

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
October 13, 2009

RECEIVED
JAN 28 2011
HOBBSDO
CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-25686
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-3021
7. Lease Name or Unit Agreement Name State 3 SWD
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat SWD; Mississippian Devonian

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 type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> SWD	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>G</u> : <u>2310</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>3</u> Township <u>9S</u> Range <u>32E</u> NMPM <u>Lea</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4406' GR	

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 ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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

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

1. MIRU WSU. Rig up any safety equipment as needed. Set a CIBP at 11,200' with 35' cement on top. Set a 2nd CIBP at 10,650' with 35' cement on top.
2. Spot a 25 sx cement plug from 7600'-7700'. Spot a 30 sx cement plug from 4300'-4600'.
3. Spot a 25 sx cement plug from 3550'-3650'. WOC and tag.
4. Spot a 25 sx cement plug from 1950'-2050'. ~~Spot a~~ 25 sx cement plug from 325'-425'. WOC and tag.
5. Place a 10 sx cement plug at surface. *Perf & SQ 25 sx cmt @ 425'*
6. Cut off wellhead, install dry hole marker and clean location as per regulations.

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

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

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE January 27, 2011

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE SAFF mgr DATE 3-7-2011

Conditions of Approval (if any):

Well Name: State "3" SWD No. 1 Field: _____

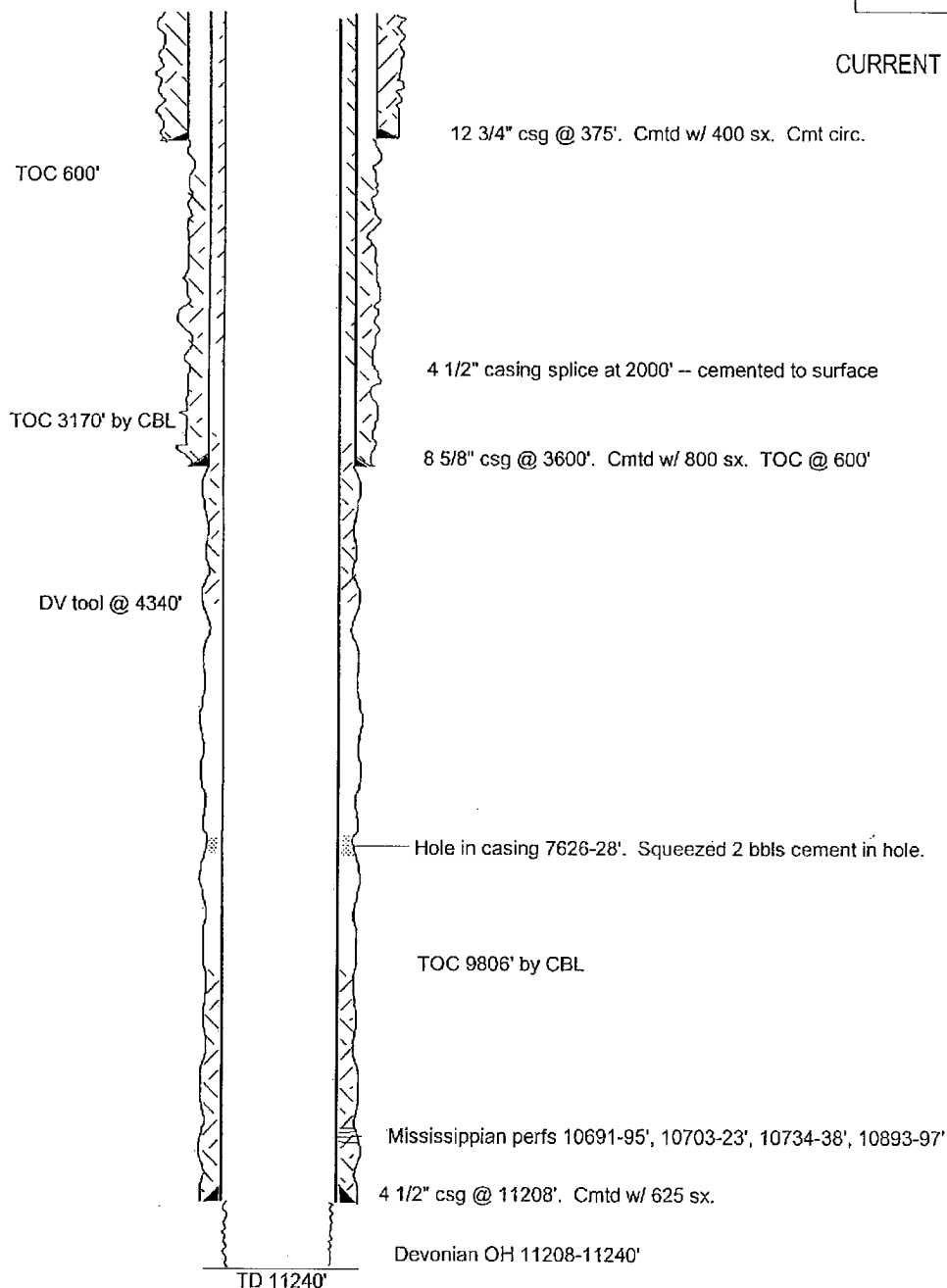
Location: 2310' FNL & 1980' FEL Sec. 3-9S-32E Lea Co, NM

GL: 4415' Zero: _____ AGL: _____ KB: 4430'

Spud Date: _____ Completion Date: _____

Comments: _____

Casing Program	
Size/Wt/Grade/Conn	Depth Set
12 3/4" 49.5#	375'
8 5/8" 24 & 28#	3600'
4 1/2" 11.6#	11208'



SKETCH NOT TO SCALE

DATE: 1/10/11 ST 3#1D

Well Name: State "3" SWD No. 1 Field: _____

Location: 2310' FNL & 1980' FEL Sec. 3-9S-32E Lea Co, NM

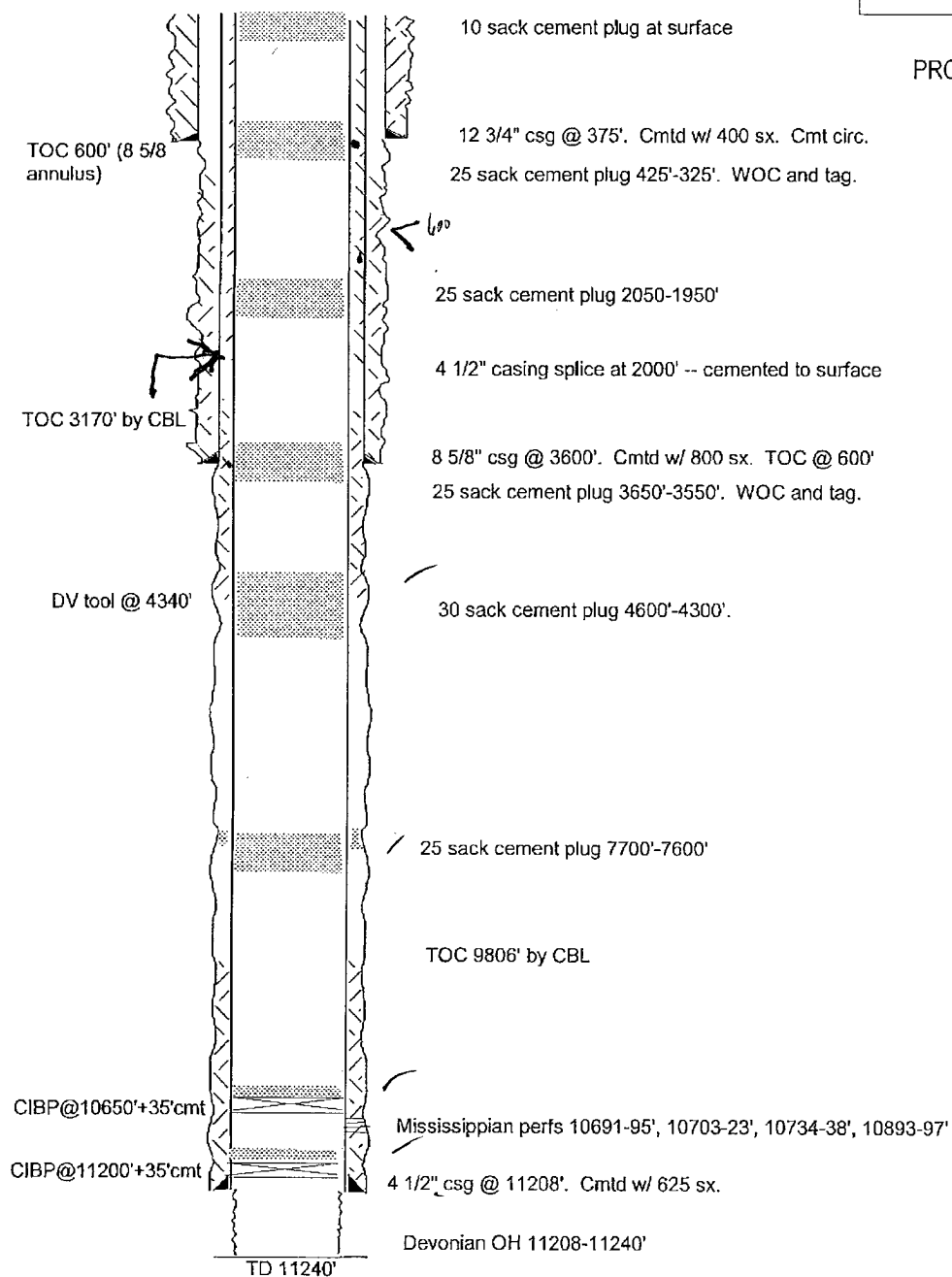
GL: 4415' Zero: _____ AGL: _____ KB: 4430'

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Size/Wt/Grade/Conn	Depth Set
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PROPOSED CONFIGURATION



SKETCH NOT TO SCALE

DATE: 1/10/11 ST 3#1D