

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  
**ARTESIA DISTRICT**  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis  
 Santa Fe, NM 87505

Form C-103  
 Revised August 1, 2011

MAY 11 2015  
 RECEIVED

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-015-35444 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> X 6. State Oil & Gas Lease No.
2. Name of Operator WESTERN RESERVES OIL COMPANY INC.		7. Lease Name or Unit Agreement Name LAKE MCMILLAN "21" 8. Well Number 001
3. Address of Operator P.O. BOX 993, MIDLAND, TEXAS 79702		9. OGRID Number 24987 10. Pool name or Wildcat N. SEVEN RIVERS; GLORIETA-YESO
4. Well Location Unit Letter; C ; 660 feet from the NORTH line and 1980 feet from the WEST line Section 21 Township 19S Range 26E NMPM EDDY County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,343' - GR		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

- 1) SET 5-1/2" CIBP @ 3,050'; PUMP 40 SXS. CMT. @ 3,050'-2,767' (T/GLOR.); CIRC. WELL W/ PXA FLUID.
- 2) CUT X PULL 5-1/2" CSG. @ +/-1,000'.
- 3) PUMP 85 SXS. CMT. @ 1,440'-950' (9-5/8" CSG. SHOE, T/S.A., 5-1/2" CSG. STUB); WOC X TAG CMT. PLUG.
- 4) PUMP 50 SXS. CMT. @ 409'-309' (13-3/8" CSG. SHOE); WOC X TAG CMT. PLUG.
- 5) MIX X CIRC. TO SURF. 25 SXS. CMT. @ 63'-3'.
- 6) DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD ON STEEL PLATE TO CSGS. X INSTALL DRY HOLE MARKER.

DURING THIS PROCEDURE WE PLAN TO USE THE CLOSED-LOOP SYSTEM W/ A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL, PER OCD RULE 19.15.17.

Spud Date:  Rig Release Date:

well must be plugged by 5/12/2016

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.cmnrd.state.nm.us/ocd.

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

SIGNATURE David A Eyer TITLE: AGENT DATE: 05/06/15

Type or print name: DAVID A. EYLER E-mail address: DEYLER@MILAGRO-RES.COM PHONE: 432.687.3033

**For State Use Only**  
 APPROVED BY: [Signature] TITLE: District Supervisor DATE: 5/12/2015

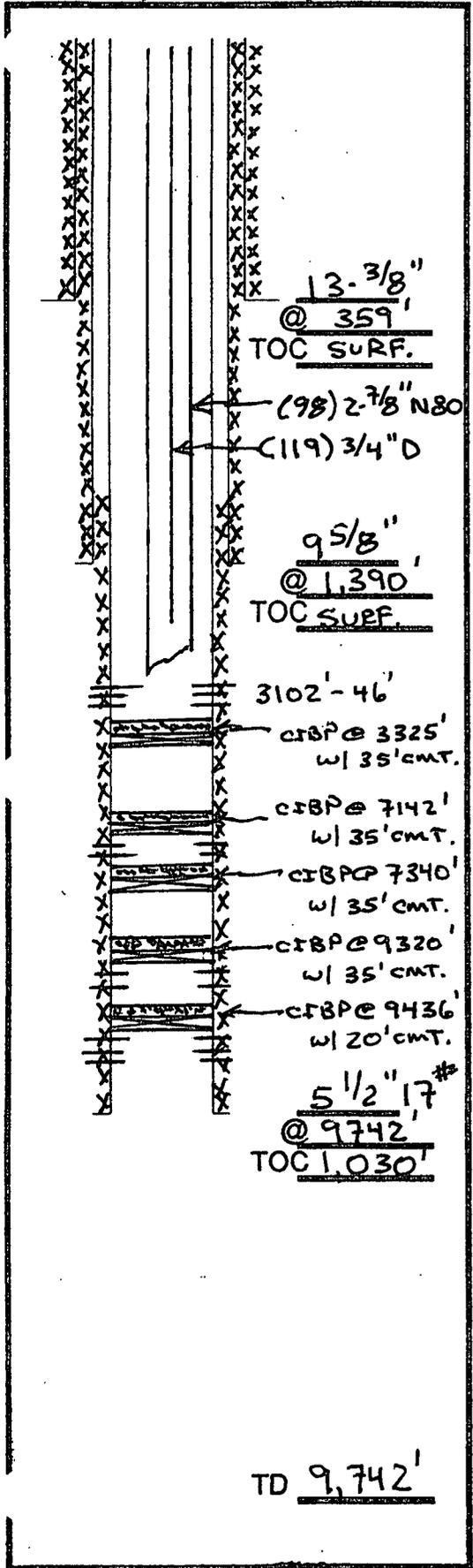
\* See Attached COA's

# PLUGGING & ABANDONMENT WORKSHEET (3 STRING CSNG)

30-015-35444

OPERATOR WESTERN RESERVES OIL Co.

LEASENAME LAKE McMILLAN "21"  
 U/L C \_\_\_\_\_ WELL # 001  
 SECT 21 TWN 19S RNG 26E  
 FROM 660 N/S L 1780 E/W L  
 TD: 9,742' FORMATION @ TD MRPW  
 PBDT: 3,290 FORMATION @ PBDT YESO



	SIZE	SET @	TOC	TOC DETERMINED BY
SURFACE	13 3/8"	359'	SURF.	CTRC.
INTMED 1	9 5/8"	1390'	SURF.	CTRC.
INTMED 2				
PROD	5 1/2"	9742'	1,030'	CBL
	SIZE	TOP	BOT	TOC DETERMINED BY
LINER 1				
LINER 2				
CUT & PULL @			TOP - BOTTOM	
INTMED 1			PERFS	3102' - 3146'
INTMED 2			OPENHOLE	-
PROD				

\* REQUIRED PLUGS DISTRICT I

RUSTLER (ANHYD)	
YATES	
QUEEN	
GRAYBURG	
SAN ANDRES	1,174'
CAPITAN REEF	
DELAWARE	
BELL CANYON	
CHERRY CANYON	
BRUSHY CANYON	
BONE SPRING	3470'
GLORIETA	2817'
BLINEBRY	
TUBB	
DRINKARD	
ABO	
WC	6,945'
PENN	
STRAWN	8,670'
ATOKA	8,998'
MORROW	
MISS	9,350'
DEVONIAN	

PLUG	TYPE	SACKS	DEPTH
	PLUG	CMNT	
EXAMPLES			
PLUG #1	OH	25 SXS	9850'
PLUG #2	SHOE	50 SXS	8700'-8800'
PLUG #3	CIBP/35'		5300'
PLUG #3	CIBP	25 SXS	5300'
PLUG #4	STUB	50 SXS	4600'-4700'
PLUG #6	RETNR SQZ	200 SXS	400
PLUG #7	SURF	10 SXS	0-10'
PLUG #1			
PLUG #2			
PLUG #3			
PLUG #4			
PLUG #5			
PLUG #6			
PLUG #7			
PLUG #8			
PLUG #9			
PLUG #10			
PLUG #			
PLUG #			

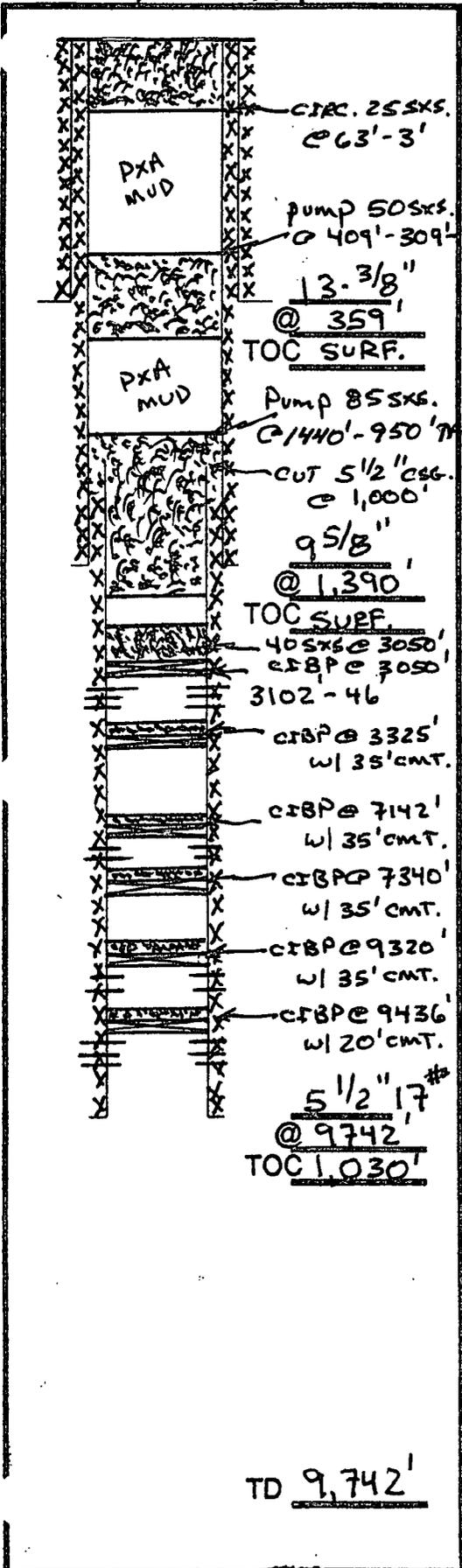
DAE 05/06/15

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INTMED 2			OPENHOLE	-
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PLUG # 4			
PLUG # 5			
PLUG # 6			
PLUG # 7			
PLUG # 8			
PLUG # 9			
PLUG # 10			
PLUG #			
PLUG #			

DAE 05/06/15

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: Western Rosewies

Well Name & Number: Lake McMillan 21 #1

API #: 30-015-35444

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 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.**

*RD*

*5/2/2015*

## 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 plus 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).