Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office Revised March 25, 1999 Energy. Minerals and Natural Resources District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-025-05369 District II OIL CONSERVATION DIVISION 811 South First, Artesia, NM 87210 5. Indicate Type of Lease 2040 South Pacheco District III STATE FEE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 State Oil & Gas Lease No. District IV 2040 South Pacheco, Santa Fe, NM 87505 SWD-044 Lease Name or Unit Agreement SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A Name: DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) ABO SWD SYSTEM 1. Type of Well: Oil Well Other SWD Well Gas Well Well No. Name of Operator F-31 RICE OPERATING COMPANY Pool name or Wildcat Address of Operator 122 W. TAYLOR, HOBBS, NM 88240 Well Location : 2310' feet from the NORTH line and 2626" feet from the WEST Unit Letter Township 16S Range **NMPM LEA** County Section 31 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3839' GL 11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: ALTERING CASING PERFORM REMEDIAL WORK□ PLUG AND ABANDON REMEDIAL WORK **TEMPORARILY ABANDON** COMMENCE DRILLING OPNS. **PLUG AND CHANGE PLANS ABANDONMENT** CASING TEST / CEMENT JOB **PULL OR ALTER CASING** MULTIPLE COMPLETION OTHER: OTHER: \Box 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. Squeezed Casing in San Andres Perfs, see morning report and MIT chart attached. ation above is true and complete to the best of my knowledge and belief. I hereby certify that the infor

SIGNATURE

TITLE: OPERATIONS MANAGER DATE: 7-7-03

Type or print name

Scott Curtis

Telephone No. 505-393-9174

(This space for State use)

APPPROVED BY Conditions of approval, if any: OCTHEED REPRESENTATIVE II/STAFF MANAGER DATEJUL 0 8 2003

Morning Report Abo SWD Well F-31 Workover started June 19, 2003

June 19 Test anchors. MIRU Reeco pulling unit. Shut in and bleed well down. Dismantle wellhead connections. ND Wellhead, NU BOP. Release Lok-Set packer @ 9601'. POOH laying down 41 Jts 3 ½ IPC tubing. Close well in SION.

Estimated Cum Cost:

1,969.00

June 20 POOH w/2 7/8" IPC, standing back. PU 2 7/8" WS & GIH w/bit and scraper, tag fill @ 10144'. PBTD @ 10290'. 116' of perfs covered, 414' of perfs open. Start out of hole with workstring. SION.

Estimated Cum Cost:

4,715.00

June 21 Continue POOH w/WS. GIH w/5 ½" packer and RBP in tandem. Set RBP @ 9601'. PU to 9570', set packer & test RBP to 1000 psi. Rig up chart recorder, load annulus and pressure up to 875 psi, lost 75 psi in 15 minutes. SIOWE.

Estimated Cum Cost:

7,461.00

PU to 6300' and set packer. Test csg from below Glorieta perfs To RBP @ 9601', test held 900 psi. Test annulus to 900 psi, pumped 10 bbls to load, lost 20 psi in 30 minutes. Set packer @ 4060'. Test below packer to 900 psi, test held. Test above packer, took 10 bbls to load and lost 30 psi in 20 minutes. Set packer above San Andres perfs @ 3660'. Test above perfs to 900 psi, test held. Test below packer, took 10 bbls to load and lost 20 psi in 5 minutes. Set packer between San Andres perfs @ 3835'. Attempt to pressure up tbg, received returns out the casing. GIH and release RBP, start out of hole, shut down due to high winds and lightning.

Estimated Cum Cost:

18,643.00

Morning Report Abo SWD Well F-31 Workover started June 19, 2003

1. 1.

POOH to 4060' & set RBP. Packer would not set, POOH & exchange packer. GIH w/packer set @ 4000' and test RBP to 1000 psi, release packer. Dump 2 sxs sand down tbg and chase w/10 bbl FW. POOH w/packer. GIH w/2 7/8" WS open ended to 3925'. Pump 10 bbl FW @ 2.5 BPM @ 300# and break circulation. Pump 75 sxs (17.6 bbls) Class C w/2% CACL2 @ 2.5 BPM @ 100#. Shut down and wash up equipment. Displace w/17.3 bbl FW @ 3.5 BPM @ 100#. POOH w/30 stands to 2026', reverse out 14 bbl @ 2.4 BPM @ 100#. Pump down annulus, 2.5 bbl into leak @ 1.5 BPM @ 300 PSI, 4.5 bbl into leak @ 600 PSI, 5 bbl into leak @ 1000 PSI. Could not pump into leak @ 1500 PSI. Pumped total of 5 bbl cement into leak. Left well SI w/1500 psi for 24 hours. Estimated TOC @ 3381'.

Estimated Cum Cost: 26,465.00

June 26 Casing pressure 500 psi. POOH w/65 jts WS. Tally in hole with 4 3/4" bit, and 6-3 1/2" DC. Tag cement @ 3510'. DO cement from 3510' to 3855', fell out of cement from 3855' to 3877'. DO to bottom of plug @ 3925'. Connect chart recorder, pressure to 500 psi and leave over night.

Estimated Cum Cost: 35,531.00

June 27 Csg lost 10 psi in 12 hours. GIH to 4060', wash sand off RBP. POOH w/DC's & bit. GIH & release RBP. POOH w/RBP laying down WS. GIH w/Lok-Set packer, SN, & 2 7/8" IPC. SION.

Estimated Cum Cost: 39,050.00

Morning Report Abo SWD Well F-31 Workover started June 19, 2003

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Continue in hole w/total of 266 jts (8299.49') 2 7/8" IPC, XO, & 41 jts (1280.39') 3 ½" IPC Mod-Butt tbg. Test all tbg to 5000 psi below slips using stabbing cup on each jt. ND BOP, NU well head & flowline connections. Displace annulus w/160 bbl Champion Packer fluid (1 drum R-2264 per 100 bbl FW). Set nickel plated 5 ½" X 2 3/8" Lok-Set packer @ 9601' in 20 points compression. Load annulus and pressure up to 540 psi. Csg lost 40 psi in 15 min then flat lined @ 500 psi for 30 minutes. (Notified NMOCD of MIT test via voice mail @ 1:00pm 6-28-2003.) No representative on location for MIT test. RDMO.

Estimated Cum Cost: 52,183.00

DOWN HOLE ASSMEBLY (AS OF 6-28-2003)

1 XO 3 ½" 8 rd to buttress nipple from tbg to wellhead.

41	Jts 3 ½" J-55 Mod-Buttress IPC tbg.	1280.39'
1	XO 3 ½" X 2 7/8" X IPC	1.00'
266	Jts 2 7/8" J-55IPC tbg	8299.49
1	2 7/8" SN:	1.00'
1	Lok-Set nickel plated packer	4.00'
	KB	16.00'
	Total:	9601.88'

