

Submit 1 Copy 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

Form C-103
October 13, 2009

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

WELL API NO. 30-015-21194 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> ✓
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Achen Frey DM ✓
8. Well Number 3 ✓
9. OGRID Number 025575 ✓
10. Pool name or Wildcat Eagle Creek; San Andres

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	
2. Name of Operator Yates Petroleum Corporation ✓	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>N</u> : <u>660</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>13</u> Township <u>17S</u> Range <u>25E</u> NMPM <u>Eddy</u> County ✓	
11. Elevation (Show whether DR, RKB, RT, GR, etc) 3452' GR	

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 ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER:

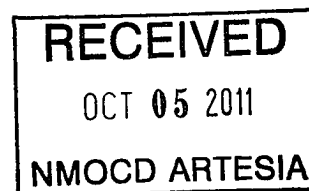
**Notify OCD 24 hrs. prior
to any work done.**

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. Install BOP. TOH with production equipment.
2. Set a CIBP at 1280'.
3. Cement to surface with 185 sx Class "C" cement.
4. Cut off wellhead, install dry hole marker and clean location as per regulations.

NOTE: Yates Petroleum Corporation will use steel pits and no earth pits



**SEE ATTACHED
CONDITIONS OF
APPROVAL**

Rig Release Date:

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

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE October 4, 2011

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

For State Use Only

APPROVED BY: [Signature] TITLE Approval Granted providing work
Conditions of Approval (if any): is complete by 1/15/2012 DATE 10/18/2011

Well Name: Achen Frey DM #3 Field: Eagle Creek

Location: 660' FSL & 1980' FWL Sec 13-17S-25E

GL: 3,452' Zero: KB:

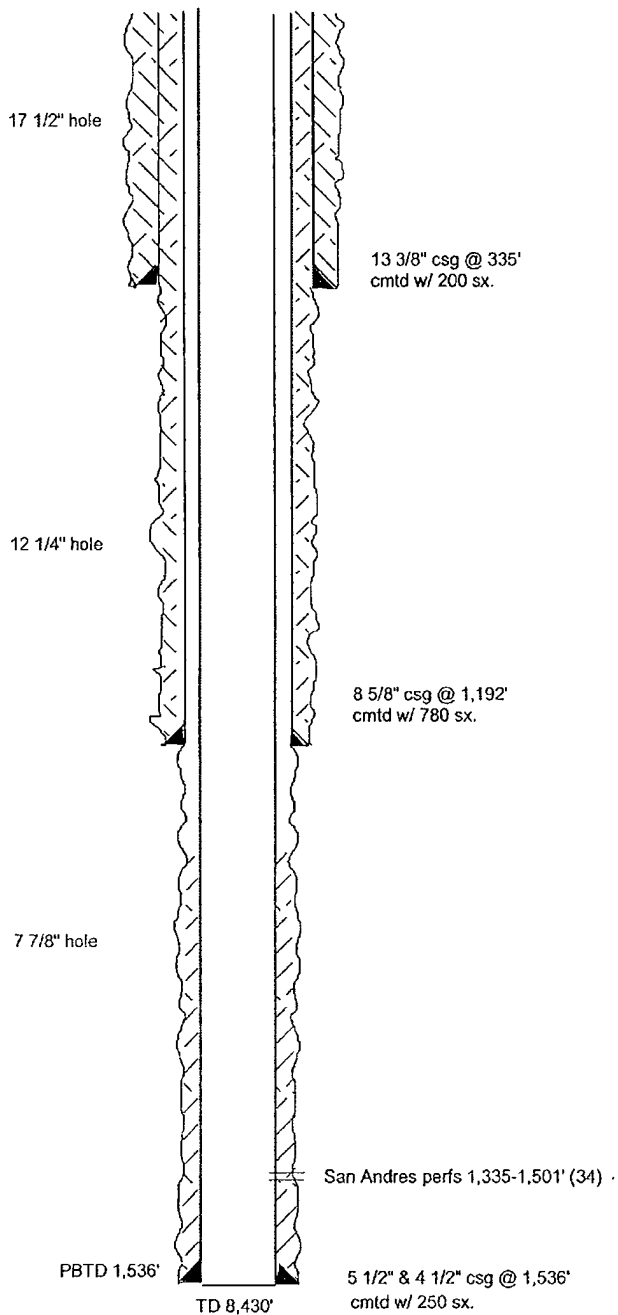
Spud Date: 5/10/1974 Completion Date: 7/23/1974

Comments: API #30015211940000

Casing Program

Size/Wt/Grade/Conn	Depth Set
13-3/8" 48# K-55	335'
8-5/8" 24# K-55	1192'
5-1/2" 15.5# & 4-1/2" 9.5# J-55	1536'

BEFORE



SKETCH NOT TO SCALE

DATE: 9/30/2011

Well Name: Achen Frey DM #3 Field: Eagle Creek

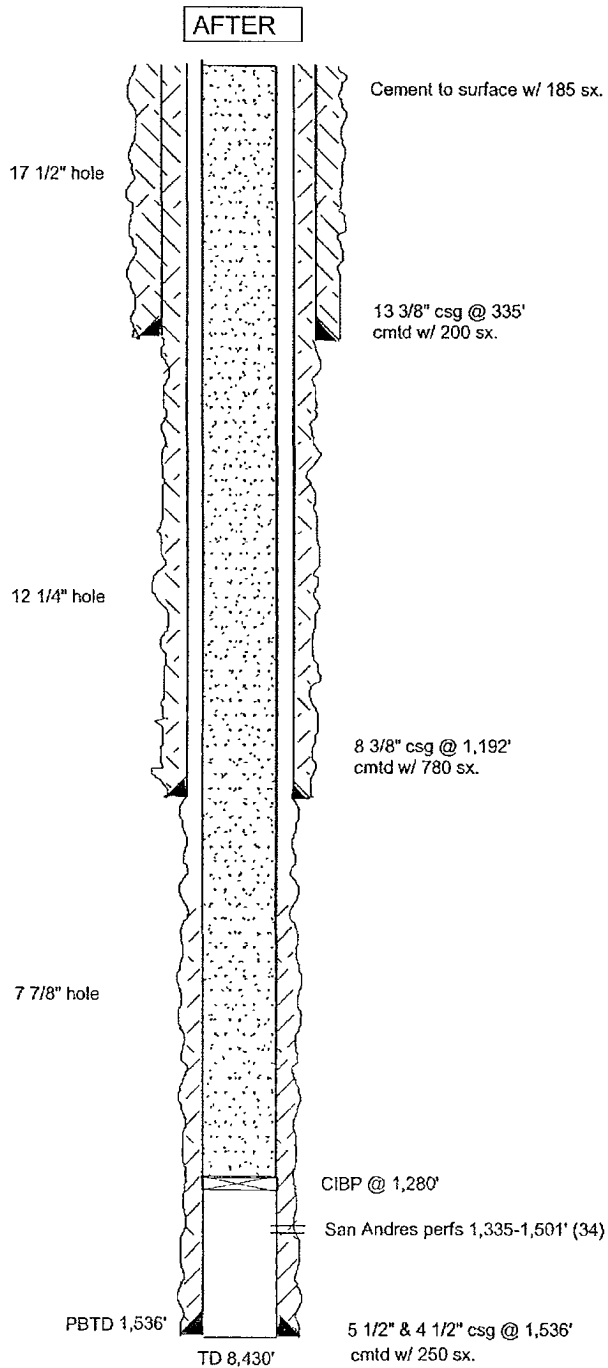
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SKETCH NOT TO SCALE

DATE: 9/30/2011

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: Yates Petroleum Corp.

Well Name & Number: Achen Fry DM # 3

API #: 30-015-21194

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 not to exceed 500 psi., unless approval is given by NMOCD Plugging Supervisor.

10. Plugs may be combined after consulting with NMOCD P & A Supervisor.

11. Minimum WOC time for tag plugs will be 4 hrs.

DG

Date: 10/18/2011