

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

WELL API NO. 30-005-60648
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Twin Lakes San Andres Unit
8. Well Number 2
9. OGRID Number 269864
10. Pool name or Wildcat Twin Lakes San Andres

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 ☐ Injector

2. Name of Operator
Canyon E&P Company

3. Address of Operator
4925 Greenville Ave., Ste 900, Dallas, Texas 75206

4. Well Location
Unit Letter K : 1650 feet from the South line and 2310 feet from the West line
Section 25 Township 8S Range 28E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3920.3 GR

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPERATIONS ☐
CASING/CEMENT JOB ☐

OTHER: ☐

At least 24 hrs. prior to any work done.

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.

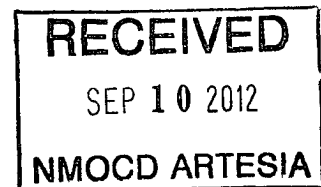
Canyon E&P Company request approval to plug and abandon the TLSAU #2 well according to the following procedure:

- 1: Notify OCDNM Artesia 24 hours prior to commencing procedure.
2. Set 150' cement plug from 2466 to 2666'. WOC. Tag.
3. Circulate hole with mud.
4. Set 100' cement plug from 1885 to 1985. WOC. Tag. - *Perf. + Sguz. WOC Tag*
5. Set 100' cement plug from 1400 to 1500'. - *Perf. + Sguz. WOC Tag.*
6. Set 100' cement plug from 810 to 910'. - *Perf. + Sguz. WOC Tag.*
7. Circulate cement from 170' to surface. - *Perf. + Sguz.*
8. Install dry hole marker.

** T. Salt @ 478' - Perf. + Sguz. WOC Tag.*

Spud Date:

Rig Release Date:



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

SIGNATURE

[Signature]

TITLE

President

DATE

9-4-14

Type or print name Mike Myers

E-mail address: mike@canyonep.com PHONE: 214-709-6784

For State Use Only

APPROVED BY:

[Signature]

TITLE

DATE

9/11/2012

Conditions of Approval (if any):

Approval Granted providing work is complete by 12/11/2012

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: Canyon E & P Comp.

Well Name & Number: Twin Lakes San Andres Unit #2

API #: 30-005-60648

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 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 perms, 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: 9/11/2012