

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

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

WELL API NO. 30-015-32000
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Lucy ALC State
8. Well Number 4
9. OGRID Number 025575
10. Pool name or Wildcat Lost Tank; Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3488'GR

**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 G : 1980 feet from the North line and 2080 feet from the East line  
Section 34 Township 21S Range 31E NMPM Eddy County

**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 any safety equipment as needed. NU BOP. TOH with production equipment.
2. Make a GR/JP run to 6800'. Set a 5-1/2" CIBP at 6776' then dump 35' Class "H" cement on top of CIBP.
3. Spot a continuous 350 sx Class "C" cement plug from 4135'-800'. This will cover the top of the Delaware, the entire salt section and casing shoe. This plug should be spotted in several increments to avoid sticking the tubing.
4. Spot a Class "C" cement plug from 50' up to surface.
5. Cut off wellhead and install dry hole marker and clean location.

Wellbore schematics attached

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.emnrd.state.nm.us/oed](http://www.emnrd.state.nm.us/oed).

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

MAR 10 2016

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

Spud Date:

Rig Release Date:

RECEIVED

**WELL MUST BE PLUGGED BY 3/11/2017**

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 March 8, 2016

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

APPROVED BY: Robert L. Baul TITLE COMPLIANCE OFFICER DATE 3/11/2016  
Conditions of Approval (if any): 575-626-0836

WELL NAME: Lucy ALC St # 4

FIELD: Lost Tank

LOCATION: Unit G, 1,980' FNL & 2,080' FEL Sec 34-21S-31E Eddy County, NM

GL: 3,488' ZERO: KB: 3,501'

SPUD DATE: 9/19/02 COMPLETION DATE: 11/12/02

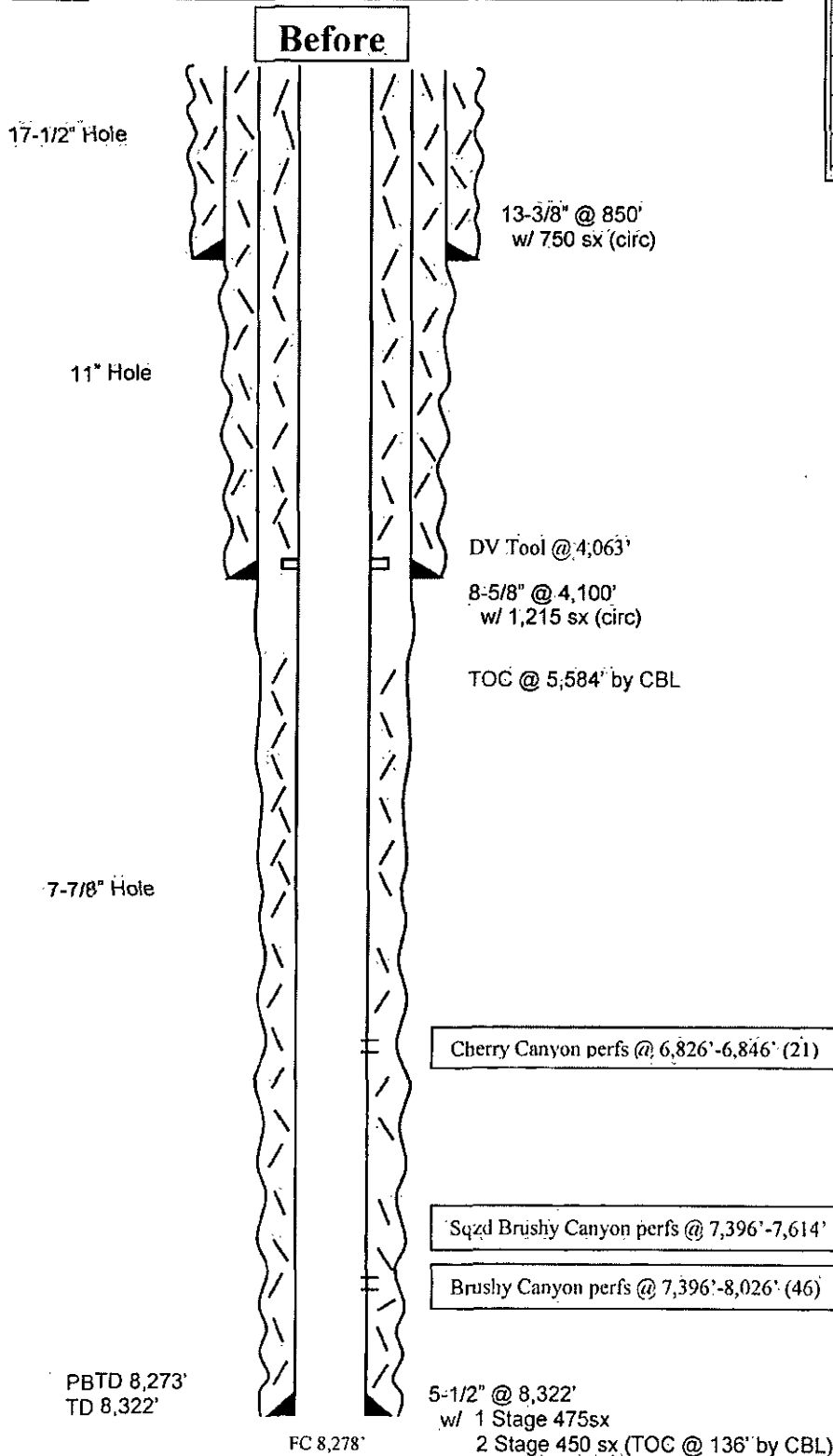
COMMENTS: API # 30-015-32000

#### CASING PROGRAM

13-3/8" 48# H40 ST&C	850'
8-5/8" 32# J55 ST&C	4,100'
5-1/2" 15.5# & 17# J55 LT&C	8,322'

#### Formation Tops

Rustler	592'
Top of Salt	882'
Bottom of Salt	3,694'
Bell Canyon	4,134'
Cherry Canyon	5,242'
Livingston Ridge	6,804'
Brushy Canyon	6,930'
Bone Springs	8,080'



Not to Scale  
2/8/16  
BAL

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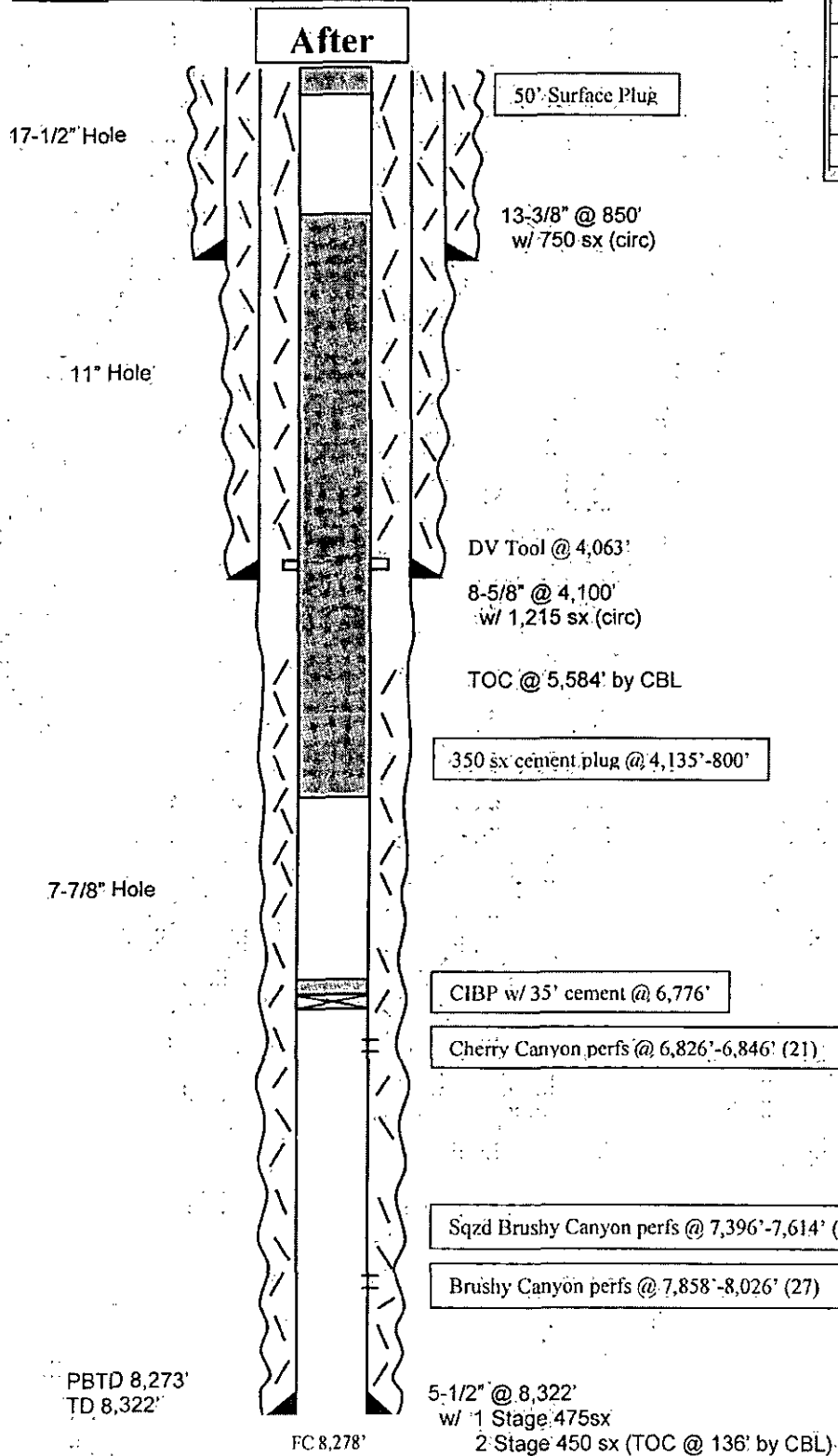
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2/8/16  
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**NEW MEXICO OIL CONSERVATION DIVISION  
DISTRICT 2 OFFICE  
811 S. FIRST STREET  
ARTESIA, NM 88210  
(575)748-1283**

**CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT**

**Operator:** \_\_\_\_\_  
**Well Name & Number:** \_\_\_\_\_  
**API #:** \_\_\_\_\_

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.**
12. **19.15.7.16 : B.** In the case of a dry hole, a complete record of the well on form C-105 with the attachments listed in Subsection A of 19.15.7.16 NMAC shall accompany the notice of intention to plug the well, unless previously filed. The division shall not approve the plugging report or release the bond the operator has complied with 19.15.7.16 NMAC.

**DATE:**

**APPROVED BY:**

### N.M.O.C.D.- Guidelines For Plugging

- All cement plugs will be a minimum of 100' in length, or a minimum of 25sx. Of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sx. 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 stubs. **These plugs must be tagged.**
- A CIBP with 35' of cement on top, may be set instead of 100' plug.
- A plug as indicated above, must be placed within 100' of top perforation. **This plug must be tagged.**
- Plugs set above and below all salt zones, **must be tagged.**
- No more than 2000' is to be allowed between plugs in open hole, and no more than 3000' between plugs in cased hole.
- D.V. tools are required to have a 100' cement plug set 50' above, and 50' below the tool. **This plug must be tagged.**

Formations to be isolated with plugs placed at the top of each formation are:

- Fusselman
- Devonian
- Morrow
- Wolfcamp
- Bone Springs
- Delaware
- Any salt section (plug at top and bottom)
- Abo
- Glorietta
- 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 squeezed behind casing at the formation depths.

In the R-111P 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.