Form C-103 Submit 3 Copies To Appropriate District State of New Mexico Office Energy, Minerals and Natural Resources Revised March 25, 1999 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 District II 30-025-02973 OIL CONSERVATION DIVISION 811 South First, Artesia, NM 87210 5. Indicate Type of Lease 2040 South Pacheco District III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 STATE X FEE \square District IV 6. State Oil & Gas Lease No. 2040 South Pacheco, Santa Fe, NM 87505 B-1576-3 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 3229** Oil Well X Gas Well Other 2. Name of Operator 8. Well No. Phillips Petroleum Company 002 3. Address of Operator 9. Pool name or Wildcat 4001 Penbrook Street Odessa, TX 79762 VACUUM GRAYBURG/SAN ANDRES 4. Well Location Unit Letter 660 SOUTH feet from the line and 660 WEST feet from the line Section 32 Township 17S Range 35E **NMPM** County LEA 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 4000' RKB 11. Check Appropriate Box to Indicate, Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK **ALTERING CASING TEMPORARILY ABANDON** CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT PULL OR ALTER CASING **MULTIPLE** CASING TEST AND COMPLETION CEMENT JOB OTHER: OTHER: DRILL A 1150' LATERAL (WELL ON PRODUCTION) X 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. 5/03/02 - WELL ON TEST: 106.8 OIL, 125.8 WATER, 75 GAS, 35% CO2. 5/04/02 - WELL ON TEST: 77.6 OIL, 34.4 WATER, 67 GAS, 34% CO2. 5/05/02 - WELL ON TEST: 96.4 OIL. 36.5 WATER, 55 GAS, 35% CO2. 5/06/02 - WELL ON TEST: 86.6 OIL. 33.9 WATER, 55 GAS, 34% CO2. 5/07/02 - WELL ON TEST: 60.0 OIL. 27.0 WATER, 50 GAS, 35% CO2 (24 HOUR TEST). 5/08/02 - WELL ON TEST: 74.5 OIL. 2.5 WATER, 28 GAS, 35% CO2. 5/09/02 - WELL ON TEST: 76.0 OIL. 2.0 WATER, 22 GAS, 36% CO2. WELL ON POC AND PUMPING OFF. TIME. 5/10/02 - WELL ON TEST: 68.7 OIL. 2.9 WATER, 20 GAS, 37% CO2. 5/11/02 - WELL ON TEST: 73.0 OIL. 2.3 WATER, 24 GAS, 36% CO2. 5/12/02 - WELL ON TEST: 80.2 OIL. 2.6 WATER, 24 GAS, 35% CO2. 5/13/02 - WELL ON TEST: 62.0 OIL. 9.0 WATER, 24 GAS, 36% CO2. 5/14/02 - WELL ON TEST: 75.6 OIL. 2.0 WATER, 27 GAS, 35% CO2. I hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE Supervisor, Regulation/Pror. DATE. Type or print name L. M. Sanders Telephone No. 915-368-1488 (This space for State use) CRIGINAL SIGNED BY 5" 1 1 8 26**2** PAUL F. KAUTZ = APPROVED BY TITLE DATE Conditions of approval, if any:

VACUUM GB/SA UNIT EAST TRACT 3229-002

5/15/02 – WELL ON TEST: 78.7 OIL, 10.1 WATER, 28 GAS, 35% CO2.
5/16/02 – WELL ON TEST: 60.5 OIL, 8.9 WATER, 25 GAS, 33% CO2.
5/17/02 – WELL ON TEST: 72.0 OIL, 2.0 WATER, 22 GAS, 34% CO2.
5/18/02 – WELL ON TEST: 63.0 OIL, 2.0 WATER, 19 GAS, 36% CO2.
5/19/02 – WELL ON TEST: 69.0 OIL, 2.3 WATER, 25 GAS, 36% CO2.
5/20/02 – WELL ON TEST: 67.0 OIL, 2.0 WATER, 25 GAS, 35% CO2.
5/21/02 – WELL ON TEST: 69.0 OIL, 2.0 WATER, 24 GAS, 34% CO2. "TEMPORARY DROP FROM REPORT".