

Office
 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

Energy, Mining and Natural Resources

NM OIL CONSERVATION
 ARTESIA DISTRICT
OIL CONSERVATION DIVISION
 1020 South St. Francis Dr.
 Santa Fe, NM 87505
RECEIVED
 MAR 10 2016

WELL API NO.
 30-005-61764

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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
 Yates Petroleum Corporation

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

4. Well Location

Unit Letter B : 660 feet from the North line and 1980 feet from the East line
 Section 20 Township 6S Range 26E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3622' GR

7. Lease Name or Unit Agreement Name
 Derrick VH Com

8. Well Number
 1

9. OGRID Number
 025575

10. Pool name or Wildcat
 Pecos Slope; Abo

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐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 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.
2. Set a CIBP at 3797' and cap it with 25 sx Class "C" cement. This will cover the top of the Abo.
3. Perforate at 1655'. Spot a 30 sx Class "C" cement plug from 1545'-1655'. This will cover the top of the Glorieta. - ATTEMPT TO SQUEEZE
4. Spot a 25 sx Class "C" cement plug from 875'-975'. This will cover the 10-3/4" casing shoe. WOC. J-TAG RLB
5. Tag TOC at 875'.
6. Spot a 40 sx Class "C" cement plug from 578' up to surface. This will cover the San Andres and surface plug.
7. Cut off wellhead. If needed backfill between 4-1/2" and 10-3/4" casing.
8. Weld dry hole marker and clean location as per regulations.

Wellbore schematics attached

Spud Date:

Rig Release Date:

WELL MUST BE PLUGGED BY 3/11/2017

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

SIGNATURE

TITLE

Regulatory Reporting Supervisor

DATE

March 4, 2016

Type or print name

Tina Huerta

E-mail address:

tinah@yatespetroleum.com

PHONE:

575-748-4168

For State Use Only

APPROVED BY:

TITLE

COMPLIANCE OFFICER

DATE

3/11/2016

Conditions of Approval (if any):

575-626-0836

WELL NAME: Derrick VH Com #1 FIELD: _____
 LOCATION: 660' FNL & 1980' FEL Sec. 20-6S-26E Chaves Co., NM
 GL: 3,622' ZERO: _____ KB: _____
 SPUD DATE: 11/07/1982 COMPLETION DATE: 12/08/1982
 COMMENTS: API No.: 30-005-61764

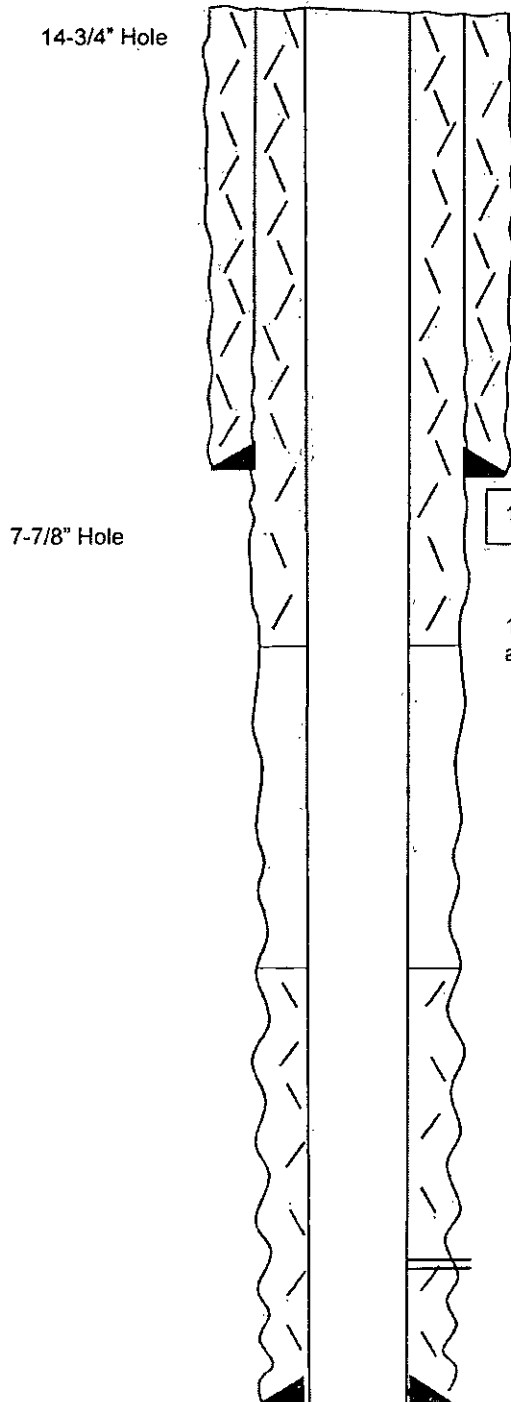
CASING PROGRAM

10-3/4" 40.5# J-55	925'
4-1/2" 9.5# J-55	4,414'

Before

TOPS

San Andres	528'
Glorieta	1,605'
Abo	3,648'



10-3/4" 40.5# J-55 @ 925' cemented w/ 650 sx;

1" from 1,500' to surface between 4-1/2" and 10-3/4" casing.

TOC @ 3,240' from CBL.

← Abo Perfs: 3,847' - 3,898' (12)

4-1/2" 9.5# J-55 @ 4,414'.
 Cemented w/ 375 sx. 1"
 from 1,500' to surface.

TD: 4,425'
 PBTD: 4,414'

NM OIL CONSERVATION
 ARTESIA DISTRICT

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 SAA

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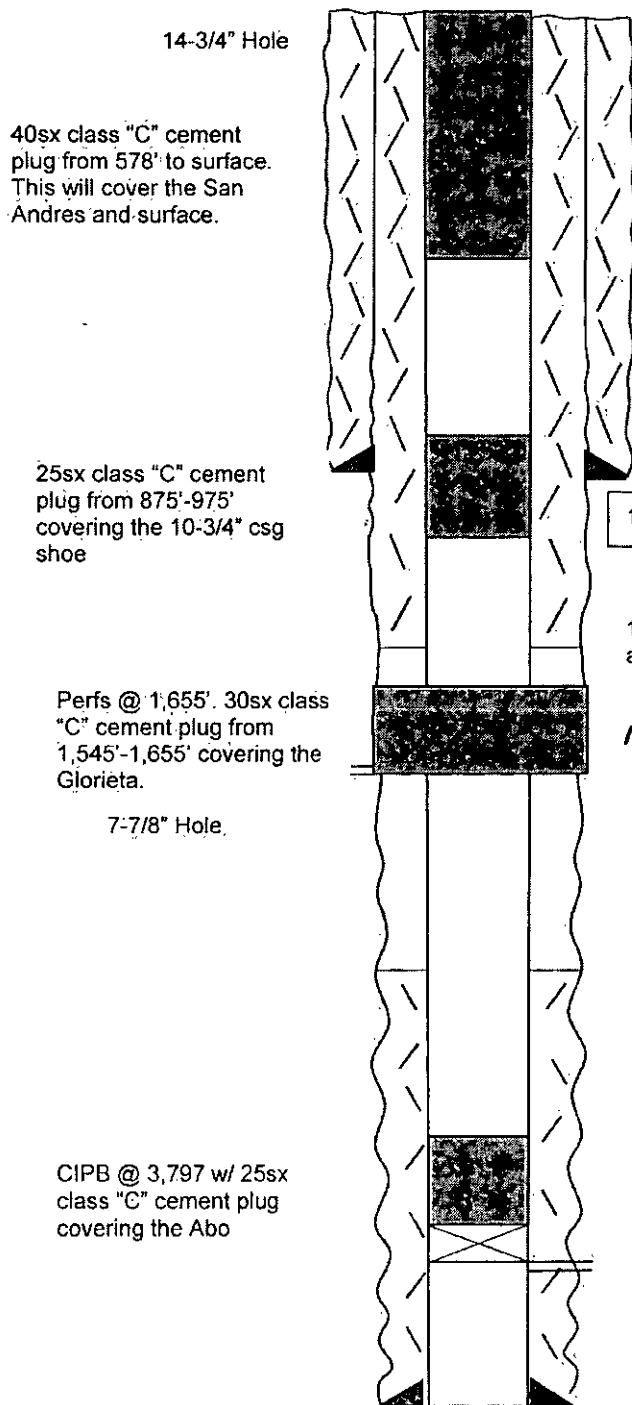
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*ATTEMPT TO SQUEEZE
 & TAB
 R.L.B*

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 Cemented w/ 375 sx. 1"
 from 1,500' to surface:

TD: 4,425'
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Not to Scale
 01/21/2016
 SAA

**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: _____
Well Name & Number: _____
API #: _____

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.**
12. **19.15.7.16 : B.** In the case of a dry hole, a complete record of the well on form C-105 with the attachments listed in Subsection A of 19.15.7.16 NMAC shall accompany the notice of intention to plug the well, unless previously filed. The division shall not approve the plugging report or release the bond the operator has complied with 19.15.7.16 NMAC.

DATE:

APPROVED BY:

N.M.O.C.D.- Guidelines For Plugging

- All cement plugs will be a minimum of 100' in length, or a minimum of 25sx. Of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sx. 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 stubs. **These plugs must be tagged.**
- A CIBP with 35' of cement on top, may be set instead of 100' plug.
- A plug as indicated above, must be placed within 100' of top perforation. **This plug must be tagged.**
- Plugs set above and below all salt zones, **must be tagged.**
- No more than 2000' is to be allowed between plugs in open hole, and no more than 3000' between plugs in cased hole.
- D.V. tools are required to have a 100' cement plug set 50' above, and 50' below the tool. **This plug must be tagged.**

Formations to be isolated with plugs placed at the top of each formation are:

- Fusselman
- Devonian
- Morrow
- Wolfcamp
- Bone Springs
- Delaware
- Any salt section (plug at top and bottom)
- Abo
- Glorietta
- 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 squeezed behind casing at the formation depths.

In the R-111P 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.