Submit 3 Copies To Appropriate District	Appropriate District State of New Mexico			Form C-103		
Office District 1635 N. Franch Dr. Halbe, NN 87240	Energy, Minerals and Natural Resources		Revised March 25, 1999 WELL API NO.			
1625 N. French Dr., Hobbs, NM 87240 District II	OIL CONSERVATION DIVISION 2040 South Pacheco		30-025-03009			
811 South First, Artesia, NM 87210 District III			5. Indicate Type of Lease			
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 87505		STATE		4	
2040 South Pacheco, Santa Fe, NM 87505			6. State Oil & Gas Lease No. B-1845			
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			7. Lease Name or Unit Agreement Name:			
PROPOSALS.)			VACUUM GB/SA UNIT EAST			
1. Type of Well: Oil Well X Gas Well Other			TRACT 3440			
2. Name of Operator			8. Well No.			
Phillips Petroleum Company			003			
3. Address of Operator 4001 Penbrook Street Odessa, TX 79762			9. Pool name or Wildcat VACUUM GRAYBURG/SAN ANDRES			
4. Well Location					\dashv	
Unit Letter M: 330 feet from the WEST line and 990 feet from the SOUTH line						
Section 34		Range 35E	NMPM	County LEA	╛	
10. Elevation (Show whether DR, RKB, RT, GR, etc.)						
3938' RKB / 3926' GL 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data						
NOTICE OF INTI		1	SEQUENT R			
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WORK		ALTERING CASING		
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRILLING OPNS. DPLUG AND ABANDONMENT				
PULL OR ALTER CASING	MULTIPLE COMPLETION	CASING TEST AND CEMENT JOB				
OTHER:		OTHER: DRILL A	2780' LATERAL		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.						
5/07/02 - SAFETY MTG. WAIT ON NOLAN BRUNSON TO MOVE PUMP JACK OFF LOCATION & GANG TO STRIP OUT FLOWLINE MIRU WSU (KEY ENERGY SERVICES #164). KILL WELL. POOH LAYING DOWN RODS & PUMP. ND WELLHEAD & NU BOP. POOH W/ TBG & TAC. TIH W/ BIT, SCRAPER & TBG. SHUT DOWN. SECURE WELL. 5/08/02 - SAFETY MTG. FINISH TIH W/ BIT, SCRAPER & TBG TO 4355'. POOH W/ TBG, SCRAPER & BIT. TIH W/ RBP, RTTS PKR & TBG. SET RBP @ 4340'. UNLATCH FROM RBP. POOH 1 JT & SET PKR @ 4275'. RU PUMP TRK TO TBG. TEST RBP TO 1000 PSI. HELD GOOD. RU PUMP TRK TO CSG. TEST CSG TO 1000 PSI FOR 30 MIN. HELD GOOD. CHART AVAILABLE. RELEASE PKR & TIH W/ 1 JT. LATCH ONTO RBP. RELEASE RBP. POOH LAYING DOWN TBG, PKR & RBP. TIH W/ 3 STANDS FOR KILL STRING. SECURE WELL. SHUT DOWN. 5/09/02 - SAFETY MTG. RU HES WIRELINE TRK. MAKE GR/CCL RUN. MAKE A GAUGE RING RUN. GIH W/ CIBP & SET @ 4308'. RD HES. TIH PICKING UP WINDOW MILL, WATERMELON MILL & 3-1/2" DRILL PIPE. TAG TOP OF CIBP @ 4330'. POOH W/ 18 STANDS. SECURE WELL. WORK ON RIG. SHUT DOWN. 5/10/02 - SAFETY MTG. FINISH POOH W/ 3-1/2" DRILL PIPE, WATERMELON MILL & WINDOW MILL. PICK UP						
I hereby certify that the information above is true and complete to the best of my knowledge and belief.						
SIGNATURE May (Igno for A. M. Sander TITLE Supervisor, Regulation/Pror. DATE 5/30/02						
Type or print name L. M. Sanders				phone No. (915)368-148	38	
(This space for State use)		ORIGINAL SIGNE				
APPROVED BYConditions of approval, if any:	TIT	PAUL F. KAUT PETROLEUM ENG	NEER	DATE JUL 1 1 2	<u> </u>	

VACUUM GB/SA UNIT EAST TRACT 3440-003

WHIPSTOCK, ALIGN ORIENTING SUB W/ WHIPSTOCK. SPERRY SUN ON LOCATION. TIH W/ WHIPSTOCK, WINDOW MILL, WATERMELON MILL & 3-1/2" DRILL PIPE. RU SCIENTIFIC DRILLING. RUN GYRO SURVEY. WAIT ON ORDERS. SET WHIPSTOCK @ 261.6 DEGREES. SPERRY SUN ON LOCATION. SHEAR OFF WHIPSTOCK.

KOP @ 4321'.

RD SCIENTIFIC DRILLING. SECURE WELL. RU STRIPPING HEAD & SWIVEL CABLE. SHUT DOWN.

5/11/02 – SAFETY MTG. RU WEATHERFORD REVERSE UNIT. MILL WINDOW FROM 4313' TO 4321'. MILL FORMATION FROM 4321' TO 4324'. PUMP 5 GALLON SWEEP OF FLOWZAN. CIRCULATE CLEAN. RD WEATHERFORD REVERSE UNIT. POOH W/ 3-1/2" DRILL PIPE, WATERMELON MILL & WINDOW MILL. SECURE WELL. SHUT DOWN. 5/12/02 – 5/13/02 - CREW OFF.

5/14/02 – SAFETY MTG. RU MAN WELDING TO TEST BOP. TEST PIPE RAMS TO 250 PSI FOR 3 MIN. HELD GOOD. TEST 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/ 136 JTS 3-1/2" DRILL PIPE. HANG OFF ON TOP OF BOP. SECURE WELL. CLEAN LOCATION.

5/18/02 – SAFETY MTG W/ CREW & TRUCKING COMPANY. MOVE TO LOCATION. RIG UP EQUIPMENT. HOOK UP SAFETY EQUIPMENT. RIG UP MUD/GAS SEPERATOR. SAFETY MTG W/ NIGHT CREW. RIG INSPECTION. TEST CHOKE MANIFOLD & LINES TO 1000#, OK. POOH W/ 134 JTS 3-1/2 DP. SAFETY MTG "PICKING UP BHA". PU BHA #1. 3.06 DEG MOTOR W/ 5-5/8" KICK PAD. TRIP IN HOLE. RU POWER SWIVEL. INSTALL STRIPPER RUBBER. WAIT ON SCIENTIFIC WIRELINE TRUCK. SAFETY MTG "RIGGING UP & WORKING W/ WIRELINE". RIG UP SCIENTIFIC. WAIT ON GYRO TOOLS.

5/19/02 – SAFETY MTG. RIG UP WIRELINE & GIH W/ GYRO – SEAT GYRO.

CONTROL DRLG 4324' - 4328', 3 MIN/INCH @ 262 GTF.

POOH W/ GYRO. MAKE CONNECTION. GIH W/ GYRO & SEAT.

CONTROL DRLG 4328' - 4331', 3 MIN/INCH @ 262 GTF.

SLIDE FROM 4331' - 4363' @ 262 GTF W/ 6-12K WOB.

GYRO SURVEY. POOH W/ GYRO. MAKE CONNECTION. GIH W/ GYRO & SEAT.

SLIDE FROM 4363' – 4378' @ 262 GTF W/ 15K WOB.

UNSEAT GYRO. PULL UP 1000'. CLAMP OFF LINE.

SLIDE FROM 4378' - 4395' @ HS W/ 15K WOB.

RUN IN W/ GYRO SURVEY @ 4323', 5.66 DEG, 293.8 AZ.

SLIDE FROM 4395' -- 4427' @ HS W/ 15K WOB.

DEVIATION SURVEY @ 4377', 20.7 DEG, 284.0 AZ.

SLIDE FROM 4427' - 4491 @ 10L GTF W/ 18K WOB.

DEVIATION SURVEY @ 4441', 39.3 DEG, 284.5 AZ.

CIRCULATE & SAFETY MTG. POOH TO CHANGE MOTOR SETTING. SET MOTOR FROM 3.06 DEG TO 3.46 DEG. CHANGE OUT SLEEVE. TEST TOOLS, OK.

SAFETY MTG. TIH. PU POWER SWIVEL. INSTALL STRIPPER RUBBER & FILL PIPE.

SLIDE FROM 4491' - 4510 @ 20L GTF W/ 18K WOB.

80% DOLOMITE 10% ANHY 10% LIME

 $BG = 400U \quad CG = 800U \quad C02 = 65U$

NO SHOWS.

5/20/02 - SAFETY MTG.

SLIDE FROM 4510' - 4521' @ 20L W/ 20K WOB.

DEVIATION SURVEY @ 4471', 47.8 DEG, 283.3 AZ.

SLIDE FROM 4521' - 4583' @ 40L W/ 20K WOB.

DEVIATION SURVEY @ 4533', 65.8 DEG, 275.1 AZ.

SLIDE FROM 4583' - 4615' @ 45L W/ 20K WOB.

VACUUM GB/SA UNIT EAST TRACT 3440-003

CIRCULATE & SAFETY MTG. POOH FOR LATERAL ASSY. LD 29 JTS 3-1/2" DP. CHANGE BIT & SET MOTOR @ 1.69 DEG. ORIENT TOOLS. TEST TOOLS, OK. SAFETY MTG. TIH W/ 46 STANDS DP. SAFETY MTG. PU 30 JTS HWDP. FINISH TIH. PU POWER SWIVEL. INSTALL STRIPPER RUBBER. WASH 45' TO BOTTOM – NO FILL.

SLIDE FROM 4615' - 4631' @ 70L W/ 15K WOB.

SAFETY MTG.

ACCUM TIME TO SLIDE & ROTATE FROM 4631' – 4925' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

NOTE: LOSING 2-5 BBLS FLUID/HOUR.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 4631' - 4925'.

BOP DRILL.

100% DOLOMITE.

 $BG = 230U \quad CG = 340U \quad TRG = 570U \quad CO2 = 150U$

5/21/02 - SAFETY MTG. BOP DRILL.

ACCUM TIME TO SLIDE & ROTATE FROM 4925' - 5689' AS REQUIRED TO FOLLOW

DIRECTIONAL PLAN. LOSING 5-8 BBLS/HOUR.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 4925' - 5689'.

REPAIR TO STIFF ARM CABLE. SAFETY MTG & BOP DRILL.

90% DOLOMITE 10% ANHY

BG = 600U CONN GAS = 900U MAX GAS = 1200U

80% FLOUR. GOOD CUT.

5/22/02 - SAFETY MTG & BOP DRILL W/ DAYLIGHT CREW.

ACCUM TIME TO SLIDE & ROTATE FROM 5689' – 6030' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

NOTE: LOSING 5-10 BBL/HR.

JETTED OUT RESERVE PIT (FULL OF CUTTINGS).

ACUUM TIME TO ACQUIRE MWD SURVEYS FROM 5689' - 6030'.

SAFETY MTG & BOP DRILL W/ NIGHT CREW.

ACCUM TIME TO SLIDE & ROTATE FROM 6030' – 6412' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

NOTE: LOISING 5-10 BBL/HR.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 6030' - 6412'.

90% DOLOMITE 10% ANHY

 $BG = 380U \quad CG = 776U \quad MAX = 1474 \quad C02 = 100$

5/23/02 - SAFETY MTG & BOP DRILL W/ DAYLIGHT CREW. RIG REPAIR - REPACK SWIVEL.

ACCUM TIME TO SLIDE & ROTATE FROM 6412' – 6780', AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

NOTE: LOSING 10-20 BBL/HR.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 6412' - 6780'.

RIG REPAIR - REPACK SWIVEL.

ACCUM TIME TO SLIDE & ROTATE FROM 6780' – 7021' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

NOTE: LOSING 20 BBL/HR.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 6780' - 7021'.

90% DOLOMITE 10% ANHY

 $BG = 750U \quad CG = 1100U \quad C02 = 100U$

5/24/02 - SAFETY MTG & BOP DRILL.

ACCUM TIME TO SLIDE & ROTATE FROM 7021' – 7224' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

NOTE: LOSING 20 BBL/HR.

TD @ 7224' @ 13:30 PM 5/23/02.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 7021' - 7224'.

VACUUM GB/SA UNIT EAST TRACT 3440-003

CIRC & COND HOLE. SWEEP HOLE W/ FLOWZAN. POOH W/ 47 STANDS UP INTO CASING SHOE. SAFETY MTG. TRIP IN HOLE. TAGGED BOTTOM. NO FILL. NO PROBLEMS. SAFETY MTG W/ NIGHT CREW. LAY DOWN DP & BHA TOOLS. NIPPLE DOWN BELL NIPPLE & STRIPPER. GIH W/ 4 JTS 3-1/2" DP. INSTALL TIW VALVE. CLOSE HYDRIL. CLOSE AND LOCK PIPE RAMS. RIGGING DOWN.

5/25/02 – RIGGING DOWN. SAFETY STAND-DOWN MTG. LAY DOWN DERRICK. FINISH PREP FOR RIG MOVE. RIG RELEASED 10:00 AM 5/24/02. CREWS OFF TILL TUESDAY 5/28/02. WAITING ON NEXT LOCATION.

5/26/02 – 5/28/02 - CREWS OFF. WAITING ON NEXT LOCATION.

