

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

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

HOBBS QCD
RECEIVED
SEP 13 2018

WELL API NO. 30-025-03563
5. Indicate Type of Lease STATE [] FEE [x]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Merrell
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat SWD; Bought C

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 [x] Gas Well [] Other []
2. Name of Operator EOG Y Resources, Inc.
3. Address of Operator 104 South Fourth Street, Artesia, NM 88210
4. Well Location Unit Letter H : 1980 feet from the North line and 330 feet from the East line
Section 10 Township 9S Range 36E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4070'GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK [] PLUG AND ABANDON [x]
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []

SUBSEQUENT

REMEDIAL WORK []
COMMENCE DRILLING OPNS. [] INT TO PA [x]
CASING/CEMENT JOB [] P&A NR []
OTHER: [] P&A R []

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.

EOG Y Resources, Inc. plans to plug and abandon this well as follows:

- 1. MIRU all safety equipment as needed. NU BOP. POOH with production equipment.
2. RIH with GR/JB to 9825'.
3. Set a CIBP at 9800' with 25 sx cement on top. This will place a plug over the open perforations and Bought top.
4. Tag TOC and load the hole with plugging mud.
5. Perforate at 7820'. Establish circulation.
6. Spot a 52 sx class "H" inside/outside cement plug from 7640'-7820'. This will place a plug across Abo top.
7. Perforate at 5600'. Establish circulation.
8. Spot a 41 sx class "C" inside/outside cement plug from 5440'-5600'. This will place a plug across Glorieta top.
9. Perforate at 4380'. Establish circulation.
10. Spot a 40 sx class "H" inside/outside cement plug from 4240'-4380'. This will place a plug across the 8-5/8" casing shoe.
11. Perforate at 4150'. Establish circulation.
12. Spot a 40 sx class "C" inside/outside cement plug from 4010'-4150'. This will place a plug across the San Andres top.
13. Perforate at 2900'. Establish circulation.
14. Spot a 37 sx class "C" inside/outside cement plug from 2770'-2900'. This will place a plug across the Yates top.
15. Perforate at 550'. Establish circulation.
16. Spot a 130 sx class "C" inside/outside cement plug from 450' up to surface. This will place a plug across surface casing shoe and to surface.
17. Cut off wellhead, install dry hole marker and clean location.

Wellbore schematics attached

Spud Date: []

Rig Release Date:

[] See Attached Conditions of Approval

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tina Huerta TITLE Regulatory Specialist DATE September 12, 2018

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

APPROVED BY: [Signature] TITLE P.E.S. DATE 09/13/2018

Conditions of Approval (if any):

WELL NAME: Merrell #1 **FIELD:** _____
LOCATION: 1980' FNL & 330' FEL Sec.10-9S-36E
GL: 4,060' **ZERO:** _____ **KB:** _____
COMMENTS: API No.: 30-025-03563

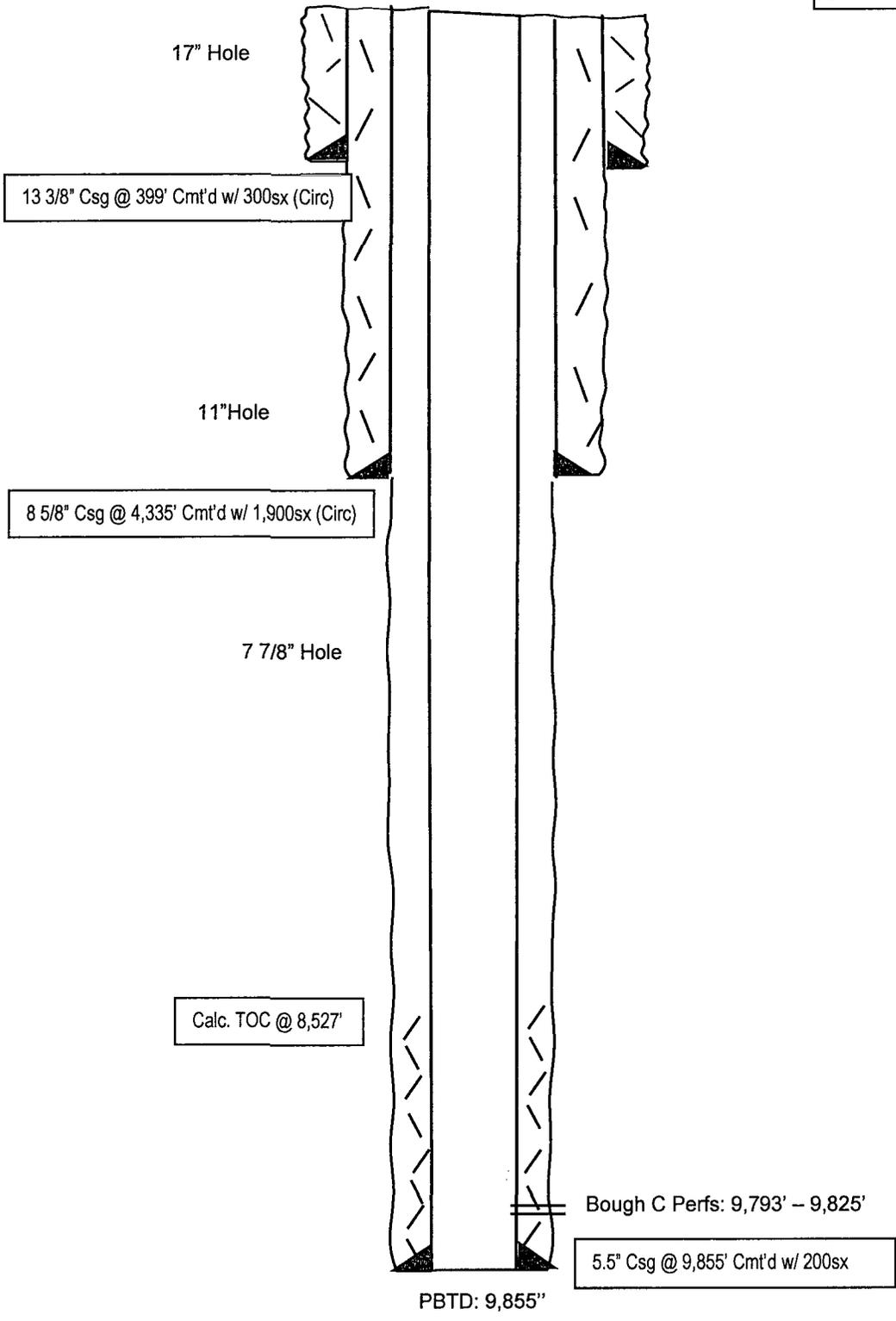
CASING PROGRAM

13 3/8"	399'
8 5/8"	4,335'
5.5"	9,855'

Before

TOPS

Yates	2,858'
San Andres	4,113'
Glorieta	5,555'
Abo	7,767'
Bough A	9,702'
Bough B	9,750'
Bough C	9,793'

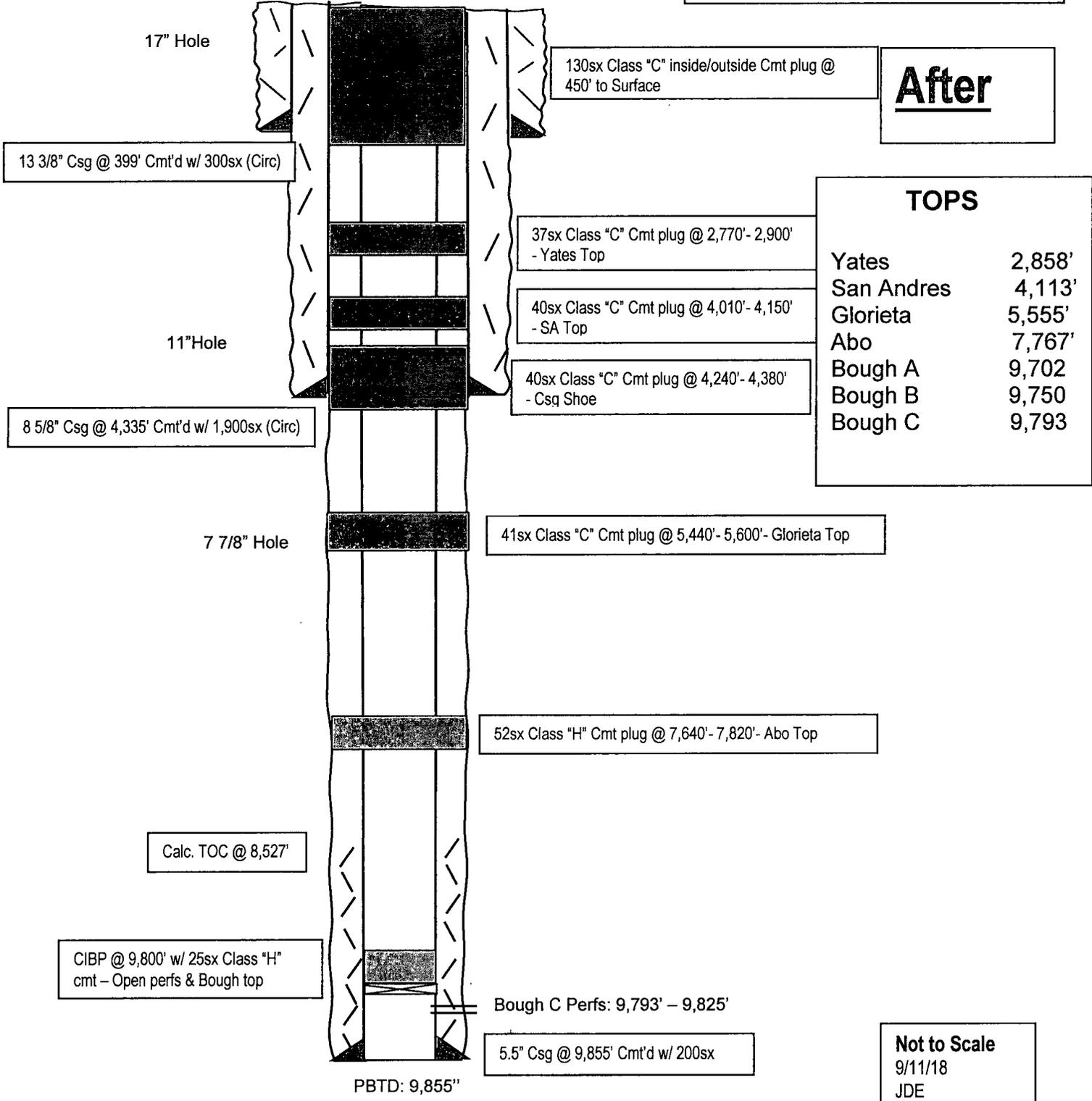


Not to Scale
 9/11/18
 JDE

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GENERAL CONDITIONS OF APPROVAL:

- 1) Insure all bradenheads have been exposed, identified, and valves are operational prior to rigging up on well.
- 2) Contact the appropriate NMOCD District Office no later than 24 hours prior to moving in and rigging up.
- 3) A copy of the approved C103 intent to P&A should be distributed to the onsite company and plugging representatives. Approved procedures are good for a period of one year from approved date, unless otherwise specified on the C103 intent. Approvals past this date will require the submission and approval of a new C103 intent.
- 4) A company representative is required to be present to witness all operations including setting CIBP's, circulation of mud laden fluids, perforating, squeezing or spotting cement plugs, tags, or any other operations approved on the C103 intent to P&A. Company representative should contact the NMOCD and report all operations.
- 5) Any changes that may be required during plugging operations should be approved by the NMOCD before proceeding.
- 6) A closed loop system is to be used for all plugging operations. Contents of the steel pits to be hauled to a NMOCD permitted disposal facility.
- 7) Mud laden fluids must be placed between all cement plugs mixed at 25 sacks of salt gel per 100 barrels of brine.
- 8) All cement plugs will be 100' or 25 sacks cement, whichever is greater. Class 'C' cement will be used above 7500' and Class 'H' below 7500'.