

District I – (575) 393-6161
1625 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

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

WELL API NO. 30-025-31110
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1682
7. Lease Name or Unit Agreement Name Red Hat State SWD
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat SWD; San Andres-Glorieta

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 **SWD**

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 South Fourth Street, Artesia, NM 88210

4. Well Location
Unit Letter **G** : 3300 feet from the South line and 1980 feet from the East line
Section 2 Township 16S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4,192' 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 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"/>		OTHER: <input type="checkbox"/>	
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input checked="" type="checkbox"/> Possibly repair leak			

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 repair a possible leak. Attached please find a copy of the procedure and a copy of the schematic. Please note that verbal approval was given to Brice Letcher, a representative of Yates Petroleum Corporation, by Maxey Brown of the NMOCD-Hobbs office to begin the work.

**Condition of Approval: notify
OCD Hobbs office 24 hours
prior of running MIT Test & Chart**

Spud Date: Rig Release Date:

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

SIGNATURE Laura Watts TITLE Regulatory Reporting Technician DATE March 25, 2015

Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

For State Use Only

APPROVED BY: Maxey Brown TITLE Dist. Supervisor DATE 3/30/2015
Conditions of Approval (if any):

MAK 31 2015



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

Red Hat State SWD #1
3,300' FSL & 1,980' FEL
Sec. 2-16S-33E
Lea County, New Mexico
API # 30-025-31110

Workover Procedure
AFE005783

Executive Summary:

This SWD recently failed an MIT. Could have leak in packer, tubing or casing. Repair the well and return to SWD service.

TD: 13,250' **PBTD:** 9,765'
GR: 4,192' **KB:** 4,214'

Surface Casing: 13 3/8" 54.5# at 409'. Cemented with 425 sx. Cement circulated.
Intermediate Casing: 8 5/8" 32# at 4,515'. Cemented with 2,100 sx. Cement circulated.
Production Casing: 5 1/2" 17# & 20# at 13,250'. Cemented with 2,650 sx.

Tubing String: 2 3/8" plastic coated tubing with 5 1/2" nickel plated packer set at 5,774'.

Workover Procedure:

1. MIRU well service unit. Flow the pressure off of the well or pump brine down the tubing to kill the well. Release packer and TOH laying down 2 3/8" plastic coated tubing.
2. Pick up 2 3/8" work string and TIH with RBP and packer. Set RBP at 5,780'. Pressure test casing to 1,000 psi for 30 minutes. If casing tests good then release RBP and TOH laying down work string.
3. If there appears to be a casing leak, isolate and squeeze the leak as necessary to restore wellbore integrity.
4. TIH with new 2 3/8" plastic coated tubing and nickel plated packer. Perform an MIT and record on chart for NMOCD. Return the SWD to service and RDMO.

Area Engineer:

Brice A. Letcher
Brice A. Letcher

Date: 3/24/2015

CC: Master File

[Signature]
3/24/15

WELL NAME: Red Hat State SWD #1 FIELD:

LOCATION: 3300' FSL & 1980' FEL of Section 2-16S-33E Lea Co., NM

GL: 4,192' ZERO: KB: 4,214'

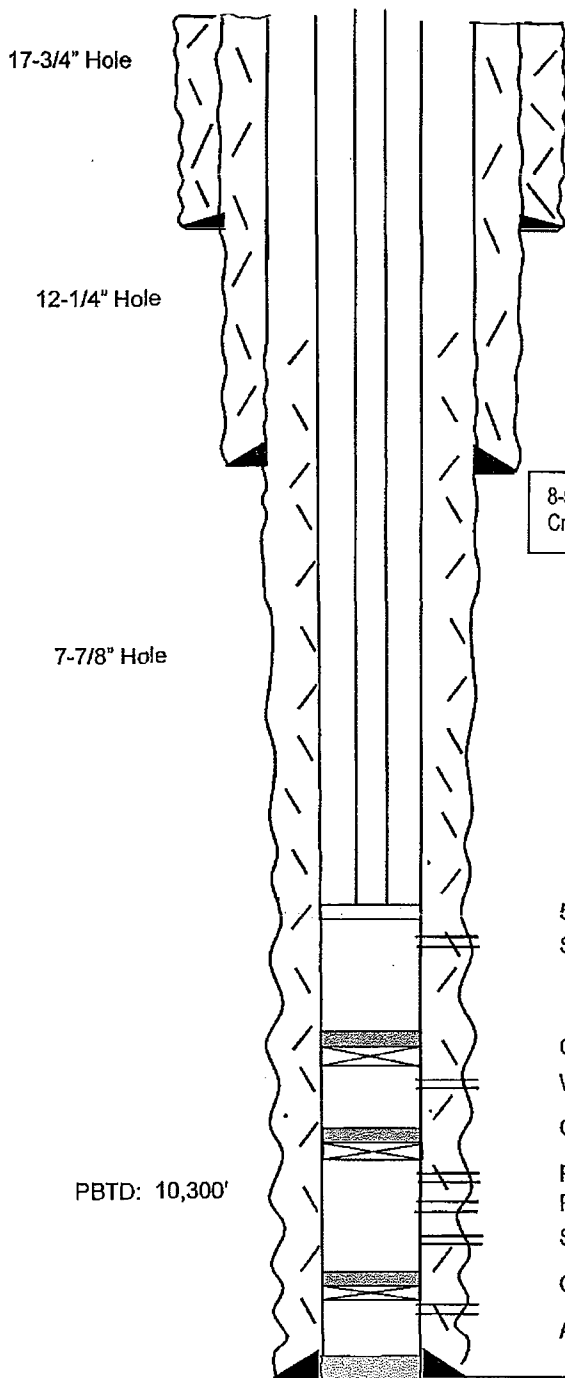
SPUD DATE: 12/31/90 COMPLETION DATE: 7/15/91

COMMENTS: API No.: 30-025-31110

CASING PROGRAM

13-3/8" 54.5# J-55 LT&C	409'
8-5/8" 32# J-55	4,515'
5-1/2" 17# & 20# N-80 LT&C	13,250'

Before



13-3/8" @ 409'
Cmt w/ 425 sx

8-5/8" @ 4,515'
Cmt w/ 2,100 sx

5-1/2" nickel plated packer @ 5,774' w/ 2-7/8" plastic coated tbg
San Andres Perfs: 5,808'-5,818'

CIBP w/ 35' cmt @ 9,800'
Wolfcamp Perfs: 9,849'-9,870'

CIBP w/ 35' cmt @ 10,370'
Penn Perfs: 10,415'-10,470'
Penn Perfs: 10,756'-10,778'
Seaman LS Perfs: 11,052'-11,106'

CIBP w/ 35' cmt @ 12,560'
Atoka Perfs: 12,604'-12,628'

5-1/2" @ 13,250'
Cmt w/ 2,650 sx

TOPS

Rustler	1,501'
Salado	1,608'
Yates	2,742'
Queen	3,580'
SA	4,417'
Glorieta	5,896'
Tubb	7,166'
Abo	7,804'
Wolfcamp	9,501'
Penn	10,123'
Seaman LS	11,014'
Strawn	11,948'
Atoka	12,230'
Morrow LS	12,693'
Austin Cycle	13,140'

Not to Scale
3/24/15
BAL