5. Lease UNITED STATES NMNM-03551 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 6. If Indian, Allottee or Tribe Name SUNDRY NOTICES AND REPORTS ON WELLS: TEP 3 7. 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-" for such proposals) 8. Well Name and No. 1. Oil Well [] Gas Well [] Other [] **GAS WELL BREECH "E" 118** 2. Name of Operator: 9 API Well No. 30-039-06670-00S1 Caulkins Oil Company 3. Address of Operator: 10. Field and Pool, Exploratory Area (505) 632-1544 **BASIN DAKOTA** P.O. Box 340, Bloomfield, NM 87413 11. Country or Parish, State 4. Location of Well (Footage, Sec., Twp., Rge.) 1190' F/S 1850' F/W SEC. 1-26N-6W Rio Arriba Co., New Mexico 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent [] Change of Plans [] Abandonment [] New Construction []Recompletion [X] Subsequent Report [] Non-Routine Fracturing [] Plugging Back [X] Casing Repair [] Water Shut-Off [] Final Abandonment Notice [] Conversion to Injection [] Altering Casing 1 Dispose Water 1 Other 17. Describe Proposed or Completed Operations: 9-2-03 Rigged up. T. O. H. with tubing. T. I. H. with retrievable bridge plug and packer. Set retrievable bridge plug at 3941', set packer and tested plug, OK. Pulled up hole with packer searching for leak in casing. Isolated hole in casing at 2490'. T. O. H. with packer. 9-3-03 Received verbal approval from Wayne Townsend with BLM to repair casing leak at 2490' and to cement to surface behind pipe. Ran bond log. ACCEPTED FOR RECORD Top of cement at 2870'. Perforated holes at 2830', 2500', and 1500'. OCT 0 1 2003 T. I. H. with packer. Set packer at 2531'. (continued on page 2) NOTE: The format is issued in lieu of U.S. BLM Form 3160-5 18. I HEREBY CERTIFY THE FOREGOING IS TRUE AND CORRECT SIGNED: Robert I Verse TITLE: Superintendent DATE: September 24, 2003 ROBERT L. VEROVER APPROVED BY: TITLE: DATE: CONDITIONS OF APPROVAL, IF ANY

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9-3-03

Cemented outside of 4 1/2" casing, 2830' to 2500', with 19 bbls neat cement displaced with 12.5 bbls water.

(cont.)

Moved packer up hole to 1591'.

Broke circulation, 2500' to 1500'.

Cemented outside of 4 1/2" casing, 2500' to 1500', with 48 bbls neat cement displaced with 18 bbls water.

Waited 2 hours.

Released packer, T. O. H.

NOTE: During above cement job, we lost circulation to holes at 1500'.

9-4-03

Ran bond log.

Tagged cement at 1964' inside of casing.

Logged. Unable to determine cement on outside of casing.

T. I. H. with bit.

Drilled out cement to 2726'.

9-5-03

T. O. H. with bit.

T. I. H. with packer, set packer at 1591'.

Tested casing 1591' to 2726' with 1000#. Held OK.

Pulled 5 stands, set packer at 1269'.

Tested casing, 1269' to surface with 1000#. Held OK.

Tested casing below packer, unable to pump into perforations at 1500' with 1500#.

T. O. H. with packer.

Ran bond log, 2426' to bottom of surface casing.

Unable to determine cement behind pipe from bond log.

Perforated holes at 1498' and 848'.

Randpacker to 1269'.

Attempted to circulate, 1498' to 848'.

Pumped 13 bbls of water, pressured up to 1500#.

Pumped down casing attempting to circulated 848' to surface.

No success, pressure tested to 1500#.

Talked to Wayne Townsend to BLM about problems pumping behind pipe. Decision was made to block squeeze perforations at 1498' and 848' then drill out and test casing.

T. O. H. with packer.

T. I. H. with tubing.

Spotted 150' plugs over perforations at 1498' and 848'.

Pressured up casing to 500#, let set over weekend.

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9-8-03

450# pressure this morning.

T. I. H. with bit.

Drilled out plug at 848', tested 1000#, OK.

Drilled out plug at 1498, tested 1000#, OK.

Drilled out cement, 2726' to 2830', tested 1000#, OK.

T. O. H. with bit.

T. I. H. to retrievable bridge plug at 3941'.

T. O. H. with retrievable bridge plug.

9-9-03

T. I. H. with 2 3/8" tubing.

Landed tubing at 7509' on doughnut.

Nippled up wellhead.

Rigged down and moved.