CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico

Form C-103

to Appropriate District Office	Energy, Minerals and Natural R	esources Department	Kevised 1-1-89
DISTRICT I P.O. Box 1980, Hobbs NM 88241-1980	OIL CONSERVATION DIVISION 2040 Pacheco St. Santa Fe, NM 87505		WELL API NO. 30-025-33419
DISTRICT II P.O. Drawer DD, Artesia, NM 88210			5. Indicate Type of Lease STATE X FEE
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410			6. State Oil & Gas Lease No. B-2317
	TICES AND REPORTS ON WELI		
(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 STATE 35	
1. Type of Well: OIL GAS WELL X WELL	OTHER		(FORMERLY M.E.HALE #27)
2. Name of Operator			8. Well No.
Phillips Petroleum Company			#18
3. Address of Operator 4001 Penbrook Street. Odess	sa. TX 79762		9. Pool name or Wildcat VACUUM GRAYBURG/SAN ANDRES
4. Well Location Unit Letter I : 260	O Feet From The SOUTH	Line and 66	O' Feet From The EAST Line
Section 35	Township 17-S Ra	nge 34-E	NMPM LEA County
	10. Elevation (Show whether	4008 GL)
11. Check A	ppropriate Box to Indicate		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	GOPNS. L PLUG AND ABANDONMENT L
PULL OR ALTER CASING		CASING TEST AND CE	EMENT JOB
OTHER:		OTHER: WORKOVER.	CO. ACIDIZE & SCALE SQUEEZE
12. Describe Proposed or Completed O work) SEE RULE 1103.	perations (Clearly state all pertinent det	ails, and give pertinent da	ites, including estimated date of starting any proposed
03/31/98 MOVE ROTAFLEX BK F/WH, MIRU SIERRA #209, PMP 10# BRINE T/KILL, COOH W/ROD STG- PMP PLNGR, NU BOP, COOH W/PROD TBG, EXCESSIVE AMT SCALE OUTSIDE TBG WALLS F/TOP			
T/3900" DWN, CLN OFF SCALE & RUN TBG F/KILL STG. 04/01/98 OBSERVE F/FLOW. CSG & TBG DEAD, BOTH STNDG FULL. CCOH W/TBG, PU 4-3/4" BIT & MK UP ON DC. OPEN UP BOP - GIVING UP FLUID, FLOWING BK CO2 GAS, NO TBG IN WELL, BOP CLOSED, BULL HD 10# BRINE @ 450 BBL DWN CSG, USING WT & WAIT METHOD, USING WT &			
WAIT KILL PROCEDURE, WK GAS BUBBLE MIGRATION T/SURF, DEAD, SD. 04/02/98 50 PSI ON CSG, BLD T/FRAC TK, STABLE/DEAD, PU & GIH W/6 DCS & 12 JTS TBG, TAKES GAS KICK, WK BUBBLE UP & OUT, SD DUE T/WINDS (GUST T/45 MPH).			
	(CONTINUED ON BAC	K)	
	is true and complete to the best of my knowledg	zo and helief	
I hereby certify that the information above to		TLE <u>Senior Regulat</u>	ion Analyst DATE \$20-98
TYPE OR PRINT NAME Larry M. Sa	nders		TELEPHONE NO. (915)368-148
(This prace for State Use)			
The second secon	The State of the S		DATE:

STATE 35 UNIT #18 CONTINUED

- FLWNG DWN FLOW LN @ 100 PSI, OPEN UP INTO FRAC TK, KILL, GIH W/BIT ON DCS, TBG, TAG HARD 04/03/98 FILL @ 2050', CO T/4865', SCALE BRIDGES & STRINGERS ON CSG WALL, CIRC CLN, COME UP HOLE T/4350' ABOVE TOP PERFS, SD, CSG LEFT GOING DWN FLOWLINE. KILL, COOH W/TBG, LD DCS, TRIP CSG SCRPR T/4660, PU PKR, GIH W/434' TP, PKR & RIH T/4770'. 04/04/98 CIRC 100 BBL 10# BRINE, PMP SCALE CONVERTER, 5 DRUMS UNICHEM 405 & 5 DRUMS FW, FOLLOW BY 10# BRINE FLUSH, FLUSH T/1/2 BBL F/END TBG, PU W/TBG, TP @ 4298', PKR @ 3860', SI TBG, LD BK SIDE & PRESS UP T/500 PSI, SI CSG, SI F/24 HRS. OPEN UP 850 PSI ON TBG, MIRU HES, TST LINES, ACIDIZE SA 4420-4774 W/7000 GAL 15% NEFE 04/06/98 W/550 GAL GEL BRINE & RK SALT, PMPD: STG 1 AICD - 2550 PSI @ 4 BPM, STG 2 BRINE - 1971 PSI @ 4 BPM, STG 3 AICD - 2610 PSI @ 3.8 BPM, STG 4 BRINE - 2322 @ 4 BPM, STG 5 ACID - 2524 @ 3.5 BPM, STG 6 BRINE - 2140 @ 4 BPM, STG 7 ACID - 2622 @ 3.5 BPM, FLUSH 2550 @ 3.5 BPM, SI PRESS, ISIP 2242 5 MIN 2206 10 MIN 2175 15 MIN 2124, SI RD HES, SI T/ALLOW PRESS T/RELIEVE INTO FORM, OPEN UP 16000 PSI ON TBG, FLOW THRU CK T/FRAC TK, DIED, SWAB BK OFF, FLOW BK 54 BBL WTR, LD 310 BBL + 10% = 340 BBL T/REC. OPEN UP 750 PSI ON TBG, 500 PSI ON CSG, CSG SI, FLOWING, DIED, SWAB, KICK OFF FLOW AGAIN, 04/07/98 REC 110 BBL WTR, TR OIL, NU TBG T/FLOWLN, SEND GAS & LIQ T/BATT, GLOBAL COMPRESSOR NEED MORE FIELD GAS T/RUN, TBG ON CK, TBG @ 400 PSI, CK SET ON 20/64, FLOWLN PRESS 100 PSI,
- FLOW T/FRAC TK, TBG PRESS @ 700, FLOW DWN T/400 PSI, OPEN UP BYPASS ON PKR, PMP 10# BRINE 04/08/98 DWN CSG, KILL, CSG & TBG ON VAC, COOH W/PKR-TBG, GIH W/PROD TBG, 150 JTS 2-7/8""J-55 8RD, TAC @ 4289', SN @ 4700', ND BOP/NU WH, RUN ROD STG & PMP PLNGR, PULL ROTAFLEX UNIT OVER WELL, SPACE OUT ROD STG, HANG ON, OPEN UP DWN FLOW LN T/BATT, TEST T/FOLLOW IN FEW DAYS ONCE FL & PRESS STABILIZES, RD SIERRA WS. TEMP DROP F/DIMS DAILY REPORT
- 24 HR WELL TST: 28.1 BO 242.9 BW 2.0 MMCF GAS 98.3% CO2. 04/14/98
- NO TST F/TODAY, PROB W/TST EQMT 04/15/98

RELIEVING PRESS WILL HELP KILL.

- 24 HR TST: 133 BWPD 18 BOPD 2.092 MMCF GAS @ 98% CO2, RU REEF INC ON CSG, SI TBG, PMP MIX 04/16/98 UNICHEM 794 & 60 BBL FW, FOLLOW W/250 BBL FW OVER FLUSH, PMP RATE 2 BPM @ 1000 PSI ON CSG, TBG PRESS 1200 PSI, SION.
- SION F/CHEM TREATMT (SCALE SQZ), TBG PRESS 1500 PSI, CSG PRESS 0 PSI, OPEN UP DWN FLOW 04/17/98 LINE, 150 PSI ON FLOW LINE, @ 0700 AM PUT T/PMPG, 150 PSI ON FLOWLINE, 500 PSI ON TBG, 0 PSI ON CSG, @ 1300 HRS CSG PRESS UP T/500 PSI, FLOWING THRU 34/64 CHK SETTING, TBG @ 300 PSI ON BK PRESS VLV ON TBG SIDE CHRISTMAS TREE, @ 1500 HRS OPEN CSG CK UP T/44/64 SETTING, TBG ON 300 PSI, PROD GOING T/STATE 35 BATT, GAS GOING T/GLOBAL COMPRESSION STATION #1 & #2, COMPRESSORS ARE UP & RUNNING,

DROP WELL F/REPORT - JOB IS COMPLETE