

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 2 8 2004

OCD-ARTESIA

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

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 1600' FSL and 660' FEL  
At proposed prod. Zone Same

14. Distance in miles and direction from nearest town or post office\*  
Approximately 14 miles southeast of Artesia, New Mexico.

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

660'

16. No. of Acres in lease

320

17. Spacing Unit dedicated to this well

E/2

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

1/2 mile

19. Proposed Depth

10725'

20. BLM/BIA Bond No. on file

586000

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

22. Approximate date work will start\*

ASAP

23. Estimated duration

45 days

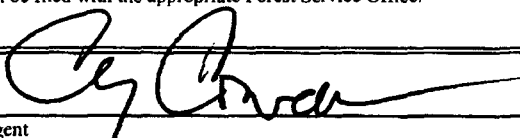
24. Attachments

ROSWELL CONTROLLED WATER BASIN

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

- 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



Name (Printed/Typed)

Cy Cowan

Date

2/10/04

Regulatory Agent

Regulatory Agent

Approved by (Signature)

/s/ Joe G. Lara

Name (Printed/Typed)

/s/ Joe G. Lara

Date

24 MAR 2004

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.

APPROVAL FOR 1 YEAR

Conditions of approval, if any, are attached.

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

Witness Surface and  
Intermediate Casing

## DISTRICT II

614 South First, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

## 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 Wildcat Chester
Property Code	Property Name PARROT FEDERAL COM.		Well Number 2
OGED No. 025575	Operator Name YATES DRILLING COMPANY		Elevation 3413

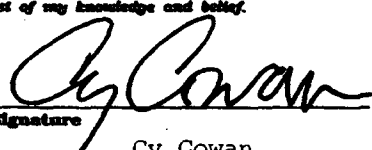
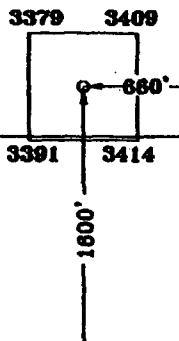
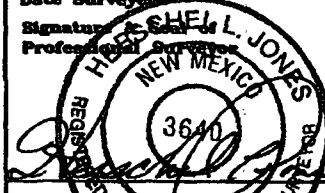
## Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
1	29	19S	27E		1600	SOUTH	660	EAST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	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

		NM-049945 B	NM-049945 C	<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Regulatory Agent Title February 6, 2004 Date
			N.32°37'43.3" W.104°17'40.4" 3379 3409  3391 3414	<b>SURVEYOR CERTIFICATION</b> 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. 1/21/2004 Date Surveyed  Signature H. L. Jones Professional Surveyor 3640 Certificate No. H. L. Jones RLS 3640 PROFESSIONAL LAND SURVEYOR GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

**YATES DRILLING COMPANY**  
**Parrot Federal Com. #2**  
1600' FSL and 660' FEL  
Section 29, T19S-R27E  
Eddy County, New Mexico

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

Queen	876'	Atoka	9645'
Grayburg	1184'	Morrow	9964'
San Andres	1771'	Morrow Clastics	10104'
Bone Spring Lime	2719'	Lower Morrow	10236'
1 <sup>st</sup> Bone Spring Lime	5417'	Barnett	10376'
3 <sup>rd</sup> Bone Springs Lime	7399'	Chester	10654'
Wolfcamp	7836'	TD	10725'
Cisco Canyon	8277'		
Strawn	9076'		

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

Water: 200' - 300'  
Oil or Gas: All potential zones

**3. Pressure Control Equipment:** BOPE will be installed on the 9 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)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Interval</u>	<u>Length</u>	WITNESS WITNESS
17 1/2"	13 3/8"	48#	H-40	ST&C	0-400'	400'	
12 1/4"	9 5/8"	36#	J-55	ST&C	0-2800'	2800'	
8 3/4"	5 1/2"	17#	L-80	LT&C	0-1100'	1100'	
8 3/4"	5 1/2"	17#	J-55	LT&C	1100'-2200'	1100'	
8 3/4"	5 1/2"	15.5#	J-55	LT&C	2200'-6200'	4000'	
8 3/4"	5 1/2"	17#	J-55	LT&C	6200'-8000'	1800'	
8 3/4"	5 1/2"	17#	L-80	LT&C	8000'-9400'	1400'	
8 3/4"	5 1/2"	17#	HCP-110	LT&C	9400'-10725'	3425'	

A deep string of 7" casing will be set if problems are encountered.

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

**B. CEMENTING PROGRAM:**

Surface casing: 500 sx Class 'C' + 2% CaCl<sub>2</sub> (YLD 1.32 WT 14.8).

Intermediate casing: Lead with 700 sx Lite (YLD 2.0 WT 12.5) Tail in w/200 sx Class C + 2% CaCl<sub>2</sub> (YLD 1.32 WT 14.8).

Production Casing: TOC 7300', Lead w/750 sx Super 'C' (YLD 1.63 WT 13.0)

**5. Mud Program and Auxiliary Equipment:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud to 400'	FW Gel/Paper	8.4-8.8	32-40	N/C
400'-2800'	Fresh Water	8.4	28	N/C
2800'-9600'	Cut Brine	8.6-9.6	28	N/C
9600'-10725'	S Gel/KCL/Starch/Driscap	9.6-10.0	32-38	<12cc

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' out from under intermediate casing to TD.

Logging: Platform Express CNL/LDT TD-surface casing; DLL MSFL TD-surface casing; BHC Sonic TD-surface casing; CNL/GR TD-surface; FMI TD-top of Wolfcamp.

Coring: None anticipated.

DST's: Possible Wolfcamp thorough Strawn.

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

**Anticipated BHP:**

From: 0	TO 400'	Anticipated Max. BHP: 175	PSI
From: 400'	TO 2800'	Anticipated Max. BHP: 1225	PSI
From: 2800'	TO 10600'	Anticipated Max. BHP: 5600	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H<sub>2</sub>S Zones Anticipated: None

Maximum Bottom Hole Temperature: 189° F

**8. ANTICIPATED STARTING DATE:**

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 15 days.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Yates Drilling Company  
Parrot Federal Com. #2  
1600' FSL and 660' FEL  
Section 29, T19S-R27E  
Eddy County, New Mexico**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

### **1. EXISTING ROADS:**

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 14 miles southeast of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

### **DIRECTIONS:**

Go south of Artesia on Highway 285 for approx. 24.5 miles to intersection of Capitan Reef Road and Hwy 285. Turn left on Capitan Reef Road and go approx. 5.9 miles to the intersection of Lake Road and Capitan Reef Road. Turn left on Lake Road (CR-34) and go approx. 0.2 of a mile. Turn right here on Netherland Road (CR-236) and go approx. 3.9 miles. The new road will start here going west.

### **2. PLANNED ACCESS ROAD:**

- A. The new access road will be approximately .4 of a mile from the point of origin to the southeast corner of the well location.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Traffic turnouts will not be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

### **3. LOCATION OF EXISTING WELL**

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

### **4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

**5. LOCATION AND TYPE OF WATER SUPPLY:**

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

**6. SOURCE OF CONSTRUCTION MATERIALS:**

The dirt contractor will acquire any materials from the closest source at the time of construction of the well pad.

**7. METHODS OF HANDLING WASTE DISPOSAL:**

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

**8. ANCILLARY FACILITIES: None**

**9. WELLSITE LAYOUT:**

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 600' x 600' area has been staked and flagged.

**10. PLANS FOR RESTORATION**

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

**11. SURFACE OWNERSHIP: Bureau of Reclamation Albuquerque, New Mexico.**

**12. OTHER INFORMATION:**

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

**13. OPERATOR'S REPRESENTATIVE**

A. Through A.P.D. Approval:

Cy Cowan, Regulatory Agent  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

B. Through Drilling Operations,  
Completions and Production:

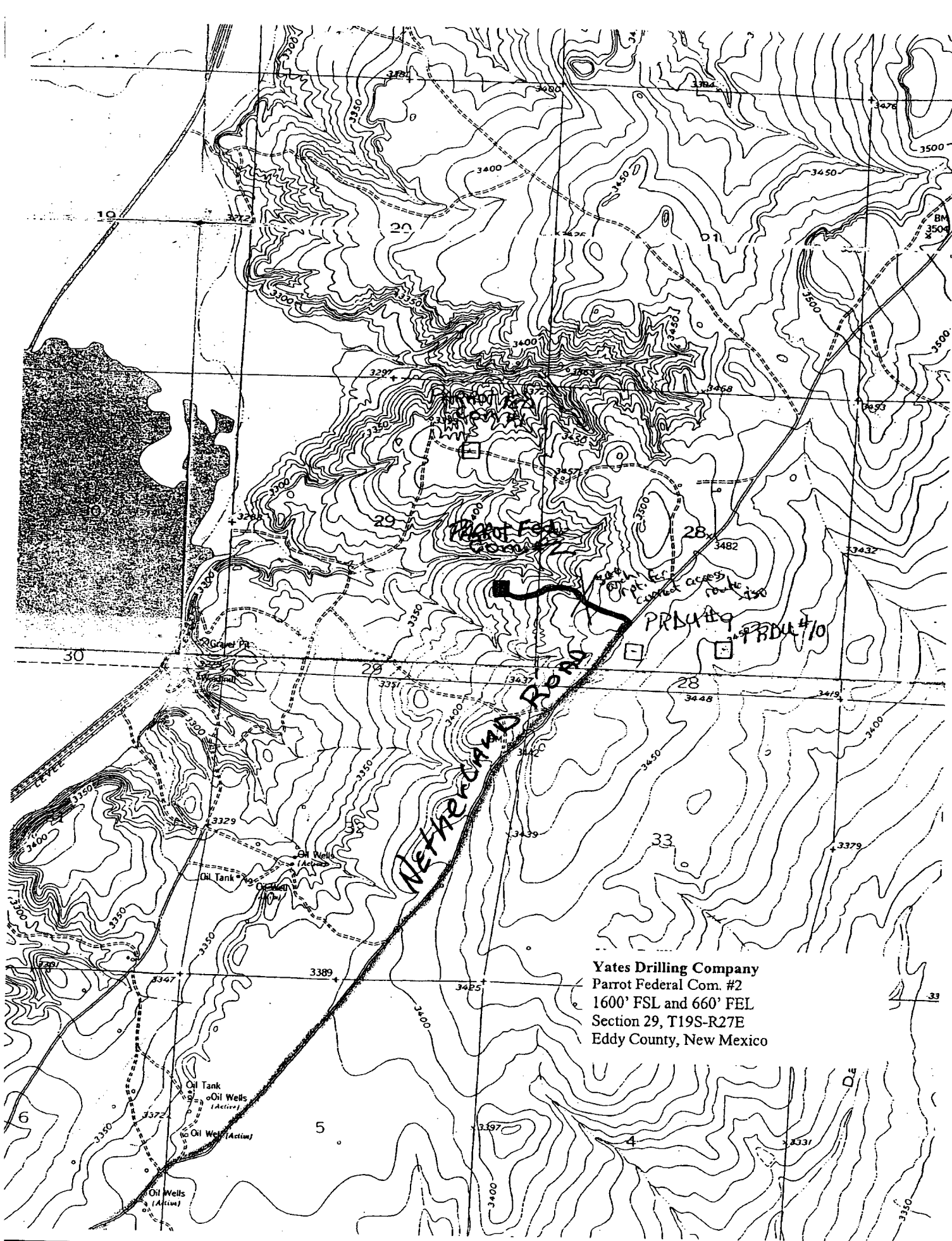
Toby Rhodes, Operations Manager  
Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

**14. CERTIFICATION:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

2/10/2004

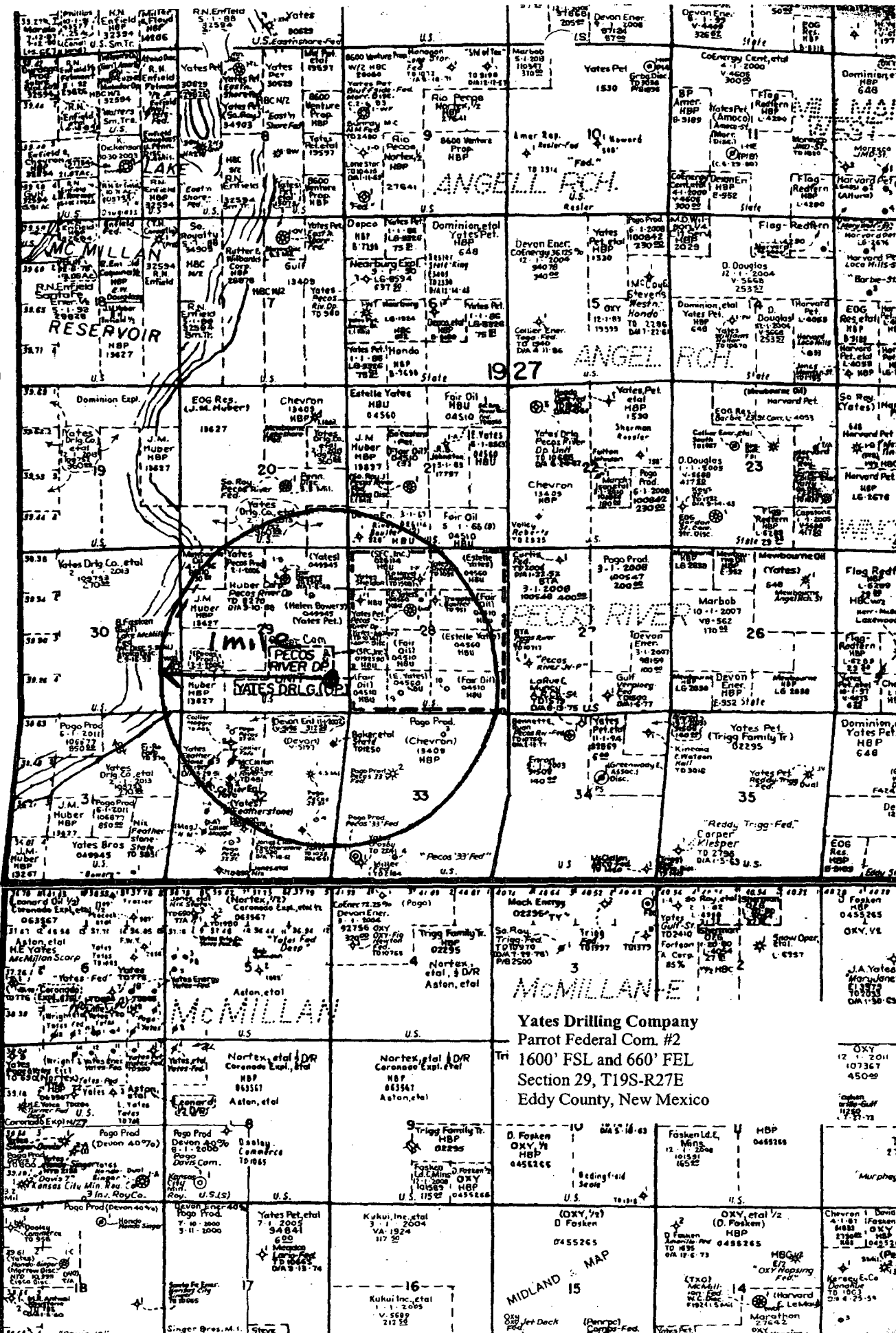
  
Regulatory Agent

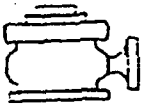


Yates Drilling Company  
Parrot Federal Com. #2  
1600' FSL and 660' FEL  
Section 29, T19S-R27E  
Eddy County, New Mexico



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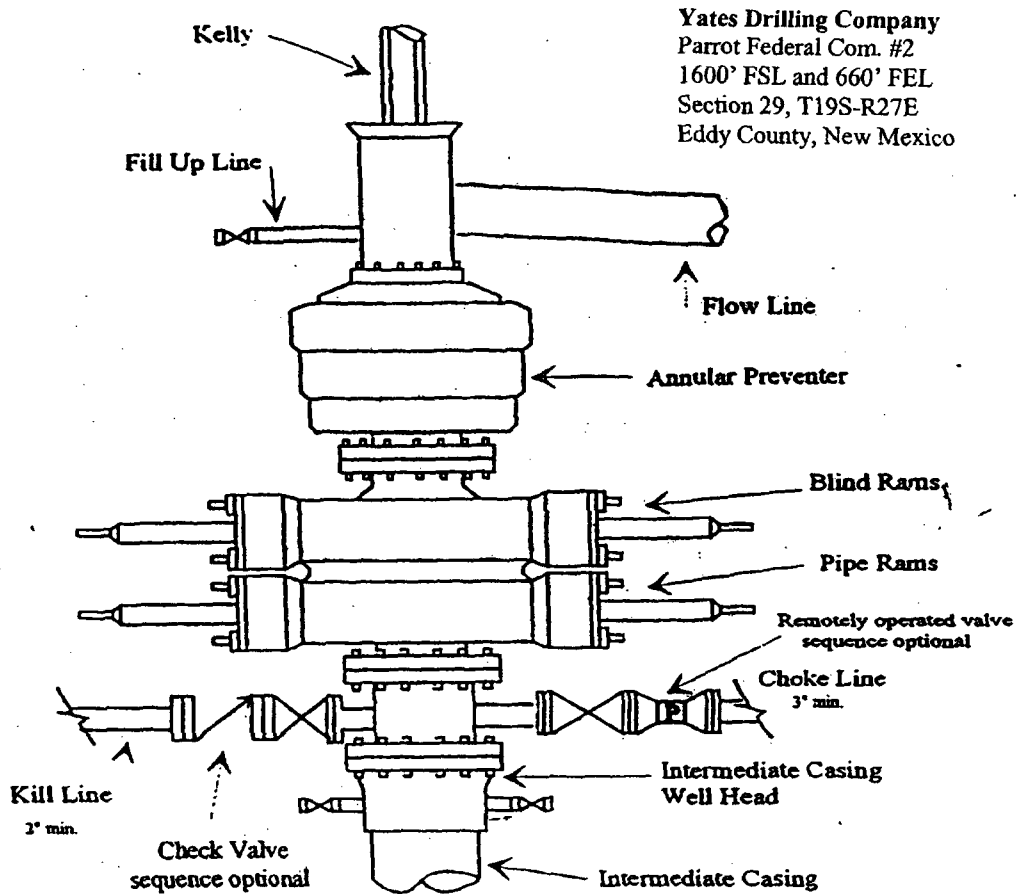




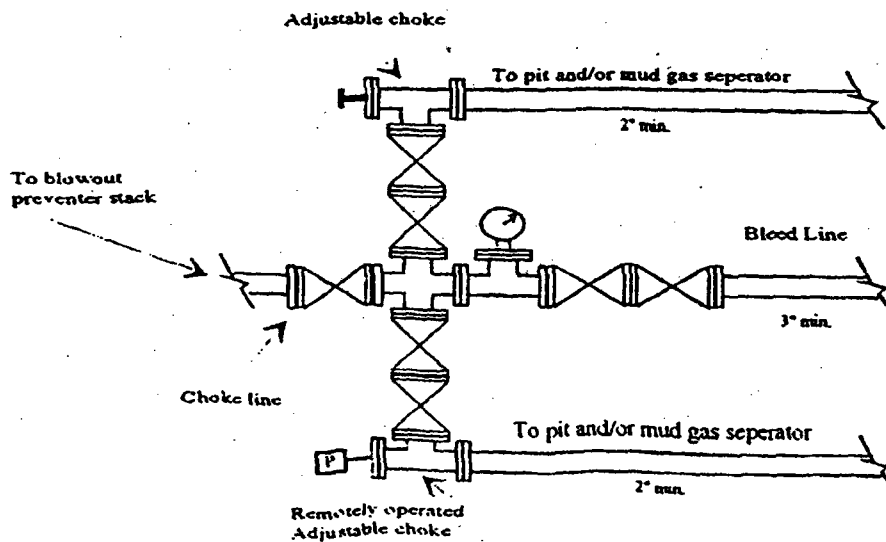
# YATES DRILLING COMPANY

BOP-4

## Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

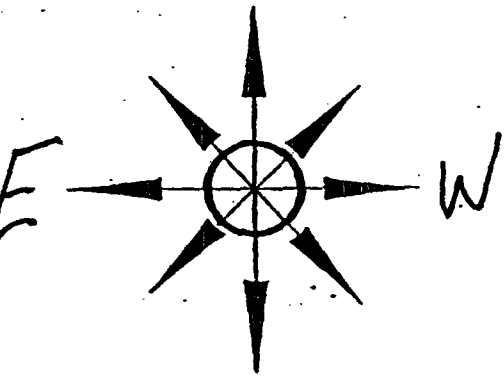


# Yates Drilling Company

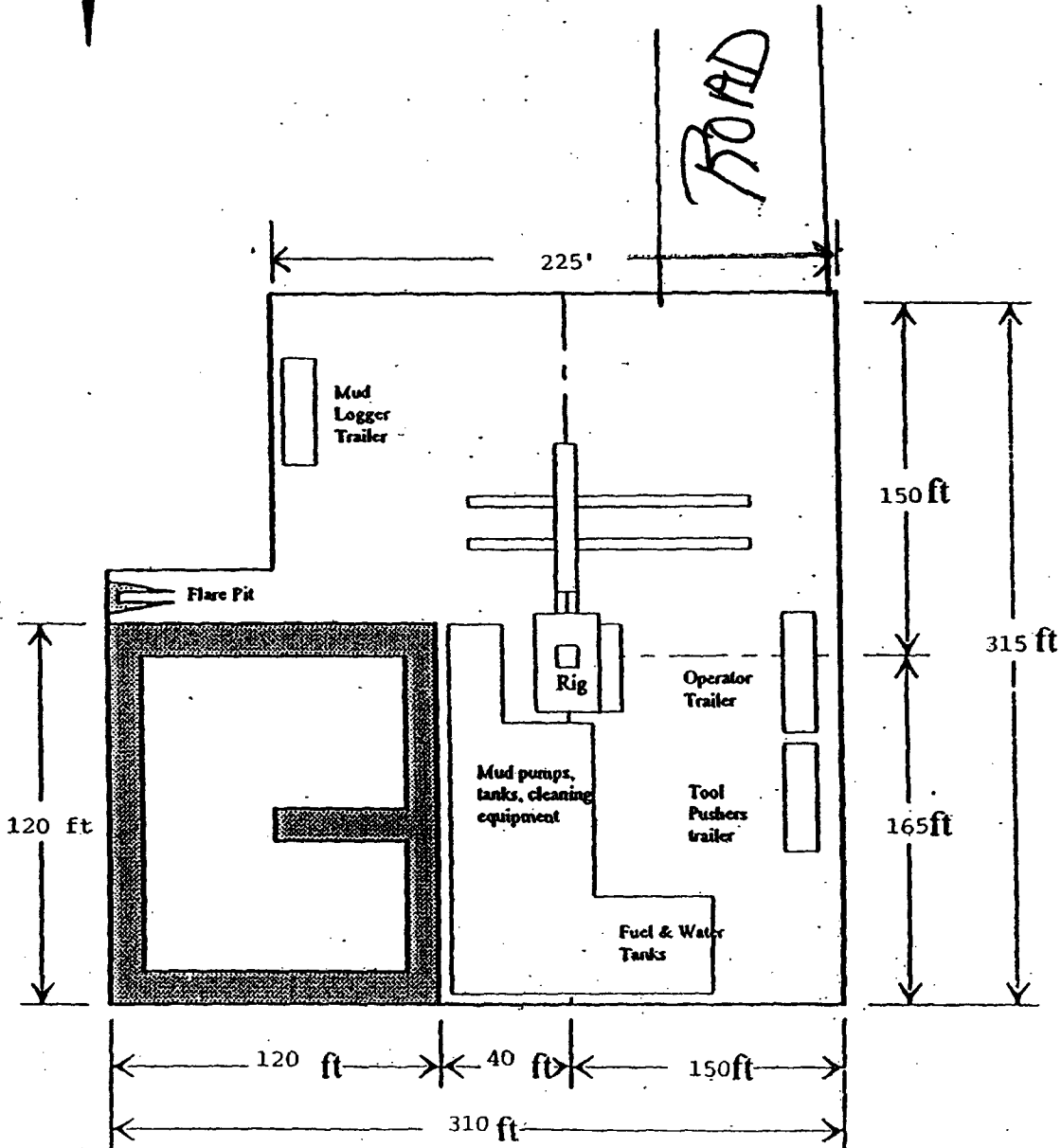
Location Layout for Permian Basin

Up to 12,000'

Yates Drilling Company  
Parrot Federal Com. #2  
1600' FSL and 660' FEL  
Section 29, T19S-R27E  
Eddy County, New Mexico

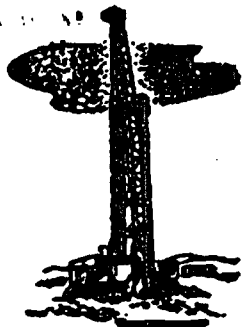


PITS EAST



Distance from Well  
Head to Reserve Pit  
will vary between rigs

The above dimension  
should be a maximum



# YATES DRILLING COMPANY

105 SOUTH FOURTH STREET - (505) 748-1471

FAX (505) 746-2268

ARTESIA, NEW MEXICO 88210

PEYTON YATES  
PRESIDENT

S. P. YATES  
VICE PRESIDENT

RANDY G. PATTERSON  
SECRETARY

DENNIS G. KINSEY  
TREASURER

## STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease Number: LC-049945-B

Bond Coverage: Individually Bonded

Parrot Federal Com. #2  
Legal Description of Land:

BLM Bond File Number: NM 0344

E/2 Section 29, T19S-R27E

Formations(s) (if applicable): N/A

Date: 2/13/04

YATES DRILLING COMPANY

  
Cy Cowan, Regulatory Agent

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

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

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

Form C-144  
March 12, 2004

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Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: YATES DRILLING COMPANY Telephone: (505) 748-1471 e-mail address: \_\_\_\_\_  
Address: 105 South Forth Street, Artesia, NM 88210  
Facility or well name: Parrot Federal #2 API #: 30-015-33345 U/L or Qtr/Qtr NE/SE Sec 29 T19S R27E  
County: Eddy Latitude N32°37'43.3" Longitude W104°17'40.4" NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

<b>Type:</b> Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> <b>lined</b> <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> <b>liner type:</b> Synthetic <input checked="" type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/> Volume _____ bbl		<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____	
<b>Depth to ground water</b> (vertical distance from bottom of pit to seasonal high water elevation of ground water.) N/A	Less than 50 feet	(20 points)	Information not Available
	50 feet or more, but less than 100 feet	(10 points)	
	100 feet or more	(0 points)	
<b>Wellhead protection area:</b> (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.) N/A	Yes	(20 points)	Information not Available
	No	(0 points)	
<b>Distance to surface water:</b> (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) Approximately 1.3 miles west.	Less than 200 feet	(20 points)	0
	200 feet or more, but less than 1000 feet	(10 points)	
	1000 feet or more	(0 points)	
<b>Ranking Score (Total Points)</b>		0	

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OCS-ARTESIA

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility: \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☒.

Date: May 10, 2004

Printed Name/Title: Cy Cowan, Regulatory Agent

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

Our certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

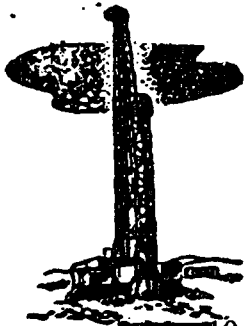
Approval:

Date: MAY 10 2004  
Printed Name/Title: \_\_\_\_\_

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

Pit(s) must satisfy all requirements of OCD Rule 50, Pit Guidelines, and your approved General Plan

NOTIFY O.C.D. PRIOR TO CONSTRUCTION OF PIT(S).



# YATES DRILLING COMPANY

105 SOUTH FOURTH STREET - ARTESIA, NEW MEXICO 88210

(505) 748-1471 • FAX (505) 748-4579

PEYTON YATES  
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VICE PRESIDENT

RANDY G. PATTERSON  
SECRETARY

DENNIS G. KINSEY  
TREASURER

May 10, 2004

## Water Well Information

Re: Parrot Federal #2  
1600' FSL and 660' FEL  
Section 29, T19S-R27E  
Eddy County, New Mexico

The State Engineers Web Site has been accessed for the captioned well. There were no records found of ground water depth, water well, or any indication of any surface water in the area surrounding this well location.

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ODD-ARTESIA

*New Mexico Office of the State Engineer*  
**Well Reports and Downloads**

Township: 19S Range: 27E Sections: 29

NAD27 X: Y: Zone: Search Radius:

County: ED Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic  
☒ All

Well / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

WATERS Menu

Help

WELL / SURFACE DATA REPORT 05/10/2004

DB File Nbr	(acre ft per annum) Use	Diversion	Owner	Well Number
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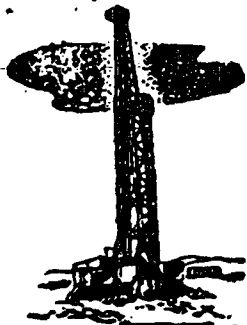
No Records found, try again

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OCD-ARTESIA



# YATES DRILLING COMPANY

105 SOUTH FOURTH STREET - ARTESIA, NEW MEXICO 88210

(505) 748-1471 • FAX (505) 748-4579

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May 10, 2004

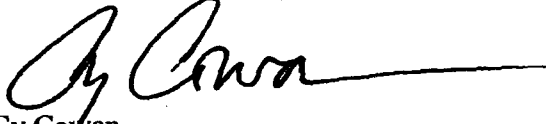
Mr. Van Barton  
New Mexico Oil Conservation Division, District II Office  
1301 West Grand Ave.  
Artesia, NM 88210

Re: Parrot Federal #2  
1600' FSL and 660' FEL  
Section 29, T17S-R27E  
Eddy County, New Mexico

Enclosed please find copies of the OCD approved drilling pit plans and schematics for the above captioned well.

Thank you,

YATES DRILLING COMPANY

  
Cy Cowan  
Regulatory Agent

RECEIVED

MAY 10 2004

OCD-ARTESIA



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



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

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

April 14, 2004

Oil Conservation Division  
State of New Mexico  
Attn: Mr. Van Barton  
1301 W. Grand Ave.  
Artesia, NM 88210

Re: General Plan  
Pit design and operation, Drilling Workover, and Blowdown.

Companies included in this plan are:

1. Yates Petroleum Corporation
2. Yates Drilling Company
3. Abo Energy Company
4. Myco Industries
5. Agave Energy Company

RECEIVED

MAY 10 2004

OCD-ARTESIA

Yates Petroleum Corporation Et Al is requesting approval to construct, use and close the above described pits, as per the attached diagrams the aforementioned pits will be lines as required, according to the rules and guidelines as set forth in Pit Rule 50.

The attached diagrams are standard pits used on all Yates Petroleum Et Al drilling and workover operations, minor changes may be needed from time to time to work safely with the terrain and environmental conditions on a site-specific basis.

All pits will be constructed to prevent contamination of fresh waters, human health, and the environment.

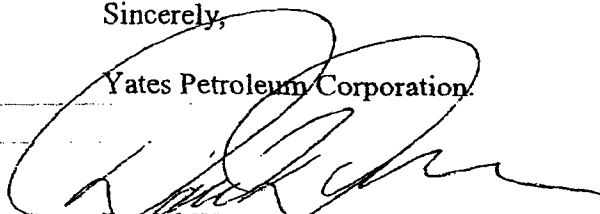
During operations, all pits will be fenced as required to maintain safety for livestock and wildlife.

When the pit is no longer used, it will be closed according to all applicable rules of the OCD, and all required reports will be submitted at that time.

If we can be further assistance, please feel free to call (505) 748-4181.

Sincerely,

Yates Petroleum Corporation.

  
Daniel W. Dolan CWC  
Environmental Field Tech.



NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

COPY CLIPP  
CY C  
BOM A

BILL RICHARDSON  
Governor

Joanna Prukop  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

15 April 2004

Yates Petroleum Corporation Et Al  
Yates Petroleum Corp.  
105 South 4th Street  
Artesia, New Mexico 88210

RECEIVED

MAY 10 2004

OCD-ARTESIA

RE:

General Plan for Pits Submitted 4-14-04.

Dear Mr. Dolan,

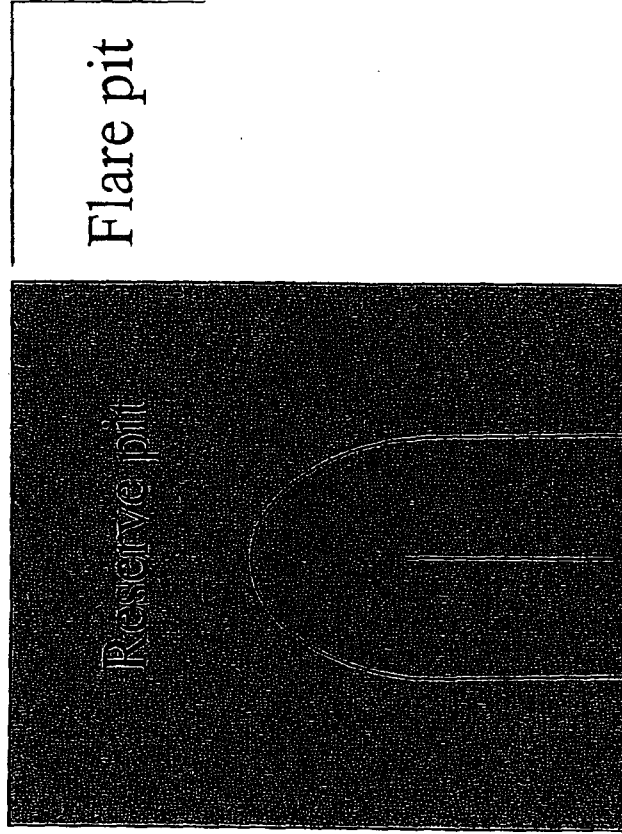
The Oil Conservation Division of Artesia is in receipt of your plan. The plan is hereby accepted and approved with the following provisions:

1. Approval of plan does not permit pits in any watercourse, lakebed, sinkhole, playa lake, or wetland. (19.15.2.50.C.2.a.)
2. Pits in groundwater sensitive areas or wellhead protection areas may be subject to additional measures or may not be allowed. This will be on site specific, case-by-case basis. (19.15.2.50.C.2.a.)
3. All pit encapsulations must meet all specific criteria including, but not limited to, site evaluation, liner thickness, and/or amount of and type of cover.
4. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)
5. Notify the Artesia O.C.D. 48 hours prior to the closing of any storage or production pit.
6. Notify the Artesia O.C.D. 48 hours prior to any sampling event.
7. Re-seeding mixture will be approved or authorized by surface owner.

If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,

Van Barton

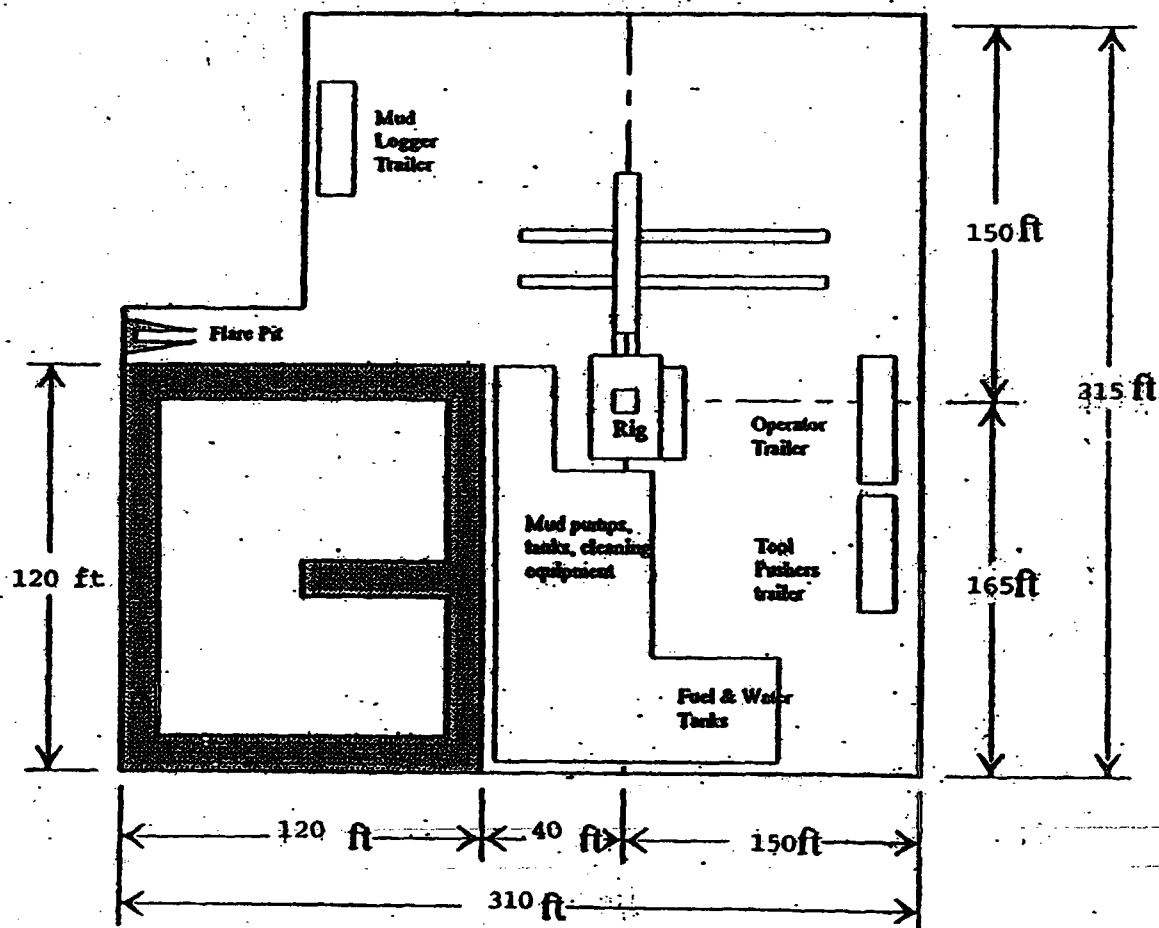
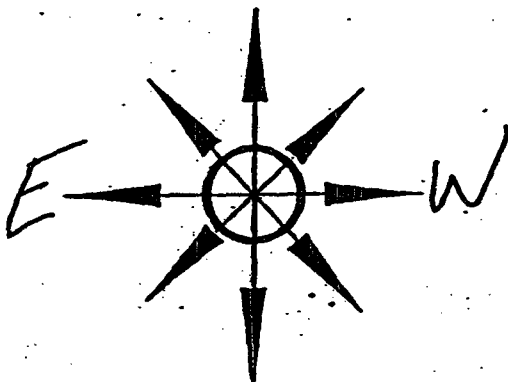


Standard reserve pit. All Reserve pits are double  
Horse shoe size varies with depth of well

# YATES DRILLING COMPANY

PB - L1

Location Layout for Permian Basin  
Up to 12,000'



Distance from Well  
Head to Reserve Pit  
will vary between rigs

The above dimension  
should be a maximum

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.*

**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)

1600' FSL and 660' FEL Section 29-19S-27E

5. Lease Serial No.

LC-049945-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Parrot Federal Com #2

9. API Well No.

30-015-33345

10. Field and Pool, or Exploratory Area

Wildcat Chester

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 checked="" 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 _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Spud, Casing, Cement
	<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.)

5/29/04 Spud 20" hole, at 5:15PM, 5/29/2004.

5/31/04 Resumed drilling with rotary tools 10:45 AM, 5/31/2004.

6/1/04 TD 430'. Ran 10 jts. 13 3/8" 54.5# J-55 casing, set at 430'. Texas Pattern Guide Shoe set at 430'. Insert float set at 386.35'. Cemented with 475 sxs. Class "C" + 2% CACI2 (yld 1.32, wt 14.8). PD at 5:15PM, 6/1/2004. Bumped plug to 630 psi, float did not hold. Circulated 170 sxs. to pit. WOC 30 hrs., 45 min.

NOTE: Ran centralizers on shoe joint, #3, 5 & 7.

Resumed drilling 12 1/4" hole 12:00 AM, 6/3/2004.

Notified BLM of cement job and operations at 5:15 PM, 6/1/2004.

ACCEPTED FOR RECORD

JUN - 8 2004

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

7-Jun-04

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

## N.M. Oil Cons. DIV-Dist. 2

Form 3160-5  
(September 2001)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT1301 W. Grand Avenue  
Artesia, NM 88210FORM 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

JUN 2 5 2004

## 2. Name of Operator

Yates Drilling Company

OCC-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)

1600' FSL and 660' FEL Section 29-19S-27E

## 5. Lease Serial No.

LC-049945-B

## 6. If Indian, Allottee or Tribe Name

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

## 8. Well Name and No.

Parrot Federal Com #2

## 9. API Well No.

30-015-33345

## 10. Field and Pool, or Exploratory Area

Wildcat Chester

## 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"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Casing, Cement _____
	<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.)

6/8/04 TD 2820'. Ran 65 jts. 9 5/8", J-55, 36# casing, set at 2820'. Regular guide shoe set at 2820'. Float collar set at 2776.26'. Cemented with 700 sxs 35:65:6 + 2% CaCL<sub>2</sub> + 1/4# Cello flake Class "C" cement (yld 1.97, wt 12.5). Tailed in with 200 sxs. Class "C" + 2% CaCL<sub>2</sub> (yld 1.34, wt 14.8). PD at 1:00 AM, 6-8-2004. Bumped plug to 1640 psi, held OK. Circulated 170 sxs to pit. WOC 23 hrs. and 15 min. Drilled out at 12:15 AM 6-9-2004. Reduced hole to 8 3/4" and resumed drilling.

NOTE: Ran centralizers on shoe joint, #5,10,15,20,30,35,40,45,50,55.

Don Cleghorn, BLM witnessed cement job. Don Cleghorn, BLM was notified of BOP test and operations.

ACCEPTED FOR RECORD

JUN 24 2004

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

Name (Printed/Typed)

Karen J. Leishman

Title

Engineering Technician

ALEXIS C. SWOBODA  
PETROLEUM ENGINEER

Signature

Karen J. Leishman

Date

22-Jun-04

## 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

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.

1301 W. Grand Avenue  
Artesia, NM 88210

5. Lease Serial No.

LC-049945-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Parrot Federal Com #2

9. API Well No.

30-015-33345

10. Field and Pool, or Exploratory Area

Wildcat Chester

11. County or Parish, State

Eddy, NM

1600' FSL and 660' FEL Section 29-19S-27E

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Casing, Cement
	<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.)

6/27/04 TD 8205'. Ran 193 jts. of 7" casing, set at 8205', as follows:

32 jts. 7" 26# L-80 (1348.27')

48 jts. 7" 26 # J-55 (2039.12')

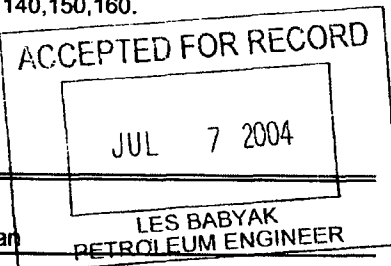
113 jts. 7" 23# J-55 (4833.3')

Regular guide shoe set at 8205'. Float collar set at 8161.56'. Circulated hole. Cemented with 320 sxs. 35:65:6 + 5% salt + 5# LCM-1 + 3/10% FL-25 (yld 2.05, wt 12.5). Tailed in with 480 sxs 15:61:11 + 6/10% FL-52 & 25 + 4# LCM-1 (yld 1.57, wt 13.2). PD at 5:22 PM, 6/27/2004. Bumped plug to 1500 psi, held okay. WOC.

Notified Clark with the BLM of the casing and cement job.

Note: Ran centralizers on jts. 1,2,3,5,10,20,30,40,50,60,70,80,90, 100, 110,120,130 140,150,160.

Ran marker joint 3932.86' to 3911.40'.



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

Karen J. Leishman

Title Engineering Technician

Signature

Date 1-Jul-04

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. 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.*

**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

JUL 29 2004

300-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)

1600' FSL and 660' FEL Section 29-19S-27E

5. Lease Serial No.

LC-049945-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Parrot Federal Com #2

9. API Well No.

30-015-33345

10. Field and Pool, or Exploratory Area

Wildcat Chester

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"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Casing, Cement _____
	<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 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.)

7/14/2004 TD 10,677'. Ran 63 jts. 4 1/2" P-110 11.6# casing and liner hanger, set at 10,677'. Regular guide shoe set 10,677.13' and float collar set at 10,632.97'. Bottom marker set at 8928.88'. Cemented with 275 sxs. 15:61:11 "C" + 6/10% FL-52 + 6/10% FL-25 + 1% BA-10A + 3/10% CD3 (yld 1.5, wt 13.5). PD at 2:30 PM, 7/14/2004. Bumped plug to 2450 psi for 10 mins., held OK. Ran tubalators in pay zones and inside liner hanger. Rig released 4:55 AM, 7/15/2004. Waiting on completion.

ACCEPTED FOR RECORD

JUL 27 2004

ALEXIS C. SWCBODA  
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

23-Jul-04

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

N.M. LAND DIVISION  
1301 SW. 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. <b>LC-049945-B</b>
6. If Indian, Allottee or Tribe Name
7. If Unit or C/A Agreement, Name and/or No.
8. Well Name and No. <b>Parrot Federal Com #2</b>
9. API Well No. <b>30-015-33345</b>
10. Field and Pool, or Exploratory Area <b>Wildcat Chester</b>
11. County or Parish, State <b>Eddy, NM</b>

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

**RECEIVED**

**SEP 27 2004**

**OFF-ARTESIA**

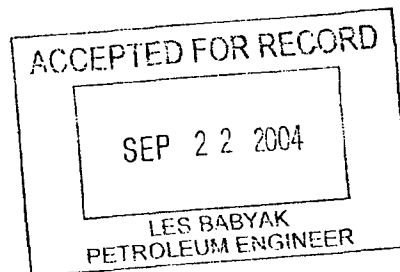
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator <b>Yates Drilling Company</b>	
3a. Address <b>105 S. 4th Str., Artesia, NM 88210</b>	3b. Phone No. (include area code) <b>505-748-8463</b>
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) <b>1600' FSL and 660' FEL Section 29-19S-27E</b>	

**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 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.)

See attached.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Karen J. Leishman</b>		Title <b>Engineering Technician</b>
Signature <i>Karen J. Leishman</i>		Date <b>17-Sep-04</b>

**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

Attachment  
Sundry-9/17/2004  
Parrot Federal #2  
Section 29-19S-27E  
Eddy County, NM  
30-015-33345

8/2/2004	RUPU.
8/10/2004	RIH and perforated 10,186' - 10,222', .43" holes, 2 SPF, 72 holes. Wireline set 4 1/2" full bore packer at 10,108'. Tested backside to 1000 psi held good.
8/14 /2004	Acidized with 2000 gals. 7 1/2% NEFE acid with nitrogen. Swabbed well.
8/23/2004	Frac'd with 40,980# 20/40 Interprop with 4838 SCF N2, 90 tons CO2. Flowed well back.
9/1/2004	RIH and set 4 1/2" Composite Bridge Plug at 10,170'.
9/2/2004	RIH with wireline and perforated 10,094' - 10,126', .43" holes, 4 SPF, 128 holes. RIH and set packer at 10,002'. Tested backside to 1500 psi for 15 mins, tested good. Swabbed well.
9/8/2004	Acidized with 3500 gals 7 1/2% HCL with 700 gals methanol with 150 ball sealers. Flowed well back.
9/14/2004	RIH with dump bailer and dumped 25' cement on top of Composite Bridge Plug. RIH with CIBP, set at 9000'. Dumped 25' cement on top of CIBP. New PBTD 8975'. Swabbed well.
9/15/2004	RIH and perforated 8382'-8398', .43" holes, 4 SPF, 64 holes. RIH with tail joint, packer and 2 3/8" tubing.
9/16/2004	Spotted 2 bbls. acid on perforations. Laid down 2 jts. and reversed acid. Set packer at 8346'. Pumped 4000 gals 20% HCL with 100 ball sealers. Swabbed well.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Oil Cons.

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.

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

5. Lease Serial No.

LC-049945-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Parrot Federal Com #2

9. API Well No.

30-015-33345

10. Field and Pool, or Exploratory Area

Wildcat Chester

11. County or Parish, State

Eddy, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

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ARTEZIA

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)

1600' FSL and 660' FEL Section 29-19S-27E

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Perf
	<input type="checkbox"/> Convert to Injection	<input checked="" 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.)

9/21/2004 RIH and dumped 10' cement on top of existing plug at 8975'. Total cement on top of plug 35'. RIH with CIBP and set at 8360'. Tested casing to 1500 psi, held good. RIH and dumped 35' cement on top of CIBP. New PBTD 8325'.

9/24/2004 Perforated 8074'-8158', 467 shots, 4 SPF, .48" hole. Flowed well back.

ACCEPTED FOR RECORD

OCT 25 2004

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

20-Oct-04

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

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

2. Name of Operator  
Yates Drilling Company

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

3a. Phone No. (include area code)  
505-748-8463

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
At Surface 1600' FSL & 660' FEL  
At top prod. interval reported below  
At total depth

5. Lease Serial No.  
LC-049945-B

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.  
Parrot Federal Com #2

9. API Well No.  
30-015-33345 SI

10. Field and Pool, or Exploratory  
Wildcat ~~Chocoma~~ Wolfcamp

11. Sec., T., R., M., on Block and Survey or Area  
29-19S-27E

12. County or Parish  
Eddy

13. State  
NM

14. Date Spudded  
5/29/2004

15. Date T.D. Reached  
7/12/2004

16. Date Completed  
10/5/2004  
☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\*  
3413' GL

18. Total Depth: MD 10'677'  
TVD

19. Plug Back T.D.: MD 8325'  
TVD

20. Depth Bridge Plug Set: MD 8360'  
TVD

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21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
CSNG/DSN/SDL, DLL/MGRD, SSS/RSCT

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 Skis & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2"	13 3/8"	54.5	surf	430'		475 "C"	183	circ	none
12 1/4"	9 5/8"	36#	surf	2820'		900 "C"	521	circ	none
8 3/4"	7"	26 & 23#	surf	8205'		800 "C"	581	circ	none
6 1/8"	4 1/2"	11.6#	7983'	10677'		275 "C"	73	7983'	none

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	7920'	7920'						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Wolfcamp	8074'	8222'	10186'-10222'	.43"	72	plugged
B)			10094'-10126'	.43"	128	plugged
C)			8382'-8398'	.43"	64	plugged
D)			8074'-8158'	.48"	467	producing

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

Depth Interval	Amount and Type of Material
10186'-10222' (plugged)	Acidized w/ 2000 gals 7 1/2" NEFE acid w/ N2, Frac'd w/ 40,980# 20/40 Interprop w/4838 SCF N2, 90 tons CO2
10094'-10126' (plugged)	Acidized w/ 3500 gals 7 1/2% HCL w/ 700 gals methanol
8382'-8398' (plugged)	Acidized 4000 gals 20% HCL

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
10/6/2004	10/18/2004	24	⇒	183.39	970	0			Flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
12/64	2100		⇒	183.39	970	0	528/1	flowing	

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.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
SI			⇒						

ACCEPTED FOR RECORD

OCT 25 2004

ALEXIS C. SWOBODA  
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
				Queen	828'
				Grayburg	1124'
				San Andres	1682'
				Bone Spring Lime	2724'
				1st Bone Spring	5352'
				3rd Bone Spring	7364'
				Wolfcamp	7764'
				Cisco-Canyon	8348'
				Strawn	9024'
				Atoka	9592'
				Morrow	9886'
				Morrow Clastics	10034'
				Lower Morrow	10162'

## 32. Additional remarks (include plugging procedure):

## #31: Additional Formation Markers

Barnett/Austin Cycle 10342'  
 Chester 10534'  
 TD 10725'

## 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 Tech  
 Signature *Karen J. Leishman* Date 10/20/2004

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.

OPERATOR: YATES DRILLING  
WELL/LEASE: PARROT FED COM #2  
COUNTY: EDDY, NM

512-5062

STATE OF NEW MEXICO  
DEVIATION REPORT

186	1/2	5,873	3/4
401	1 1/4	6,124	1
647	1 1/2	6,378	3/4
894	1 1/2	6,631	2 1/4
1,116	1 1/2	6,758	1 1/2
1,401	1 1/2	6,885	1 1/2
1,655	3/4	7,012	1 1/2
1,908	3/4	7,139	2 1/4
2,163	3/4	7,266	3
2,416	1/2	7,329	2 3/4
3,050	1	7,392	2 1/4
3,273	1	7,518	2 3/4
3,525	1	7,652	2 3/4
3,775	1 1/4	7,778	2 1/4
4,033	2 1/4	7,906	2 1/2
4,128	2 1/4	8,033	2 1/4
4,223	2 3/4	8,162	2 1/2
4,325	2 1/4	8,254	2 3/4
4,413	2 3/4	8,388	3 1/4
4,509	2 3/4	8,513	1
4,603	2 3/4	8,640	1 1/2
4,699	2 1/2	8,766	1
4,795	2 1/2	8,891	1 1/2
4,891	1 3/4	9,145	1 1/2
4,986	1 3/4	9,385	1 3/4
5,113	2	9,642	1 1/2
5,240	1 3/4	9,903	1 1/2
5,365	1 3/4	10,188	3/4
5,492	1 3/4	10,430	1
5,619	2	10,688	1
5,746	1 1/2		

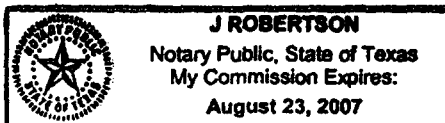
By

STATE OF TEXAS  
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 14th day of July, 2004, by  
Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.

J. Robertson  
Notary Public for Midland County, Texas

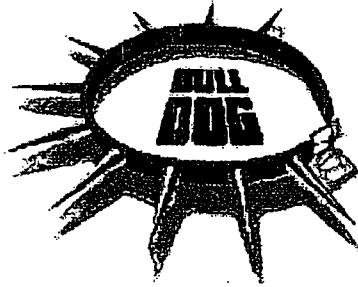
My Commission Expires: 8/23/2007



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2004 OCT 22 AM 9

BUREAU OF LAND MGMT.  
ROSWELL OFFICE



## **BULLDOG TESTERS**

Jal, New Mexico  
(505) 390-3070

Operator: Yates Drilling Co.  
Well Name: Parrot Federal Com #2  
Dst Number: 1  
Date of Test: 06/24/2004  
Date of Report: 06/25/2004

## **WELL TEST REPORT**

# BULLDOG TESTERS

## WELL TEST REPORT

Phone: (432) 756-5551  
Cell: (505) 390-3070

Technical Services  
(928) 505-8389

Well Owner: Yates Drilling Co.  
Well Name & Number: Parrot Federal Corn # 2  
Location: S-29 T-19S R-27E  
Test Number: 1  
Service Order Number: 9017

Test Interval: 8078'-8127'  
Field: Wildcat Chester  
County: Eddy  
State: New Mexico  
Bulldog Technician: Mark Luna

### TEST SEQUENCE

### TOOL SEQUENCE

Description	Date	Time	Pressure	Mcf/D	Component	OD (in)	ID (in)	Length (ft)	Depth (ft)
Set Packers	06/24/04	06:18			Drillpipe	4.50	3.826	7327.30	
Start flow on 1/8" choke		06:19	1"		Drillcollars	6.25	2.25	612.79	
		06:24	6.0"		Circulating Sub	6.00	2.25	1.00	
End flow - Start shut-in		06:34	12"		Drillcollars	6.25	2.25	93.00	
End shut-in		07:04	0.0		X-Over	6.00	2.25	1.00	
Start flow on 1/8" choke		07:04	4.5"		Recorder	5.00	1.12	3.00	8035
		07:08	12"		Shut-in/Sampler	5.00	0.68	9.20	8038
		07:14	17.5 oz		Hydraulic Tool	5.00	1.18	5.21	
Open to 1/4" choke		07:24	4.0 psi		Recorder	5.00	1.12	5.69	8052
		07:34	20.0		Jars	5.00	1.87	7.68	
		07:39	30.0		Packer	8.00	1.50	6.22	8072
Gas to surface		07:44	36.0	67.6	Packer	8.00	1.50	6.22	8078
		07:54	52.0	91.1	Perfs	5.00	3.00	(	
Open to 3/8" choke		08:09	70.0	253.0	X-Over	6.00	2.25	)	
		08:24	60.0	219.0	Drillcollars	6.25	2.25	(	
		08:44	66.0	239.0	X-Over	6.00	2.25	)	
		09:04	74.0	266.0	Perfs	5.00	3.00	(	
		09:24	74.0	266.0	Recorder	5.00	1.12	49	8127 (TD)
		09:44	75.0	270.0					
		10:04	76.0	273.0					
End flow - Start shut-in		10:34	76.0	273.0					
End shut-in		17:34	0.0						
Pulled tool		17:35							





# BULLDOG TESTERS

## WELL TEST REPORT

Phone: (432) 756-5551  
Cell: (505) 390-3070

Technical Services  
(928) 505-8389

Well Owner: Yates Drilling Co.  
Well Name & Number: Parrot Federal Com # 2  
Location: S-29 T-19S R-27E  
Test Number: 1  
Service Order Number: 9017

Test Interval: 8078' - 8127'  
Field: Wildcat Chester  
County: Eddy  
State: New Mexico  
Bulldog Technician: Mark Luna

### INSTRUMENT DATA

### WELL DATA

Instrument Number:	Spartek 76134	Spartek 71067	Mechanical	Mud Type: Gel	Mud Wt.: 10.2
Capacity (psig)	10000	10000	6450	Viscosity:	Water Loss:
Depth (ft)	8052	8035	8122	Resistivity of Mud:	0.058 @ 70 deg f
Inside / Outside	Inside	Inside / Above	Outside	Resistivity of Filtrate:	
Clock Capacity:	Elec	Elec		Chlorides:	145,000
Temperature (f)	139.8			H2S During Test:	None
Initial Hydrostatic:	4334			Formation:	Wolfcamp
Pre-Flow:	1010 - 1121	No		Tested Interval:	8078' - 8127'
Initial Shut-in:	4106	Leaks		Elevation:	3408 GL
2nd Flow:				Total Measured Depth:	8127
2nd Shut-in:				Open Hole Size:	8 3/4"
Final Flow:	1187 - 1277	No		Casing Size:	9 5/8"
Final Shut-in:	4212	Leaks		Cushion:	None
Final Hydrostatic:	4330			Bottom Choke Size:	5/8"

### PIPE RECOVERY

Ran 986' water cushion = 7.45 bbl.

1707' Total fluid = 17.67 bbl., consisting of:

719' Oil = 10.22 bbl. (gravity: 46.0 deg API @ 60 deg f)

988' Water cushion = 7.45 bbl. (nw: 17.74 @ 70 deg f/300 ppm Cl.)

### SAMPLER REPORT

Total Volume of Sample:	1500	CC		
Pressure in Sampler:	1276	Psi		
Gas:	4.44	Cu.Fl.		
Oil:	700	CC	Gravity:	46.0 deg API @ 60 deg f
Water:	0	CC	Resistivity:	
Mud:	0	CC	Resistivity:	



Yates Drilling Co.  
Parrot Federal Com #2, Dst #1

Comments relative to analysis of the drill stem test that was run in the Wolfcamp formation by Bulldog Testers.

This analysis is based upon the liquid recovery and equations applicable to liquid recovery tests; radial flow analysis and derivative analysis techniques. It has been assumed, for purposes of this analysis that the tested reservoir system consisted of a single porosity zone 45 feet in thickness with an average porosity of 15 percent. The diagnostic plot indicates constantly decreasing derivative pressures. This type of flow regime is generally associated with either the presence of a constant pressure boundary and/or that the tested reservoir system was only partially penetrated. Therefore, a vertical oil-well model with spherical flow characteristics was used for type-curve matching and non-linear regression analysis.

The semi-log plots indicate a maximum initial reservoir pressure of 4251 psi and a maximum final reservoir pressure of 4247 psi, which is equivalent to a subsurface pressure gradient of 0.527 psi/ft at gauge depth. This pressure gradient is somewhat high compared to "normal" reservoir pressures which are generally 0.36 psi/ft to 0.41 psi/ft.

The Average Production Rate which was used in this analysis has been calculated from analysis of the flow pressure curves using a liquid gradient for the recovered oil of 0.345 psi/ft.

The calculated Skin Factors indicate significant well-bore damage was present at the time of this formation test.

The evaluation criteria used in the drill stem test analysis system indicate this is a good mechanical test and the results obtained in this analysis should be reliable within reasonable limits relative to the assumptions which have been made.

Michael Hudson  
Analyst  
(928) 505-8389



# Vertical Oil Well Model

Yates Drilling Co  
Parrot Federal Com 2, Dst 1  
Gauge 76134

## Model Parameters

Oil Permeability ( $k_o$ )	0.308 md	Total Mobility ( $k/\mu$ ) <sub>t</sub>	2.11 md/cp
Gas Permeability ( $k_g$ )	0.026 md	Total Transmissivity ( $kh/\mu$ ) <sub>t</sub>	95.13 md.ft/cp
		Skin (s)	4.635

## Formation Parameters

Net Pay (h)	45.000 ft
Total Porosity ( $\phi_t$ )	15.00 %
Oil Saturation ( $S_o$ )	80.00 %
Gas Saturation ( $S_g$ )	0.00 %
Water Saturation ( $S_w$ )	20.00 %
Wellbore Radius ( $r_w$ )	0.36 ft
Formation Temperature (T)	139.8 °F
Formation Compressibility ( $c_f$ )	4.109e-6 psi <sup>-1</sup>
Total Compressibility ( $c_t$ )	1.999e-5 psi <sup>-1</sup>
Wellbore Storage Constant Dim. ( $C_D$ )	3.86

## Fluid Properties

Oil Compressibility ( $c_o$ )	1.91576e-5 psi <sup>-1</sup>
Gas Compressibility ( $c_g$ )	1.52775e-4 psi <sup>-1</sup>
Water Compressibility ( $c_w$ )	2.79207e-6 psi <sup>-1</sup>
Oil Formation Volume Factor ( $B_o$ )	1.761
Gas Formation Volume Factor ( $B_g$ )	0.000645 bbl/scf
Water Formation Volume Factor ( $B_w$ )	1.003
Oil Viscosity ( $\mu_o$ )	0.294 cp
Gas Viscosity ( $\mu_g$ )	0.0242 cp
Water Viscosity ( $\mu_w$ )	0.466 cp
Solution Gas Ratio ( $R_s$ )	1472 scf/bbl
Oil Gravity ( $\gamma_o$ )	46.00 ° API
Gas Gravity ( $\gamma_g$ )	0.650
PVT Reference Pressure ( $p_{pVT}$ )	4251.06 psi
Bubble Point Pressure ( $P_{bp}$ )	4251.06 psi

## Production and Pressure

$Q_i B_t$	228.196 bbl/d
Final Oil Rate	64.230 bbl/d
Final Gas Rate	0.273 MMCF/D
Final Flowing Pressure ( $p_{wfo}$ )	1278.93 psi
Final Measured Pressure	4211.81 psi
Cumulative Oil Production During Test	10.064 bbl

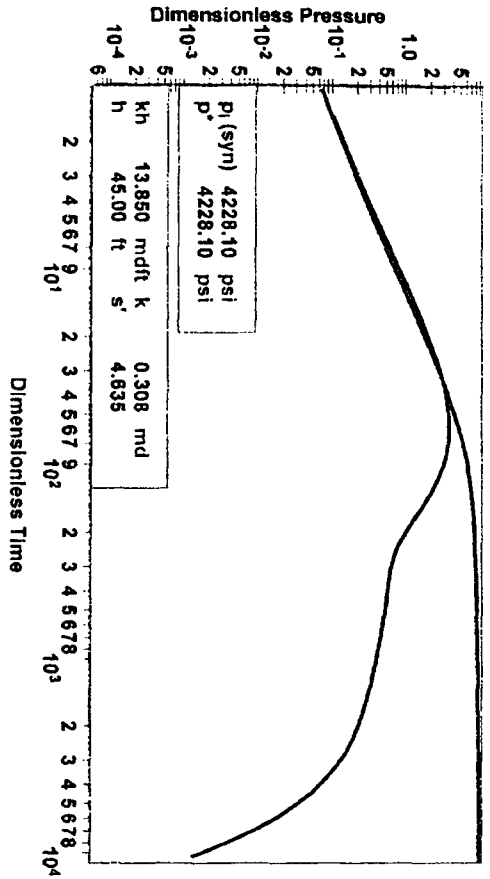
## Synthesis Results

Average Error	0.22 %
Synthetic Initial Pressure ( $p_i$ )	4228.10 psi
Extrapolated Pressure at Specified Time	4228.10 psi
Pressure Drop Due To Skin ( $\Delta p_s$ )	1570.04 psi
Flow Efficiency (FE)	0.468
Damage Ratio (DR)	2.138

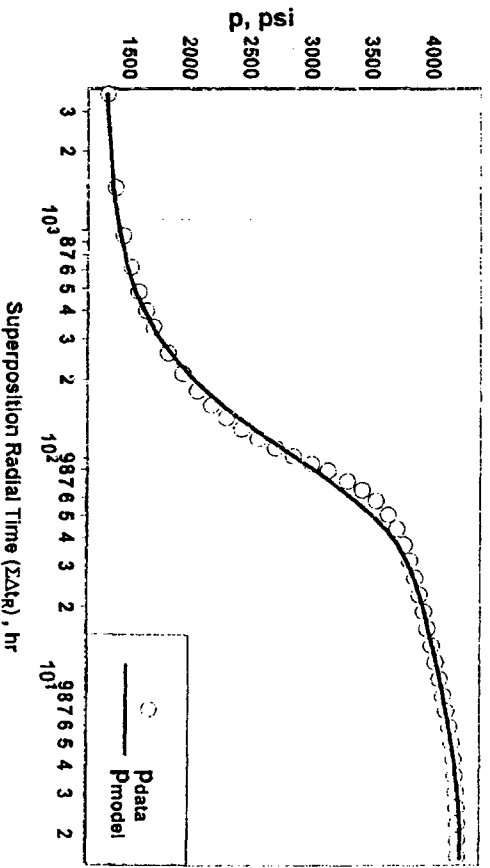
## Forecasts

Forecast Flowing Pressure ( $P_{flow}$ )	1278.93 psi
3 - Month Constant Rate Forecast @ Curr. Skin	64.189 bbl/d
6 - Month Constant Rate Forecast @ Curr. Skin	64.189 bbl/d
Forecast Flow Duration ( $t_{flow}$ )	12.00 month
Constant Rate Forecast @ Curr. Skin	64.189 bbl/d
PI / II (Total Liquids - Actual)	0.022 bbl/d/psi
Constant Rate Forecast @ Skin=0	137.166 bbl/d
PI / II (Total Liquids - Ideal)	0.047 bbl/d/psi
Constant Rate Forecast @ Skin=-4	1621.367 bbl/d

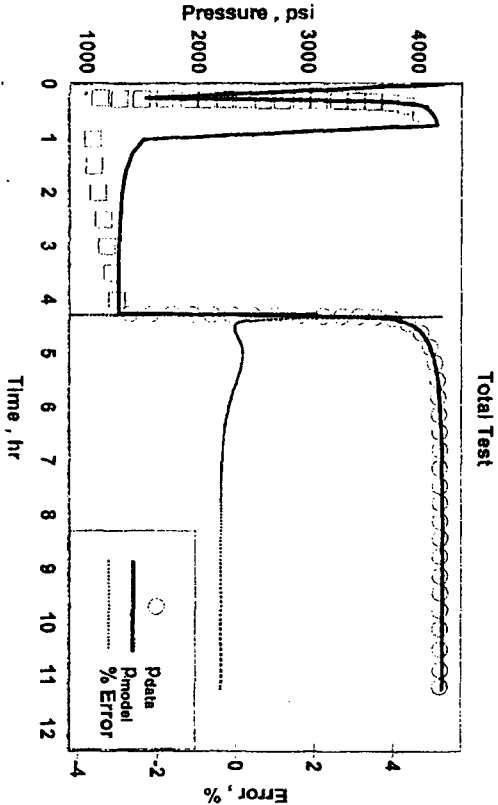
Vertical Oil-Well Model - Spherical Flow



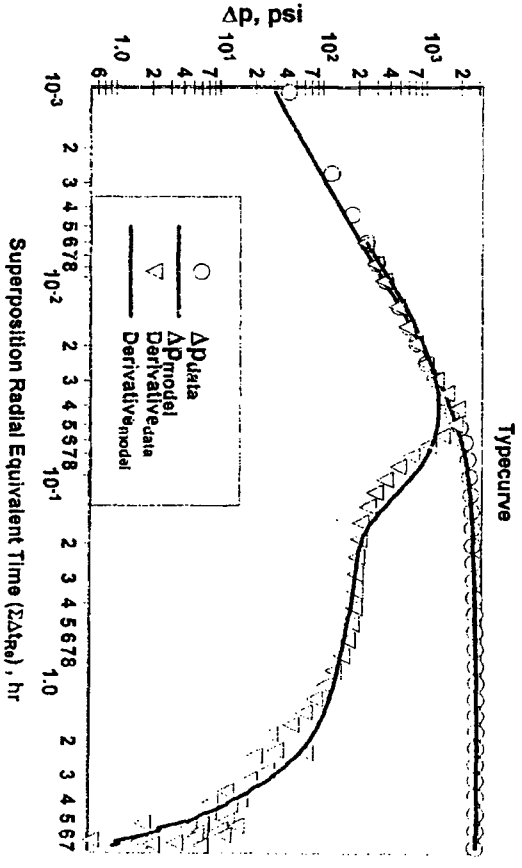
Vertical Oil-Well Model - Spherical Flow



Vertical Oil-Well Model - Spherical Flow

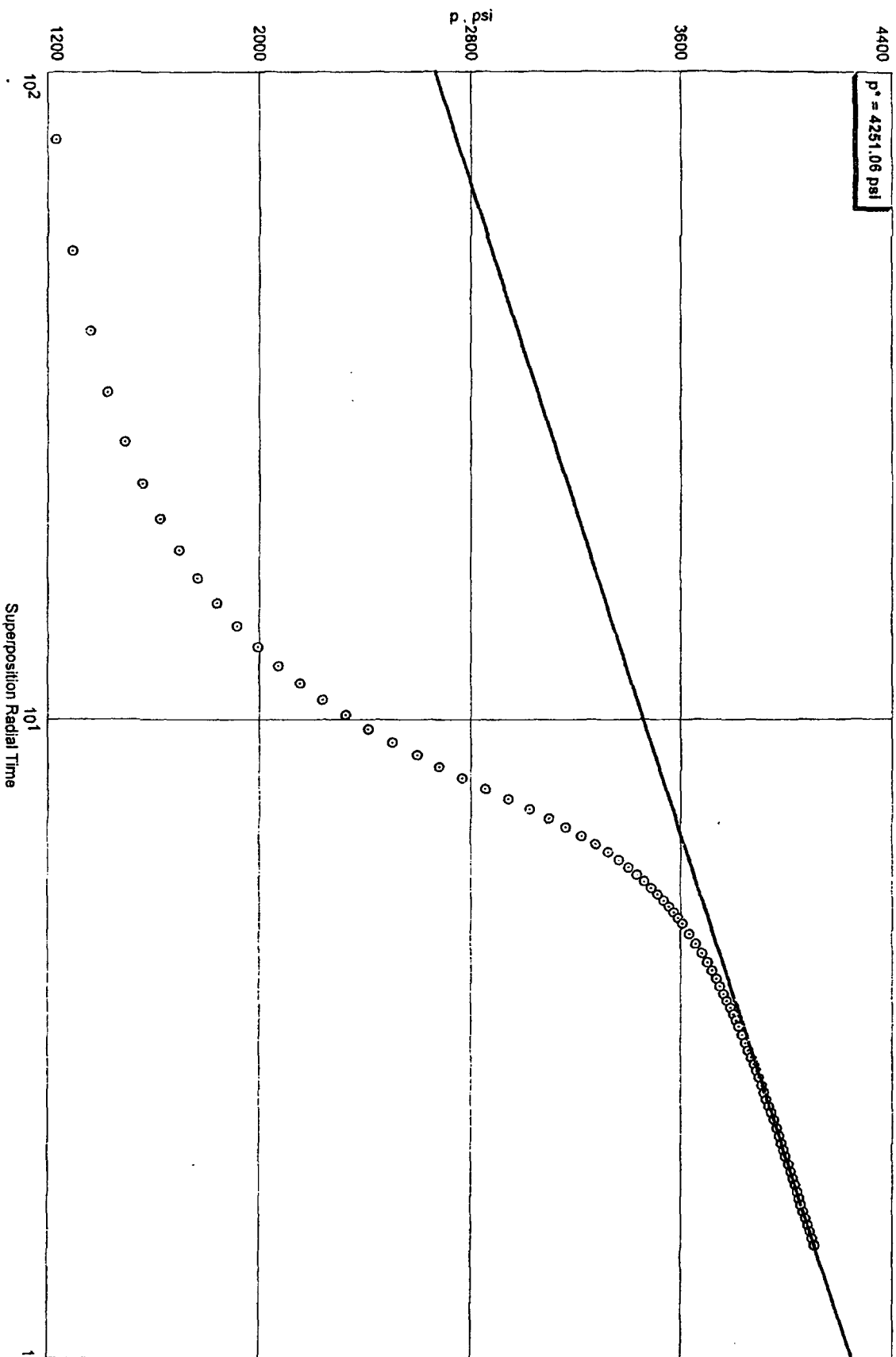


Vertical Oil-Well Model - Spherical Flow



Yates Drilling Co  
Parrot Federal Com 2, Dst 1  
Gauge 76134

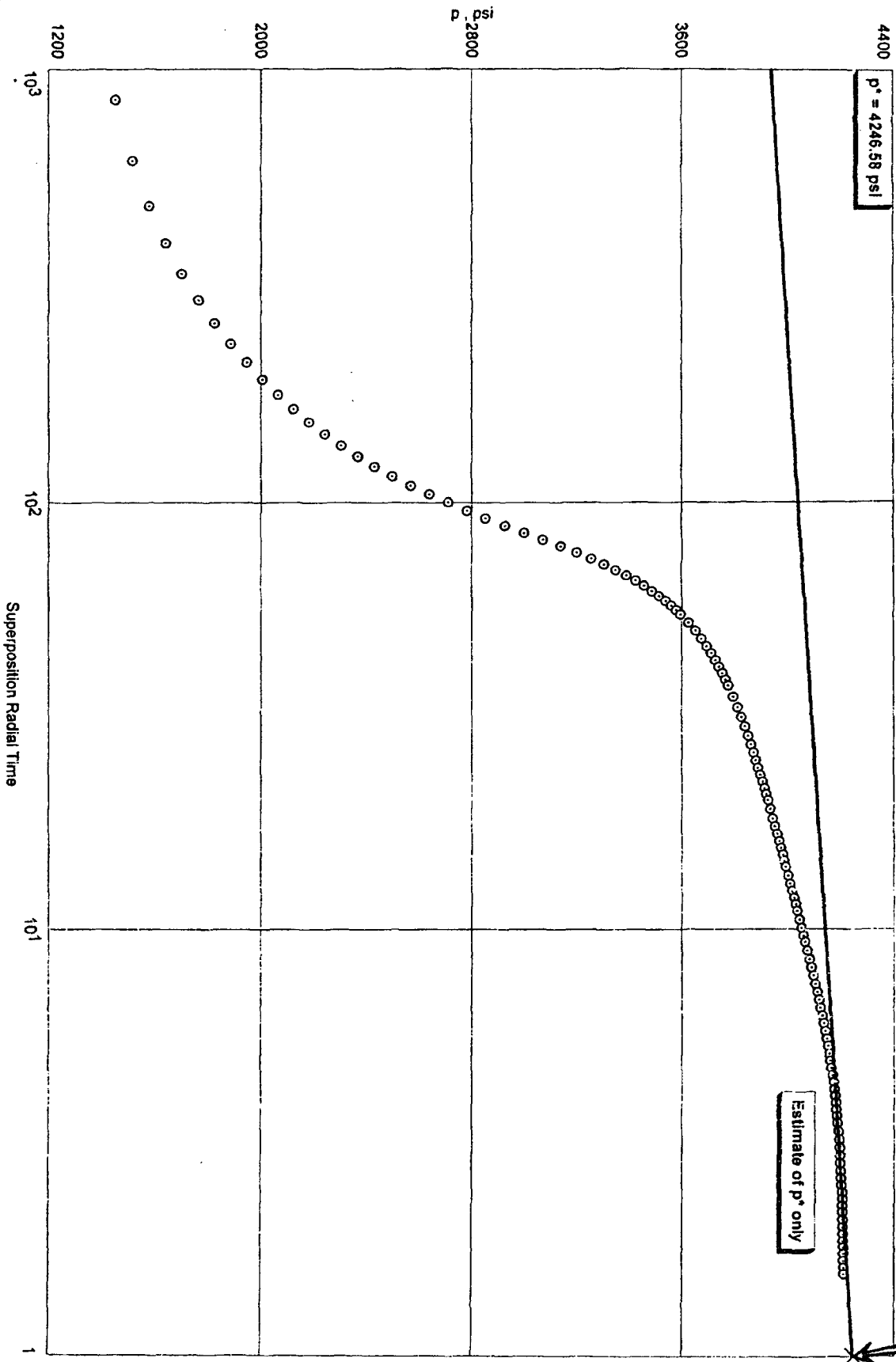
# RADIAL PLOT - SHUT IN 1



## RADIAL PLOT - SHUT IN 2

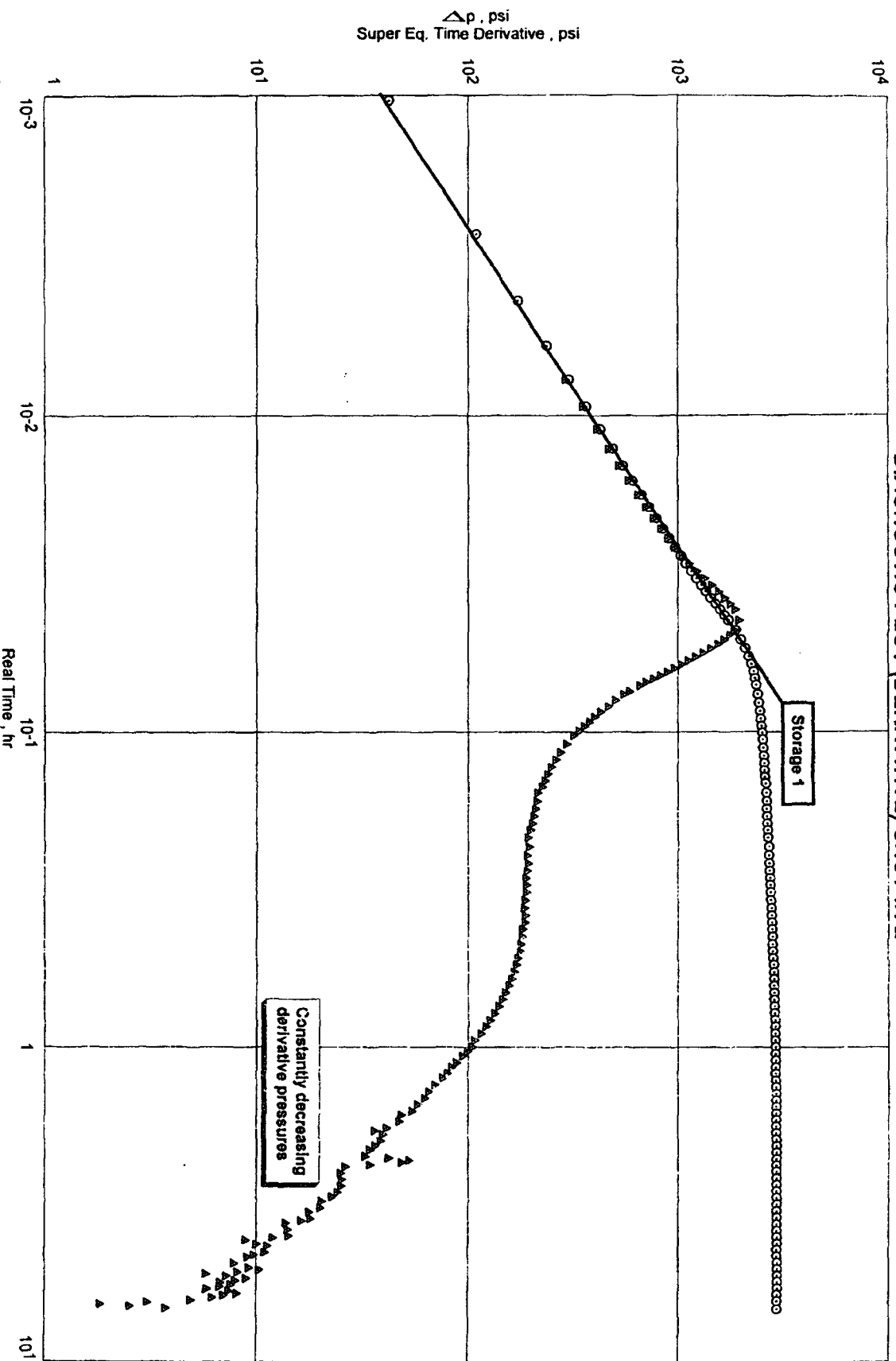
**p<sub>i</sub> = 4251.06**  
**Initial p\***

**$p^* = 4246.58 \text{ psi}$**



Yates Drilling Co  
Parrot Federal Com 2, Dst 1  
Gauge 76134

# DIAGNOSTIC PLOT (DERIVATIVE) SHUT-IN 2



# Inflow Performance Relationship (I.P.R.)

Yates Drilling Co  
Parrot Federal Com 2, Dst 1

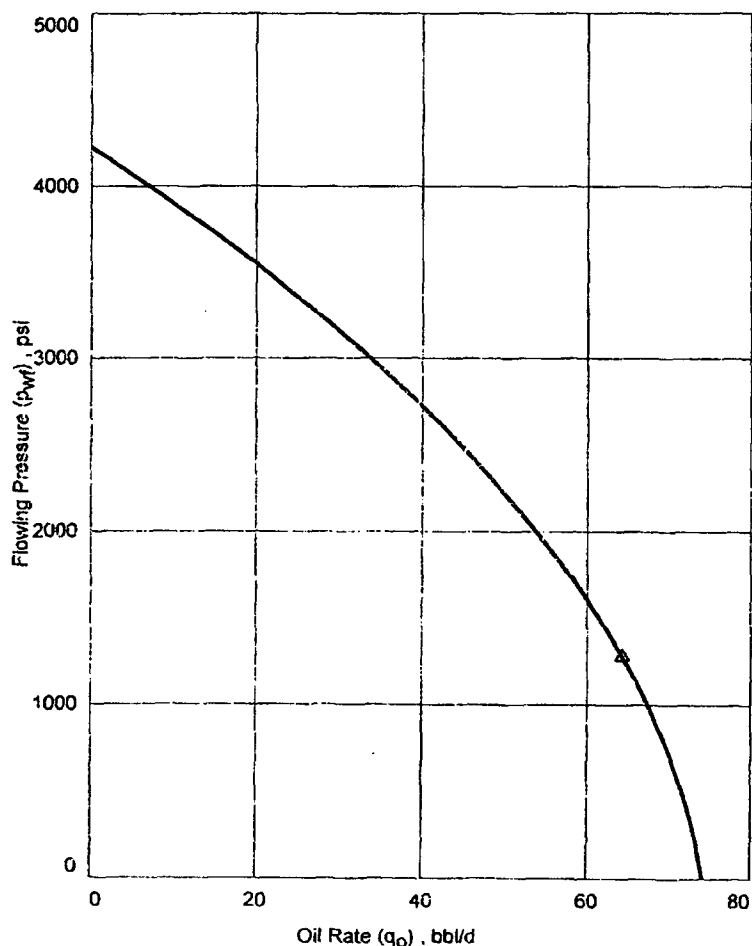
Gauge 76134

## Test Data

Reservoir Pressure ( $p_R$ )	4228.00	psi
Bubble Point Pressure ( $p_{bp}$ )	4251.00	psi
Test Pressure ( $p_{wf}$ )	1278.93	psi
Oil Test Rate ( $q_o$ )	64.230	bb/d
Water Test Rate ( $q_w$ )		bb/d

## Results

Maximum Oil Rate	74.143	bb/d
Maximum Water Rate		bb/d
Maximum Total Rate		bb/d

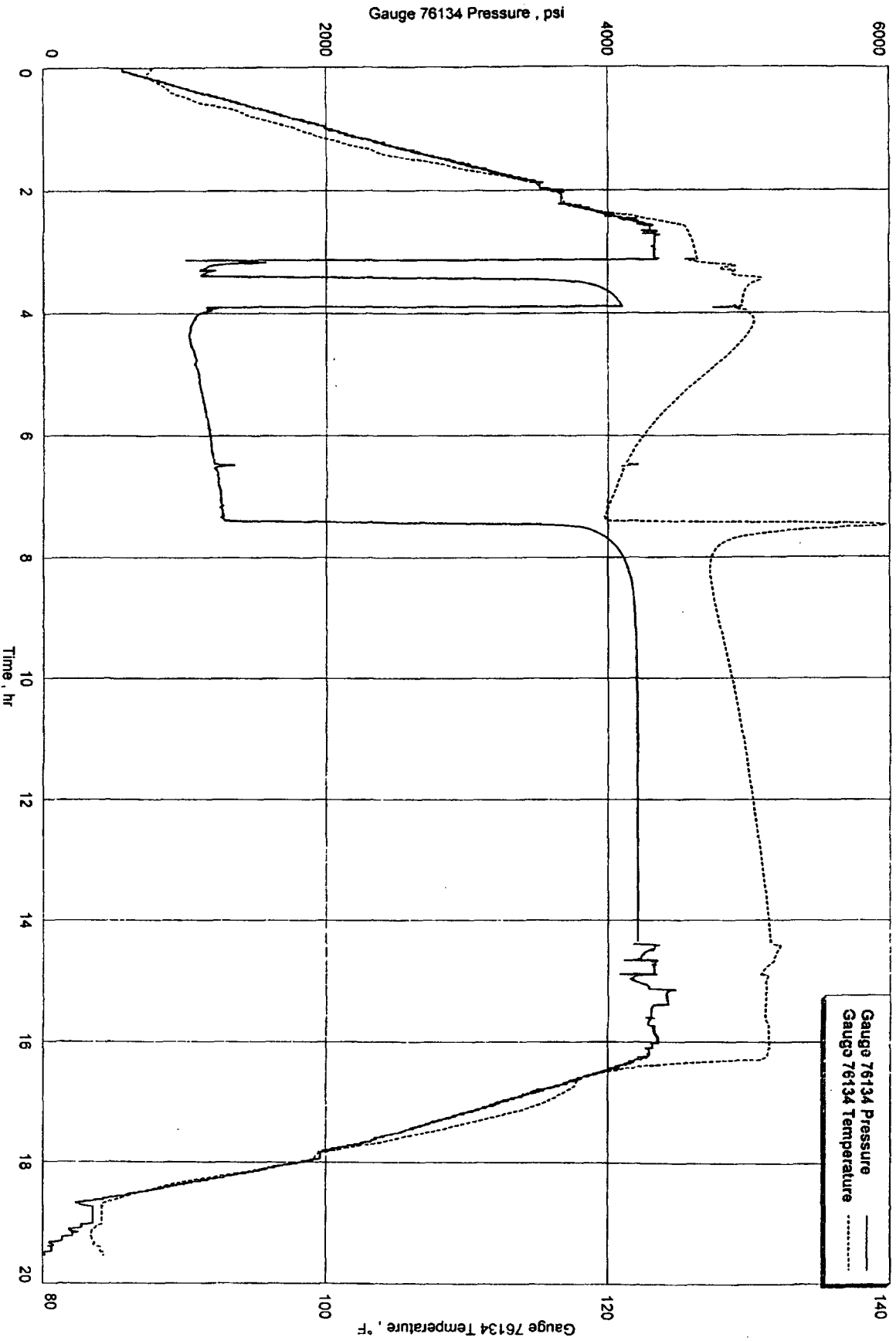


Flowing Pressure psi	Oil Rate bb/d	Water Rate bb/d	Total Rate bb/d
0.00	74.143		
300.00	72.792		
600.00	70.844		
900.00	68.299		
1200.00	65.156		
1278.93*	64.230		
1500.00	61.416		
1800.00	57.079		
2100.00	52.145		
2400.00	46.613		
2700.00	40.484		
3000.00	33.758		
3300.00	26.435		
3600.00	18.514		
3900.00	9.996		
4200.00	0.881		
4228.00	0.000		

Note : \* Test Point  
 \*\* Bubble Point  
 Oil IPR based on Vogel's Equation.  
 (Quadratic Curve Factor=0.2)



Yates Drilling Co  
Parrot Federal Com 2, Dst 1



Yates Drilling Co.  
Parrot Federal Com #2

## DISTRIBUTION OF FINAL REPORTS

Toby Rhodes [2 + Disk]  
Yates Drilling Co.  
105 S. 4th St.  
Artesia NM 88210

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210  
**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.*

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

5. Lease Serial No.	LC-049945-B
6. If Indian, Allottee or Tribe Name	
7. If Unit or C/A Agreement, Name and/or No.	
8. Well Name and No.	Parrot Federal Com #2
9. API Well No.	30-015-33345
10. Field and Pool, or Exploratory Area	Wildcat Chester
11. County or Parish, State	Eddy, NM

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

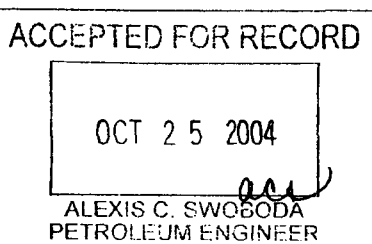
1. Type of Well	
<input type="checkbox"/> Oil Well	<input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other
2. Name of Operator Yates Drilling Company	
3a. Address 105 S. 4th Str., Artesia, NM 88210	3b. Phone No. (include area code) 505-748-8463
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) 1600' FSL and 660' FEL Section 29-19S-27E	

**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 _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Perf _____
	<input type="checkbox"/> Convert to Injection	<input checked="" 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.)

9/21/2004 RIH and dumped 10' cement on top of existing plug at 8975'. Total cement on top of plug 35'. RIH with CIBP and set at 8360'. Tested casing to 1500 psi, held good. RIH and dumped 35' cement on top of CIBP. New PBTD 8325'.  
9/24/2004 Perforated 8074'-8158', 467 shots, 4 SPF, .48" hole. Flowed well back.



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 20-Oct-04
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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM 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 ☐ Diff. Resvr., Other

2. Name of Operator  
Yates Drilling Company

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

3a. Phone No. (include area code)  
505-748-8463

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
At Surface 1600' FSL & 660' FEL  
At top prod. interval reported below  
At total depth

5. Lease Serial No.  
LC-049945-B

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.  
Parrot Federal Com #2

9. API Well No.  
30-015-33345

10. Field and Pool, or Exploratory

11. Sec., T., R., M., on Block and Survey or Area  
29-19S-27E

12. County or Parish  
Eddy

13. State  
NM

14. Date Spudded  
5/29/2004

15. Date T.D. Reached  
7/12/2004

16. Date Completed  
☐ D & A ☒ Ready to Prod. 10/5/2004

17. Elevations (DF, RKB, RT, GL)\*  
3413' GL

18. Total Depth: MD 10'677'  
TVD

19. Plug Back T.D.: MD 8325'  
TVD

20. Depth Bridge Plug Set: MD 8360'  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
CSNG/DSN/SDL, DLL/MGRD, SSS/RSCT

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 Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2"	13 3/8"	54.5	surf	430'		475 "C"	183	circ	none
12 1/4"	9 5/8"	36#	surf	2820'		900 "C"	521	circ	none
8 3/4"	7"	26 & 23#	surf	8205'		800 "C"	581	circ	none
6 1/8"	4 1/2"	11.6#	7983'	10677'		275 "C"	73	7983'	none

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	7920'	7920'						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Wolfcamp	8074'	8222'	10186'-10222'	.43"	72	plugged
B)			10094'-10126'	.43"	128	plugged
C)			8382'-8398'	.43"	64	plugged
D)			8074'-8158'	.48"	467	producing

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

Depth Interval	Amount and Type of Material
10186'-10222' (plugged)	Acidized w/ 2000 gals 7 1/2" NEFE acid w/ N2, Frac'd w/ 40,980# 20/40 Interprop w/4838 SCF N2, 90 tons CO2
10094'-10126' (plugged)	Acidized w/ 3500 gals 7 1/2% HCL w/ 700 gals methanol
8382'-8398' (plugged)	Acidized 4000 gals 20% HCL

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
10/6/2004	10/18/2004	24	↔	183.39	970	0			Flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio		Well Status
12/64	2100		↔	183.39	970	0	528/1		flowing

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.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio		Well Status
	SI		↔						

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OCT 22 2004

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ut I

WOLF CAMP

## 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.

Formation	Top	Bottom	Description, Contents, etc.	Name	Top
					Meas Depth
				Queen	828'
				Grayburg	1124'
				San Andres	1682'
				Bone Spring Lime	2724'
				1st Bone Spring	5352'
				3rd Bone Spring	7364'
				Wolfcamp	7764'
				Cisco-Canyon	8348'
				Strawn	9024'
				Atoka	9592'
				Morrow	9886'
				Morrow Clastics	10034'
				Lower Morrow	10162'

## 32. Additional remarks (include plugging procedure):

## #31: Additional Formation Markers

Barnett/Austin Cycle 10342'  
 Chester 10534'  
 TD 10725'

## 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 Tech  
 Signature *Karen J. Leishman* Date 10/20/2004

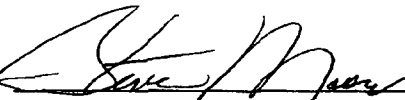
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPERATOR: YATES DRILLING  
WELL/LEASE: PARROT FED COM #2  
COUNTY: EDDY, NM

512-5062

STATE OF NEW MEXICO  
DEVIATION REPORT

186	1/2	5,873	3/4
401	1 1/4	6,124	1
647	1 1/2	6,378	3/4
894	1 1/2	6,631	2 1/4
1,116	1 1/2	6,758	1 1/2
1,401	1 1/2	6,885	1 1/2
1,655	3/4	7,012	1 1/2
1,908	3/4	7,139	2 1/4
2,163	3/4	7,266	3
2,416	1/2	7,329	2 3/4
3,050	1	7,392	2 1/4
3,273	1	7,518	2 3/4
3,525	1	7,652	2 3/4
3,775	1 1/4	7,778	2 1/4
4,033	2 1/4	7,906	2 1/2
4,128	2 1/4	8,033	2 1/4
4,223	2 3/4	8,162	2 1/2
4,325	2 1/4	8,254	2 3/4
4,413	2 3/4	8,388	3 1/4
4,509	2 3/4	8,513	1
4,603	2 3/4	8,640	1 1/2
4,699	2 1/2	8,766	1
4,795	2 1/2	8,891	1 1/2
4,891	1 3/4	9,145	1 1/2
4,986	1 3/4	9,385	1 3/4
5,113	2	9,642	1 1/2
5,240	1 3/4	9,903	1 1/2
5,365	1 3/4	10,188	3/4
5,492	1 3/4	10,430	1
5,619	2	10,688	1
5,746	1 1/2		

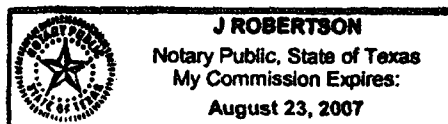
By 

STATE OF TEXAS  
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 14th day of July, 2004, by Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.

  
Notary Public for Midland County, Texas

My Commission Expires: 8/23/2007





## **BULLDOG TESTERS**

Jal, New Mexico  
(505) 390-3070

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OCT 22 2004

OCU-ARTESIA

Operator: Yates Drilling Co.  
Well Name: Parrot Federal Com #2  
Dst Number: 1  
Date of Test: 06/24/2004  
Date of Report: 06/25/2004

## **WELL TEST REPORT**

# BULLDOG TESTERS

## WELL TEST REPORT

Phone: (432) 756-5551  
Cell: (505) 390-3070

Technical Services  
(928) 505-8389

Well Owner: Yates Drilling Co.  
Well Name & Number: Parrot Federal Com # 2  
Location: S-29 T-19S R-27E  
Test Number: 1  
Service Order Number: 9017

Test Interval: 8078'-8127'  
Field: Wildcat Chester  
County: Eddy  
State: New Mexico  
Bulldog Technician: Mark Luna

### TEST SEQUENCE

### TOOL SEQUENCE

Description	Date	Time	Pressure	Mcf/D	Component	OD (in)	ID (in)	Length (ft)	Depth (ft)
Set Packers	06/24/04	06:18			Drillpipe	4.50	3.826	7327.30	
Start flow on 1/8" choke		06:19	1"		Drillcollars	6.25	2.25	612.79	
		06:24	6.0"		Circulating Sub	6.00	2.25	1.00	
End flow - Start shut-in		06:34	12"		Drillcollars	6.25	2.25	93.00	
End shut-in		07:04	0.0		X-Over	6.00	2.25	1.00	
Start flow on 1/8" choke		07:04	4.5"		Recorder	5.00	1.12	3.00	8035
		07:08	12"		Shut-in/Sampler	5.00	0.68	9.20	8038
		07:14	17.5 oz		Hydraulic Tool	5.00	1.18	5.21	
Open to 1/4" choke		07:24	4.0 psi		Recorder	5.00	1.12	5.69	8052
		07:34	20.0		Jars	5.00	1.87	7.68	
		07:39	30.0		Packer	8.00	1.50	6.22	8072
Gas to surface		07:44	36.0	67.6	Packer	8.00	1.50	6.22	8078
		07:54	52.0	91.1	Perfs	5.00	3.00	(	
Open to 3/8" choke		08:09	70.0	253.0	X-Over	6.00	2.25	)	
		08:24	60.0	219.0	Drillcollars	6.25	2.25	(	
		08:44	66.0	239.0	X-Over	6.00	2.25	)	
		09:04	74.0	266.0	Perfs	5.00	3.00	(	
		09:24	74.0	266.0	Recorder	5.00	1.12	49	8127 (TD)
		09:44	75.0	270.0					
		10:04	76.0	273.0					
End flow - Start shut-in		10:34	76.0	273.0					
End shut-in		17:34	0.0						
Pulled tool		17:35							





# BULLDOG TESTERS

## WELL TEST REPORT

Phone: (432) 756-5551  
Cell: (505) 390-3070

Technical Services  
(928) 505-8389

Well Owner: Yates Drilling Co.  
Well Name & Number: Parrot Federal Com #2  
Location: S-29 T-19S R-27E  
Test Number: 1  
Service Order Number: 9017

Test Interval: 8078' - 8127'  
Field: Wildcat Chester  
County: Eddy  
State: New Mexico  
Bulldog Technician: Mark Luna

### INSTRUMENT DATA

### WELL DATA

Instrument Number:	Spartek 76134	Spartek 71067	Mechanical	Mud Type: Gel	Mud Wt.: 10.2
Capacity (psig)	10000	10000	6450	Viscosity:	Water Loss:
Depth (ft)	8052	8035	8122	Resistivity of Mud:	0.058 @ 70 deg f
Inside / Outside	Inside	Inside / Above	Outside	Resistivity of Filtrate:	
Clock Capacity:	Elec	Elec		Chlorides:	145,000
Temperature (f)	139.8			H2S During Test:	None
Initial Hydrostatic:	4334			Formation:	Wolfcamp
Pre-Flow:	1010 - 1121	No		Tested Interval:	8078' - 8127'
Initial Shut-in:	4106	Leaks		Elevation:	3408 GL
2nd Flow:				Total Measured Depth:	8127
2nd Shut-in:				Open Hole Size:	8 3/4"
Final Flow:	1187 - 1277	No		Casing Size:	9 5/8"
Final Shut-in:	4212	Leaks		Cushion:	None
Final Hydrostatic:	4330			Bottom Choke Size:	5/8"

### PIPE RECOVERY

Ran 988' water cushion = 7.45 bbl.  
1707' Total fluid = 17.67 bbl., consisting of:  
719' Oil = 10.22 bbl. (gravity: 46.0 deg API @ 60 deg f)  
988' Water cushion = 7.45 bbl. (rw: 17.74 @ 70 deg f/300 ppm Cl.)

### SAMPLER REPORT

Total Volume of Sample:	1500	CC	
Pressure in Sampler:	1276	Psi	
Gas:	4.44	Cu.Ft.	
Oil:	700	CC	Gravity: 46.0 deg API @ 60 deg f
Water:	0	CC	Resistivity:
Mud:	0	CC	Resistivity:



Yates Drilling Co.  
Parrot Federal Com #2, Dst #1

Comments relative to analysis of the drill stem test that was run in the Wolfcamp formation by Bulldog Testers.

This analysis is based upon the liquid recovery and equations applicable to liquid recovery tests; radial flow analysis and derivative analysis techniques. It has been assumed, for purposes of this analysis that the tested reservoir system consisted of a single porosity zone 45 feet in thickness with an average porosity of 15 percent. The diagnostic plot indicates constantly decreasing derivative pressures. This type of flow regime is generally associated with either the presence of a constant pressure boundary and/or that the tested reservoir system was only partially penetrated. Therefore, a vertical oil-well model with spherical flow characteristics was used for type-curve matching and non-linear regression analysis.

The semi-log plots indicate a maximum initial reservoir pressure of 4251 psi and a maximum final reservoir pressure of 4247 psi, which is equivalent to a subsurface pressure gradient of 0.527 psi/ft at gauge depth. This pressure gradient is somewhat high compared to "normal" reservoir pressures which are generally 0.36 psi/ft to 0.41 psi/ft.

The Average Production Rate which was used in this analysis has been calculated from analysis of the flow pressure curves using a liquid gradient for the recovered oil of 0.345 psi/ft.

The calculated Skin Factors indicate significant well-bore damage was present at the time of this formation test.

The evaluation criteria used in the drill stem test analysis system indicate this is a good mechanical test and the results obtained in this analysis should be reliable within reasonable limits relative to the assumptions which have been made.

Michael Hudson  
Analyst  
(928) 505-8389



# Vertical Oil Well Model

Yates Drilling Co  
Parrot Federal Com 2, Dst 1  
Gauge 76134

## Model Parameters

Oil Permeability ( $k_o$ )	0.308 md	Total Mobility ( $k/\mu$ ) <sub>t</sub>	2.11 md/cp
Gas Permeability ( $k_g$ )	0.026 md	Total Transmissivity ( $kh/\mu$ ) <sub>t</sub>	95.13 md.ft/cp
		Skin (s)	4.635

## Formation Parameters

Net Pay (h)	45.000 ft
Total Porosity ( $\phi_t$ )	15.00 %
Oil Saturation ( $S_o$ )	80.00 %
Gas Saturation ( $S_g$ )	0.00 %
Water Saturation ( $S_w$ )	20.00 %
Wellbore Radius ( $r_w$ )	0.36 ft
Formation Temperature (T)	139.8 °F
Formation Compressibility ( $c_f$ )	4.109e-6 psi <sup>-1</sup>
Total Compressibility ( $c_t$ )	1.999e-5 psi <sup>-1</sup>
Wellbore Storage Constant Dim. ( $C_D$ )	3.86

## Fluid Properties

Oil Compressibility ( $c_o$ )	1.91576e-5 psi <sup>-1</sup>
Gas Compressibility ( $c_g$ )	1.52775e-4 psi <sup>-1</sup>
Water Compressibility ( $c_w$ )	2.79207e-6 psi <sup>-1</sup>
Oil Formation Volume Factor ( $B_o$ )	1.761
Gas Formation Volume Factor ( $B_g$ )	0.000645 bbl/scf
Water Formation Volume Factor ( $B_w$ )	1.003
Oil Viscosity ( $\mu_o$ )	0.294 cp
Gas Viscosity ( $\mu_g$ )	0.0242 cp
Water Viscosity ( $\mu_w$ )	0.466 cp
Solution Gas Ratio ( $R_s$ )	1472 scf/bbl
Oil Gravity ( $\gamma_o$ )	46.00 ° API
Gas Gravity ( $\gamma_g$ )	0.650
PVT Reference Pressure ( $p_{pVT}$ )	4251.06 psi
Bubble Point Pressure ( $P_{bp}$ )	4251.06 psi

## Production and Pressure

$Q_t B_t$	228.196 bbl/d
Final Oil Rate	64.230 bbl/d
Final Gas Rate	0.273 MMCF/D
Final Flowing Pressure ( $p_{wfo}$ )	1278.93 psi
Final Measured Pressure	4211.81 psi
Cumulative Oil Production During Test	10.064 bbl

## Synthesis Results

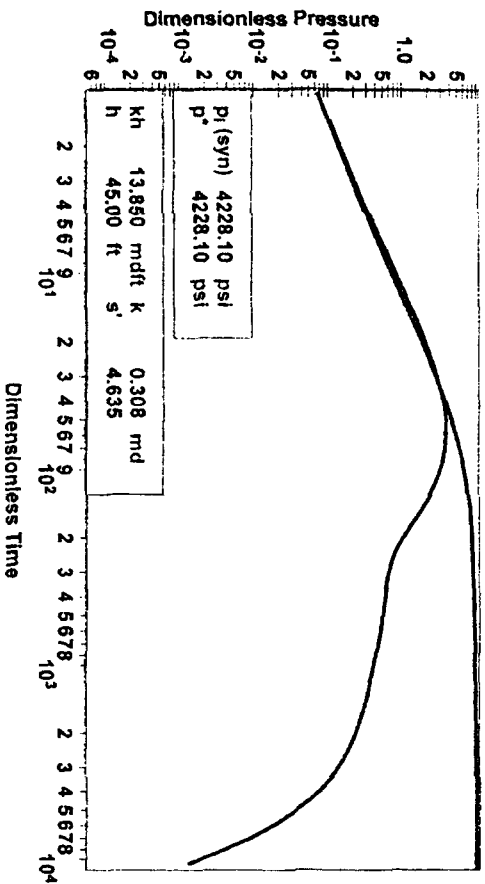
Average Error	0.22 %
Synthetic Initial Pressure ( $p_i$ )	4228.10 psi
Extrapolated Pressure at Specified Time	4228.10 psi
Pressure Drop Due To Skin ( $\Delta p_s$ )	1570.04 psi
Flow Efficiency (FE)	0.468
Damage Ratio (DR)	2.138

## Forecasts

Forecast Flowing Pressure ( $P_{flow}$ )	1278.93 psi
3 - Month Constant Rate Forecast @ Curr. Skin	64.189 bbl/d
6 - Month Constant Rate Forecast @ Curr. Skin	64.189 bbl/d
Forecast Flow Duration ( $t_{flow}$ )	12.00 month
Constant Rate Forecast @ Curr. Skin	64.189 bbl/d
PI / II (Total Liquids - Actual)	0.022 bbl/d/psi
Constant Rate Forecast @ Skin=0	137.166 bbl/d
PI / II (Total Liquids - Ideal)	0.047 bbl/d/psi
Constant Rate Forecast @ Skin=-4	1621.367 bbl/d

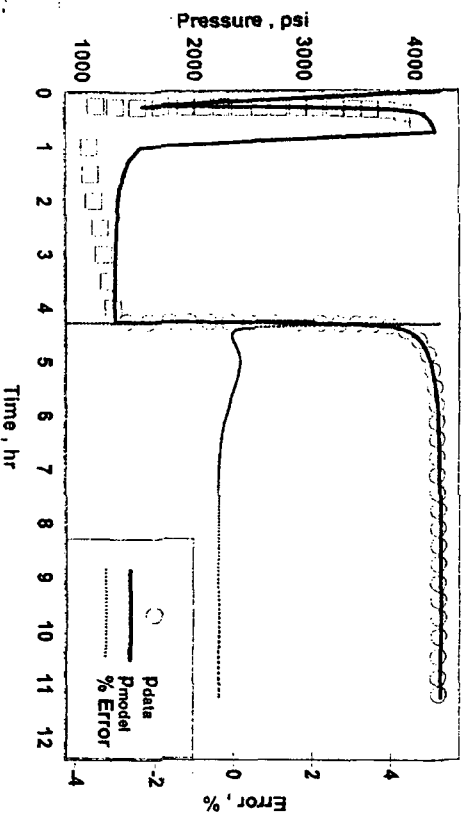
# Vertical Oil-Well Model - Spherical Flow

## Dimensionless Typecurve



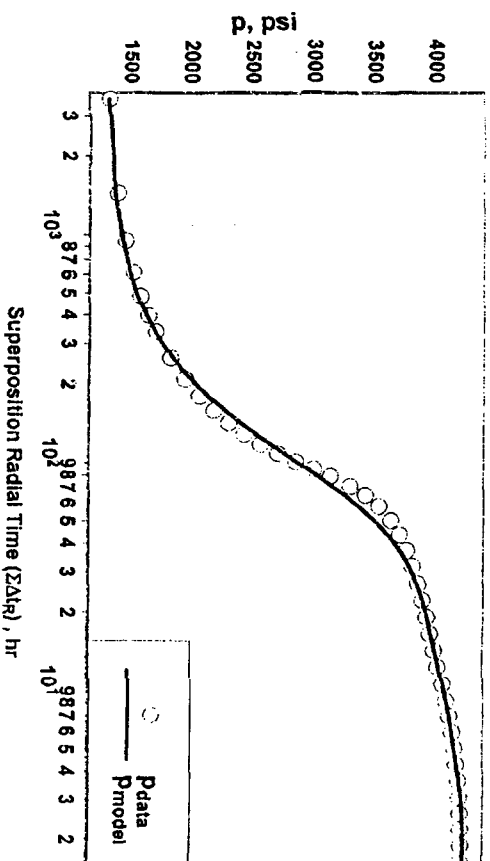
# Vertical Oil-Well Model - Spherical Flow

## Total Test



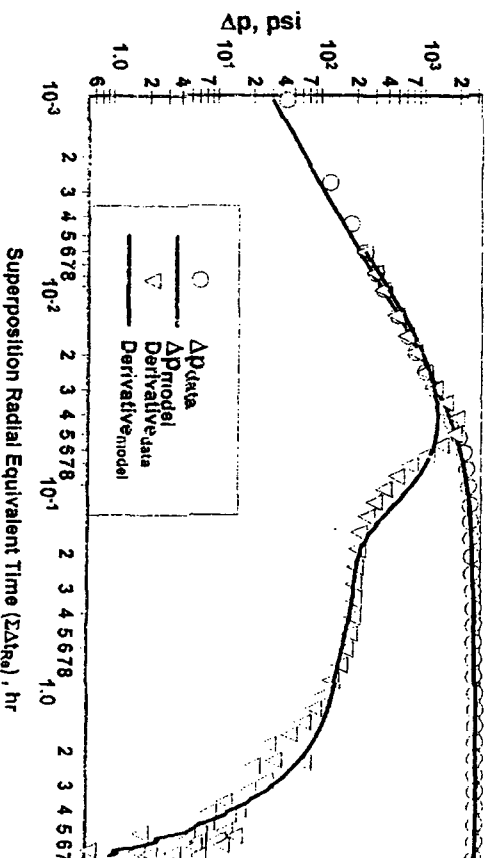
# Vertical Oil-Well Model - Spherical Flow

## Radial



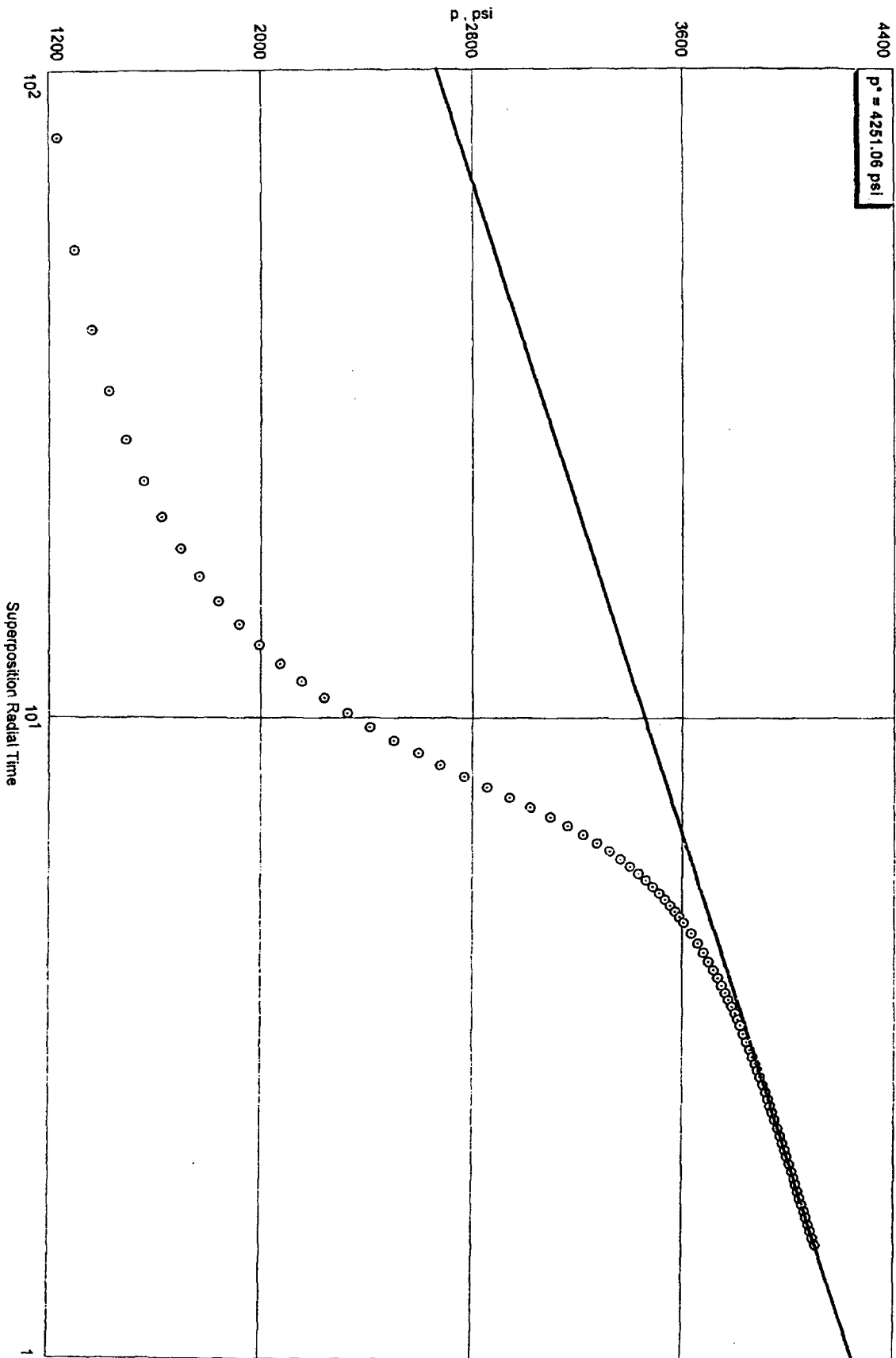
# Vertical Oil-Well Model - Spherical Flow

## Typecurve



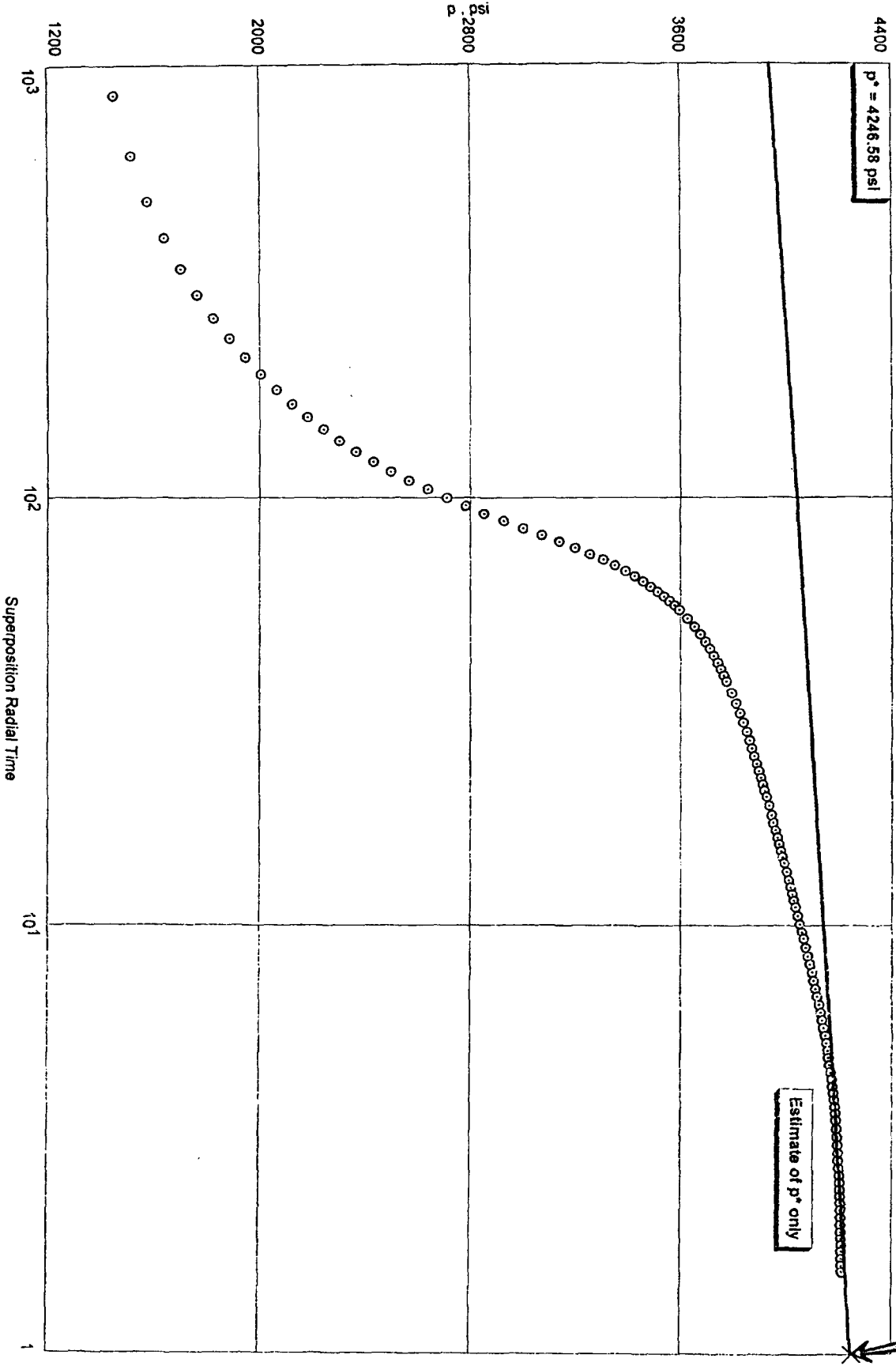
Yates Drilling Co  
Parrot Federal Com 2, Dst 1  
Gauge 76134

# RADIAL PLOT - SHUT IN 1



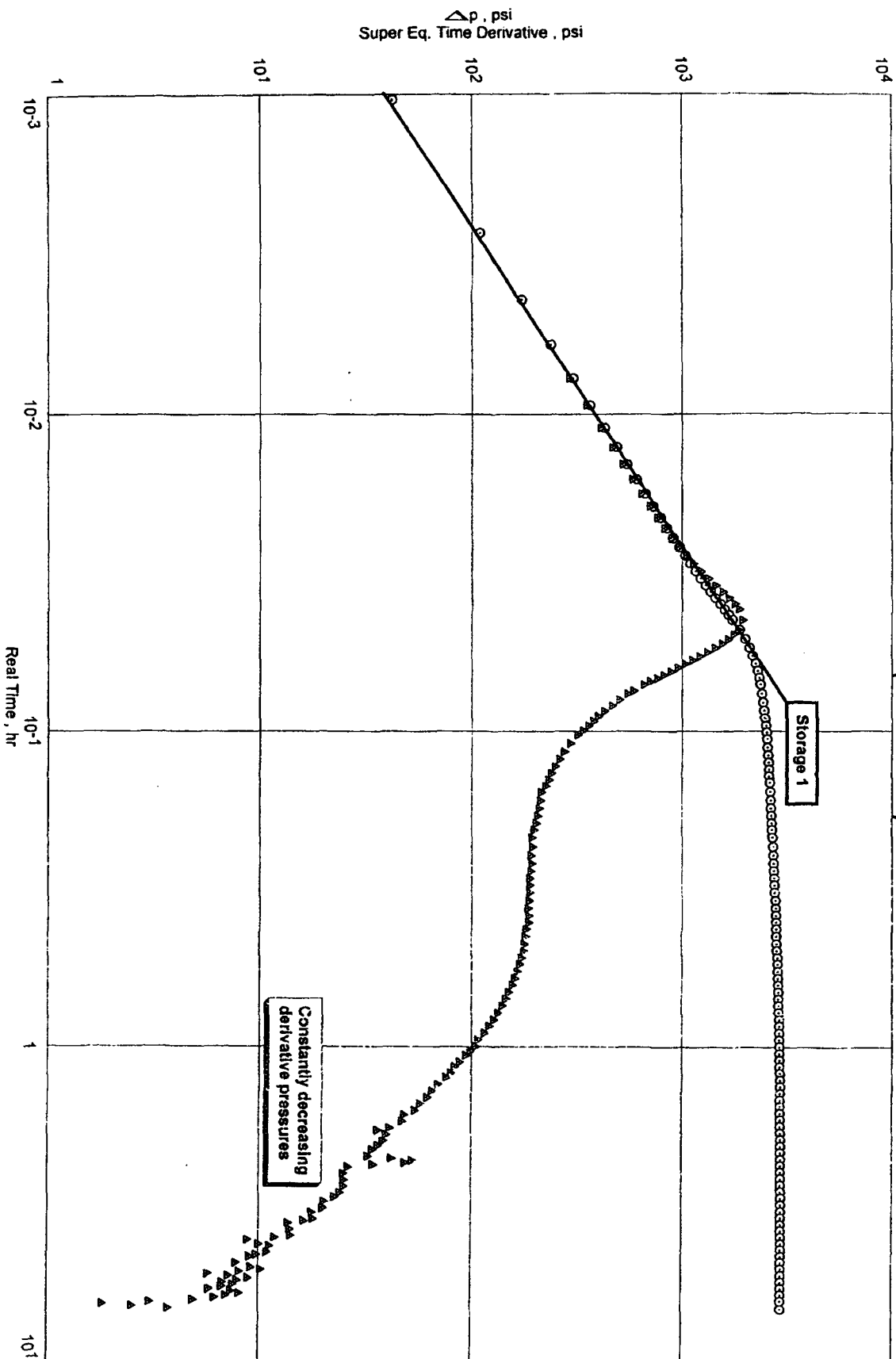
Yates Drilling Co  
Parrot Federal Com 2, Dst 1  
Gauge 76134

RADIAL PLOT - SHUT IN 2



Yates Drilling Co  
Parrot Federal Com 2, Dst 1  
Gauge 76134

# DIAGNOSTIC PLOT (DERIVATIVE) SHUT-IN 2



# Inflow Performance Relationship (I.P.R.)

Yates Drilling Co  
Parrot Federal Com 2, Dst 1

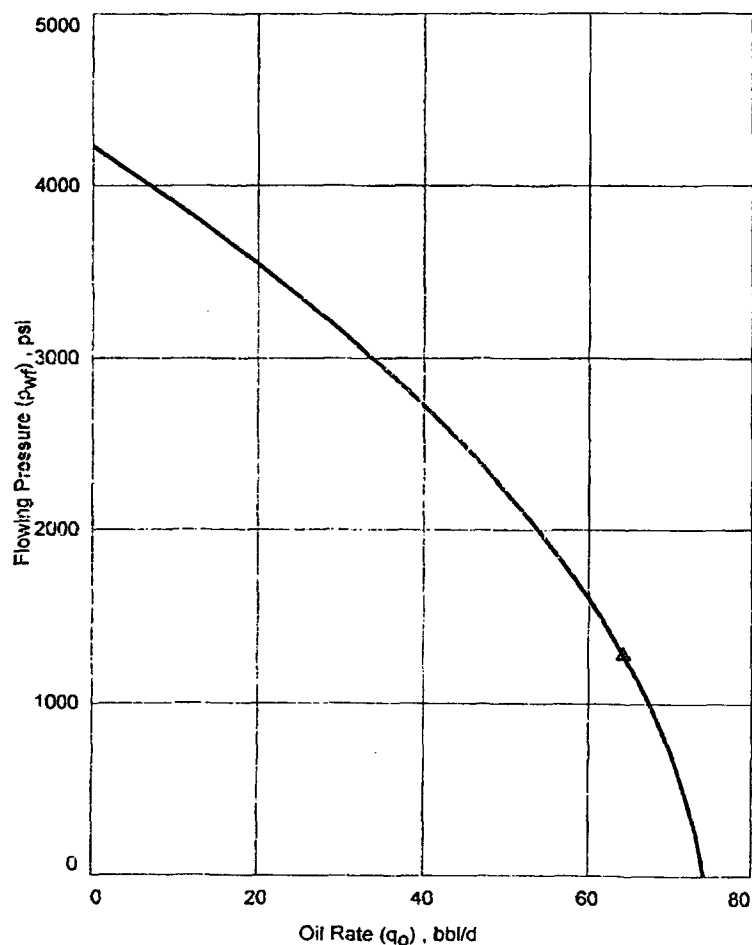
Gauge 76134

## Test Data

Reservoir Pressure ( $p_R$ )	4228.00	psi
Bubble Point Pressure ( $p_{bp}$ )	4251.00	psi
Test Pressure ( $p_{wf}$ )	1278.93	psi
Oil Test Rate ( $q_o$ )	64.230	bbl/d
Water Test Rate ( $q_w$ )		bbl/d

## Results

Maximum Oil Rate	74.143	bbl/d
Maximum Water Rate		bbl/d
Maximum Total Rate		bbl/d

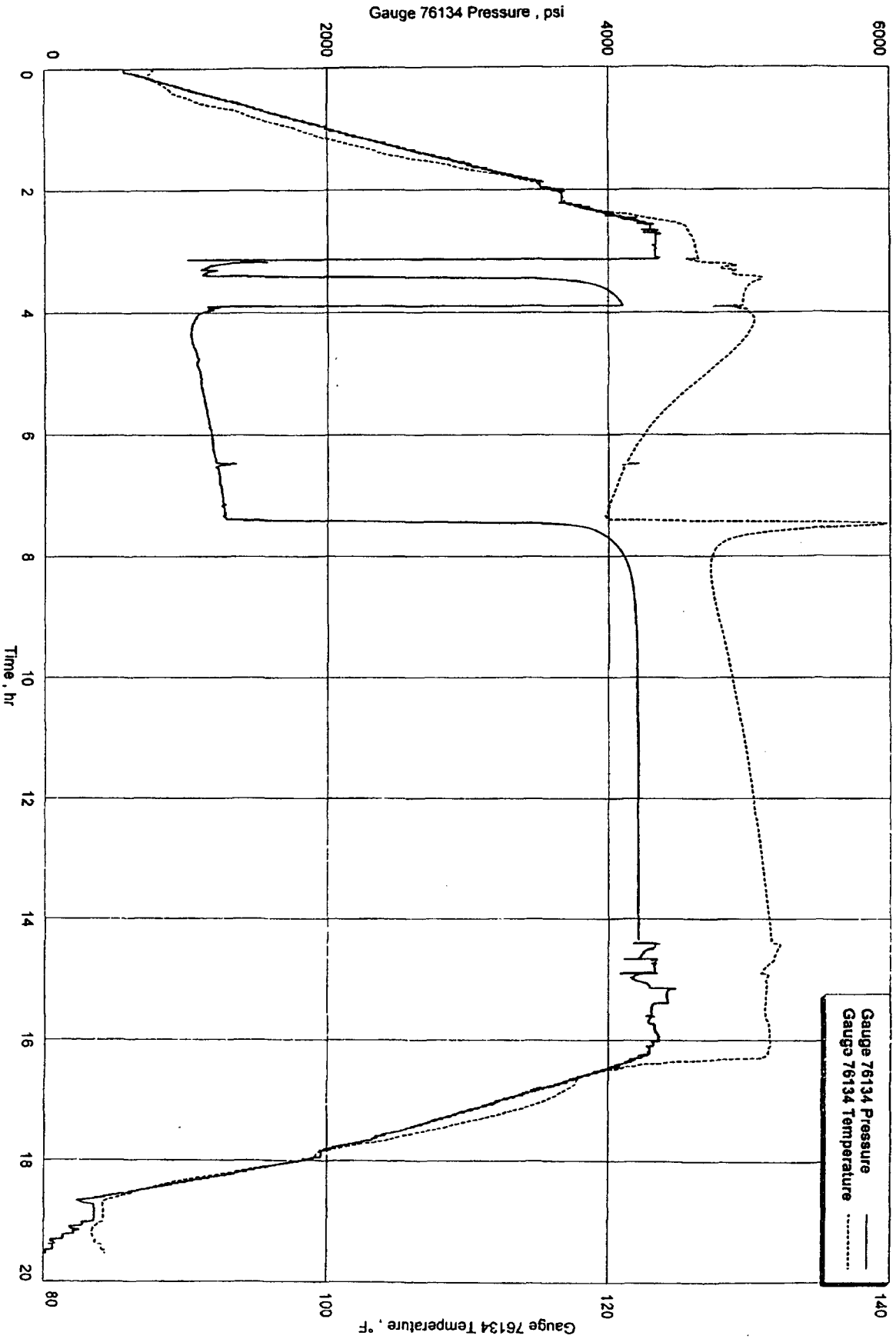


Flowing Pressure psi	Oil Rate bbl/d	Water Rate bbl/d	Total Rate bbl/d
0.00	74.143		
300.00	72.792		
600.00	70.844		
900.00	68.299		
1200.00	65.156		
1278.93*	64.230		
1500.00	61.416		
1800.00	57.079		
2100.00	52.145		
2400.00	46.613		
2700.00	40.484		
3000.00	33.758		
3300.00	26.435		
3600.00	18.514		
3900.00	9.996		
4200.00	0.881		
4228.00	0.000		

Note : \* Test Point  
 \*\* Bubble Point  
 Oil IPR based on Vogel's Equation.  
 (Quadratic Curve Factor=0.2)



Yates Drilling Co  
Parrot Federal Com 2, Dst 1



Yates Drilling Co.  
Parrot Federal Com #2

## DISTRIBUTION OF FINAL REPORTS

Toby Rhodes [2 + Disk]  
Yates Drilling Co.  
105 S. 4th St.  
Artesia NM 88210

10/27/2004

## Wellbore Diagram

r263

30-015-33345-00-00

PARROT FEDERAL COM No. 002

Company Name: YATES DRILLING CO

Location: Sec: 29 T: 19S R: 27E Spot:

Lat: 32.6287093951195 Long: -104.294623679359

Property Name: PARROT FEDERAL COM

County Name: Eddy

### String Information

### Cement Information

### Perforation Information

### Formation Information

St Code	Formation	Depth
Psr	Seven Rivers	461
Psrbs	Bowers Sand	642
Pqu	Queen	829
Pgb	Grayburg	1123
Psa	San Andres	1662
Pbs	Bone Spring	2524
Pbs3sd	3rd Bone Spring Sand	7364
Pwc	Wolfcamp	7764
Ppupp	Upper Pennsylvanian Undesign	8348
PPst	Strawn	9024
Ppat	Atoka	9537
Ppmorl	Morrow Limestone	9886
Ppmorc	Morrow Clastics	10034
Mbtsh	Barnett Shale	10368
Mchs	Chester	10534

Hole: Unknown

TD:

TVD: 0

PBTD:

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

S

## I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

1 Operator name and Address <b>Yates Drilling Company 105 South 4<sup>th</sup> St. Artesia, NM 88210</b>				2 OGRID Number <b>025513</b>					
				3 Reason for Filing Code/ Effective Date <b>NW</b>					
4 API Number <b>30-015-33345</b>		5 Pool Name <b>Lake McMillan; Wolfcamp</b>		6 Pool Code <b>97400</b>					
7 Property Code <b>53498</b>		8 Property Name <b>Parrot Federal COM</b>		9 Well Number <b>2</b>					
11. 10 Surface Location									
UL or lot no. <b>I</b>	Section <b>29</b>	Township <b>19S</b>	Range <b>27E</b>	Lot Idn <b></b>	Feet from the <b>1600</b>	North/South Line <b>S</b>	Feet from the <b>660</b>	East/West line <b>E</b>	County <b>Eddy</b>

11 Bottom Hole Location											
UL or lot no. <b></b>	Section <b></b>	Township <b></b>	Range <b></b>	Lot Idn <b></b>	Feet from the <b></b>	North/South line <b></b>	Feet from the <b></b>	East/West line <b></b>	County <b></b>		
12 Loe Code <b></b>		13 Producing Method Code <b>Flowing</b>		14 Gas Connection Date <b>10/6/2004</b>		15 C-129 Permit Number <b></b>		16 C-129 Effective Date <b></b>		17 C-129 Expiration Date <b></b>	

III. Oil and Gas Transporters					
18 Transporter OGRID <b>147831</b>	19 Transporter Name & Address <b>Agave Energy Company 105 South 4<sup>th</sup> St. Artesia, NM 88210</b>		20 POD <b></b>	21 O/G <b>G</b>	22 POD ULSTR Location and Description <b>Unit I-Section 29-19S-27E</b>
<b>209700</b>	<b>Amoco Pipeline Intercompany P.O. Box 702068 Tulsa, OK 74170-2068</b>		<b></b>	<b>O</b>	<b>Unit I-Section 29-19S-27E</b>
			<b>RECEIVED OCT 22 2004 OCD-ARTESIA</b>		

IV. Produced Water	
23 POD <b></b>	24 POD ULSTR Location and Description <b>Unit I, Section 29-19S-27E</b>

V. Well Completion Data					
25 Spud Date <b>5/29/2004</b>	26 Ready Date <b>10/5/2004</b>	27 TD <b>10,677'</b>	28 PBD <b>8325'</b>	29 Perforations <b>8074'</b>	30 DHC, MC <b></b>
31 Hole Size <b>17 1/2"</b>	32 Casing & Tubing Size <b>13 3/8"</b>		33 Depth Set <b>430'</b>		34 Sacks Cement <b>475 sxs.</b>
<b>12 1/4"</b>	<b>9 5/8"</b>		<b>2820'</b>		<b>900 sxs.</b>
<b>8 3/4"</b>	<b>7"</b>		<b>8205'</b>		<b>800 sxs.</b>
<b>6 1/8"</b>	<b>4 1/2"</b>		<b>10677'</b>		<b>275 sxs</b>

VI. Well Test Data					
35 Date New Oil <b>10/6/2004</b>	36 Gas Delivery Date <b>10/6/2004</b>	37 Test Date <b>10/18/2004</b>	38 Test Length <b>24 hrs.</b>	39 Tbg. Pressure <b>2100#</b>	40 Csg. Pressure <b></b>
41 Choke Size <b>12/64</b>	42 Oil <b>183.39 bbls</b>	43 Water <b>0</b>	44 Gas <b>970 mcf</b>	45 AOF <b></b>	46 Test Method <b>Flowing</b>
47 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: <b>Karen J. Leishman</b>			OIL CONSERVATION DIVISION Approved by: <b>TIM W. GUM</b> Title: <b>DISTRICT II SUPERVISOR</b> Approval Date: <b>OCT 27 2004</b>		
Printed name: <b>Karen J. Leishman</b> Title: <b>Engineering Technician</b> Date: <b>10/20/2004</b>			Phone: <b>505-748-8463</b>		

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. OF 2nd 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.*

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

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DEC - 8 2004

OCU-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)

1600' FSL and 660' FEL Section 29-19S-27E

5. Lease Serial No.

LC-049945-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Parrot Federal Com #2

9. API Well No.

30-015-33345

10. Field and Pool, or Exploratory Area

Wildcat Chester

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

☐ 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

Site Security Diagram

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 recomplate 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 recomplate 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.)

Please find attached a Site Security Diagram.

ACCEPTED FOR RECORD

DEC 6

LES BABYAK  
PETROLEUM ENGINEER

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

Karen Lushman

Title Engineering Technician

Signature

*Karen J. Lushman*

Date 2-Dec-04

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.

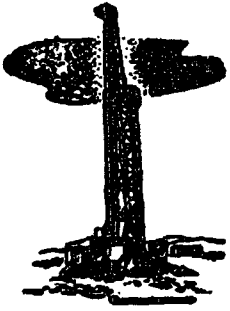
Title

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





# YATES DRILLING COMPANY

105 SOUTH FOURTH STREET • ARTESIA, NEW MEXICO 88210  
(505) 748-8440 • FAX (505) 748-8470  
EMAIL: ydc1@qwest.net

PEYTON YATES  
PRESIDENT

S. P. YATES  
VICE PRESIDENT

RANDY G. PATTERSON  
SECRETARY

DENNIS G. KINSEY  
TREASURER

March 30, 2005

RECEIVED

APR 06 2005

OCD-ARTESIA

Oil Conservation Division  
ATTN: Mr. Tim Gum  
1301 West Grand Avenue  
Artesia, NM 88210

RE: Request a six month extension of time to accomplish closure on the  
following post April 15, 2004 drilling pits

Parrot Federal Com 2  
30-015-33345  
29 19S 27E

Dear Mr. Gum,

Yates Drilling Company requests for good cause shown a six month extension of  
time to accomplish closure of the above listed post April 15, 2004 drilling pits.

Sincerely,



Dan Dolan

Reclamation Agent



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

13 April 2005

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

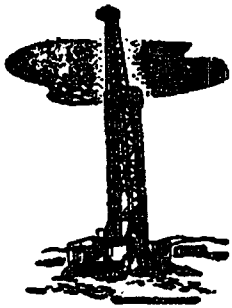
**RE: Pit extension request.**

Dear Mr. Dolan:

The Artesia District of the Oil Conservation Division on 6 April, 2005 received a request for extyension of time to close 1 pit. (see attachment) Rule 50 provides for one six-month extension for good cause. Please provide the documentation on what Yates deems as the "good cause", and the water data for each well. The letter stated, "for good cause shown", however no other documents or attachments were found.

Van Barton  
Field Rep. II





# YATES DRILLING COMPANY

105 SOUTH FOURTH STREET • ARTESIA, NEW MEXICO 88210

(505) 748-8440 • FAX (505) 748-8470

EMAIL: ydc1@qwest.net

PEYTON YATES  
PRESIDENT

S. P. YATES  
VICE PRESIDENT

RANDY G. PATTERSON  
SECRETARY

DENNIS G. KINSEY  
TREASURER

April 28, 2005

Mr. Van Barton  
Oil Conservation Division  
1301 West Grand Avenue  
Artesia, NM 88210

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MAY 04 2005

COO-ARTESIA

Dear Mr. Barton:

Yates Drilling Company is in receipt of your letter dated April 13, 2005 requesting "good cause shown" and water data to process the request for extension of time to close the pit at the following site:

Parrot Federal Com 2  
30-015-33345  
Section 29 T19S R27E

The extension is needed due to the lack of equipment available for closure. Please find enclosed the water data for this site.

Your attention to this matter is appreciated. Should you have any questions, you may contact Dan Dolan at 505-748-4181.

Sincerely,

Dan Dolan  
Reclamation Agent

Due to the sensitive nature of  
this area the extension  
request may not be  
approved.

MAY 5 2005

New Mexico Office of the State Engineer  
Well Reports and Downloads

Parrot Fed Com 2

Township: 20S Range: 27E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic  
☒ All

Well / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

WATERS Menu

Help

## AVERAGE DEPTH OF WATER REPORT 04/29/2005

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	20S	27E	05				1	50	50	50
RA	20S	27E	07				2	13	198	106
RA	20S	27E	14				2	66	74	70
RA	20S	27E	21				2	140	150	145

Record Count: 7

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

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

Form C-144  
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes X No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank X

Operator: Yates Drilling Company Telephone: 505-748-4500 e-mail address: mikes@ydc.com

Address: 105 South 4<sup>th</sup> Street, Artesia, N.M. 88210

Facility or well name: Parrot Federal Com 2 API #: 30-015-33345 U/L or Qtr/Qtr I Sec 29 T 19S R 27E

County: Eddy Latitude 32.62859 Longitude 104.29405 NAD: 1927 ☐ 1983 X

Surface Owner: Federal ☒ State ☒ Private ☐ Indian ☐

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APR 06 2005

<b>Pit</b> Type: Drilling X Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> Lined X Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>12,000</u> bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) XXXX 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points) XXXX
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points) XXXX
Ranking Score (Total Points) <b>10 POINTS</b>	

**If this is a pit closure:** (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite X offsite If offsite, name of facility NA. (3) Attach a general description of remedial action taken including remediation start date and end date.

(4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results.

(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: Closure work plan for drilling pit. The drilling pit contents will be mixed to stiffen the pit contents. Encapsulation trench will be excavated and lined with a 12 mil. Synthetic liner on former drilling pit site. Drilling pit contents will then be emplaced into the encapsulation trench. A 20 mil. Synthetic liner will then be placed over the pit contents with a min. of a 3' over lap of the underlying trench areas. The encapsulation trenches will then be backfilled back to grade using a min. of 3' of clean soil and like material. A one call & 48 hour notice will be provided to the Oil Conservation Division before pit closure actions begin.

Pit Closure actions to begin by NA. Ending date NA

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit X, or an (attached) alternative OCH approved plan ☐.

Date: 03/30/2005

Printed Name/Title Dan Dolan / Regulatory Agent

Signature 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title Wild Dog

Signature 

Date: APR 13 2005

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

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

Form C-144  
June 1, 2004

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For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: Yates Drilling Company Telephone: 505-748-4500 e-mail address: mikes@ypc.com

Address: 105 South 4<sup>th</sup> Street, Artesia, N.M. 88210

Facility or well name: Parrot Federal Com 2 API #: 30-015-33345 U/L or Qtr/Qtr I Sec 29 T 19S R 27E

County: Eddy Latitude 32.62859 Longitude 104.29405 NAD: 1927 ☐ 1983 ☒

Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

RECEIVED

APR 06 2005

<b>Pit</b> Type: Drilling X Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> Lined X Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>12,000</u> bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) XXXX 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points) XXXX
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points) XXXX
<b>Ranking Score (Total Points)</b>	
<b>10 POINTS</b>	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite X offsite If offsite, name of facility NA. (3) Attach a general description of remedial action taken including remediation start date and end date.

(4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results.

(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: Registration for encapsulation trench. The drilling pit contents will be mixed to stiffen the pit contents. Encapsulation trench will be excavated and lined with a 12 mil. Synthetic liner on former drilling pit site. Drilling pit contents will then be emplaced into the encapsulation trench. A 20 mil. Synthetic liner will then be placed over the pit contents with a min. of a 3' over lap of the underlying trench areas. The encapsulation trenches will then be backfilled back to grade using a min. of 3' of clean soil and like material. A one call & 48 hour notice will be provided to the Oil Conservation Division before pit closure actions begin.

Pit Closure actions to begin by NA. Ending date NA

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit X, or an (attached) alternative OGD-approved plan ☐.

Date: 03/30/2005

Printed Name/Title Dan Dolan / Regulatory Agent

Signature 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title Wild Sep ID

Signature 

Date: APR 13 2005

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

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

Form C-144  
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: Yates Drilling Company Telephone: 505-748-4500 e-mail address: mikes@yvc.com  
Address: 105 South 4<sup>th</sup> Street, Artesia, N.M. 88210  
Facility or well name: Parrot Federal Com 2 API #: 30-015-33345 U/L or Qtr/Qtr I Sec 29 T 19S R 27E  
County: Eddy Latitude 32.62859 Longitude 104.29405 NAD: 1927 ☐ 1983 ☒  
Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

RECEIVED

APR 06 2005

<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>12,000</u> bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) XXXX 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points) XXXX
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points) XXXX
<b>Ranking Score (Total Points)</b>	
<b>10 POINTS</b>	

**If this is a pit closure:** (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☒ offsite ☐ If offsite, name of facility NA. (3) Attach a general description of remedial action taken including remediation start date and end date.

(4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results.

(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: Closure work plan for encapsulation trench. The drilling pit contents will be mixed to stiffen the pit contents. Encapsulation trench will be excavated and lined with a 12 mil. Synthetic liner on former drilling pit site. Drilling pit contents will then be emplaced into the encapsulation trench. A 20 mil. Synthetic liner will then be placed over the pit contents with a min. of a 3' over lap of the underlying trench areas. The encapsulation trenches will then be backfilled back to grade using a min. of 3' of clean soil and like material. A one call & 48 hour notice will be provided to the Oil Conservation Division before pit closure actions begin.

Pit Closure actions to begin by NA. Ending date NA

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OGD approved plan ☐.

Date: 03/30/2005

Printed Name/Title Dan Dolan / Regulatory Agent

Signature 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title Field Rep

Signature 

Date: APR 13 2005

**New Mexico Office of the State Engineer  
Well Reports and Downloads**

Township: 20S Range: 27E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix: RECEIVED

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic APR 06 2005  
☒ All

Well / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

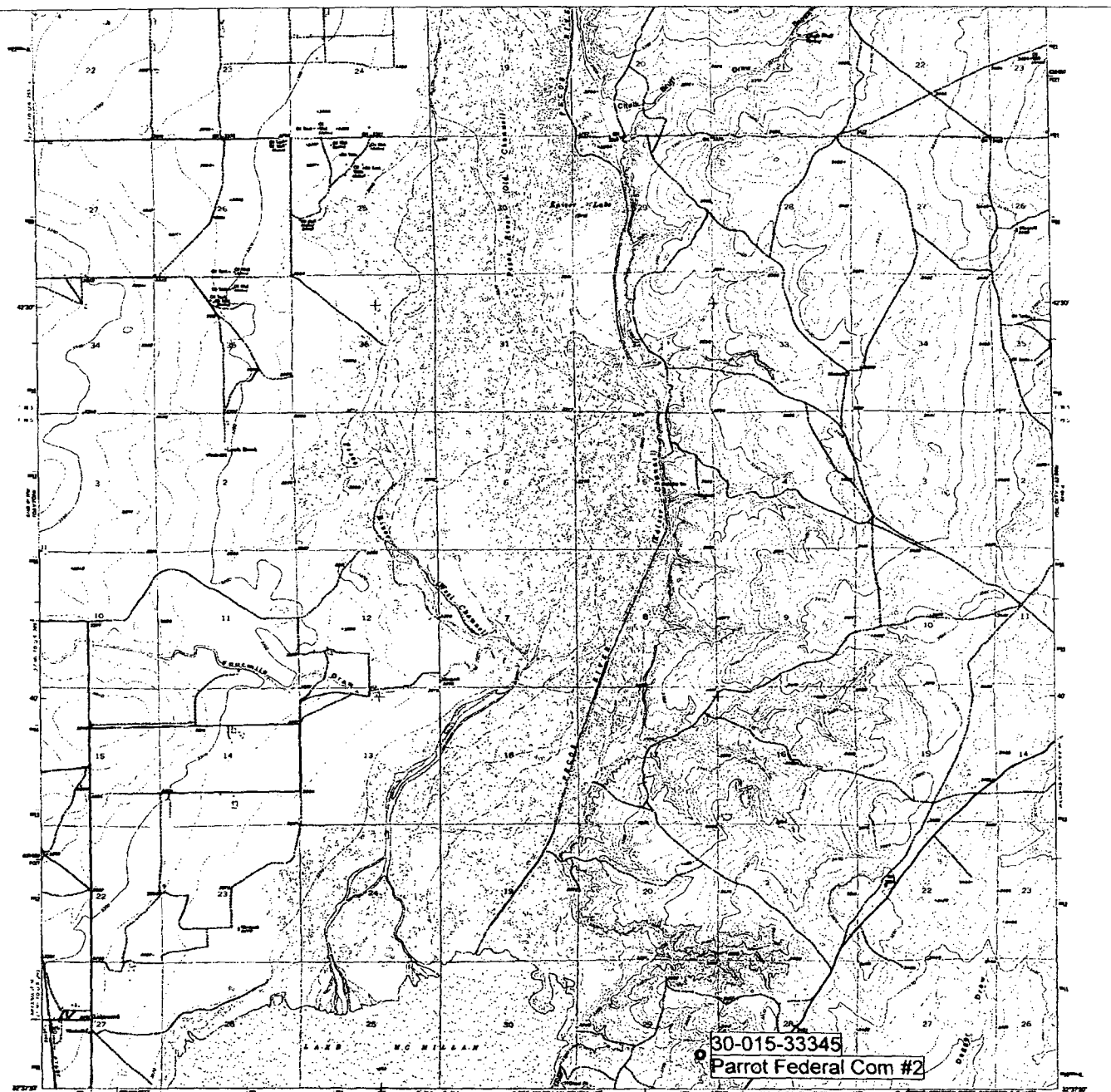
WATERS Menu

Help

**AVERAGE DEPTH OF WATER REPORT 03/29/2005**

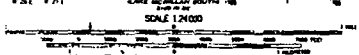
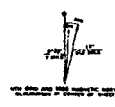
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	20S	27E	05				1	50	50	50
RA	20S	27E	07				2	13	198	106
RA	20S	27E	14				2	66	74	70
RA	20S	27E	21				2	140	150	145

Record Count: 7



30-015-33345  
Parrot Federal Com #2

Revised, edited, and published by the Geological Survey  
Cover by 1955 and 1956  
Contours and drainage by spot leveling from aerial photographs  
taken 1957. Topography by stereoscopic maps 1956  
Elevation projection: 1957 North American datum  
80,000 feet and lower to first higher contour shown  
red, green  
Dashed lines show approximate boundaries  
All north and south are based on north  
1000-meter Universal Transverse Mercator grid lines  
near 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100



CONTOUR INTERVAL, 10 FEET  
(2000 & 4000 FEET)

ROAD CLASSIFICATION  
Heavy-duty road, Light-duty road, Unimproved dirt road  
U.S. Route, State Route



THIS MAP COMPILED WITH BEST AVAILABLE DATA  
FOR SALE BY U.S. GEOLOGICAL SURVEY  
DENVER, COLORADO 80219, OR BOSTON, MASSACHUSETTS 02111  
A POLAR PROJECTION TOPOGRAPHIC MAP AND SYMBOLS IS AVAILABLE ON REQUEST

LAKE McMILLAN NORTH, N. MEX.  
1955  
AND STATE OF NEW MEXICO 1951

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.*

5. Lease Serial No.

LC-049945-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Parrot Federal Com #2

9. API Well No.

30-015-33345

10. Field and Pool, or Exploratory Area

Wildcat Chester

11. County or Parish, State

Eddy, NM

**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)

1600' FSL and 660' FEL Section 29-19S-27E

**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 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 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. Blow well down to steel pit and ND Tree and NU 5,000# BOP
2. POH with tubing and TCP gun and packer
3. Pickup redressed packer and RIH with packer and tbq
4. Set and test packer and casing
5. Acidize well with 5,000 gals 15% gelled NEFE acid with 250 ball sealers
6. Flow well back and clean well up
7. POH with tbq and packer and RIH with mud joint, perforated sub, seating nipple and tbq. Flange well up and RIH with pump and rods
8. Return well to production

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

March 30, 2006

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

Approved by

~~ORIG.~~ SGD, DAVID R. GLASS

~~STRIMELIN ENGINEER~~

Date

APR 11 2006

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

**ODD-ARTESIA**

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

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**LC-049945-B**

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement, Name and/or No.

8. Well Name and No.

**Parrot Federal Com #2**

9. API Well No.

**30-015-33345**

10. Field and Pool, or Exploratory Area

**Wildcat Chester**

11. County or Parish, State

**Eddy, NM**

**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**

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4/12/06 Acidized well with 5,000 gals. 15% acid and 250 ball sealers. Swabbed well.  
Returned well to production.

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 **May 25, 2006**

**ACCEPTED FOR RECORD**

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

Approved by

**(SGD) DAVID R. GLASS**

Title

Date

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Office

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**DAVID R. GLASS**  
**PETROLEUM ENGINEER**