

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

RCVD NOV 2 '06

OILCONV. DIV.

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30 - 039 - 22903
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator <b>RESOURCE DEVELOPMENT TECHNOLOGY, LLC (RDT)</b>		6. State Oil & Gas Lease No.
3. Address of Operator <b>PO BOX 1020, MORRISON, CO 80465</b>		7. Lease Name or Unit Agreement Name Canyon Largo Unit
4. Well Location Unit Letter: 'J': <b>1650'</b> feet from the <b>South</b> line and <b>1850'</b> feet from the <b>East</b> line Section: <b>21</b> Township <b>25 North</b> Range <b>6 West</b> NMPM <b>Rio Arriba</b> County		8. Well Number <b>#314</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) KB 6335' GL 6322' RKB = 13'		9. OGRID Number <b>225774</b>
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Devil's Fork: Gallup <b>12/6/10</b>
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: ☐

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.

Evaluate, Repair & Return to Service CLU #314 Well:

6/30/2004: RAS Found 900# SI on Casing.

7/25-26/2004: MIRU PU. POOH & LD Pump & Rods. LD14 Jts. Tubing. Left Tbg. Btm. @ 5557.71' w/ SN @ 5553.56'.

7/2004 thru 3/2006: RU to Sell Gas off of Casinghead. Sell Gas & SI Intermittently.

10/4/2004: RU Testler. Ran Gradient. Found FL (Water) @ 3089'. Found BHP @ 5553' @ 1125 PSIG.

1/27/2005 - 2/10/2005: RU Jimmy's Swabbing Service. Swab to Tank & Sell Gas f/ 6 Days. Recover 348 Bbl. Black Water w/ Trace Oil. Sold approx. 10 MCFD est. off Chart Meter. RD MO Rig.

Resume Intermittent Gas Production from Casinghead:

Continued on Next Page:

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 10/25/2006

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: Fely G. Robt

TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 8 DATE NOV 02 2006

Conditions of Approval (if any):

B 11/9

**Evaluate, Repair & Return to Service CLU #314 Well: Continued:**

**Casinghead Gas Sales 2004-2005-2006 Until Repaired/Re-Equipped:**

7/2004	127 MCFG	1/2005	328 MCFG	7/2005	288 MCFG	1/2006	4 MCFG
8/2004	771 MCFG	2/2005	226 MCFG	8/2005	190 MCFG	2/2006	338 MCFG
9/2004	781 MCFG	3/2005	0 MCFG	9/2005	0 MCFG	3/2006	420 MCFG
10/2004	332 MCFG	4/2005	0 MCFG	10/2005	278 MCFG	4/2006	0 MCFG
11/2004	0 MCFG	5/2005	0 MCFG	11/2005	0 MCFG	5/2006	0 MCFG
12/2004	0 MCFG	6/2005	0 MCFG	12/2005	0 MCFG	6.2006	0 MCFG

1/20/2006 – 1/23/2006: MIRU A-Plus Rig #9. RIH & Tag PBD. Circ. well clean w/ 5% KCl Water. LD Tubing. RU Blue Jet. Run MTT-GR/CCL Log f/ 5634' to Surface. Run CBL/VDL-GR/CCL f/ 5634' – 3450' & 2450' – 1050'. RD Blue Jet. 1<sup>st</sup> Stage Cement from TD to 5190'. Void: 5190' to 4814'. 2<sup>nd</sup> Stage Cement: 4814' to 1100'. RD MO Rig.

6/26/2006 – 6/28/2006: MIRU A-Plus Rig #10. RIH Mills to 6055'. Circ. & Clean-Out to 6067' PBTD. POOH. RIH RBP & Set @ 5210'. Load Hole w/ 52 Bbl 5% KCl Water. RIH & Set Packer @ 1250'. Test Casing Below Packer f/ 1250' to 5210' to 1,210# f/ 30 Min. OK. Test Casing/Tubing Annulus f/ 1250' to Surface to 1100# f/ 30 Min. OK.

**CONCLUSION: THERE WERE NO CASING LEAKS BETWEEN 5210' & SURFACE. POOH Packer.**

RIH w/ Retrieving Head & Swab Well Down to 3850' in 19 Runs & Recover 51.3 BW (3670' FL) & SION.

Found FL @ 3670' in am matching swab load.

**CONCLUSION: NO FLUID ENTRY f/ RBP @ 5210' TO SURFACE. Release RBP & POOH. RIH OE w/ SN @ 6042'.**

6/28/2006 – 6/29/2006: Swab all of Load Water plus 26.5 BW w/ TR Oil. Avg. Influx @ 4.75 BW/Hr.

6/30/2006 - 7/6/2006: POOH Tubing & RIH & Set RBP @ 5985' (Isolating Perfs. 6001' - 6050' Below RBP). Swab & Recover 113 BW in 3 Days. FL Steady @ 5100' w/ Entry @ 3-5 BW/Hr. w/ TR Oil & Show Gas. Release RBP @ PUH & Re-Set @ 5791'.

7/7/2006 - 7/11/2006 : RBP @ 5791' (Isolating Perfs. 5811' – 6050' Below RBP). Swab & Recover 57 BW + 10 Bbl. Oilly BS&W & Build CP to 150#. Blow Down Casing & Release & POOH RBP. RU A-Plus WL & Set CIBP @ 5800'. RD WL. RIH Packer & Set @ 5795'. Test CIBP @ 1000#: OK. Release Packer & PUH to 5602' & Re-Set Packer. Swab & Recover 36 BW w/ Trace Oil in 5 Hours & FL fell f/ 3400' to 5400'. RU & PI 500 Gal. Methanol + 500 Gal. Xylene & Flush w/ 10 Bbl. 5% KCl Water to clean-up Upper Perfs. 5651' – 5749': OA w/ Strong Vacuum Thruout. Release Packer.

7/12/2006 – 7/13/2006: POOH & LD Packer. RIH 2-3/8" Completion Assembly: Bottomed @ 5788.46' w/ SN @ 5763.96'. Flange-Up Well. Swab & Recover 57 BW w/ Trace of Oil & Methanol & Xylene in BS&W.

7/14/2006: RIH Pump & Rods. Load & Test. OK. Release Rig.

7/15/2006 – 7/24/2006: RU Surface Facilities & Resume Production:

Producing Perfs. @ 5651' – 5749': Upper Gallup Zones.

CIBP @ 5800'.

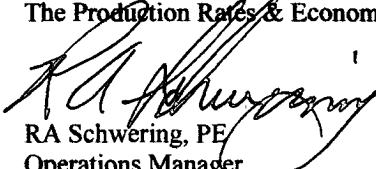
Abandoned Perfs. @ 5811' – 6050': Middle & Lower Gallup Zones under CIBP.

	STBO	MCFG	BW	DOL	
July	1.67	0	141	7	
Aug	3.33	230	348	16	(Down 15 Days W/O Parts for Pumping Unit)
Sep	11.67	100	187	29	Shoot FL @ 5670' on 9/13/2006: SN @ 5764': 94' of Fill-Up over Pump.

Last Month Avg. 0.40 BOPD + 6.44 BWD + 3.45 MCFD.

**PAYING WELL DETERMINATION: The well is currently @ Break-Even.**

**The Production Rates & Economics are Slowly Improving & will be Economic to Produce.**

  
RA Schwering, PE  
Operations Manager  
Resource Development Technology, LLC  
Office: (303) 716-3200  
Fax: (303) 716-5780  
Cell: (303) 919-6826