State of New Mexico Subret 3 Copies Form C-103 Energy, Minerals and Natural Resources Department to Appropriate Revised 1-1-89 District Office DISTRICT OIL CONSERVATION DIVISION WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-025-32844 DISTRICT II Santa Fe, New Mexico 87504-2088 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease STATE FEE L DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. SUNDRY NOTICES AND REPORTS ON WELLS ( DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: State 'A' OIL. X WEI I. 2. Name of Operator 8. Well No. Altura Energy LTD Address of Operator 9. Pool name or Wildcat P.O. Box 4294, Houston, TX 77210-4294 Vacuum - Middle Pennsylvanian Well Location Unit Letter \_ North 940 Feet From The Line and Feet From The \_ Line 31 17-S Section Township Lea Range County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3973' GL Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. 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** CASING TEST AND CEMENT JOB Unsuccessful Sidetrack Operations OTHER: 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. Form C-103 filed to account for unsuccessful effort to sidetrack the vertical wellbore and drill horizontally into the Vacuum - Middle Pennsylvanian Pool -- see attached for

TITLE

(This space for State Use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

description of operations.

Vacuum middle Penn

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MI x RUSU. Set CIBP @ 10,480' x test to 500 psi (held OK). Move uphole, set cement retainer @ 9672' x squeeze perfs @ 9711' – 10,126' with 200 sx. Cl. H. Drill out cement retainer x drill out cement from 9674' – 9750'. Set CIBP @ 10,323' x test to 500 psi. ND BOP x flange up wellhead x clean location. RD x MOSU.

9/3/97 - 9/20/97

RU drilling unit x pick up x orient whipstock x initiate lateral operations from a window cut into 7" casing @ 10,323'. Drill lateral to 10,560' (MD). Run 5", 15#, L-80 liner x set @ 10,641' (top of liner @ 10,219') x cement w/75 sx. Cl. H. Drill out cement from 10,575' – 10,598' (MD). Continue sidetracking to a depth of 11,973' (MD). RU Schlumberger x run 7" RBP to 9400' x test. ND BOP's x NU dry hole tree. Release drilling rig.

9/29/97 – 10/29/97

MI x RUSU. POH w/RBP. Run production pkr. x tubing x set pkr. @ 10,204' x tailpipe landed @ 11,308'. Circulate well x NU wellhead. Swab test water x trace oil & gas. RDSU. RIH w/coiled tubing. Tag fill. MI x RUSU. POH with tbg. x pkr. Run bit x drill pipe x tubing x tag fill @ 11,815'. Pull tbg. x lay down drill pipe. Run tbg. x pkr. x set pkr. @ 10,204'. NU wellhead tree x test casing. MI x RU CTU. Attempt to jet wash x made no hole. Acidized lateral from toe (11,800') to heel (10,641') with 19,000 gal. acid through CTU. Displace hole w/nitrogen, returns spotty. Pull coiled tubing x RD CTU x begin swab testing. Swab trace of oil x 50 BW. Shut well in.