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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

Expires: July 31
Lease Serial No.

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NOTICES AND REPORTS ON WELLS	ļ	N	1M	3MV	381	64
his form for proposals to drill or to re-enter an	⊢					

Do not use t 6. If Indian, Allottee or Tribe Name abandoned well. Use form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side. 1. Type of Well 8. Well Name and No. Multiple-See Attached ☑ Oil Well ☐ Gas Well ☐ Other 2. Name of Operator LAURA WATTS Contact: API Well No. YATES PETROLEUM CORPORATIONE-Mail: laura@yatespetroleum.com Multiple--See Attached 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 105 SOUTH FOURTH STREET Ph: 575-748-4272 WILDCAT ARTESIA, NM 88210 Fx: 575-748-4585 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, and State Multiple--See Attached LEA COUNTY, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ☐ Acidize □ Deepen ☐ Production (Start/Resume) ■ Water Shut-Off ■ Notice of Intent Alter Casing ☐ Fracture Treat □ Reclamation ■ Well Integrity ■ Subsequent Report □ Casing Repair ■ New Construction Other ☐ Recomplete Workover Operations ☐ Final Abandonment Notice □ Change Plans □ Plug and Abandon ☐ Temporarily Abandon Convert to Injection Plug Back ■ 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 recomplete 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 recompletion 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.) 30-025-33863 Yates Petroleum Corporation request administrative approval to down-hole commingling the existing TA Triste Draw Bone Spring and the existing producing Triste Draw Delaware. Approved DHC order from the state, DHC-1639, is attached with all supplemental information. Both intervals have common ownership and we have not experience any cross flow. The fluids are compatible. Fluid analysis attached. There were no oil or gas samples taken from Bone Spring -بellar during completion, however oil gravity and gas BTU should correlate closely with offset wells Gas, oil and water analysis attached from the Bone Spring producer Hemlock BSH St 1H. The downho commingle will improve the currect production and economics of the well. Yates Petroleum Corporation plans to commingle by removing the RBP which is currently set above the Bone Spring perforations. The production allocation will be done by subtracting the current 14. I hereby certify that the foregoing is true and correct. Electronic Submission #263694 verified by the BLM Well Information Sys For YATES PETROLEUM CORPORATION, sent to the Hobbs Committed to AFMSS for processing by LINDA JIMENEZ on 11/05/2014 (15LJ **1**241\$€JR Name (Printed/Typed) LAURA WATTS REG REPORTING TECHNICIAN (Electronic Submission) 09/15/2014 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Date 12/08/2014 TitlePETROLEUM ENGINEER _ApprovedBy_EDWARD_FERNANDEZ 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 Hobbs 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

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

OHC- 16 99

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Additional data for EC transaction #263694 that would not fit on the form

Wells/Facilities, continued

NMNM88164 NMNM88164 PARSLEY ARA FÉD 01 30-025-33863-00-S1 Sec 26 T23S R32E SESE 760FSL 990I					Location Sec 26 T23S R32E SESE 760FSL 990FE Sec 26 T23S R32E SESE 760FSL 990FE
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32. Additional remarks, continued

Delaware production from what the well will be producing commingle. These calculations will be sent to your office when established. Delaware production curve attached.

Conditions of Approval

Sundries dated 6/13/14 and 9/15/2014 Yates Petroleum Corporation Parsley ARA Fed 1 API 3002533863, T23S-R32E, Sec 26

December 8, 2014

- 1. DHC work approved as written
- 2. Subject to like approval by the New Mexico Oil Conservation Division.
- 3. Surface disturbance beyond the existing pad must have prior approval.
- 4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
- 5. Functional H₂S monitoring equipment shall be on location.
- 6. A minimum of 3000 (3M) BOPE shall be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
- 7. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 8. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
- 9. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
- 10. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

EGF 120814

Downhole Commingling Worksheet

Operator: Yates Retroleuv Lease/Well Name/API Number/Location	:NM -88 164 /1	Parsley ARA	Fed #1/30-	025-33863/
.ease/Well Name/API Number/Location Date:		9	Sec 26:	7235, R326,
_				Estimated Combined
De ta		Middle Formation		Production Data
Pool name	Triste Draw Bsp	N/A	Trisk Draw Del	
Pool Code	96603	74	59930	
State Form C-102 with dedicated Acres	V - 0	NA	V	
Provided	yes	19 / AT	Yes	
Formation Name	Bone Springs		Delaware	
Top and Bottom of Pay Section	المحدث بم محداً		المسما مسما	
(Perforated or open-Hole Interval)	8971-10,075		82 21, -8220,	
Method of production	Artificial lift		Artificial lift	
Bottom Hole Pressure	4,332 ps;		3676 PS	0.43 PS/F1 * MD
Reservoir Drive mechanism	solution gas		Solutioncop	
Oil gravity and/or BTU	43.1 / 1333	4	7.8/1268	*
Average Sulfur Content (Wt %)	0.1947		0.1947	×
Oil sample Analysis provided	Ves		Yes	
Gas Analysis provided	Yes.		Yes	
Produce Water Analysis provided	Yes		Y-2 \$	
H2S present	No		No	*
Producing, Shut-In or New Zone	Shuf-in		Producing	
Cate and Oil/Gas/Water rates of Last	5-23-97		7-23-2014	
Production (new zones or no production	10 BOPD		7 BOPD	17 60FD
history Operator shall attached production	1 m 01 mm	1	OBWPD	40 6400
estimated and supporting data)	25 mcfgpd		omefd	25 mcfp
contracted and subbot mig core)		 		ļ <u> </u>
Average decline % (provide back up data)	will be		Production Plot affacts	*
Fixed Allocation Percentage	Submitted when zone is		FIG. WHOCK	CP T
UNEN MINNEAUGIT LEIGHER	producing	L		J

Remarks * Fixed allocation Perioutages will be submitted	
after both zones are producting and such percentage established as Bone springs production data is so old.	
Operator Signature: Manually William Mangachus Hother,	Area Engineer

Attached Supporting documents
State Form C-102 with dedicated Acres Provided

Oil sample Analysis provided (Must be current)

Gas Analysis provided (Must be current)

Produce Water Analysis provided (Must becurrent)

Any additional supporting data (i.e. offset well production and decline curves etc.)

*Utilize weighted average.

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

ADMINISTRATIVE ORDER DHC-1639

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Attention: Mr. Morris Keith

Parsley "ARA" Federal Well No.1
API No. 30-025-33863
Unit P, Section 26, Township 23 South, Range 32 East, NMPM,
Lea County, New Mexico.
Triste Draw-Delaware (59930) and
Triste Draw-Bone Spring Pools

Dear Mr. Keith:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 107 B/D

Gas 214 MCF/D

Water 214 B/D

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Triste Draw-Delaware Pool	Oil 40%	Gas 0%
Triste Draw-Bone Spring Pool	Oil 60%	Gas 100%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 27th day of August, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. ŁĘMAY

Director

SEAL

WJL/DRC

cc: Oil Conservation Division - Hobbs Buruea of Land Management-Carlsbad

AHC (7/18/97

MARTIN YATES. III 1912-1985 FRANK W. YATES



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

July 1, 1997 .

David Catanach State of New Mexico OIL CONSERVATION DIVISION 2040 S. Pacheco Street Santa Fe, NM 87505-5472

Dear Mr. Catanach,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Parsley ARA Federal #1 located in Unit P of Section 26, Township 23 South, Range 32 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

Sincerely,

Morris Keith Engineer

Morno Keel

MK/th

Enclosures

Trisk Daw Drug Saws

Trisk Daw

MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

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SECRETARY
DENNIS G. KINSEY
TREASURER

July 1, 1997

Chris Williams State of New Mexico OIL CONSERVATION DIVISION P. O. Drawer 1980 Hobbs, NM 88240

Dear Mr. Williams,

Enclosed are the necessary documents for obtaining approval for the downhole commingling of the Parsley ARA Federal #1 located in Unit P of Section 26, Township 23 South, Range 32 East, Lea County.

Should you have any questions, feel free to contact me at (505) 748-1471. Thank you.

Sincerely,

Morris Keith Engineer

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MK/th

Enclosures

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July 1, 1997

Bureau of Land Management 414 W. Taylor Hobbs, NM 88240

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Parsley ARA Federal #1 located in Unit P of Section 26, Township 23 South, Range 32 East, Lea County. Please find attached application. This will serve as notification to an offset operator.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-1471.

Sincerely,

Morris Keith

Operations Engineer

Morno Kerl

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SECRETARY
DENNIS G. KINSEY

July 1, 1997

Burlington Resources P. O. Box 51810 Midland, TX 79710-1810

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Operations Engineer

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DENNIS G. KINSEY
TREASURER

July 1, 1997

Perry & Perry, Inc. P. O. Box 371 Midland, TX 79702-0371

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DENNIS G. KINSEY

July 1, 1997

Estacado, Inc. P. O. Box 5587 Hobbs, NM 88241-5587

Ladies and Gentlemen,

Yates Petroleum Corporation has made an application for administrative approval for downhole commingling for the Parsley ARA Federal #1 located in Unit P of Section 26, Township 23 South, Range 32 East, Lea County. Please find attached application. This will serve as notification to an offset operator.

Should you have any questions, or need additional information, please do not hesitate to contact me at (505) 748-1471.

Sincerely,

Morris Keith

Operations Engineer

mons Lead

DISTRICT

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107-A New 3-12-98

P.C. Box 1980, Hobbs, MM: 88241-1980

OIL CONSERVATION DIVISION

DISTRICT II

2040 S. Pacheco Santa Fe, New Mexico B7505-6429

	APPROVAL	PROCESS:
χ_	Administrative	Kearing

sth First St., Artesia, NW 68210-2835	x Sc., Artača, NP 68210-2835 2040 S. Pacheco Santa Fe, New Mexico B7505-6429		X Administrative Hearin
RICT IA No Graves Pd. Acres, MMI 87410-1653		WNHOLE COMMINGLING	EXISTING WELLBOR X YES N
es Petroleum Corporation	105 S. Fourth Street	Artesia, NM 88210	
DF	Attr ess		
sley ARA Federal	1 · P	26-23S-32E Le	ea ·
	Well No. Unit Lt.	- Sec - Yarp - Rige Cou	MY
ID NO. <u>025575</u> Property Cod	e <u>020478</u> API NO. <u>3</u>	Spacing Unit Leas 10-025-33863 Federal	us Types: (check t or ment): X . State, (unitin) Fee
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zene
1. Pool Name and Pool Code	Wildcat Delaware 96060		Wildcat Bone Springs 96053
2. Top and Bottom of Pay Section Perforations!	8521′-8550′		8971'-10075'
3. Type of production (Dit or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure	a. (Current)	8.	a. (Current)
Oil Zoges - Artificial Lift: Estimated Current	2500		2600
Gas & Oil - Flowing: Measured Current All Gas Zones:	b, {Original)	b.	b. (Original)
Estimated Or Measured Original 6. Oil Gravity (API) or	42.4		43.0
Gas BTU Content			
7. Producing or Shut in?	Producing		Shut-In
Production Marginal? (yes or no)	Yes		HE YES
" if Shut-in, give date and odigasiwater rates of last production	Darle: Rates:	Datic	Date: 5-23-97
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Library.	Rate:	Areas: 10 BOPD 40 BWPD 25 MCFGPD
' If Producing, give date and oil/gas/water rates of	Date 6-26-97	Date:	Date:
recent test (within 60 days)	Home 7 BOPD 66 BWPO 0 MCFGPD	Rater:	Rates
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	0it 621: 40% 0%	0% 0%	60% 100%
total of %'s to equal 100%) If allocation formula is based upon some data and/or explaining method and provide and working, overriding, and royalty if not, have all working, overriding, and Have all offset operators been given writing.	thing other than current or past prividing rate projections or other requirerests identical in all commingles to yet the projection of the project of the pr	oduction, or is based upon some other mo uired data. d zones? X Yes No certified mail? Yes No	ethod, submit attachments with sup

12. Are all produced fluids from all commingled zones compatible with each other? X Yes No
13. Will the value of production be decreased by commingling? Yes X No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau Land Management has been notified in writing of this application. ———————————————————————————————————
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).
* C-102 for each zone to be commingled showing its spacing unit and acreage dedication. * Production curve for each zone for at least one year. (If not available, attach explanation.) * For zones with no production history, estimated production rates and supporting data. * Data to support allocation method or formula. * Notification list of all offset operators. * Notification list of working, overriding, and royalty interests for uncommon interest cases. * Any additional statements, data, or documents required to support comminging.
TYPE OR PRINT NAME Morris Keith TELEPHONE NO. (505) 748-1471

District I PO Box 1980, Hobba, NM 88241-1980 District II PO Drawer DD, Artenia, NM 88211-0719 District III

1000 Rio Brazos Rd., Aztec, NM 87410

PO Box 2088, Santa Fe, NM 87504-2088

30-025-33863

API Number

District IV

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

Pool Name

Wildcat Bone Springs

State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

² Pool Code

96053

, stobesta e	_ode				croperty	(A bessel		1	Moff Wamper
020478		Parsley ARA Federal							1
'OGRID	No.	¹ Operator Name							'Elevation
025575	l	Yates Petroleum Corporation							3690'
10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Ida	Fox from the	North/South line	Feet from the	East/West line	County
P	26	23S	32E_		760	South	990	East	Lea
			11 Bot	tom Hol	e Location I	f Different Fro	om Surface		,,,,,,
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
						<u> </u>			
11 Dedicated Act	rea 13 Joint	or Ivill 14	Consolidatio	a Code 4 (rder No.				
40									
NO ALLO	WABLE					ON UNTIL ALL			CONSOLIDATED
		OR A	NON-SI	ANDARD	UNII HAS BI	EEN APPROVED			
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District I
PO Box 1980, Hobbs, NM 88241-1990
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztoc, 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 Capies Fee Lease - 3 Copies

AMENDED REPORT

'API Number 'Pool Code 'Property Code 'Property Code 'Property Code 'Property Name 'Well Number O20478 Parsley ARA Federal 1 'OGRID No. 'Operator Name 'Elevation 3690' UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County P 26 23S 32E 760 South 990 East Lea UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County P 26 23S 32E 760 South 990 East Lea UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County Feet In Surface
Property Code O20478 Parsley ARA Federal O25575 Yates Petroleum Corporation Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 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 P 26 23S 32E 760 South 990 East Lea UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County P 26 23S 32E 760 South 990 East Lea UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County
Parsley ARA Federal OGRID No. O25575 Yates Petroleum Corporation Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South Line Feet from the East/West Line County P 26 23S 32E 760 South 990 East Lea II 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 Range Lot Idn Feet from the North/South Line Feet from the East/West Line County
'OGRID No. 'Operator Name 'Elevation 3690' 10 Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County P 26 23S 32E 760 South 990 East Lea II 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
Yates Petroleum Corporation 3690' Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County P 26 23S 32E 760 South 990 East Lea Il 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
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UL or lot 20. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County
UL or iot 20. Section Township Range Lot idn Feet from the North/South line Feet from the East/West line County
Dedicated Acres 19 Joint or Infill M Consolidation Code 19 Order No.
40
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION
16 17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
Clina Hurta
Segurate
Tina Huerta Printed Name
Operations Technician
Tile
B-27-97
"SURVEYOR CERTIFICATION
1 hereby certify that the well location shown on wit 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.
REFER TO ORIGINAL PLAT
Signature and Seal of Professional Surveyor.
© Corusieate Number

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YATES PETROLEUM CORPORATION APPLICATION FOR ADMINISTRATIVE APPROVAL DOWNHOLE COMMINGLING PARSLEY ARA FEDERAL #1 LEA COUNTY, NEW MEXICO

Bureau of Land Management 414 W. Taylor Hobbs, NM 88240

Burlington Resources P. O. Box 51810 Midland, TX 79710-1810 Perry & Perry, Inc. P. O. Box 371 Midland, TX 79702-0371

Estacado, Inc. P. O. Box 5587 Hobbs, NM 88241-5587

NALCO Champion

An Ecolab Company

Mr. Chad Letcher Nalco Company 12205 WCR 125 Odessa, Texas 79765 September, 5 2014

Analysis results:

3 Yates oil samples for Paraffin, Cloud & Pour,

Dated:

9/5/2014,

Lab No.

14C19407

	Delaware	Bonspon	9
Sample: Yates	Parsley	Hemlock 1H	Hemlock 2H
Gravity API @60	47.4	43.1	42.0
Wt% Paraffin	2.46	2.80	2.20
Wt% Sulfur	0.1947	0.1947	0.1947
Cloud Point °F	18	-26	-26
Pour Point °F	8	-14	-14
*Wt% Sulfur re	ad at lowest	possible mea	surable scale

Analyst Jim L Pritchard Lab Manager

NALCO Champion

An Ecolab Company

Company: Yates Petroleum

Well Number:

Parsley

Lease:

Yates Petroleum

Location:

Date Run:

Lab Ref #:

8/18/2014

14-aug-n76774

Sample Temp:

Date Sampled:

Sampled by:

8/13/2014 Chad Letcher

Employee #:

Analyzed by:

GR

70

			Dissolved G	ases		F 147	*** /*
Hydrogen Sulfide	e (H2S)				Mg/L .00	Eq. Wt. 16.00	MEq/L .00
Carbon Dioxide	(CO2)		NOT ANAL	YZED.			
Dissolved Oxyge	n (02)		NOT ANAL	YZED			•
			Cations				
Calcium	(Ca++)			1	6,385.52	20.10	815.20
Magnesium	(Mg++)				2,630.32	12.20	215.60
Sodium	(Na+)			6	5,665.06	23.00	2,855.00
Barium	(Ba++)		NOT ANAL	YZED			
Manganese	(Mn+)				16.82	27.50	.61
Strontium	(Sr++)		NOT ANAL	YZED			
,			Anions				
Hydroxyl	(OH-)				.00	17.00	.00
Carbonate	(CO3=)				.00	30.00	.00
BiCarbonate	(HCO3-))			.00	61.10	.00
Sulfate	(SO4=)				180.00	48.80	3.69
Chloride	(CI-)			13	9,353.12	35.50	3,925.44
Total Iron	(Fe)			•	794.49	18.60	42.71
Total Dissolved	Solids			22	5,025.33		
Total Hardness as CaCO3				5	1,748.11		
Conductivity MIC	CROMHOS/CM				231,400		
рН	4.860	•		Specific G	Gravity 60/6	0 F.	1.156
CaSO4 Solubility @ 80 F. 12.18MEq/L, CaSO4 scale is unlikely							
CaCÓ3 Scale Index							
70.0	-5.346	100.0	-4.746	130.0	-3.22	26	
80.0	-5.216	110.0	-4.296	140.0	-3.22	26	
90.0	-4.746	120.0	-4.296	150.0	-3.22	26	

Nalco Company



Water Analysis

Date: 23-Apr-97

2708 West Cosonty Road, Hobbs NM 88240 Phone (505) 592-5556 Fax (505) 392-7307

Analyzed For

Company	Control Stations	Locative	State	
Yates Petroleum Corp	Parsity	Lea	New Medico	
Sample Source				
Formation	Bonespring	Depth		
Specific Gravity	1.100	\$G @ 80 °F	1.103	
pН	6.49	Sulfides		
Temperature (°F)	76	Reducing Agents		
Cations		•		
	Sodium (Calc) in Mg/L	62,510		
	Calcium in Mg/L	640		
	Magnesium in Mg/L	312		
Solu	able Iron (FE2) in Mg/L	630,0		
Anions				
	Chiorides in Mg/L	98,000		
•	Sulfates in Mg/L	412		
	Bicarbonates in Mg/L	830		
Total Hardness (as Cat	203) in Mg/L		2,900	
Total Dissolved Solids (Calc) In Mg/L			163,333	
Scaling Tendencies				
*Calcium Carbonate In			530,944	
*Calcium Sulfate (Gyp)	Index		263,680	
Below 500,000 Remote	4 / 500,000 - 10 ,000,00 0	Possible / Above 10,0	00,000 Probable	
"This Calculation is only an a treatment.	pproduation and is only valid	i before transment of a well or	several weeks after	
Remarks Potass	ium 700 Mg/L			

Report #

23

Bone Springs watersampel.

NALCO Champion

An Ecolab Company

								•	
Company:	Yat	es Petrol	eum						
Well Number: Lease:		ock #1 Petroleum				Sample Temp: 70 Date Sampled: 7/29/2014 Sampled by: Chad Letch			
Location: Date Run:	8/4/2	nta				Sampled by: Employee #:		Criau Le	ccitei
Lab Ref #:		ug-n76580				Analyzed by:		GR	
			D	issolved G	ases				
						Mg/L		Eq. Wt.	MEq/L
Hydrogen S		(H2S)				.00)	16.00	.00
Carbon Diox		(CO2)		IANA TOP					
Dissolved O	xygen	(02)	Į.	IOT ANAL	.YZED				
				Cations				•	
Calcium		(Ca++)		Cuttoris		7,115.40)	20.10	354.00
Magnesium		(Mg++)			•	780.80		12.20	64.00
Sodium		(Na+)				51,177.91		23.00	2,225.13
Barium		(Ba++)	N	IOT ANAL	YZED	,			
Manganese		(Mn+)				1.29	•	27.50	.05
Strontium		(Sr++)	r	IOT ANAL	YZED	•			
				Anions					
Hydroxyl		(OH-)				.00) .	17.00	.00
Carbonate		(CO3=)				.00)	30.00	.00.
BiCarbonate	е	(HCO3-)				73.32	2	61.10	1.20
Sulfate		(SO4=)				560.00	כ	48.80	11.48
Chloride		(Cl-)				93,402.63	3	35.50	2,631.06
Total Iron		(Fe)				10.4	5	18.60	.56
Total Disso						153,121.8	0		
Total Hardr			•			20,989.7			
Conductivit	y MICRO	MHOS/CM	•			189,40	0		
рН	6.1	.90			Specif	ic Gravity 6	0/60	F.	1.106
CaSO4 Solu	bility @	80 F.	32.69	MEq/L,	CaSO4	scale is unli	kely		
CaCO3 Scale	Index								
70.0	-	460	100.0	120	130	.0	.470		
80.0		360	110.0	.180	140		.470		

Nalco Company

150.0

.820

.180

-.120

90.0

120.0

Bone Sprugs Water Analysis

NALCO Champion

An Ecolab Company

Company:	Yate	es Petroleum				
Well Number: Lease: Location: Date Run:		ock #2 Petroleum		Sample Temp: Date Sampled: Sampled by: Employee #:	70 7/29/20 Chad Le	
Lab Ref #:	14-au	ıg-n76583		Analyzed by:	GR	•
			Dissolved Gases	Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulf	fide	(H2S)		.00	16.00	.00
Carbon Dioxid		(CO2)	NOT ANALYZED	.00	20.55	
Dissolved Oxy	gen	(02)	NOT ANALYZED			
			Cations			
Calcium		(Ca++)	•	8,498.28	20.10	422.80
Magnesium		(Mg++)		331.84	12.20	27.20
Sodium		(Na+)		51,016.69	23.00	2,218.12
Barium		(Ba++)	NOT ANALYZED			
Manganese		(Mn+)		1.18	27.50	.04
Strontium		(Sr++)	NOT ANALYZED			
			Anions			
Hydroxyl		(OH-)		.00	17.00	.00
Carbonate		(CO3=)		.00	30.00	.00
BiCarbonate		(HCO3-)	•	73.32	61.10	1.20
Sulfate		(SO4=)		520.00	48.80	10.66
Chloride		(CI-)		94,303.62	35.50	2,656.44
Total Iron		(Fe)		2.53	18.60	.14
Total Dissolved Solids			154,747.46			
Total Hardness as CaCO3			22,606.24			
Conductivity	MICRO	MHOS/CM		192,100		
pН	6.2	00	Spec	ific Gravity 60/6	0 F.	1.108

27.88MEq/L,

-.033

.267

.267

100.0

110.0

120.0

CaSO4 Solubility @ 80 F.

-.373

-.273

-.033

CaCO3 Scale Index 70.0

80.0

90.0

Nalco Company

CaSO4 scale is unlikely

.557

.557

.907

130.0

140.0

150.0

Bone Sprices Water Lalyso Wildcat Measurement Service P.O.Box 1836 416 East Main Street Artesia, NM 88211-1836 8/22/2014 8:19 AM Phone: 575-746-3481 888-421-9453 Fax: 575-748-9852

dnorman@wildcatms.com

GAS ANALYSIS REPORT

Analysis For: YATES PETROLEUM

Field Name:

Well Name: PARSLEY "ARA" FEDERAL #1

Station Number: WELLHEAD

Purpose: SPOT

Sample Deg. F: 60

Volume/Day: Formation:

Line PSIG: 162.4 Line PSIA: 175.6

C6+:

0.4936

Run No: 2140821-01

Date Run: 08/21/2014 Date Sampled: 08/21/2014

Producer: YATES PETROLEUM

County: LEA State: NM

Sampled By: MIKE WEST

Atmos Deg. F: 85

Propane+ GPM: 3.1013

Pressure Base: 14.730
GAS COMPONENTS
Real BTU Dry: 1268.020
MOL%
GPM
Real BTU Wet: 1246.007

Oxygen O2: 0.0000
Carbon Dioxide C02: 2.3123 Calc. Ideal Gravity: 0.7833
Nitrogen N2: 2.9657 Calc. Real Gravity: 0.7861
Hydrogen Sulfide H2S: 0.0000 Field Gravity:

Standard Pressure: 14.696 C1: 70.0765 Ideal BTU Dry: 1260.129 Methane C2: 14.2162 3.8010 Ideal BTU Wet: 1238.203 Ethane C3: 7.0807 Propane 1.9502 Z Factor: 0.9961 IC4: Iso-Butane 0.7259 0.2375 Average Mol Weight: 22.6867 0.4915 Nor-Butane NC4: 1.5593 Average CuFt/Gal: 54.3978 26 lb. Product: 0.6471 IC5: 0.2961 0.1083 Iso-Pentane Nor-Pentanes NC5: 0.2737 0.0992 Ethane+ GPM: 6.9022

Butane+ GPM: 1.1510
Totals 100,0000 6.9022 Pentane+ GPM: 0.4221

0.2146

Remarks:

Hexanes Plus

H2S IN GAS STREAM ON LOCATION: NONE DETECTED

Analysis By: Don Norman

Delaware Gas Analysis

Wildcat Measurement Service P.O.Box 1836 416 East Main Street Artesia, NM 88211-1836 8/6/2013 9:39 AM Phone: 575-746-3481 888-421-9453 Fax: 575-748-9852 dnorman@wildcatms.com

Run No: 2130720-31

Producer: YATES PETROLEUM

Sampled By: CRAIG SUTHERLAND

Date Run: 07/20/2013

Date Sampled: 07/02/2013

County: LEA

Atmos Deg. F: 89

Standard Pressure: 14.696

State: NM

GAS ANALYSIS REPORT

Analysis For: YATES PETROLEUM CORPORATION

Field Name: DCP

Well Name: HEMLOCK "BSH" STATE #1H

Station Number: 37997
Purpose: MONTHLY

Sample Deg. F: 93.6

Volume/Day:

Formation:

Line PSIG: 114.4 Line PSIA: 127.6

6 Pressure Base: 14.730
GAS COMPONENTS Real BTU Dry: 1333.114

MOL% **GPM** Real BTU Wet: 1309.972 Oxygen O2: 0.0000 Carbon Dioxide C02: 0.1739 Calc. Ideal Gravity: 0.7779 Nitrogen N2: 1.8066 Calc. Real Gravity: 0.7808 Hydrogen Sulfide H2S: 0.0000 Field Gravity:

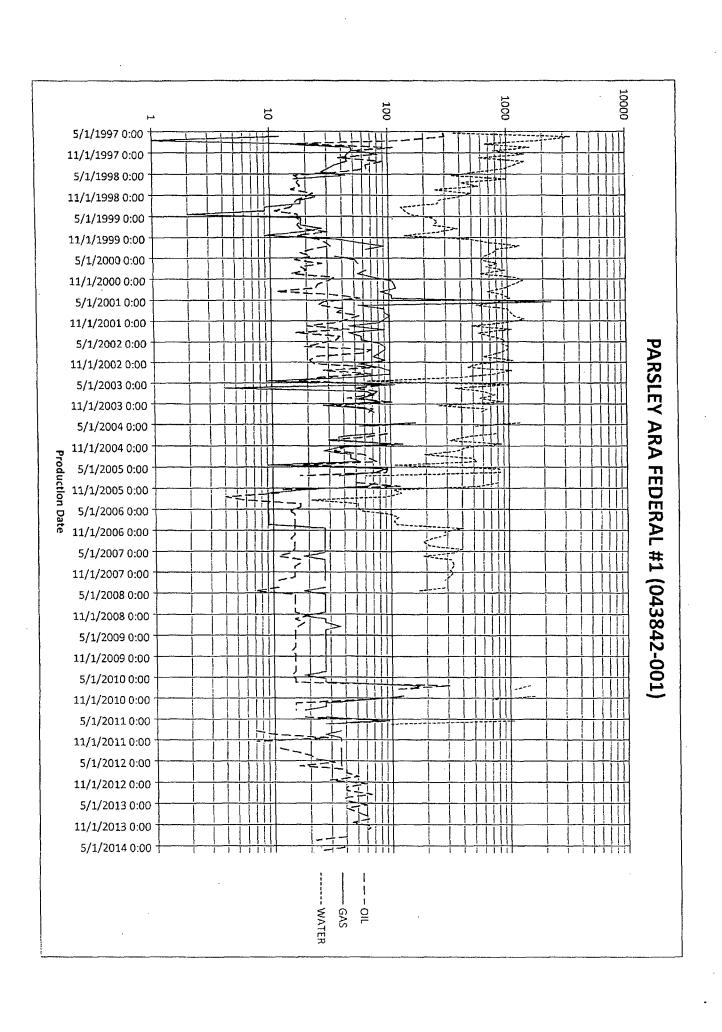
Methane 71.7819 Ideal BTU Dry: 1324.538 Ethane C2: 14.9416 3.9949 Ideal BTU Wet: 1301.491 Propane C3: 7.1512 1.9697 Z Factor: 0.9959 Iso-Butane IC4: 0.7918 0.2590 Average Mol Weight: 22.5307 Nor-Butane NC4: 1.8540 Average CuFt/Gal: 53.6119 0.5843 Iso-Pentane IC5: 0.3502 0.1280 26 lb. Product: 0.9389 Nor-Pentanes NC5: 0.3551 0.1287 Ethane+ GPM: 7.4097 **Hexanes Plus** C6+: 0.7937 0.3451 Propane+ GPM: 3.4148 Butane+ GPM: 1.4452

Totals 100,0000 7.4097 Pentane+ GPM: 0.6018

Remarks:

H2S IN GAS STREAM ON LOCATION: NONE DETECTED

Analysis By: Don Norman



Parsley ARA Fed #1 760' FSL & 990' FEL, Sec. 26-T23S-R32E Lea County, NM API No. 30-025-33863

Workover Procedure

Executive summary: Pull RBP currently above Bone Springs and commingle Delaware and Bone Spring production. Approved Commingle Order DHC-1639.

Casing: 5.5" 15.5 & 17# J-55, L-80 & N-80 to 10,325'

Burst Pressure : 4810 psi * 80% = 3,848 psi Collapse Pressure: 4040 psi * 80% = 3,232 psi.

Tubing: 2.875" 6.5# J-55

Burst Pressure : 7260 psi * 80% = 5,808 psi Collapse Pressure: 7680 psi * 80% = 6,144 psi

Current perfs above RBP: Delware: 8,521'-8,550' (14).

Current perfs below RBP: Bone Spring: 8971'-87' (34), 10,027'-75' (49)

- 1. MIRU WSU, NU BOP Rig up all safety equipment as necessary. POOH with all production equipment, rods, pump and production string. When releasing the TAC @ 8,425', go in and tag top of fill.
- 2. If fill, TIH w bit and tubing to clean out fill. Circulate clean. If not much fill, may be able to clean it out with the releasing tool.
- 3. TIH and release RBP @ 8,885' and POOH.

4. TIH with tubing anchor and seating sipple as per Production Departments specifications. Set anchor and hang the tubing off. TIH with pump and rods. Turn the well over to the Production Department

Area Engineer

Margrethe Hotter

A proper than the second of th	production of the second of th
WELL NAME: PARSLEY ARA FEO #1 FIELD AREA	: TRITE DRAW DELAWARE
LOCATION: 760'FSL + 990'FEL SEC 26 TZ35 R3	2 <i>E</i>
GL: 3690 ' ZERO: 13 - ' AGL:	ALCENIA DECORNA
KB: 3703' ORIG. DRLG./COMPL. DATE:	CASING PROGRAM: OR./CONN. DEPTH SET
//3/4**	
B-/8"	32" M-951 J-55 STC 4835"
	17 N-40 170 4983 17 T-55 LTC 8,394
1474" []]	7" N-80 FTC 10,325
	L-FO B. Y" EVE
\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	
113/4"CC30' CMT-600 5KS, CIEC	
3511 133	
$I^{\prime\prime} = \{1\}$	
840"e 4835"	BEFORE
CNT-/600 SKS, CIRC	DEFORE
{	
} }	
{	
\$ \	
}	DST #1 -5006-5100
7%" } }	GAS TO SURFACE - 6 MIN.
TOC 4200 ±	
33 13	DP - 90' 45" 011 + 120' RH MUD 2727' FOOMA' (IN WATCH
<u> </u>	SE STEL CAS +2300 CL WALL.
<u> </u>	
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<u> </u>	•
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Revsily Chargen Lidize 1000 ag	1 10 % IC IICI 4 25 BS 1 40,000 11 10.5 Ben 3518-520 PSI PHODUCTION - 5 BO, 65 BIN
8521-8550 (IV) CURENT	PHODUETION - 580, 65 BW
RBPE 8885	
1 1 X X 1/ 1	
AVALON 8971-8987 (34)	ACIDITE - 1500 gal ISIA- 1200 PSI
FHAC - 60,000 AL 35" 139,000 124	ACIDITE - 1500 gal ISIA-1200 PSI to Ollucu + 34000 H 20/100 Sutin DC ISIA-2400 ASI
{4	
10,027-10,075 (49) 2300	Adria ir indi stes
// # 10,027-10,075 (77) 23°°°	nurrout 10 % HCF
{\\ 10,282' \\ }	
51/2"@ 10,375 CMT- 550 SKS	4-23-99 BD
- SKETCH NOT TO SCALE -	REVISED: 497 M KEITH

HELL HAME: PARSLEY ARA FEO #1	FIELD AREA: TRUTE DRAW DIAWARE BONESPRINGS
LOCATION: 760'FSL + 990'FEL SEC 26	T235 R32E
GL: 3690 ' ZERO: 13 - ' AGL:	•
KB: 3703' DRIG. DRLG./COMPL. DATE:	
COMMENTS:	SIZE/HT./GR./CONN. DEPTH SET
	11314" 42# H-40 Sic 630'
	B-16" 32" M-951J-55 STC 4875"
15151 1 17171	572 174 4-80 170 1812
- <u>- </u>	5/2 17 T-55 170 8.394
144 (1) ((()) (()) (()) ()	575 17 N-30 FTC 10,325 2 1/8" L-90 L.Y" EVE
1,2/4"0/30	
112/4"C630 CMT-600 SKS,	
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CMT-1600 SKS, C	AFTER
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51 15	
}	#I,
7%" { {	DST = 5006 - 5100
TOC 4200 ±	GAS TO SURFACE - 6 CM IN.
{/	94°F - 2714 PSI DP - 90' 45°11 + 120' R4 MUO 2777' FOOMATIN WATER
	SE 54 ft eas + 23 = 0 cc walve.
<i>(1)</i>	56.,5(11.000.
34 1/1	
<i>{</i> / <i>{</i> }}	,
$\mathbb{N} = \mathbb{N}$	·
<i>[A]</i>	
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{}	• •
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S(1, 1)	Edize- 7000-pd 10% IC NCI N 15 BS RK-16,500 g. 1 40,000 1 10.5 BPM ISIP-570 PSI CURENT PHODURNON - 5BO, GS BIN
BRUSHY CAMYON A	RN - 16,500 81 40,000 1 10.5 BPM ISIP-570 PSI
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Conditions of Approval

Sundries dated 6/13/14 and 9/15/2014 Yates Petroleum Corporation Parsley ARA Fed 1 API 3002533863, T23S-R32E, Sec 26

December 8, 2014

- 1. DHC work approved as written
- 2. Subject to like approval by the New Mexico Oil Conservation Division.
- 3. Surface disturbance beyond the existing pad must have prior approval.
- 4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
- 5. Functional H₂S monitoring equipment shall be on location.
- 6. A minimum of 3000 (3M) BOPE shall be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
- 7. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 8. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
- 9. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
- 10. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

EGF 120814