

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
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
May 27, 2004

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

WELL API NO. 30-025-24257
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: NEW MEXICO "L-61" STATE
8. Well Number 1
9. OGRID Number
10. Pool name or Wildcat FLYING "M" SAN ANDRES

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 GRUY PETROLEUM MANAGEMENT CO. ATTN: ZENO FARRIS
3. Address of Operator P.O. BOX 140907, IRVING, TEXAS 75014-0907
4. Well Location Unit Letter <u>B</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>1980</u> feet from the <u>EAST</u> line Section <u>06</u> Township <u>10S</u> Range <u>33E</u> NMPM County <u>LEA</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4198.1 GR
Pit or Below-grade Tank Application ☐ or Closure ☒ Pit type <u>STEEL</u> Depth to Groundwater <u>50'</u> Distance from nearest fresh water well <u>*</u> Distance from nearest surface water <u>*</u> Pit Liner Thickness: <u> </u> mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u>* NONE WITHIN 1,000'</u>

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 COMPLETION ☐

SUBSEQUENT REPORT OF

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: ☐ OTHER: ☐

13. Describe the proposed work (include wellbore completion 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.

GRUY PETROLEUM MANAGEMENT COMPANY RESPECTFULLY PROPOSES TO PLUG AND ABANDON THE SUBJECT WELL PER THE FOLLOWING PROCEDURE:

- 25SX OR 35' IF DUMP BAILED
- 1) SET 4-1/2" CIBP @ 4,150'; MIX & PUMP A 10 SX. CMT. PLUG ON TOP OF CIBP @ 4,150',
 - 2) PERF. & SQZ. A 60 SX. CMT. PLUG @ 2,200'-1,800'; WOC & TAG TOP OF CMT. PLUG.
 - 3) CUT & PULL +/-1,000' 4-1/2" CASING; MIX & PUMP A 35 SX. CMT. PLUG @ 1,050'-950'; WOC & TAG.
 - 4) MIX & PUMP A 35 SX. CMT. PLUG @ 410'-310'; WOC & TAG TOP OF CMT. PLUG.
 - 5) MIX & PUMP A 20 SX. CMT. SURF. PLUG @ 63'-3'.
 - 6) DIG OUT & CUT OFF WELLHEAD 3' B.G.L.; WELD STEEL PLATE ON CASINGS & INSTALL DRY HOLE MARKER.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE David A. Eyler TITLE AGENT DATE 03/30/06

Type or print name DAVID A. EYLER E-mail address: DEYLER@MILAGRO-RES.COM Telephone No. (432) 687-3033

For State Use Only

APPROVED BY Larry W. Wink TITLE OG FIELD REPRESENTATIVE II/STAFF MANAGER DATE APR 03 2006

Conditions of Approval, if any:

API # 30-025-24257

PLUGGING & ABANDONMENT WORKSHEET

2

(# STRING CSNG)

OPERATOR GRUY PETROLEUM MANAGEMENT
 LEASENAME N.M. "L-61" STATE

WELL # 1
 SECT B 6 TWN 10-S RNG 33-E
 FROM 660 (N/S L) 1980 (E/W L)
 TD: 4,360' FORMATION @ TD SAN ANDRES
 PBTD: 4,323' FORMATION @ PBTD "

8 5/8"
 @ 361'
 TOC SURF.

	SIZE	SET @	TOC	TOC DETERMINED BY
SURFACE	8-5/8"	361'	SURF.	CIRC.
INTMED 1	4-1/2"	4,353'	2,500'	CALC.
INTMED 2				
PROD				
	SIZE	TOP	BOT	TOC DETERMINED BY
LINER 1				
LINER 2				
	CUT & PULL @		TOP - BOTTOM	
INTMED 1			PERFS	4192 - 4212'
INTMED 2			OPENHOLE	"
PROD		Est. +/- 1,000'		

* REQUIRED PLUGS DISTRICT I

PLUGGER (ANHYD)	
YATES	≈ 2,220'
QUEEN	≈ 2,645'
GRAYBURG	
SAN ANDRES	≈ 3,430'
CAPTAN REEF	
DELAWARE	
BELL CANYON	
CHERRY CANYON	
BRUSHY CANYON	
BONE SPRING	
FLORITA	
BLINEBRY	
TUBB	
DRINKARD	
ABO	
WC	
PENN	
STRAWN	
ATOKA	
MORROW	
MISS	
DEVONIAN	

PLUG	TYPE	SACKS	DEPTH
PLUG	PLUG	CMNT	
EXAMPLES			
PLUG # 1	OH	25 SKS	9850'
PLUG # 2	SHOE	50 SKS	8700'-8800'
PLUG # 3	CIBP/35'		5300'
PLUG # 3	CIBP	25 SKS	5300'
PLUG # 4	STUB	50 SKS	4600'-4700'
PLUG # 6	RETNR SQZ	200 SKS	400
PLUG # 7	SURF	10 SKS	0-10'
PLUG # 1			
PLUG # 2			
PLUG # 3			
PLUG # 4			
PLUG # 5			
PLUG # 6			
PLUG # 7			
PLUG # 8			
PLUG # 9			
PLUG # 10			
PLUG #			
PLUG #			

CALC. TOC ≈
 2,500'

4,192' - 4,212'

4-1/2"
 @ 4,353'
 TOC 2,500'

TD 4,360'