Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. Lease Designation and Serial No. SF078432

SUNDRY NOTICES AND REPORTS ON WELLES APR 15 PM 12: 30 6. If Indian, Allottee or Tribe Name 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 TASSINGTON, INM 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE APH 2002 1. Type of Well 8 Well Name and No. Oil Well Gas Other Hodges No. 15E 2. Name of Operator 9. API Well No. R C Resources Corp. 30 - 045 - 24473 3. Address and Telephone No. Suite 230 Pecan Creek, 8340 Meadows Rd., Dallas, TX 75231 (214) 369-4848 10. Field and Pool, or Exploratory Area Ballard Pictured Cliffs / 4. Location of Well (Footage, Sec., T., R., M., or Survey Description 1850'FSL - 1570'FEL, Section 27, T26N, R8W, NMPM Basin Dakota 11. County or Parish, State San Juan, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Abandonment **New Construction** Recompletion Notice of Intent Non-Routine Fracturing Plugging Back Subsequent Report Water Shut-Off Casing Repair Conversion to Injection Altering Casing Final Abandonment Notice Dispose Water 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinennt 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 zones pertinent to this work.) R C Resources Corp. proposes to plug and abandon the Dakota zone in this well. Both strings of tubing were pulled. The deep string had a jet hole at 2783'. The packer was milled out and the well cleaned out with air/foam to 7417'. During subsequent attempts to secure a casing integrity test a bad spot in the casing was found at 6022'and the intervals 4960' - 5184' and 5766'- 5863' had pressure bleed offs of 50 psi/minute and 6 psi/ minute respectively. The remaing casing from 2826' to 7132'tested okay. A CIBP was set at 7132'and tested okay. Cement plugs were spotted from 6120'- 5620' and 5214'- 4814'. The top plug was drilled out and the casing tested from 2826'to 5620'to 500 psi with 25 psi/minute bleed off. The Dakota zone is incapable of paying for further work. RC Resources proposes to P&A the Dakota zone by drilling out the cement plug from 5620' to 6120'. Run in with open end tubing to CIBP at 7132'and spot a 15 sack cement plug from 7132'to 7082'. Pull up to 6232'. Spot a 32 sack plug from 6232'to 5972'. Pull up to 4090'. Spot a 16 sack plug from 4090'to 3990'. Pull up to 3601'. Spot a 16 sack plug from 3601'to 3501'. Run 2 3/8" EUE production tubing to 2750'. Return well to production as a Pictured Cliffs single well. Verbal approval was received for this proposal from the BLM and NMOCD on 04/12/02. 14. I hereby certify the foregoing is true and correct

(This space for Federal or State office use)

Approved by

/s/ Jim Lovato Conditions of approval, if any: