

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (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 - 22883
1. Type of Well: Oil Well XX Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE XX
2. Name of Operator RESOURCE DEVELOPMENT TECHNOLOGY, LLC (RDT)		6. State Oil & Gas Lease No. RCVD FEB 1 '08
3. Address of Operator PO BOX 1020, MORRISON, CO 80465		7. Lease Name or Unit Agreement Name Rita Com. OIL CONS. DIV. DIST. 3
4. Well Location Unit Letter: 'O': 980' feet from the South line and 1820' feet from the East line Section: 5 Township 23 North Range 6 West NMPM Rio Arriba County		8. Well Number #2
11. Elevation (Show whether DR, RKB, RT, GR, etc.) KB = 6786'		9. OGRID Number 225774
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Counselor's: Gallup-Dakota
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 **X** 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.

RDT did log the Rita Com. #2 Well with a Casing Caliper on 11/30/2007 & identified the source of anomalous water production to likely be a casing hole @ 468' above the 2nd Stage TOC found by CBL @ 680' on the same day (Blue Jet CBL & Casing Caliper Logs). RDT does propose to confirm the casing hole & repair the casing as follows:

1. RIH Bit & Scraper & circ. fill to PBD @ 5569'. POOH.
2. RIH & Set RBP @ 5260' above Perfs. 5292' - 5504'. POOH. RIH Packer to 690'. Test Casing 690' - 5260' to 500# for 30 Min. I assume this test will be good & that there are no casing leaks in this interval.
3. POOH Packer. RIH & Move RBP Up-Hole to 700'. Dump 2 sx. sand on plug. POOH. Circ. 4-1/2" Open Hole annulus till clean.
4. ND BOPE & Tie 4-1/2" swedge on 4-1/2" Casing. Bullhead approx. 165 sx. cement until good cement returns & then try Braden-Head Squeeze to max. 1000# to attempt to cover entire annulus from Surf. to 468' to 680' TOC 2nd Stage. Wash-Up to Tank.
5. ND Swedge & NU BOPE. Drill-Out Cement in 4-1/2" Casing. Test Casing from Surface to 690' to 500# f/ 30 Min. Re-Squeeze & Drill-Out & Re-Test as Necessary if Test Fails.
6. After a Successful Casing Test then Circ. Sand off RBP & POOH.
7. Run Pumping Assembly. Swab until well cleans-up. Run Pump & Rods. Resume Gallup Fm. Oil & Gas Production.

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: NM & WYO DATE 12/03/2007

Type or print name R. A. Schwering PE E-mail address: ras.rdt@mindspring.com Telephone No.: (505) 947-3072

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APPROVED BY: H. Villanueva TITLE Deputy Oil & Gas Inspector, District #3 DATE FEB 05 2008
 Conditions of Approval (if any):