

Submit 3 Copies To Appropriate District 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

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. 30-025-26766
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3959
7. Lease Name or Unit Agreement Name Quay AQU State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Cruz; Delaware, Northeast
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3590.6' 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 S. 4th Street, Artesia, NM 88210

4. Well Location
Unit Letter C : 660 feet from the North line and 1980 feet from the West line
Section 10 Township 23S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3590.6' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐

OTHER: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

**THE OIL CONSERVATION DIVISION MUST
BE NOTIFIED 24 HOURS PRIOR TO THE
BEGINNING OF PLUGGING OPERATIONS.**

Propose to Plug and Abandon as Follows:

- 1) MIRU WSU. RU safety equipment. TOH w/2-7/8" tubing.
- 2) Set CIBP @ 5100' and cap w/150' cement (35 sx, 4950-5100'). This puts a plug over the Delaware and 100' plug across the intermediate casing shoe. WOC and tag.
- 3) Spot 25 sx Class "C" cement plug 758-858'. POOH. This puts 100' plug across the surface casing shoe. WOC and tag.
- 4) Spot 15 sx Class "C" cement plug 60' to surface.
- 5) Remove all surface equipment, weld dry-hole marker and clean location as per regulations.

(Proposed Schematic Attached)

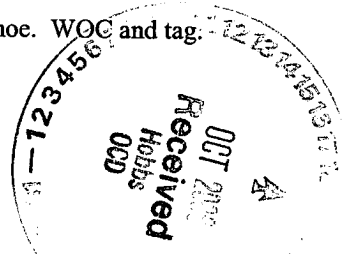
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OGD approved plan ☐.

SIGNATURE Stormi Davis TITLE Regulatory Compliance Technician DATE 10-18-06

Type or print name Stormi Davis E-mail address: _____ Telephone No. 505-748-1471

For State Use Only

APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE OCT 20 2006
Conditions of Approval (if any): _____

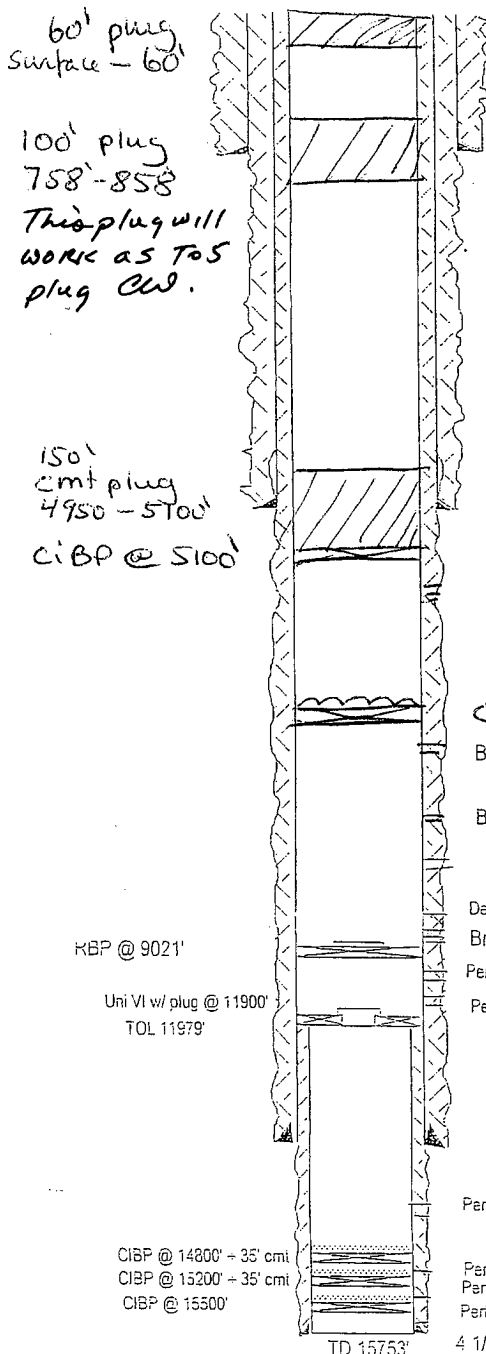


Well Name: Quay AQU State #1 Field: Cruz-Delaware Northeast
 Location: 660' FNL & 1980' FWL Sec. 10-23S-33E Lea Co, NM
 GL: 3590.6 Zero: AGL: KB: 3616.1
 Spud Date: Completion Date:
 Comments:

Casing Program	
Size/Wt/Grade/Conn	Depth Set
16" 65#	808'
10 3/4" 45.5#	5000'
7 5/8" 24#	12506'
4 1/2" 15.1# liner	11979-15753'

PROPOSED CONFIGURATION

After



16" csg @ 808'. Cmtd w/ 1800 sx. Cmt circ.

TOS \approx 1000'

10 3/4" csg @ 5000'. Cmtd w/ 3600 sx. Cmt circ.

Ramsey sand perms: 5150'-54' (5), 5176'-5184' (9)

CIBP @ 7324' + 35' cmt

Brushy Canyon perms 7374-78', 7492-98', 7506-10', 7514-17'

Brushy Canyon perms 7716-22', 62-70', 7828-32', 54-56', 72-74', 8130-34'

Delaware perms 8865-82' Squeezed

Brushy Canyon perms 8967-80', 8983-86', 8990-99'

Perf 9645-64, 9866-9920'

Perf 11704-10, 12-18, 20-25'

7 5/8" csg @ 12506', cmtd w/ 3250 sx. TOC 25'

Perf 13132-159', 12734-53'

Perf 14882-90, 14922-42', 14976-91, 15039-49'

Perf 15291-305, 14-18, 34-53, 13450-56'

Perf 15562-70, 88-92'

4 1/2" liner @ 15753'. Cmtd w/ 850 sx.

Fm tops

Delaware: 5110'

B. Springs: 9002'

WC: 12372'

Shawn: 13920'

Atoka: 14186'

Morrow: 14840'

SKETCH NOT TO SCALE

DATE: 10/17/06 QUAY1C