

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 87440
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 July 18, 2013

HOBBS OGD

JAN 24 2014

RECEIVED

OIL CONSERVATION DIVISION

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

| |
|---|
| WELL API NO. 30-025-38252 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VA-2133 |
| 7. Lease Name or Unit Agreement Name Merle BOJ State Com |
| 8. Well Number 11 |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat X-4 Ranch; Atoka (Gas) X-4 Ranch; Strawn, East(Gas) |

| | |
|---|--|
| 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 | |
| 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>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Section <u>11</u> Township <u>10S</u> Range <u>34E</u> NMPM Lea County | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,187'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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: Plug Back ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P 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 back, perf additional Atoka and possibly recomplete this well as follows:

1. ND tree and NU BOP. Release packer and TOH with 2-7/8" production string.
2. Make a gauge ring and junk basket run down to 11,700'; set a 5-1/2" CIBP at 11,690' and cap it with 35' of Class "H" cement.
3. Perforate Atoka 11,448' - 11,452' (36 holes).
4. Acidize the perforations with 500 gallons of 7.5% Morrow type acid with 50 ball sealers. Flush to the bottom perf. Swab test and evaluate. If a frac is warranted, frac the Atoka down 2-7/8" tubing at 20 bpm, max TP of 8500 psi (pump schedule A attached).
5. Swab the well in, RDMO and turn the well over to production.

CONTINUED ON NEXT PAGE:

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 Laura Watts TITLE Regulatory Reporting Technician DATE January 23, 2014

Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE JAN 28 2014

Conditions of Approval (if any):

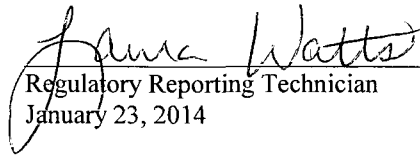
JAN 28 2014

Form C-103 continued:

If Atoka perfs are unproductive,

1. Set a CIBP at 11,400' and cap it with 35' of Class "H" cement.
2. Perforate Strawn 11,226' – 11,234' (32 holes)
3. Acidize with 500 gallons of 7.5% Morrow type acid with 60 ball sealers. Flush to the bottom perf. Swab test and evaluate. If a frac is warranted, frac the Strawn down 2-7/8" tubing at 20 bpm, max TP of 8500 psi (pump schedule B attached).
4. Swab the well in, RDMO and turn over to production.

Wellbore schematics attached


Regulatory Reporting Technician
January 23, 2014

Pump Schedule

Schedule A

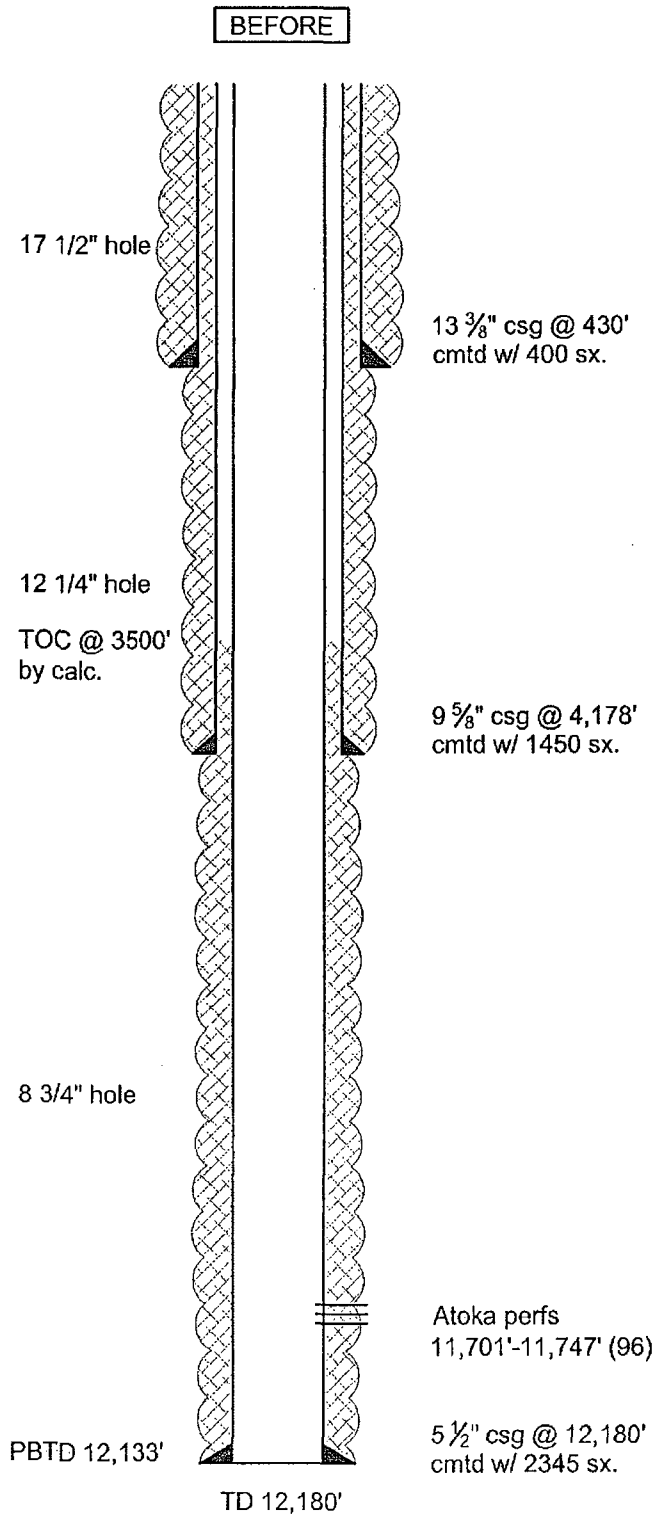
| <u>Stage</u> | <u>Fluid</u> | <u>Sand Conc.</u> | <u>Lbs of Sand</u> |
|------------------------|-------------------------|-------------------|--------------------------|
| 3000 gal. | CMHPG 40# gel + 70% CO2 | pad | 0 |
| 1800 gal. | CMHPG 40# gel + 70% CO2 | 0.5ppg | 900 lbs 20/40 Versaprop |
| 2100 gal. | CMHPG 40# gel + 70% CO2 | 1.0 ppg | 2100 lbs 20/40 Versaprop |
| 2400 gal. | CMHPG 40# gel + 70% CO2 | 1.5 ppg | 3600 lbs 20/40 Versaprop |
| 2700 gal. | CMHPG 40# gel + 70% CO2 | 2.0 ppg | 5400 lbs 20/40 Versaprop |
| 2686 gal. | CMHPG 40# gel + 70% CO2 | 0 ppg | flush – no sand |
| 12,000 gallons + flush | | | 12,000# total |

Schedule B

| <u>Stage</u> | <u>Fluid</u> | <u>Sand Conc.</u> | <u>Lbs of Sand</u> |
|------------------------|-------------------------|-------------------|--------------------------|
| 3000 gal. | CMHPG 40# gel + 70% CO2 | pad | 0 |
| 1800 gal. | CMHPG 40# gel + 70% CO2 | 0.5ppg | 900 lbs 20/40 Versaprop |
| 2100 gal. | CMHPG 40# gel + 70% CO2 | 1.0 ppg | 2100 lbs 20/40 Versaprop |
| 2400 gal. | CMHPG 40# gel + 70% CO2 | 1.5 ppg | 3600 lbs 20/40 Versaprop |
| 2700 gal. | CMHPG 40# gel + 70% CO2 | 2.0 ppg | 5400 lbs 20/40 Versaprop |
| 2686 gal. | CMHPG 40# gel + 70% CO2 | 0 ppg | flush – no sand |
| 12,000 gallons + flush | | | 12,000# total |

Well Name: Merle BOJ State Com #11 Field: _____
 Location: 660' FNL & 660' FEL Sec 11-10S-34E
 County: Lea State: New Mexico
 GL: 4,187' Zero: _____ KB: _____
 Spud Date: 4/3/2007 Completion Date: 6/1/2007
 Comments: API # 30-025-38252

| Casing Program | |
|------------------------------|-----------|
| Size/WV/Grade | Depth Set |
| 13 3/8" 48# H-40 | 430' |
| 9 5/8" 36# & 40# J-55 | 4,170' |
| 5 1/2" 17# L-80, J-55, P-110 | 12,180' |
| | |
| | |

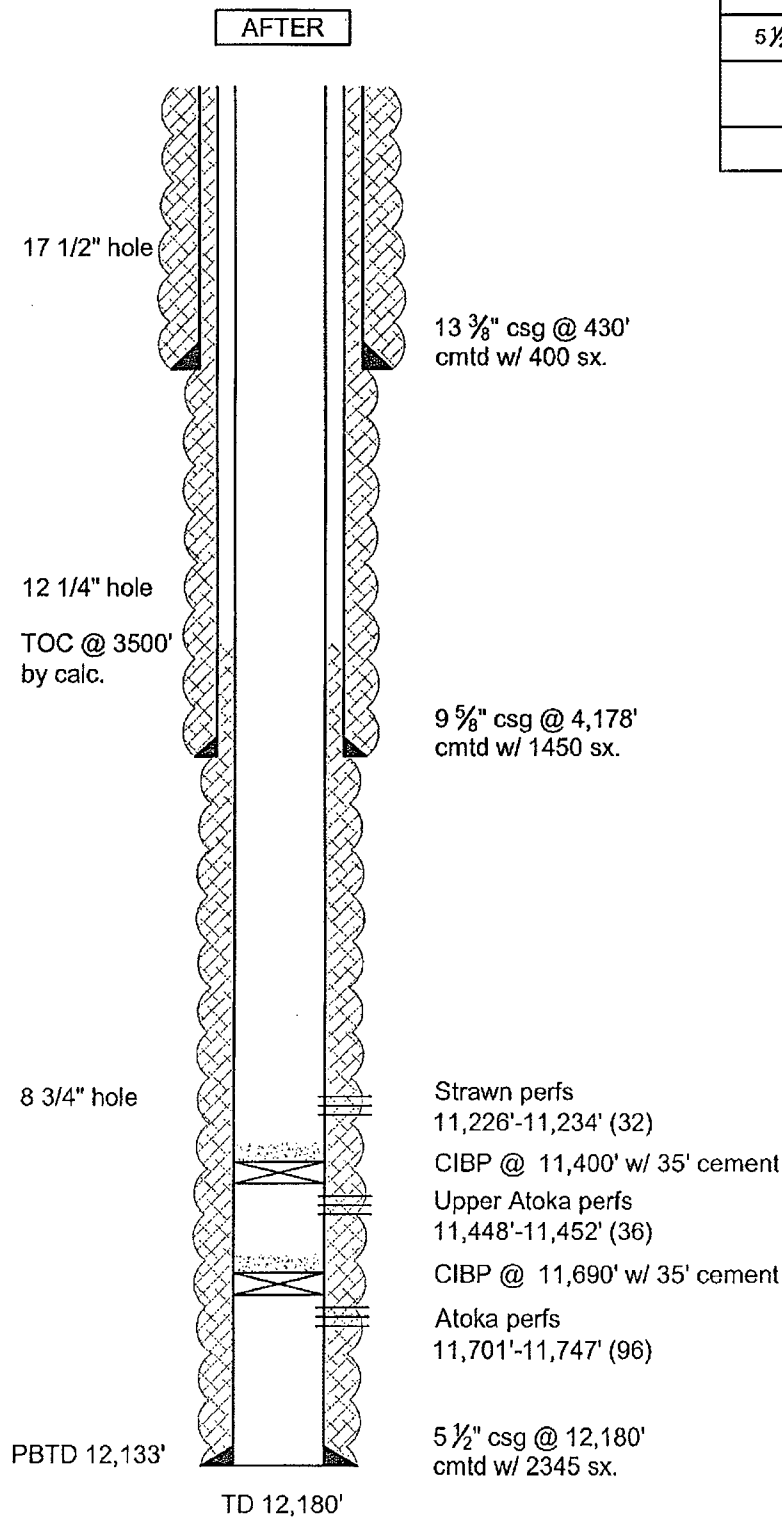


SKETCH NOT TO SCALE

DATE: 10/16/2013

Well Name: Merle BOJ State Com #11 Field: _____
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