Submit 3 Copies to Appropriate District Office

CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

District Office OIL CONSERVATION DIVISION WELL API NO. P.O. Box 1980, Hobbs NM 88241-1980 2040 Pacheco St. 30-025-34277 DISTRICT II Santa Fe, NM 87505 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 STATE X FEE DISTRICT III 6. State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 B-2317-A 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.) STATE 35 UNIT 1. Type of Well: WELL X GAS WELL 8. Well No. 2. Name of Operator 38 Phillips Petroleum Company 9. Pool name or Wildcat 3. Address of Operator 4001 Penbrook Street. Odessa. TX 79762 VACUUM GRAYBURG/SAN ANDRES 4. Well Location 1934 Feet From The SOUTH 560 Unit Letter Line and Feet From The Line 17-S 34-E NMPM LEA County Township Range Section 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4008 G.L./4022 K.B. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. **NOTICE OF INTENTION TO:** SUBSEQUENT REPORT OF: ALTERING CASING PLUG AND ABANDON REMEDIAL WORK PERFORM REMEDIAL WORK PLUG AND ABANDONMENT COMMENCE DRILLING OPINS. CHANGE PLANS TEMPORARILY ABANDON CASING TEST AND CEMENT JOB X PULL OR ALTER CASING OTHER: . OTHER: _ 12. Describe Proposed or Completed Operations. (Clearly state all pertinent details, and give pertinent dates, in dealing extinuted date of starting any proposed work) SEE RULE 1103. 02/21/98 Drlg. @ 3530' 02/22/98 Drlg. @ 4000' 02/23/98 Drlg. @ 4400' 02/24/98 Drlq. @ 4875' 02/25/98 T.D. @ 5000', Notified NMOCD of intent to run & cmt. prod. csg. (Michelle w/ ans. svc. @ 1300 TX time), CIRC, TOH, run logs (DLL/MSFL/DSN/SDL/GR/CAL), TIH, CIRC & COND for csg. 02/26/98 RIH w/ 117 Jts. 5.5" 15.5# J-55 LTC csg @ 4995', flt collar @ 4950', cmt csg. w/ 750 sx CL "C" + 3% Ecolite + 3% salt, mixed @ 11.8 ppg, tail cmt-250 sx Cl "C"+50# Pozmix+7% CALSEAL+3% salt + 0.5% Diacel FL + 0.5% CFR-3 + 0.5% Econolite, mixed at 15.0 ppg. Bumped plug @ 1900 hrs. 02/25/98 w/1900 psi, rel psi plug held, circ 22 sx to reserve pit. RD HES. ND BOPE, set slips. cut off csg, NU WH & test. jet pits, rel rig @ 0000 hrs. 02/26/98. I hereby certify that the information above is true and complete to the best of my knowledge and belief. THIE Senior Regulation Analyst 03/04/98 Usta TYPE OR PRINT NAME | and TELEPHONE NO. (915)368-1488 Larry M. Sanders (This space for State Use) W. LIMS is ñ APPROVED BY TITLE DATE