

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

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

WELL API NO. 30-015-23433
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Gardner Draw Unit
8. Well Number 5
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat Atoka

<p>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.)</p> <p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/></p> <p>2. Name of Operator Yates Petroleum Corporation</p> <p>3. Address of Operator 105 S. 4th Street, Artesia, NM 88210</p> <p>4. Well Location Unit Letter <u>E</u> : <u>2015</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>32</u> Township <u>19S</u> Range <u>21E</u> NMPM <u>Eddy</u> County</p> <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4541'GR</p> <p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p> <p>Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____</p> <p>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>	
--	--

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. ☐ PLUG AND ABANDON ☐
CASING/CEMENT JOB ☐

OTHER: Plugback and recomple ☒

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 recomple.

11/3/06 – Work to unset packer. Packer appears to be stuck. No on/off tool action.
11/6/06 – Run freepoint. Showed 100% stuck from 7351' up to 7340', 80% free at 7333', 100% free at 7325'. Perforate tubing 2' above packer.
11/7/06 – Work stuck packer, no movement. Cut tubing at 7317'.
11/8/06 – Tagged fill at 7304'. Washed down 5', no returns. Tagged up on packer at 7342'. Cut 6' – shoe quit.
11/9/06 – Tagged fish at 7342'. Cut over packer. Still no circulation. Cut 2' with shoe.
11/10/06 – Recovered 25' of tubing and top part of packer. Set CIBP at 7340'.
11/11/06 – Set RBP at 5200'. Found hole in casing at 4429'. Pump in a 2 BPM at 400 psi. POOH with packer.
11/13/06 – Set cement retainer at 4381'. Squeezed off hole in casing at 4429' with 150 sx Class "C" cement with FL and 100 sx Class "C" Neat. Squeezed hole off to 1200 psi in 6 hesitations with 248 sx in formation.
11/15/06 – Drilled out cement retainer. Fell through – no cement below retainer. Test casing pumping in at 2-1/2 BPM at 1200 psi.

CONTINUED ON NEXT PAGE:

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 December 28, 2006

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

For State Use Only

FOR RECORDS ONLY

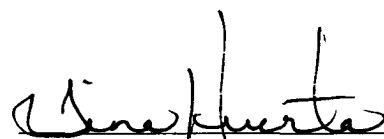
APPROVED BY: _____ TITLE _____ DATE JAN 08 2007

Conditions of Approval (if any):

Yates Petroleum Corporation
Gardner Draw Unit #5
Section 32-T19S-R21E
Eddy County, New Mexico
Page 2

Form C-103 continued:

11/16/06 – Set a cement retainer at 4381'. Re-squeezed off hole in casing with 150 sx Class "C" with FL pressure up to 3000 psi.
11/20/06 – Drilled out retainer and cement down to 4522'. Circulated hole clean.
12/1/06 – Latched onto RBP. Unset RBP and POOH.
12/4/06 – Perforate Morrow 7326'-7330' (24). Acidize with 750g 7-1/2% Morrow acid and 1000 SCF N2/bbl.
12/7/06 – Set a CIBP at 7276' with 35' cement on top. Perforate Atoka 7126'-7132' (36) and 7154'-7166' (72). Acidize with 2000g 7-1/2% IC acid and 1000 SCF/bbl.
12/18/06 – Frac Atoka 7126'-7166' with 20,000g 40# CHMPG, 60Q CO2 foam and 40,000# 18/30 versaprop. ASI packer and 1.87" on/off tool at 6818'.



Regulatory Compliance Supervisor
December 28, 2006