

## OCD-ARTESIA

Form 3160-5  
(August 2007)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.  
NMNM0557142

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
ROSS EG FEDERAL 14

2. Name of Operator

Contact: MIRIAM MORALES

9. API Well No.  
30-015-28501-00-S2

YATES PETROLEUM CORPORATION E-Mail: mmorales@yatespetroleum.com

3a. Address

105 SOUTH FOURTH STREET  
ARTESIA, NM 88210

3b. Phone No. (include area code)

Ph: 575-748-4200

10. Field and Pool, or Exploratory  
N SEVEN RIVERS-GLOR-YESO

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 21 T19S R25E NWNE 660FNL 1980FEL

11. County or Parish, and State

EDDY COUNTY, NM

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Off-Lease Measurement
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum respectfully requests approval to off lease measure production for the NDDUP Unit #46(Ross EG Federal #14, possible future name).

The production will be measured and sold at the Patriot AIZ battery facilities located at Sec.21-T19S-25E. Please see attached plat and site security diagram.

A list of all owners being notified is attached.

Oil Measurement

Tanks will be isolated and no surface commingle will take place.

Gas Measurement

Accepted for record

RECEIVED

MAY 19 2014

NMOCD ARTESIA

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #212923 verified by the BLM Well Information System

For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Committed to AFMS for processing by KURT SIMMONS on 07/12/2013 (13KMS6727SE)

Name (Printed/Typed) MIRIAM MORALES

Title PRODUCTION ANALYST

Signature (Electronic Submission)

Date 07/09/2013

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK

Title EPS

Date 05/14/2014

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Carlsbad

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

**Additional data for EC transaction #212923 that would not fit on the form**

**32. Additional remarks, continued**

The well will have its own meter and no surface commingle will take place.

All equipment is located on Fee land and waiver to access property is attached.

All gate combinations will be sent to BLM office via email.

By utilizing the existing facilities the off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not reduce royalty or improper measurement of production.

See attached economic impact report.

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

District I  
PO Box 1900, Hobbs, NM 88240-2580  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Bravos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-28301</b>		Pool Code <b>97565</b>	Pool Name <b>Seven Rivers; Daguer Drive, Upper Penn, North</b>
Property Code	Property Name <b>ROSS EG FEDERAL COM</b>		Well Number <b>14</b>
OGRID No. <b>025578</b>	Operator Name <b>YATES PETROLEUM CORPORATION</b>		Elevation <b>3489.</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>21</b>	<b>19S</b>	<b>25E</b>		<b>660</b>	<b>NORTH</b>	<b>1980</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div data-bbox="196 1085 625 2006" data-label="Form"> <p><sup>16</sup></p> </div>	<div data-bbox="625 1085 1063 1542" data-label="Diagram"> </div>		<div data-bbox="1063 1085 1484 1542" data-label="Form"> <p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <b>Ken Beardemphl</b></p> <p>Printed Name <b>Ken Beardemphl</b></p> <p>Title <b>Landman</b></p> <p>Date <b>3-30-95</b></p> </div>	
	<div data-bbox="625 1542 1063 2006" data-label="Form"> <p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>MARCH 29, 1995</b></p> <p>Date of Survey <b>MARCH 29, 1995</b></p> <p>Signature and Seal of Professional Surveyor <b>NEW MEXICO</b> <b>REGISTERED</b> <b>LAND SURVEYOR</b> <b>5412</b> <b>CERTIFICATE NUMBER</b> <b>NM 00435800-5412</b></p> </div>		<div data-bbox="1063 1542 1484 2006" data-label="Form"> </div>	
	<div data-bbox="625 2006 1063 2006" data-label="Form"> </div>		<div data-bbox="1063 2006 1484 2006" data-label="Form"> </div>	
	<div data-bbox="625 2006 1063 2006" data-label="Form"> </div>		<div data-bbox="1063 2006 1484 2006" data-label="Form"> </div>	

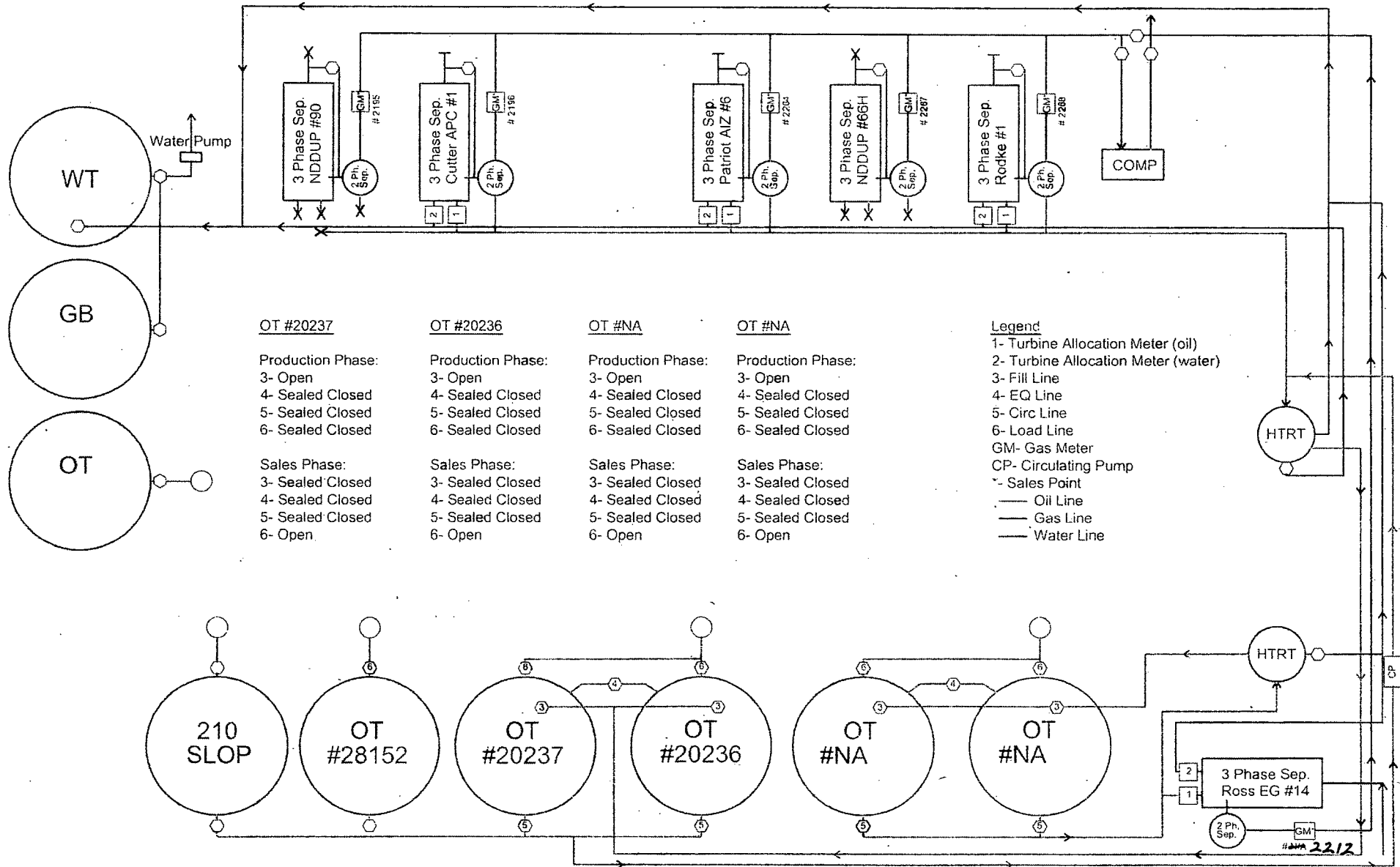


105 South 4th Street  
Artesia, NM 88210  
(575) 748-1471

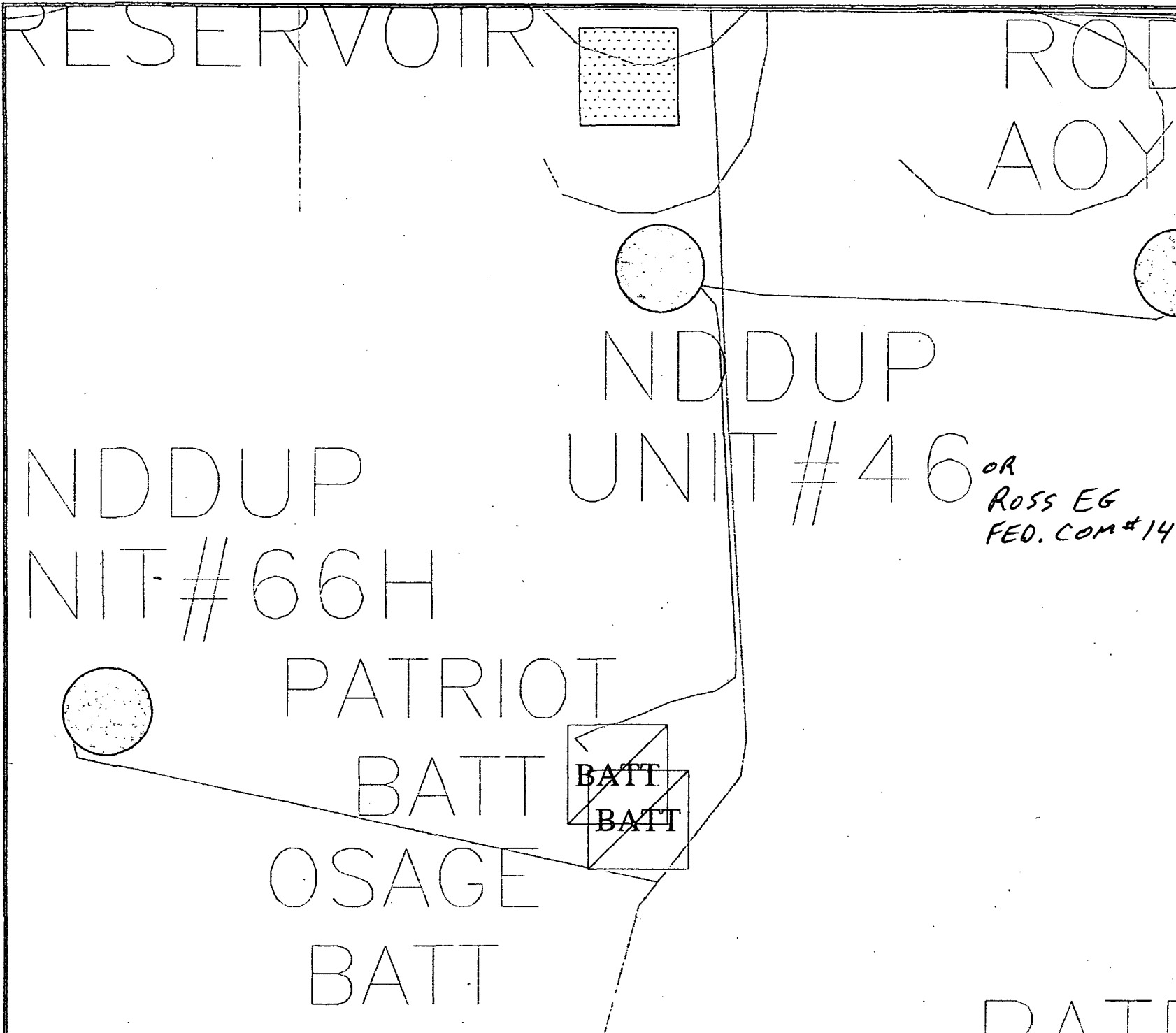
Michael Farmer  
July 2013

# PATRIOT / RODKE BATTERY

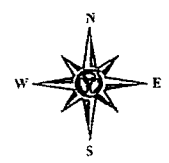
Sec 21-T19S-R25E \* Unit G \* SWNE  
Eddy County, NM



This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan,  
which is on file at 105 South 4th Street, Artesia, NM.



105 SOUTH FOURTH (575) 748-1471  
ARTESIA, NEW MEXICO 88210



### LEGEND

- OIL WELL PROPOSED
- ⊛ GAS WELL
- OIL WELL
- GPS ROADS

- FEDERAL MINERALS
- NM STATE
- US BUREAU OF LAND MANAGEMENT

DRAWN BY: JAH  
DATE DRAWN: 07-05-13  
COUNTY: EDDY  
STATE: NEW MEXICO  
SHEET NUMBER: 1 OF 1  
SCALE: 1" = 1/16 MILE

TITLE:

THIS MAP HAS BEEN CAREFULLY COMPILED AND PRINTED BY YATES PETROLEUM CORPORATION FROM AVAILABLE INFORMATION. YATES PETROLEUM CORPORATION DOES NOT GUARANTEE THE ACCURACY OF THIS MAP OR INFORMATION DELINEATED THEREON. NOR DOES YATES PETROLEUM CORPORATION ASSUME RESPONSIBILITY FOR ANY RELIANCE THEREON. RECIPIENT AGREES NOT TO COPY, DISTRIBUTE OR DIGITIZE THIS MAP WITHOUT EXPRESS CONSENT FROM YATES PETROLEUM CORPORATION OR ITS AFFILIATES.

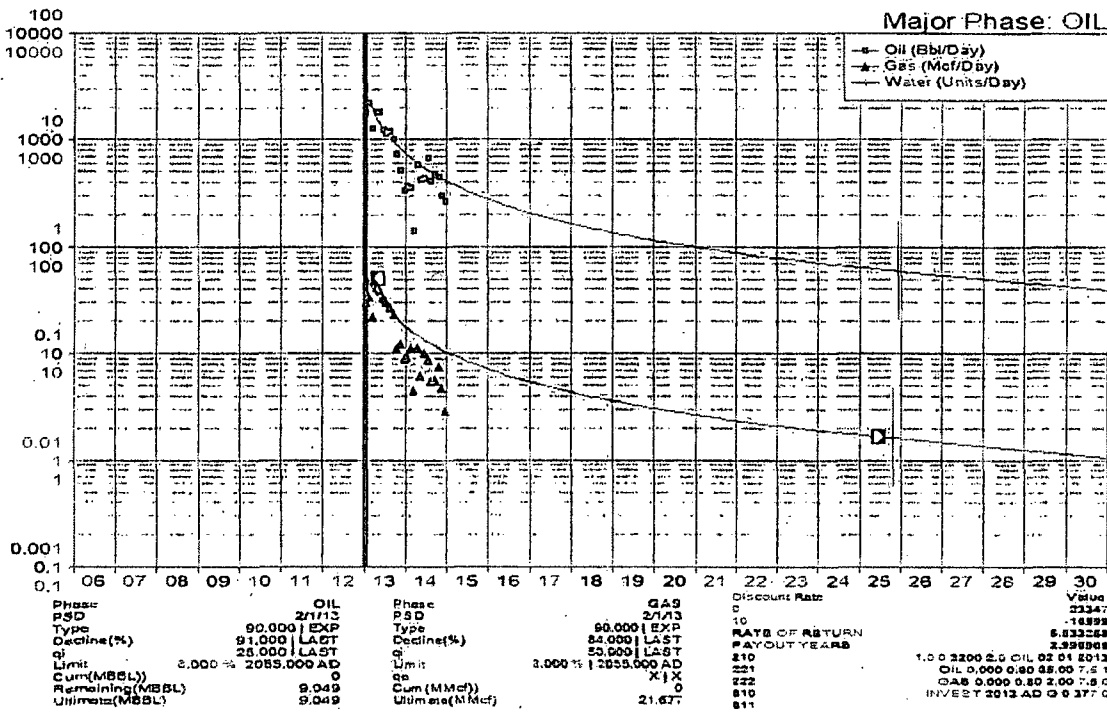
## EUR FOR YPC OPERATED YESO RECOMPLETIONS OF DAGGER DRAW WELLS

The average AFE for these wells is \$377K with an estimated rate of return of 5.5% or a value of \$23,347 using the power tools generated type curve, so the cost of building a battery would have a negative value of <\$126,653>.

The type curve was generated with power tools using the wells listed below.

	OIL EUR	GAS EUR	GOR
AMOLE AMM STATE COM 2	4,783	6,838	1.43
PATRIOT AIZ 6	13,784	60,023	4.35
CUTTER APC 1	15,290	54,772	3.58
AMOLE AMM STATE COM 4	13,115	17,883	1.36
TACKITT AOT 1	6,445	12,780	1.98
ROSS EG FEDERAL 8	4,236	6,654	1.57
BOYD X STATE 12	5,303	6,529	1.23
TACKITT AOT 2	7,471	12,558	1.68
RODKE AOY 1	6,695	15,282	2.28
AVERAGE	8,569	21,480	2.16

**AVERAGE DAGGER DRAW WESO RECOMPLETION  
BASED ON POWER TOOLS TYPE CURVE OF  
9 YPC OPERATED DAGGER DRAW WESO RECOMPLETIONS**



OGRE(R) V2.6 BTAX  
 FILE NAME: DDYESO~1( 1)  
 CASE NAME: DD YESO RECOMPL TYPE CURVE  
 101 DD YESO RECOMPL TYPE CURVE  
 104 SEVEN RIVERS NORTH GLORIETA YESO  
 105 YATES PETROLEUM CORPORATION

DATA REPORT

DATE: 06/14/13  
 TIME: 09:15:20

117 CASE \$COM  
 120 1 2013 12 1 1 2013 10 M

	W.I. FRACTION	OP. COST (\$/W/MO)	OP. COST (\$/MO.)	ADV. TAX (PCT)	MAJOR PH. NAME	PROD. DATE (MO/DY/YR)
210	1.00000000	.00	3200.00	2.000	OIL	2/01/2013

	PHASE NAME	CUM PROD (MUNITS)	REV. INT FRACTION	PRICE (\$/UNIT)	SEV. TAX (PCT)	NO. OF WELLS	RATIO TO MAJOR PH
221	OIL	.000	.80000000	85.000	7.500	1.0	
222	GAS	.000	.80000000	2.000	7.500	.0	
223	WATER	.000	.00000000	.000	.000	.0	

	PH. NAME	CURVE TP	DECLINE%	QI RATE	QT RATE	CUM. LIMIT	(M GR Y)	CALC VALUE
405	OIL	90.000	91.000	25.000	X	8.000	%	D
CALC	OIL	90.000END=	8.000	25.000	.596	12.948	YRS	D
406	OIL	EXP	LAST	LAST	X	2055.000	AD	D
CALC	OIL	EXP	END=	8.000	.596	42.000	YRS	D
410	GAS	90.000	84.000	50.000	X	8.000	%	D
CALC	GAS	90.000END=	8.000	50.000	1.614	12.803	YRS	D
411	GAS	EXP	LAST	LAST	X	2055.000	AD	D
CALC	GAS	EXP	END=	8.000	1.614	42.000	YRS	D

	INV NAME	INV. POINT	(G OR N)	TANG-M\$	INTANG-M\$	LSEHLD-M\$	RISK FRAC	OVHD FLAG
810	INVEST	2013.000	AD	G	.000	377.000	.000	

ECONOMIC LIFE (YRS): 5.000  
 GROSS OIL (MBBL): 9.049  
 GROSS GAS (MMCF): 21.677



SEVEN RIVERS NORTH GLORIETA YESO

RESERVES AND ECONOMICS

```
DATE: 06/14/13
TIME: 09:15:20
FILE: DDYESO~1
PROP: .1
STID: BASE
.CMD: CURRENT:
.OUT: SAMPLE
```

YATES PETROLEUM CORPORATION

AS OF JANUARY 1, 2013

[illegible]

# SURFACE RELEASE AGREEMENT

I J. T. Ross, Of the County of Eddy  
in the state of NEW MEXICO, am the surface owner of the lands described  
below. I do hereby give authorization to the Bureau of Land Management to enter said  
lands associated with the Yates Petroleum facility listed below. I further hereby give  
authorization to enter any gates and use any roadways located on surface lands owned by  
me that is needed to access the location described as:

Patriot/Rodke Battery \_\_\_\_\_  
Sec 21-T19S-R25E (SWNE) \_\_\_\_\_  
Eddy County, NM \_\_\_\_\_

J. T. Ross

Surface Owner

P.O. Box 216  
Lakewood, NM 88254

Address

## OWNERS LIST

NEARBURG EXPLORATION CO LLC  
P O BOX 678100  
DALLAS, TX 75267-8100

OCD  
1220 S SAINT FRANCIS DR  
SANTA FE, NEW MEXICO 87505

YATES INDUSTIES LLC  
P O BOX 1091  
ARTESIA, NM 88211-1091

MARIGOLD LLLP  
P O BOX 1290  
ARTESIA, NM 88211-1290

SANTO LEGADO LLLP  
P O BOX 1020  
ARTESIA, NM 88211-1020

TULIPAN LLC  
105 S 4TH STREET  
ARTESIA, NM 88210

OXY-Y1 COMPANY  
P O BOX 841803  
DALLAS, TX 75284-1803

SHARBRO ENERGY LLC  
P O BOX 840  
ARTESIA, NM 88211-0840

ABO PETROLEUM CORP  
P O BOX 900  
ARTESIA, NEW MEXICO

MYCO INDUSTRIES INC  
P O BOX 840  
ARTESIA, NEW MEXICO 88211

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Off-Lease Measurement**

**Conditions of Approval: Yates Petroleum Corporation  
Ross EG Federal Com #14  
NM0557142 - 3001528501**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease measurement from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green.