Form 3160-5
(September 2001)

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

5. Lease Serial No.
NM-05110-A

6. If Indian, Allottee or Tribe Name

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

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

RECEIVED
DEC - 8 2004
OCD-ARTESIA

8. Well Name and No.
Tropicana Federal Com 1

2. Name of Operator
Yates Drilling Company

9. API Well No.
30-015-32517

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

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

10. Field and Pool, or Exploratory Area
McMillan Morrow

4. Location of Well *(Footage, Sec.,T.,R.,M., OR Survey Description)*
Sec 12-20S-26E, 1980' FSL & 660' FEL

11. County or Parish, State
Eddy Co., NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other NTL2-B
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

This well produces approximately 7 barrels water per day. It is stored on location in a 210 barrel fiberglass tank. The water is hauled by OK Hot Oil Service to the Mack Energy Company, Aid State #1 SWD well, Section 14-T17S-R28E, NMOCD #653. Attached also is a water analysis for the well.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

APPROVED
DEC - 6 2004
LES BABYAK
PETROLEUM ENGINEER

Accepted for record - NMOCD

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

Title Engineering Technician

Signature Karen J. Leishman

Date 12/2/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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 willbully 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

MILLER CHEMICALS, INC.
Post Office Box 298
Artesia, N.M. 88211-0298
(505) 746-1919 Artesia Office
(505) 392-2893 Hobbs Office
(505) 746-1918 Fax

MCI
CHEMICALS and CONSULTING

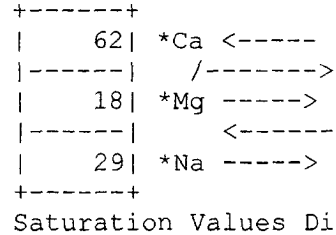
WATER ANALYSIS REPORT

Company	: YATES DRILLING CO	Date	: 11/9/04
Address	: ARTESIA, NM	Date Sampled	: 11/8/04
Lease	: TROPICANA FED.	Analysis No.	: 00781
Well	: #1		
Sample Pt.	: WATER TANK		

	ANALYSIS		mg/L		* meq/L
1.	pH	6.7			
2.	H2S	0			
3.	Specific Gravity	1.010			
4.	Total Dissolved Solids		6268.0		
5.	Suspended Solids		NR		
6.	Dissolved Oxygen		NR		
7.	Dissolved CO2		NR		
8.	Oil In Water		NR		
9.	Phenolphthalein Alkalinity (CaCO3)				
10.	Methyl Orange Alkalinity (CaCO3)				
11.	Bicarbonate	HCO3	354.0	HCO3	5.8
12.	Chloride	Cl	3408.0	Cl	96.1
13.	Sulfate	SO4	325.0	SO4	6.8
14.	Calcium	Ca	1240.0	Ca	61.9
15.	Magnesium	Mg	219.4	Mg	18.1
16.	Sodium (calculated)	Na	661.6	Na	28.8
17.	Iron	Fe	60.0		
18.	Barium	Ba	NR		
19.	Strontium	Sr	NR		
20.	Total Hardness (CaCO3)		4000.0		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter



Saturation Values Dist. Water 20 C

CaCO3	13 mg/L
CaSO4 * 2H2O	2090 mg/L
BaSO4	2.4 mg/L

Compound	Equiv wt	X meq/L	= mg/L
Ca(HCO3)2	81.0	5.8	470
CaSO4	68.1	6.8	461
CaCl2	55.5	49.3	2736
Mg(HCO3)2	73.2		
MgSO4	60.2		
MgCl2	47.6	18.1	859
NaHCO3	84.0		
Na2SO4	71.0		
NaCl	58.4	28.8	1682

REMARKS:

SCALE TENDENCY REPORT

Company	: □YATES DRILLING CO	Date	: 11/9/04
Address	: ARTESIA, NM	Date Sampled	: 11/8/04
Lease	: TROPICANA FED.	Analysis No.	: 00781
Well	: #1	Analyst	: A. MILLER
Sample Pt.	: WATER TANK		

STABILITY INDEX CALCULATIONS
(Stiff-Davis Method)
CaCO3 Scaling Tendency

S.I. =	0.4	at	70	deg. F or	21	deg. C
S.I. =	0.4	at	90	deg. F or	32	deg. C
S.I. =	0.5	at	110	deg. F or	43	deg. C
S.I. =	0.5	at	130	deg. F or	54	deg. C
S.I. =	0.5	at	150	deg. F or	66	deg. C

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CALCIUM SULFATE SCALING TENDENCY CALCULATIONS
(Skillman-McDonald-Stiff Method)
Calcium Sulfate

S =	1266	at	70	deg. F or	21	deg C
S =	1307	at	90	deg. F or	32	deg C
S =	1323	at	110	deg. F or	43	deg C
S =	1312	at	130	deg. F or	54	deg C
S =	1292	at	150	deg. F or	66	deg C

Respectfully submitted,
A. MILLER