

October 13, 2009

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

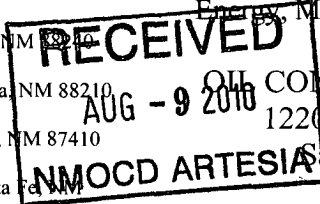
District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources



OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-20722

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

E-7811

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

7. Lease Name or Unit Agreement Name

Texaco State BK

8. Well Number

1

9. OGRID Number

025575

10. Pool name or Wildcat

Shugart

4. Well Location

Unit Letter L : 2310 feet from the South line and 330 feet from the West lineSection 36 Township 18S Range 30E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3510'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 ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ AND A ☐CASING/CEMENT JOB ☐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:

1. MIRU WSU. Rig up any safety equipment as needed. No casing recovery will be attempted. POOH with tubing.
2. Set a CIBP at 2308'. Spot a 25 sx cement plug on top of the CIBP from 2068'-2308'.
3. Spot a 35 sx Class "C" cement plug from 501'-837'. WOC and tag plug. This will put a plug across Intermediate casing shoe.
4. Spot a 35 sx Class "C" cement plug from 0-366'. WOC and tag plug. This will provide a surface plug.
5. 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

TITLE Regulatory Compliance Supervisor

DATE August 6, 2010

Type or print name Tina Huerta

E-mail address: tinah@yatespetroleum.com

PHONE: 575-748-4168

For State Use Only

APPROVED BY:

TITLE

Approval Granted providing work is complete by 11/10/2010

DATE 8/10/2010

Conditions of Approval (if any):

WELL NAME: Texaco State BK #1 FIELD: Shugart

LOCATION: 2,310' FSL & 330' FWL of Section 36-18S-30E Eddy Co., NM

GL: 3,510 ZERO: _____ KB: _____

SPUD DATE: 8/18/72 COMPLETION DATE: 9/14/72

COMMENTS: API No.: 30-015-20722

CASING PROGRAM

8-5/8" 24# K-55	787'
5-1/2" 15.5#	3,716'

Before

11" Hole

7-7/8" Hole

8-5/8" @ 787' w/350 sx (Circ)

TOPS

Yates	2,355'
7 Rivers	2,475'
Queen	3,054'
Grayberg	3,497'
Penrose	3,393'

Perfs: 2,358-2,388'

Perfs: 2,476-2,488'

Perfs: 3,176-3,184'

5-1/2" @ 3,716' w/1060 sx
(Circ)

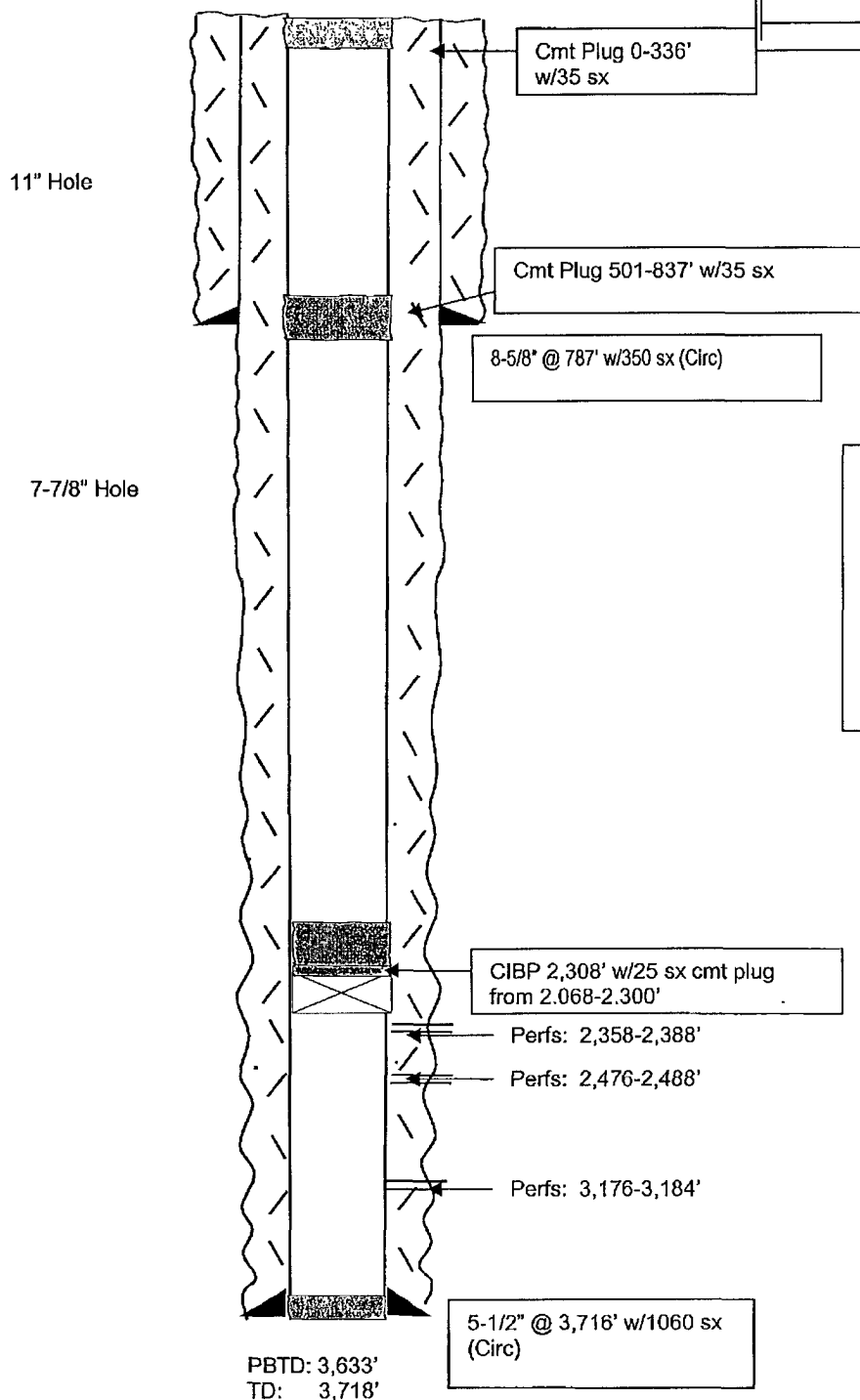
PBTD: 3,633'
TD: 3,718'

Not to Scale
8/4/10
DC/Hill

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