

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM 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.  
NMNM88164

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.  
Multiple--See Attached

2. Name of Operator

YATES PETROLEUM CORPORATION

Contact: LAURA WATTS

Mail: laura@yatespetroleum.com

9. API Well No.  
Multiple--See Attached

3a. Address

105 SOUTH FOURTH STREET  
ARTESIA, NM 88210

3b. Phone No. (include area code)

Ph: 575-748-4272

Fx: 575-748-4585

10. Field and Pool, or Exploratory  
WILDCAT

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

Multiple--See Attached

11. County or Parish, and State

LEA COUNTY, NM

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

## TYPE OF SUBMISSION

## TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other  
Workover Operations

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 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 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 downhole commingle will improve the current 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 System

For YATES PETROLEUM CORPORATION, sent to the Hobbs

Committed to AFMSS for processing by LINDA JIMENEZ on 11/05/2014 (15LJ024156)

Name (Printed/Typed) LAURA WATTS

Title REG REPORTING TECHNICIAN

Signature (Electronic Submission)

Date 09/15/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

Date 12/08/2014

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 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 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 \*\***

DHC-1639

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

DEC 22 2014

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

**Wells/Facilities, continued**

<b>Agreement</b>	<b>Lease</b>	<b>Well/Fac Name, Number</b>	<b>API Number</b>	<b>Location</b>
NMNM88164	NMNM88164	PARSLEY ARA FED 01	30-025-33863-00-S1	Sec 26 T23S R32E SESE 760FSL 990FEL
NMNM88164	NMNM88164	PARSLEY ARA FED 01	30-025-33863-00-S2	Sec 26 T23S R32E SESE 760FSL 990FEL

**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 H<sub>2</sub>S 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 Petroleum Corp

Lease/Well Name/API Number/Location: NM-88164/Porsley ARA Fed #1/30-025-33863/

Date: \_\_\_\_\_

Sec 26, T23S, R32E, Unit P.

Data			Estimated Combined Production Data
	Bottom Formation	Middle Formation	Upper Formation
Pool name	Triste Draw B Sp	N/A	Triste Draw Del
Pool Code	96603		59930
State Form C-102 with dedicated Acres Provided	Yes	N/A	Yes
Formation Name	Bone Springs		Delaware
Top and Bottom of Pay Section (perforated or open-hole interval)	8971'-10,075'		8521'-8550'
Method of production	Artificial lift		Artificial lift
Bottom Hole Pressure	4,332 psi		3,676 psi
Reservoir Drive mechanism	Solution gas		Solution gas
Oil gravity and/or BTU	43.1 / 1333		47.8 / 1268
Average Sulfur Content (Wt %)	0.1947		0.1947
Oil sample Analysis provided	Yes		Yes
Gas Analysis provided	Yes		Yes
Produce Water Analysis provided	Yes		Yes
H2S present	No		No
Producing, Shut-In or New Zone	Shut-in		Producing
Date and Oil/Gas/Water rates of Last Production (new zones or no production history Operator shall attached production estimated and supporting data)	5-23-97 10 BOPD 40 BWPD 25 mcf/gpd		7-23-2014 7 BOPD 0 BWPD 0 mcf/d
Average decline % (provide back up data)	Unknown - will be submitted when zone is producing		Production Plot attached
Fixed Allocation Percentage			

Remarks \* Fixed allocation Percentages will be submitted after both zones are producing and such percentage established as Bone Springs production data is so old

Operator Signature: \_\_\_\_\_

Date:

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 be current)

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

- Utilize weighted average.



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87605  
(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%

Administrative Order DHC-1639  
Yates Petroleum Corporation  
August 27, 1997  
Page 2

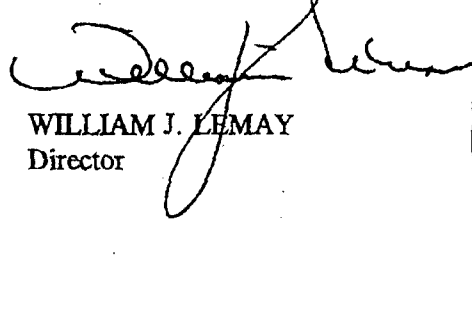
---

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. LEMAY  
Director

SEAL

WJL/DRC

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

DHC 7/28/97

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1966

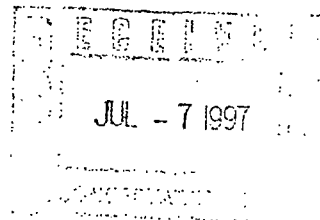


105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

1635

S. P. YATES  
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

MK/th

Enclosures

*Trick Daw Delaware*  
*Trick Daw Bone Springs*

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



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

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
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

MK/th

Enclosures



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



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

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

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

MK/th

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



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

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

July 1, 1997

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

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

MK/th

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



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

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

July 1, 1997

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

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

MK/th

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



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

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

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

MK/th

## DISTRICT I

P.O. Box 1563, Hobbs, NM 88241-1563

## DISTRICT II

#11 South First St., Artesia, NM 88210-2935

## DISTRICT III

1000 N. Street Rd., Artesia, NM 87410-1553

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-5429Form C-107-A  
New 3-12-95

## APPROVAL PROCESS:

☒ Administrative ☐ Hearing

## EXISTING WELLBORE

☒ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Yates Petroleum Corporation

105 S. Fourth Street

Artesia, NM 88210

Operator

Address

Parsley ARA Federal

1

P 26-23S-32E

Lea

Lease

Well No.

Unit L.V. - Sec - Twp - Rge

County

OGRID NO. 025575

Property Code 020478

API NO. 30-025-33863

Spacing Unit Lease Type: (check 1 or more)

Federal ☒ State ☐ (initial Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
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 (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 2500 b. (Original)	a. b.	a. (Current) 2600 b. (Original)
6. Oil Gravity (API) or Gas BTU Content	42.4		43.0
7. Producing or Shut-in?	Producing		Shut-In
Production Marginal? (yes or no)	Yes		<del>No</del> YES
* If Shut-In, give date and oil/gas/water rates of last production  Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rate:	Date: Rate:	Date: 5-23-97 Rate: 10 BOPD 40 BWPD 25 MCFGPD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 6-26-97 Rate: 7 BOPD 66 BWPD 0 MCFGPD	Date: Rate:	Date: Rate:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 40% Gas: 0%	Oil: 0% Gas: 0%	Oil: 60% Gas: 100%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones?

☒ Yes ☐ No

If not, have all working, overriding, and royalty interests been notified by certified mail?

☐ Yes ☐ No

Have all offset operators been given written notice of the proposed downhole commingling?

☒ Yes ☐ No

11. Will cross-flow occur? ☐ Yes ☒ No

If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ 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. ☒ Yes ☐ No

15. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) \_\_\_\_\_

16. ATTACHMENTS:

- \* 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 commingling.

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

SIGNATURE Morris Keith TITLE Operations Engineer DATE 7-1-97

TYPE OR PRINT NAME Morris Keith TELEPHONE NO. (505) 748-1471

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos 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

1 API Number 30-025-33863		2 Pool Code 96053		3 Pool Name Wildcat Bone Springs		
4 Property Code 020478		5 Property Name Parsley ARA Federal			6 Well Number 1	
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3690'	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	26	23S	32E		760	South	990	East	Lea

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------------	--------------------	-----------------------	--------------

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.  <u>Tina Huerta</u> Signature Tina Huerta Printed Name Operations Technician Title <u>6-27-97</u> Date
					18 SURVEYOR CERTIFICATION 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number

District I  
PO Box 1990, Hobbs, NM 88241-1990  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos 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

1 APT Number 30-025-33863		2 Pool Code 96060		3 Pool Name Wildcat Delaware		
4 Property Code 020478		5 Property Name Parsley ARA Federal			6 Well Number 1	
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 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

11 Bottom Hole Location If Different From Surface

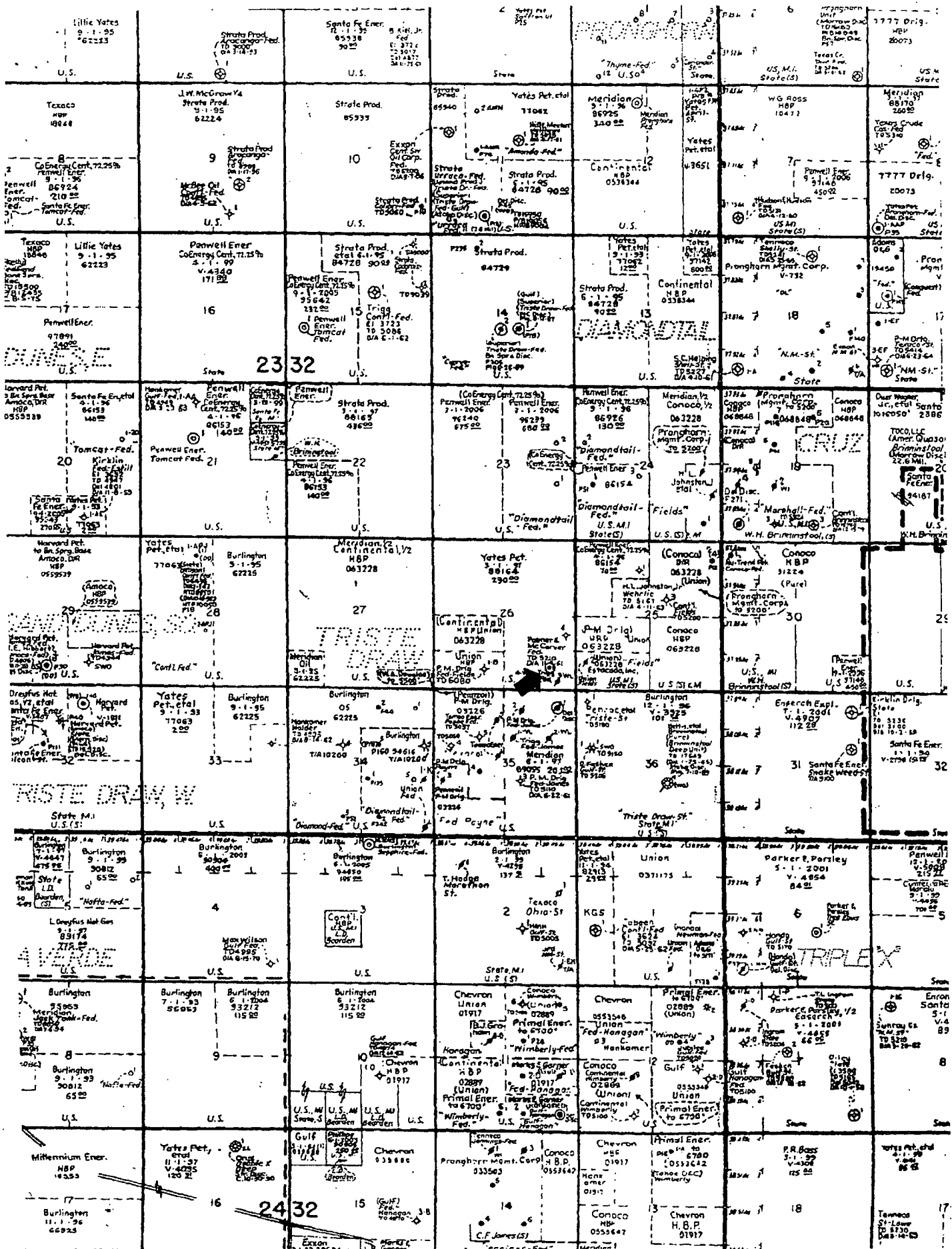
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------------	--------------------	-----------------------	--------------

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.  Tina Huerta Signature Tina Huerta Printed Name Operations Technician Title 6-27-97 Date
					18 SURVEYOR CERTIFICATION 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor  Certificate Number





**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

	<i>Delaware</i>	<i>Bone Spring</i>	
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 read at lowest possible measurable scale

Analyst  
Jim L Pritchard  
Lab Manager

*Oil Analysis*

# NALCO Champion

An Ecolab Company

Company: **Yates Petroleum**

Well Number: Parsley  
Lease: Yates Petroleum  
Location:  
Date Run: 8/18/2014  
Lab Ref #: 14-aug-n76774

Sample Temp: 70  
Date Sampled: 8/13/2014  
Sampled by: Chad Letcher  
Employee #:  
Analyzed by: GR

## Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H <sub>2</sub> S)	.00	16.00	.00
Carbon Dioxide	(CO <sub>2</sub> )	NOT ANALYZED		
Dissolved Oxygen	(O <sub>2</sub> )	NOT ANALYZED		

## Cations

Calcium	(Ca++)	16,385.52	20.10	815.20
Magnesium	(Mg++)	2,630.32	12.20	215.60
Sodium	(Na+)	65,665.06	23.00	2,855.00
Barium	(Ba++)	NOT ANALYZED		
Manganese	(Mn+)	16.82	27.50	.61
Strontium	(Sr++)	NOT ANALYZED		

## Anions

Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO <sub>3</sub> =)	.00	30.00	.00
BiCarbonate	(HCO <sub>3</sub> -)	.00	61.10	.00
Sulfate	(SO <sub>4</sub> =)	180.00	48.80	3.69
Chloride	(Cl-)	139,353.12	35.50	3,925.44
Total Iron	(Fe)	794.49	18.60	42.71
Total Dissolved Solids		225,025.33		
Total Hardness as CaCO <sub>3</sub>		51,748.11		
Conductivity MICROMHOS/CM		231,400		

pH 4.860 Specific Gravity 60/60 F. 1.156

CaSO<sub>4</sub> Solubility @ 80 F. 12.18MEq/L, CaSO<sub>4</sub> scale is unlikely

## CaCO<sub>3</sub> Scale Index

70.0	-5.346	100.0	-4.746	130.0	-3.226
80.0	-5.216	110.0	-4.296	140.0	-3.226
90.0	-4.746	120.0	-4.296	150.0	-3.226

Nalco Company

Delaware  
Water Analysis



## Water Analysis

Date: 23-Apr-97

2708 West County Road, Hobbs NM 88240

Phone (505) 392-5556 Fax (505) 392-7307

### Analyzed For

Company	Well Name	Locality	State
Yates Petroleum Corp.	Parsley	Lea	New Mexico

### Sample Source

### Sample #

### Formation

Bonespring

### Depth

Specific Gravity	1.100	SG @ 60 °F	1.103
pH	8.49	Sulfides	
Temperature (°F)	78	Reducing Agents	

### Cations

Sodium (Calc) in Mg/L	62,510
Calcium in Mg/L	640
Magnesium in Mg/L	312
Soluble Iron (FE2) in Mg/L	630.0

### Anions

Chlorides in Mg/L	98,000
Sulfates in Mg/L	412
Bicarbonates in Mg/L	830

Total Hardness (as CaCO <sub>3</sub> ) in Mg/L	2,900
Total Dissolved Solids (Calc) in Mg/L	163,333

### Scaling Tendencies

*Calcium Carbonate Index	530,944
*Calcium Sulfate (Gyp) Index	263,680

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

\*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks Potassium 700 Mg/L

Report # 23

Bone Springs water sample

# NALCO Champion

An Ecolab Company

Company: **Yates Petroleum**

Well Number: Hemlock #1  
Lease: Yates Petroleum  
Location:  
Date Run: 8/4/2014  
Lab Ref #: 14-aug-n76580

Sample Temp: 70  
Date Sampled: 7/29/2014  
Sampled by: Chad Letcher  
Employee #:  
Analyzed by: GR

## Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H <sub>2</sub> S)	.00	16.00	.00
Carbon Dioxide	(CO <sub>2</sub> )	NOT ANALYZED		
Dissolved Oxygen	(O <sub>2</sub> )	NOT ANALYZED		

## Cations

Calcium	(Ca <sup>++</sup> )	7,115.40	20.10	354.00
Magnesium	(Mg <sup>++</sup> )	780.80	12.20	64.00
Sodium	(Na <sup>+</sup> )	51,177.91	23.00	2,225.13
Barium	(Ba <sup>++</sup> )	NOT ANALYZED		
Manganese	(Mn <sup>+</sup> )	1.29	27.50	.05
Strontium	(Sr <sup>++</sup> )	NOT ANALYZED		

## Anions

Hydroxyl	(OH <sup>-</sup> )	.00	17.00	.00
Carbonate	(CO <sub>3</sub> <sup>=</sup> )	.00	30.00	.00
BiCarbonate	(HCO <sub>3</sub> <sup>-</sup> )	73.32	61.10	1.20
Sulfate	(SO <sub>4</sub> <sup>=</sup> )	560.00	48.80	11.48
Chloride	(Cl <sup>-</sup> )	93,402.63	35.50	2,631.06
Total Iron	(Fe)	10.45	18.60	.56
Total Dissolved Solids		153,121.80		
Total Hardness as CaCO <sub>3</sub>		20,989.78		
Conductivity MICROMHOS/CM		189,400		

pH 6.190 Specific Gravity 60/60 F. 1.106

CaSO<sub>4</sub> Solubility @ 80 F. 32.69MEq/L, CaSO<sub>4</sub> scale is unlikely

## CaCO<sub>3</sub> Scale Index

70.0	-.460	100.0	-.120	130.0	.470
80.0	-.360	110.0	.180	140.0	.470
90.0	-.120	120.0	.180	150.0	.820

Nalco Company

Bone Springs  
Water Analysis

# NALCO Champion

An Ecolab Company

Company: **Yates Petroleum**

Well Number: Hemlock #2  
Lease: Yates Petroleum  
Location:  
Date Run: 8/4/2014  
Lab Ref #: 14-aug-n76583

Sample Temp: 70  
Date Sampled: 7/29/2014  
Sampled by: Chad Letcher  
Employee #:  
Analyzed by: GR

## Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H <sub>2</sub> S)	.00	16.00	.00
Carbon Dioxide	(CO <sub>2</sub> )	NOT ANALYZED		
Dissolved Oxygen	(O <sub>2</sub> )	NOT ANALYZED		

## Cations

Calcium	(Ca <sup>++</sup> )	8,498.28	20.10	422.80
Magnesium	(Mg <sup>++</sup> )	331.84	12.20	27.20
Sodium	(Na <sup>+</sup> )	51,016.69	23.00	2,218.12
Barium	(Ba <sup>++</sup> )	NOT ANALYZED		
Manganese	(Mn <sup>+</sup> )	1.18	27.50	.04
Strontium	(Sr <sup>++</sup> )	NOT ANALYZED		

## Anions

Hydroxyl	(OH <sup>-</sup> )	.00	17.00	.00
Carbonate	(CO <sub>3</sub> <sup>=</sup> )	.00	30.00	.00
BiCarbonate	(HCO <sub>3</sub> <sup>-</sup> )	73.32	61.10	1.20
Sulfate	(SO <sub>4</sub> <sup>=</sup> )	520.00	48.80	10.66
Chloride	(Cl <sup>-</sup> )	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 CaCO <sub>3</sub>		22,606.24		
Conductivity MICROMHOS/CM		192,100		

pH 6.200

Specific Gravity 60/60 F.

1.108

CaSO<sub>4</sub> Solubility @ 80 F.

27.88MEq/L,

CaSO<sub>4</sub> scale is unlikely

## CaCO<sub>3</sub> Scale Index

70.0	-.373	100.0	-.033	130.0	.557
80.0	-.273	110.0	.267	140.0	.557
90.0	-.033	120.0	.267	150.0	.907

Nalco Company

Bone Springs  
Water Analysis

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

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

GAS COMPONENTS			
		MOL%	GPM
Oxygen	O2:	0.0000	
Carbon Dioxide	CO2:	2.3123	
Nitrogen	N2:	2.9657	
Hydrogen Sulfide	H2S:	0.0000	
Methane	C1:	70.0765	
Ethane	C2:	14.2162	3.8010
Propane	C3:	7.0807	1.9502
Iso-Butane	IC4:	0.7259	0.2375
Nor-Butane	NC4:	1.5593	0.4915
Iso-Pentane	IC5:	0.2961	0.1083
Nor-Pentanes	NC5:	0.2737	0.0992
Hexanes Plus	C6+:	0.4936	0.2146
Totals		100.0000	6.9022

Pressure Base: 14.730  
Real BTU Dry: 1268.020  
Real BTU Wet: 1246.007  
  
Calc. Ideal Gravity: 0.7833  
Calc. Real Gravity: 0.7861  
Field Gravity:  
Standard Pressure: 14.696  
Ideal BTU Dry: 1260.129  
Ideal BTU Wet: 1238.203  
Z Factor: 0.9961  
Average Mol Weight: 22.6867  
Average CuFt/Gal: 54.3978  
26 lb. Product: 0.6471  
Ethane+ GPM: 6.9022  
Propane+ GPM: 3.1013  
Butane+ GPM: 1.1510  
Pentane+ GPM: 0.4221

Remarks:  
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

### 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

Run No: 2130720-31  
Date Run: 07/20/2013  
Date Sampled: 07/02/2013  
Producer: YATES PETROLEUM  
County: LEA  
State: NM  
Sampled By: CRAIG SUTHERLAND  
Atmos Deg. F: 89

GAS COMPONENTS			
		MOL%	GPM
Oxygen	O2:	0.0000	
Carbon Dioxide	CO2:	0.1739	
Nitrogen	N2:	1.8066	
Hydrogen Sulfide	H2S:	0.0000	
Methane	C1:	71.7819	
Ethane	C2:	14.9416	3.9949
Propane	C3:	7.1512	1.9697
Iso-Butane	IC4:	0.7918	0.2590
Nor-Butane	NC4:	1.8540	0.5843
Iso-Pentane	IC5:	0.3502	0.1280
Nor-Pentanes	NC5:	0.3551	0.1287
Hexanes Plus	C6+:	0.7937	0.3451
Totals		100.0000	7.4097

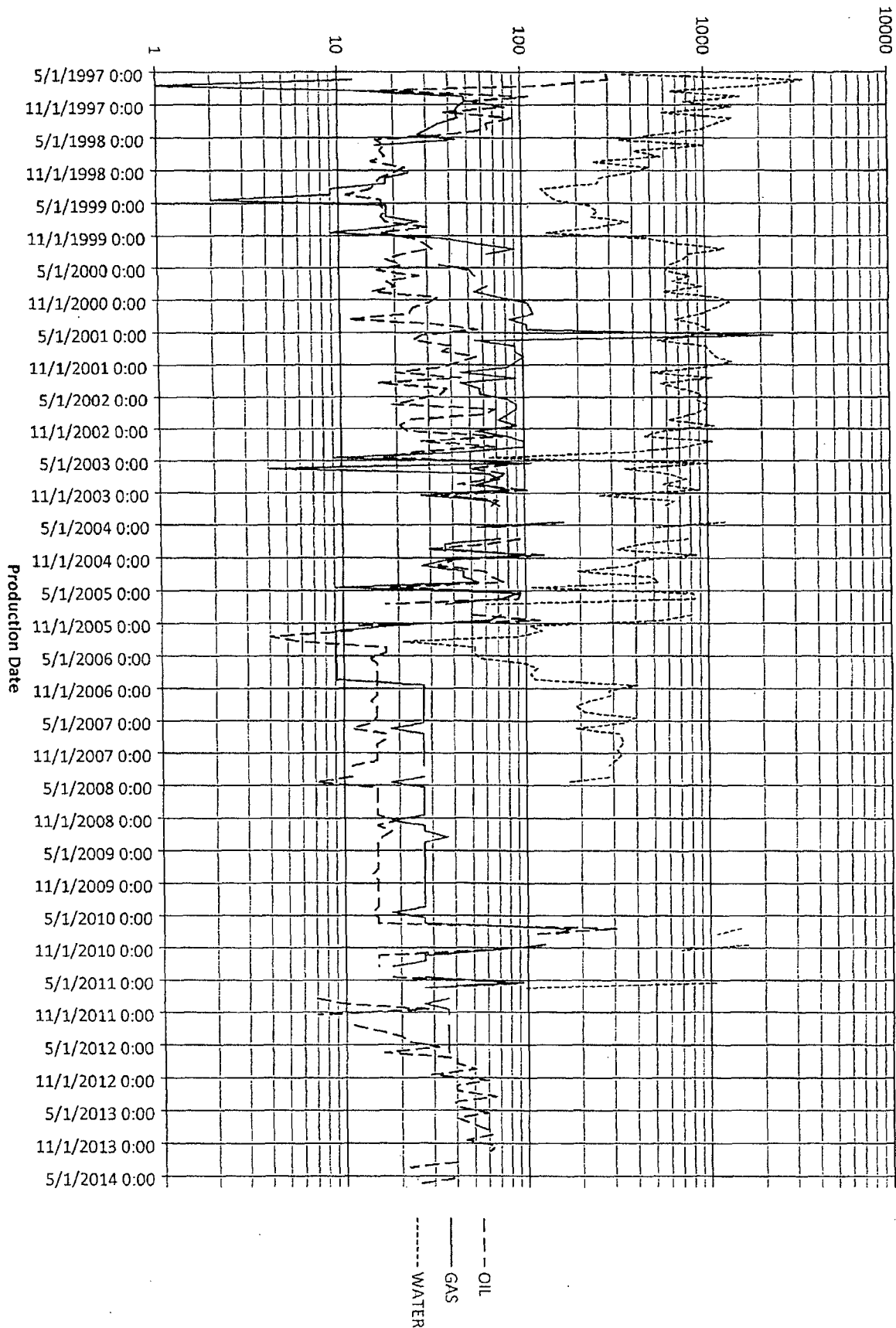
Pressure Base: 14.730  
Real BTU Dry: 1333.114  
Real BTU Wet: 1309.972  
  
Calc. Ideal Gravity: 0.7779  
Calc. Real Gravity: 0.7808  
Field Gravity:  
Standard Pressure: 14.696  
Ideal BTU Dry: 1324.538  
Ideal BTU Wet: 1301.491  
Z Factor: 0.9959  
Average Mol Weight: 22.5307  
Average CuFt/Gal: 53.6119  
26 lb. Product: 0.9389  
Ethane+ GPM: 7.4097  
Propane+ GPM: 3.4148  
Butane+ GPM: 1.4452  
Pentane+ GPM: 0.6018

Remarks:  
H2S IN GAS STREAM ON LOCATION: NONE DETECTED

Analysis By: Don Norman

Bonesprings gas analysis

# PARSLEY ARA FEDERAL #1 (043842-001)



dist 6/16/14

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: Delaware: 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 nipple 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

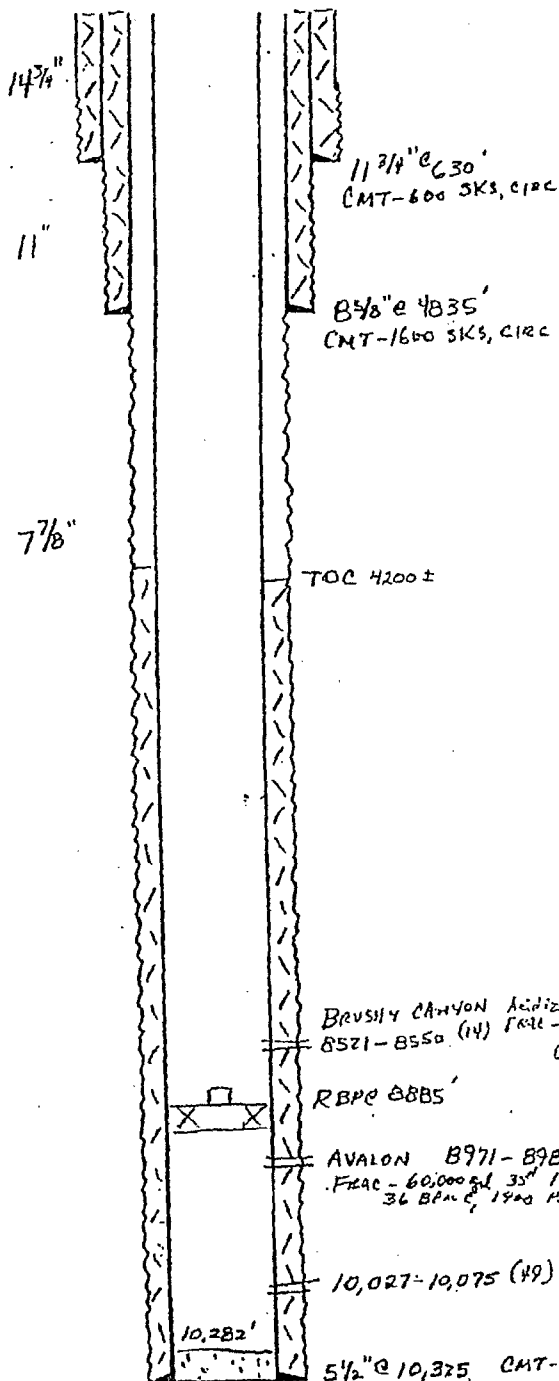
Date

6/13/14 JWP 6/13/14

WELL NAME: PARSLEY ARA FEO #1 FIELD AREA: TRISTE DRAW DELAWARE  
 LOCATION: 760' FSL + 990' FEL SEC 26 T23S R32E  
 GL: 3690' ZERO: 13' AGL:         
 KB: 3703' ORIG. DRLG./COMPL. DATE:         
 COMMENTS:       

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
11 3/4" 42# H-40 SRC	630'
8 5/8" 32# M-951J-55 SRC	4835'
5 1/2" 17# L-80 LTC	1872'
5 1/2" 17# N-80 LTC	4983'
5 1/2" 17# J-55 LTC	8394'
5 1/2" 17# N-80 LTC	10325'
2 1/8" L-80 6.4" EVE	



BEFORE

DST #1 - 5006-5100  
 GAS TO SURFACE - 6 MIN.  
 94°F - 2214 PSI  
 DP - 90' 95" oil + 120' RH MVD  
 2727' FORMATION WATER  
 SE... 54 FT CAS + 2300 CL WATER

BRUSHY CANYON Acidize - 7000 gal, 10% IC, HCL + 25 BS  
 8571-8550 (14) FLOW - 16,500 gal 40,000 ft 10.5 BPM 251P-520 PSI  
 CURRENT PRODUCTION - 580, 65 BW

RBPC 8885'

AVALON 8971-8987 (34) ACIDIZE - 1500 gal ISIP - 1200 PSI  
 FLOW - 60,000 gal 35" 139,000 ft 2440 OFFLOW + 34000 ft 20/40 SURF DL ISIP - 2400 PSI  
 36 BPM @ 1500 PSI

10,027-10,075 (49) 2300 GALLONS 10% HCL

5 1/2" @ 10,325 CMT-550 SKS

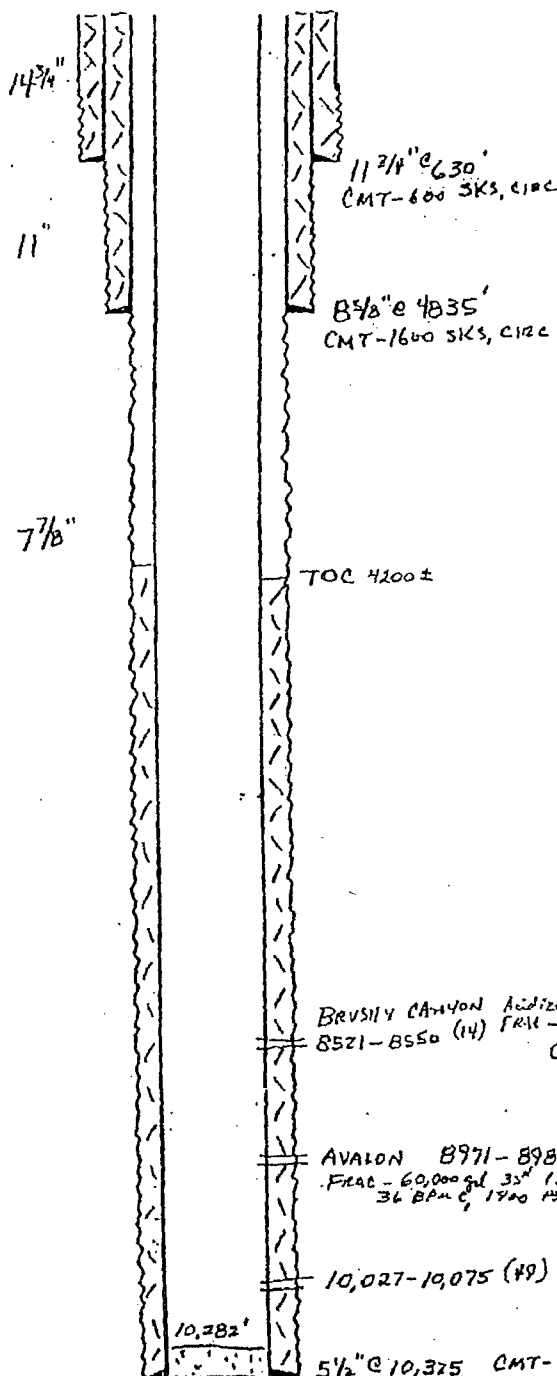
- SKETCH NOT TO SCALE -

4-22-99 BD  
 REVISED: 4/97 M KEITH

WELL NAME: PARSLEY ARA FED #1 FIELD AREA: WHITE DRAW DELAWARE / BONESPRINGS  
 LOCATION: 760' FSL + 990' FEL SEC 26 T23S R32E  
 GL: 3690 ZERO: 13 - ' AGL: \_\_\_\_\_  
 KB: 3703 ORIG. DRLG./COMPL. DATE: \_\_\_\_\_  
 COMMENTS: \_\_\_\_\_

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
11 7/8" 42# H-40 STC	630'
8 5/8" 32# M-95 J-55 STC	4835'
5 1/2" 17# L-80 LTC	1872
5 1/2" 17# N-80 LTC	4883
5 1/2" 17# J-55 LTC	8394
5 1/2" 17# N-80 LTC	10325
2 7/8" L-80 6.4# EVE	



AFTER

DST #1 - 5006-5100  
 GAS TO SURFACE - 6 MIN  
 94°F - 2214 PSI  
 DP - 90' 45" oil + 120' RA MVD  
 2727' FORMATION WATER  
 SR - .54 H<sup>2</sup>O GAS + 23.00 CC WATER

BRUSHY CANYON Acidize - 7000 gal, 10% HCL + 25 BS  
 FRA - 16,500 gal, 40,000' 10.5 BPM JSIP-520 PSI  
 8521-8550 (14) FRA - 16,500 gal, 40,000' 10.5 BPM JSIP-520 PSI  
 CURRENT PRODUCTION - 580, 65 BW  
 AVALON 8971-8987 (34) ACIDIZE - 1500 gal JSIP-1200 PSI  
 FRA - 60,000 gal, 33' 139,000' 34/40 OFFICIAL + 34,000' 20/40 SURF BC JSIP-2000 PSI  
 34 BPM @ 1700 PSI  
 10,027-10,075 (#9) 2300 GALLONS 10% HCL  
 10,282'  
 5 1/2" @ 10,325' CMT-550 SKS

- SKETCH NOT TO SCALE -

4-22-99 2D  
 REVISED: 4/97 M KEITH

# 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 H<sub>2</sub>S 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