

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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|--|--|
| WELL API NO. | 30 025 02156 |
| 5. Indicate Type of Lease | STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. | B 4118 |
| 7. Lease Name or Unit Agreement Name | |
| Phillips Lea | |
| 8. Well No. | 4 |
| 9. Pool name or Wildcat | Vacuum |
| Grayburg - San Andres | |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) | |
| 4096 Ground | |

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.)

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|------------------------|--|-----------------------------------|---------------------|
| 1. Type of Well: | OIL WELL <input type="checkbox"/> | GAS WELL <input type="checkbox"/> | OTHER S.W. Disposal |
| 2. Name of Operator | Rover Operating, Inc. | | |
| 3. Address of Operator | 903 18th Street, Suite 224, Plano, Texas 75074 | | |
| 4. Well Location | Unit Letter M : 330 Feet From The South Line and 330 Feet From The West Line | | |
| Section 31 | Township 17S | Range 34E | NMPM Lea County |

| | | | |
|---|---|---|---|
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data | | | |
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: Monitor Casing Pressure <input checked="" type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

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.

- Well has two small leaks. As long as there is no pressure applied to the casing no fluid leak-off should occur. The source of pressure would be from the injection pressure within the tubing string. The entire string including the packer is protected by a hard plastic tube cemented inside each joint of tubing.
- Rover proposes to install a pressure recorder on the annulus with an eight day clock. The charts will pick up any pressure build up in the casing as a result of a tubing or packer failure. If this should occur the well will be immediately pulled and repairs made. The weekly charts will be submitted to the District I office promptly.
- This recorder will be installed in the first week of September, 1997

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

| | | |
|--|------------------------|-------------------------------|
| SIGNATURE <u>David Hanger</u> | TITLE <u>President</u> | DATE <u>08/29/97</u> |
| TYPE OR PRINT NAME <u>David Hanger</u> | | TELEPHONE NO. <u>422-9029</u> |

(This space for State Use)

ORIGINAL SIGNED BY CHRIS WILLIAMS
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: