

Submit 1 Copy To Appropriate District Office
 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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

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

WELL API NO. 30-015-20414
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name J Lazy J
8. Well Number 3
9. OGRID Number 025575
10. Pool name or Wildcat Eagle Creek; San Andres
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3526'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 : 2310 feet from the North line and 1650 feet from the East line
 Section 22 Township 17S Range 25E 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:

- MIRU any safety equipment as needed. NU BOP. TOH with production equipment.
- RIH with bit and scraper to just below perfs at 1450' and circulate Class "C" cement to 500' with 115 sx. NOTE: If fill is tagged and unable to get below perfs then TOH and set a CIBP above perfs at 1230' before circulating cement to 500' (90 sx).
- Cut off wellhead and verify that there is cement behind all casing strings at surface. If so, cement to surface with 60 sx. If not then perforate and circulate cement to surface behind each casing string before cementing to surface inside production casing.
- Install dry hole marker and clean location.

**Notify OCD 24 hrs. prior
 To any work done.**

Wellbore schematics attached

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

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 Reporting Supervisor DATE January 24, 2013

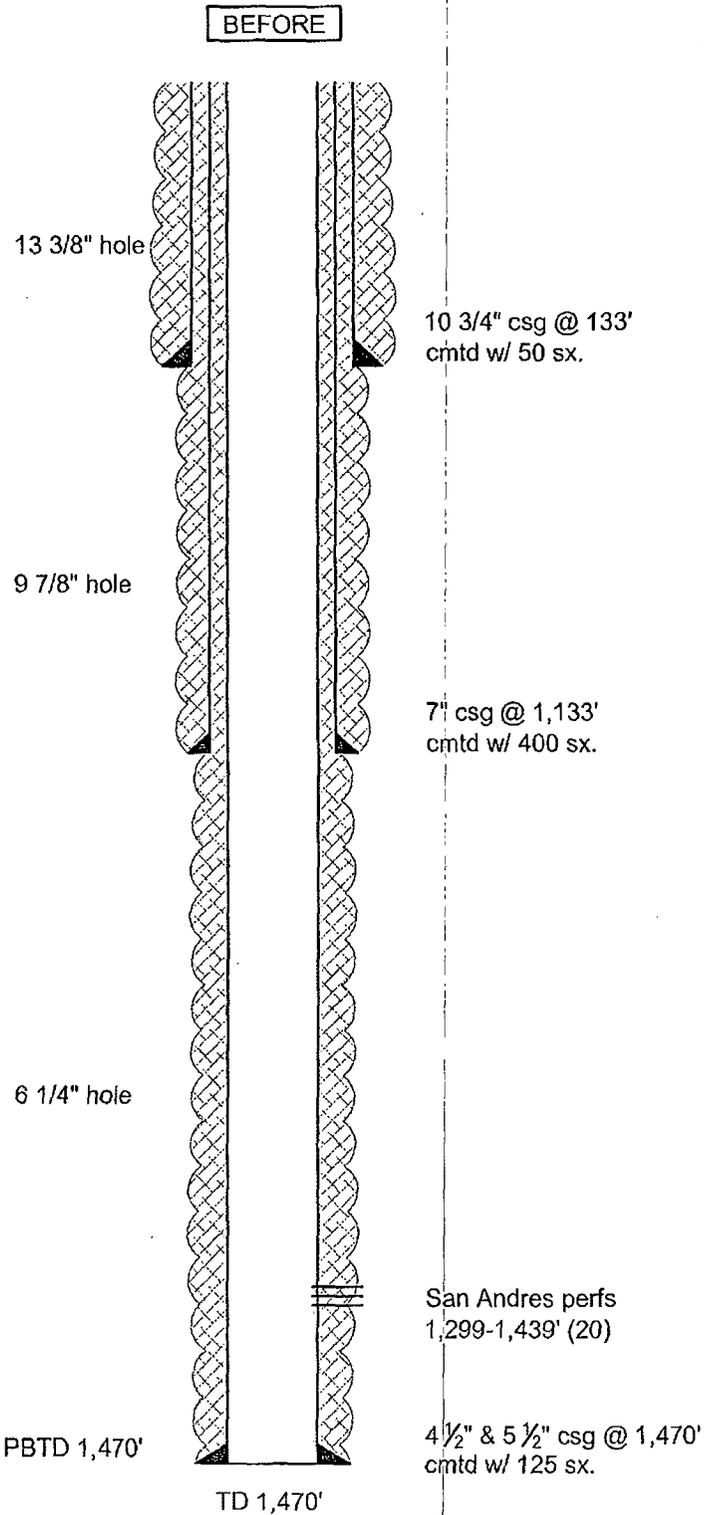
Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE Approval Granted providing work is complete by 4/30/2013 DATE 1/30/2013
 Conditions of Approval (if any):

Well Name: J Lazy J #3 Field: Eagle Creek
 Location: 2310' FNL & 1650' FEL Sec 22-17S-25E
 County: Eddy State: New Mexico
 GL: 3,526' Zero: KB:
 Spud Date: 4/23/1971 Completion Date: 5/9/1971
 Comments: API # 30015204140000

Casing Program	
Size/Wt/Grade	Depth Set
10 3/4" 32# K-55	133'
7" 23# K-55	1,133'
4 1/2" 9.5# & 5 1/2" 15.5# K-55	1,470'

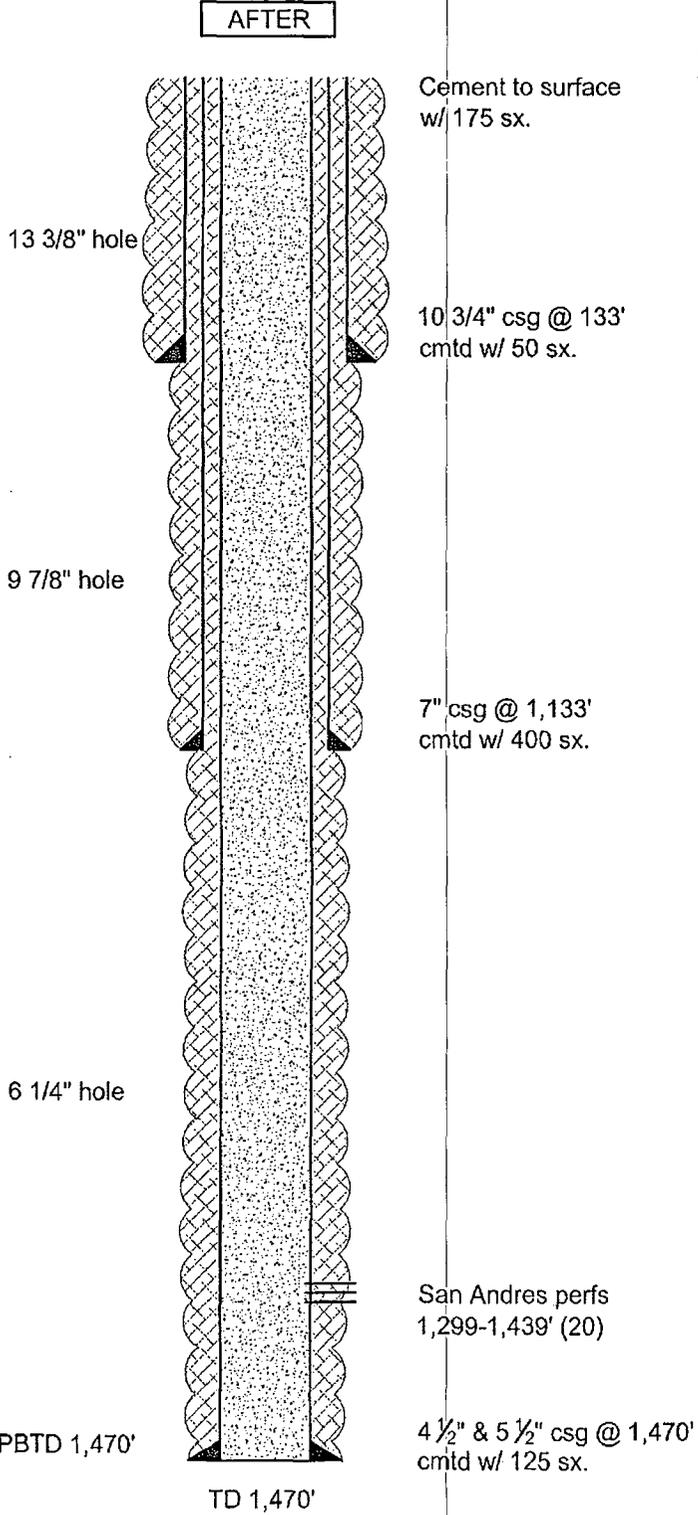


SKETCH NOT TO SCALE

DATE: 12/13/2012

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SKETCH NOT TO SCALE

DATE: 12/13/2012

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 Petroleum Corp.
Well Name & Number: J Lazy S # 3
API #: 30-015-20414

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 perms, before any plugs can be set, by whatever means possible.

8. Cement Retainers may not be used.

9. Squeeze pressures not to exceed 500 psi., unless approval is given by NMOCD Plugging Supervisor.

10. Plugs may be combined after consulting with NMOCD P & A Supervisor.

11. Minimum WOC time for tag plugs will be 4 hrs.

DG

Date: 1/30/2013