

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. 30-015-31607
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3850
7. Lease Name or Unit Agreement Name Lucy ALC State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Lost Tank; Delaware, West
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3505' 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 P : 330 feet from the South line and 330 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. PLUG AND ABANDON
 CASING/CEMENT JOB

OTHER:

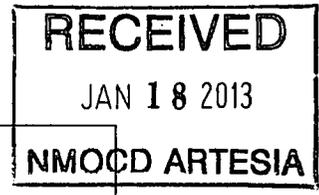
OTHER:

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. No casing recovery will be attempted. TOH with tubing and production equipment.
- Set a CIBP at 6804' with 35' cement on top.
- Spot a 25 sx Class "C" cement plug from 6240'-6340'. This leaves 100' plug across DV tool. *WOC Tas*
- Perforate and spot a 60 sx Class "C" cement plug from 3874'-4290'. This leaves 416' plug across top of the Delaware, across intermediate casing shoe across DV tool. *WOC and tag plug. Perf. 15guz. CMT Plug 4290'-844' Solid CMT Plug*
- Spot a 25 sx Class "C" cement plug from 824'-924'. This leaves 100' plug across surface casing shoe. *WOC and tag plug.*
- Spot a 15 sx Class "C" cement plug from 60' up to surface.
- Remove all surface equipment, weld dry hole marker and clean location as per regulations.

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 16, 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 complete by DATE 1/29/2013

Conditions of Approval (if any):

R-111P

WELL NAME: Lucy "ALC" State #1 FIELD: Lost Tank

LOCATION: Unit P, 330' FSL & 330' FEL Sec 34-21S-31E Eddy County NM

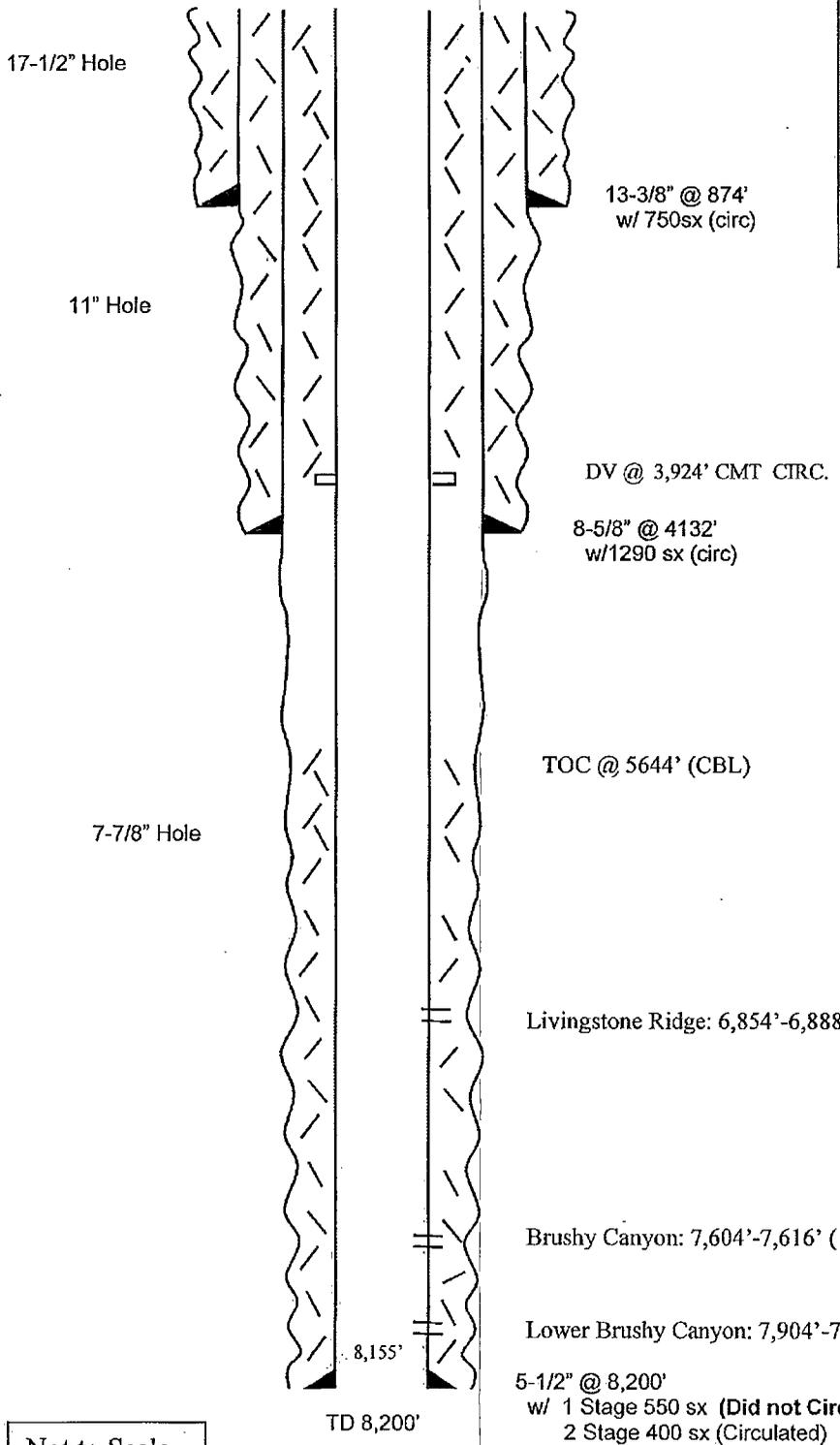
GL: 3505' ZERO: _____ KB: _____

SPUD DATE: 3/22/01 COMPLETION DATE: 5/4/01

COMMENTS: API # 30-015-31607

CASING PROGRAM

13-3/8" 48# H40 ST&C	874'
8-5/8" 32# J55 ST&C	4010'
5-1/2" 17# J55 LT&C	1,532'
5-1/2" 15.5 J55 LT&C	6,429'
5-1/2" 17# J55 LT&C	239'
8200'	



Current

Fm tops:	
Rustler	591'
TOS	894'
BOS	3946'
Bell Canyon	4240'
Cherry Canyon	5372'
Livingstone Ridge	6825'
Brushy Canyon	6984'
Bone Spring	8145'

Not to Scale
MMFH

R-111P

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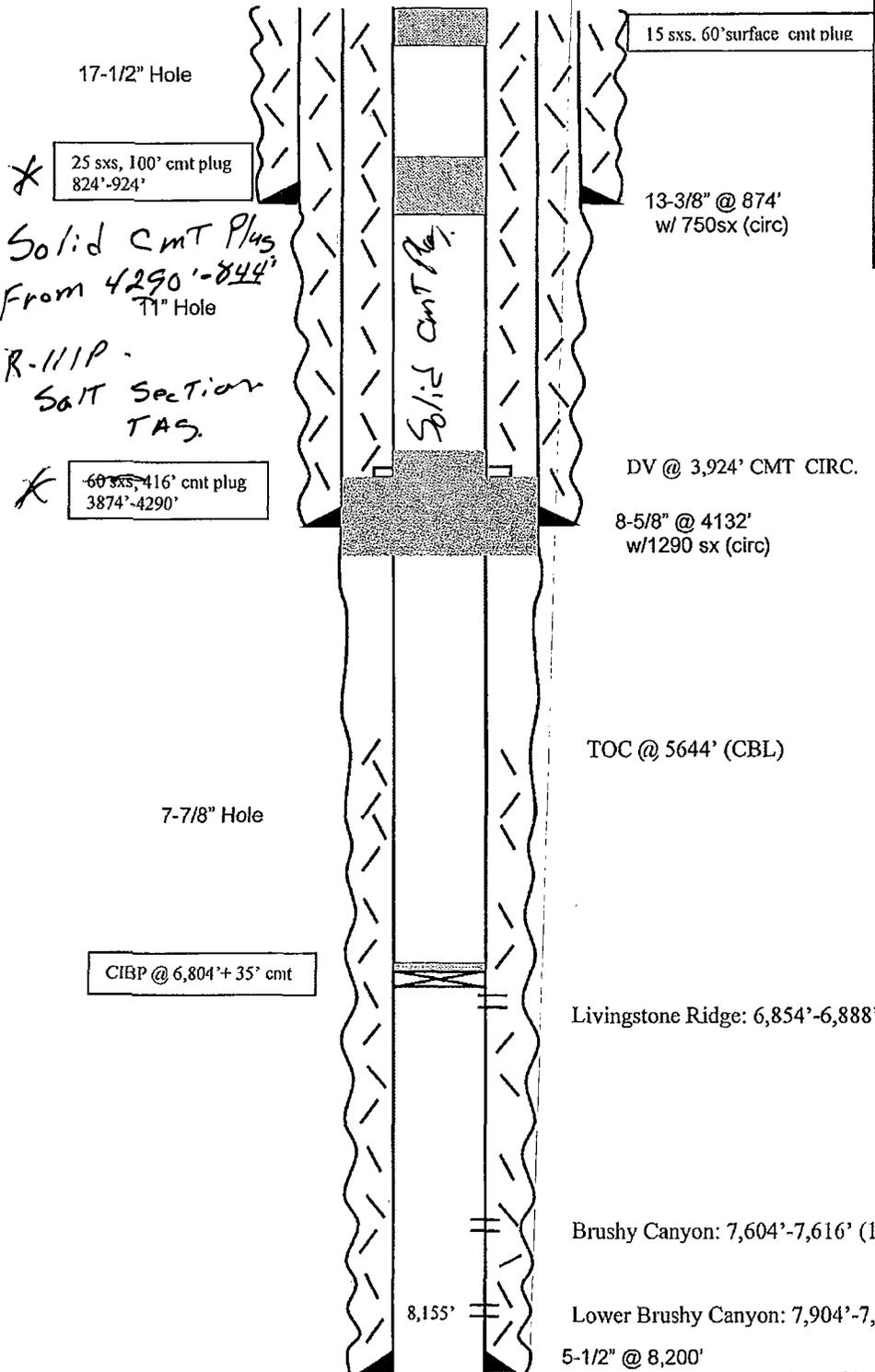
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After

Fm tops:	
Rustler	591'
<u>TOS</u>	<u>894'</u>
<u>BOS</u>	<u>3946'</u>
Bell Canyon	4240'
Cherry Canyon	5372'
Livingstone Ridge	6825'
Brushy Canyon	6984'
<u>Bone Spring</u>	<u>8145'</u>

Not to Scale
MMFH

R-111P

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 Corporation

Well Name & Number: Lucy ALC State #1

API #: 30-015-31607

R-111P - Potash Mine Area.

Solid CMT Plug across Salt Section. 4290' - 844' WOC TAS.

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 in 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.

Date: 1/29/2013