

District I - (575) 393-6161

1625 N. French Dr., H 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

Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-26623

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

K-6385

7. Lease Name or Unit Agreement Name

Dee 36 SE State

8. Well Number

3

9. OGRID Number

025575

10. Pool name or Wildcat

Canyon; Wolfcamp

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 J : 1650 feet from the South line and 1980 feet from the East lineSection 36 Township 19S Range 24E NMPM Eddy County

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

3603'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. MIRU all safety equipment as needed. NU BOP.
2. Tag the CIBP at 7530' and cap it with 25 sx Class "H" cement.
3. Set a 7" CIBP at 6400' and spot an 87 sx Class "C" cement plug on top of it. This will place a 535' plug on top of the CIBP up to 5865'. This will place a plug on top of open perms and across Wolfcamp top and stage tool. WOC and tag, reset if necessary.
4. Set a 25 sx Class "C" cement plug from 3340'-3490'. This will place a plug across Bone Spring top.
5. Set a 25 sx Class "C" cement plug from 1990'-2140'. This will place a plug across Glorieta top.
6. Set a 25 sx Class "C" cement plug from 1101'-1251'. This will place a plug across casing shoe. WOC and tag, reset if necessary.
7. Set a 25 sx Class "C" cement plug from 0-150'. This will be the surface plug. WOC and tag, reset if necessary.
8. Cut off wellhead, 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.

Spud Date:

Rig Release Date:

WELL MUST BE PLUGGED BY 5/13/2017 OR AN EXTENSION HAS TO BE

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

FILED

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE May 9, 2016Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: Robert J. Del TITLE COMPLIANCE OFFICER DATE 5/13/2016

Conditions of Approval (if any):

WELL NAME: Dee 36 SE State # 3 FIELD: Canyon-Wolfcamp

LOCATION: 1,650' FSL & 1,980' FEL of Section 36-T19S-R24E Eddy Co., NM

GL: 3,603' ZERO: 15' KB: 3,618'

SPUD DATE: 2/6/73 COMPLETION DATE: 3/4/73

COMMENTS: API No.: 30-015-26623

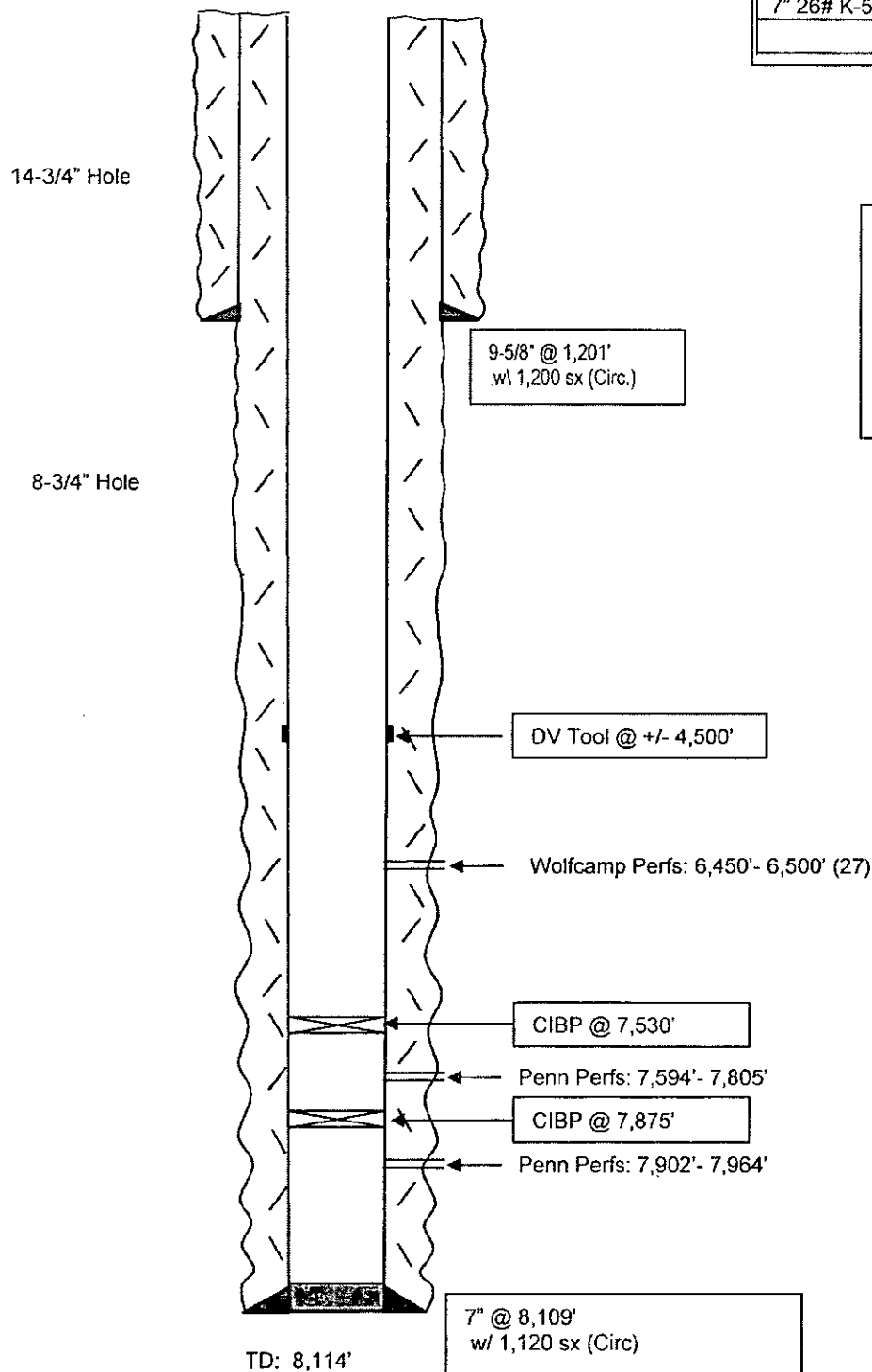
CASING PROGRAM

9-5/8" 36# K-55	1,201'
7" 26# K-55	8,109'

Before

TOPS

Glorieta	2,090'
Bone Springs	3,440'
Wolfcamp	5,915'
Penn	7,339'
Canyon	7,581'



Not to Scale
3/28/16
JMH

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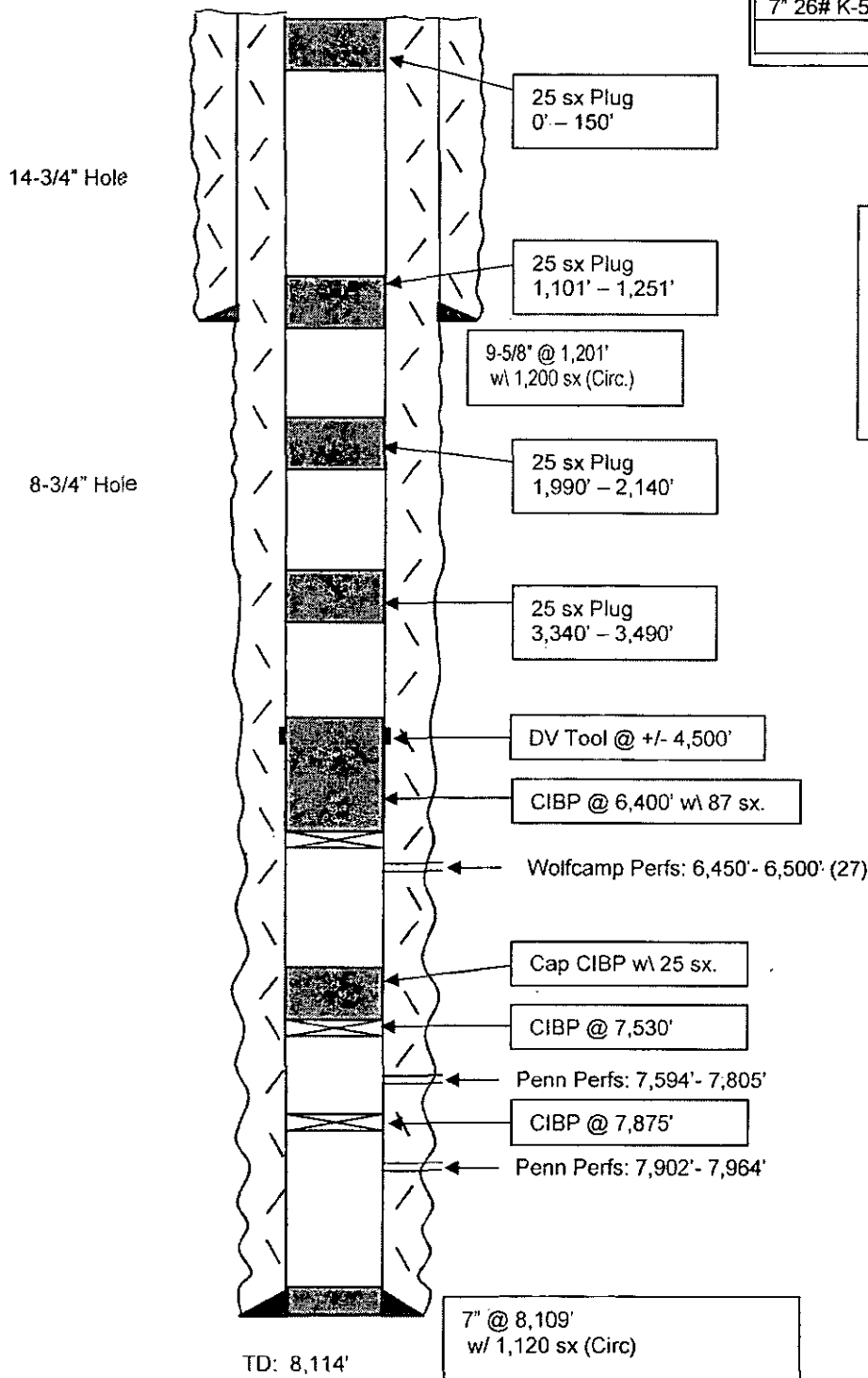
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Not to Scale
3/28/16
JMH

**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: _____
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:

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).