

Office

Energy, Minerals and Natural Resources

October 13, 2009

District I

1625 N. French Dr., Hobbs, NM 88220

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

RECEIVED

NOV 16 2010

NMOCD ARTESIA

OIL CONSERVATION DIVISION

South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-32522

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil &amp; Gas Lease No.

V-1673

7. Lease Name or Unit Agreement Name

Lost Tank AIS State

8. Well Number

10

9. OGRID Number

025575

10. Pool name or Wildcat

Lost Tank; Delaware

## 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 **REVISED**

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter L : 1650 feet from the South line and 990 feet from the West lineSection 36 Township 21S Range 31E NMPM Eddy County

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

3549'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 ☐

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 WSU. Rig up any safety equipment as needed. No casing recovery will be attempted. TOH with tubing and production equipment.
2. Set a CIBP at 6730' with 35' cement on top. This will put a plug over open Delaware perforations.
3. Spot a 390 sx Class "C" cement plug from 4420'-532'. This will put a solid, continuous plug across the top of the Delaware, across intermediate casing shoe, across DV tool and across the salt section. To ensure a good and safe job we will have to use multiple plugs and plan to spot a 100 sx cement plug at the time. WOC and tag.
4. Spot a 15 sx, 60' surface plug.
5. Remove all surface equipment and weld dry hole marker and clean location as per regulations.

Due to the volume of wells we currently have plans to plug, both State/Fee and Federal, Yates Petroleum respectfully requests a time frame of 1 year to have commenced plugging operations and for this notice of intent to be in affect

Spud Date:

Rig Release Date:

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

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE November 16, 2010Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE Approval Granted providing work DATE 11/17/2010  
 Conditions of Approval (if any): is complete by 11/17/2011

WELL NAME: Lost Tank AIS State #10 FIELD: Lost Tank Delaware  
 LOCATION: 1,650' FSL & 990' FWL of Section 36-21S-31E Eddy Co., NM  
 GL: 3,549' ZERO:            KB: 3,561'  
 SPUD DATE:            COMPLETION DATE:             
 COMMENTS: API No.: 30-015-32522

# CASING PROGRAM

13-3/8" 48#	850'
8-5/8" 32#	4,200'
5-1/2" 17# SB (1,499')	
5-1/2" 15.5# SB (2,020')	
5-1/2" 15.5# Varn (4,855')	
5-1/2" 17# Varn (79')	
5-1/2" 15# SB (21')	8,508'

**Current**

# TOPS

Rustler	570'
Salt	850'
Bell Cny/Sd	4,370'
Cherry Cny	5,294'
Brushy Cny	7,120'
BS	8,327'

17-1/2"  
Hole

11" Hole

DV tool @ 4,130'

13-3/8" @ 850' w/700 sx  
(Circ)

8-5/8" @ 4,200' w/1300 sx  
(Circ)

TOC @ 5,494'

7-7/8" Hole

Livingston Ridge Perfs: 6780-6810' (31 holes); 6840-48' (9 holes); 7042-50' (9 holes);

Brushy Canyon Perfs: 7,818-7,828'; 8,240-8,256'

5-1/2" @ 8,508' /w  
1st Stage: 1000 sx TOC 5,494'  
2nd Stage: 550 (Circ)

FC: 8,462'  
TD: 8,508'

**Not to Scale**  
10/28/09  
DC/Hotter

WELL NAME: Lost Tank AIS State #10FIELD: Lost Tank DelawareLOCATION: 1,650' FSL & 990' FWL of Section 36-21S-31EEddy Co., NMGL: 3,549' ZERO: \_\_\_\_\_ KB: 3,561'

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## CASING PROGRAM

13-3/8" 48#	<b>850'</b>
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5-1/2" 15.5# SB (2,020')	
5-1/2" 15.5# Varn (4,855')	
5-1/2" 17# Varn (79')	
5-1/2" 15# SB (21')	<b>8,508'</b>

**AFTER****TOPS**

Rustler	570'
Salt	850'
Bell Cny/Sd	4,370'
Cherry Cny	5,294'
Brushy Cny	7,120'
BS	8,327'

17-1/2"  
Hole

60', 15 sx surface plug

13-3/8" @ 850' w/700 sx  
(Circ)3,888' 390 sx, cmt plug, 532'-  
4,420'

11" Hole

DV tool @ 4,130'

8-5/8" @ 4,200' w/1300 sx  
(Circ)

TOC @ 5,494'

7-7/8" Hole

CIBP @ 6730' + 35' cmt

Livingston Ridge Perfs: 6780-6810' (31 holes); 6840-48' (9 holes); 7042-50' (9 holes);

Brushy Canyon Perfs: 7,818-7,828'; 8,240-8,256'

5-1/2" @ 8,508' /w  
1st Stage: 1000 sx TOC 5,494'  
2nd Stage: 550 (Circ)FC: 8,462'  
TD: 8,508'**Not to Scale**  
9/8/10  
MMFH