

COUNTY *Eddy*


POOL *Loco Hills-Bone Spring*

TOWNSHIP *17 South*

RANGE *29 East*

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

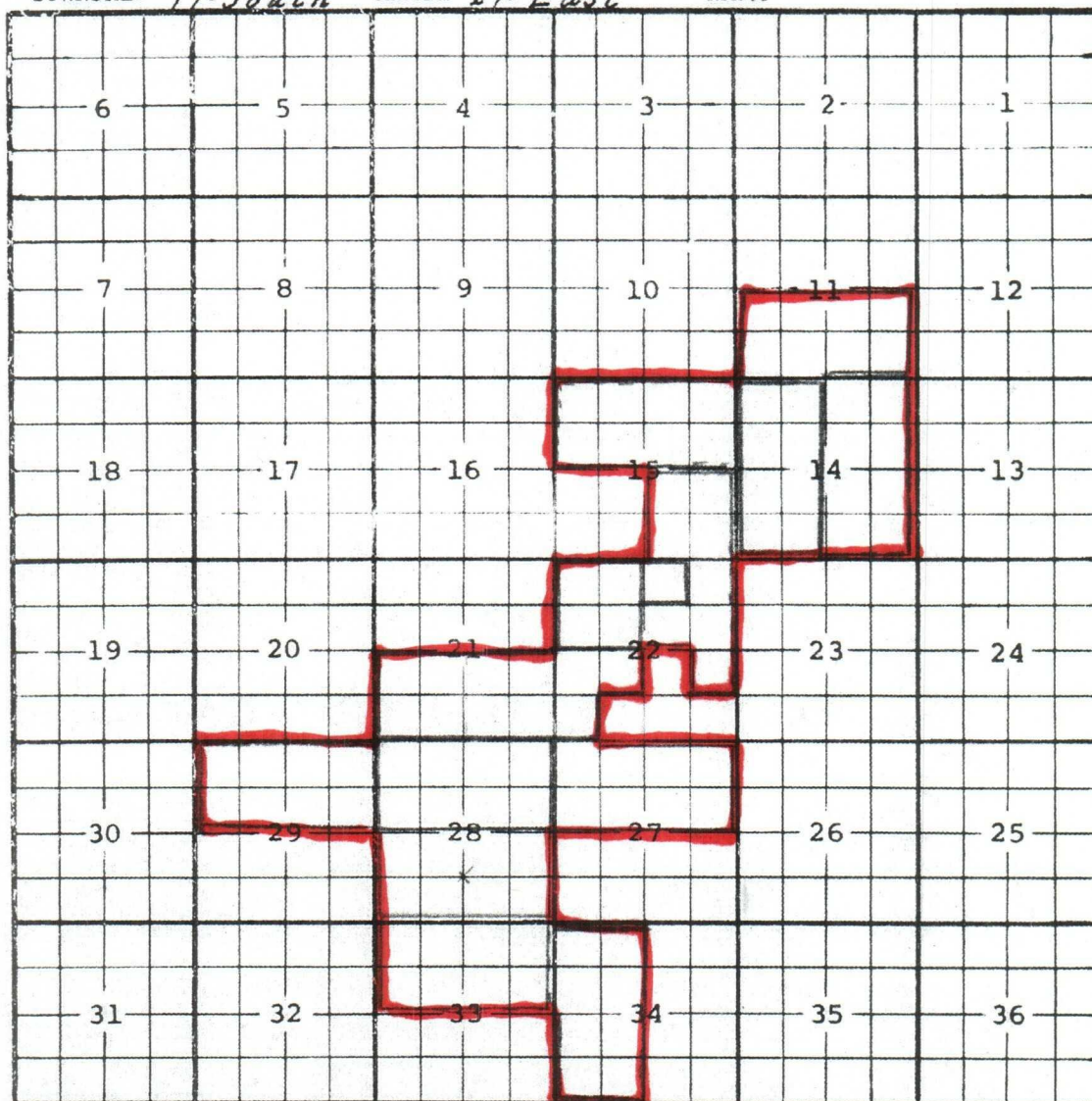


Ext: 8/2 sec. 33, 50/4 sec. 34 (R-12574, 6-25-06)

COUNTY Eddy POOL Grayburg ~~Atoka~~ Gas Morrow

(77840)

TOWNSHIP 17-South RANGE 29-East NMFM



Description: NW 1/4 Sec. 22, (R-1129, 2-20-58).

Redefine vertical limits as Morrow formation and redesignate (R-4137, 5-6-71)

Ext: 1/2 Sec. 21; NW 1/4 NE 1/4 SW 1/4 SW 1/4 Sec. 22 (R-4232, 1-1-72)

1/2 Sec. 28 (R-4540, 6-1-73). Ext: 1/2 Sec. 28 (R-4734, 3-1-74)

Ext: SE 1/4 Sec. 15, E 1/2 NE 1/4 SW 1/4 NE 1/4 NE 1/4 SE 1/4 Sec. 22 (R-4809, 6-18-74)

Ext: 1/2 Sec. 33 (R-4937, 2-1-75) Ext: 1/2 Sec. 27 (R-5511, 9-1-77)

EXT: W 1/2 SEC 14 (R-9171, 6-1-90) EXT: N 1/2 SEC 15 (R-9418, 2-1-91)

Ext: 1/2 Sec. 11 (R-9578, 9-10-91) Ext: E 1/2 Sec. 14 (R-10951, 2-4-98)

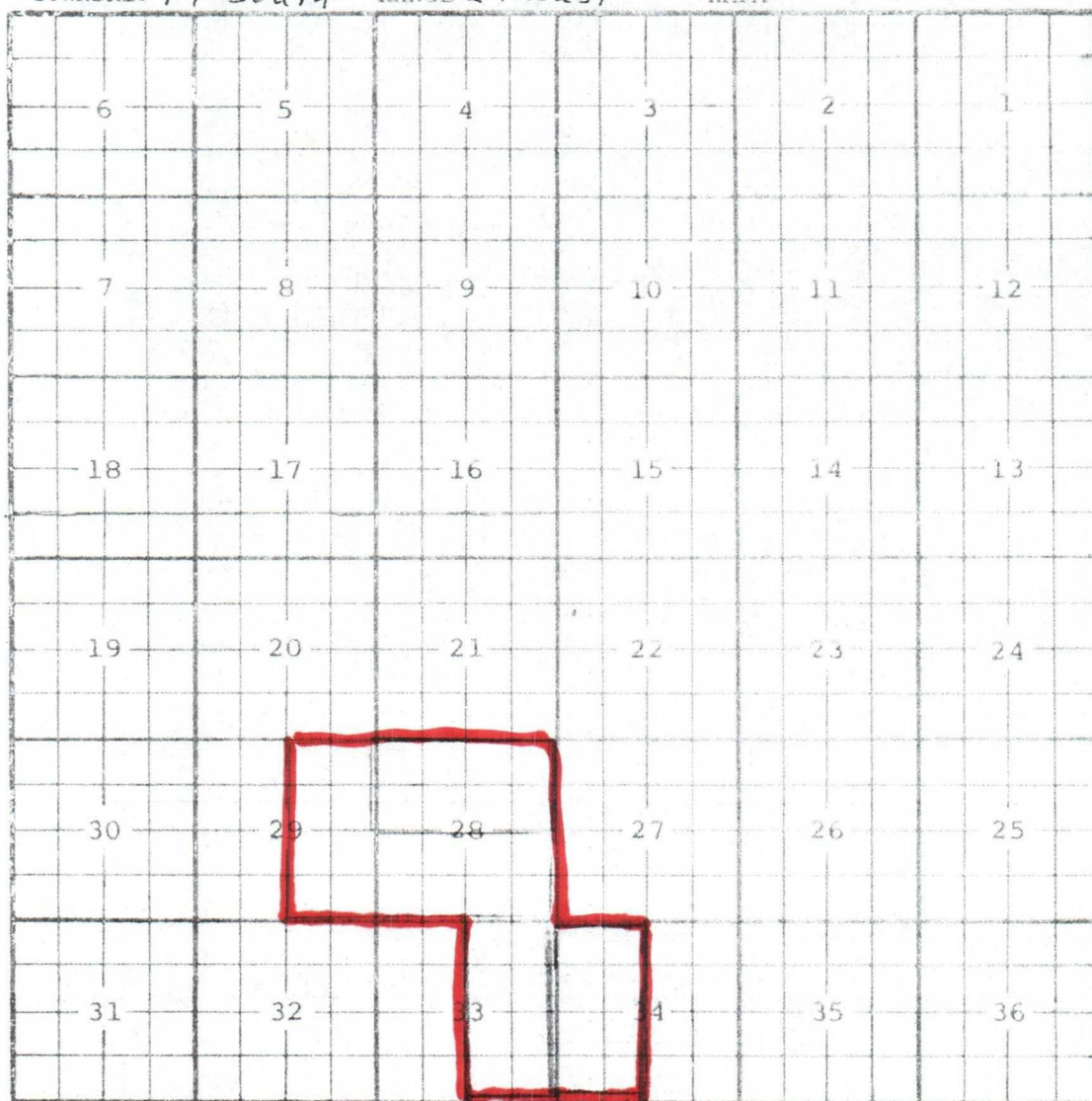
Ext: 1/2 Sec. 29 (R-11729, 2-22-02) Ext: W 1/2 Sec. 34 (R-11764, 4-24-02)

COUNTY EddyPOOL Grayburg - Atoka Gas

(17720)

TOWNSHIP 17 SouthRANGE 29 East

NMIM



Description: $\frac{S}{2}$ Sec 28, $\frac{E}{2}$ Sec 29 (R-5015, L-1-75)

Ext: $\frac{E}{2}$ Sec. 33 (R-1141, 7-10-00) Ext: $\frac{W}{2}$ Sec. 34 (R-11908, 2-12-03)

Ext: $\frac{W}{2}$ Sec. 28 (R-12222, 10-25-04)

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

0
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.
NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
Millennium "34" Federal Com. #1

9. API Well No.
30-015-31833

10. Field and Pool, or Exploratory
Grayburg Morrow - 77840

11. Sec., T., R., M., or Blk. and Survey or Area
Section 34, T17S-R29E

1a. Type of Work: ☒ DRILL ☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☒ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator
Yates Drilling Company

3A. Address **105 South Fourth Street
Artesia, New Mexico 88210**

3b. Phone No. (include area code)
(505) 748-1471

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface **990' FSL and 990' FWL**

At proposed prod. Zone **Same**

14. Distance in miles and direction from nearest town or post office*

Approximately 17 miles east of Artesia, New Mexico.

12. County or Parish
Eddy County

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)

990'

16. No. of Acres in lease

40

17. Spacing Unit dedicated to this well

320 W/2

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.

1/2 mile

19. Proposed Depth
11,400

20. BLM/BIA Bond No. on file
586000

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3531' GL

22. Approximate date work will start*

ASAP

23. Estimated duration

35 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

Roosevelt Controlled Water Basin

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.

- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized office.

25. Signature

Cy Cowan

Name (Printed/Typed)

Cy Cowan

Date

4/12/01

Title:

Regulatory Agent

Approved by (Signature)

Joe G. Lara

Name (Printed/Typed)

Joe G. Lara

Date

4/13/2001

Title

Acting FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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.

*(Instructions on reverse)

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

DISTRICT I
1828 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Grayburg Morrow
Property Code	Property Name MILLENNIUM "34" FEDERAL COM.	Well Number 1
OGRID No. 025575 13	Operator Name YATES DRILLING COMPANY	Elevation 3531

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	17S	29E		990	SOUTH	990	WEST	EDDY

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
Dedicated Acres 320		Joint or Infill	Consolidation Code		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

<p>NM-065108</p> <p>NM-028775</p> <p>NM-064073</p> <p>NM-3531 3528 990' 990' 96219</p>	<p>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><i>Cy Cowan</i> Signature Cy Cowan Printed Name Regulatory Agent Title April 12, 2001 Date</p> <p>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>3/06/2001 Date Surveyed</p> <p>Signature of Registered Professional Surveyor HERNANDEZ NEW MEXICO 3640 JONES Certificate No. Hernandez Jones RLS 3640 MILLENNIUM GENERAL SURVEYING COMPANY</p>			

YATES DRILLING COMPANY
Millennium "34" Federal Com. #1
 990' FSL & 990' FWL
 Sec. 34-T17S-R29-E
 Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

Yates	938'
San Andres	2838'
Bone Springs	4025'
Wolfcamp	7484'
Penn	9102'
Strawn	9859'
Atoka	10210'
Morrow Clastics	10718'
Lower Morrow	10878'
TD	11400'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approx 200' - 350'
 Oil or Gas: All Potential Zones

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 5000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

WITNESS	<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Interval</u>	<u>Length</u>
	14 3/4"	11 3/4"	42#	H-40	ST&C	0-350'	350'
	11" "	8 5/8"	24#	J-55	ST&C	0-2200'	2200'
	11"	8 5/8"	32#	J-55	ST&C	2200'-3000'	800'
	7 7/8"	5 1/2"	17#	L-80	LT&C	0-2100'	2100'
	7 7/8"	5 1/2"	17#	J-55	LT&C	2100'-7600'	5500'
	7 7/8"	5 1/2"	17#	N-80	LT&C	7600'-10400'	2800'
	7 7/8"	5 1/2"	17#	S-95	LT&C	10400'-11400'	1000'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

B. CEMENTING PROGRAM:

Surface casing: 200 sx "C" (Yld 1.32 Wt.14.6); Tail in w/200 sx "C" + 2% CaCl₂
(Yld 1.32 Wt. 14.6).

Intermediate Casing: 1500 sx Lite (Yld 2.05 Wt. 12.6); Tail in w/200 sx "C" (Yld 1.32 Wt 14.6)

Production Casing: (TOC=2500') 600 sx Lite (Yld 2.05 Wt. 12.6); Tail in w/500 sx Super "C" (Yld 1.67 Wt 13.0) Note: Nitrified mud will be used ahead of cement.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-350'	FW Gel/Paper	8.6-9.0	32-36	N/C
350' - 3000'	Brine	10.0-10.2	28	N/C
3000'-9800'	Cut Brine	8.8-9.3	28	N/C
9800'-11400'	Salt Gel/Starch /Driscap/KCL	9.5-10.0	32-40	<10

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10 samples ot from under surface casing.

Logging: CNL/LDT, DLL - w/RXD - TD to casing.

Coring: None anticipated.

DST's: As warranted.

**7. Abnormal Conditions, Bottom hole pressure and potential hazards:
Anticipated BHP:**

From:	O	TO:	350'	Anticipated Max.	BHP:	150	PSI
From:	350'	TO:	2900'	Anticipated Max.	BHP:	1300	PSI
From:	2900'	TO:	TD	Anticipated Max.	BHP:	5750	PSI

No abnormal pressures or temperatures are anticipated.

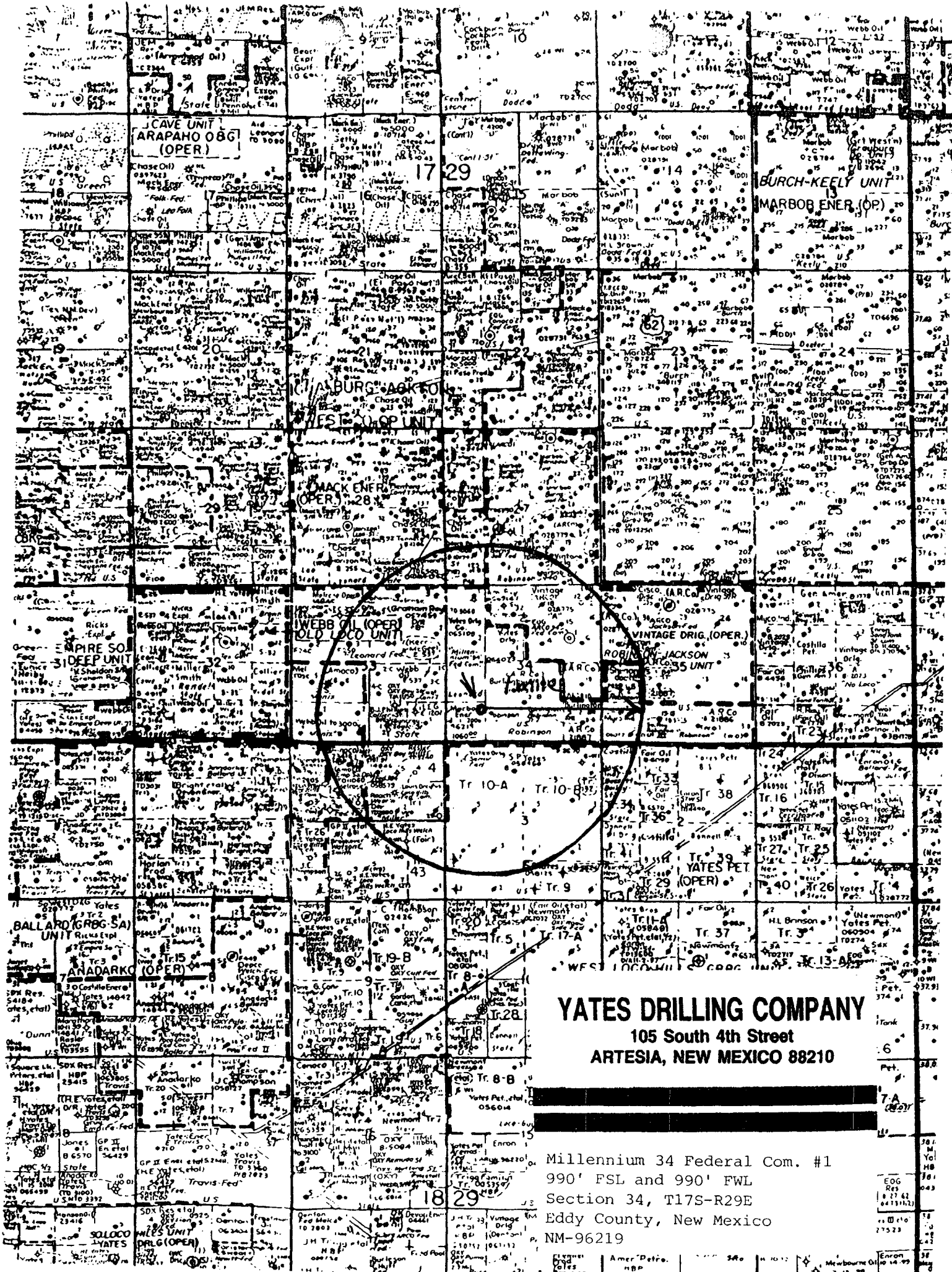
Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None.

Maximum Bottom Hole Temperature: 198 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 20 days to drill the well with completion taking another 15 days.



YATES DRILLING COMPANY
105 South 4th Street
ARTESIA, NEW MEXICO 88210

Millennium 34 Federal Com. #1
990' FSL and 990' FWL
Section 34, T17S-R29E
Eddy County, New Mexico
NM-96219

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N. M. G. I. C.

Division

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

45F

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Drilling Company

3a. Address

105 South Fourth Street, Artesia, NM 88210

3b. Phone No.

(505) 748-1471

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

990' FSL & 990' FWL
Section 34 T17S-R29E

5. Lease Serial No.

NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Federal Com. #1

9. API Well No.

10. Field and Pool, or Exploratory Area

Grayburg Morrow

11. County or Parish, 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 checked="" 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 type="checkbox"/> Other
	<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 Operations (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.)

Yates Drilling Company respectfully requests permission to make the following changes to this well:

Will nipple up 5,000 psi BOP on 11 3/4" casing as required by BLM stips, however we will test the BOPE and casing to 1,400 psi (70% 11 3/4" casing burst) as allowed by Onshore Order #2, not to 5,000 psi as required in stips.

Also, we would like to change the 8 5/8" setting depth to 2,900' and the design of the string. The string will now be all 32# J-55 w/ ST&C couplings instead of a mixture of 24 & 32# J-55.

Sincerely,

Gary Gousley, RFD

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

Name (Printed/Typed)

Cory Frederick

Title

Drilling Engineer Asst.

Signature

Cory Frederick

Date

July 9, 2001

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

DENIED

Title

Date

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

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

CISF

SUNDRY NOTICES AND REPORTS ON WELL

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Drilling Company

3a. Address

105 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)

(505) 748-0471

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

990' FSL & 990' FWL
Section 34 T17S-R29E

5. Lease Serial No.

NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Federal Com. #1

9. API Well No.

10. Field and Pool, or Exploratory Area

Grayburg Morrow

11. County or Parish, State

Eddy County, NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|--|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| <input checked="" 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 Operations (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.)

Due to severe lost circulation encountered in the 7 7/8" hole at approximately 9,200' we request to change the wellplan as follows.

We will run 5 1/2" casing to a depth of approximately 9,900', and cement with 650 sx Lite (yld 1.98 wt 12.0), tailed in w/ 400 sx Super C (yld 1.62 wt 13.2). TOC will be 2,400' (500' inside intermediate casing).

After running the 5 1/2" casing we will reduce the hole size to 4 3/4" and drill the well to the permitted TD of 11,400'.

At this depth a 3 1/2" flush joint liner will be run. Liner top will be 9,400', base will be 11,400'. The liner will be cemented in place with approximately 150 sx Super C (yld 1.62 wt 13.2).

We nipple our BOP back up on the 5 1/2" casing and re-test to 5,000 psi.

Please see attached sheet for 5 1/2" casing and 3 1/2" liner designs.

Sincerely,

APPROVED
SEP 25 2001
GARY GOURLEY
PETROLEUM ENGINEER

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

Name (Printed/Typed)

Cory Frederick

Title

Drilling Engineer

Signature

Cory Frederick

Date

August 22, 2001

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

The 5 1/2" casing design is listed below:

0'-1,640'	5 1/2"	17#	J-55	LT&C Couplings
1,640'-6,300'	5 1/2"	15.5#	J-55	LT&C Couplings
6,300'-8,100'	5 1/2"	17#	J-55	LT&C Couplings
8,100'-9,900'	5 1/2"	17#	N-80	LT&C Couplings

NOTE: The 5 1/2" 15.5# casing is used white band casing that has been reconditioned and tested to API specs for new 5 1/2" 15.5# casing.

The 3 1/2" liner design is listed below:

9,400'-11,400'	3 1/2"	9.3#	P-110	ST-L Flush Joint Couplings
----------------	--------	------	-------	----------------------------

Prepared by: Cory Frederick
Cory Frederick
Drilling Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.

N.M. DIV-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

CIS?

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Drilling Company

3a. Address

105 South 4th Street, Artesia, NM

3b. Phone No. (include area code)

505-746-0308

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

990' FSL & 990' FWL

Section 34-17S-29E

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium "34" Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Morrow

11. County or Parish, State

Eddy County NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

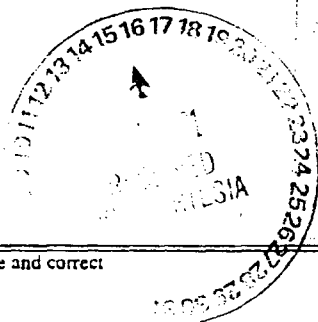
☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☒ Water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

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.)

Spudded a 26" hole with rat hole machine at 1:40 PM, 7-10-2001. Set 40' of 20" conductor pipe. Note: Notified Kathy Queen, BLM of spud.

Resumed drilling 14 3/4" hole with rotary tools at 9:00 PM, 7-14-2001.

TD 177', lost circulation 64'-69' and 93'-98'. Pumped 8 yds. redi-mix in open hole. WOC 2 hrs. Drilled out cement.



ACCEPTED FOR RECORD

RECEIVED
2001 AUG 22 PM 12 17
BUREAU OF LAND MGMT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Karen J. Leishman

Title Engineering Technician

Signature

Date 8-21-2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOil Cons.
N.M. Div-Dist. 2FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

CISK

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.1301 W. Grand Avenue
Artesia, NM 88210

5. Lease Serial No.

NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium "34" Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Morrow

11. County or Parish, State

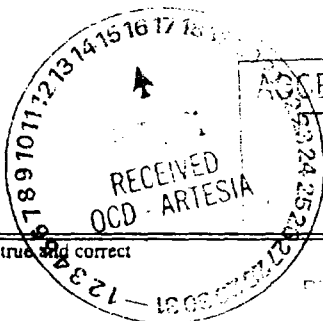
Eddy County NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 Casing and Cement
	<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.)

7-16-2001 TD 420'. Ran 10 jts. 11 3/4" 42#, H casing, set at 420'. Texas Pattern guide shoe set at 420'. Insert float set at 383.39'. Cemented with 200 sxs. "H"+10B+1% CAC12 (yld 1.52, wt 14.6). Tailed in with 300 sxs. "C"+2% CAC12 (yld 1.34, wt 14.8). PD at 3:30 PM, 7-16-2001. Bumped plug to 500 psi, held okay. Circulated 30 sxs. WOC 12 hrs. Note: Ran Davis/Lynch float equipment Centralizers on joints #1, 3, 5, 7 & 9. Cement job witnessed by Don Early, BLM. Resumed drilling 11" hole.



ACCEPTED FOR RECORD

RECEIVED
2001 AUG 22 PM 12 18
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Karen J. Leishman

Title Engineering Technician

Signature

Date 8-21-2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

dsf

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

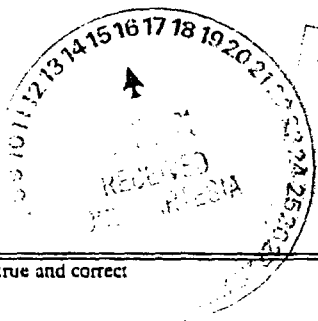
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name -
2. Name of Operator Yates Drilling Company		7. If Unit or CA Agreement, Name and/or No. -
3a. Address 105 South 4th Street, Artesia, NM	3b. Phone No. (include area code) 505-746-0308	8. Well Name and No. Millennium "34" Fed Com #1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL & 990' FWL Section 34-17S-29E		9. API Well No. 30-015-31833
		10. Field and Pool, or Exploratory Area Grayburg Morrow
		11. County or Parish, 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 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 checked="" 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 <u>Casing and Cement</u>
	<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.)

7-21-2001 TD 2900'. Ran 69 jts. 8 5/8" 32# J-55 8rd ST&C casing, set at 2900'. Float shoe set at 2900'. Float collar set at 2857.10'. Cemented with 725 sxs. 35/65/6 + 5# LCM + 1/4# CF (yld 2.04, wt 12.5). Tailed in with 200 sxs. "C" + 1% CAC12 (yld 1.34, wt 14.8). PD at 3:34 AM, 7-22-2001. Circulated 125 sxs. WOC, 28 hrs. Drilled out at 8:00 AM, 7-23-2001. Resumed drilling 7 7/8" hole.



ACCEPTED FOR FILE

RECEIVED
2001 AUG 22 PM 12 18
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Karen J. Leishman		Title Engineering Technician
Signature <i>Karen J. Leishman</i>		Date 8-21-2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUNDRY 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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Drilling Company

3a. Address

105 South 4th Street, Artesia, NM

3b. Phone No. (include area code)

505-746-0308

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

990' FSL & 990' FWL
Section 34-17S-29E

5. Lease Serial No.

NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium "34" Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Morrow

11. County or Parish, State

Eddy County NM

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

TYPE OF SUBMISSION

- ☐
- Notice of Intent
-
- ☒
- Subsequent Report
-
- ☐
- Final Abandonment Notice

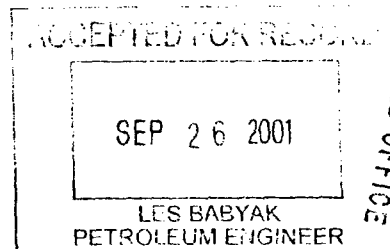
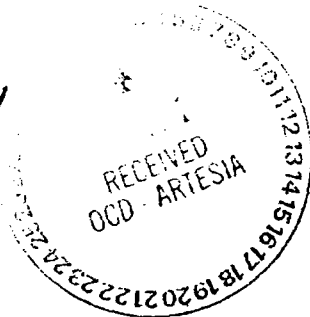
TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Casing & Cement |
| <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 | |

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See attachment.

No Attachment

RECEIVED
2001 SEP 20 PM 12 57
BUREAU OF LAND MGMT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct
-
- Name (Printed/Typed)

Karen J. Leishman

Title Engineering Technician

Signature

Karen J. Leishman

Date 9-19-01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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Title

Date

Office

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

CLSP

SUNDRY NOTICES AND REPORTS ON WELLS
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SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Drilling Company

3a. Address

105 South 4th St., Artesia, NM

3b. Phone No. (include area code)

505-746-0308

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

990' FSL & 990' FWL
Section 34-17S-29E

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium "34" Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Morrow

11. County or Parish, State

Eddy 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

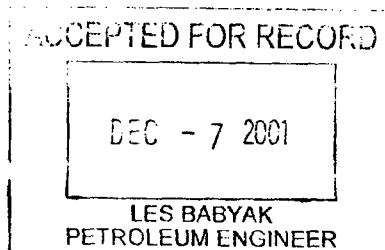
☐ Water Shut-Off

☐ Well Integrity

☒ Other Perf, Acid, Frac

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.)

See attachment.



RECEIVED
2001 DEC 7 PM 12 39
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Karen J. Leishman

Title Engineering Technician

Signature

Karen J. Leishman

Date 12-6-01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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Office

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MILLENNIUM "34" FEDERAL COM #1
Section 34-17S-29E
Eddy County, New Mexico
NM-92619
December 5, 2001

- 10-30-2001 RUPU. Nipped up hydraulic BOP. RIH with 4 3/4" bit and scraper. Tagged cement at 8758'. Rigged up reverse unit.
- 10-31-2001 Drilled cement to 9420' inside 5 1/2" casing, circulated hole clean.
- 11-1-2001 Picked up 2 3/4" bit and drilled cement to 10,053' inside 3 1/2" csg. and fell through. RIH to 10,210' and tagged cement.
- 11-2-2001 Drilled out cement to 11,294'. Circulated hole clean. Pressured up hole and tested liner to 1500 psi for 30 min. Held good.
- 11-3-2001 Ran CBL, Gamma Ray and CCL.
- 11-4-2001 Pressured casing to 2000 psi. Casing held good. RIH with packer and set in liner at 9436'.
- 11-6-2001 Perforated Morrow with 2 1/8" guns with .25" holes, as follows:
10,874'-10,882' with 6 SPF
10,914'-10,919' with 6 SPF
- 11-7-2001 Swabbed well.
- 11-8-2001 Acidized Morrow perms. With 1500 gals. 7.5% NEFE HCL acid with 78,105 SCF N2. Flowed well back and rigged up swab line and swabbed well.
- 11-9-2001 Swabbed well and flowed well back.
- 11-12-2001 Frac'd Morrow perforations (10,874'-10,919') with 34,160# of 20/40 Interprop, 10,300# 20/40 Ceramax with 509,583 SCF N2, 89 tons of CO2. Flowed well back.
- 11-13-2001
thru 11-20-2001 Flowed well back. Shut well in, waiting on pipeline connection.



PATTERSON DRILLING COMPANY LP

A LIMITED PARTNERSHIP

410 North Loraine Street • Midland, Texas 79701

(915) 682-9401 • Fax (915) 682-1565

August 11, 2000

Yates Petroleum Corporation
105 S 4th St
Artesia, NM 88210

RE: Inclination Report
Haldeman EN #2
Sec 31; T-17-S; R-26-E

Gentlemen:

The following is an inclination survey on the above referenced well located in Eddy County, New Mexico:

358' - 0.75	3464' - 0.50	6900' - 1.00
758' - 1.00	3938' - 0.75	7377' - 1.00
1227' - 1.75	4415' - 0.75	7695' - 1.00
1335' - 1.50	4893' - 1.00	7696' - 1.00
1554' - 1.50	5370' - 1.00	8040' - 0.75
2031' - 1.50	5466' - 1.25	8484' - 0.75
2508' - 1.25	5944' - 1.00	8800' - 2.50
2986' - 1.25	6422' - 1.00	

Sincerely,

Rebecca Edwards

Rebecca A. Edwards
Administrative Assistant

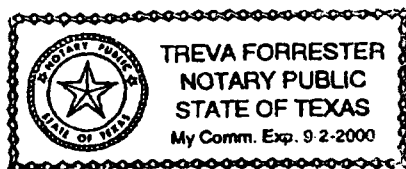
STATE OF TEXAS)
)
COUNTY OF MIDLAND)

Rebecca A. Edwards acknowledged the foregoing before me this 11th day of August 2000.

MY COMMISSION EXPIRES:

Treva Forrester

NOTARY PUBLIC



(July 1992)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE

Oil Cons.
N.M.I. - Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED

OMB NO. 1004-0137

February 28, 1995

SIGNATURE AND SERIAL NO.

NM-96219

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Millennium 34 Fed Com #1

9. API WELL NO.
30-015-3183310. FIELD AND POOL, OR WILDCAT
Grayburg Morrow11. SEC., T., R., M., OR BLOCK AND SURVEY
ON AREA

Section 34-17S-29E

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*1a. TYPE OF WELL: OIL ☐ WELL GAS ☒ WELL DRY ☐ OTHER

b. TYPE OF COMPLETION:

NEW ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF CENVR. ☐ OTHER

2. NAME OF OPERATOR

Yates Drilling Company

3. ADDRESS AND TELEPHONE NO.

105 South 4th Street, Artesia, NM 505-746-0308

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)

At surface 990' FSL & 990' FWL

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DATE SPUDDED

7-10-2001

16. DATE T.D. REACHED

9-11-2001

17. DATE COMPL. (Ready to prod.)

11-20-2001

18. ELEVATIONS (OF, RKB, RT. GR. ETC.)*

3531' GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

11,430'

21. PLUG, BACK T.D., MD & TVD

11,397'

22. IF MULTIPLE COMPL. HOW MANY*

-

23. INTERVALS

ROTARY TOOLS CABLE TOOLS

DRILLED BY

140-11,430'

24. PRODUCING INTERVAL(S), OF THIS COMPLETION --TOP, BOTTOM, NAME (MD AND TVD)*

10,874'-10,919' Morrow

25. WAS DIRECTIONAL

SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

CN/GR, Laterolog

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MC)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
20"		40'	26"	Cement to Surface	
11 3/4"	42#	420'	14 3/4"	500 sxs - circulate	
8 5/8"	32#	2900'	11"	925 sxs - circulate	
5 1/2"	17# & 15.5#	9904'	7 7/8"	1230 sxs TOC 6216'	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	TUBING RECORD	PACKER SET (MD)
3 1/2"	9436'	11429'	230 sxs.		2 7/8"	9437'	9385'

31. PERFORATION RECORD (Interval, size and number)

10,874'-10,882', 6 SPF, 48 holes, .25"
10,914'-10,919', 6 SPF, 30 holes, .25"

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
10,874'-10,919'	Acidized with 1500 gals. 7.5% NEFE HCL, 78105 SCF N2
10,874'-10,919'	Frac'd with 34,160# 20/40 Interprop, 10,300# 20/40 Ceramax with 509,583 SCF N2, 89 tons CO2

33.*

PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping —size and type of pump)				WELL STATUS (Producing or shut-in)	
						SIWOPLC	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD >	OIL - BBL.	GAS - MCF	WATER - BBL.	GAS-OIL RATIO
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE >	OIL - BBL.	GAS - MCF	WATER - BBL.	OIL GRAVITY - API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

Directional Survey, Electric Logs, DST

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Karen J. Leschman

TITLE Engineering Technician

DATE 12-12-01

(See Instructions and Spaces for Additional Data on Reverse Side)
Title 18 U.S.C. Section 1001, makes 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

**LES BABYAK
PETROLEUM ENGINEER**

RECEIVED FOR RECORD
DEC 14 2001

37. SUMMARY OF POROUS ZONES. (Show all important zones of porosity and contents thereof, cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	38. GEOLOGIC MARKERS		
				NAME	MEASURED DEPTH	TOP TRUE VERT. DEPTH
				San Andres	2866'	
				Bone Springs	3824'	
				Wolfcamp	8016'	
				Upper Penn	9260'	
				Strawn	10040'	
				Atoka	10324'	
				Morrow Clastics	10780'	
				Lower Clastics	10954'	
				Chester	11271'	
				TD	11445'	

YATES PETROLEUM CORPORATION
 MILLENNIUM 34 FEDERAL COM WELL NO. 1
 GRAYBURG MORROW FIELD
 EDDY COUNTY, NEW MEXICO
 (BASIC P/U)
 JOB NO(S): MSRG-1110660
 DATE(S) : NOVEMBER 2, 2001
 MAGNETIC DECLINATION 09 DEGREES 12 MINUTES EAST
 ALL DIRECTIONS FROM TRUE NORTH
 COMPUTALOG DRILLING SERVICES, INC.

RECORD OF SURVEY

ALL CALCULATIONS PERFORMED BY AN IBM COMPATIBLE PERSONAL COMPUTER
 MINIMUM CURVATURE METHOD
 HORIZONTAL VERSION 4.1wcds

MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH	DRIFT DIRECTION	TOTAL COORDINATES	C L O S U R E DISTANCE	ANGLE	DOG LEG SEVERITY DEG/100FT
-------------------	----------------	---------------------------	--------------------	-------------------	---------------------------	-------	----------------------------------

CDS SURFACE RECORDING GYROSCOPIC MULTISHOT SURVEY FROM SURFACE TO 9423 FT MD

0	.00	.00	.00	.00 N	.00 E	.00	90.00	.00
200	.63	200.00	55.83	.62 N	.91 E	1.11	55.83	.32
400	.70	399.99	323.73	2.23 N	1.11 E	2.49	26.42	.48
600	1.23	599.96	300.33	4.30 N	1.47 W	4.54	341.07	.33
800	1.12	799.92	3.68	7.33 N	3.21 W	8.00	336.37	.62
1000	1.28	999.88	12.35	11.46 N	2.60 W	11.75	347.21	.12
1200	1.97	1199.80	359.93	17.08 N	2.13 W	17.21	352.90	.38
1400	2.28	1399.67	332.75	24.06 N	3.96 W	24.38	350.66	.52
1600	2.32	1599.51	340.05	31.40 N	7.16 W	32.20	347.16	.15
1800	1.75	1799.38	343.62	38.13 N	9.40 W	39.27	346.15	.29
2000	2.33	1999.25	355.17	45.11 N	10.60 W	46.34	346.77	.36
2200	2.72	2199.06	354.08	53.89 N	11.44 W	55.09	348.02	.19
2400	2.30	2398.87	10.82	62.54 N	11.17 W	63.53	349.87	.42
2600	1.65	2598.75	3.63	69.36 N	10.24 W	70.11	351.61	.35
2800	1.22	2798.69	11.68	74.31 N	9.62 W	74.93	352.62	.24

MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH	DRIFT DIRECTION	TOTAL COORDINATES			C L O S U R E DISTANCE	ANGLE	DOG LEG SEVERITY DEG/100FT
3000	2.02	2998.60	6.03	79.89	N	8.82	80.38	353.70	.41
3200	1.95	3198.49	8.22	86.76	N	7.97	87.12	354.75	.05
3400	2.05	3398.37	36.18	93.01	N	5.37	93.17	356.70	.49
3600	1.55	3598.27	20.03	98.44	N	2.33	98.47	358.64	.35
3800	1.95	3798.18	8.73	104.35	N	.89	104.35	359.51	.26
4000	2.68	3998.01	358.18	112.39	N	.52	112.39	359.74	.42
4200	1.95	4197.85	347.30	120.39	N	1.42	120.40	359.33	.43
4400	2.65	4397.69	6.82	128.30	N	1.61	128.31	359.28	.52
4600	3.48	4597.41	22.97	138.48	N	1.31	138.49	.54	.60
4800	4.02	4796.98	5.23	151.05	N	4.31	151.12	1.64	.63
5000	4.23	4996.47	352.98	165.36	N	4.05	165.41	1.40	.45
5200	4.48	5195.89	350.75	180.40	N	1.89	180.41	.60	.15
5400	5.05	5395.20	345.12	196.62	N	1.62	196.63	359.53	.37
5600	4.77	5594.47	353.55	213.38	N	4.82	213.44	358.71	.39
5800	4.27	5793.86	10.87	228.95	N	4.35	228.99	358.91	.72
6000	2.45	5993.51	27.92	240.03	N	.94	240.04	359.77	1.03
6200	2.17	6193.35	1.07	247.59	N	1.13	247.59	.26	.55
6400	.88	6393.28	14.82	252.86	N	1.59	252.87	.36	.66
6600	1.47	6593.24	45.82	256.14	N	3.82	256.17	.85	.42
6800	1.57	6793.20	285.43	258.65	N	3.02	258.67	.67	1.32
7000	4.55	6992.90	259.23	257.89	N	7.41	258.00	358.35	1.61
7200	2.27	7192.73	49.03	259.01	N	12.22	259.29	357.30	3.30
7400	.77	7392.68	269.87	261.60	N	10.57	261.81	357.69	1.45
7600	2.23	7592.61	263.83	261.18	N	15.79	261.65	356.54	.74
7800	3.13	7792.39	260.12	259.82	N	25.05	261.02	354.49	.46
8000	4.03	7992.00	270.63	258.96	N	37.46	261.65	351.77	.56
8200	4.20	8191.48	269.07	258.92	N	51.82	264.05	348.68	.10
8400	2.37	8391.16	299.07	260.80	N	62.75	268.25	346.47	1.23
8600	.95	8591.08	249.53	262.23	N	67.92	270.88	345.48	.95
8800	1.60	8791.03	253.98	260.88	N	72.15	270.67	344.54	.33
9000	1.62	8990.95	254.85	259.37	N	77.56	270.72	343.35	.01

MEASURED DEPTH	DRIPT ANGLE	TRUE VERTICAL DEPTH	DRIPT DIRECTION	TOTAL COORDINATES	CLOSURE DISTANCE	ANGLE	DOG LEG SEVERITY DEG/100FT
9200	.72	9190.91	263.20	258.49 N	271.04	342.49	.46
9400	1.55	9390.87	316.28	260.29 N	273.71	341.99	.63
9423	1.85	9413.86	287.28	260.63 N	274.20	341.90	3.91

BOTTOM HOLE CLOSURE 274.20 FEET AT 341.90 DEGREES AZIMUTH

COMPUTALOG

Wellbore knowledge and solutions
DRILLING SERVICES, INC.

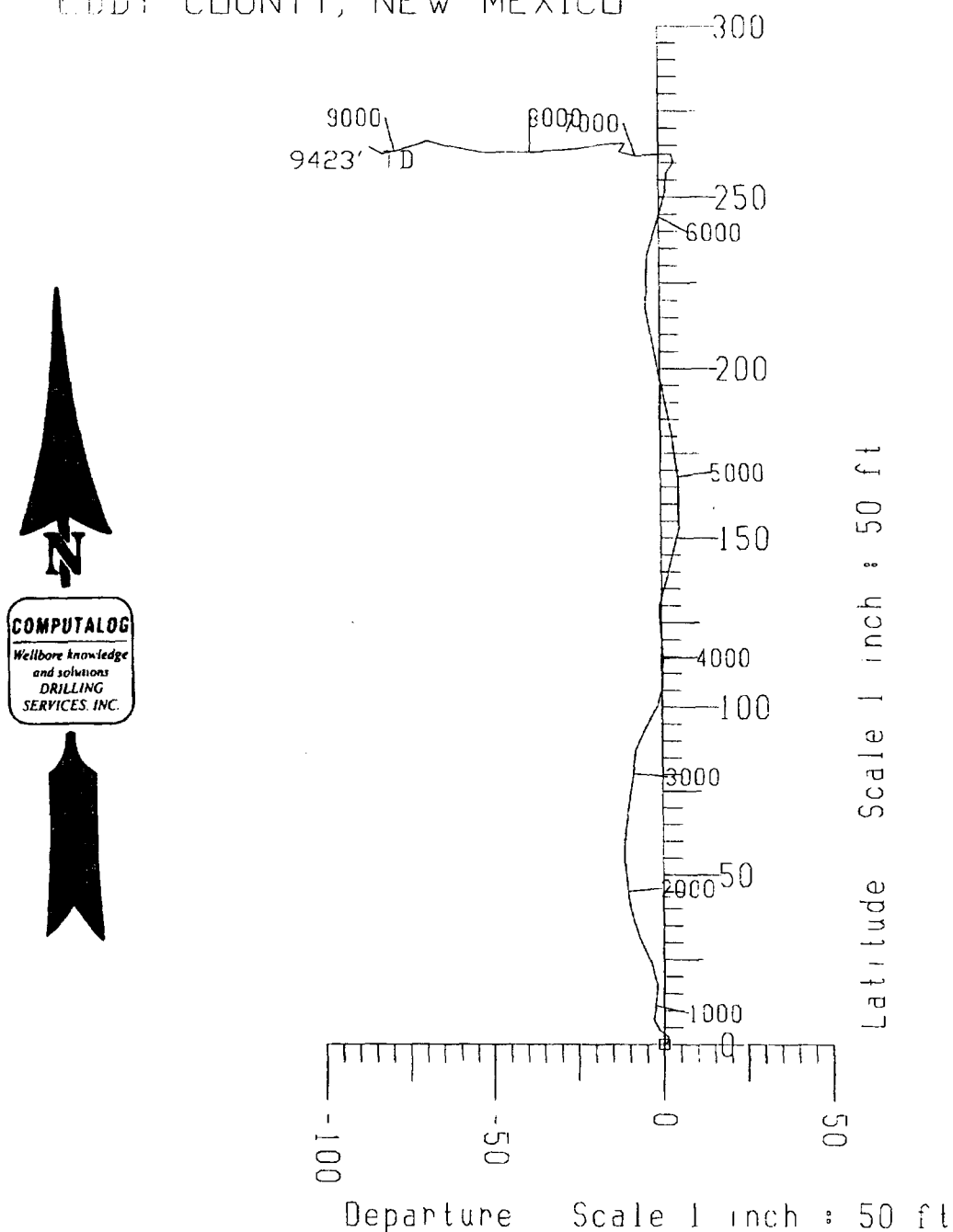
This is to certify that the Survey Readings from 8 to 9423 were obtained by our Field Surveyors and represent, to the best of our knowledge, a true and accurate survey of the well at the time the survey was run.

COMPUTALOG

Wellbore knowledge and solutions
DRILLING SERVICES, INC.

Survey Supervisor

YATES PETROLEUM CORPORATION
MILLENNIUM 34 FEDERAL COM WELL NO. 1
GRAYBURG MORROW FIELD
EDDY COUNTY, NEW MEXICO



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ON COUS.
N. 1. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210
1004-0135
November 30, 2000

0157

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

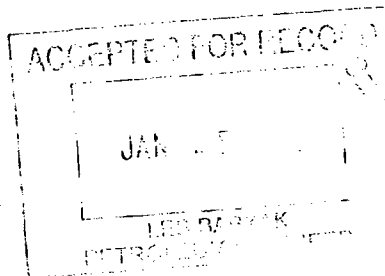
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-96219
2. Name of Operator Yates Drilling Company		6. If Indian, Allottee or Tribe Name -
3a. Address 105 South 4th Street, Artesia, NM	3b. Phone No. (include area code) 505-746-0308	7. If Unit or CA/Agreement, Name and/or No. -
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL & 990' FWL Section 34-17S-29E		8. Well Name and No. Millennium "34" Fed Com #1
		9. API Well No. 30-015-31833
		10. Field and Pool, or Exploratory Area Grayburg Morrow
		11. County or Parish, 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 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 checked="" 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 1st Sales
	<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 recompleate 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 recompleation 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.)

Date of first sales - January 15, 2002.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Karen J. Leishman

Title Engineering Technician

Signature

Karen J. Leishman

Date 1-16-2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

Office

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

(July 1982)

SUBMIT IN DUPLICATE

FORM APPROVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(See other
struck
reverse side)

Oil Cons.
N.M. Div. Dist. 2
1801 W. Grand Avenue
Artesia, NM 88210

FORM NO. 1004-0137

Expires February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

9. API WELL NO.

30-015-31833

10. FIELD AND POOL, OR WILDCAT

Grayburg Morrow

11. SEC., T., R., M., OR BLOCK AND SURVEY
ON AREA

Section 34-17S-29E

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL ☐ GAS ☒ DRY ☐
WELL WELL OTHER

b. TYPE OF COMPLETION:

NEW ☒ WORK ☐ DEEP- ☐ PLUG ☐ DIFF ☐
WELL OVER EN BACK CENVR. OTHER

2. NAME OF OPERATOR

Yates Drilling Company

3. ADDRESS AND TELEPHONE NO.

105 South 4th St., Artesia, NM 505-746-0308

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

990' FSL & 990' FWL

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DATE SPUNDED

7-10-2001

16. DATE T.D. REACHED

9-11-2001

17. DATE COMPL. (Ready to prod.)

11-20-2001

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

3531' GR

19. ELEV. CASINGHEAD

-

20. TOTAL DEPTH, MD & TVD

11,430'

21. PLUG, BACK T.D., MD & TVD

11,397'

22. IF MULTIPLE COMPL. HOW MANY*

23. INTERVALS

DRILLED BY

ROTARY TOOLS

40-11,430'

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION — TOP, BOTTOM, NAME (MD AND TVD)*

10,874'-10,919' Morrow

25. WAS DIRECTIONAL
SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

CN/GR, Laterolog

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MC)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
20"		40'	26"	Cement to surface	
1 3/4"	42#	420'	14 3/4"	500 sxs - circulate	
8 5/8"	32#	2900'	11"	925 sxs - circulate	
5 1/2"	17# & 15.5#	9904'	7 7/8"	1230 sxs - TOC 6216'	

29. LINER RECORD

SIZE	TCP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
3 1/2"	9436'	11429'	230 sxs		2 7/8"	9437'	9385'

31. PERFORATION RECORD (interval, size and number)

10,874'-10,882', 6 SPF, 48 holes, .25"
10,914'-10,919', 6 SPF, 30 holes, .25"

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
10,874'-10,919'	Acidized w/ 1500 gals. 7.5% NEEE HCL, 78105 SCF N2
10,874'-10,919'	Frac'd w/ 34,160# 20/40 Interprop, 10,300# 20/40 Ceramax w/ 509,583 SCF N2, 89 tons CO2

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping —size and type of pump)				WELL STATUS (Producing or shut-in)	
1-16-2002		Flowing				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL.	GAS - MCF	WATER - BBL.	GAS-OIL RATIO
1-23-2002	24	16/64	>	2	132	3	66/1
FLOW, TUBING PRESS	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF	WATER - BBL.	OIL GRAVITY - API, (CORR.)	
200	0	>	2	132	3	54.5 Est.	

34. DISPOSITION OF GAS (Sold, used for fuel, rented, etc.)

Sold

TEST WITNESSED BY

Greg Boans

35. LIST OF ATTACHMENTS

Directional Survey, Electric Logs, DST Report

ACCEPTED FOR RECORD

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Karen J. Leishman

TITLE Engineering Technician

JAN 31 2002

Title 18 U.S.C. Section 1001, makes 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.

EESEBAYAK
PETROLEUM ENGINEER

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries)

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	TOP	
				MEASURED DEPTH	TRUE VERT. DEPTH
			San Andres	2866'	
			Bone Springs	3824'	
			Wolfcamp	8016'	
			Upper Penn	9260'	
			Strawn	10040'	
			Aloka	10324'	
			Morrow Clastics	10780'	
			Lower Clastics	10954'	
			Chester	11271'	
			TD	11445'	

38. GEOLOGIC MARKERS

District I
O Box 1900, Hobbs, NM 88241-1900
District II
O Drawer DD, Aztec, NM 88211-0719
District III
300 Rio Brazos Rd., Aztec, NM 87410
District IV
O 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-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Yates Drilling Company 105 South 4th St. Artesia, NM 88210		OGRID Number 025513
		Reason for Filing Code NW
API Number 30-0 15-31833	Pool Name Grayburg Morrow	Pool Code 77840
Property Code 28164	Property Name Millennium 34 Fed Com	Well Number #1

II. Surface Location

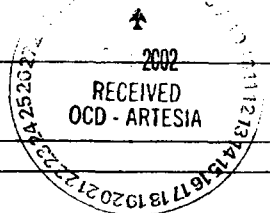
Well or lot no.	Section	Township	Range	Lot/Id.	Feet from the	North/South Line	Feet from the	East/West Line	County
L	34	17S	29E		990	South	990	West	Eddy

Bottom Hole Location

Well or lot no.	Section	Township	Range	Lot/Id.	Feet from the	North/South Line	Feet from the	East/West Line	County
Le Code G	Producing Method Code Flowing	Gas Connection Date 1-16-2002	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
147831	Agave Energy Co. 105 South 4th St. Artesia, NM 88210	2831410	G	Unit L-34-17S-29E
138648	Amoco Pipeline Inc. Trucking 502 N. West Ave. Levelland, TX 75391-0588	2831409	O	Unit L-34-17S-29E



IV. Produced Water

POD	POD ULSTR Location and Description
2831411	Unit L-34-17S-29E

V. Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations
7-10-2001	11-20-2001	11,430'	11,397'	10,874'-10,919'
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	
26"	20"	40'	Cement to surface	
14 3/4"	11 3/4"	420'	500 sxs. circulate	
11"	8 5/8"	2900'	925 sxs. circulate	
7 7/8"	5 1/2"	9904'	1230 sxs.	
	3 1/2"	11429'	230 sxs	

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Thg. Pressure	Csg. Pressure
1-16-2002	1-16-2002	1-23-2002	24 hrs.	200	0
Choke Size	Oil	Water	Gas	AOF	Test Method
16/64	2	3	132	-	Flowing

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Karen J. Leishman*
Printed name: Karen J. Leishman

Title: Engineering Technician
Date: 1-28-2002 Phone 505-746-0308

OIL CONSERVATION DIVISION
ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Approved by: *[Signature]*
Title:
Approval Date: FEB 13 2002

If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

C/SF

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Yates Drilling Company

3a. Address
105 S. 4th St., Artesia, NM

3b. Phone No. (include area code)
505-745-0308

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FSL & 990' FWL
Section 34-17S-29E

5. Lease Serial No.
NM-96219

6. Indian, Allottee or Tribe Name

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

8. Well Name and No.
Millennium "34" Fed Com #1

9. API Well No.
30-015-31833

10. Field and Pool, or Exploratory Area
Grayburg Morrow

11. County or Parish, 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 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 checked="" 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 NTL-2B
	<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.)

The Millennium produces approximately 3 barrels of water per day. It is stored on location in a 210 barrel fiberglass tank.
The water will be trucked by O.K. Hot Oil Service to the following disposal:
Aid State
Section 14-T17S-R28E
Eddy County, NM
NM#580311146

Attached is a water analysis for the produced water.

Accepted for record - NMOCED

APR 12 2002

APR 15 2002

ACCEPTED FOR RECORD

LES BABYAK
PETROLEUM ENGINEER

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

Name (Printed/Typed)
Karen J. Leishman

Title
Engineering Technician

Signature
Karen J. Leishman

Date
4-11-02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

Date



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3033

Yates Drilling Company
105 South Fourth St
Artesia, New Mexico 88210

Attention: Mr. Tobin L. Rhodes

Millennium 34 Federal Com Well No. 1
API No. 30-015-31833
Unit M, Section 34, Township 17 South, Range 29 East, NMPM,
Eddy County, New Mexico
Undesignated Grayburg-Atoka (Gas 77720), and
Grayburg-Morrow (Gas 77840) Pools.



Dear Mr. Rhodes:

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 well bore.

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.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

The applicant shall consult with the supervisor of the Artesia District Office of the Division upon completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Artesia District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

Administrative Order DHC-3033

Yates Drilling Company

August 9, 2002.

Page 2

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

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 9th day of August 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery (WVJ)

LORI WROTENBERY
Division Director

LW/WVJ

cc: Oil Conservation Division – Artesia /
Bureau of Land Management – Carlsbad

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000**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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Drilling Company

3a. Address

105 S. 4th St., Artesia, NM

3b. Phone No.

505-746-3080

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

990' FSL & 990' FWL Section 34-17S-29E

5. Lease Serial No.

NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Federal Com #1

9. API Well No.

30-015-31883 31833

10. Field and Pool, or Exploratory Area

Grayburg Morrow

11. County or Parish, State

Eddy, 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

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.)

Propose to:

1. Perforate Atoka formation 10,677'-10,688' and frac same.
2. Downhole commingle Atoka with existing Morrow perforations 10,780'-10,969' and produce both together (See attached NMOCDA approval)

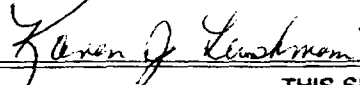
14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Karen J. Leishman

Title Engineering Technician

Signature



Date 9/9/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Date

SEP 12 2002

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

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

Form 3160-3
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or re enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Drilling Company

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

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

990' FSL & 990' FWL Section 34-17S-29E

5. Lease Serial No.

NM-96219

6. Indian, Allottee or Tribe Name

7. If Unit or CAV Agreement, Name and price

8. Well Name and No

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Unders Grayburg Atoka

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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"/> Re-complete	<input checked="" type="checkbox"/> Other Perforate
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Compromised Abandon	Simulate
	<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 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.)

10/11/02 Perforate Atoka 10,677' - 10,688' (6 SPF) - .25" holes, 66 holes.

10/15/02 Spotted sand plug (10,720' - 11,397') over Morrow perms (10,874' - 10,919').

10/17/02 Spearheaded 2000 gals. 7 1/2% HCL. Frac'd with 41,380# 20/40 Interprop, 77 tons CO2, 5800 SCF Nitrogen.

10/18/02 Flowing well back. (sand plug still in place)

ACCEPTED FOR RECORD

NOV 21 2002

ALEXIS C. SWOBODA
PETROLEUM ENGINEER

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

Name (Printed/Typed)

Karen J. Leishman

Title

Engineering Technician

Signature

Karen J. Leishman

Date

19-Nov-02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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Office

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N.M. Oil Cons DIV-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

Form 3160-4
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires January 31, 2004

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NM-96219	
b. Type of Completion: <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input checked="" type="checkbox"/> Diff. Reservoir Other Recom.		6. If Indian, Appliance or Trade Name	
2. Name of Operator Yates Drilling Company		7. Unit or CA Agreement Name and No.	
3. Address 105 S. 4th Str., Artesia, NM 88210		8. Lease Name and Well No. Millennium 34 Fed Com #1	
3a. Phone No. (include area code) 505-748-1471		9. API Well No. 30-015-31833	
4. Location of Well (Report location clearly and in accordance with Federal requirements) A: Surface 990' FSL & 990' FWL A: top prod. interval reported below A: total depth		10. Field and Pool or Exploratory Unders Grayburg Atoka	
		11. Sec., T., R., M., on Block and Survey or Area 34-17S-29E	
		12. County or Parish 13. State Eddy NM	
14. Date Spudded RC 10/11/2002	15. Date T.D. Reached NA	16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 10/17/2002	
17. Elevations (DF, RKB, RT, GL) 3558' GR			
18. Total Depth: MD 11,430' TVD	19. Plug Back T.D.: MD 11,397' TVD	20. Depth Bridge Plug Set: MD TVD	

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

22. Was Well cored? ☐ No ☐ Yes (Submit analysis)
 Was DST run? ☐ No ☐ Yes (Submit report)
 Directional Survey? ☐ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	State Cementer Depth	No. of Sks & Type of Current	Slurry Vol. (BBL)	Cement Top

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

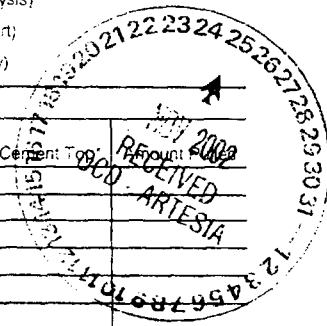
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf Status
A) Atoka	10,677'	10,688'	10,677-10,688	.25"	66	
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
10,677'-10,688'	2000 gals. 7 1/2% HCL. Frac'd with 41.380# 20/40 Interprop. 77 tons CO2, 5800 scf Nitrogen

28. Production - interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/17/2002	11/11/02	24	→	0	52	3	NA	-	Flowing
Choke Size	Tbg. Press. Flwg. 245 SI	Csg. Press.	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
50/64			→	0	52	3		PRODUCING	
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						



28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production ⇒	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate ⇒	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production ⇒	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate ⇒	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Description, Contents, etc.	Name	Top
					Meas Depth
Refer to Original completion					

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions).

Name (please print) Karen J. Leishman Title Engineering Technician

Signature  Date 11/20/2002

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.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1060 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised July 28, 2000

Submit to Appropriate District Office

5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

1 Operator Name and Address Yates Drilling Company 105 South Fourth Street Artesia NM 88210		2 OGRID Number 025513	
3 Reason for Filing Code Effective Date RC		4 Well Number 1	
5 API Number 30-015-31833	6 Pool Name Undesignated Grayburg Atoka	7 Pool Code 77720	
8 Property Code 028164	9 Property Name Millennium 34 Federal Com		

10 Surface Location									
11 East-1st line M	12 Section 34	13 Township 17S	14 Range 29E	15 East-1st line M	16 Feet from the 990	17 North-South line South	18 Feet from the 990	19 East-West line West	20 County Felix

11 Bottom Hole Location									
21 East-1st line	22 Section	23 Township	24 Range	25 East-1st line	26 Feet from the	27 North-South line	28 Feet from the	29 East-West line	30 County
31 Gas Code		32 Producing Method Code		33 Gas Connection Date		34 C-129 Permit Number		35 C-129 Effective Date	

III. Oil and Gas Transporters

36 Transporter OGRID	37 Transporter Name & Address	38 POD	39 TIG	40 POD/USLR Location and Description
147831	Agave Energy Company 105 S. 4 th St. Artesia, NM 88210	2831410	G	Unit L-34-17S-29E
138648	Amoco Pipeline Inc. Trucking 502 N. West Ave. Levelland, TX 75391-0588	2831409	O	Unit L-34-17S-29E

IV. Produced Water

41 POD	42 POD/USLR Location and Description
2831411	Unit L-34-17S-29E

V. Well Completion Data

43 Start Date RC 10/1/02	44 Ready Date 10/17/02	45 TD 11,430'	46 PBTD 11,397'	47 Perforations 10.677-10.688	48 DRC/AR
49 Hole Size		50 Casing & Tubing Size		51 Depth Set	

VI. Well Test Data

52 Date New Oil	53 Gas Delivery Date 10/17/2002	54 Test Date 11/11/02	55 Test Length 24 hrs.	56 Tbg. Pressure 245	57 Csg. Pressure
58 Choke Size 50/64	59 Oil	60 Water 3 bbls.	61 Gas 52 mcf	62 AOP	63 Test Method Flow Test

64 I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Karen J. Leishman</i>		65 Approved by: OIL CONSERVATION DIVISION ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR	
66 Printed name: Karen J. Leishman		67 Title:	
68 Title: Engineering Technician		69 Approval Date: DEC 02 2002	
70 Date: 11/20/02	71 Phone: 505-746-0308		

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or re enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

LC-085408 NA 96214

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Atoka

11. County or Parish, State

Eddy, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

RECEIVED

2. Name of Operator

Yates Drilling Company

MAY 11 2004

988-ARTESIA

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-8463

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

990' FSL & 990' FWL Section 34-17S-29E

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 checked="" 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 checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Perf _____
	<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 recompleate 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 recompleation 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.)

Spot 170' cement plug from 10,720' to 10,550'. Perforate Penn zone 9424' to 9450'.

Acidize with 10,000 gals. of 15% NEFE acid.

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

Name (Printed/Typed)

Karen J. Leishman

Title

Engineering Technician

Signature

Karen J. Leishman

Date

3/12/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Date MAY 07 2004

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Office

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or re enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

RECEIVED

DEC - 8 2004

2. Name of Operator

Yates Drilling Company

OCU-ARTESIA

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-8463

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

990' FSL & 990' FWL Section 34-17S-29E

5. Lease Serial No.

LC-065108

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Atoka

11. County or Parish, State

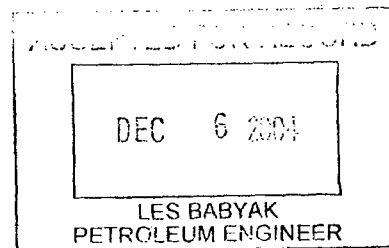
Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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	Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Site Security Diagram
	<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 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.)

Attached please find a Site Security Diagram.



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

Name (Printed/Typed)

Karen J. Leishman

Title

Engineering Technician

Signature

Karen J. Leishman

Date

12/2/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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1301 W. Grand Avenue

Artesia, NM 88210

Form 3160-5
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004**SUNDRY NOTICES AND REPORTS ON WELLS**Do not use this form for proposals to drill or re enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

RECEIVED

DEC 20 2005

OOD-ARTESIA

2. Name of Operator

Yates Drilling Company

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-8463

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

990' FSL & 990' FWL Section 34-17S-29E

5. Lease Serial No.

NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Atoka

11. County or Parish, State

Eddy, 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

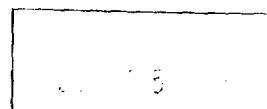
Perforation

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 recomple 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.)

See attachment.

ACCEPTED FOR RECORD


ALEXIS C. SWOBODA
PETROLEUM ENGINEER

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

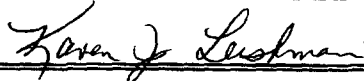
Name (Printed/Typed)

Karen J. Leishman

Title

Operations Technician

Signature



Date

12/9/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

Office

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Millennium "34" Federal Com #1
Section 34-17S-29E
Eddy County, NM
30-015-31833

10-28-2004 RIH with CIBP and set at 10,550'.
10-29-2004 RIH and dumped 50' cement on top of CIBP. PBTD 10,500'.
Perforated Penn zone 9424'-9450', 6 SPF, .25" holes.
12-21-2004 RIH with CIBP and set at 9000'. RIH and dumped 50' cement on top of
CIBP. Perforated 8610'-8650', 1 SPF, .36" holes.
12-28-2004 Acidized well with 2000 gals 15% HCL acid.
12-30-2004 RIH with CIBP and set at 8550'. RIH and dumped 50' cement on top of
CIBP. PBTD 8500'.
12-31-2004 Perforated 8370'-8414', 2 SPF, .36" holes.
1-5-2005 RIH with CIBP and set at 8300'. RIH and dumped 50' cement on top of
CIBP. PBTD 8250'. Perforated 7812'-7814', 2 SPF, .36" holes.
2-2-2005 RIH with CIBP and set at 7800'. RIH and dumped 50' cement on top of
CIBP. PBTD at 7750'. Perforated 7504'-7530', 1 SPF, .36" holes.

Well is currently shut-in pending re-completion attempt.

OCD-ARTESIA

Form 3160-5
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or re enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED

FEB 08 2006

OCD-ARTESIA

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Drilling Company

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-8463

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

990' FSL & 990' FWL Section 34-17S-29E

5. Lease Serial No.

NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Atoka

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" 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 checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Perf _____
	<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 recompleate 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 recompleation 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.)

1/18/2006 Set CIBP at 7430' and dumped 35' cement on top of CIBP. New PBTD 7395'.
 1/20/2006 Perforated Bone Springs, 6964'-7040', .44" holes, 2 SPF.
 1/24/2006 Acidized with 3500 gals 10% HCL acid with 228 ball sealers. Began swabbing well.
 1/31/2006 Frac'd with 6000 gals 9.5# brine, 4,000 gals 35# linear gel, 25,000 gals Medallion 3500 with 1000# 20/40 White Sand, 8,032# 14/30 Liteprop 125, 66,700# 16/30 White Sand, 15,280# 16/30 Siberprop for tail sand. Flowing well back.

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

Name (Printed/Typed)

Karen J. Leishman

Title

Operations Tech.

Signature

Date

2/2/2006

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

SGD, DAVID E. CLARK

Title

Date

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

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

PETROLEUM ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

UCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or re enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Atoka

11. County or Parish, State

Eddy, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

FEB 08 2006

2. Name of Operator

Yates Drilling Company

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-8463

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

990' FSL & 990' FWL Section 34-17S-29E

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" 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 checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Perf _____
	<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 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.)

1/18/2006 Set CIBP at 7430' and dumped 35' cement on top of CIBP. New PBTD 7395'.
1/20/2006 Perforated Bone Springs, 6964'-7040', .44" holes, 2 SPF.
1/24/2006 Acidized with 3500 gals 10% HCL acid with 228 ball sealers. Began swabbing well.
1/31/2006 Frac'd with 6000 gals 9.5# brine, 4,000 gals 35# linear gel, 25,000 gals Medallion 3500 with 1000# 20/40 White Sand, 8,032# 14/30 Liteprop 125, 66,700# 16/30 White Sand, 15,280# 16/30 Siberprop for tail sand.
Flowing well back.

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

Name (Printed/Typed)

Karen J. Leishman

Title **Operations Tech.**

Signature

Karen J. Leishman

Date **2/2/2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID E. CLARK

Title

Date

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

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

PETROLEUM ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☒ Diff. Resvr.,
Other Recom.

2. Name of Operator
Yates Drilling Company

3. Address 105 S. 4th Str., Artesia, NM 88210 3a. Phone No. (include area code) 505-748-1471

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface 990' FSL & 990' FWL

At top prod. Interval reported below

At total depth

RECEIVED

MAR 23 2006

OCD-ARTESIA

5. Lease Serial No. NM-96219
6. If Indian, Allottee or Tribe Name
7. Unit or CA Agreement Name and No.
8. Lease Name and Well No. Millennium 34 Fed Com #1
9. API Well No. 30-015-31833 0053
10. Field and Pool, or Exploratory
11. Sec., T., R., M., on Block and Survey or Area 34-17S-29E
12. County or Parish Eddy 13. State NM

14. Date Spudded RC 1/17/2006 15. Date T.D. Reached NA 16. Date Completed 2/4/2006 ☐ D & A ☒ Ready to Prod. 17. Elevations (DF, RKB, RT, GL)* 3558' GR

18. Total Depth: MD 11,430' TVD 19. Plug Back T.D.: MD 7395' TVD 20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

REFER TO ORIGINAL COMPLETION

22. Was Well cored? ☐ No ☐ Yes (Submit analysis)
Was DST run? ☐ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	State Cement Depth	No. of Skis & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Bone Springs	6,964'	7,040'	6,964'-7,040'	.44"	152	
B)						
C)						
D)						

26. Perforation Record

Depth Interval	Amount and Type of Material
6,964'-7,040'	3500 gals. 10% HCL with 228 ball sealers.
	Frac'd with 6000 gals 9.5# brine, 4000 gals 35# linear gel, 25,000 gals Medallion 3500
	with 1000# 20/40 white sand, 8032# 14/30 Liteprop-125, 66,700 # 16/30 white sand,
	15,280# 16/30 Siberprop for tail sand.

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
2/5/2006	2/21/2006	24	⇒	15	44	2.9	38.4	-	Pumping
Choke Size	Tbg. Press. Flwg. 245	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			⇒	15	44	2.9	34/1		PRODUCING

28a. Production-Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			⇒						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			⇒						

ACCEPTED FOR RECORD

DAVID R. GLASS

MAR 21 2006

DAVID R. GLASS
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production ⇒	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate ⇒	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production ⇒	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate ⇒	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Description, Contents, etc.	Name	Top Meas Depth
Refer to Original completion					

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Karen J. Leishman Title Operations Tech
Signature Karen J. Leishman Date 3/13/2006

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.

Form 3180-4
(September 2001)UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OPERATOR'S COPY
WELL COMPLETION OR RECOMPLETION REPORT AND LOGFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other

b. Type of Completion: ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☒ Oil Reserv. ☐ Other Recon.

2. Name of Operator
Yates Drilling Company

3. Address 3a. Phone No. (include area code)
105 S. 4th Str., Artesia, NM 88210 505-748-1471

4. Location of Well (Report location clearly and in accordance with Federal requirements)

At Surface 990' FSL & 990' FWL

At top prod. interval reported below

At total depth

RECEIVED

MAR 24 2006

YATES DRILLING

5. Lease Serial No.

NM-98219

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833 0053

10. Field and Pool, or Exploratory

11. Sec. T.R.M. on Block and Survey or Area

34-17S-29E

12. County or Parish 13. State

Eddy

NM

14. Date Spudded
RC 1/17/2006

15. Date T.D. Reached
NA

16. Date Completed ☐ D & A ☒ Ready to Prod. 2/4/2006

17. Elevations (DF, RKB, RT, GL)'
3558' GR

18. Total Depth: MD 11,430'
TVD

19. Plug Back T.D.: MD 7395'
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

REFER TO ORIGINAL COMPLETION

22. Was Well cored? ☐ No ☐ Yes (Submit analysis)
Was DST run? ☐ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	State Cementer	No. of Sks & Type of Cement	Skyny Vol. (BBL)	Cement Top	Amount Pulled

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Bone Springs	6,964'	7,040'	6,964'-7,040'	.44"	152	
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
6,964'-7,040'	3500 gals. 10% HCL with 228 ball sealers.
	Frac'd with 6000 gals 9.5# brine, 4000 gals 35# linear gel, 25,000 gals Medallion 3500 with 1000# 20/40 white sand, 8032# 14/30 Liteprop-125, 68,700 # 16/30 white sand, 15,280# 16/30 Siberprop for tall sand.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
2/5/2006	2/21/2006	24	⇒	15	44	2.9	38.4	-	Pumping
Choke Size	Tbg. Press. Fwg. 245	Cog. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			⇒	15	44	2.9	34/1		

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			⇒						
Choke Size	Tbg. Press. Fwg. SI	Cog. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			⇒						

PRODUCING

ACCEPTED FOR RECORD

DAVID R. GLASS
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production ⇒	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Ceg. Press.	24 Hr. Rate ⇒	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production ⇒	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Ceg. Press.	24 Hr. Rate ⇒	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Description, Contents, etc.	Name	Top Meas Depth
Refer to Original completion					

32. Additional remarks (include plugging procedure):**33. Circle enclosed attachments:**

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Karen J. LeishmanTitle Operations Tech

Signature

Karen J. LeishmanDate 3/13/2006

Title 18 U.S.C. Section 1001 and Title 49 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.

DISTRICT I
1425 E. French St., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1020 N. Main St., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31833	Pool Code	Pool Name Bone Spring
Property Code	Property Name Millennium "34" Federal Com.	Well Number 1
OGMS No. 025513	Operator Name YATES DRILLING COMPANY	Elevation 3531'

Surface Location

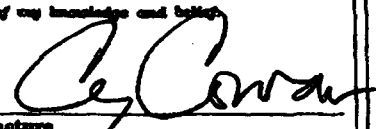
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	17S	29E		990'	South	990'	East	Eddy

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

Dedicated Acres	Joint or Infill	Consolidation Code	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

<div>990</div> <div>NM-96219</div> <div>990</div>				<div>RECEIVED</div> <div>MAR 30 2006</div> <div>UD-ANTERON</div>	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> <div> Signature Cy Cowan Printed Name Regulatory Agent Title March 30, 2006 Date</div>
					SURVEYOR CERTIFICATION <i>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.</i> REFER TO ORIGINAL PLAT. Date Surveyed Signature & Seal of Professional Surveyor
					Certificate No. Herschel L. Jones RLS 3640 GENERAL SURVEYING COMPANY

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised July 28, 2000

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Yates Drilling Company 105 South Fourth Street Artesia NM 88210		² OGRID Number 025513
		³ Reason for Filing Code/ Effective Date RC
⁴ API Number 30-015-31833	⁵ Pool Name Leca Hills; Bone Spring	⁶ Pool Code 39510
⁷ Property Code 028164	⁸ Property Name Millennium 34 Federal Com	⁹ Well Number 1

¹⁰ Surface Location									
UL or lot no. M	Section 34	Township 17S	Range 29E	Lot Idn M	Feet from the 990	North/South Line South	Feet from the 990	East/West line West	County Eddy
¹¹ Bottom Hole Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code F	¹³ Producing Method Code Pumping	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

¹⁸ Oil and Gas Transporters				
¹⁹ Transporter OGRID 15694	²⁰ Transporter Name & Address Navajo Refining Company P.O. Box 159 Artesia, NM 88210	²¹ POD 2831410	²² O/G O	²³ POD ULSTR Location and Description Unit L-34-17S-29E

²⁴ Produced Water	
²⁵ POD 2831411	²⁶ POD ULSTR Location and Description Unit L-34-17S-29E

²⁷ Well Completion Data					
²⁸ Spud Date RC 1/17/2006	²⁹ Ready Date 2/4/2006	³⁰ TD 11,430'	³¹ PBTD 7395'	³² Perforations 6964'-7040'	³³ DHC, MC
³⁴ Hole Size	³⁵ Casing & Tubing Size	³⁶ Depth Set	³⁷ Sacks Cement		

³⁸ Well Test Data					
³⁹ Date New Oil 2/5/2006	⁴⁰ Gas Delivery Date	⁴¹ Test Date 2/21/2006	⁴² Test Length 24 hrs.	⁴³ Tbg. Pressure	⁴⁴ Csg. Pressure
⁴⁵ Choke Size	⁴⁶ Oil 15	⁴⁷ Water 3 bbls.	⁴⁸ Gas 44 mcf	⁴⁹ AOF	⁵⁰ Test Method Pumping
⁵¹ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.					
Signature: <i>Karen J. Leishman</i>			Approved by: <i>District II Supervisor</i>		
Printed name: Karen J. Leishman			Title:		
Title: Engineering Technician			Approval Date: APR 03 2006		
Date: 3/13/2006	Phone: 505-748-8463				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	RECEIVED APR 05 2006 OCD-ARTESIA	5. Lease Serial No. NM-96219
2. Name of Operator Yates Drilling Company	3a. Address 105 South Fourth Street, Artesia, NM 88210	6. If Indian, Allottee or Tribe Name
3b. Phone No. (include area code) (505) 748-1471	9. API Well No. 30-015-31833	7. If Unit or CA/Agreement, Name and/o
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL and 990' FWL Section 34, T17S-R29E	10. Field and Pool, or Exploratory Area Bone Spring	8. Well Name and No. Millennium "34" Federal #1

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

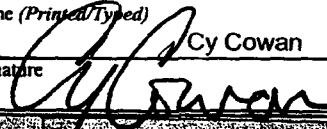
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 Change of name.
	<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 Operations (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 recomple 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.)

Yates Drilling Company wishes to change the name for the captioned from Millennium "34" Federal Com. #1 to the Millennium "34" Federal #1

35631

Thank you.

14. I hereby certify that the foregoing is true and correct			
Name (Printed/Typed) Cy Cowan		Title Regulatory Agent	
Signature 		Date 3/23/06	
APPROVED FOR RECORD			
Approved by ORIG. SGD J DAVID R. GLASS		Title Date	
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.			
Title 18 U.S.C. Section 1001, 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.			
DAVID R. GLASS PETROLEUM ENGINEER			

(Instructions on Reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or re enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED
JUN 16 2006

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Drilling Company

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-8463

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

990' FSL & 990' FWL Section 34-17S-29E

5. Lease Serial No.

NM-96219

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Loco Hills, Bone Springs

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-lease
<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Measurement

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 Drilling Company requests approval for Off-lease Measurement of the gas produced from this well. The gas produced will be the only product measured off-lease. The pipeline that will transport the gas is located in the SE/4SW/4 Section 33-17S-34E. The well produces approximately 40 MCFPD. We will lay 2" polypipe on the surface to the Duke Energy pipeline at the Perry Leonard Federal Battery. The total flow meter will be owned by Duke. I have attached the survey plats for the pipeline location and lease information.

APPROVED
JUN 14 2006
GARY GOURLEY
PETROLEUM ENGINEER

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

Name (Printed/Typed)

Karen J. Leishman

Title

Operations Tech.

Signature

Karen J. Leishman

Date

6/7/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

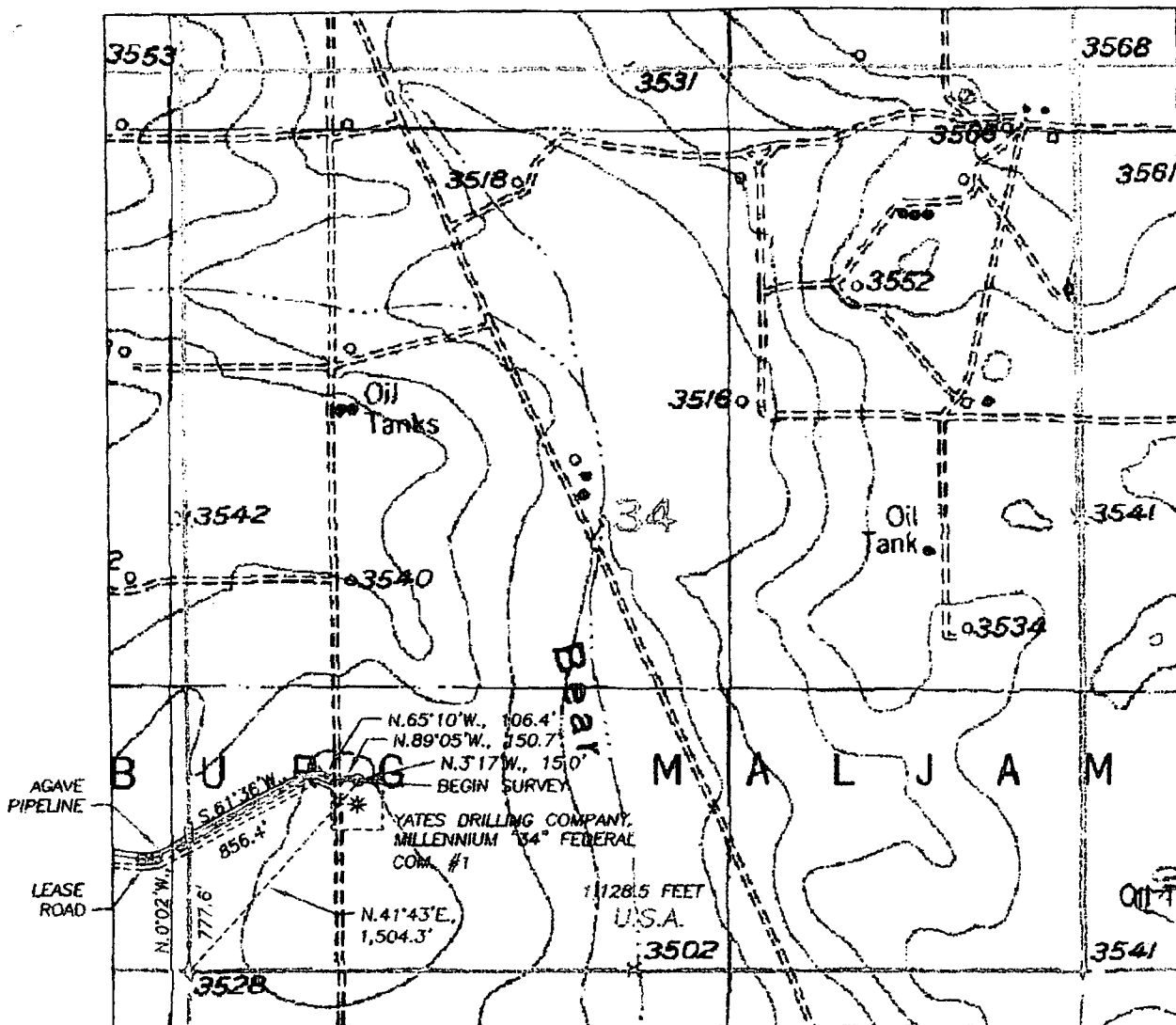
Date

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

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

SECTION 34, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



DESCRIPTION:

A SURFACE LOW PRESSURE GAS PIPELINE RIGHT OF WAY 30 FEET WIDE AND 1,128.5 FEET IN LENGTH, BEING 15 FEET TO THE LEFT AND RIGHT OF THE SURVEY CENTERLINE AS SHOWN IN RED ON THIS PLAT.

1,128.5 FEET = 68.3939 RODS, 0.2137 MILES OR 0.7772 ACRES, MORE OR LESS.

NOTE: ABOVE SAID RIGHT OF WAY IS ALONG AN EXISTING AGAVE BURIED PIPELINE AND YATES LEASE ROAD.

1000' 0 1000' 2000'
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

HERSCHEL L. JONES R.L.S. 8813640

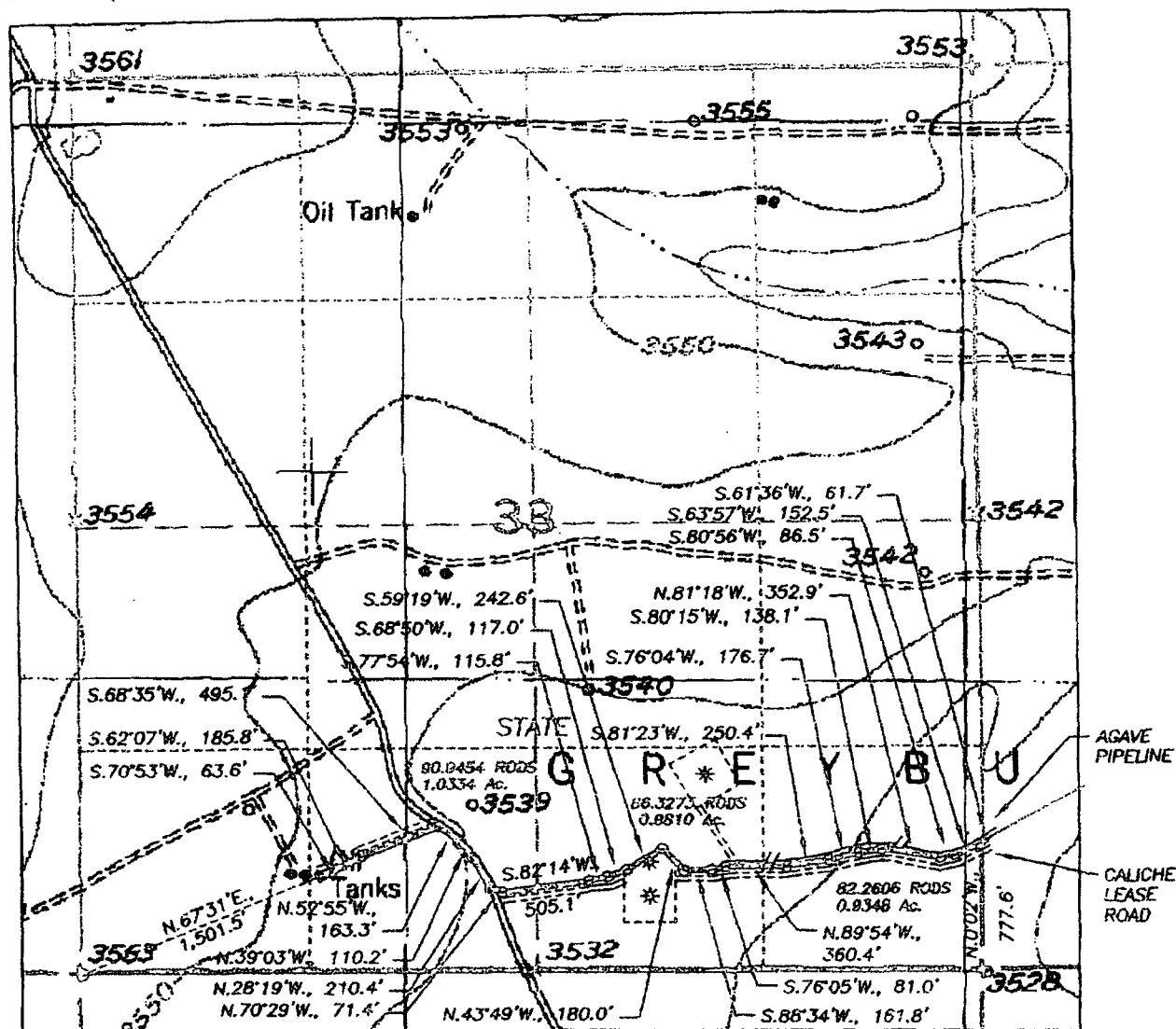
GENERAL SURVEYING COMPANY, P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

YATES DRILLING COMPANY

A SURFACE LOW PRESSURE PIPELINE TO CONNECT THE YATES DRILLING COMPANY MILLENNIUM "34" FEDERAL COM.#1 WELL LOCATED IN SECTION 34, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 4/21/2006	Sheet 1 of 2 Sheets
Drawn By: Ed Blevis	W.O. Number
Date: 4/25/06	Scale 1" = 1000' MILLENNIUM

SECTION 33, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



DESCRIPTION:

A SURFACE LOW PRESSURE GAS PIPELINE RIGHT OF WAY 30 FEET WIDE, BEING 15 FEET TO THE LEFT AND RIGHT OF THE FOLLOWING DESCRIBED SURVEY CENTERLINE:

BEGINNING AT A POINT LOCATED N.0°02'W., 777.6 FEET DISTANT FROM THE SOUTHEAST CORNER OF SECTION 33, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO; THENCE S.61°36'W., 61.7 FEET; THENCE S.63°57'W., 152.5 FEET; THENCE S.80°56'W., 86.5 FEET; THENCE N.81°18'W., 352.9 FEET; THENCE S.80°15'W., 138.1 FEET; THENCE S.76°04'W., 176.7 FEET; THENCE S.81°23'W., 250.4 FEET; THENCE N.89°54'W., 360.4 FEET; THENCE S.76°05'W., 81.0 FEET; THENCE S.88°34'W., 161.8 FEET; THENCE N.43°49'W., 180.0 FEET; THENCE S.59°19'W., 242.6 FEET; THENCE S.68°50'W., 117.0 FEET; THENCE S.77°54'W., 115.8 FEET; THENCE S.82°14'W., 505.1 FEET; THENCE N.70°29'W., 71.4 FEET; THENCE N.28°19'W., 210.4 FEET; THENCE N.39°03'W., 110.2 FEET; THENCE N.52°55'W., 163.3 FEET; THENCE S.68°35'W., 495.1 FEET; THENCE S.62°07'W., 185.8 FEET; THENCE S.70°53'W., 63.6 FEET TO A POINT LOCATED AT AN EXISTING PIPELINE STUB-OUT AND BEARING N.67°31'E., 1,501.5 FEET DISTANT FROM THE SOUTHWEST CORNER OF SAID SECTION 33.

SAID TRACT CONTAINS 2.9492 ACRES, MORE OR LESS, ALLOCATED BY FORTY ACRE TRACTS AS FOLLOWS; SE/4SE/4 82.2606 RODS, 0.9348 Ac.; SW/4SE/4 86.3273 RODS, 0.9810 Ac.; SE/4SW/4 90.9454 RODS, 1.0334 Ac., MORE OR LESS. 4,282.3 FEET = 259.5333 RODS, MORE OR LESS.

1000' 0 1000' 2000'
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

HERBERT L. JONES, No. 3640

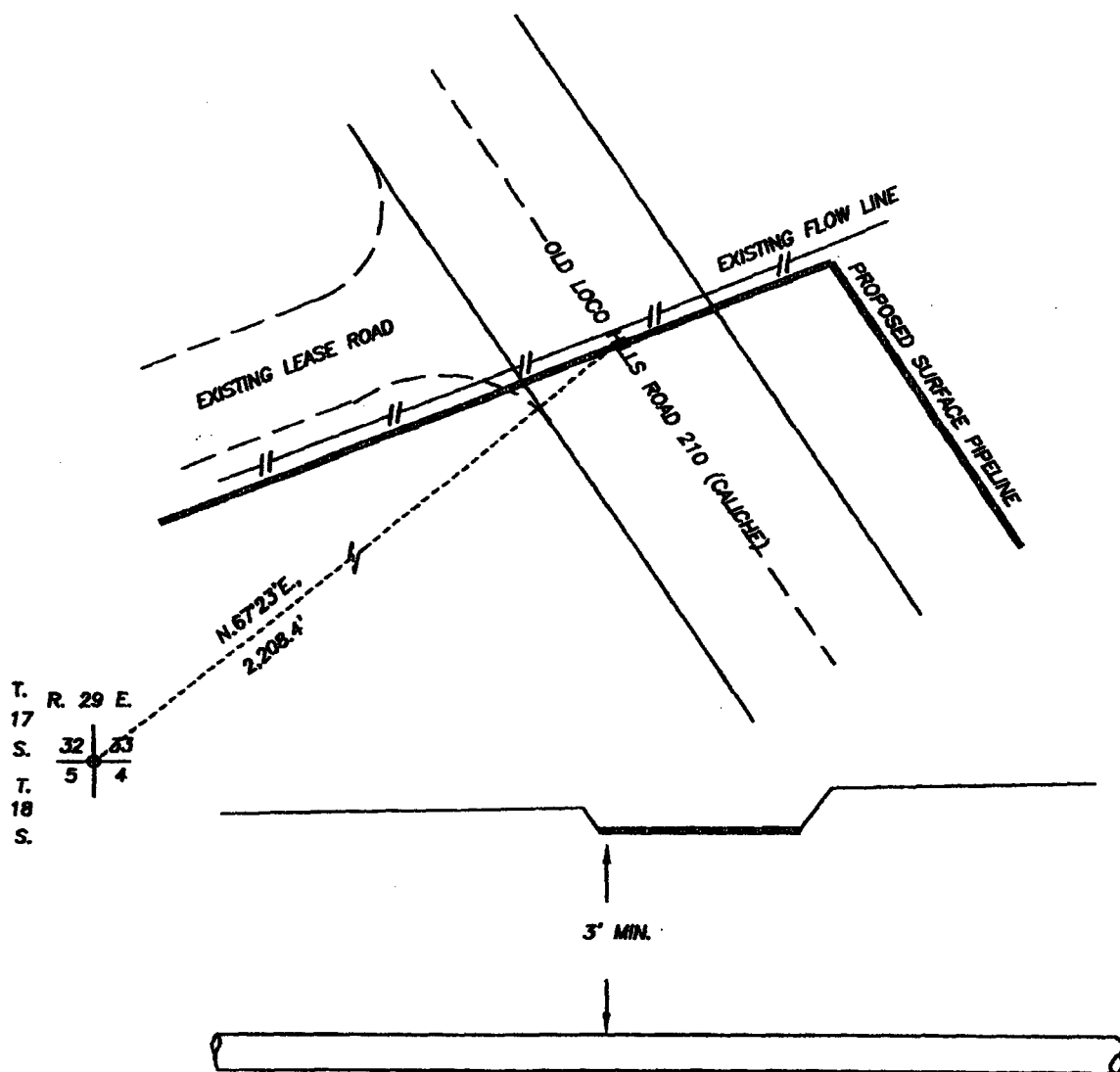
GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

YATES DRILLING COMPANY

A SURFACE LOW PRESSURE PIPELINE TO CONNECT THE YATES DRILLING COMPANY MILLENNIUM "34" FEDERAL COM.#1 WELL LOCATED IN SECTION 34, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

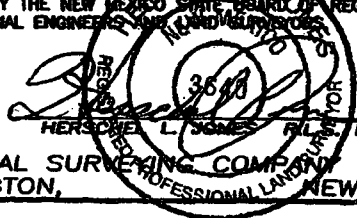
Survey Date: 4/21/2006	Sheet 2 of 2 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 4/25/06	Scale 1" = 1000' MILLENNIUM

YATES DRILLING COMPANY PIPELINE CROSSING OF OLD LOCO HILLS ROAD (CR #210) LOCATED IN THE SE/4SW/4 OF SEC. 33, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



25' 0 25' 50'
Scale 1" = 25'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF THE SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.



GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

YATES DRILLING COMPANY

PIPELINE CROSSING OF OLD LOCO HILLS ROAD (CR #210)
LOCATED IN THE SE/4SW/4 OF SECTION 33, TOWNSHIP 17
SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW
MEXICO.

Survey Date: 4/21/2006	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 4/25/06	Scale 1" = 25' MILLENNIUM