

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO.
30-005-63078

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
V-2982

7. Lease Name or Unit Agreement Name

Quincy AMQ State

8. Well Number
#16

9. OGRID Number
009974

10. Pool name or Wildcat
Acme San Andres, Southeast

SUNDRY NOTICES AND REPORTS ON WELLS

(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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Hanson Operating Company, Inc.

3. Address of Operator
P. O. Box 1515, Roswell, NM 88202-1515

4. Well Location

Unit Letter N : 330 feet from the South line and 1650 feet from the West line
Section 12 Township 8 South Range 27 East NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3939' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater >100' Distance from nearest fresh water well >2 miles Distance from nearest surface water >10 miles

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
OTHER: ☐

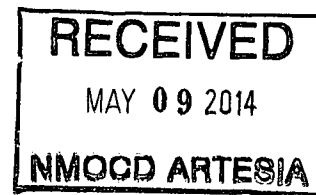
SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. 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 recompletion.

Plan to plug and abandon the well as follows:

1. MIRU. Set cement tanks. Pull rods, pump and tubing.
2. Set CIBP at 2100' with 35' cement cap.
3. Circulate hole with +/- 25 barrels 10# brine and 12.5 ppb salt water gel.
4. Pump solid 50 sack cement plug from 500' to surface.
5. Set Dry Hole Marker.
6. Clean and remediate location.



CONDITIONS OF APPROVAL ATTACHED

Approved for plugging of well bore only.
Liability under bond is retained pending receipt
of C-103 (Subsequent Report of Well Plugging)
which may be found at OCD Web Page under
Forms, www.emnrd.state.nm.us/oed.

Approval Granted providing work is
Completed by MAY 9, 2015

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Carol J. Smith TITLE Production Analyst DATE 05/05/2014
Type or print name Carol J. Smith E-mail address: hanson@dfn.com Telephone No. 575-622-7330

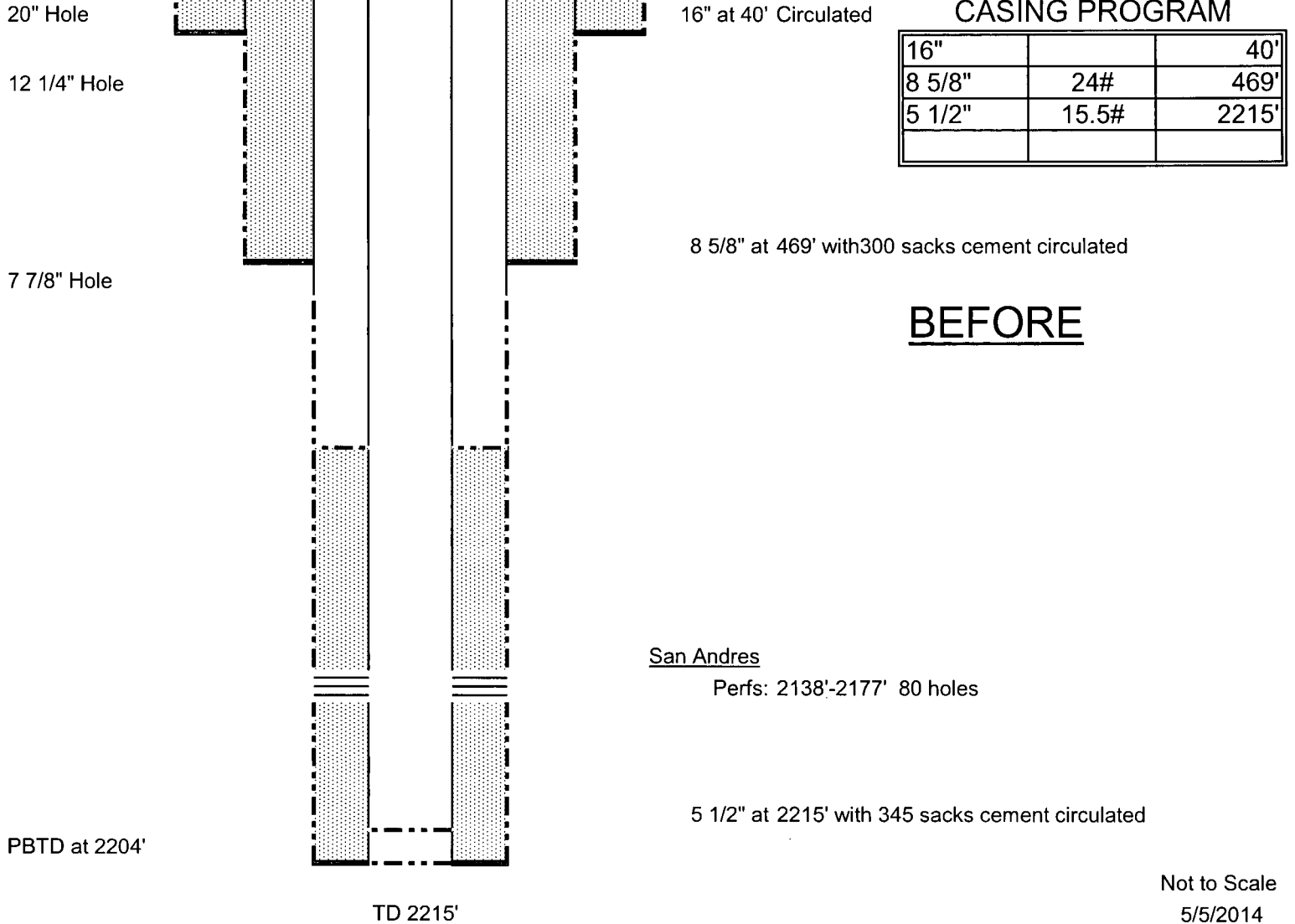
For State Use Only

APPROVED BY: [Signature] TITLE Dist II Supervisor DATE 5/9/2014
Conditions of Approval (if any):

* See Attached COA's

WELLBORE DIAGRAM

| | | | |
|-----------|--|-----------------|--------------------|
| WELL NAME | Quincy AMQ State #16 | FIELD | Acme San Andres SE |
| LOCATION | 330' FSL & 1650' FWL, Section 12-8S-27E, Chaves County, NM | | |
| GL | 3939' | ZERO | KB |
| SPUD DATE | 3/16/1997 | COMPLETION DATE | 3/28/1997 |
| COMMENTS: | API #30-005-63078 | | |



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20" Hole

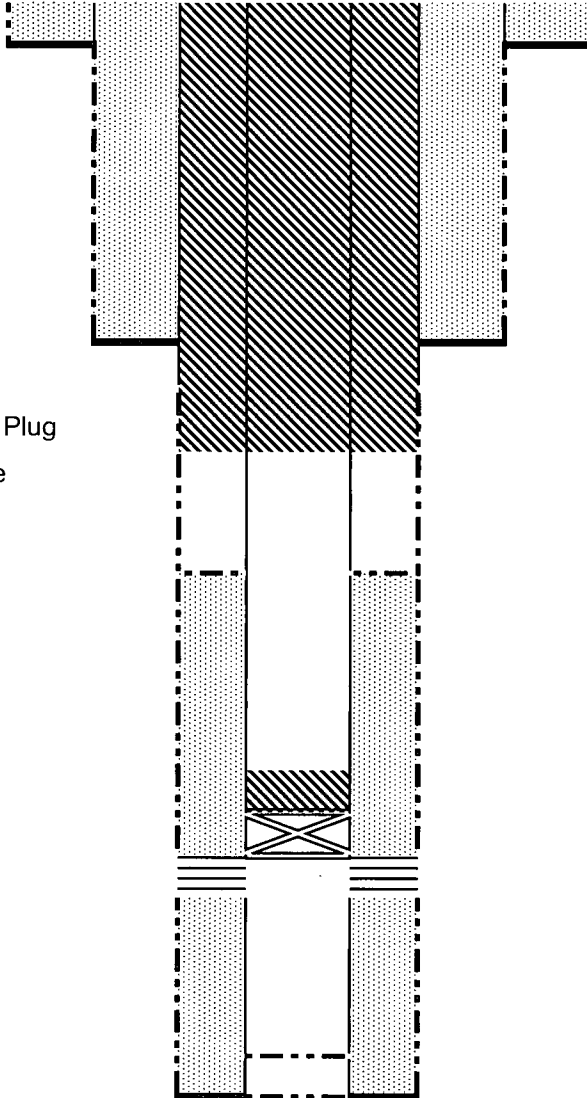
12 1/4" Hole

7 7/8" Hole

50 Sack Cement Plug
at 500' to Surface

CIBP at 2100'
35' Cement Cap

PBTD at 2204'



TD 2215'

16" at 40' Circulated

CASING PROGRAM

| | | |
|--------|-------|-------|
| 16" | | 40' |
| 8 5/8" | 24# | 469' |
| 5 1/2" | 15.5# | 2215' |

8 5/8" at 469' with 300 sacks cement circulated

AFTER

San Andres

Perfs: 2138'-2177' 80 holes

5 1/2" at 2215' with 345 sacks cement circulated

Not to Scale

5/5/2014

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: HANSON Operating Company
Well Name & Number: Quincy AMQ State #16
API #: 30-005-63078

1. Produced water will not be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.
8. Cement Retainers may not be used.

9. Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.
10. Plugs may be combined after consulting with and getting approval from NMOCD.
11. Minimum WOC time for tag plugs will be 4 Hrs.

DATE: 5/9/2014

APPROVED BY: *RDade*

GUIDELINES FOR PLUGGING AND ABANDONMENT

DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.
- Formations to be isolated with plugs placed at the top of each formation are:
 - Fusselman
 - Devonian
 - Morrow
 - Wolfcamp
 - Bone Spring
 - Delaware
 - Any Salt Section (Plug at top and bottom)
 - Abo
 - Glorieta
 - Yates (this plug is usually at base of salt section)
- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).