

RECEIVED

OIL CONSERVATION DIVISION

JUN 12 2009

HOBBSCOCD

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-005-20992	✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	✓
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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/>	
2. Name of Operator Yates Drilling Company	
3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>D</u> : <u>330</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>West</u> line Section <u>35</u> Township <u>12S</u> Range <u>31E</u> NMPM <u>Chaves</u> County <u>✓</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4435.5' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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

Approved for plugging of well bore only.
 Liability under bond is retained pending receipt
 of C-103 (Subsequent Report of Well Plugging)
 which may be found at OCD Web Page under
 Forms, www.emnrd.state.nm.us/oed.

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 J. Leishman TITLE Operations Tech DATE Date 06/05/2009Type or print name Karen Leishman E-mail address: karenl@ypcnm.com Telephone No. 505-748-8663

For State Use Only

APPROVED BY: Carmy W. Hill

Conditions of Approval (if any):

TITLE DISTRICT 1 SUPERVISORDATE JUN 19 2009

Yates Drilling Company
Gallagher State #1
Unit D, Section 35-12S-31E
Chaves County, NM
30-005-20992
Sundry attachment
June 5, 2009

4/27/2009	RU plugging unit. Notified Maxey Brown, NMOCD of plugging operations.
4/28/2009	POH with rods and 2 7/8" tubing. Attempted to set CIBP, could not get past 500'. Received verbal permission from Maxey Brown to set 30 sxs cement plug. Set 30 sxs cement plug from 2,954' to 2,665'.
4/29/2009	RIH and unable to tag plug. Pumped 30 bbls 10# mud. Pumped 30 sxs cement plug from 2,954' to 2,665'. Tagged plug at 2,820'. Notified Maxey Brown that perfs are covered with 120' cement. Circulated 30 bbls 10# mud. Pumped 25 sxs cement from 2,200' to 1,959'. Pumped 25 sxs cement from 1,400' to 1,159'.
4/30/2009	Tagged plug at 1,151'. Pumped 51 sxs cement from 497' to surface. Cleaned location and erected dry hole marker.