

PIA'd. OK TO RELEASE.  
MJB. 2/2/2010

Submit One Copy To Appropriate District

State of New Mexico

Form C-103

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

Minerals and Natural Resources

RECEIVED

NOV 30 2009

HOBBSOCD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

March 18, 2009

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 South 4<sup>th</sup> 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'

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 ☐

☒ Location is ready for OCD inspection after P&A

☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.

☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.

☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

**OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.**

☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.

☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.

☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.

☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)

☒ All other environmental concerns have been addressed as per OCD rules.

☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Karen J. Leishman TITLE Operations Tech DATE 11/24/2009

TYPE OR PRINT NAME Karen J. Leishman E-MAIL: karen@yatespetroleum.com PHONE: 575-748-8663

For State Use Only

APPROVED BY: Maley Brown TITLE Compliance Officer DATE 2/2/2010

Conditions of Approval (if any):