

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

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



WELL API NO. 30-015-35094
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-2974
7. Lease Name or Unit Agreement Name Canyon BJK State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat; Bone Spring

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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>A</u> : <u>330</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>East</u> line Section <u>1</u> Township <u>25S</u> Range <u>29E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3140'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 ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8/26/08 – Tested Intermediate casing to 1500 psi for 30 min. WOC 38 hrs 20 min. Reduced hole to 7-7/8" and resumed drilling.
8/31/08 – Started losing fluid at 6020'.
9/1/08 – Drilled to 6452'. Losses had continued to increase. Continued to drill.
9/6/08 – Reached TD 8616'. When tripped out of hole and tripped back in, could not get past 3253'. Decided to plug and abandon well. Notified Gerry Guye (NMOCD-Artesia) at 8:30 AM on 9/11/08 by voicemail of the intent to plug back 50' inside intermediate casing point, 50' below and above the top of the salt, 50' below and above surface casing point and 60' to surface.
9/11/08 – Pumped 50 sx Class "C" cement with 2% Calcium. Tagged at 3104'. Set a plug from 1600'-1700' with 20 sx Class "C" cement. Set a plug from 550'-650' with 20 sx Class "C" cement. Set a surface plug from 60' to surface with 20 sx Class "C" cement. Circulated 6 sx to surface. **WELL IS PLUGGED AND ABANDONED.**

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 September 18, 2008

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

For State Use Only

Accepted for record
NMOCD

APPROVED BY: [Signature] TITLE [Signature] DATE 9/19/08

Conditions of Approval (if any):

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.emnrd.state.nm.us/oed.