Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office Energy, Minerals and Natural Resources Revised March 25, 1999 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-025-32061 District II 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 STATE X FEE Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 2040 South Pacheco, Santa Fe, NM 87505 A-1320 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.) EAST VACUUM GB/SA UNIT 1. Type of Well: **TRACT 3229** Oil Well X Gas Well Other 2. Name of Operator 8. Well No. Phillips Petroleum Company 013 3. Address of Operator 9. Pool name or Wildcat 4001 Penbrook Street, Odessa, TX 79762 VACUUM GB/SA 4. Well Location 2000' SOUTH line and 2630' feet from the feet from the WEST Section Township 17-S Range 35-F NMPM County LEA 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3961.3' GL 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: COMMENCE DRILLING OPNS, & PUT WELL ON TEST 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. 5/14/01 SLIDE & ROTATE LATERAL 6012' - 6298'. 50 BBLS TO FILL HOLE (50% - 90% RETURNS LOST 50 BBLS) PUMP REPAIR MECHANIC REMOVED VALVE SEAT & FOUND WASH IN PUMP BODY. ABLE TO RUN PUMP W/ NEW VALVE SEAT & SENT FOR STBY PUMP AS BACK UP TO FINISH HOLE. SLIDE & ROTATE LATERAL 6298' - 6492' 5/15/01 SLIDE & ROTATE LATERAL 6492' - 6774'. 5/16/01 SLIDE & ROTATE LATERAL 6774' - 7033'. CIRC & SWEEP HOLE TO LD DP. SHORT TRIP TO CSG (45 -STANDS) NO FILL ON BOTTOM. TOH LD DP (97 JTS) 5/17/01 FINISH LD DP & DIRECTIONAL TOOLS. ND BOP & NU PRODUCTION BOP. CLEAN OUT PITS & RD. RD SWIVEL & DRIVE UNIT. RD SUB & MO. RD & MO SEPARATOR & FLARE LINES, CHOKE, CHOKE MANIFOLD, & CHOKE PANEL. 5/18/01 MI RU DDU. BOP ALREADY ON WELL. GIH W/ BULL PLUG, 4' X 2-7/8" PERFORATED SUB, & 2-7/8 TBG TO 7030'. TESTING TBG TO 5000 PSI. COOH TO 4100'. SD. 5/19/01 CREW OFF. 5/20/01 CREW OFF. *** CONTINUED ON BACK *** I hereby certify that the information above is true and complete to the best of my knowledge and belief.

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EAST V. JUUM GB/SA UNIT #3229-013 CONLINUED

5/21/01 GIH W/ 2-7/8 TBG TO 7030'. MI RU HES. RU POOL PUMP TRUCK. PUMP HES LOGGING TOOL TO 7030'. RD POOL PUMP TRUCK. LOG WELL. RD HES. SD.

5/22/01 COOH W/ 2-7/8 TBG. GIH W/ 5-1/2 PKR & TBG. SET PKR @ 4110'. SD.

5/23/01 MI RU HES COILED TBG RIG. GIH W/ 1-1/2" COILED TBG W/ SPIRAL HYDO-BLAST PUMPING N2 @ 150 SCF/M INCREASE RATE TO 250 SCF/M BEFORE ENTERING CURVE OF LATERAL, CONTINUE PUMPING N2 @ 250 SCF/M TO 7030". COOH PUMPING 15% FERCHECK HCL ACID @ 1.75 BPM, 3595 PSI, CONTINUE PUMPING N2 @ 250 MCF/M TO 4620". STOP PUMPING ACID, SWITCH TO SLICK 2% KCL WATER & INCREASE N2 TO 350 SCF/M & WASH DOWN TO 7030". COOH W/COILED TBG WASHING BACK OUT OF LATERAL, MAXIMIZING PULL RATE DURING WASHING. MAX PSI – 4406, MIN PSI – 3062, AVG PSI – 3995. MAX RATE – 2 BPM, AVG RATE – 1.7 BPM. TOTAL ACID – 439 BBLS. TOTAL 2% SLICK WATER – 230 BBLS. TOTAL LOAD – 669 BBLS. RD MO HES COILED TBG. SHUT WELL IN, SD.

5/24/01 WELL NOT FLOWING.

5/25/01 MI RU DDU. ND WELLHEAD. NU BOP. RELEASE PKR. COOH W/TBG & PKR. GIH W/HOOK, 6 COLLARS, JARS, BUMPER SUB, & TBG. LATCH ON TO WHIPSTOCK & JAR LOOSE. COOH W/TBG, BUMPER SUB, JARS, 6 COLLARS, HOOK, & WHIPSTOCK. SD.

5/26/01 CREW OFF.

5/27/01 CREW OFF.

5/28/01 GIH W/ HYDROSTATIC BAILER & CLEAN 7' OF SAND OFF TOP OF RBP @ 4246'. COOH W/ TBG & HYDROSTATIC BAILER. GIH W/ RBP RETRIEVING TOOL & LATCH ON TO RBP. COOH W/ TBG & RBP. GIH W/ KILL STRING. SD.

5/29/01 COOH W/ KILL STRING. GIH W/ SUBMERSIBLE PUMP & TBG. PUMP SET @ 4221'. END OF TBG SET @ 4175'. ND BOP. NU WELLHEAD. RD MO DDU. PUT WELL ON PRODUCTION. PUT WELL ON TEST.

5/30/01 WELL ON PRODUCTION. 8 HR TEST RECOVERED: 3 BBLS OIL, 295 BBLS WATER, 237 MCF GAS, 84% C02. TEST SEPARATOR DOWN ON LOW LEVEL.

5/31/01 WELL ON PRODUCTION. 6 HR TEST RECOVERED: 2 BBLS OIL, 88 BBLS WATER, 199 MCF GAS, 88 % C02. TEST SEPARATOR DOWN ON LOW LEVEL

6/1/01 WELL SHUT IN FOR C02 PLANT. TBG PRESSURE 735 PSI, CSG PRESSURE 890 PSI.

6/2/01 WELL SHUT IN FOR C02 PLANT.

6/3/01 WELL SHUT IN FOR C02 PLANT.

6/4/01 WELL SHUT IN FOR C02 PLANT.

6/5/01 OPENED UP CSG. WELL FLOWING UP CSG. 24 HRS RECOVERED: 1 BBL OIL, 31 BBLS WATER, 639 MCF GAS, 90% C02.