

Submit 1 Copy To Appropriate District
Office :
District I - (575) 393-6161
1125 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-015-23304
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-2919
7. Lease Name or Unit Agreement Name SRC KZ State
8. Well Number 7
9. OGRID Number 025575
10. Pool name or Wildcat Penasco Draw; SA-Yeso

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210
4. Well Location Unit Letter <u>E</u> : <u>2310</u> feet from the <u>North</u> line and <u>990</u> feet from the <u>West</u> line Section <u>1</u> Township <u>19S</u> Range <u>24E</u> NMPM <u>Eddy</u> County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3690'GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation plans to plug and abandon this well as follows:

1. MIRU all safety equipment as needed. TOH with production equipment.
2. Set a 4-1/2" CIBP at 2486' and cap it with 45 sx cement. TOC should be at 1840'. This will leave a plug over open perms and across Glorieta top.
3. Spot a 80 sx Class "C" cement plug from 0-1100'. This will leave a plug across intermediate and surface casing shoe as well as forming the surface plug. WOC and tag, reset if necessary.
4. Cut off wellhead, install dry hole marker and clean location.

Wellbore schematics 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.

NM OIL CONSERVATION
ARTESIA DISTRICT
JUN 09 2016

Spud Date:

Rig Release Date:

RECEIVED

WELL MUST BE PLUGGED BY 6/19/2017

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE June 7, 2016

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168
For State Use Only

APPROVED BY: Sub 2 Rel TITLE COMPLIANCE OFFICER DATE 6/19/2016
Conditions of Approval (if any): SEE ATTACHED COA-5

WELL NAME: SRC KZ State # 7 FIELD: Penasco Draw SA Yeso ASSOC.

LOCATION: 2,310' FNL & 990' FWL of Sec. 1-19S-24E Eddy Co., NM

GL: 3,690' ZERO: 9' KB: 3,699'

SPUD DATE: 06/08/80 COMPLETION DATE: 08/03/80

COMMENTS: API No.: 30-015-23304

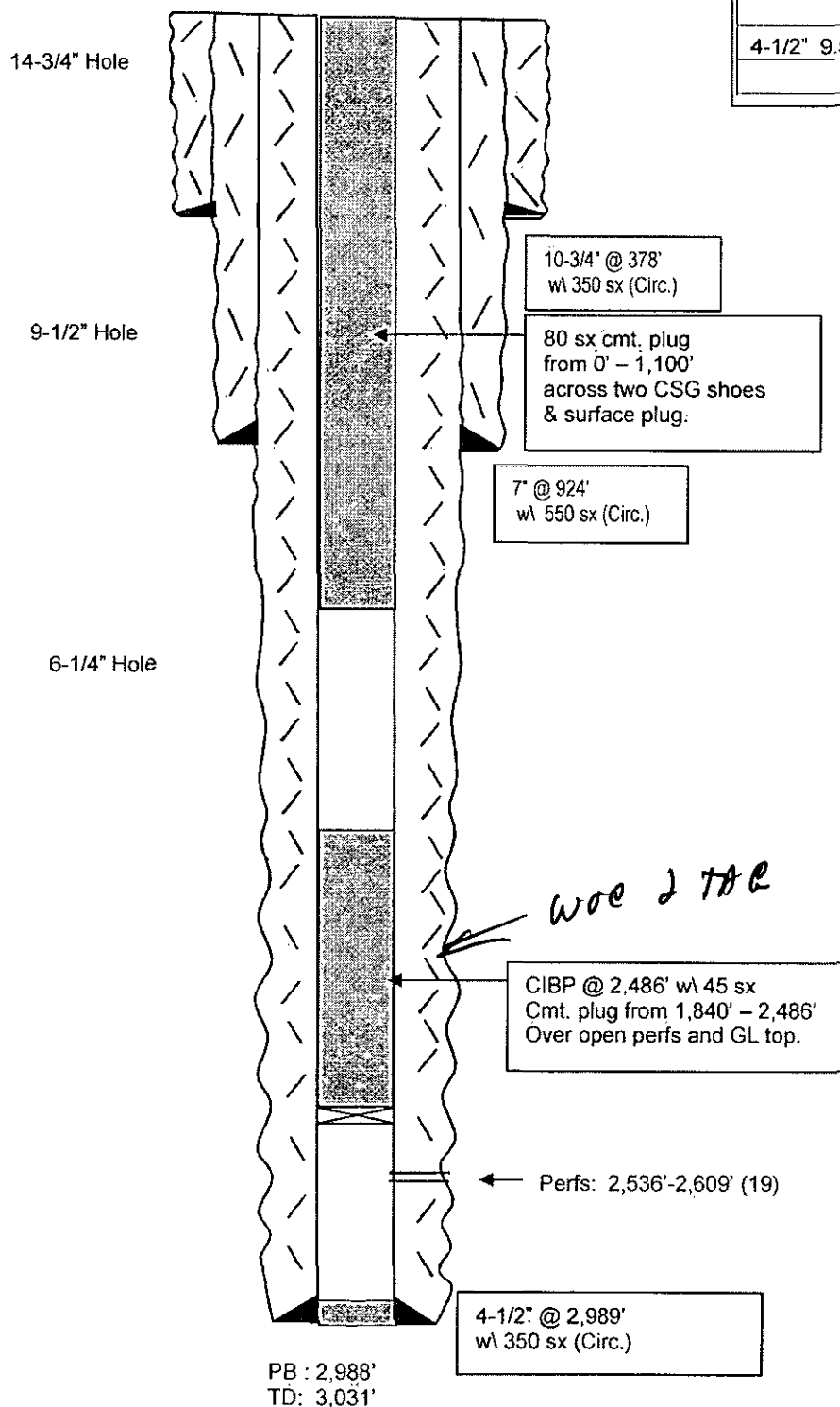
CASING PROGRAM

10-3/4" 40# ST&C	378'
7" 20# ST&C	924'
4-1/2" 9.5# J-55	2,989'

After

TOPS

SA 565'
Glorieta 1,940'



Not to Scale
05/11/16
JMH

CONDITIONS FOR PLUGGING AND ABANDONMENT

DISTRICT II / ARTESIA

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases

1. **Notify NMOCD District Office II at (575)-748-1283 at least 24 hours before beginning work.**
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. 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 in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. **Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.**
7. Produced water **will not** be used during any part of the plugging operation.
8. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
9. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
10. **Class 'C' cement will be used above 7500 feet.**
11. **Class 'H' cement will be used below 7500 feet.**
12. **A cement plug is required to be set 50' above and 50' below, all casing shoes, casing stubs, DV tools, attempted casing cut offs, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged**
13. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
14. **A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.**
15. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, **(WOC 4 hrs and tag).**
16. **No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.**
17. Formations to be isolated with cement plugs are:
 - A) Fusselman
 - B) Devonian
 - C) Morrow

- D) Wolfcamp
- E) Bone Springs
- F) Delaware
- G) Any salt sections
- H) Abo
- I) Glorieta
- J) Yates.
- K) **Potash---** (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 that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, **WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.**

18. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, cement will be set 50' below to 50' above perforation inside the casing

DRY HOLE MARKER REQUIREMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

- 1. Operator name
- 2. Lease and well number
- 3. API number
- 4. Unit letter
- 5. Quarter section (feet from North, South, East or West)
- 6. Section, Township and Range
- 7. Plugging date
- 8. County

(SPECIAL CASES)

AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude be GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)