

Submit 1 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
ARTESIA DISTRICT

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

Revised July 18, 2013

WELL API NO.

30-015-26919

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

LG-1525

7. Lease Name or Unit Agreement Name

State CO

8. Well Number

7

9. OGRID Number

025575

10. Pool name or Wildcat

Dagger Draw; Upper Penn, 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 Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter B : 660 feet from the North line and 1780 feet from the East line

Section 36 Township 19S Range 24E NMPM Eddy County

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

3598'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 ☐
CLOSED-LOOP SYSTEM ☐
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 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. NU BOP. RU all safety equipment as needed. No casing recovery will be attempted as production casing is cemented to surface.
2. Set a CIBP at 7608' and cap it with 25 sx Class "H" cement.
3. Spot a 30 sx Class "C" cement plug from 5631'-5801'. This will place a plug across stage tool. WOC and tag, reset if necessary.
4. Spot a 30 sx Class "C" cement plug from 5257'-5427'. This will place a plug across Wolfcamp top.
5. Spot a 30 sx Class "C" cement plug from 3137'-3307'. This will place a plug across Bone Spring top.
6. Spot a 30 sx Class "C" cement plug from 1944'-2114'. This will place a plug across Glorieta top.
7. Spot a 30 sx Class "C" cement plug from 1047'-1217'. WOC and tag, reset if necessary. This will place a plug across surface casing shoe.
8. Spot a 35 sx Class "C" cement plug from 0-220'. WOC and tag, reset if necessary. This will form surface plug and casing shoe plug.
9. Remove all surface equipment and weld dry hole marker per regulations.

Wellbore schematics attached:

CONDITIONS OF APPROVAL ATTACHED

Approval Granted providing work is

Completed by

3/24/2016

Rig Release Date:

Approved for plugging of well bore only.
Liability under bond is retained pending receipt
of C-103 (Subsequent Report of Well Plugging)
which may be found at OCD Web Page under
Forms, www.cmrnd.state.nm.us/oed

is true and complete to the best of my knowledge and belief.

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE March 17, 2015

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE Sr JF Sepulveda DATE 3/24/2015

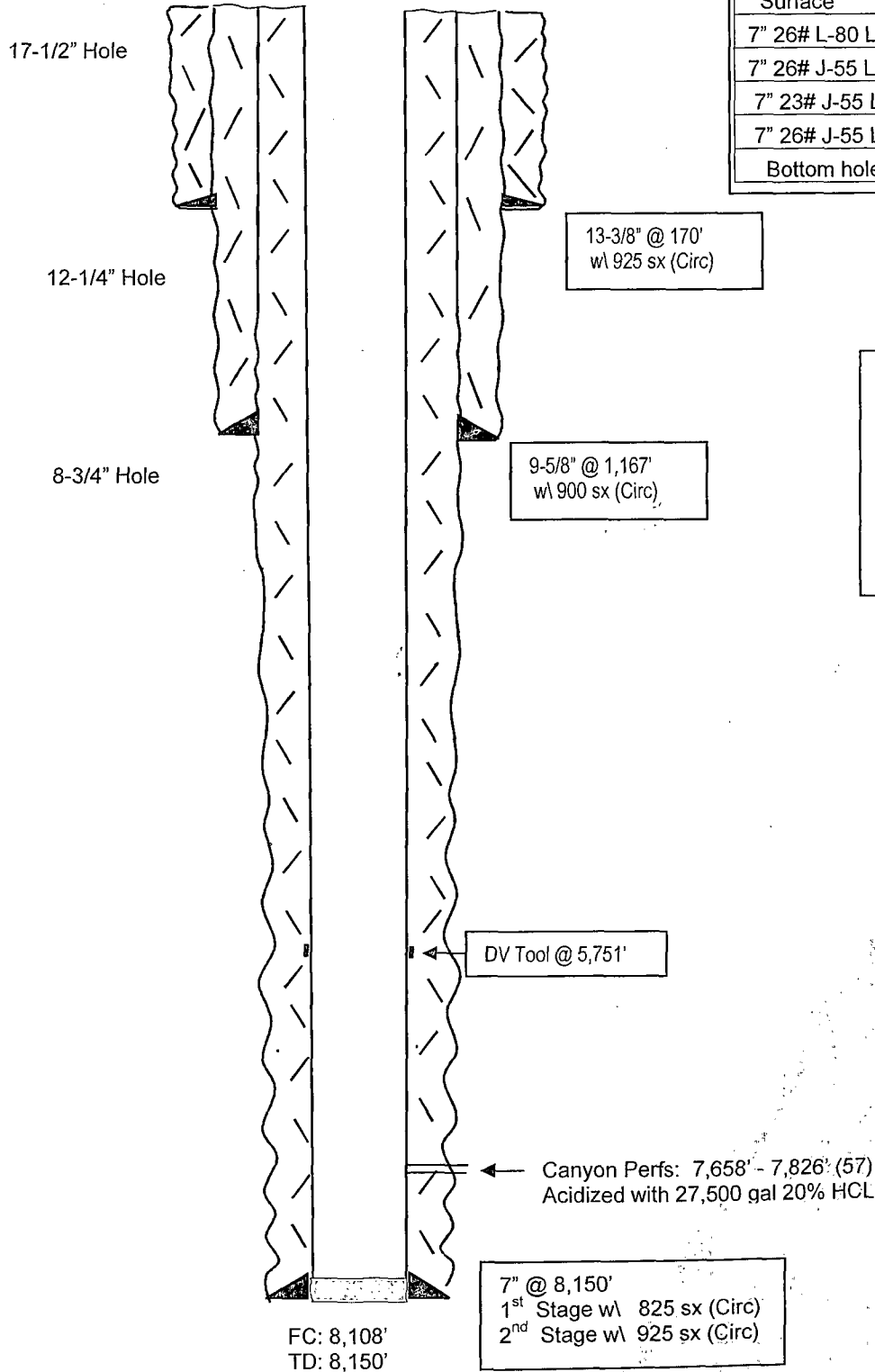
Conditions of Approval (if any):

* See Attached COA's

WELL NAME: State CO Com # 7 **FIELD:** Dagger Draw North
LOCATION: 660' FNL & 1,780' FEL of Section 36-19S-24E Eddy Co., NM
GL: 3,598' **ZERO:** 18.4' **KB:** 3,616.4'
SPUD DATE: 05/05/92 **COMPLETION DATE:** 05/31/92
COMMENTS: API No.: 30-015-26919

CASING PROGRAM

13-3/8" 54.5# J-55 ST&C		170'
9-5/8" 36# J-55 LT&C		1,167'
Surface		
7" 26# L-80 LT&C	600'	
7" 26# J-55 LT&C	2,679'	
7" 23# J-55 LT&C	3,752'	
7" 26# J-55 LT&C	1,119'	8,150'
Bottom hole		



Before

TOPS

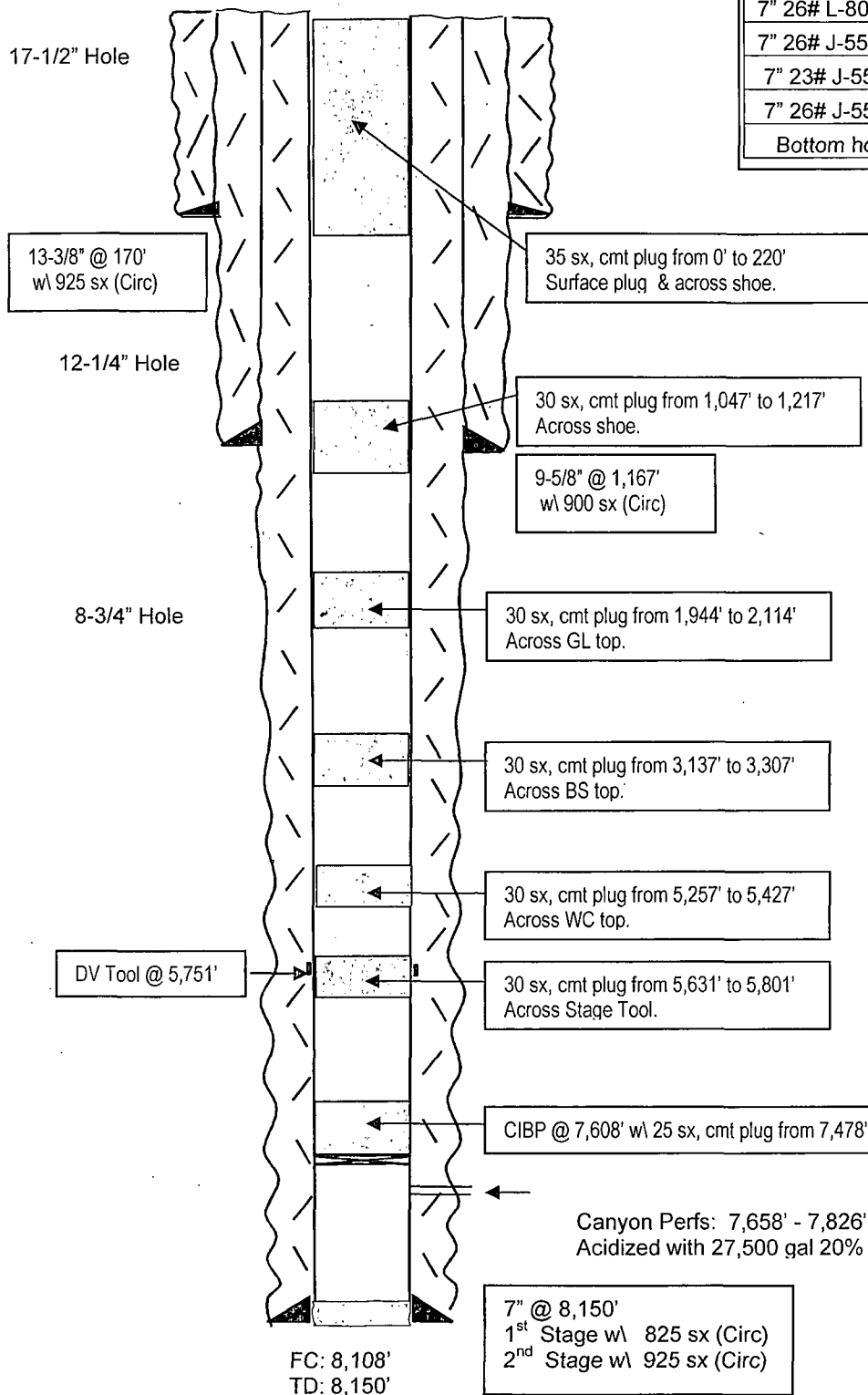
San Andres 512'
 Glorieta 2,064'
 BS 3,257'
 WC 5,377'
 Cisco 7,563'

Not to Scale
 07/19/13
 JMH

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After

TOPS

San Andres 512'
 Glorieta 2,064'
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Not to Scale
 02/12/15
 JMH

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: Vates Petroleum

Well Name & Number: State CO #7

API #: 30-015-26919

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 perfs, before any plugs can be set, by whatever means possible.
8. **Cement Retainers may not be used.**
9. **Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.**
10. **Plugs may be combined after consulting with and getting approval from NMOCD.**
11. **Minimum WOC time for tag plugs will be 4 Hrs.**

DATE: 3/24/2015

APPROVED BY: RD

GUIDELINES FOR PLUGGING AND ABANDONMENT

DISTRICT II / ARTESIA

- 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 bbls 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.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.
- Formations to be isolated with plugs placed at the top of each formation are:
 - Fusselman
 - Devonian
 - Morrow
 - Wolfcamp
 - Bone Spring
 - 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 cement 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 (50' below and 50' above).