State of New Mexico Form C-103 Submit 3 Copies To Appropriate District Office Energy, Minerals and Natural Resources Revised March 25, 1999 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-015-26732 District II OIL CONSERVATION DIVISION 811 South First, Artesia, NM 87210 5. Indicate Type of Lease 2040 South Pacheco District III STATE X FEE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 2040 South Pacheco, Santa Fe, NM 87505 E-10083 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name: (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.) Royal A 1. Type of Well: Oil Well Other Gas Well X 8. Well No. 2. Name of Operator Phillips Petroleum Company 3. Address of Operator 9. Pool name or Wildcat 4001 Penbrook Street Odessa. Un-designated (Atoka) 4. Well Location North 1980 East Unit Letter feet from the line and feet from the line Section 16 20-S Range **NMPM** County Eddy Township 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3451' GL / 3463' KB 11. 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** X **CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND TEMPORARILY ABANDON **ABANDONMENT** CASING TEST AND **PULL OR ALTER CASING MULTIPLE CEMENT JOB** COMPLETION OTHER: OTHER: 12. 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 recompilation. 07/22/02 MI BASIC ENERGY SERVICES RIG #291. JOB: PLUG & ABANDON MORROW GAS WELL. 1 CALL CONFIRMATION #2002281050. NOTIFIED VAN BARTON W/NMOCD @ 08:30 HRS OF INTENT TO PLUG & ABANDON WELL BORE. (VAN BARTON RETURNED CALL @ 13:30 HRS) RU RIG 291 & PLUGGING EQUIPMENT, LINE WASH UP PIT. TEST SURFACE LINES TO 2000 PSI, OK. LOAD HOLE W/26.5 BBLS 10# BRINE, OBSERVE WELL FOR 30 MIN, STANDING FULL OF FLUID. SDON. 07/23/02 OPENED WELL UP, FLUID @ SURFACE. ND TREE, NU CLASS II HYD BOPE & FUNCTION TEST. RU MANN TEST UNIT. TEST BOPE, ALL VALVES, PIPE RAMS & BLIND RAMS, 300 PSI LOW TEST, 3000 PSI HIGH TEST. RU TBG EQUIPMENT. TALLEY 2 3/8" WS. PU & TIH W/2 JTS WS. SDON. 07/24/02 OPEN WELL UP & OBSERVE, WELL STATIC. RIG MAINTENANCE - INSTALL LADDER TO FLOOR, CUT OFF BRACKET ON DERRICK LEG. EXTEND DERRICK LADDER. NOTE: MIKE BRATCHER W/NMOCD DISCUSSED JOB PROCEDURE @ 10:30 HRS. PU & TIH W/72 JTS 2 3/8" WS, EOT @ 2232'. SDON. *** CONTINUED ON BACK *** I hereby certify that the information above is true and complete to the best of my knowledge and belief. 368-/314 TITLE Supervisor, Reg./Pro. **SIGNATURE** DATE. Type or print name L. M. Sanders Telephone No. (915)368-1488

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Conditions of approval, if and

APPROVED BY

ROYAL-A- # 2

07/25/02 PU & TIH W/ 285 JTS 2 3/8" WS, EOT @ 8937'. RU PUMP EQUIPMENT. MIX & CIRCULATE HOLE W/ 120 BBLS 10# MUD LADEN BRINE. MIX & SPOT 25 SX CLASS H PLUG, MIXED @ 15.6 PPG, 1.18 YIELD, DISPLACED CMT W/ 33 BBLS 10# MUD LADEN BRINE, CALCULATED PLUG INTERVAL 8937'-8711'. POOH W/ 20 STDS 2 3/8" WS, EOT @ 7700'. SDON.

07/26/02 TIH & TAG PLUG # 1 @ 8689'. POOH W/ 71 JTS 2 3/8" WS, EOT @ 6709'. RU CMT TRUCK, SPOT PLUG #2, 25 SX CLASS H CMT, MIXED 15.6 PPG, 1.18 YIELD, DISPLACED CMT W/25 BBLS MUD LADEN BRINE. CALCULATED PLUG INTERVAL 6709'- 6483'. POOH W/ 85 JTS 2 3/8" WS, EOT @ 4055'. SPOT PLUG #3, 25 SX CLASS C CMT, M IXED @ 14.8 PPG, 1.32 YIELD, DISPLACED CMT W/ 14.5 BBLS MUD LADEN BRINE. CALCULATED PLUG INTERVAL 4055'-3808'. POOH W/ 129 JTS 2 3/8" WS. STANDING BACK 3450' 2 3/8" WS IN DERRICK. TEST CSG TO 500 PSI, OK. ND BOPE, DIG OUT CELLAR & BLOW DOWN CSG, ND B SECTION ON WH, WELD ON 5-1/2" LIFT SUB & REMOVE SLIPS & PACK OFF, STRETCH 5-1/2" CSG, FREE @ +- 3100', NU SHOP TESTED BOPE. SDON.

07/27/02 NO ACTIVITY FOR 24 HRS.

07/28/02 NO ACTIVITY FOR 24 HRS.

07/29/02 UNLOAD EQUIPMENT, OPEN WELL UP & OBSERVE, WELL STATIC. NOTE: TALKED W/ MIKE BRATCHER W/ NMOCD, OK TO SPOT STUB PLUG @ CSG STUB, 50 ' OF CMT ABOVE & 50' CMT BELOW STUB, NO PLUG @ +- 3400'. RU WL TRUCK, PACK OFF & JET CUTTER, 3 TRIPS TO CUT 5-1/2" CSG @ 3015' WLM, RD WL TRUCK. NOTE: 1ST & 2ND RUNS CUTTER DID NOT FIRE. RU CSG EQUIPMENT, POOH LD 48 JTS 5-1/2" 15.50# CSG. NOTE: BUTTRESS & 8 RD THREADS. SDON.

07/30/02 POOH LD 5-1/2" 15.50# CSG, TOTAL 71 JTS. 43 JTS BUTTRESS THREAD, 28 JTS 8 RD THREAD. RD CSG EQUIPMENT, CO RAMS, TALLEY CSG, SLM 3015'. TIH W/ 98 JTS 2-3/8" WS TO 3076'. SPOT PLUG #4, 25 SX CLASS C CMT, MIXED @ 14.8 PPG, 1.32 YIELD W/ CACL2 DISPLACED W/ 11.3 BBLS MUD LADEN BRINE, CALCULATED PLUG INTERVAL 3076'- 2937'. POOH W/ 30 JTS 2-3/8" WS, EOT @ 2074'. WOC. TIH W/ 26 JTS 2-3/8" WS, TAG PLUG #4 @ 2961'. POOH W/ 20 JTS 2-3/8" WS, EOT @ 2321'. SPOT PLUG #5 30 SX CLASS C CMT, MIXED @ 14.8 PPG, 1.32 YIELD, DISPLACED W/ 8.25 BBLS MUD LADEN BRINE, CALCULATED PLUG INTERVAL 2321'- 2204'. POOH W/ 28 JTS 2-3/8" WS, EOT @ 1436'. CIRCULATE 40 BBLS MUD LADEN BRINE, SPOT PLUG #6, 30 SX CLASS C CMT, MIXED @ 14.8 PPG, 1.32 YIELD, DISPLACED W/ 5 BBLS MUD LADEN BRINE. CALCULATED PLUG INTERVAL 1436'-1325'. POOH W/ 46 JTS 2-3/8" WS. WOC. SDON.

07/31/02 TIH W/ 42 JTS 2-3/8" WS, TAG PLUG #6 @ 1323'. POOH W/ 28 JTS 2-3/8" WS, EOT @ 445'. SPOT PLUG #7, 30 SX CLASS C CMT, MIXED @ 14.8 PPG, 1.32 YIELD W/ CACL2, DISPLACED W/ 1.2 BBLS MUD LADEN BRINE, CALCULATED PLUG INTERVAL 445'- 334'. WOC. TIH W/ 11 JTS 2-3/8" WS, TAG PLUG #7 @ 328'. OBSERVE WELL. OK. POOH LD W/ 11 JTS 2-3/8" WS. ND BOPE. TIH W/ 2 JTS & 15' SUBS, EOT @ 75'. SPOT PLUG #8, 20 SX CLASS C CMT MIXED @ 14.8 PPG, 1.32 YIELD, PLUG LENGTH 75'- SURFACE. RD MO PULLING UNIT, CMT EQUIPMENT, LOAD OUT 5-1.2" CSG, BOPE & WELL HEADS. OBSERVE WELL, CMT 6" FROM SURFACE IN 8-5/8" CSG. NOTE: CSG MATERIAL TRANSFER # 806323 71 JTS 5-1/2" CSG – 3033' THREADS ON. WELL HEAD MATERIAL TRANSFER # 806324, 11" 3M x 8-5/8" WELD ON STARTING HEAD, 11" 3M x 7-1/16" 3M B SECTION, 7-1/16" 5M TREE & 5-1/2" SLIPS & BOWL. CUT OFF BRADEN HEAD & LOAD OUT, CAP & INSTALL DRY HOLE MARKER, CUT OFF ANCHORS, FILL IN PITS, & BACK DRAG LOCATION. ROYAL A #2 P&A'd

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