State of New Mexico Submit 3 Copies To Appropriate District Form C-103 Office Allergy, Minerals and Natural Resources Revised March 25, 1999 District I WELL API NO 1625 N. French Dr., Hobbs, NM 87240 30-025-34277 District II OIL CONSERVATION DIVISION 811 South First, Artesia, NM 87210 5. Indicate Type of Lease 2040 South Pacheco District III STATE X FEE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe. NM 87505 District IV State Oil & Gas Lease No. 2040 South Pacheco, Santa Fe, NM 87505 B-2317-A 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.) STATE 35 UNIT 1. Type of Well: Gas Well Oil Well Other 2. Name of Operator 8. Well No. Phillips Petroleum Company 38 9. Pool name or Wildcat 3. Address of Operator 4001 Penbrook Street, Odessa, TX 79762 VACUUM GRAYBURG/SAN ANDRES 4. Well Location 1934 SOUTH line and 560 feet from the feet from the EAST Unit Letter line 35 Section Township 17-S Range 34-E NMPM LEA County 10. Elevation (Show whether DR, RKB, RT, GR, etc.) 4008'G.L./4022'K.B. 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** MULTIPLE CASING TEST AND PULL OR ALTER CASING COMPLETION **CEMENT JOB** OTHER: TREAT F/SCALE, ACIDIZE & RET T/PROD 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. 12/08/00 MIRU POOL #587 KILL W/10# BRINE NU BOP RU CABLE SPLR EQMT COOH W/ESP/TBG TRIP SAND PMP/BAILER T/4830' TD 4850' PERFS @ 4329-4710' RUN KS. 12/11/00 WO DECISION ABOUT ACID WKOVER PU CSG SCRPR TALLY TBG IN TRIP SCRPR T/4728' SOOH SCRPR ABOVE ALL PERFS DDU HAS BRK DWN TRANSMISSION PROB OPER SHUT DWN WKNG ON DDU TEMP DROP. 12/14/00 TP 500 PSI MIRU POOL PMP TRK KILL W/110 BBL 10# BRINE COOH W/SCRPR GIH W/TP ON PKR TP @ 4711' PMP SCALE CONVERTER MIX 10 BBL WTR W/5 GAL 425 FOLLOW BY 6MIX OF 6 DRUMS 405 IN 330 GAL WTR FOLLOW W/19 BBL FLUSH PU SET PKR @ 3853' TP 4253' LD BKSIDE TST T/500 PSI PKR & CSG GOOD. 12/15/00 TP 500 FLOW BK 10 BBL DEAD SWAB RUN FL @ 500' KICKS OFF T/FLOW REC 65 BBL WO POOL HES LD PIPE TST LNS ACIDIZE SA 4327-4710' PMP 4000 GAL 15% EFE HCL 6000# SALT IN 4000 GAL BRINE DUE T/LOW TP INCR OF 2000# SALT ADDED FLUSH W/FW MAX RATE 4.89 BPM AVG 3.61 MAX PRESS 2498 AVG 1141 PSI ISIP 2024 5 MIN 1260 10 953 15 775 SI RD HES POOL RU SWAB EQMT TP 700 PSI FLOWS DEAD SWAB 11 RUNS KICKS OFF T/FLOW @ 1600 HR TOT REC 180 BBL. (CONTINUED ON BACK) I hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE Senior Regulation Analyst DATE 1-5-0 SIGNATURE. Type or print name Larry M. Sanders Telephone No. (915)368-1488 (This space for State use) AND LAND DATE APPROVED BY TITLE

Conditions of approval, if any:

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CONTINUED
SWAB REPT: TP 500 PSI OPEN UP FLOW T/TK FLOW ALL DAY 210 BBL. TP 800 PSI BLD OFF PRESS T/FRAC TK FLOWNG BK, KILL W/130 BBL 10# BRINE REL PKR CIRC AROUND COMPLETELY
COOH W/PKR & TBG PU & MK UP ESP EQMT GIH W/ESP & PROD TBG ND BOP NU WH & ESP CONN PMP UP & GO T/BATT.
RD POOL DDU CLN UP LOC WELL PMPG PUT ON TEST BATT.
24 HR TST - 225 BO 538 BW 372 MCF GAS @ 78% CO2.
24 HR TST - 221 BO 487 BW 687 MCF GAS @ 80% CO2.
24 HR TST - 214 BO 481 BW 272 MCF GAS @ 80% CO2, MIRU POOL SI PMP MIX OF 5 DRUMS 757 IN 50 BBL WTR FOLLOW BY 500 BBL WTR FLUSH SI 24 HRS THEN BACK ON PROD BY PPCO LSE OPER - JOB COMPLETE DROP F/REPORT