

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007RCVD DEC5'06
OIL CONS. DIV.
DIST. 3

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 ☐ Other2. Name of Operator
Resource Development Technology, LLC3a. Address
P O Box 1020, Morrison, CO. 802653b. Phone No. (include area code)
303-716-32004. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1650' FSL & 925' FEL, Section 22, T25N, R6W5. Lease Serial No.
SF-080136

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMA 00788. Well Name and No.
Salazar 'G' Fed. Com. 22- #19. API Well No.
30 - 039 - 2309310. Field and Pool, or Exploratory Area
Devil's Fork Gallup & Mesaverde11. 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 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 checked="" 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 recompleat 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The Salazar 'G' Fed. Com. 22- #1 Well was repaired & returned to service as follows:

2/3/2005-2/4/2005: NO PRODUCTION EQUIPMENT ON-LOCATION.

MIRU Avanti Rig #101. RU Hot Oil & P Test Tubing to 1000'. OK. PI 25 Bbl. Hot 3% KCl Water @ 200 deg. F. Had gas to surface & bled off f/ 800 PSI in 5 min. Recover approx. 1 Bbl. water w/ Trace Oil. Clean-up mess. RD Hot Oil. LD Pump & Rods. RDMO PU.

1/25/2006-1/27/2006: MIRU A-Plus Rig #9. NU BOPE. Tag PBD @ 6311'. RU Hot Oil Truck & 100 Bbl. FB Tank. Circ. well w/ 140 Bbl. 5% KCl Water @ 220 deg. F. & recover 130 Bbl. Black Sulfur Water w/ Trace Oil. RD Hot Oil. LD Tubing & Haul to Cave Yard. RU Blue Jet. Run CBL f/ 5900' to Surface: 1st Stage: Cement f/ TD @ 6380' to 5517' (Excellent Bond f/ 5900' to 5680' & Good Bond f/ 5680' - 5517'). VOID f/ 5517' - 5206'. DV Tool @ 5215' - 5212'. 2nd Stage Cement f/ 5216' - 1890' (Excellent Bond). VOID f/ 1890' to Surface. Run MTT Log f/ 4780' to Surface. Possible Hole @ 4417' in Mesaverde Fm. Section above Mesaverde Perfs. 4666' - 4792'. RD Blue Jet. RDMO PU. WO Rig capable of Cementing Casing Defects.

8/4/2006 - 8/7/2006: MIRU A-Plus Rig #10. NU BOPE. RIH w/ Tubing-Watermelon Mills-Bit to fill @ 6036'. 275' Fill-Up since LD Tubing in January. Circ. Clean w/ 60 Bbl. Black Sulfur Water. POOH.CONTINUED

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

R. A. Schwering, P.E. Cell: 303-919-6826

Title Operations Manager

Signature

Date

11/17/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

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)

ACCEPTED FOR RECORD

NMOC

DEC 04 2006

FARMINGTON FIELD OFFICE

Continued:

8/8/2006 – 8/9/2006: Isolate 3 Casing leaks:

Set RBP @ 4712'. Open braden-head valves. Load casing w/4 BW & press. to 750# & began to PI @ ¾ BPM w/ strong blow on braden-head (4-1/2" casing x open hole annulus). POOH & LD retrieving head. RIH w/ packer & set @ 2049'. Press. test casing f/ 4712' to 2049' to 1100# & bled to 650# in 30 Min. Repeat test w/ same result. PI on tubing x casing annulus @ 1 BPM @ 900# & circ. to surface thru braden-head valves w/ 11.5 Bbl. of 5% KCl Water. Release packer & isolate casing leak between 654' & 687'. Circ. 85 Bbl. thru casing leak to surface until clean.

Test surface to 654' to 1200# for 15 min. OK.

RIH packer to 4435'. Press. test casing 4435' to RBP @ 4712' to 2000# f/ 10 min. OK.

Isolate & Confirm Casing Leak @ 4427'. Bled f/ 1200# to 900# in 30 min.

Move RBP to 4371'. Isolate leak w/ packer between 4116' & 4146' (bled f/ 1200# to 1000# in 30 min.).

Inspection of MTT Log confirms Pin-Hole leaks in Mesaverde Fm. @ 4130' & 4427'. POOH Packer.

8/10/2006: Squeeze #1: Cement Upper Casing Leak @ Est. 668': BLM Witnessed Work:

RIH & Release & move RBP to 4123'. RIH w/ Packer to 687' Test Casing f/ 687' to 4123' to 1200# f/ 15 min. OK.

Release & POOH Packer & RBP. RU A-Plus WL Unit. RIH & Set CIBP @ 740'. RD WL Unit.

Squeeze #1: Cement f/ Casing Hole @ Est. 668':

Mix & Pump 235 Sx. Class 'C' Cement (55.25 Bbl. Slurry Yielding 310.2 cu ft of Cement) @ 14.8 PPG @ 1.32 cu ft/sx w/ 35.25 Bbl. Mix Water & bullhead down casing until good cement returns out braden-head.

Then SI braden-head valves & displace w/ 5.9 Bbl. FW & then squeeze w/ hesitation for 3 Hours to 7 BW flushed until held 950# f/ 15 min. with No Leak-Off. SI Well f/ Week-End.

8/14/2006 – 8/17/2006:

RIH & Drill-Out Cement f/ 175' to 662' w/ Stringers 666' to 685'.

Squeeze #1: Cement f/ 175' to 662' & 666' to 685':

Inside Coverage used 45.29 cu ft (34.31 Sx. or 8.07 Bbl.) Cement for 506' Coverage.

Outside Coverage used 264.91 cu ft (200.69 Sx. or 47.18 Bbl.) Cement f/ Est. Hole @ 668' to Surface.

RIH w/ packer & found leak 650' – 710' @ ¾ BPM @ 1500#. Found 2nd Leak above 650' @ 500# to 375# in 15 Min.

Plan 2nd & 3rd Squeeze Jobs.

8/18/2006: Squeeze #2 & Squeeze #3:

RIH & Set Cement Retainer @ 365'.

Squeeze #2: Cement f/ Casing Hole @ Est. 668':

Mix & Pump 40 Sx. Class 'C' Cement (9.40 Bbl. Slurry Yielding 52.8 cu ft of Cement) @ 14.8 PPG @ 1.32 cu ft/sx w/ 6.00 Bbl. Mix Water & Start Displace w/ 0.1 Bbl. in & Job Locked-Up @ 3000# w/ 34 sx. Below Cement Retainer.

Sing-Out & LD 8' Pup Jt. & Reverse Clean w/ 7 Bbl. Water.

Squeeze #3: Cement f/ Casing Pin-Hole Est. between 375' & 175':

Mix & Pump 15 Sx. Class 'C' Cement (3.53 Bbl. Slurry Yielding 19.8 cu ft of Cement) @ 14.8 PPG @ 1.32 cu ft/sx w/ 2.25 Bbl. Mix Water & Spot Balanced Plug @ 365' – 146'. POOH & LD Stinger. RIH Packer & Circ. Clean @ 151'.

No Cement. LD Pup Jt. & Set Packer. Hesitate & Squeeze w/ approx. ¼ Bbl. total displacement until job appeared to lock-up f/ 30 min. @ 1000#. SD f/ Weekend.

8/21/2006 – 8/24/2006:

Drill out cement f/ 191' to 375'. Drill out Cement Retainer @ 375'. Drill out cement f/ 377' to 658'. RIH to CIBP @ 740'. Circ. Clean & P Test @ 740': Bled f/ 500# to 375# in 30 Min. on 2nd Test. POOH BHA & RIH SN @ 720'. Swab well down to 600'.

Continued:

Squeeze #2: Cement f/ 377' to 658':

Inside Coverage used 25.15 cu ft (19.05 Sx. or 4.48 Bbl.) Cement for 281' Coverage.

Reversed out 7.92 cu. ft. (6.00 Sx. or 1.41 Bbl.) Cement.

Placed Outside Casing 19.73 cu ft (14.95 Sx. or 3.51 Bbl.) Cement thru Est. Hole @ 658'.

Squeeze #3: Cement f/ 191' to 375':

Inside Coverage used 16.47 cu ft (12.48 Sx. or 2.94 Bbl.) Cement for 184' Coverage.

Placed Outside Casing 3.33 cu ft (2.52 Sx. or 0.59 Bbl.) Cement thru Est. Collar Leak @ 246'.

8/25/2006:

Found FL @ 600'. No Influx in 15 Hours. Discuss Options with Jim Lovato @ BLM. Shallow Leaks Cured.
Received permission to Drill-Out CIBP @ 740'.

8/26/2006 – 8/29/2006:

RIH & drill-out CIBP @ 740' & clean-out well to 6340'. POOH.

8/29/2006: SUCCESSFUL PRESSURE TEST 4117' TO SURFACE:

RIH & set RBP @ 4117'. Circ. clean.

Test casing 4117' to surface to 500# f/ 30 min. & bled to 495#. Lost 5# (1% Loss) in 30 min.

Witnesses: RA Schwering w/ RDT, Chris Adams w/ A-Plus & Bobby Laurens w/ Weatherford Completion Systems.
Report to Jim Lovato & received permission to proceed.

8/29/2006 – 8/30/2006:

Release RBP @ 4117' & RIH & Re-Set @ 4744' to test influx f/ Mesaverde Fm. Pin-Holes @ 4130' & 4427'.

Swab well down to 4422'. SION. Check FL @ 4303': 119' Influx in 15 Hrs. = 2.75 BHPD from holes @ 4130' & 4427'.
Discuss proceeding w/ Jim Lovato.

Wellbore integrity above Mesaverde Fm. meets BLM requirements (4117' to Surface).

Fluid influx thru pin-holes is produced from productive Mesaverde Fm. interval.

The volume of influx is pumpable with stripper oil & gas production.

Elect & receive permission to equip & resume pumping the well.

8/30/2006 – 9/5/2006:

POOH & LD RBP.

Run Completion Assembly:	20.00'	2-3/8" Open-Ended Mud Anchor
	3.00'	2-3/8" Perforated Pup Jt.
	1.10'	2-3/8" SN
196 Jts.: 6234.65'		2-3/8" 4.7# J-55 8rd. EUE Tubing
2 Jts.: 18.00'		2-3/8" 4.7# J-55 8rd. EUE Pup Jts.
1 Jt.: 32.68'		2-3/8" 4.7# J-55 8rd. EUE Tubing
KB = 11.00'		
Bottom =	6320.43'	
SN =	6296.33'	

ND BOPE & Flange-Up Well.

Swab & Recover 31.25 Bbl. Load Water & 32.25 Bbl. Produced Water w/ Trace Oil & Gas TSTM.

Continued:

8/30/2006 – 9/5/2006: Continued:

Run Pump & Rods: 1: 6' x 9' x 12' RHAC Pump
 5: 3/4" Guided Rods w/ SHSM Cplgs.
 10: 3/4" Rods w/ Every Other Rod Guided w/ SHSM Cplgs.
 20: 3/4" Plain Rods w/ SHSM Cplgs.
 90: 5/8" Plain Rods w/ FHSM Cplgs.
 24: 5/8" Rods w/ PATCO Scrapers w/ FHSM Cplgs.
 94: 3/4" Rods w/ Var. Paraffin Scrapers w/ SHSM Cplgs.
 5: 3/4" Rods w/ SHSM Cplgs.
 22' Polished Rod w/ 8' Liner

Pressure Test Tubing to 500# & Long-Stroke to 500#. OK. RDMO A-Plus Rig #10.

9/6/2006 – 10/7/2006:

Construct Tank Battery. Install Re-Built 114 Lufkin Pumping Unit. Install Flow-Lines & RU f/ Gas Sales.

10/7/2006 -10/31/2006:

RU Propane & Produce Well:

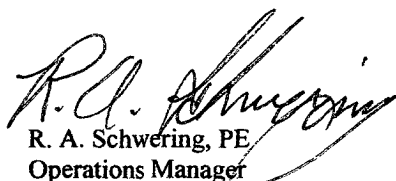
Produce 3.33 STBO + 430 BW w/ NO Gas Sales in 17 Days On-Line.

Est. Leak Influx @ 165 BW f/ Pin-Holes @ 4130' & 4427'.

Est. Production f/ Mesaverde Fm. Perfs. (4766'-4792': OA) & Gallup Fm. Perfs. (5929' – 6309': OA):

3.33 STBO + 265 BW + Gas TSTM (Ran unit on its own gas for 4 Days = 12 MCFG).

As with the Scarecrow #1, Old Rock #3 & CLU #314 well repairs it may take 2-3 months to get the oil & gas rates up, and the water rates down, sufficiently to resume economic production. Bad weather & washed-out roads, mechanical problems with the motor & pumping unit, & insufficient wellhead gas/propane delivery problems have caused delays in getting this well continuously on-line. These were all finally overcome on 11/16/2006 & it is RDT's intention to continuously pump the well from here on out.



R. A. Schwering, PE
Operations Manager
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Attachment:

Original & Copy of Pressure Test f/ 4117' to Surface on 8/29/2006

