

Office

Energy, Minerals and Natural Resources

May 27, 2004

District I

1625 N. French Dr., Hobbs, NM

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-36581

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VA-1991

7. Lease Name or Unit Agreement Name

Merle State Unit

8. Well Number

1

9. OGRID Number

025575

10. Pool name or Wildcat

Wildcat Penn

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 O : 1250 feet from the South line and 1650 feet from the East lineSection 13 Township 10S Range 34E NMPM Lea County

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

4158' 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.

Yates Petroleum Corporation plans to plug and abandon this well as follows:

1. Set CIBP @ 9900'. Cap w/35' of cement.
2. Spot a 100' cement plug 7050-6950'. Spot a 100' cement plug 4268-4168'. WOC and tag.
3. Spot a 100' cement plug 2100-2000'. Spot a 100' cement plug 455-355'. WOC and tag.
4. Spot a 10 sack plug at surface.
5. Install marker and clean location.

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

NOTE: Yates Petroleum Corporation will use steel pits and no earth pits.

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 Allison Barton TITLE Regulatory Compliance Technician DATE 7/14/08Type or print name Allison Barton E-mail address: abarton@ypcnm.com Telephone No. (575) 748-1471

For State Use Only

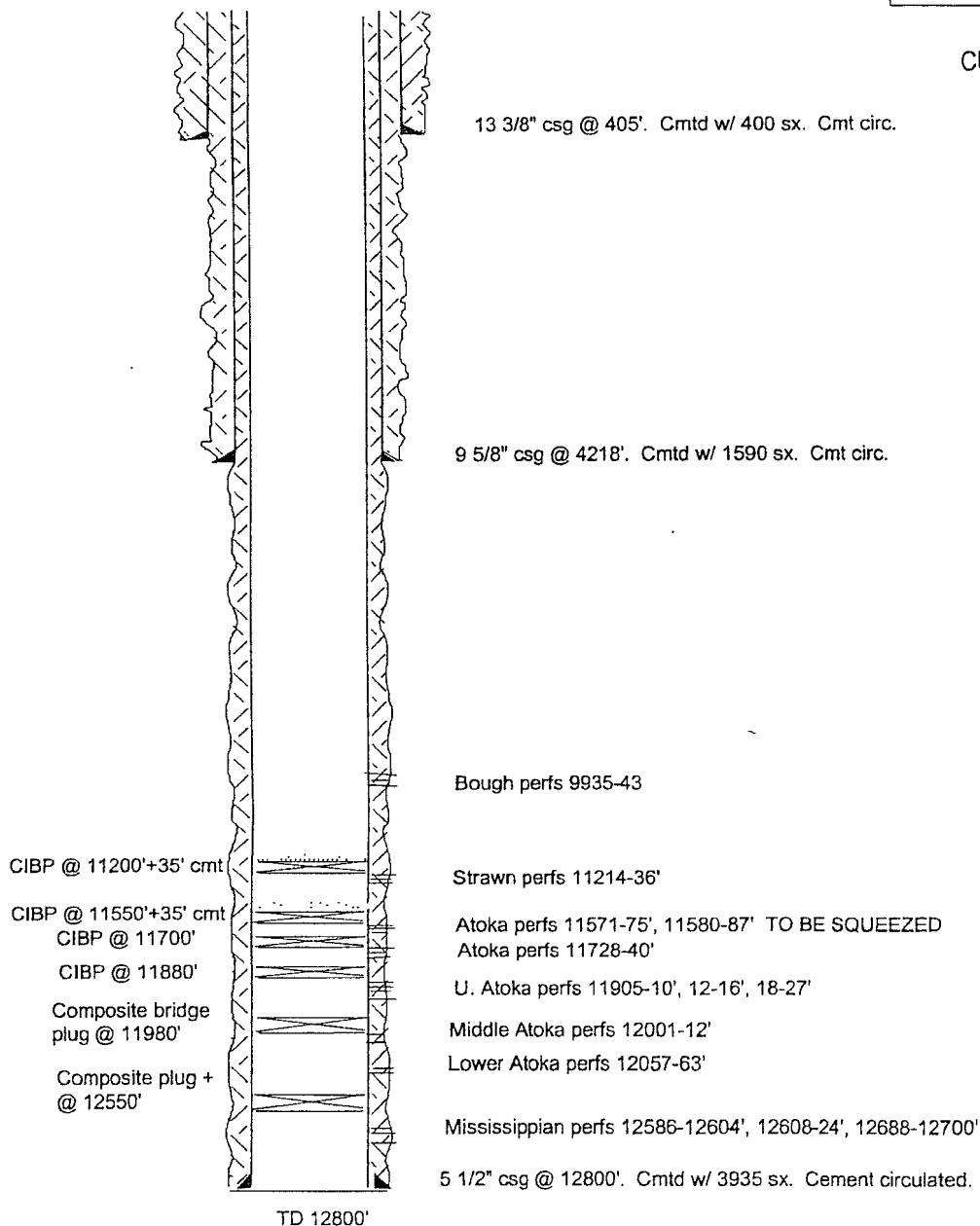
APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE JUL 25 2008

Conditions of Approval (if any):

Well Name: Merle State Unit No. 1 Field: _____
 Location: 1250' FSL & 1650' FEL Sec. 13-10S-34E Lea Co, NM
 GL: 4158' Zero: _____ AGL: _____ KB: _____
 Spud Date: 3/29/04 Completion Date: _____
 Comments: _____

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48# H40	405'
9 5/8" 36 & 40# J55 & NS110	4218'
5 1/2" 17# J55, L80 & HCP110	12800'

CURRENT CONFIGURATION



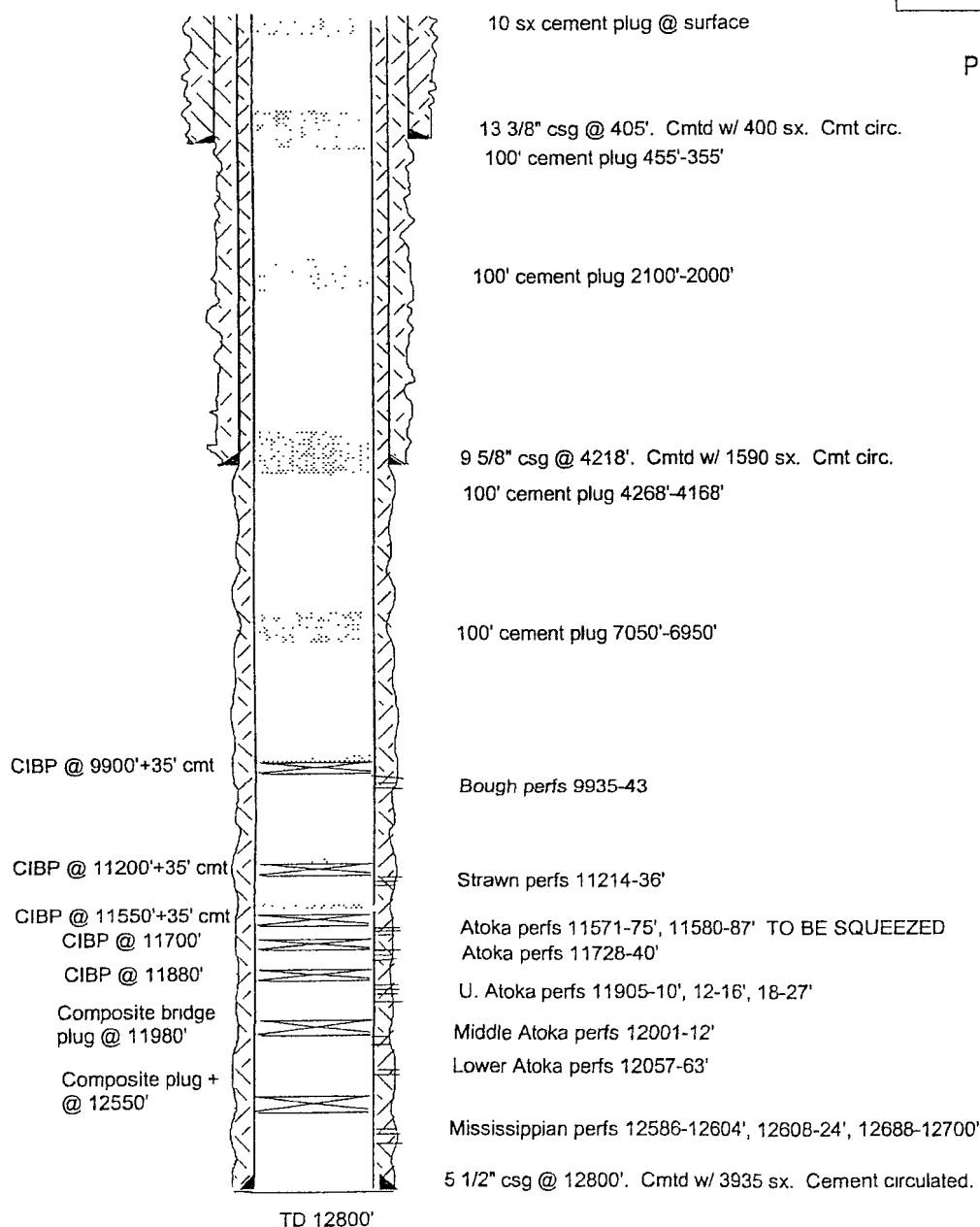
SKETCH NOT TO SCALE

DATE: 3/8/06 MERLE1J

Well Name: Merle State Unit No 1 Field: _____
 Location: 1250' FSL & 1650' FEL Sec. 13-10S-34E Lea Co, NM
 GL: 4158' Zero: _____ AGL: _____ KB: _____
 Spud Date: 3/29/04 Completion Date: _____
 Comments: _____

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48# H40	405'
9 5/8" 36 & 40# J55 & NS110	4218'
5 1/2" 17# J55, L80 & HCP110	12800'

PROPOSED CONFIGURATION



SKETCH NOT TO SCALE

DATE: 6/27/06 MERLEIK