

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

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

WELL API NO.

30-015-31604

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

V-2705

7. Lease Name or Unit Agreement Name

Graham AKB State

8. Well Number

3

9. OGRID Number

025575

10. Pool name or Wildcat

Lost Tank; Delaware

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 S. 4th Street, Artesia, NM 88210

4. Well Location

Unit Letter B : 660 feet from the North line and 1650 feet from the East line
Section 2 Township 22S Range 31E NMPM Eddy County

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

3536'GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

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 1103. 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 safety equipment as needed. No casing recovery will be attempted.
2. Set a CIBP at 6764' with 35' cement on top. This puts a plug over the open perforations.
3. Perforate 5-1/2" casing at 4364' and spot a 35 sx Class "C" cement plug from 4264'-4364'. This puts a 100' plug across the Delaware top, inside and outside casing. WOC and tag plug.
4. Perforate at 4233' and spot a 30 sx Class "C" cement plug from 4133'-4233', across the intermediate casing shoe, inside and outside the casing. WOC and tag plug.
5. Spot a 25 sx Class "C" cement plug from 800'-900', across the surface casing shoe, inside and outside the casing. WOC and tag plug.
6. Spot a 25 sx Class "C" cement plug from 150' up to the surface.
7. Remove all surface equipment, weld dry hole marker and clean location as per regulations.

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

* CMT Plug @ 4114' - 840' WOC TAG

12/22/06

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE September 7, 2006

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only

APPROVED BY: Phil Hankin TITLE Asst. Dir. DATE 9/21/06

Conditions of Approval (if any):

(X) Revised 12/22/06 Phil Hankin

WELL NAME: Graham "AKB" State No. 3FIELD: Lost TankLOCATION: Unit B, 660' FNL & 1,650' FEL Sec 2-23S-31E

Eddy County NM

GL: 3536' ZERO: KB: 3549'SPUD DATE: 5-16-01 COMPLETION DATE: 6-10-01COMMENTS: API # 30-015-31604

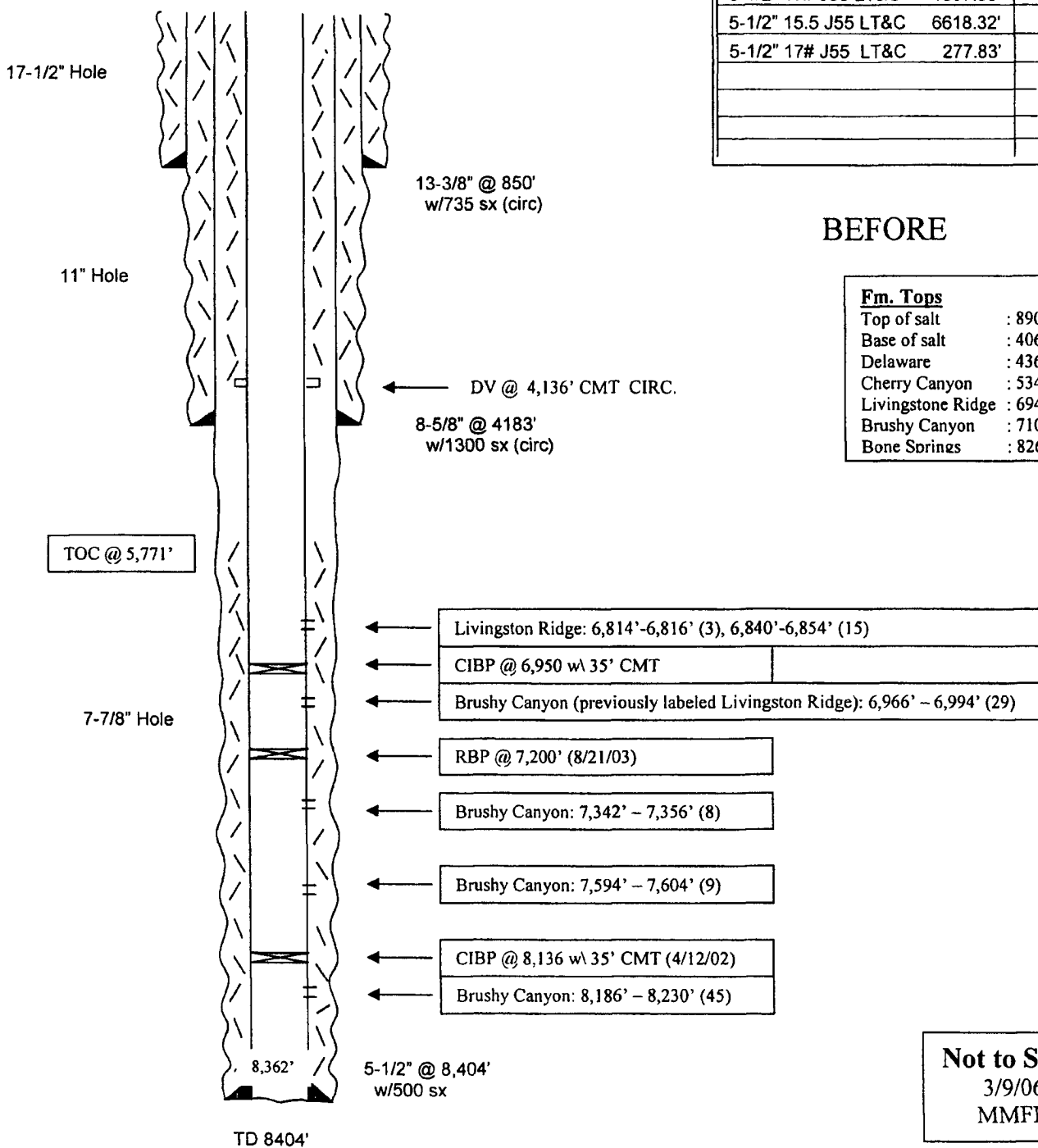
CASING PROGRAM

13-3/8" 48# H40 ST&C	850'
8-5/8" 32# J55 ST&C	4183'
5-1/2" 17# J55 LT&C	1507.85'
5-1/2" 15.5 J55 LT&C	6618.32'
5-1/2" 17# J55 LT&C	277.83'
	8404'

BEFORE

Fm. Tops

Top of salt	: 890'
Base of salt	: 4064'
Delaware	: 4364'
Cherry Canyon	: 5346'
Livingstone Ridge	: 6940'
Brushy Canyon	: 7104'
Bone Springs	: 8261'



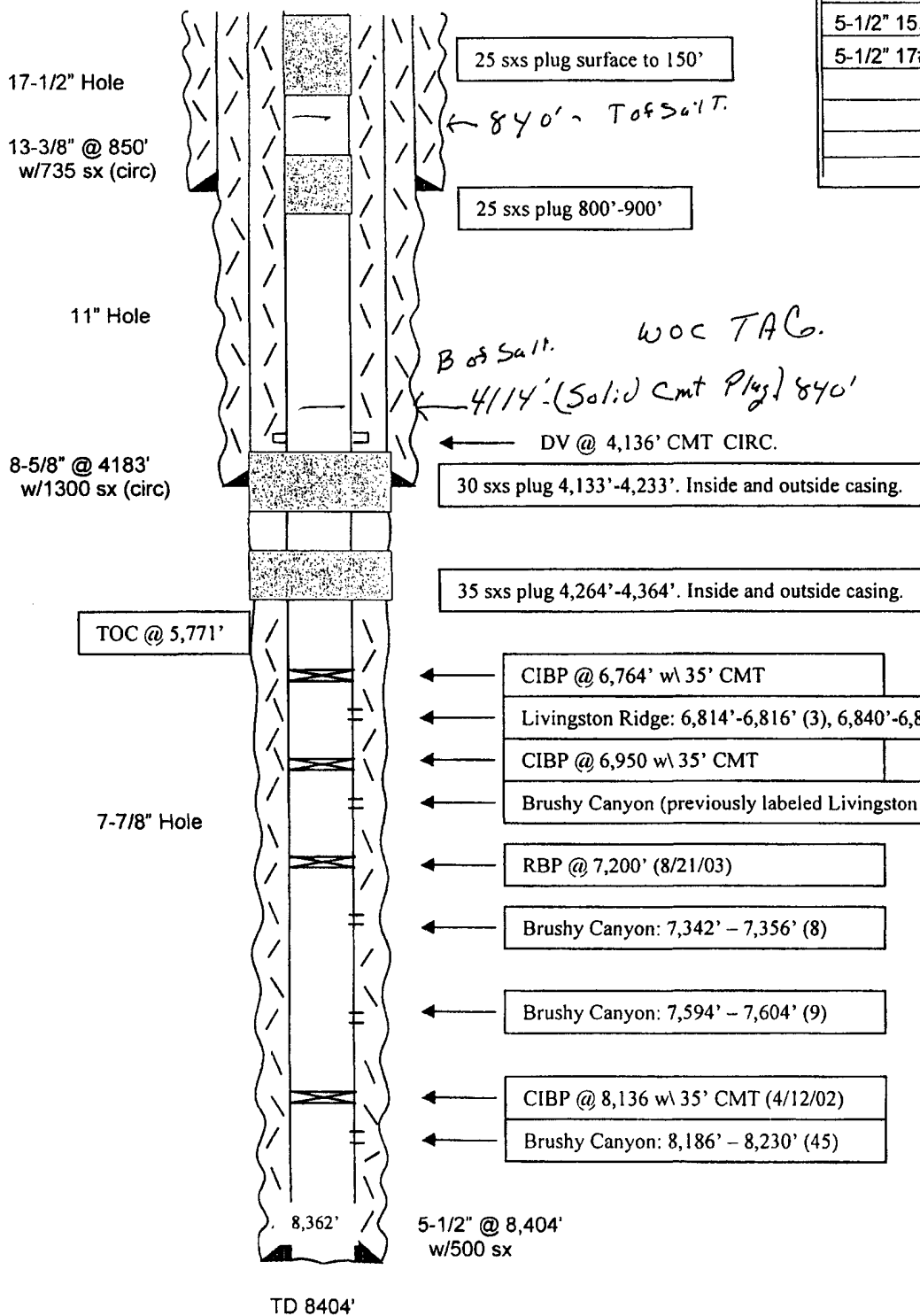
Not to Scale

3/9/06
MMFH

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