTION.

RIH & Circ. Clean @ 3820'. POOH. Run Blue Jet CBL/VDL-GR/CCL from 3550' to Surface.
RIH w/ Tubing & Swab well down to 2600'. Stuck in SN & Pull Free. SD f/ Weekend.

FINAL EXTERNAL CEMENT COVERAGE IN WELL:	Coverage:	Year Placed:
1 ST Stage Cement:	5210' - 5851' TD:	1962.
Mesaverde Block-Squeeze Cement:	3534' - 4915':	1974: 3 Squeezes.
Chacra Squeeze Cement:	3168' - 3352':	2006: 3 Squeezes + 300 PSI Patch.
Lewis Squeeze:	2468' - 2555':	2006: 1 Squeeze.
2 nd Stage Cement:	2280' - 2468':	1962.
Ojo Alamo/Kirtland/Fruitland Squeezes:	1583' - 2280':	2006: 3 Squeezes + 300 PSI Patch.
Nacimiento/Surface Circ/Squeezes:	Surface - 835':	2006: 1 Circ. + 1 Squeeze.

5/15/2006 RIH Swab w/ FL @ 2350'. Est Max Influx @ 3.70 BW in 60 Hrs. = 0.1 BW/Hr. Determined Operator's Original FL Est. was likely incorrect. Elect to proceed to put well back in service without more testing.

5/15/2006-5/16/2006: C/O Tubing & BHA.

5/16/2006-5/22/2006: Drill out Cement @ 3820' & CIBP @ 3827' & Fishing Cones & CIBP Parts to 5494'. Release A-Plus Rig #5.

5/24/2006-6/8/2006: RU A-Plus Rig #10. Finish Fishing Cones & CIBP Parts. Drill-Out Cement f/ 5500' to Composite Plug @ 5580'. Drill-Out CIBP @ 5720'. Clean-Out well to 5820' PBD. Swab to Clean-Up Well.

6/8/2006-6/14/2006: Isolate Lower Gallup Fm. Perfs. & Clean-Up, Swab & Test as follows:

Lower Gallup Fm. Perfs.: 5762' - 5777': Packer Set @ 5710'.

Cleaned Up w/ 450 Gallons Methanol & 1,213 Gallons of Xylene on 6/9/2006. Max. Treating Press @ 1500#.

Swab & Flow & Est. Final Rate on 6/14/2006 @ 5 BOPD + 15 MCFD: GOR = 3,000 SCF/ STBO.

Load Oil = 1,213 Gallons of Xylene.

6/14/2006-6/17/2006: Isolate Upper Gallup Perfs. & Clean-Up, Swab & Test as follows:

Upper Gallup Fm. Perfs.: 5647' - 5657': RBP Set @ 5700'. Packer Set @ 5505'.

Cleaned Up w/ 1,500 Gallons Methanol on 6/15/2006: Max. TP @ 1500#.

Cleaned Up w/ 1,200 Gallons of Xylene on 6/17/2006: Max. TP @ 1500#.

Swab & Flow & Est. Flow Rate on 6/16/2006 @ 0.5 BOPD + 50 MCFD: GOR = 100,000 SCF/ STBO.

Load Oil = 1,200 Gallons of Xylene.

Summation of Est. Gallup Fm. Potential: 5.5 BOPD + 65 MCFD: GOR @ 11,818 SCF/ STBO.

6/18/2006-6/20/2006: Isolate Mesaverde Perfs. & Clean-Up Same as follows:

Mesaverde Fm. Perfs: 4477' - 4813' OA: RBP Set @ 4850'. Packer Set @ 4404'.

Cleaned Up w/ 1,500 Gallons of Xylene on 6/19/2006: Max. TP @ 1500#. Remove Packer & Plug on 6/20/2006.

Load Oil = 1,500 Gallons of Xylene.

NCRA State #4: Sundry Notice & Report of Well Operations: Continued:

6/20/2006-6/22/2006: POOH Packer & Plug. Run Tubing Assembly. Swab Test Well to Clean-Up & Allocate Production:
Est. Total Well Productivity @ 8.5 BOPD + 80 MCFD + Load Water/Methanol/Xylene.
Recovered 60 STBO Est. @ 38.33% Xylene in all Well Operations thru 6/30/2006.

Est. Mesaverde Fm. Contribution by Subtraction @ 3 BOPD + 15 MCFD: GOR = 5,000 SCF/ STBO.

6/23/2006-6/30/2006: Run Pump & Rods & Release Rig. RU Surface Facilities to Produce Well.
REMAINING LOAD on 6/30/2006: Est. 13 Bbl. Methanol + 70 Bbl. Xylene + 155.5 BW
RECOVERED THRU 6/30/2006: Est. 33.5 Bbl. Methanol + 23 Bbl. Oil as Xylene + 37 STBO.

PROPOSED FINAL PRODUCTION ALLOCATION BASED ON PRODUCTION TESTING:

Mesaverde Fm.: 35% of Oil Production & 19% of Gas Production: IP @ 3 BOPD + 15 MCFD: GOR @ 5,000:1.
Gallup Fm.: 65% of Oil Production & 81% of Gas Production: IP @ 5.5 BOPD + 65 MCFD: GOR @ 11,818:1.

LOAD OIL TO RECOVER FROM WELL: 3,913 Gallons = 93 STBO.

Xylene is a Single Component of Oil & will return to the wellbore dissolved-in & inseparable from Crude Oil until the oil is refined again.

6/30/2006: Flow gas to Sales up Annulus w/ No Pump @ 45 MCFD: Est. 8.5 MCFD f/ Mesaverde Fm. & 36.5 MCFD f/ Gallup Fm.

7/1/2006 - 7/5/2006: Finish RU Pumping Eqpt. On 7/5/2006 Commence Pumping Operations.

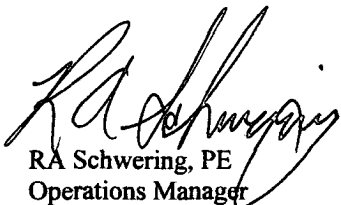
7/6/2006 – 8/8/2006: 2 Pump Changes & Extensive Swabbing Due to Metallic Fines & Mud Fines Migration.

Paying Well Determination:

June Gross Production:	60 STBO: Swabbed +	45 MCFG SOLD: 1 DOL.	
July Gross Production:	80 STBO: 16 DOL Pumping +	361 MCFG: 31 DOL +	25 BW Load Water.
August Gross Production:	100 STBO: 24 DOL Pumping +	418 MCFG: 30 DOL +	7 BW Load Water.
September Gross Production:	60 STBO: 25 DOL Pumping +	560 MCFG: 25 DOL +	30 BW Load Water.

This well is a Paying Well.

This well is still cleaning-up from the Casing Leaks & Repair Operations.



RA Schwering, PE
Operations Manager
RESOURCE DEVELOPMENT TECHNOLOGY, LLC

PHONE: (303) 716-3200
FAX: (303) 716-5780
Colo. Cell: (303) 919-6826
NM Cell: (505) 947-3072

Still @ 1000 On Charge
Chart shows 40# loss - 30# loss

Water Tested
03-29-66
J. Putree



METER NUMBER	TUBE & ORIF. SIZE
TIME PUT ON	TIME TAKEN OFF
DATE PUT ON	DATE TAKEN OFF

0-100%

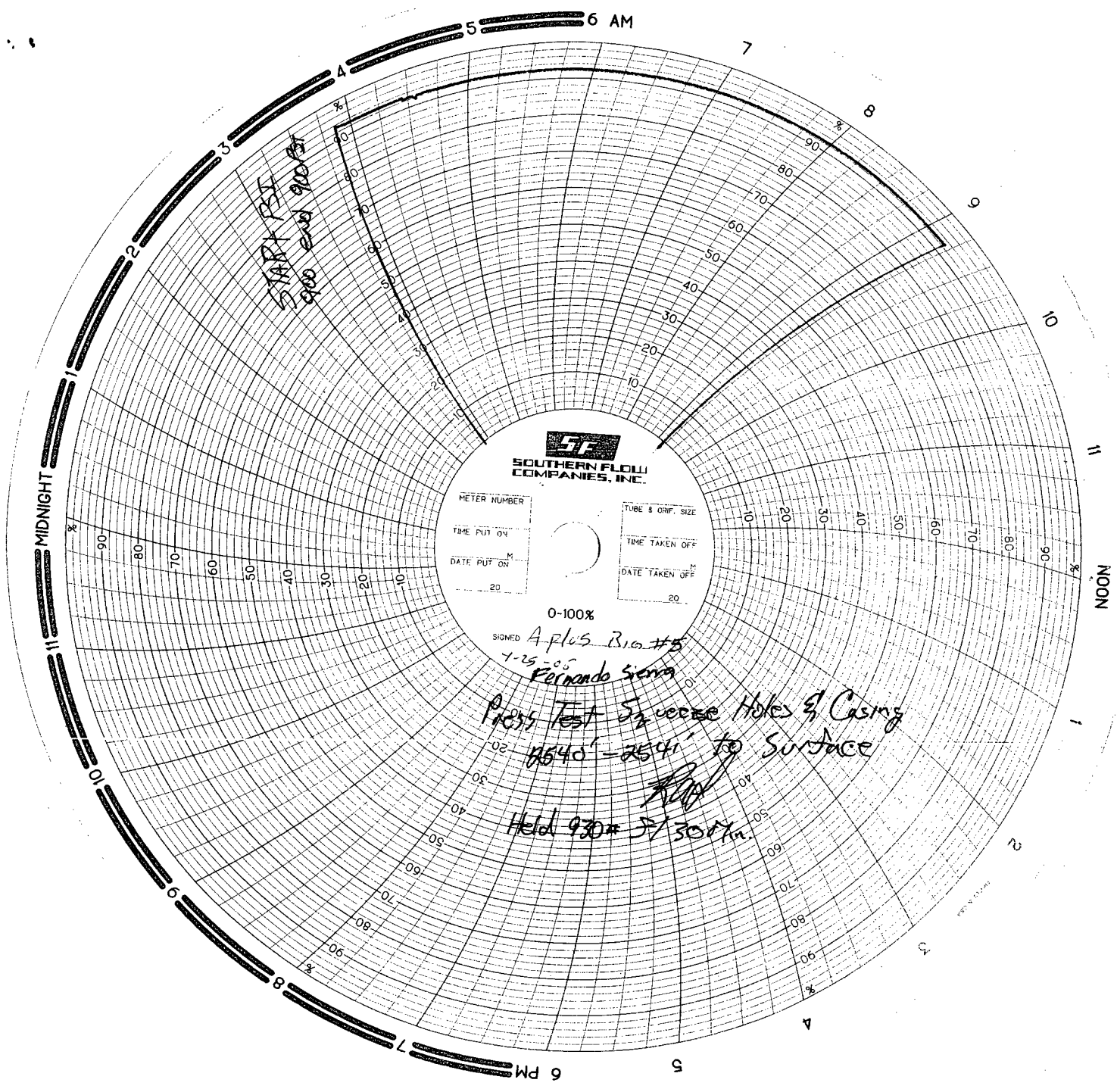
SIGNED *Raf*
4/17/2006

30-039-82326

MIDNIGHT

NOON

1000 On Charge
40# loss
30# loss



START PSI
500 END 900 PSI

SF
SOUTHERN FLOW
COMPANIES, INC.

METER NUMBER
TIME PUT ON
DATE PUT ON

TUBE & ORIF. SIZE
TIME TAKEN OFF
DATE TAKEN OFF

0-100%

SIGNED *A plus Rig #5*
7-25-05
Fernando Sierra

Press Test Squeeze Holes of Casing
1540' - 2541' to SURFACE

Held 930# 5/30/71