

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 **NM OIL CONSERVATION**
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

DEC 14 2015
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
 RECEIVED

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		WELL API NO. 30-005-61986 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> 6. State Oil & Gas Lease No.
2. Name of Operator Yates Petroleum Corporation		7. Lease Name or Unit Agreement Name Spool SU 8. Well Number 2
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		9. OGRID Number 025575 10. Pool name or Wildcat Pecos Slope; Abo
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>23</u> Township <u>7S</u> Range <u>25E</u> NMPM Chaves County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3704'GR		

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

NOTICE OF INTENTION TO: 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"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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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 all safety equipment as needed. TOH with production equipment.
- Set a CIBP at 3599'. Dump 25 sx Class "C" cement on top of CIBP. This will cover the top of the Abo.
- Perforate at 1555'. Spot a 35 sx Class "C" cement plug from 1445'-1555'. This will cover the top of the Glorieta. WOC.
- Tag TOC. Perforate at 890'. Spot a 35 sx Class "C" cement plug from 790'-890'. This will cover the 10-3/4" casing shoe. WOC.
- Tag TOC. Perforate at 562'. Spot a 35 sx Class "C" cement plug from 462'-562'. This will cover the top of the San Andres.
- Perforate at 60'. Circulate 25 sx Class "C" cement from 60' up to surface.
- Cut off wellhead, install dry hole marker and clean location.

Wellbore schematics attached

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.psmrd.state.nm.us/oed.

NM OIL CONSERVATION

ARTESIA DISTRICT

DEC 14 2015

Spud Date:

Rig Release Date:

RECEIVED

Well Bore must be Plugged by 12/15/2016

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 December 11, 2015

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

For State Use Only

APPROVED BY: R Wade TITLE Dist. Rep. Supervisor DATE 12/15/15

Conditions of Approval (if any):

See Attached COA's

WELL NAME: Spool SU #2 FIELD: _____

LOCATION: 660' FNL & 660' FWL Sec. 23-7S-25E

GL: 3,704.5' ZERO: _____ KB: _____

SPUD DATE: 04/25/1983 COMPLETION DATE: 05/15/1983

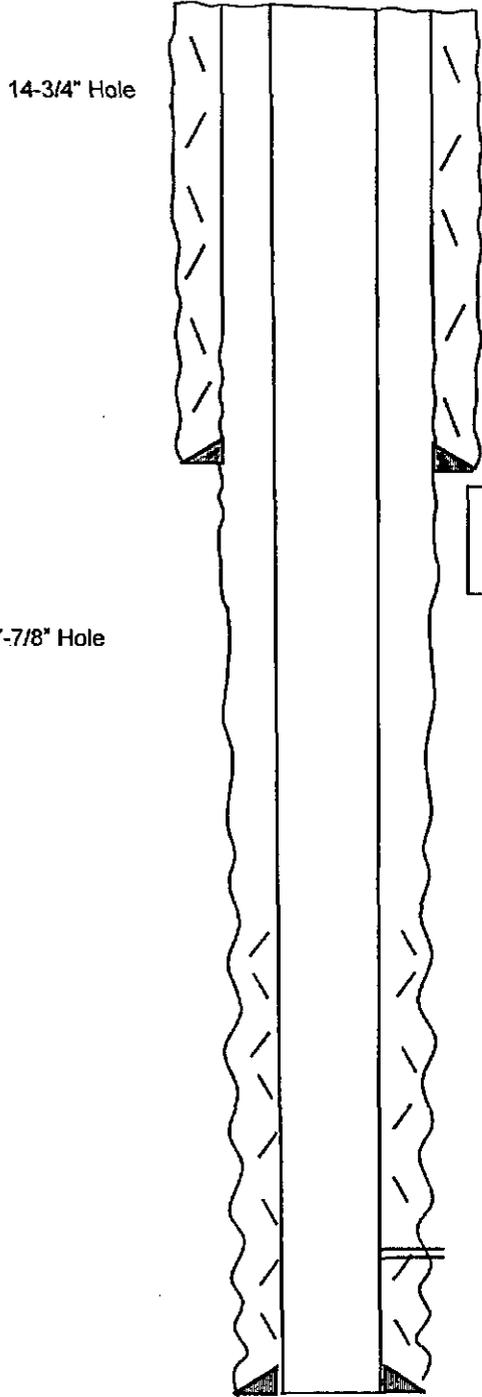
COMMENTS: API No.: 30-005-61986

CASING PROGRAM

10-3/4" 40.5# J-55	840'
4-1/2" 9.5# J-55	4,205'

Before

TOPS	
San Andres	512'
Glorieta	1,505'
Fullerton	2,937'
Abo	3,599'



10-3/4" 40/5# J-55 @
840'. Cemented w/ 1100
sx.

7-7/8" Hole

← Abo Perfs: 3,514' - 3,553' (16)

TD: 4,205'
PBD: 4,157'

4-1/2" 9.5# J-55 @ 4,205'.
Cemented w/ 725sx. TOC
@ 2,804' from CBL.

Not to Scale
09/28/2015
SAA

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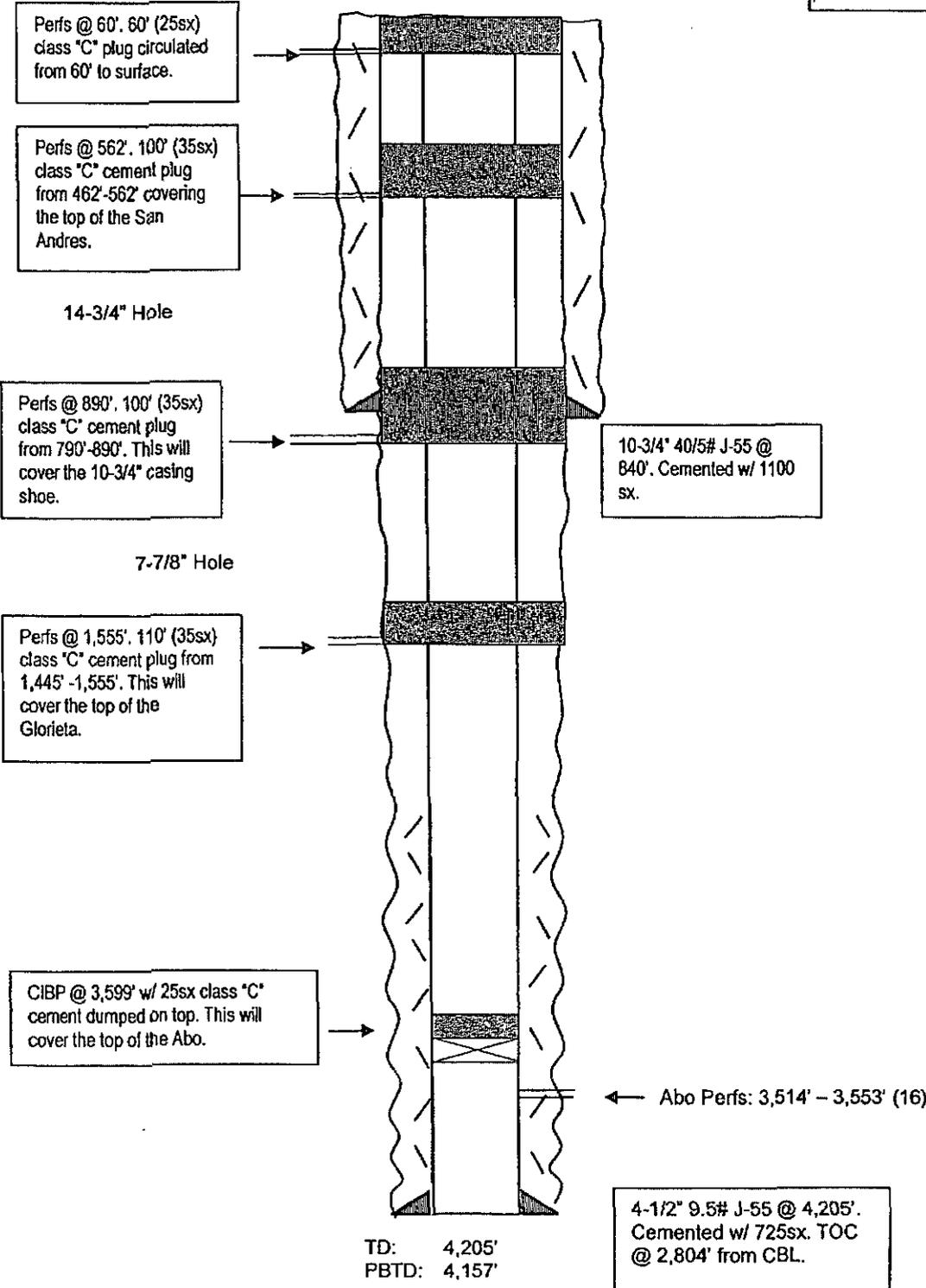
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Not to Scale
09/28/2015
SAA

TD: 4,205'
PBTD: 4,157'

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 Pet
Well Name & Number: SP001 SU 2
API #: 30-005-61986

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.**
12. **19.15.7.16 : B.** In the case of a dry hole, a complete record of the well on form C-105 with the attachments listed in Subsection A of 19.15.7.16 NMAC shall accompany the notice of intention to plug the well, unless previously filed. The division shall not approve the plugging report or release the bond the operator has complied with 19.15.7.16 NMAC.

DATE: 12/5/15

APPROVED BY:

[Signature]

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).