State of New Mexico Energy, Minerals and Natural Resources

Form C-103 Revised March 25, 1999

OIL CONSERVATION DIVISION 2040 South Pacheco

| WELL API NO. | | |
|------------------|-----------------|--|
| 30-02 | <u>25-03041</u> | |
| 5. Indicate Type | of Lease | |
| STATE | Y FEE | |

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 2040 South Pacheco, Santa Fe, NM 87505 B-2131 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or 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" (FORM C-101) FOR SUCH PROPOSALS.) VACUUM GB/SA UNIT EAST 1. Type of Well: TRACT 0449 Oil Well X Gas Well Other 8. Well No. 2. Name of Operator 039 Phillips Petroleum Company 9. Pool name or Wildcat 3. Address of Operator VACUUM GRAYBURG/SAN ANDRES 4001 Penbrook Street Odessa, TX 79762 4. Well Location WEST 660 NORTH 660 feet from the line line and Unit Letter feet from the

| Section | 04 | | Township 1 | .8-S | Range | 35-E | NMPM | | County | LEA | |
|--|----------|-----|------------------------|------------|------------------|------------------|-------------|---------|---------------------|--------|---|
| | | f | 10. Elevation (Show) | whether . | | | 'c.) | | • | | |
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data | | | | | | | | | | | |
| NOT | ICE OF I | NTE | NTION TO: | | | SUE | SEQUEN' | T REP | ORT OF: | | |
| PERFORM REMEDI | | | PLUG AND ABANDO | и П | REMEDI | AL WORK | | | ALTERING | CASING | [|
| TEMPORARILY ABA | NDON | | CHANGE PLANS | | СОММЕ | NCE DRILL | ING OPNS. | | PLUG AND ABANDON | | ı |
| PULL OR ALTER CA | ASING | | MULTIPLE COMPLETION | | CASING CEMENT | TEST AND ΓJOB | | | ABANDON | VICIVI | |
| OTHER: | | | | | OTHER: | DRILL A | 2500' LATER | AL WELL | | | _ |
| 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. | | | | | | | | | | | |

4/26/02 - MI RU WSU (POOL CO. 587). KILL WELL. POOH LAYING DOWN RODS & PUMP. SECURE WELL. SHUT DOWN.

4/27/02 - SAFETY MTG. KILL WELL. ND WELLHEAD. NU BOP. POOH W/ 2-3/8" TBG. TIH W/ BIT, SCRAPER & TBG TO 4110'. POOH W/ TBG, SCRAPER & BIT. TIH W/ RBP, RTTS PKR & TBG. SET RBP @ 4095'. SET RTTS PKR @ 4031'. RU PUMP TRK TO TBG. TEST RBP TO 1000 PSI. HELD GOOD. BLEED PRESSURE OFF CSG. RU PUMP TRK TO CSG. TEST CSG TO 1000 PSI FOR 30 MIN. HELD GOOD. CHART AVAILABLE. BLEED PRESSURE OFF CSG. SECURE WELL. SHUT DOWN.

4/28/02 - 4/29/02 - CREW OFF.

4/30/02 - SAFETY MTG. KILL WELL. UNSET RTTS PKR. PICK UP 1 JT & TIH. LATCH-ON TOF RBP. DNSET RBP. POOH W/ TBG, PKR & RBP. GIH W/ SANDLINE BAILER & TAG FOR FILL. TAG @ 4620'. POOH W/ SANDLINE BAILER. RU HES LOGGING TRK. LOG WELL. RD HES LOGGING TRK. TIH W/ 17 JTS 2-3/8" FIBERGLASS TBG & 2-3/8" TBG. RU PUMP TRK. PUMP 250 BBLS FRESH WATER. WELL WOULD NOT CIRC. RD PUMP TRK. SECURE WELL? SHUT DOWN. 5/01/02 - SAFETY MTG. MI RU HES CMT TRK. PUMP 10 BBLS CACL WATER @ 2 BPM, 30 PSI. PUMP 2 BBLS FRESH

| I hereby certify that the information above is true and complete to the SIGNATURE LAY (Ligarifor L. M. Landin | best of my l | knowledge and b | pelief. Regulation/F | Pror. DATE | 5/13/02 |
|---|--------------|-----------------|-----------------------|----------------------|---------------|
| Type or print name L. M. Sanders | | | | | (915)368-1488 |
| (This space for State use) | | | . •• | nd. | AV 1 7 2002 |
| APPROVED BY | TITLE_ | | | DATE_ ^[V] | AY 1 7 2002 |

VACUUM GB/SA UNIT EAST TRACT 0449-039

WATER @ 2 BPM, 17 PSI. PUMP 12 BBLS SUPER FLUSH 100 @ 2 BPM, 36 PSI. PUMP 2 BBLS FRESH WATER @ 2 BPM, 12 PSI. PUMP 10 BBLS CACL WATER @ 2 BPM, 12 PSI. PUMP 18 BBLS FRESH WATER @ 2 BPM, 18 PSI. SHUT DOWN. POOH W/ 10 STANDS. WAIT 1 HOUR. PUMP 10 BBLS CACL WATER @ 2 BPM, 34 PSI. PUMP 2 BBLS FRESH WATER @ 2 BPM, 12 PSI. PUMP 24 BBLS SUPERFLUSH 100 @ 2 BPM, 48 PSI. PUMP 2 BBLS FRESH WATER @ 2 BPM, 10 PSI. PUMP 10 BBLS CACL WATER @ 2 BPM, 990 PSI. PUMP 20 BBLS FRESH WATER @ 2 BPM 1004 PSI. SHUT DOWN. REVERSE OUT @ 1 BPM, 600 PSI. SHUT DOWN. TIH W/ 5 STANDS. REVERSE OUT @ 3.5 BPM, 775 PSI. SHUT DOWN. TIH W/ 5 STANDS. REVERSE OUT @ 3.5 BPM, 700 PSI. WAIT 1 HOUR. PUMP 10 BBLS FRESH WATER @ 3.5 BPM, 300 PSI. PUMP 210 SKS 1% CFR-3 PREMIUM CEMENT @ 3.5 BPM, 700 PSI. PUMP 16 BBLS FRESH WATER @ 3 BPM, 830 PSI. SHUT DOWN. POOH W/ 11 JTS TBG. REVERSE OUT W/ 47 BBLS FRESH WATER @ 3.5 BPM, 600 PSI. SHUT DOWN. RD HES. POOH W/ 10 STANDS. SECURE WELL. SHUT DOWN.

5/02/02 – SAFETY MTG. OPEN WELL. NO PRESSURE. TIH W/ TBG & TAG TOP OF CMT PLUG. TAG @ 4375'. WAIT ON ORDERS. POOH LAYING DOWN 2-3/8" TBG & 17 JTS 2-3/8" FIBERGLASS TBG. MOVE IN 3-1/2" IF DRILL PIPE. TIH PICKING UP 6-1/4" MILL TOOTH BIT AND 3-1/2" DRILL PIPE @ 4093'. SECURE WELL. SHUT DOWN.

5/03/02 – SAFETY MTG. OPEN WELL. NO PRESSURE. FINISH TIH W/6-1/4" BIT & 3-1/2" DRILL PIPE. TAG TOP OF CMT @ 4360'. RU WEATHERFORD REVERSE UNIT. BREAK CIRCULATION. DRILL OUT CMT FROM 4360' TO 4438'. SWEEP HOLE W/5 GALLONS OF FLOWZAN. RD WEATHERFORD REVERSE UNIT. RU SCIENTIFIC DRILLING. RUN GYRO SURVEY FROM SURFACE TO 4418'. RD SCIENTIFIC DRILLING. POOH W/3-1/2" DRILL PIPE & 6-1/4" BIT. SECURE WELL. SHUT DOWN.

5/04/02 – SAFETY MTG. FINISH POOH W/ 3-1/2" DRILL PIPE. RU MAN WELDING TO TEST BOP. BLIND RAM WOULD NOT OPEN. WAIT ON ANOTHER BOP. RD BOP. RU NEW BOP. TEST 3-1/2" PIPE RAMS TO 250 PSI FOR 3 MIN. HELD GOOD. TEST 3-1/2" PIPE RAMS TO 1000 PSI FOR 10 MIN. HELD GOOD. TEST HYDRIL TO 250 PSI FOR 3 MIN. HELD GOOD. TEST HYDRIL TO 1000 PSI FOR 10 MIN. HELD GOOD. RD MAN WELDING. TIH W/ 138 JTS 3-1/2" DRILL PIPE OPEN ENDED. HANG OFF ON TOP OF BOP. SECURE WELL. CLEAN LOCATION. RD MO WSU.

5/08/02 – FINISH RIG DOWN. MOVE ON LOCATION & RIG UP KEY ENERGY SERVICES #115. RIG UP / GAS SEPERATOR. RIG UP STRIPPER HEAD AND FLOWLINE. TEST CHOKE MANIFOLD 1000#, OK. SAFETY MTG & RIG INSPECTION. RIG UP FLOOR & POOH W/ 69 STANDS DP. SAFETY MTG. PU BHA. MOTOR SET @ 2.83 DEG & TEST TOOLS. WAIT ON WELL PLAN. MAKE UP BIT & ORIENT MOTOR. GIH TO 4117'. RIG UP POWER SWIVEL & CIRC. GIH TO 4375'. PU POWER SWIVEL. INSTALL STRIPPER RUBBER. CONTROL DRLG 1'/HOUR. 4438'.

100% CEMENT.

5/09/02 - CONTROL DRLG FROM 4438' - 4446' @ 1'/HR.

SAFETY MTG & BOP DRILL.

DRLG FROM 4446' - 4453'.

SAFETY MTG & BOP DRILL.

DRLG FROM 4453' - 4462' CONTROL DRILL.

DRLG FROM 4462' - 4470' 8-10K WOB 90% FORMATION 281 MTF.

SURVEY @ 4420' 2.1 DEG 295.3 AZ.

DRLG FROM 4470' - 4502' 8 - 18K WOB 281 MTF.

SURVEY @ 4552' 4.9 DEG 284.8 AZ.

RIG REPAIR - PUMPS.

90% DOLOMITE 10% SAND

 $BG = 12U \quad CG = 162U \quad CO2 = 187U$

5/10/02 - SAFETY MTG.

SLIDE FROM 4502' - 4534' @ HS W/ 15K.

DEVIATION SURVEY @ 4484' 11.6 DEG 281.0 AZ.

SLIDE FROM 4534' - 4566' @ HS W/ 20K.

VACUUM GB/SA UNIT EAST TRACT 0449-039

DEVIATION SURVEY @ 4516' 19.9 DEG 281.2 AZ.

CIRCULATE. SAFETY MTG. POOH FOR BHA. SET MOTOR @ 3.28 DEG. TRIP IN HOLE.

WASH 15' TO BOTTOM.

SLIDE FROM 4566' - 4599' @ HS W/ 20K.

DEVIATION SURVEY @ 4549' 29.5 DEG 282.4 AZ.

SLIDE FROM 4599' - 4630' @ 10L W/ 20K.

DEVIATON SURVEY @ 4580' 40.1 DEG 284.2 AZ.

SLIDE FROM 4630' - 4662' @ 15L W/ 20K.

SAFETY MTG - BOP DRILL.

SLIDE FROM 4662' - 4694' @ HS W/ 20K.

DEVIATION SURVEY @ 4644' 61.5 DEG 279.3 AZ.

SLIDE FROM 4694' - 4702' @ 10R W/ 20 K.

SAFETY MTG. CIRC – SWEEP HOLE. POOH FOR LATERAL ASSY. LAID DOWN 29 JTS 3-1/2" DP. SAFETY MTG. SAFETY MTG "PICKING UP TOOLS". OPEN WELL. FILL HOLE UP. TOOK APPROX 2 BBLS TO FILL. PU LATERAL BHA ASSY & TEST TOOLS. GIH W/ LATERAL ASSY. 100% DOLOMITE

 $BG = 250U \quad CG = 300U \quad TR = 403U \quad CO2 = 10U$

5/11/02 – SAFETY MTG. PU 30 JTS HWDP. SAFETY MTG "TRIPPING & PU SWIVEL". TIH TO 4500'. LD 5 JTS DP. PU POWER SWIVEL & INSTALL STIPPER RUBBER.

WASH FROM 4500' - 4702'.

SLIDE FROM 4702' - 4712' @ HS W/ 15K WOB.

WORK ON PUMP THROTTLE.

SLIDE FROM 4712' - 4744 @ HS - 15R W/ 20K WOB.

DEVIATION SURVEY @ 4684' 74.3 DEG 274.9 AZ.

SLIDE FROM 4744' - 4776' @ 25R W/ 20K.

DEVIATION SURVEY @ 4716' 81.1 DEG 276.0 AZ.

SLIDE FROM 4776' – 4803' @ HS W/ 4-15K.

LOST CIRCULATION. ATTEMPT TO GET CIRC BACK. SAFETY MTG. TRIP OUT W/ 5 STANDS TO 4554'. PUMP WATER & WAIT ON MUD. MIX LCM PILL. PUMP 50 BBLS PILL. NO

RETURNS. SAFETY MTG. POOH W/11 STANDS TO 3800'. MIX LCM PILLS. FULL RETURNS BACK. MIXED 300 BBLS TOTAL LCM PILLS.

LOSS APPROX 1000 BBLS TOTAL. MONITOR FLUID LEVEL W/ PUMPS DOWN.

5/12/02 – SAFETY MTG "TRIPPING PIPE". TRIP IN HOLE TO 4803'. CIRCULATE & MONITOR LOSS. 75% RETURNS.

SLIDE FROM 4803' - 4807' @ HS W/ 20K WOB.

ATTEMPT TO GET MWD SURVEY. NO SURVEY. CIRCULATE – SAFETY MTG. SET BACK SWIVEL. LD 1 JT DP. POOH FOR PLUGGED MWD. CHANGE OUT MWD – ORIENT TOOLS & TEST. SAFETY MTG. TIH. NO FILL. NO PROBLEMS.

ACCUM TIME TO SLIDE & ROTATE FROM 4807' – 5046' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

LOST FULL RETURNS @ 4979'. PU & PUMP LCM PILL. GOT 50% RETURNS BACK. SAFETY MTG & BOP DRILL.

100% DOLOMITE

 $BG = 200U \quad CG = 300U \quad TRG = 400U \quad CO2 = 25U$

LOST APPROX 1500 BBLS SINCE 4807'.

5/13/02 - SAFETY MTG "MAKING CONNECTIONS".

ACCUM TIME TO SLIDE & ROTATE FROM 5046' – 5425' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

DRLG W/ 50%-60% RETURNS.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 5046' - 5425'.

SAFETY MTG.

BOP DRILL NIGHT CREW.

ACCUM TIME TO SLIDE & ROTATE FROM 5425' – 5804' AS REQUIRD TO FOLLOW DIRECTIONAL PLAN.

VACUUM GB/SA UNIT EAST TRACT 0449-039

DRLG W/ 50% - 60% RETURNS.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 5425' - 5804'.

70% DOLOMITE 20% CHERT 10% ANHY

BG = 45U CG = 240U CO2 = 164U

LOSS APPROX 2400 BBLS FLUID.

VACUUM GB/SA UNIT EAST TRACT 0449-039 (CORRECTED REPORT C-103 DATED 5/13/02)

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