

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

APR 15 2015
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
 RECEIVED

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.)		WELL API NO. 30-015-26342
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No.
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Ceniza AGZ Com
4. Well Location Unit Letter <u>P</u> : <u>660</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>2</u> Township <u>20S</u> Range <u>24E</u> NMPM <u>Eddy</u> County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3608' GR		9. OGRID Number 025575
		10. Pool name or Wildcat North Dagger Draw Upper Penn

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 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.

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

- MIRU all safety equipment as needed. NU BOP. No casing recovery will be attempted as production casing is cemented to surface.
- Set a 7" CIBP at 7540' with 25 sx Class "H" cement on top.
- Spot a 30 sx Class "C" cement plug from 5355'-5525', this will place a plug across stage tool and Wolfcamp top. WOC and tag, reset if necessary.
- Spot a 30 sx Class "C" cement plug from 3254'-3424', this will place a plug across Bone Spring top.
- The TOC should be near surface, but our CBL only goes to 5000'. So from here out we are going to perforate at each plug to ensure that cement is present behind casing.
- Perforate 4 shots at 2150'. Pressure up on the casing to 500 psi. If we can pump into the perms spot a 50 sx Class "C" cement plug inside and outside casing from 2000'-2150'. If the casing holds pressure, spot a 150' plug inside the casing from 2000'-2150'. WOC and tag, reset if necessary. This will place a plug across Glorieta top.
- Perforate 4 shots at 1355'. Pressure up on casing to 500 psi. If we pump into the perms spot a 50 sx Class "C" cement plug inside and outside casing from 1205'-1355'. If the casing holds pressure, spot a 150' plug inside casing from 1205'-1355'. WOC and tag, reset if necessary. This will place a plug across surface casing shoe.
- Perforate 4 shots at 150'. Pressure up on casing to 500 psi. If we can pump into the perms spot a 50 sx Class "C" cement plug inside and outside casing from surface to 150'. If the casing holds pressure, spot a 150' plug inside casing from 0-150'. WOC and tag plug, reset if necessary. This will place a plug at surface.
- Remove all surface equipment and weld dry hole marker per regulations.

Wellbore schematics attached

Spud Date:

Rig Release Date:

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

Plugging must be done by 4/28/2016

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

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE April 13, 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 Dr. H. Spewison DATE 4/28/2015

Conditions of Approval (if any):

★ See Attached COA's

WELL NAME: Ceniza AGZ Com # 1 FIELD: Dagger Draw South

LOCATION: 660' FSL & 660' FEL of Section 2-20S-24E Eddy Co., NM

GL: 3,608' ZERO: 14' KB: 3,622'

SPUD DATE: 08/02/90 COMPLETION DATE: 10/03/90

COMMENTS: API No.: 30-015-26342

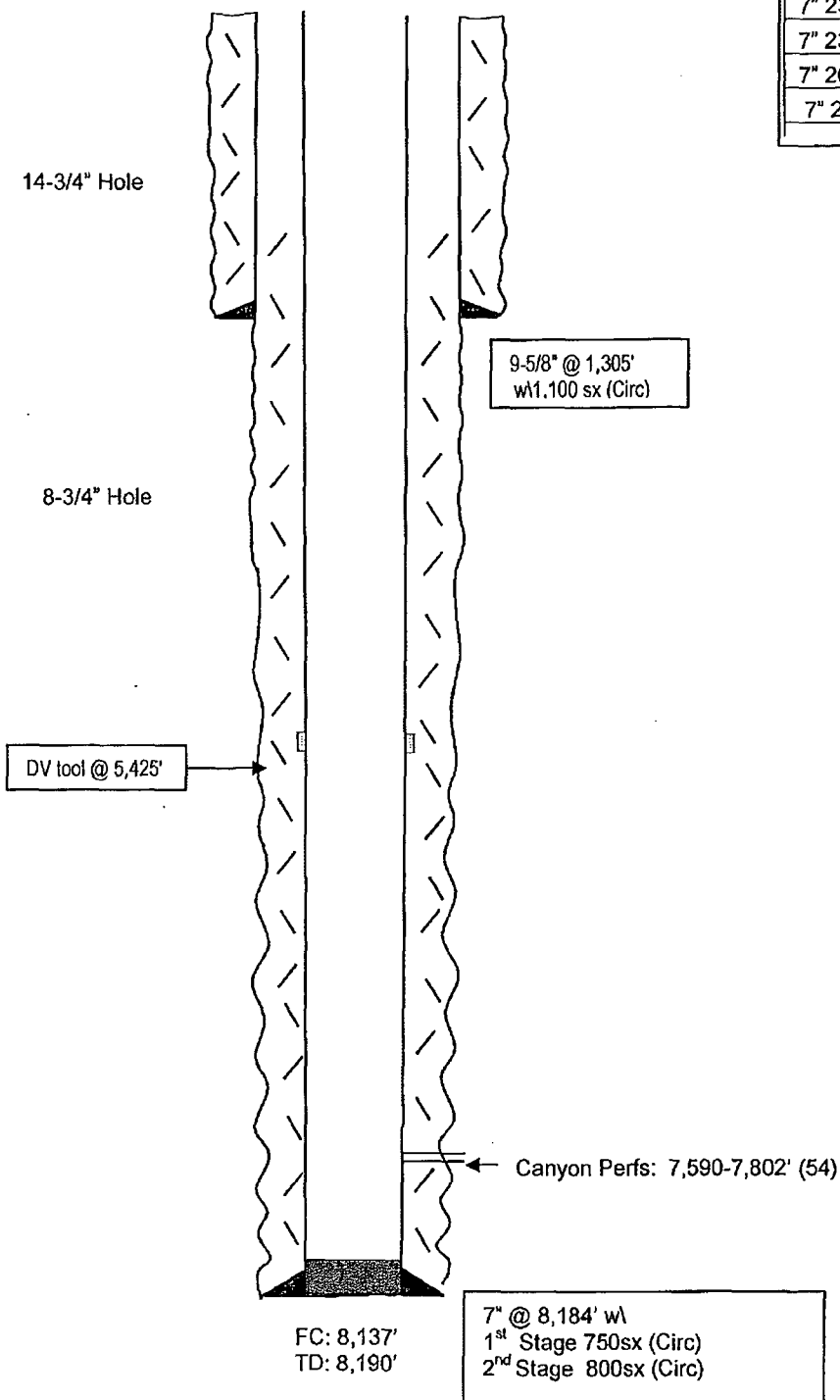
CASING PROGRAM

9-5/8" 36# J-55	1,305'
7" 26# J-55 LT&C 4 jts	
7" 23# N-80 LT&C 22 jts	
7" 23# J-55 LT&C 91 jts	
7" 26# J-55 LT&C 67 jts	
7" 26# N-80 LT&C 15 jts	8,184'

Before

TOPS

SA	501'
Glorieta	2,100'
BS	3,324'
WC	5,423'
Canyon	7,540'



Not to Scale
2/27/15
JM Hill

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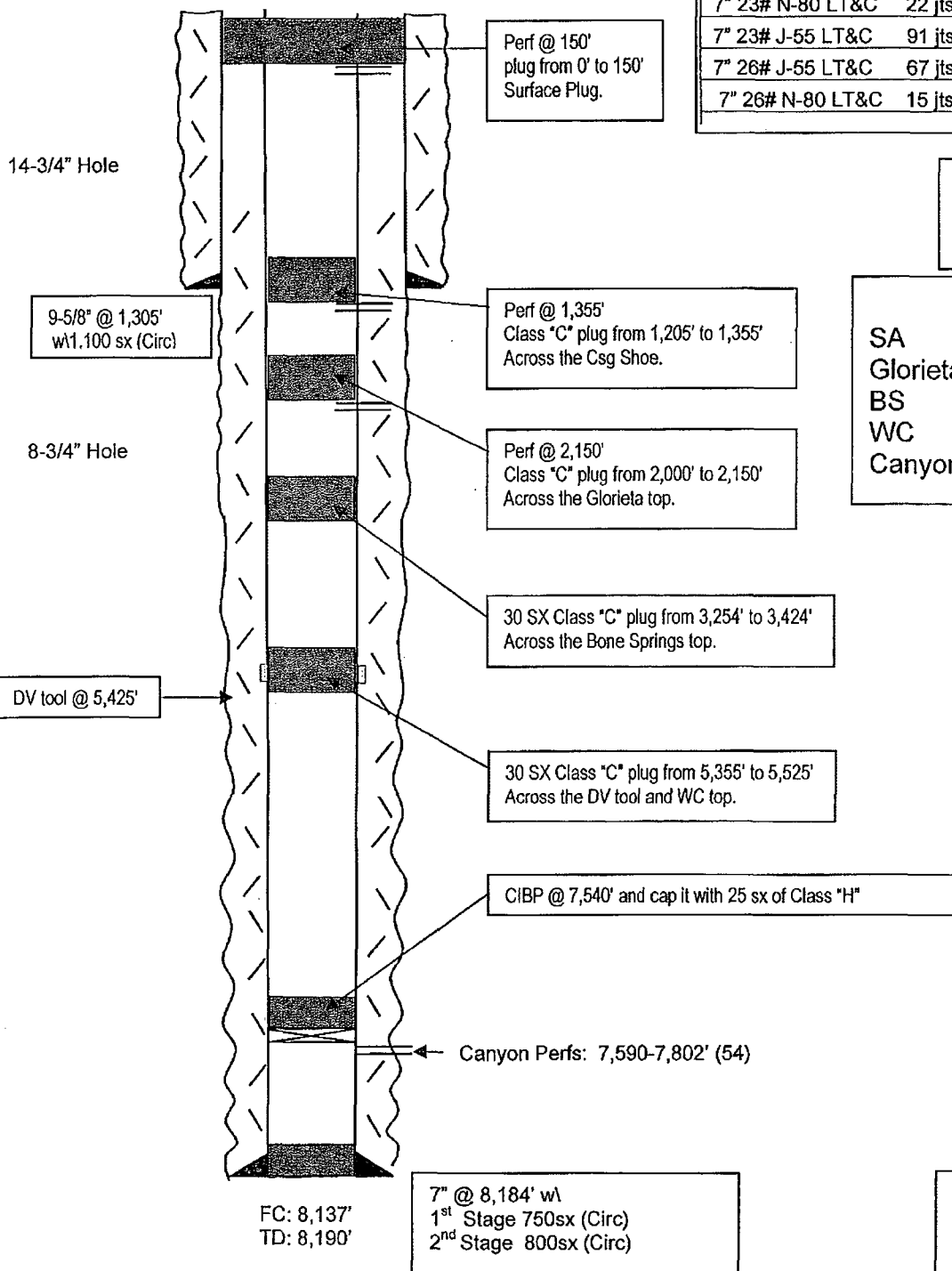
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After

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Not to Scale

2/27/15
JM Hill

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

Well Name & Number: Ceniza AGZ Com #1

API #: 30-015-26342

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: 4/28/15

APPROVED BY: ASD

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).