

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

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

<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>WELL API NO. 30-015-21805</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other: _____</p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Gissler AV</p>
<p>4. Well Location Unit Letter <u>L</u> : <u>2310</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>23</u> Township <u>17S</u> Range <u>25E</u> NMPM County: <u>Eddy</u></p>		<p>8. Well Number 13</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3513' GR</p>		<p>9. OGRID Number 025575</p>
<p>10. Pool name or Wildcat Eagle Creek S.A.</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 ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

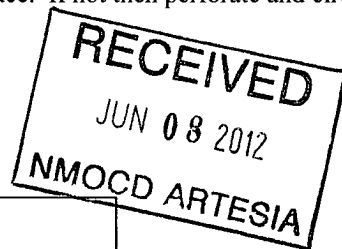
Yates Petroleum Corporation plans to plug and abandon this well as follows:

1. MIRU, install BOP, TOOHP with production equipment.
2. RIH w/bit and scraper to just below perfs @ 1,440', circ. 160 SX Class "C" cement to 500'. NOTE: if fill is tagged and unable to get below perfs will TOOHP and TBIH w/CIBP and set above perfs at 1,230' before circ. 130 SX cement to 500'.
3. Cut off wellhead and verify there is cement behind all casing strings at surface. If so, cement to surface. If not then perforate and circ. cement to surface behind each casing string before cementing to surface inside production casing.
4. Install dry hole marker and clean location as per regulations.

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

**SEE ATTACHED
CONDITIONS OF
APPROVAL**

Rig Release Date: _____



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

SIGNATURE Sharon Coll TITLE Regulatory Reporting Technician DATE June 5, 2012

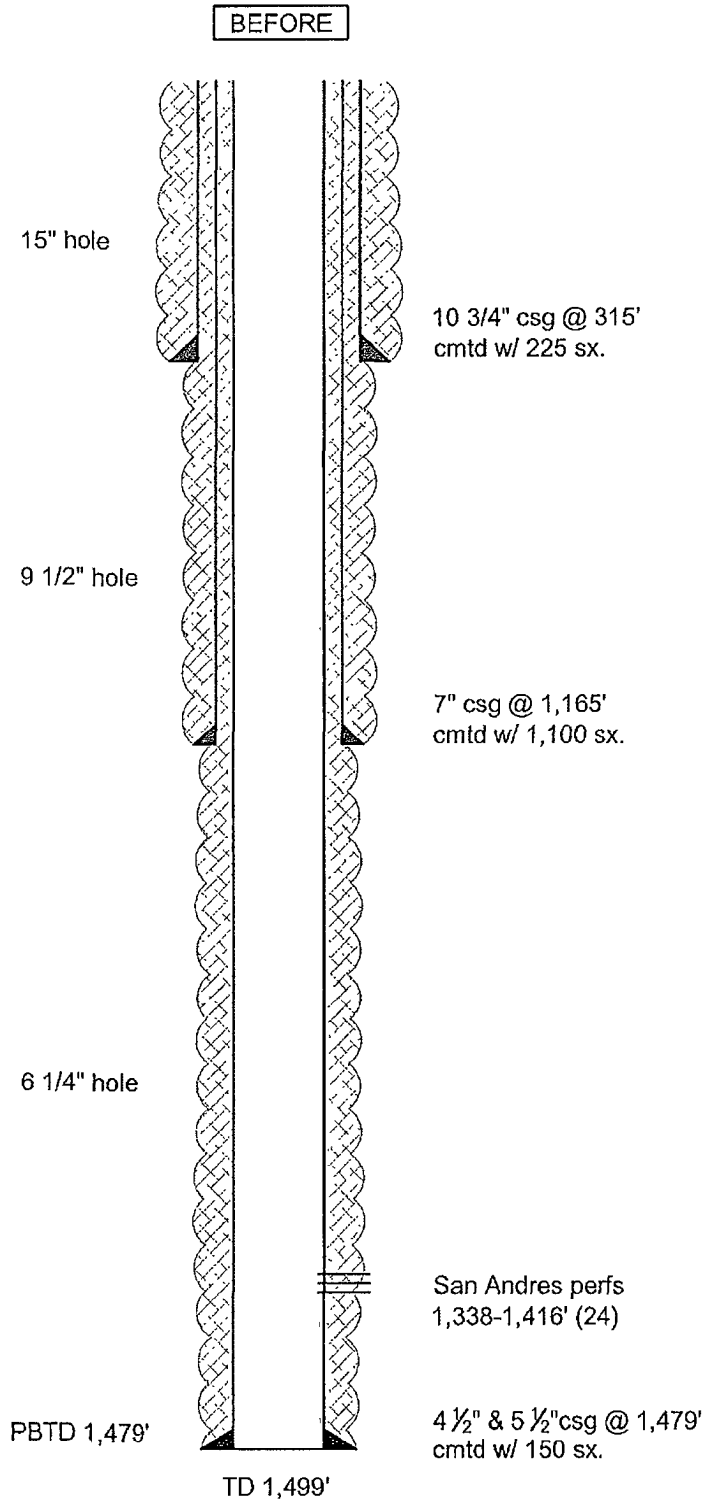
Type or print name Sharon Coll E-mail address: scoll@yatespetroleum.com PHONE: 575-748-1471 ext 13507

For State Use Only

APPROVED BY: [Signature] TITLE Approval Granted providing work is complete by DATE 6/13/2012

Well Name: Gissler AV #13 Field: Eagle Creek
 Location: 2310' FSL & 330' FWL Sec 23-17S-25E
 County: Eddy State: New Mexico
 GL: 3,513' Zero: KB:
 Spud Date: 5/10/1976 Completion Date: 6/1/1976
 Comments: API # 30015218050000

Casing Program	
Size/Wt/Grade	Depth Set
10 3/4" 40# K-55	315'
7" 20# K-55	1,165'
4 1/2" 10.5# & 5 1/2" 15.5# K-55	1,479'

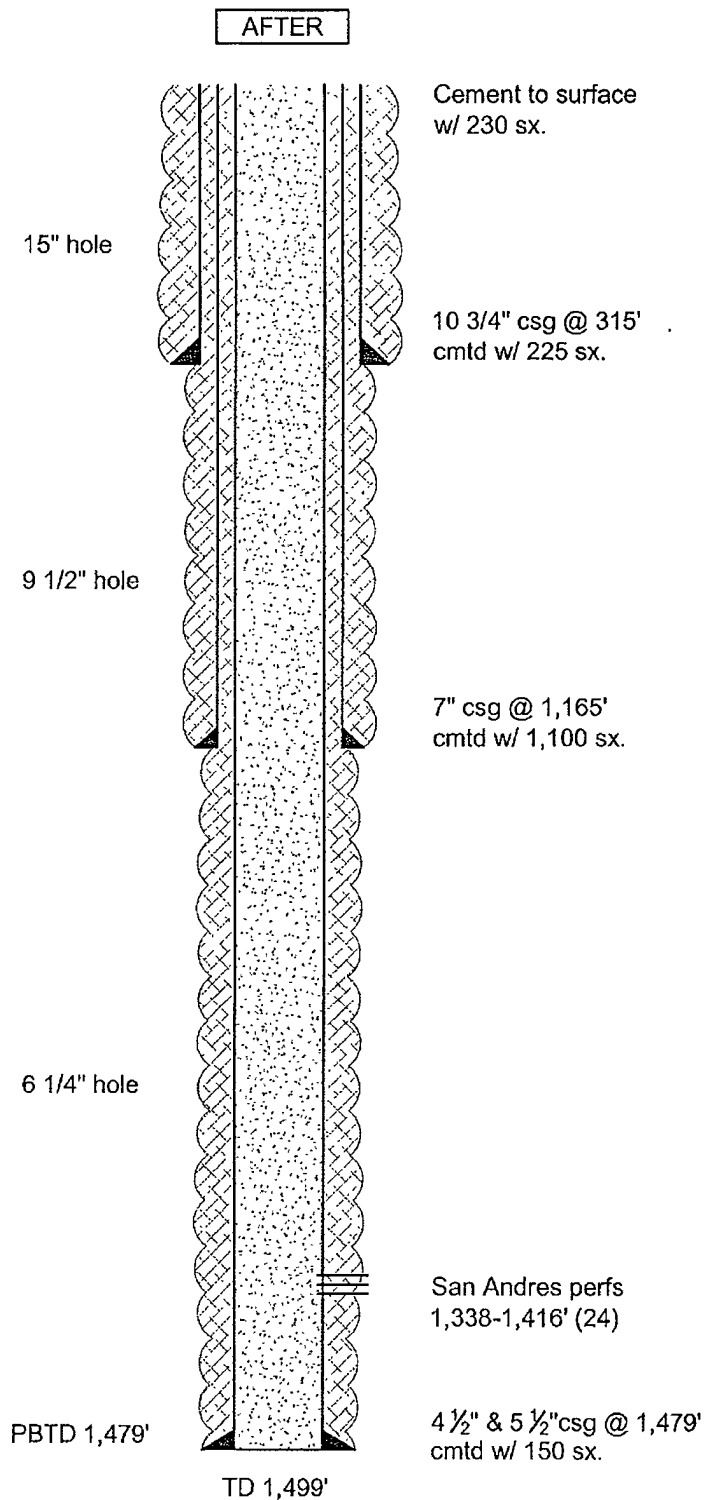


SKETCH NOT TO SCALE

DATE: 6/4/2012

Well Name: Gissler AV #13 Field: Eagle Creek
 Location: 2310' FSL & 330' FWL Sec 23-17S-25E
 County: Eddy State: New Mexico
 GL: 3,513' Zero: KB:
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SKETCH NOT TO SCALE

DATE: 6/4/2012

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Yates Petroleum Corp.

Well Name & Number: Gissler AV #13

API #: 30-015-21805

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. 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 produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.

8. Cement Retainers may not be used.
9. Squeeze pressures not to exceed 500 psi., unless approval is given by NMOCD Plugging Supervisor.
10. Plugs may be combined after consulting with NMOCD P & A Supervisor.
11. Minimum WOC time for tag plugs will be 4 hrs.

DG

Date: 6/13/2012