

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

Form C-103  
 Revised July 18, 2013

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

HOBBS OGD  
 OCT 29 2014

WELL API NO. 30-025-37544
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-7577
7. Lease Name or Unit Agreement Name Milsap AXI State
8. Well Number 2
9. OGRID Number 025575
10. Pool name or Wildcat Hightower; Lower Penn, East
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4221'GR

**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

4. Well Location  
 Unit Letter H : 1980 feet from the North line and 660 feet from the East line  
 Section 36 Township 12S Range 33E NMPM Lea County

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:

E-PERMITTING  
 P&A NR \_\_\_\_\_ P&A R \_\_\_\_\_  
 INT TO P&A PM COMP \_\_\_\_\_  
 CSNG \_\_\_\_\_ CHG Loc \_\_\_\_\_  
 TA \_\_\_\_\_ RBDMS CHART \_\_\_\_\_

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. NU BOP. Attempt to unset tubing anchor at 10,013' and TOH. If tubing anchor will not release then RU WL to run a broach through tubing to 10,000 (tight spot in tubing at 3900').
  2. Run a freepoint to see exactly where tubing is stuck. If it is stuck at the TAC then cut tubing off above TAC and TOH with tubing.
  3. Set a CIBP over TAC at about 10,000'. Spot a 35' Class "H" cement plug on top of the CIBP. CIRC WELL W/ MLF.
  4. Pick up to 9210' and spot a 100' Class "H" cement plug to 9110', this will cover top of Wolfcamp. WOC and tag. Pick up to 7710' and spot a 100' Class "C" cement plug to 7610', this will cover top of Abo. WOC and tag. Pick up to 6980' and spot a 100' Class "C" cement plug to 6880', this will cover top of Tubb.
  5. Pick up to 5380' and spot a 100' Class "C" cement plug to 5280', this will cover top of Glorieta. WOC and tag. Pick up to 4125' and spot a 100' Class "C" cement plug to 4025', this will cover top of San Andres. WOC and tag. Pick up to 2785' and spot a 100' Class "C" cement plug to 2685', this will cover top of Yates.
  6. Pick up to 1980' and spot a 100' Class "C" cement plug to 1880', this will cover top of Rustler. Pick up to 480' and spot a Class "C" cement plug to surface with 85 sx.
  7. Cut off wellhead, install dry hole marker and clean location.
- Wellbore schematics attached

The Oil Conservation Division  
 MUST BE NOTIFIED 24 Hours

Spud Date:

Rig Release Date:  **Prior to the beginning of operations**

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 October 27, 2014

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

For State Use Only

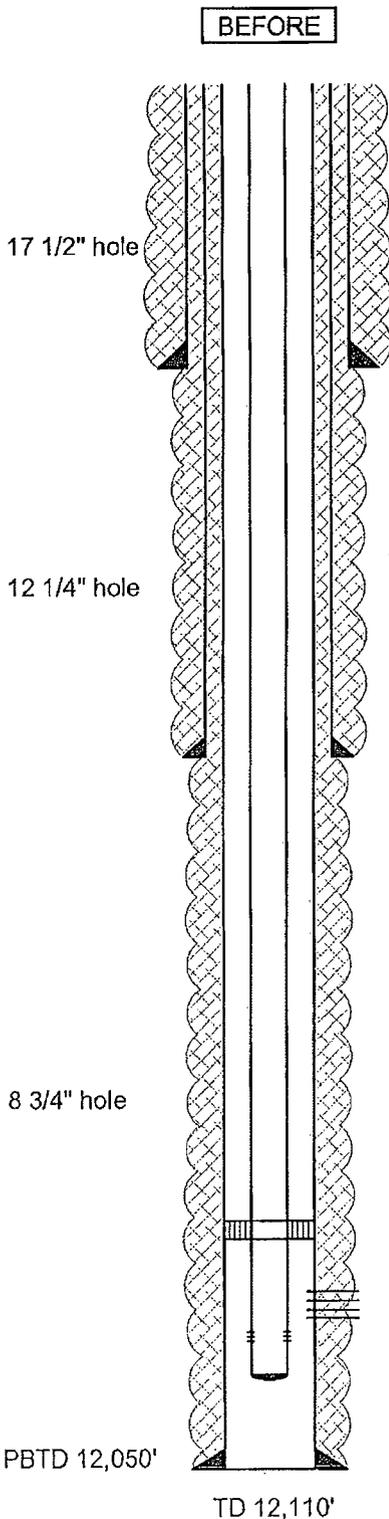
APPROVED BY: Malay Brown TITLE Dist. Supervisor DATE 10/29/2014

Conditions of Approval (if any):

OCT 30 2014

Well Name: Milsap AXI State #2 Field: \_\_\_\_\_  
 Location: 1980' FNL & 660' FEL Sec 36-12S-33E  
 County: Eddy State: New Mexico  
 GL: 4,221' Zero: \_\_\_\_\_ KB: 4,241'  
 Spud Date: 1/24/2006 Completion Date: 3/26/2006  
 Comments: API # 30-025-37544

Casing Program	
Size/Wt/Grade	Depth Set
13 3/8" 48# H-40	432'
9 5/8" 36# & 40# J-55	4,214'
5 1/2" 17# J-55, L-80 & HCP-110	12,110'



13 3/8" csg @ 432'  
 cmt'd w/ 420 sx. Cmt circ.

9 5/8" csg @ 4,214'  
 cmt'd w/ 1500 sx. Cmt circ.

TAC @ 10,013'  
 Beneath TAC: 10 jts tbg, SN, perf sub, 2 jts tbg, and bull plug @ 10,418'

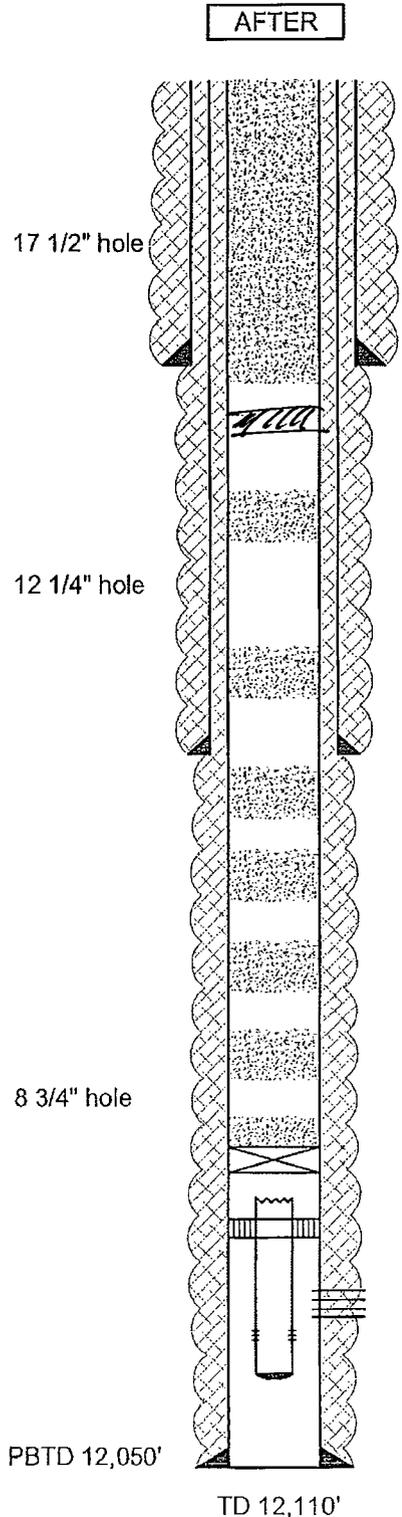
Canyon perms  
 10,238'-10,262' (50)

5 1/2" csg @ 12,110'  
 cmt'd w/ 2,310 sx. Cmt circ.

Tops of Formations	
Formation	Top
Rustler	1,928'
Yates	2,735'
San Andres	4,076'
Glorieta	5,330'
Tubb	6,929'
Abo	7,664'
Wolfcamp	9,160'
Canyon	10,228'
Strawn	10,866'
Atoka Shale	11,480'
Morrow	11,795'
Austin	11,870'
Chester Lime	11,997'
Lower Miss' Lime	12,080'

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85 sx cmt plug @ 480'-surface.

13 3/8" csg @ 432'  
 cmtd w/ 420 sx. Cmt circ.

*1980 - 1880'*

100' cmt plug @ 2,785-2,685'

100' cmt plug @ 4,125-4,025'  
 9 5/8" csg @ 4,214'  
 cmtd w/ 1500 sx. Cmt circ.

100' cmt plug @ 5,380-5,280'

100' cmt plug @ 6,980-6,880'

100' cmt plug @ 7,710-7,610'

100' cmt plug @ 9,210-9,110'

CIBP @ 10,000' w/ 35' cmt.

TAC @ 10,013'  
 Beneath TAC: 10 jts tbg, SN, perf sub, 2 jts tbg, and bull plug @ 10,418'

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