

Submit 3 Copies to Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 16, 2008

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

S

WELL API NO. 30-015-22889
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. V-3346
7. Lease Name or Unit Agreement Name Loving AIB, State
8. Well Number #1
9. OGRID Number 025575
10. Pool name or Wildcat South Loving Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3024.1' 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 ☐ JUN 20 2008

2. Name of Operator
Yates Petroleum Corporation OGD-ARTESIA

3. Address of Operator
105 South Fourth Street, Artesia New Mexico 88210

4. Well Location
Unit Letter G : 1550 feet from the North line and 1780 feet from the East line
Section 16 Township 23S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3024.1' 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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Convert to SWD Well & change name
☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation wishes to convert this well to a Saltwater Disposal Well. Yates has an Administrative Order SWD-1129 dated June 5, 2008. See attached procedure.

Yates Petroleum Corporation wishes to change the name of this well from Loving AIB State #1 to the Loving SWD #1.

MAKE SURE THE ARTESIA OGD OFFICE IS NOTIFIED 24
HOURS IN ADVANCE OF THE MIT TEST BEING
PERFORMED.

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

SIGNATURE Clifton R. May TITLE Regulatory Agent DATE 6/19/2008

Type or print name Clifton R. May E-mail address: cliff@ypcnm.com PHONE: 575-748-4347

For State Use Only

APPROVED BY: Reuben Innes TITLE COMPLIANCE OFFICER DATE 6/23/08
Conditions of Approval (if any):

WORKOVER PROCEDURE

Loving AIB State #1

Yates Petroleum Corporation wishes to convert this well to a Saltwater Disposal Well. Yates has an Administrative Order SWD-1129 dated June 5, 2008. Yates plans to move in a pulling unit and install a BOP rated for 3000#. Rig up all safety equipment as necessary. Pull the rods & tubing out of the well bore and all production equipment. Then set a CIBP at about 5888' and cap with 35' of cement. Top of cement determined from the bond log was 5300'. There are perforated holes at 2700' from previous cement job to get cement to the surface. Yates will then run a Cement Bond Log over the interval, then use the log to determine where to perf and put cement behind the pipe in the current no cement interval 2700'-5300'/ Squeeze with Class "H" cement and wait 48 hours before drilling out. Yates will then perforate the Bell and Upper Cherry Canyon Delaware sands as follow:

3476'-3820', 3520'-3526', 3676'-3682', 3750'-3756' & 3810'-3820' and frac.

Set a CIPB at 3350' and perforate the Bell Canyon Delaware sand as follows:

2924'-2930', 2976'-2980', 3036'-3042', 3076'-3080', 3210'-3216' & 3280'-3286' and frac.

Shut the well in for a minimum of 4 hours to allow gel to break. Flow well back if it will flow. Trip in hole and circulate out sand and drill out the composite plug at 3350'. Pull out of the hole. Trip in the hole with a nickel plated packer, set at +/-2,824' and 3 1/2" plastic coated tubing.

See attaché before and after diagrams.

WELL NAME: Loving SWD #1

FIELD: Loving Delaware

LOCATION: 1550' FNL & 1780' FEL Sec 16-23S-28E

Eddy County, NM

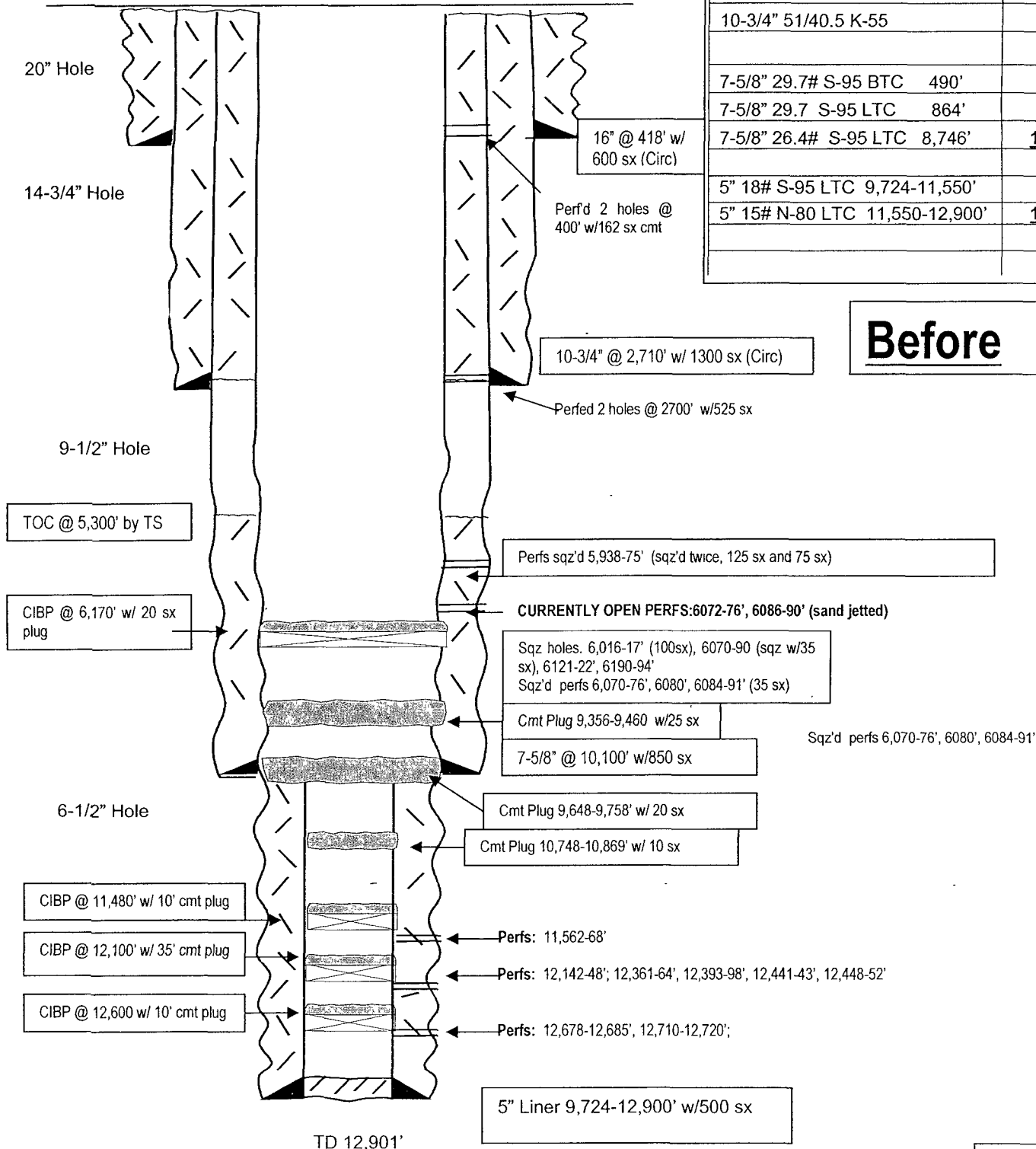
GL: 3,024' ZERO: 18 KB:

SPUD DATE: 8/24/90 COMPLETION DATE: 12/14/90

COMMENTS: API No.: 30-015-22889

CASING PROGRAM

16" 65# H40 STC	418'
10-3/4" 51/40.5 K-55	2,710'
7-5/8" 29.7# S-95 BTC 490'	
7-5/8" 29.7 S-95 LTC 864'	
7-5/8" 26.4# S-95 LTC 8,746'	10,100'
5" 18# S-95 LTC 9,724-11,550'	
5" 15# N-80 LTC 11,550-12,900'	12,900'

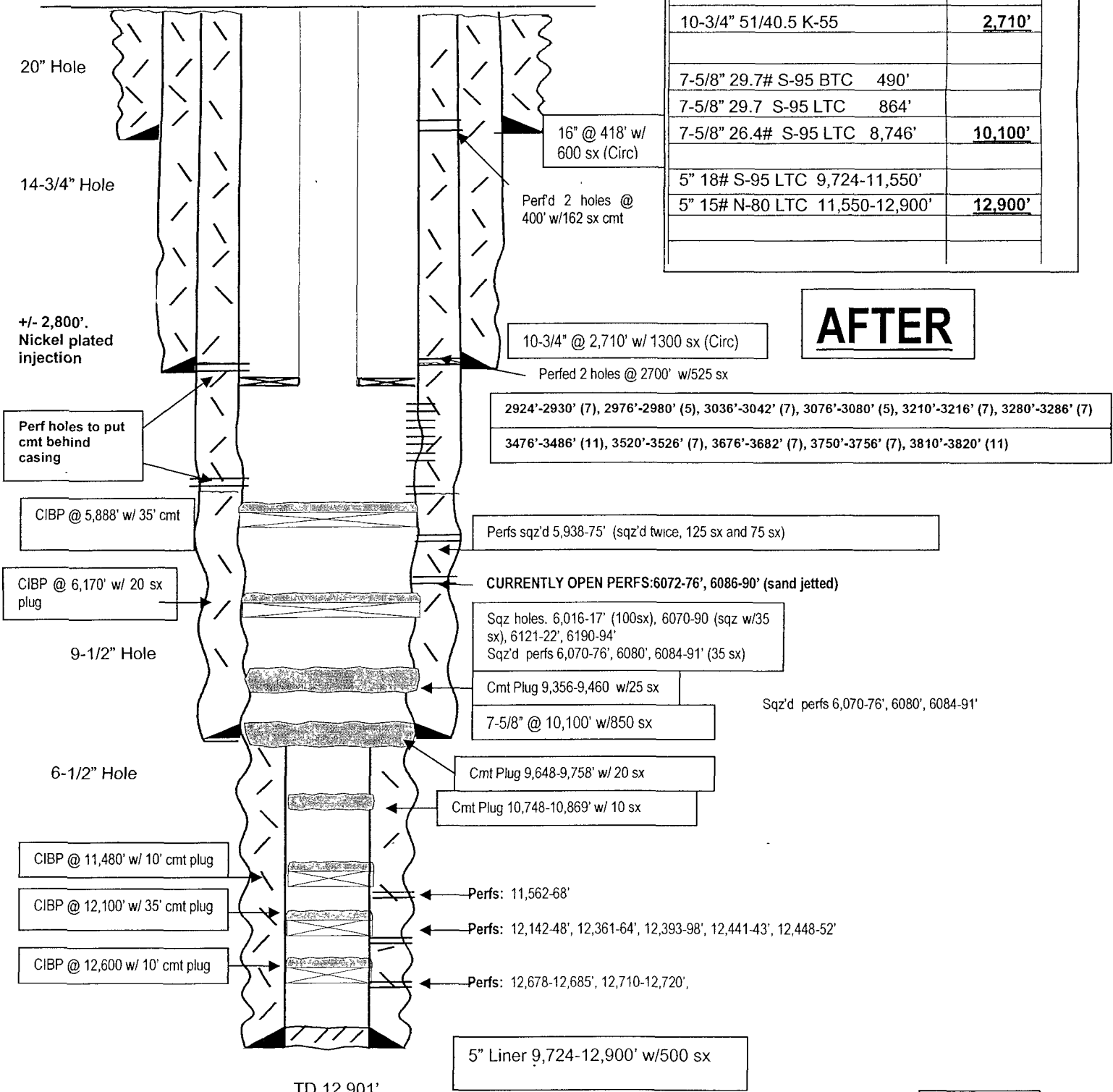


Not to Scale
3/20/08
DC/Hotter

WELL NAME: Loving SWD #1 **FIELD:** Loving Delaware
LOCATION: 1550' FNL & 1780' FEL Sec 16-23S-28E Eddy County, NM
GL: 3,024' **ZERO:** 18 **KB:** _____
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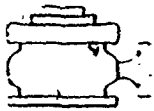
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AFTER

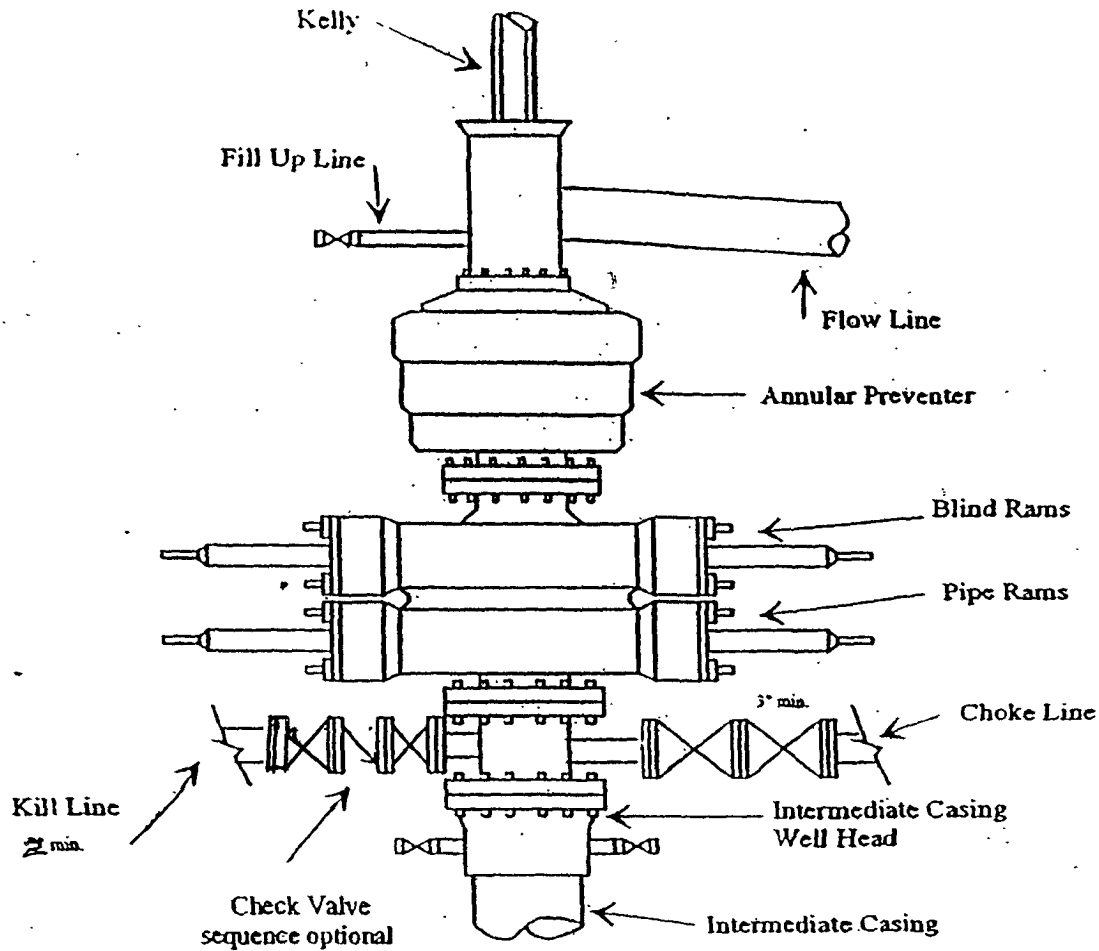
Not to Scale
 3/20/08
 DC/Hotter



Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features

