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RAILROAD COMMISSION OF TEXAS Oil and Gas Division Notice of Intention to Plug and Abandon

Operators must comply with RRC plugging procedures as outlined on the reverse side.

RECEIVED RRC OF TEXAS MAY 01 2015

1. Operator's Name and Address (Exactly as shown on Form P-5, Organization Report) Greystone Oil & Gas, LLP 1616 S Voss Rd, STE 400 Houston, TX 77057 2. RRC Operator Number 333767 3. RRC District No. 08 4. County of Well Site Andrews 5. API No. 42- 003-00813 6. Drilling Permit No. 042873 7. Rule 37 Case No. 8. Oil Lease No. or Gas Well ID No. 083191 9. Well No. 2

10. Field Name (Exactly as shown on RRC records) Emma, N. (Yates) 11. Lease Name University AZ

12. Location Section No. 25 Block No. 10 Survey ULS No. Abstract No. A- 15mi SW of Andrews

13. Type of well 1. oil 3. disposal 5. other (specify) 2. gas 4. injection Enter appropriate no. in box 2 14. Type of completion Single Multiple 15. Total depth 12,780'/PB 4900'

16. Usable-quality water strata (as determined by Texas Dept. of Water Resources) occur to a depth of 250' feet and in deeper strata from 1200' to 1550' feet: and from to feet

17. If there are wells in this area which are producing from or have produced from a shallower zone, state depth of zone If there are wells into which salt water is being or has been disposed of into a shallower zone, state depth of zone

18. Casing record (list all casing in well) Table with columns: Size, Depth, Cement (sacks), Drilled hole size, Top of cement (feet), Top of cement determined by: (Temper. Survey, Calculated, Cement Bond Log), Anticipated casing recovery (feet)

19. Has notice of intent to plug been filed previously for this well? Yes No

20. Plugging proposal (List all bridge and cement plugs. Load the hole with at least 9.5 lbs. per gallon mud.)

Table for plugging proposal with columns: No. of sacks, Depth In feet (top & bottom). Includes Class 'C' HSR Cement ONLY and list of plugs.

21. Record of perforated intervals or open hole Table with columns: Perforations, Open, Plugged, Plugging method

22. Name and address of cementing company or contractor Rocker A Cementers PO Box 97 Post, TX 79356

23. Anticipated plugging date for this well is: 05 / 11 / 15

Matt McCallister MIDLAND, TX Agent

Typed or printed name of operator's representative 806-241-6530 Date: 4 / 29 / 15 Title of person Signature

RRC District Office Action

Expiration date District Director Alexis Vigil 5-6-15

**GENERAL PLUGGING REQUIREMENTS
MIDLAND DISTRICT
MARCH 1, 2006**

1. The Midland District office must be given at least four-hour notice prior to plugging, by phone, at 432-684-5581. SWR 14(a)(3). Daily updates are appreciated. Please provide the "job number" obtained on the initial notification when making updates or changes to the approved procedure.
2. All cementing operations during plugging shall be performed under the direct supervision of the operator or his authorized representative, who shall not be an employee of the service or cementing company hired to plug the well. Direct supervision means supervision at the well site during the setting of all plugs. This representative shall not be an employee of the plugging contractor, unless the operator and plugging contractor are the same entity. SWR 14(d)(1).
3. The cementer must have a current P-5 on file with the Commission, and must be on the Commission's Approved Cementer's List. SWR 14(d)(5).
4. The operator and the cementer are both responsible for complying with the plugging requirements and for plugging the well in conformity with the procedure in the approved W-3A. SWR 14(d)(1).
5. The well must be circulated with mud prior to setting plugs. Minimum mud weight: 9.5 ppg, minimum mud funnel viscosity: 40 sec. The well should be static prior to pumping any plug. SWR 14(d)(9).
6. Any gas or water flows encountered during plugging operations must be reported to the Commission before continuing plugging operations.
7. All cement for plugging shall be Class C HSR oil well cement without volume extenders and shall be mixed in accordance with API standards to a weight of 14.8 ppg. Calcium chloride is acceptable as an accelerator. The district may approve alternative cements for good cause. SWR 14(d)(1).
8. Cement plugs shall be placed by the circulation or squeeze method through tubing or drill pipe, not through casing. Cement plugs shall be placed by other methods only upon written request with the written approval of the district director or the director's delegate. SWR 14(d)(3).
9. Prior to perforating casing, the casing should be pressure tested to ensure proper plug placement. When squeezing under a packer, the packer must remain in place until the cement has set. Plugs that must be tagged may not be placed through a CICR. SWR 14(d)(3).
10. Certain plugs will require tagging with full tubing weight after placement to verify the plug: this includes most plugs over perforations, plugs over certain formations such as San Andres and Coleman Junction, the deepest water protection plug in each well, and other plugs as determined by the district office. SWR 14(d)(2).
11. Pits must be emptied each day and fluids must not be allowed to soak in. SWR 8(d)(1). Consider lining the plugging pits. The Commission representative may require pits to be lined if site conditions, location, or pit construction warrants lining.
12. Within 120 days of plugging, the operator shall fill the rat hole, mouse hole, and cellar, and shall empty all tanks, vessels, related piping and flowlines that will not be actively used in the continuing operation of the lease. Also, the operator shall remove all such tanks, vessels, and related piping, remove all loose junk and trash from the location, and contour the location to discourage pooling of surface water at or around the facility site. SWR 14(d)(12).
13. Form W-3 must be filed within 30 days of plugging, with the District office. SWR 14(b)(1), 16(b)