

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

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

Form C-103

May 27, 2004

WELL API NO.

30-015-21512

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

E-2211

7. Lease Name or Unit Agreement Name

State

8. Well Number 3

9. OGRID Number 25542

10. Pool name or Wildcat
Benson Queen Grayburg, North

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 Energy Corp.

3. Address of Operator

P. O. Box 2323, Roswell, New Mexico 88201

4. Well Location

Unit Letter A : 330 feet from the North line and 990 feet from the East line

Section 32 Township 18 S Range 30 E NMPM County Eddy

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

3425' GR

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type P+A Depth to Groundwater NA Distance from nearest fresh water well NA Distance from nearest surface water NA

Pit Liner Thickness: 20+ mil Below-Grade Tank: Volume NA bbls; Construction Material NA

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 AND 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.

See attached Work Sheet.

See Attached
Stipulations

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 Sheryl L. Jonas TITLE Agent for Yates Energy Corp. DATE 02/07/08

Type or print name Sheryl L. Jonas E-mail address: Sjonas4011@aol.com Telephone No. 432-683-5511

For State Use Only

APPROVED BY: Gerry Guye TITLE Compliance Officer DATE FEB 14 2008

Conditions of Approval (if any):

PLUGGING & ABANDONMENT WORKSHEET

(2 STRING CSNG)

OPERATOR YATES ENERGY CORPORATION
LEASENAME State No. 3

SECT 32 TWN 185 RNG 30E
FROM 330 NSL 990 EWL
TD: 3314 FORMATION @ TD Grayburg
PBTD: 3200 FORMATION @ PBTD Grayburg

8518"
@ 1603
TOC SURFACE

41/2
@ 3299'
TOC

TD 3314'

	SIZE	SET @	TOC	TOC DETERMINED BY	
SURFACE	8518	603	Surf	Sight	
INTMED 1					
INTMED 2					
PROD	41/2	3299'			
	SIZE	TOP	BOT	TOC	DETERMINED BY
LINER 1					
LINER 2					
	CUT & PULL @		TOP - BOTTOM		
INTMED 1			PERF	2892 - 2926	
INTMED 2			PERF	3327 - 3250	
PROD					

*REQUIRED PLUGS DISTRICT I

PLUG	TYPE	SACKS	DEPTH
EXAMPLES			
PLUG #1	CIBP	35'	3225'
PLUG #2	CIBP	35'	2840'
PLUG #3	Cem	26	1432-1532
PLUG #4	Cem	26	1180-1280
PLUG #5	Cem	26	553-653
PLUG #6	Cem	10	Surface
PLUG #1			
PLUG #2			
PLUG #3			
PLUG #4			
PLUG #5			
PLUG #6			
PLUG #7			
PLUG #8			
PLUG #9			
PLUG #10			
PLUG #11			
PLUG #12			
PLUG #13			
PLUG #14			
PLUG #15			
PLUG #16			
PLUG #17			
PLUG #18			
PLUG #19			
PLUG #20			
PLUG #21			
PLUG #22			
PLUG #23			
PLUG #24			
PLUG #25			
PLUG #26			
PLUG #27			
PLUG #28			
PLUG #29			
PLUG #30			
PLUG #31			
PLUG #32			
PLUG #33			
PLUG #34			
PLUG #35			
PLUG #36			
PLUG #37			
PLUG #38			
PLUG #39			
PLUG #40			
PLUG #41			
PLUG #42			
PLUG #43			
PLUG #44			
PLUG #45			
PLUG #46			
PLUG #47			
PLUG #48			
PLUG #49			
PLUG #50			
PLUG #51			
PLUG #52			
PLUG #53			
PLUG #54			
PLUG #55			
PLUG #56			
PLUG #57			
PLUG #58			
PLUG #59			
PLUG #60			
PLUG #61			
PLUG #62			
PLUG #63			
PLUG #64			
PLUG #65			
PLUG #66			
PLUG #67			
PLUG #68			
PLUG #69			
PLUG #70			
PLUG #71			
PLUG #72			
PLUG #73			
PLUG #74			
PLUG #75			
PLUG #76			
PLUG #77			
PLUG #78			
PLUG #79			
PLUG #80			
PLUG #81			
PLUG #82			
PLUG #83			
PLUG #84			
PLUG #85			
PLUG #86			
PLUG #87			
PLUG #88			
PLUG #89			
PLUG #90			
PLUG #91			
PLUG #92			
PLUG #93			
PLUG #94			
PLUG #95			
PLUG #96			
PLUG #97			
PLUG #98			
PLUG #99			
PLUG #100			

TAG
TAG
TAG
TAG

Stipulations for Plugging and Abandonment of State #3

- Calculation of the Top of Cement for 4 ½ production string indicates all plugs higher than 2193' must be perforated and squeezed leaving a minimum of 100' of cement in the casing. Casing may be cut and pulled as an alternative.
- The perforated and squeezed shoe plug at the base of the 8 5/8" will suffice as the Top of the salt. This plug may be circulated to surface.
- Surface plug must be perforated and circulated to surface if previous plug is not.
- Attached are the Guidelines for plugging and abandonment for your information.

Guidelines for Plugging

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