

Submit Copy To Appropriate District 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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

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

WELL API NO. 30-031-21067
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-7480
7. Lease Name or Unit Agreement Name Saladita State
8. Well Number 1
9. OGRID Number 180387
10. Pool name or Wildcat Wildcat
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 6563

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
Finley Resources Inc.

3. Address of Operator 1308 Lake Street
Fort Worth, TX 76102

4. Well Location
 Unit Letter M : 685 feet from the South line and 685 feet from the West line
 Section 36 Township 18 N Range 5 W NMPM McKinley County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

(1)MIRU plugging rig. (2)RIH w/ 2 7/8" tbg and 7" cmt retainer. Set retainer @ 440'. (3)Attempt to establish circulation through perfs 486-494' up the 9 5/8" x 7" casing annulus. (a)If circulation can be established, circulate cement to surface. Snap out of retainer. Spot 25 sx cmt from 190-90'. Skip to step 7. (b)If circulation cannot be established, squeeze 25 sx cement into perfs 486-494'. Snap out of retainer. POOH. Continue to step 4. (4)MIRU wireline. Perforate 7" csg @ 140'. RDMO wireline. (5)RIH w/ pkr, set @ 100' (6)Attempt to establish circulation through perfs @ 140' up the 9 5/8" x 7" casing annulus. (a)If circulation can be established, circulate cement to surface. (b)If circulation cannot be established, squeeze 25 sx cement into perfs @ 140'. (7)Spot 5 sx plug from 20' to surface. (8)Cut off wellhead, install dry hole marker. RDMO.

* See Attached conditions

Spud Date: 3/3/2006 Rig Release Date: 8/6/2006

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

SIGNATURE [Signature] TITLE Regulatory Analyst DATE 4/03/2017

Type or print name Josh Morgan E-mail address: jmorgan@finleyresources.com PHONE: (817) 231-8756

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): AV

* See Attached conditions

OIL CONS. DIV DIST. 3

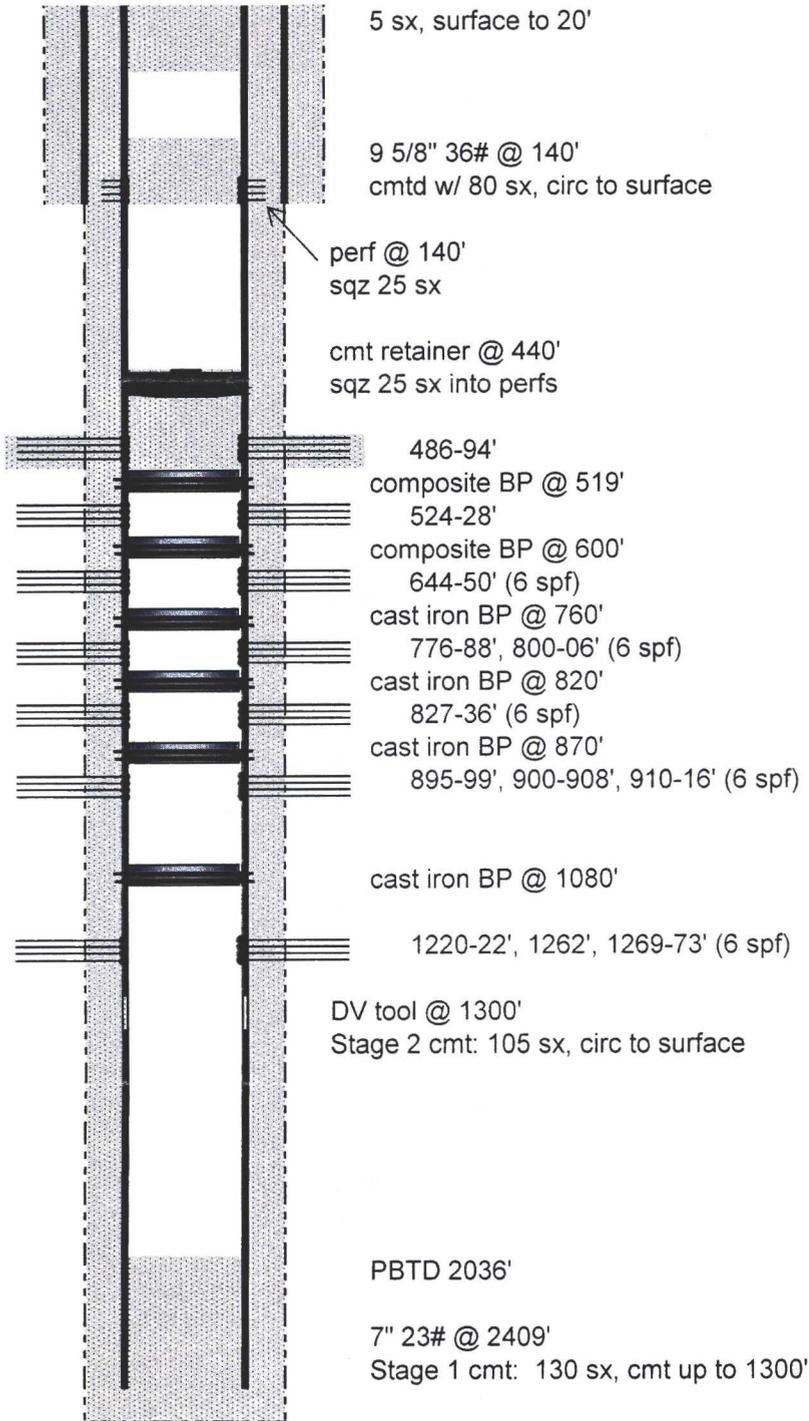
APR 14 2017

Finley Resources, Inc

Saladita State #1

30-031-21067

PROPOSED P&A



State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division
Conditions of Approval

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-031-21067-00-00	SALADITA STATE	001	FINLEY RESOURCES INC	G	N	McKinley	S	M	36	18	N	5	W

Application Type:

P&A Drilling/Casing Change Location Change

Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)

Other:

Conditions of Approval:

- Add Plug from 2291'-2191' plus excess to cover the Mancos top.
- Add Plug from 1473'-1373' plus excess to cover the Gallup top.
- Extend the surface plug down to 50' at a minimum.
- Add a minimum of 50' plus excess of cement on top of the cement retainer at 440'.
- Surface casing shoe plug is required to be perforated at 190' and cemented from 190'-90' plus excess. (This plug can be combined with the surface plug)
- All plugs should include excess cement. The volumes consist of 50% excess cement on the inside of the casing and 100% excess cement on the outside of the casing.
- The well is currently out of compliance with 19.15.25.8.B (below). To bring this well into compliance Finley must properly plug and abandon a well or place the well in approved temporary abandonment **within 90 days.**

19.15.25.8.B states "The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after:

- (1) a 60 day period following suspension of drilling operations;
- (2) a determination that a well is no longer usable for beneficial purposes; or
- (3) a period of one year in which a well has been continuously inactive."

Brandon Powell

NMOCD Approved by Signature

5/2/17

Date