

Office

Energy, Minerals and Natural Resources

May 27, 2004

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

RECEIVED

APR 09 2009

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-20992

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

B-10418

7. Lease Name or Unit Agreement Name

Gallagher State

8. Well Number

1

9. OGRID Number

025513

10. Pool name or Wildcat

SE Chaves Qn Gas Area Assoc

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 Drilling Company

3. Address of Operator

105 S. 4th Street, Artesia, NM 88210

4. Well Location

Unit Letter D : 330 feet from the North line and 330 feet from the West line

Section 35 Township 12S Range 31E NMPM Chaves County

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

4435.5' 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. ☐ PLUG AND ABANDON ☐
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.

See Attachment

The Oil Conservation Division **Must be notified**
24 hours prior to the beginning of plugging operations

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 Karen Leishman TITLE Operations Tech DATE Date 04/08/2009

Type or print name Karen Leishman Email address: karenl@ypcnm.com Telephone No. 505-748-8663

For State Use Only

APPROVED BY: Maley Brown TITLE MSB DATE 04/13/2009

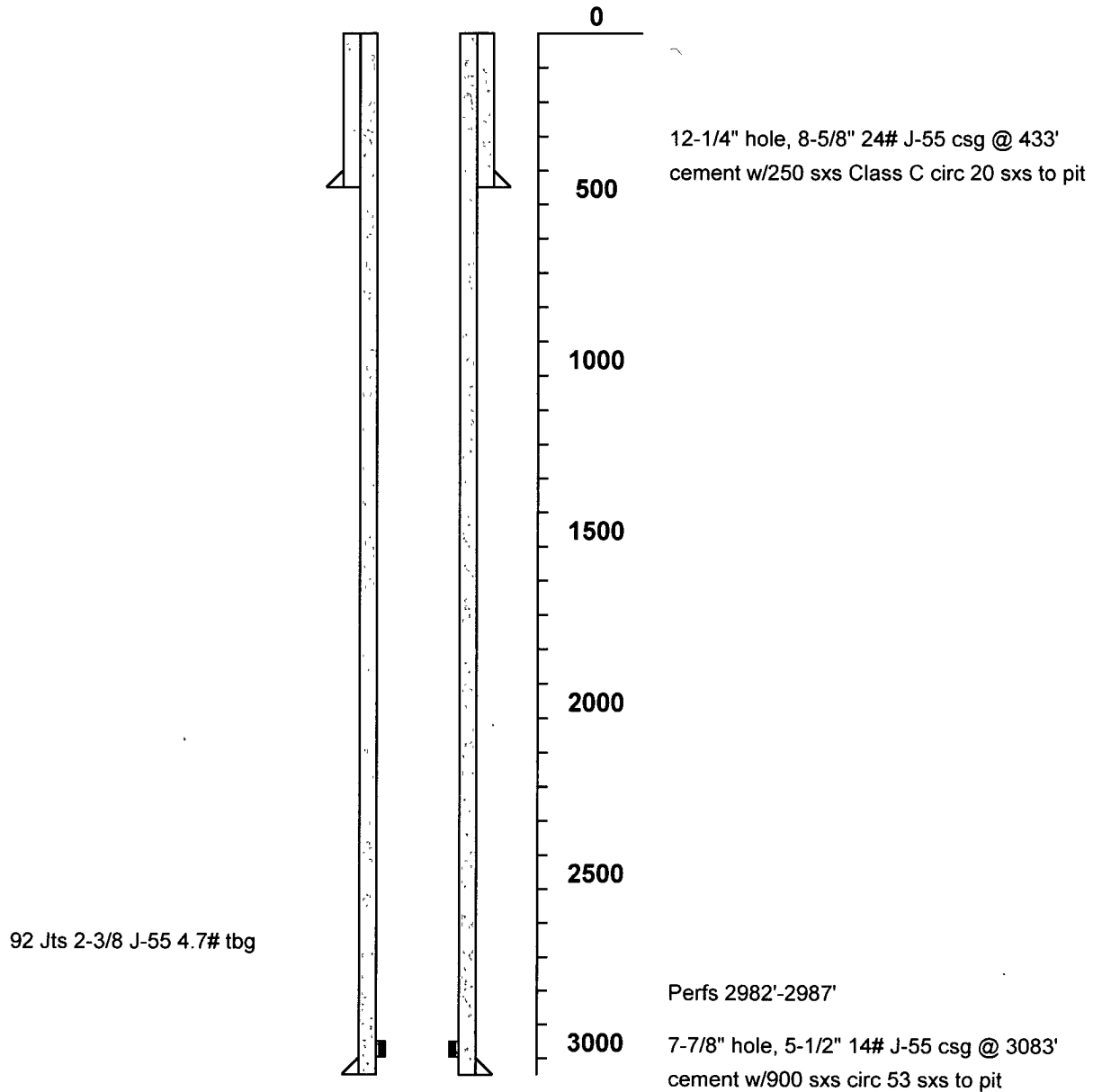
Conditions of Approval (if any):

COMPLIANCE OFFICER

Yates Drilling Company
Gallagher State #1
Unit D, Section 35-12S-31E
Chaves County, NM
30-005-20992
Sundry attachment
April 8, 2009

1. Set CIBP @ 2,940', mix and circulate 10# mud inside 5 1/2" casing to surface
2. Spot 25 sxs Class "C" cement plug on top of CIBP . **SPOT 25 SXS CMT @ 2200' BDS**
- SPOT 25 SXS CMT** 3. ~~Perforate 5 1/2" @ 1400' TOS~~
4. ~~Set packer and try to establish pump in rate. If unable to establish rate, spot 25 sxs cement plug over perforations~~
5. Spot Class "C" cement plug 490' to surface
6. Erect dry hole marker, remove equipment and clean location.

GALLAGHER STATE #1
 Sec 35, T12S-R31E CHAVES CO., NM
 30-005-20992



TD 3100'
 PBD 3082'

Perfs
 11/8/1984 2982'-2987' 2 SPF Queen

Formation Tops
 1416' Rustler Top of Salt
 2106' Base of Salt
 2226' Yates
 2361' 7-Rivers
 2959' Top of Queen