Form C-103 State of New Mexico Submit 3 Copies To Appropriate District Energy, Minerals and Natural Resources Revised March 25, 1999 Office District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-025-26655 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-1334 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 3308** Oil Well X Gas Well Other 8. Well No. 2. Name of Operator 004 Phillips Petroleum Company 9. Pool name or Wildcat 3. Address of Operator 4001 Penbrook Street Odessa, TX 79762 4. Well Location WEST 200 NORTH 100 feet from the line line and feet from the Unit Letter **NMPM** County **LEA** Range 35-E Section 33 Township 17-S 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3951' GL / 3961' KB 11. Check Appropriate Box to Indicate, Nature of Notice, Report, or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: **ALTERING CASING** REMEDIAL WORK PERFORM REMEDIAL WORK PLUG AND ABANDON **PLUG AND CHANGE PLANS** COMMENCE DRILLING OPNS. **TEMPORARILY ABANDON ABANDONMENT** CASING TEST AND **MULTIPLE PULL OR ALTER CASING** CEMENT JOB COMPLETION IX OTHER: DRILL A 2850' LATERAL OTHER: 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. 4/09/02 - SAFETY MTG. MI RU DDU (POOL CO. #587). WAIT ON PUMPING UNIT & ELECTRICAL EQUIPMENT TO BE REMOVED FROM LOCATION. KILL WELL. COULD NOT UNSEAT PUMP. BACK OFF RODS. POOH LAYING DOWN RODS. KILL WELL. ND WELLHEAD. NU BOP. POOH W/ TBG. HAD TO MAKE 2 SWAB RUNS. SHUT WELL IN. 4/10/02 - SAFETY MTG. FINISH POOH W/ TBG. GIH W/ BIT & SCRAPER TO 4440'. POOH W/ BIT & SCRAPER. GIH W/ 7" 3-L RBP & RTTS PKR. SET RBP @ 4341'. LAID DOWN 1 JT TBG. SET PKR @ 4309'. RU PUMP TRK UP TO TBG & TEST TO 1000 PSI. HELD GOOD. RD PUMP TRK & RU PUMP TRK TO CSG. LOAD CSG. TEST CSG TO 1000 PSI FOR 30 MIN. HELD GOOD. CHART AVAILABLE. UNSET PKR. PICK UP 1 JT & GIH. LATCH ON TO RBP & RELEASE RBP. POOH LAYING DOWN TBG, PKR & RBP. SHUT WELL IN. SHUT DOWN. 4/11/02 - SAFETY MTG. KILL WELL. ND BOP. NU BOP W/ GATE VALVES & INSTALL STEEL LINES & AMORED HOSES TO ACCUMULATER. MI RU ROTARY WIRELINE. GIH W/ GAUGE RING & WIRELINE TO 4325'. \ POOH W/ WIRELINE & GAUGE RING. GIH W/ CIBP & WIRELINE. SET TOP CIBP @ 4300'. POOH W/ WIRELINE. RDMO ROTERY WIRELINE. MI RU BULL RODGERS TONGS. START GIH W/ WINDOW MILL, WATERMELON MILL & 3-1/2" IF DRILL PIPE. SHUT DOWN AFTER GIH W/ 7 JTS 3-1/2" DRILL PIPE. WAS NOT PROPERLY SET UP FOR RUNNING 3-1/2" DRILL PIPE. ROMO BULL RODGERS I hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE Supervisor, Regulation/Pror. DATE SIGNATURE Telephone No. (915)368-1488 Type or print name L. M. Sanders ORIGINAL SIGNED BY (This space for State use) DATE 2 2 2002 PAUL F. KAUTZ

TITLECTROLEUM ENGINEER

APPROVED BY_

Conditions of approval, if any:

VACUUM GB/SA UNIT EAST TRACT 3308-004

TONGS. WAIT ON WEATHERFORD TONGS TO ARRIVE. MI RU WEATHERFORD TONGS. START GIH W/ 3-1/2" DRILL PIPE. BACK UPS ON TONGS WOULD NOT WORK. SHUT DOWN. SHUT WELL IN.

4/12/02 – SAFETY MTG. FINISH GIH W/ WINDOW MILL, WATERMELON MILL & 3-1/2" DRILL PIPE. TAG TOP OF CIBP @ 4291'. POOH W/ 3-1/2" DRILL PIPE, WATERMELON MILL & WINDOW MILL. PICKED UP 1 JT 3-1/2" DRILL PIPE. PICK UP WHIPSTOCK, ONE TRIP MILL & ORIENTING SUB. ALIGN ORIENTING SUB W/ WHIPSTOCK. SPERRY SUN ON LOCATION. GIH W/ ASSEMBLY & 3-1/2" DRILL PIPE TO 4280'. MI RU SCIENTIFIC DRILLING. GIH /W GYRO TO 4263'. TAKE REPORT TO DRILLING SUPERVISORS & SPERRY SUN REP. TOLD WE WOULD HAVE TO WAIT UNTIL TOMORROW TO SET WHIPSTOCK. POOH W/ GYRO. SHUT DOWN. SHUT WELL IN.

4/13/02 – SAFETY MTG. WAIT ON ORDERS. ORIENT WHIPSTOCK TO 243 DEGREES. GIH & SET SLIPS ON WHIPSTOCK. PICK UP 1'. SHEAR OFF WHIPSTOCK. CHECK ORIENTATION OF WHIPSTOCK. WHIPSTOCK SET @ 244 DEGREES. RDMO SCIENTIFIC DRILLING. RU WEATHERFORD REVERSE UNIT.

MILL WINDOW FROM 4276' TO 4284'. MILL FORMATION FROM 4284' TO 4287'. KOP @ 4284'. POOH ABOVE WINDOW.

SWEEP HOLE CLEAN W/ 3 GALLONS FLOZAN. RD WEATHERFORD REVERSE UNIT. POOH W/ 3-1/2" DRILL PIPE, WATERMELON MILL & WINDOW MILL.

WINDOW MILL GAUGED @ 6-1/4". SHUT WELL IN. SHUT DOWN.

4/14/02 – SAFETY MTG. GIH OPEN ENDED W/ 133 JTS 3-1/2" DRILL PIPE TO 4258'. SET ELEVATORS ON TOP OF BOP & INSTALL TIW VALVE. RDMO DDU.

4/17/02 – RDMO EVGSAU #3229-002. MIRU ON 3308-004 (YALE E. KEY #115). POOH W/ 133 JTS 3-1/2" DP. NIPPLE DOWN HYDRIL. RE-ALIGN & NU. INSTALL BELL NIPPLE & FLOWLINE. 4/18/02 – TEST BOP. LEAK FROM FLANGE. TIGHTEN FLANGE. TEST, WOULD NOT TEST. 7" 8RD THREADS ON 7" BELL NIPPLE ERODED AWAY. WO RBP. SAFETY MTG. MU & GIH W/ RBP, 25 STD DP (1.610'). SET RBP 1.610', PULL 1 STD. DUMP 4 SXS OF SAND ON TOP OF RBP (+/- 20' OF FILL). TOH W/ DP (24 STD & ON/OFF TOOL). OBSERVE WELL. WELL STATIC. HELD SAFETY MTG. ND CLASS II BOPE. INSTALL NEW 7" 8RD BELL NIPPLE ON 7" 23 LB/FT CSG. NU CLASS II BOPE. HYDRIL WOULD NOT TEST. PRESSURE TEST BLIND RAMS & 7" CSG FROM SURFACE TO 1610' TO 250# LOW & 500# HIGH. PRESSURE TEST. INSTALL 7" CUP TYPE TEST PLUG. PRESSURE TEST 3-1/2" PIPE RAMS TO 250# LOW & 1000# HIGH. PRESSURE TEST, HELD OK. ND 7-1/16" 3M HYDRIL. REPLACED HYDRIL SEALING ELEMENT. NU 7-16" 3M HYDRIL. INSTALL 7" CUP TYPE TEST PLUG. TEST HYDRIL TO 250# LOW & 1000# HIGH. PRESSURE TEST, HELD OK. NU STRIPPER SPOOL FOR 3-1/2" DRILL PIPE. TIH, TAG SAND (1595'), 15' OF SAND ON TOP OF RBP. RU SWIVEL & ROTATING HEAD. SAFETY MTG.

4/19/02 -- WASH SAND OFF TOP OF RBP FROM 1595' TO 1610'. CIRC SAND OUT OF HOLE. RELEASED RBP @ 1610' & POOH. HELD SAFETY MTG. PU & MAKE UP MUD MOTOR. WAIT ON SLIPS FOR 4-3/4" OD MUD MOTOR & TOOLS. PU & MAKE UP MUD MOTOR W/ 2.77 DEG BEND & BHA. TIH TO 4280'. HELD SAFETY MTG. RU SCIENTIFIC DRILLING WIRELINE UNIT & TIH W/ GYRO SURVEY TOOL. PACK OFF WOULD NOT SEAL AROUND WIRELINE. POOH. REHEAD WIRELINE & REPLACE PACK OFF SEAL. TIH W/ GYRO, GYRO TOOL SHORTED OUT WHILE TIH. POOH. REHEAD WIRELINE. TIH, GYRO TOOL SHORTED OUT. POOH. CUT OFF WIRELINE. REHEAD WIRELINE. TIH.

CONTROL DRILLING FROM 4287' TO 4306' W/ GYRO TOOL FACE @ 243 DEG. CO2 = 389 TO 504 UNITS.

4/20/02 – SLIDE FROM 4306' TO 4322' W/ GYRO TOOL FACE @ 240 DEG AZ. POOH W/ GYRO SURVEY TOOL. MAKE CONNECTION. TIH W/ GYRO SURVEY TOOL. SLIDE FROM 4322' TO 4325' W/ GYRO TOOL FACE @ 243 DEG AZ. REPAIR #1 MUD PUMP.

SLIDE FROM 4325' TO 4353' W/ GYRO TOOL FACE @ 243 DEG AZ. POOH W/ GYRO SURVEY TOOL. MAKE CONNECTION. SLIDE FROM 4353' TO 4385'.

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TIH W/ GYRO SURVEY TOOL & SURVEY @ 4313', 11.61 DEG, 246.56 DEG AZ.

CIRCULATE & MWD SURVEY @ 4335', 17.5 DEG, 245.2 DEG AZ.

SLIDE FROM 4385' TO 4389'.

CIRCULATE & MWD SURVEY @ 4339', 18.8 DEG, 244.4 DEG AZ.

POOH TO ADJUST MOTOR FROM 2.77 DEG TO 2.12 DEG. ORIENT & TEST MWD. GIH W/ BHA #2. RIG REPAIR – TONGS. GIH W/ BHA #2.

ACCUM TIME TO SLIDE & ROTATE FROM 4389' - 4484' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 4389' - 4484'.

80% DOLOMITE, 10% LIME, 10% ANHY

BG = 25U, CG = 35U, TR = 45U, CO2 = 60U

4/21/02 – ACCUM TIME SLIDE & ROTATE FROM 4484' – 4585' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 4484' - 4585'.

SWEEP & CIRC HOLE FOR BHA TRIP. SAFETY MTG. POOH FOR BHA. SAFETY MTG. LAY DOWN MOTOR. PU LATERAL ASSY. SET MOTOR @ 1.83 DEG. ORIENT TOOLS. TIH.

ACCUM TIME SLIDE & ROTATE FROM 4585' – 4756' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

ACCUM TIME TO ACQUIRE MWD SURVEYS 4586' - 4756'.

LAY DOWN 2 JTS DP. LEAKING TOOL JOINTS. SAFETY MTG "PICKING UP LATERAL ASSY". 70% DOLOMITE, 20% ANHY, 10% SILTSTONE

BG = 22U, CG = 145U, TRG = 305U

4/22/02 - BOP DRILL & SAFETY MTG.

ACCUM TIME TO SLIDE & ROTATE FROM 4756' – 5093' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

NOTE: NEW PLAN TO BE 5' ABOVE ORIGINAL LINE AS PER WENDY ROBERSON.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 4756' - 5093'.

90% DOLOMITE, 10% ANHY

BG = 100U, CG = 125U, CO2 = 125U

4/23/02 - DRILLING FROM 5093' TO 5115'.

CIRC & COND HOLE. POOH TO 4202' (WIPER TRIP). CLEAN SUCTION & RESERVE PIT. TIH FROM 4202' TO 5115', NO FILL.

ACCUM TIME TO SLIDE & ROTATE FROM 5115' – 5338' AS REQUIRED TO FOLLOW DIRECTIONAL PLAN.

ACCUM TIME TO ACQUIRE MWD SURVEYS FROM 5115' - 5338'.

BOP DRILL & SAFETY MTG.

100% DOLOMITE

BG = 22U, CG = 120U, TR = 130U

4/24/02 - ACCUM TIME TO SLIDE & ROTATE FROM 5338' - 5397'.

ACCUM TIME TO OBTAIN MWD SURVEYS FROM 5338' - 5397'.

SAFETY MTG. POOH. MAKE UP MUD MOTOR & MWD SURVEY TOOLS. TEST MWD. WAIT ON SECURITY TO DELIVER FM2633 PDC BIT. SAFETY MTG. TIH W/ BIT #3 SECURITY FM2633 SIX BLADE PDC.

N. C. C. C. S. C.

ACCUM TIME TO SLIDE & ROTATE FROM 5397' - 5498'.

ACCUM TIME TO OBTAIN MWD SURVEYS FROM 5397' - 5498'.

BOP DRILL & SAFETY MTG.

100% DOLOMITE

BG = 50U, CG = 0, TR = 0

4/25/02 – ACCUM TIME TO SLIDE & ROTATE FROM 5498' – 5719'.

ACCUM TIME TO OBTAIN MWD SURVEYS FROM 5498' - 5719'.

HELD SAFETY MTG. POOH W/ BIT #3 (SECURITY FM2633). TIH W/ BIT #4 (SECURITY XS31 TRI-CONE).

80% LIMESTONE, 20% DOLOMITE

BG = 12U, CG = 40U, CO2 = 720U @ 5617', BGCO2 = 132U

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4/26/02 - HELD SAFETY MTG. FINISH TIH W/ BIT #4, NO FILL.

ACCUM TIME TO SLIDE FROM & ROTATE FROM 5719' TO 6150'.

ACCUM TIME TO OBTAIN MWD SURVEYS FROM 5719' - 6150'.

BOP DRILL / SAFETY MTG.

100% DOLOMITE

BG = 150U, CG = 225U, CO2 = 120

4/27/02 – ACCUM TIME TO SLIDE & ROTATE DRILL 6-1/8" LATERAL HOLE SECTION FROM 6150' – 6699'.

ACCUM TIME TO OBTAIN MWD SURVEYS FROM 6150' - 6699'.

SAFETY MTG. BOP DRILL. RIG REPAIR - AUTOMATIC DRILLER.

BG = 26U, CG = 304U, MAX GAS = 428U, CO2 = 120U

4/28/02 – ACCUM TIME TO SLIDE & ROTATE DRILL 6-1/8" LATERAL HOLE SECTION FROM 6699' - 6790'.

ACCUM TIME TO OBTAIN MWD SURVEYS FROM 6699' - 6790'.

CIRC & COND HOLE. POOH W/ BIT #4 TO +/- 4197'. WAIT ON WEATHERFORD. WAIT ON HIGH WINDS TO PASS. LAY DOWN 20 JTS OF 3-1/2" 13.30# S135 DRILL PIPE. FINISH POOH W/ BIT #4. GIH W/ BIT #5. WASH 70' TO BOTTOM, NO FILL.

ACCUM TIME TO SLIDE & ROTATE DRILL FROM 6790' - 6942'.

ACCUM TIME TO OBTAIN MWD SURVEYS FROM 6790' - 6942'.

100% DOLOMITE

BG=100U, CG=125U, $TRIP\ GAS=300U$, CO2=120U

MAX CO2 = 250

4/29/02 - ACCUM TIME TO SLIDE & ROTATE DRILL FROM 6942' - 7038'.

ACCUM TIME TO OBTAIN MWD SURVEYS FROM 6942' - 7038'.

POOH TO 4260'. REPAIR HYDRAULIC CONTROL VALVE ON SWIVEL POWER UNIT. TIH FROM 4260' – 7038', NO FILL.

ACCUM TIME TO SLIDE & ROTATE DRILL FROM 7038' - 7235'.

ACCUM TIME TO OBTAIN MWD SURVEYS FROM 7038' - 7235'.

90% DOLOMTIE, 10% AHYDRITE

BG = 64U, CG = 196U, TRIP GAS = 210U, CO2 = 120U

4/30/02 – SLIDE & ROTATE DRILL FROM 7235' – 7319'. TD 6-1/8" HOLE @ 09:30 AM CDT.

MWD SURVEYS. CIRC & COND HOLE. LAY DOWN 3-1/2" DP & BHA. SECURE WELL.

CLOSED & LOCKED BLIND RAMS. SLIP & CUT DRILLING LINE. RD MUD GAS SEPERATOR. PREP TO RD & MOVE KEY ENERGY SERVICES #115.

5/01/02 – MI & RU DDU. SET UP PIPE RACKS. UNLOADED & TALLIED TBG. GIH, PICKING UP TBG OFF RACK. SD DUE TO HIGH WINDS.

5/02/02 – FINISHED GIH /W TBG TO 7319'. PUMPED DOWN GAMMA RAY LOG & LOGGED WELL. PUMP SWEEPS TO CLEAN HOLE. COOH W/ TBG. LAID DOWN 95 JTS. GIH W/ BIT & SCRAPER. COOH W/ BIT & SCRAPER. LEFT KILL STRING IN HOLE. SDFN.

5/03/02 – COOH W/ BIT & SCRAPER. LAID DOWN BIT & SCRAPER. PICKED UP PKR & HYDRO TESTED TBG IN HOLE. NIPPLED DOWN BOP. SET PKR & FLANGED UP WELLHEAD. RIGGED DOWN DDU & MOVED OFF WELL.

5/04/02 - 5/05/02 - SHUT DOWN FOR WEEKEND.

5/06/02 – HEATED WATER IN FRAC TANKS & OTHER PREPARATIONS FOR COILED TBG ACID JOB. START IN HOLE W/ COILED TBG. WASHED TO BOTTOM TO 7332' W/ SLICK WATER. COOH W/ COILED TBG WASHING W/ ACID AT 16 FT/MIN. HOLE IN COILED TBG AT 4560'. FLUSHED TBG & COOH. CALLED FOR BODY LOAD COILED TBG UNIT. RIGGED DOWN COILED TBG UNIT. RIGGED UP BODY LOAD COILED TBG UNIT & GIH W/ TBG. 5/07/02 – JET HOLE W/ NITROGEN AT 1000 SCF/MIN. RIGGED DOWN COILED TBG UNIT & MOVED OFF WELL. MOVED IN DDU & RIGGED UP TO SWAB. SWAB BACK WELL. MADE 33 RUNS. RECOVERED 178 BBLS. TRACE OF OIL IN SAMPLE. STARTING FLUID LEVEL AT 2300'. ENDING FLUID LEVEL AT 2800'.