

Vintage Drilling L.L.C.
P. O. Box 158
Loco Hills, NM 88255
505-746-1669

March 21, 2002

Mr. David K. Brooks
Assistant General Counsel

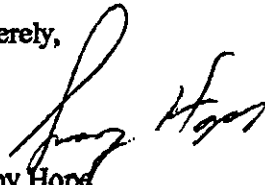
Fax #: 505-476-3462

RE: Inactive Non-Compliance Well Status

Mr. Brooks

As per your instructions, attached you will find the letter delivered on this date to the Artesia Field Office of the OCD for Mr. Tim Gum.

Sincerely,



Sonny Hope

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
OCD EXHIBIT NO. <u>204</u>
CASE NO. <u>12811</u>

204

Vintage Drilling L.L.C.
P. O. Box 158
Loco Hills, NM 88255
505-746-1669

March 21, 2002

Mr. Tim W. Gum
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1301 W. Grand
Artesia, NM 88210

RE: Inactive Non-Compliance Well Status

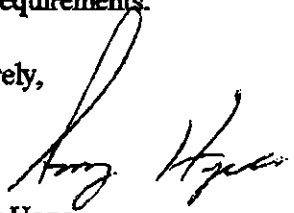
Mr. Gum:

In response to your letter of February 26, 2002, please find attached a swab report for the Hill Federal #1 and the Hill A Federal #1 and a sonic fluid level for the Falgout #2 as it has rods and tubing in the hole. We do not have a tubing talley on this well in our records, but do have a pulling report which shows 72 5/8's rods, which with a ten foot pump would be 1810'. The fluid level shows 56 1/2 joints to fluid. Assuming 31' per joint, this is 1751 feet.

As for the wells we are plugging on the Penrose Lease, attached are copies of sundry notices for the High Lonesome Penrose Federal #1 and the High Lonesome Penrose Federal #3 where these wells have been plugged. We attempted to plug the High Lonesome Penrose Federal #4, ran into major problems with tubing and a packer, attached is a sundry notice where the BLM has given us some additional time to get this done. The plugging unit is on the High Lonesome Penrose Federal #5 at this time, and as soon as they finish it, they will move to the #6.

I realize this did not happen within the time frame I indicated in my last letter, however, Basics plugging rig had a water flow on their last well and were a week late getting to our wells. We had several days of bad weather which required us to shut down, and both the #3 and #1 had additional waiting time on cement plugs which were not anticipated. The BLM has had a representative on location every day that we have been plugging and they advise as long as we keep plugging and do not let the rig go until the last two wells are completed, that will satisfy their requirements.

Sincerely,



Sonny Hope

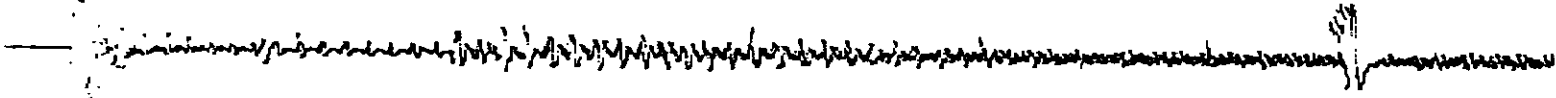
FROM : VINTAGE DRILLING

FAX NO. : 5057463357

Mar. 21 2002 02:32PM P3

3/17/02 - KAYCANT F-40 R2
SCREENING COMPANY 5000 EIGHT LANE, WICHITA FALLS, TEXAS 76790

APPROXIMATE ECHO METER



EL TORO WELL SERVICES, INC. NO 13177

PO BOX 367 • LOVINGTON, NEW MEXICO 88260 • (505) 396-5515

DAILY OPERATOR'S REPORT

ORDER # _____

AFE # _____

HOURS 3 1/2Company VINTAGE DRILLINGTIME: Leave Yard 7:00 AMLeave Location 1230 PMLease HILL FEDWell # 1Total Depth 1840'County CHAVEZ COUNTYState NMDouble Drk # 30"

CREW MEMBERS

(Each Crew Member Must Sign Ticket)

Operator: Jimmy NixeyD.M.: FRANK RODRIGUEZ

Helpers: _____

RENTAL TOOLS

☐ Tubing Tongs☐ Rod Tongs☐ Tubing Wiper☐ EE Rod StripperSwab Cups # 4 Size 2 1/2" Oil Saver Rubbers 0

Rubber Goods _____

Special Tools _____

DESCRIPTION OF WORK PERFORMED: (Give a full and detailed description of what was done.)

ROD TO LOCATION SWAB WELL (NO FLUID) PUT IN SEAL
ACID PUMP 2 BBS WATER SWAB WELL DRY RING
DOWN CLEAR LOCATION

SIZE	RODS NO. PULLED	NO. RUN	SIZE	TUBING NO. PULLED	NO. RUN

Superintendent _____

FOR OFFICE USE ONLY

3 1/2 hrs Unit + 2 man Swab Crew @ \$37/hr 297.50
4-2" SC 81.00

378.50
tax 23.75
402.25

Date 3-13-2002

Approved By _____

EL TORO WELL SERVICES, INC. No 13180

PO BOX 367 • LOVINGTON, NEW MEXICO 88260 • (505) 396-5515

DAILY OPERATOR'S REPORT

ORDER # _____

AFE # _____

HOURS 3 1/2Company VINTAGE DRILLINGTIME: Leave Yard 5:30 AMLeave Location 700 ftLease Hill "A"Well # 1Total Depth 1840'County CHAVES COUNTYState NMDouble Drk # 30'

CREW MEMBERS

(Each Crew Member Must Sign Ticket)

Operator: Jimmy Nieely☐ Tubing Tongs☐ Rod TongsDM: FRANK Mackin☐ Tubing Wiper☐ EE Rod Stripper

Helpers: _____

Swab Cups # 2 Size 2 3/8 Oil Saver Rubbers Q

Rubber Goods _____

Special Tools _____

RENTAL TOOLS

DESCRIPTION OF WORK PERFORMED: (Give a full and detailed description of what was done.)

Road to Location Swab Well (No Fluid) 1840' Sinker
BAR RUN WAS NO FILL WAS CLEAR THROUGH SITTING
NIPPE TRIG UNIT LOOK CLEAN LOCATION

SIZE	RODS		SIZE	TUBING	
	NO. PULLED	NO. RUN		NO. PULLED	NO. RUN

Superintendent _____

FOR OFFICE USE ONLY

342 hr Unit + 2 man Sinker Crew @ \$85/hr. 297.50
 2-2" SC 40.50

338.00
 tax 20.71
 358.71

Date 3-19-2002

Approved By _____

Form 3160-3
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Vintage Drilling LLC

3. Address and Telephone No.

P.O. Box 158, Loco Hills, NM 88255 (505) 746-1669

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

1980' FSL & 860' FSL
Sec. 15, T-16-S, R-29-E

FORM APPROVED

Budget Bureau No. 1004-0133

Expires: March 31, 1993

5. Lease Designation and Serial No.

NM 05523

6. If Indian, Allotment or Tribe Name

7. If Utah or CA, Agreement Designation

8. Well Name and No.

High Lonesome Panroge Ut./

9. API Well No.

90-015-02718

10. Field and Prod. or Exploratory Area

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION	
☐ Notice of Intent	☒ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Pressureing
	☐ Chasing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☐ Other	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log (Form))

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and some pertinent to this work.)^a

- 3/14/02 Rig up unit, sat 5-1/2" CIBP @ 1950'.
3/15/02 Circulate mud, spot 25 sq cmt. w/ 2% CaCl on top of CIBP. WOC 4 hrs., tag cmt. plug @ 1760', perf 4 holes @ 875'. sqz 40 sq cmt., WOC over weekend.
3/18/02 Tag cmt. plug @ 730', perf 4 holes @ 481', sqz 160 sq, lost circulation, WOC until next day.
3/19/02 Tag cmt. plug @ 130', perf @ 120', sqz 80 sq cmt. to surface, lost circulation, WOC until next day.
3/20/02 RTH to tag cmt. plug, tag @ 65', perf @ 60', sqz 25 sq to surface.
EDMO. Install dry hole marker. Clean location.

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

Signed

Title

Agent

Date

03/20/02

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

THIS IS U.S.C. Section 1001, makes 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.

^aSee instruction on Reverse Side

Form 3146-S
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 2003

5. Lease Designation and Serial No.

NM 05523

6. If India, Alaska or Title Maps

7. If Unit or CA, Agreement Designation

8. Well Name and No.

High Lonesome-Penrose Ut.

9. API Well No.

W3

30-015-02729

10. Field and Prod. or Refractory Area

High Lonesome, Queen

11. County or Parish, State

Sddy, NM

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Vintage Drilling, LLC

3. Address and Telephone No.

P.O. Box 158, Loco Hills, NM 88255 (505) 746-1669

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

990' FNL & 660' FNL

Sec. 15, T-16-S, R-29-E

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

TYPE OF SUBMISSION	TYPE OF ACTION	
☐ Notice of Intent	☒ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Resumption	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☐ Other _____	☐ Dispose Water
(Note: Report results of multiple completions as Well Completions or Horizontal Completions Report and Log form.)		

(Note: Report results of multiple completion or Well Completion or Resumption Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent times, including estimated date of starting any proposed work. If well is directionally drilled, give azimuth location and measured and true vertical depths for all markers and zones pertinent to this work.)

3-07-02 Rig up unit, pull rods and chg., spot 25 sx cmt. @ 1990'.

3-08-02 Mix mud, perf @ 875', sqz 40 sx cmt.

3-09-02 RIN to tag cmt. plug. (Did not tag.) Re-sqzd 40 sx w/ 2% CaCl.

3-11-02 RIN to tag cmt. plug. (Did not tag.) Mix 4 sx of Maxy Seal. Wait for 30 min.
sqz 40 sx cmt. w/ 2% CaCl.

3-12-02 RIN to tag cmt. plug, tag plug @ 759', perf @ 478' sqz 80 sx cmt.

3-13-02 RIN to tag cmt. plug, tag @ 320', perf @ 100', sqz 110 sx to surface.

Surface went on vacuum wait 4 hrs. RIN tag plug. (Did not tag.) Mix 2 sx Maxy Seal.
sqz 80 sx to surface.

3-14-02 Have plug to surface, rig down MOL.

Install dry hole marker, clean location.

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

Signed

Title Agent

Date 3-15-02

(This space for initials or date when used)

Approved by

Conditions of approval, if any:

Title

Date

This is U.S.C. Section 1001, makes 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.

*See instruction on Reverse Side

Mar 21 02 11:22a

RFO

6270270

p.2

FROM : VINTAGE DRILLING

FAX NO. : 5057463357

Mar. 21 2002 10:53AM P1

Form 3160-S
(June 1980)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Vintage Drilling LLC

3. Address and Telephone No.

P.O. Box 158 Loco Hills, NM 88255 505-746-1669

4. Location of Well (Road/Gr. Sec., T., R. or Survey Description)

990 FSL and 660 FSL

Sec 13, T16S, R29E

FORM APPROVED

Budget Bureau No. 1004-0134

Expires: March 31, 1993

5. Lease Designation and Serial No.

NM 03523

6. (If Indian, Abbreviate of Tribe Name)

7. (If Unit or CA, Agreement Designation)

8. Well Name and No.

High Lonesome Penrose Unit #4

9. API well No.

30-015-02731

10. Field and Pool, or Exploratory Area

High Lonesome Queen

11. County of Well, State

Eddy County, NM

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

TYPE OF SUBMISSION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☒ Abandonment☐ Reconstriction☐ Plugging Back☐ Casing Repair☐ Misting Casing☐ Other☐ Change of Plans☐ New Construction☐ Non-Routine Fracturing☐ Water Shut-Off☐ Conversion to Injection☐ Dispose Water

(NOTE: Report results identifiable completion on Well Completion or Reconstriction Report (Mud Log form))

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including anticipated date of starting any proposed work. If well is directionally drilled give surface locations and measured and true vertical depths for all markers and zone depths in this work.)

On 3/20/2002 we moved Basic Energy plugging rig on this well to plug it.

We had a packer set at approx 1750'. We were able to unscrew packer and move it up approx. 20'. We could not get packer beyond this point. In process of trying to work it free, we were getting less and less travel, so we went in to shoot tubing off just above packer. We had two malfunctioning cut-off tools, but in process the pipe became stuck even worse. We shut down for the day. On 3/21/02, we ran a free point and found pipe to be stuck at approx 1060'. We ran in, shot the tubing off at 1060', pulled that tubing out of the hole, packed well off, rigged down and moved to plug the Penrose SS. We have our own completion rig, which will make it possible to plug this well for a lot less money than going in with washover pipe and a reverse unit. We propose to finish our previous commitments, which include plugging two more wells on the Penrose lease, putting two state wells back into production and putting three shallow gas wells in Curves County back into production. We will then move our completion rig onto this well, clean the hole out and plug it. We expect this work to be completed by 10/1/02.

APPROVED FOR SUBMISSION

DATE: OCT 01 2002

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

Signed

Title Secretary

Date 03/21/02

(This signature is subject to audit)

Approved by

Title

Date

MAR 21 2002

Title is U.S.C. Section 1005. Violation is a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representation or to make any such statement or representation with intent to defraud.

DAVID L. BLISS
PETROLEUM ENGINEER

See instruction on Reverse Side