Submit 3 Copies To Appropriate District State of New Mexico Office Energy, Minerals and Natural Resource District I 1625 N. French Dr., Hobbs, NM 87240 District II OIL CONSERVATION DIVISIO 811 South First, Artesia, NM 87210 District III 2040 South Pacheco 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV 2040 South Pacheco, Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well X Gas Well Other Name of Operator Phillips Petroleum Company Address of Operator 4001 Penbrook Street Odessa, TX 79762

OTHER:

Form C-103

District I	Energy, Minerals and	Revised March 25, 1999								
1625 N. French Dr., Hobbs, NM 87240 District II		WELL API NO.								
811 South First, Artesia, NM 87210	OIL CONSERVA	30-025-03009 5. Indicate Type of Lease								
District III 1000 Rio Brazos Rd., Aztec, NM 87410	2040 South Pacheco Santa Fe, NM 87505				0m+mn [ii] — [iii					
District IV 2040 South Pacheco, Santa Fe, NM 87505	Santa Fe, 1	6. State Oil & Gas Lease No.								
2040 South Facheco, Santa Fe, NM 8/505					8-1845		Lease N	NO.		
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.)						7. Lease Name or Unit Agreement Name:				
1. Type of Well:	pe of Well:					VACUUM GB/SA UNIT EAST TRACT 3440				
2. Name of Operator	O UTO				8. Well N	<u> </u>				
Phillips Petroleum Company					003	Ю.				
3. Address of Operator					9. Pool n	ame or Wi	ildcat			
4001 Penbrook Street Odessa 4. Well Location	<u>, TX 79762</u>				VACUUM G			DRES	İ	
4. Well Location										
Unit LetterM :	feet from the	WES	ST	line and	990	feet from	n the	SOUTH	line	
Section 34	Township 17		Range	35E	NMPM		Count	ty LE	a l	
	10. Elevation (Show wh	ether	DR, RK	B, RT, GR, et	c.)					
11 Check A			/ 392		D /			ha a mari Malaysa	and the	
NOTICE OF INTE	ppropriate Box to Ind	ncate	Natur							
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK						VT REP				
	FLOG AND ABANDON	ш	REME	DIAL WORK		LJ	ALTE	RING CASI	NG [
EMPORARILY ABANDON	CHANGE PLANS		COMM	IENCE DRILL	ING OPNS.		PLUG		. [
PULL OR ALTER CASING	MULTIPLE COMPLETION			G TEST AND NT JOB			ADAN	IDONMENT		
OTHER:			OTHE	R: DRILL A 2	2780' LATE	RAL (ON	PRODUC	CTION)		
12. Describe Proposed or Completed of starting any proposed work). or recompilation.	1 Operations (Clearly state SEE RULE 1103. For Mu	e all po iltiple	ertinent	details and o	ive pertinen	t dates in	aludina	astimated	1.4.	
6/07/02 - SWAB BACK WELL. 138 WATER. ENDING FLUID L 6/08/02 - 6/09/02 - SHUT D 6/10/02 - SWAB BACK WELL. 168 WATER. ENDING FLUID L 6/11/02 - SWAB BACK WELL. 165 WATER. ENDING FLUID L 6/12/02 - SWAB BACK WELL. 165 WATER. ENDING FLUID L 6/13/02 - MOVE IN AND RIGG 2-7/8" TBG. LAID DOWN PAC 6/14/02 - KILLED WELL AND EQUIPMENT. 2-7/8" EOT DEP	EVEL @ 1800'. OWN FOR WEEKEND. 80# SIP. STARTING F EVEL @ 1500'. 90# SIP. STARTING F EVEL AT 1800'. 80# SIP. STARTING F EVEL AT 1700'. RIGGE ED UP DDU. UNFLANGED KER. GIH W/ KILL STR COOH W/ KILL STRING. TH AT 4250'. PUMP IN	FLUID	LEVEL LEVEL VN SWAB HEAD. SDFN. CUP SU AT 430	AT 1200'. AT 1200'. AT 1200'. UNIT AND MUNSET PACK	MADE 46 R MADE 45 R MADE 46 R MOVED OFF CER & NIPP PUMP AND R I DOWN BOP	UNS. RE UNS. RE UNS. RE WE'LL LED UP B	COVERE COVERE COVERE	D 17 OIL D 15 OIL D 15 OIL OOH W/ PK	& & & R &	
GNATURE May Kilcare for	h-M Danclew	est of r TITL	ny know E <u>Supe</u>	ledge and belie	f. ulation/Pr	or. D	ATE_	7/03/02	2	
me or print name M. Sandons										

6/14/02 - KILLED WELL AND COOH W/ KILL STRING. PICK UP SUBMERS EQUIPMENT. 2-7/8" EOT DEPTH AT 4250'. PUMP INTAKE AT 4303'. I hereby certify that the information above is true and complete to the best of my knowledge SIGNATURE TITLE Superviso Type or print name L. M. Sanders Telephone No. 915-368-1488 GIVAL SIGNED BY. (This space for State use) PAUL F. KAUTZ APPROVED BY TITLE DATEL Conditions of approval, if any:

VACUUM GB/SA UNIT EAST TRACT 3440-003

WELLHEAD AND FLOWLINE. RIGGED DOWN DDU AND MOVED OFF WELL. WELL BACK ON PRODUCTION.

6/15/02 – WELL ON 14 HR TEST: 9.3 OIL, 685 WATER & 79 GAS. 55% CO2. TBG PRESSURE 165 PSI. CSG PRESSURE 50 PSI. OIL GRAVITY 39.

- 6/16/02 WELL ON TEST: 192 OIL, 936 WATER & 147 GAS. 32% CO2.
- 6/17/02 WELL ON TEST: 411 OIL, 629 WATER & 140 GAS. 18% CO2.
- 6/18/02 WELL ON TEST: 423 OIL, 578 WATER & 125 GAS. 14% CO2.
- 6/19/02 WELL ON TEST: 495 OIL, 582 WATER & 151 GAS.
- 6/20/02 WELL ON TEST: 522 OIL, 592 WATER & 148 GAS. 9% CO2.
- 6/21/02 WELL ON TEST: 512 OIL, 584 WATER & 167 GAS. 8% CO2.
- 6/22/02 WELL ON TEST: 514 OIL, 571 WATER & 182 GAS. 7% CO2.
- 6/23/02 WELL ON TEST: 516 OIL, 558 WATER & 161 GAS. 7% CO2.
- 6/24/02 WELL ON TEST: 509 OIL, 548 WATER & 183 GAS. 6% CO2.
- 6/25/02 WELL ON TEST: 486 OIL, 515 WATER & 175 GAS. 6% CO2. 6/26/02 WELL ON TEST: 476 OIL, 479 WATER & 188 GAS. 6% CO2.
- 6/27/02 WELL ON TEST: 391 OIL, 389 WATER & 288 GAS. 6% CO2.
- 6/28/02 WELL ON TEST: 461 OIL, 429 WATER & 192 GAS. 5% CO2.
- 6/29/02 WELL ON TEST: 443 OIL, 415 WATER & 155 GAS. 5% CO2.
- 6/30/02 WELL ON TEST: 505 OIL, 469 WATER & 181 GAS. 5% CO2
- 7/01/02 WELL ON TEST: 480 OIL, 426 WATER & 234 GAS. 5% CO2.
- 7/02 02 WELL ON TEST: 468 OIL, 399 WATER & 255 GAS. 5% CO2.

Form C-103 State of New Mexico Submit 3 Copies To Appropriate District Energy, Minerals and Natural Resources Revised March 25, 1999 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-025-03009 District II OIL CONSERVATION DIVISION 5. Indicate Type of Lease 811 South First, Artesia, NM 87210 2040 South Pacheco District III STATE X FEE \square 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-1845 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 3440 Oil Well Gas Well Other 8. Well No. 2. Name of Operator 003 Phillips Petroleum Company 9. Pool name or Wildcat 3. Address of Operator VACUUM GRAYBURG/SAN ANDRES 4001 Penbrook Street Odessa, TX 4. Well Location 990 330 WEST SOUTH Unit Letter feet from the line and feet from the **NMPM** County LEA Section 34 Township 17S Range 35E 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 SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: **ALTERING CASING** PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK **TEMPORARILY ABANDON CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT CASING TEST AND **PULL OR ALTER CASING MULTIPLE** COMPLETION **CEMENT JOB** X OTHER: OTHER: DRILL A 2780' LATERAL (ACIDIZE & SWAB) 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. 5/29/02 - MI RU DDU. HOOKED UP BOP. SET PIPE RACKS. UNLOADED AND TALLIED TBG. RIGGED UP TO LAY DOWN DRILL PIPE AND LAID DOWN 4 JTS 3-1/2" DRILL PIPE. PICKED UP PERFORATED SUB & GIH PICKING UP TBG OFF RACK. TAGGED TD AT 7230'. COOH W/ TBG UP INTO CSG. SDFN. 5/30/02 - GIH W/ PERFORATED SUB AND TBG. RIGGED UP LOGGERS AND HES PUMP TRUCK FOR PUMP DOWN LOG. PUMPED DOWN LOG. RAN GAMMA RAY LOG. LOGGERS TD 7220'. RIGGED DOWN LOGGING TRUCK. PUMPED 2 VISCOUS SWEEPS TO CLEAN HOLE. COOH W/ TBG. LAID DOWN 103 JTS. STOOD BACK 68 STDS. GIH W/ BIT & SCRAPER. COOH W/ BIT & SCRAPER. LEFT KILL STRING IN HOLE. SDFN. 5/31/02 - BLEED DOWN WELL & COOH W/ KILL STRING. PICKED UP PKR & HYDRO-TESTED 2-7/8" TBG IN HOLE. NIPPLED DOWN BOP. SET PKR @ 4272' & FLANGED UP WELLHEAD. TESTED CSG TO 500 PSI, HELD OK. RIGGED DOWN 020 DDU & MOVED OFF WELL. CLEANED LOCATION. SÕÕOH 6/01/02 - SHUT DOWN FOR WEEKEND. PRESSURE TEST LINES. 6/02/02 - SHUT DOWN FOR WEEKEND. HEATED 730 BBLS FRESH WATER TO 200 DEGREES. 6/03/02 - RIGGED UP HES. ROLL CHEMICALS INTO WATER & ACID. LOAD & TEST COIL. I hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE Supervisor, Regulation/Pror. 6/12/02 SIGNATURE/ Type or print name L. M. Sander's Telephone No. 915-368-1488 (This space for State use) JUL 1 1 2002 ORIGINAL SIGNED BY PAUL F. KAUTZ APPROVED BY_ TITLE DATE Conditions of approval, if any: PETROLEUM ENGINEER

VACUUM GB/SA UNIT EAST TRACT 3440-003

W/ COILED TBG. ACIDIZE WELL W/ 27,000 GALLONS 15% FERCHEK SC ACID. WASHED FROM 6400' – 7200'. WASHED HOLE IN FLUID SECTION. DISPLACED COIL W/ FRESH WATER. SWAPPED OUT TRUCKS. RETESTED LINES & STARTED ACID. WASHED FROM 5200' TO 6400'. DISPLACED TBG W/ FRESH WATER TO CHANGE OUT VALVE. STARTED ACID & WASHED FROM 4534' TO 5200'. DROPPED BALL TO SHIFT TOOL. WITH COIL AT 4300' STARTED WASHING TO BOTTOM WITH 70 QUALITY FOAM. WASHED TO 7220'. COOH W/ COILED TBG JETTING WITH NITROGEN AT 45 FT PER MINUTE. TOTAL LOAD PUMPED: 800 BBLS. RIGGED DOWN HES AND MOVED COILED TBG UNIT OFF WELL. RIGGED UP SWAB UNIT.

6/04/02 – SWAB BACK WELL. STARTING FLUID LEVEL AT 300'. MADE 62 RUNS. RECOVERED 295 BBLS. NO OIL. ENDING FLUID LEVEL @ 1100'. 6/05/02 – SWAB BACK WELL. STARTING FLUID LEVEL AT 900'. MADE 46 RUNS. RECOVERED 15 OIL & 183 WATER. ENDING FLUID LEVEL AT 1200'. 6/06//02 – SWAB BACK WELL. STARTING FLUID LEVEL AT 1100'. MADE 45 RUNS. RECOVERED 35 OIL & 160 WATER. ENDING FLUID LEVEL AT 1600'.