Submit I Copy To Appropriate District	
Office State of New Mexico	Form C-103
State of New Mexico Office District I - (575) 393-6161 1625 N. French Dr., Hobbs, NMC 149 District II - (575) 748-1283 State of New Mexico Minerals and Natural Resources CONTROL II - (575) 748-1283	Revised July 18, 2013
District II - (575) 748-1283	WELL API NO.
811 S. First St., Artesia, NM 88210 Q 1 2010 CONSERVATION DIVISION	30-015-10860 5. Indicate Type of Lease
District III - (505) 334-6178 JUL 3 1 220 South St. Francis Dr.	STATE FEE
District IV - (505) 476-3460 EVEUS anta Fe, NM 87505	6. State Oil & Gas Lease No.
1220 South St. Francis Dr. District IV - (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM RECEIVED Santa Fe, NM 87505	ov day Lease No.
SUNDRY NOTICES AND REPORTS ON WELLS	7 1 1
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A	7. Lease Name or Unit Agreement Name Paul Terry 11 00 000 from
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	Paul Terry et al gas com
1. Type of Well: Oil Well Gas Well Other NM OIL CONSERVATIO	
2. Name of Operator ARTESIA DISTRICT	
KC Resources, INC.	9. OGRID Number 122912
3. Address of Operator OCT 0 2 2018	10. Pool name or Wildcat
P.O. Box 6749 , Snowmass Village , CO 81615	10. Too hame of Wildeat
4. Well Location RECEIVED	
UnitLetter: H : 1650 feet from the N line and	feet 990 from the E line
Section 15 Township 18S Range 26E NMPM County Eddy	rect 390 HOM the E liftle
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
12. Check Appropriate Box to Indicate Nature of Notice, I	Report or Other Data
NOTICE OF INTENTION TO: SUBS	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒ REMEDIAL WORK	
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRIL	
PULL OR ALTER CASING	JOB
DOWNHOLE COMMINGLE	
CLOSED-LOOP SYSTEM	_
13. Describe proposed or completed operations. (Clearly state all pertinent details, and	
of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Com	give pertinent dates, including estimated date
proposed completion or recompletion.	ipietions. Attach wellbore diagram of
Plug and Abandon well by 12/31/2018 or earlier.	D 24 hrs . prior to
ANN Ingland I min.	work done.
MIRU, Remove tubing, ect. Set CIBP @ ~8200' - 25 sxcm+ class H wac + Tag	WOIR GOILE.
Perf. bottom & top of salt section	+
Perf. 800'	ore Diagram not Attached
RIH w/ tubing @ 1850', 50 sax of common cement — WOC + Tag	•
PU to 1100' cement circulate to surface	
Rig down, clean location, remove tubing, ect.	SMIERED
See COA's For DHM	
	0 —
	···
Spud Date: Rig Release Date:	
Mig Noteast Date.	
* See Attach of COA's Muit be Plan	
	19el 67 12-31-18
I'hereby certify that the information above is true and complete to the best of my knowledge	and belief.
.05 .1.4	
SIGNATURE LUCIA MOSIN TITLE ASST. CONTOLLEC	7/04/10
THE HOLL CONTINUED	DATE
Type or print name Linda Mason E-mail address: Imason@Ki	Teme not BUONT OTA GOT 2011
For State Use Only	CIMPTIKILHONE: 410-101-9/194
APPROVED BY: TITLE STATE M.	DATE 10 - 9-18
Conditions of Approval (if any):	

CONDITIONS FOR PLUGGING AND ABANDONMENT

District II / Artesia N.M.

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, Notify NMOCD District Office II at (575)-748-1283 at least 24 hours before beginning work.

- 1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs.
- 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.
- 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. If the well is not plugged within 1
- 7. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.
- 8. Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.
- 9. Produced water will not be used during any part of the plugging operation.
- 10. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
- 11. 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.
- 12. Class 'C' cement will be used above 7500 feet.
- 13. Class 'H' cement will be used below 7500 feet.
- 14. A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged
- 15. All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing

- 16. 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
- 17. A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.
- 18. 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).
- 19. No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.
- 20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops
 - A) Fusselman
 - B) Devonian
 - C) Morrow
 - D) Wolfcamp
 - E) Bone Springs
 - F) Delaware
 - G) Any salt sections
 - H) Abo
 - 1) 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.
- 21. 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, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing

DRY HOLE MARKER REQUIRMENTS

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 the 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 by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)