

OCD-ARTESIA

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
NMNM0557142

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
ROSS EG FEDERAL 14

2. Name of Operator Contact: MIRIAM MORALES
YATES PETROLEUM CORPORATION E-Mail: mmorales@yatespetroleum.com

9. API Well No.
30-015-28501-00-S2

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4200

10. Field and Pool, or Exploratory
N SEVEN RIVERS-GLOR-YESO

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

11. County or Parish, and State

Sec 21 T19S R25E NWNE 660FNL 1980FEL

EDDY COUNTY, NM

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

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

Yates Petroleum respectfully requests approval to off lease measure production for the NDDUP Unit #46(Ross EG Federal #14, possible future name).

The production will be measured and sold at the Patriot AIZ battery facilities located at Sec.21-T19S-25E. Please see attached plat and site security diagram.

A list of all owners being notified is attached.

Oil Measurement
Tanks will be isolated and no surface commingle will take place.

Gas Measurement

Accepted for record
RECEIVED
MAY 19 2014
NMOCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL.

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

Electronic Submission #212923 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMS for processing by KURT SIMMONS on 07/12/2013 (13KMS6727SE)

Name (Printed/Typed) MIRIAM MORALES

Title PRODUCTION ANALYST

Signature (Electronic Submission)

Date 07/09/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DUNCAN WHITLOCK

Title EPS

Date 05/14/2014

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Carlsbad

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

** BLM REVISED **

Additional data for EC transaction #212923 that would not fit on the form

32. Additional remarks, continued

The well will have its own meter and no surface commingle will take place.

All equipment is located on Fee land and waiver to access property is attached.

All gate combinations will be sent to BLM office via email.

By utilizing the existing facilities the off lease measurement of production is in the interest of conservation, economic feasibility, the reduction of environmental impact area, and will not reduce royalty or improper measurement of production.

See attached economic impact report.

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

District I
PO Box 1900, Hobbs, NM 88240-2580
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brans Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 AFI Number 30-015-28501		2 Pool Code 97565		3 Well Name N. Seven Rivers; Daguer Drive, Upper Perm, North		4 Pool Name Glorieta 7 Yaso	
5 Property Code ROSS EG FEDERAL COM		6 Property Name				7 Well Number 14	
8 OGRID No. 025578		9 Operator Name YATES PETROLEUM CORPORATION				10 Elevation 3489.	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	19S	25E		660	NORTH	1980	EAST	EDDY

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16			17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
	<p>Signature: <i>Ken Beardemphl</i></p> <p>Printed Name: Ken Beardemphl</p> <p>Title: Landman</p> <p>Date: 3-30-95</p>		18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
	<p>MARCH 29, 1995</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number: NM 5412</p>		

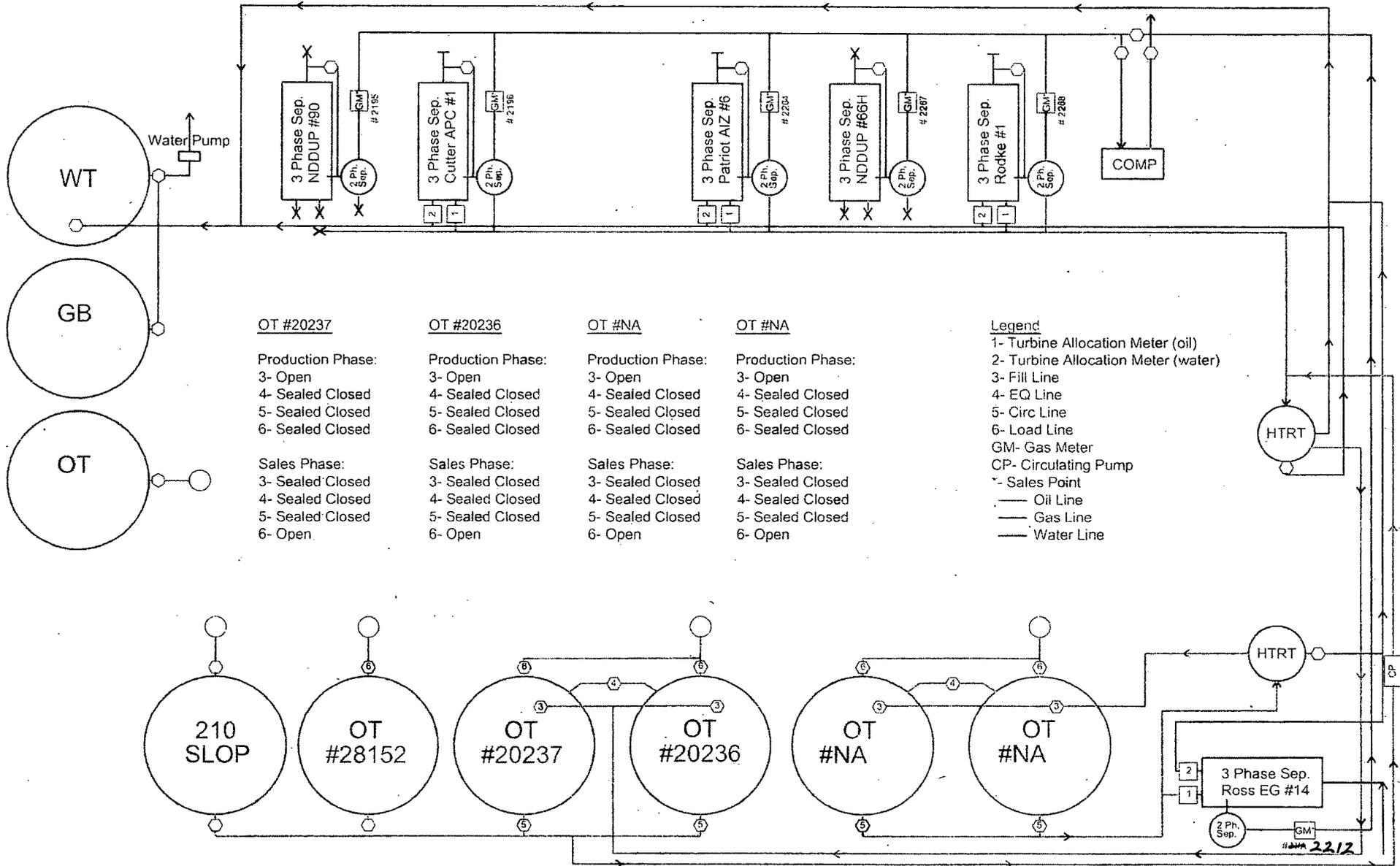


105 South 4th Street
 Artesia, NM 88210
 (575) 748-1471

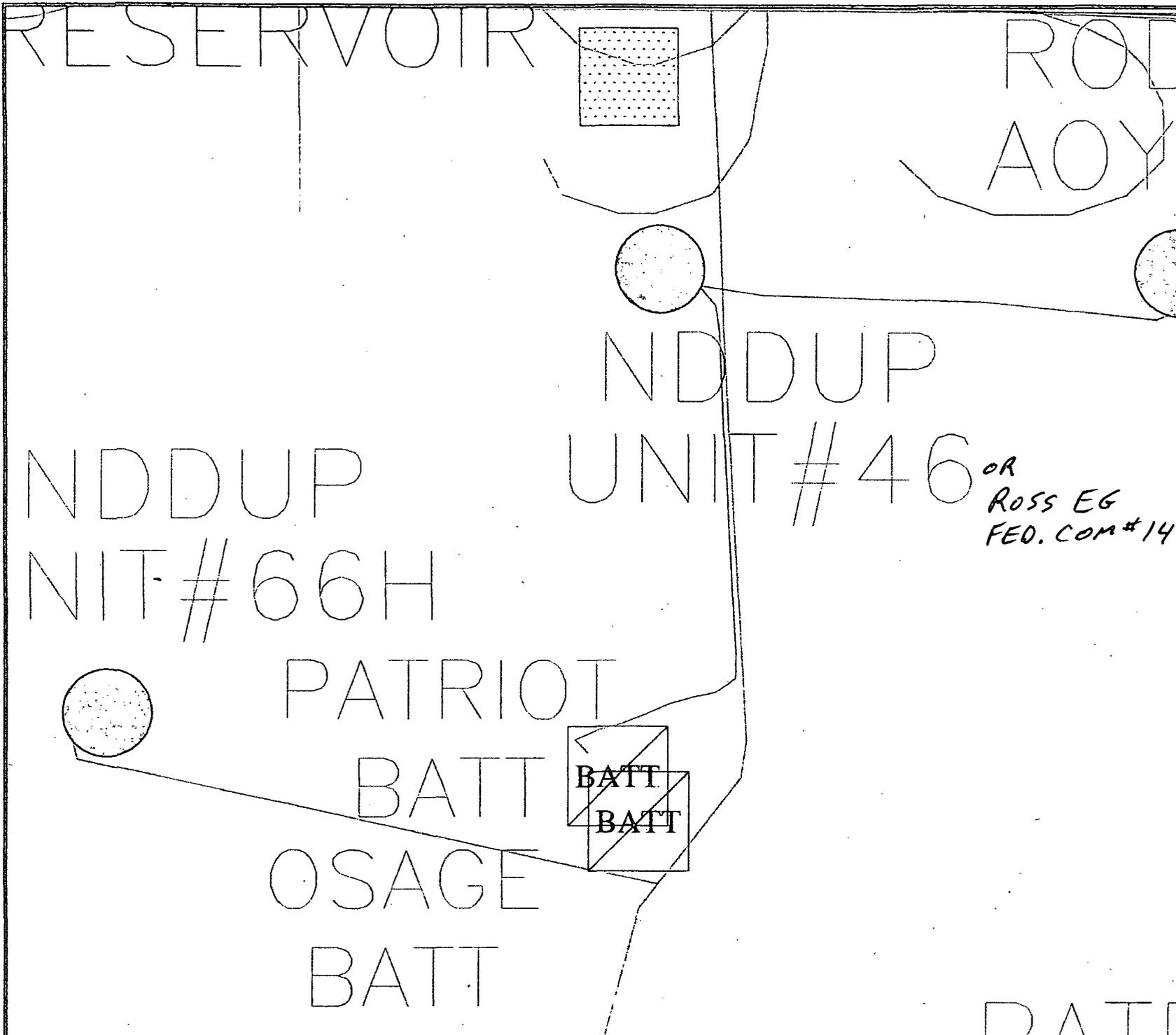
Michael Farmer
 July 2013

PATRIOT / RODKE BATTERY

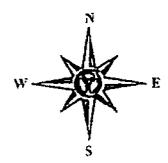
Sec 21-T19S-R25E * Unit G * SWNE
 Eddy County, NM



This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan.
 which is on file at 105 South 4th Street, Artesia, NM.



YATES PETROLEUM CORPORATION
 105 SOUTH FOURTH (575) 748-1471
 ARTESIA, NEW MEXICO 88210



LEGEND

- OIL WELL PROPOSED
- ☼ GAS WELL
- OIL WELL
- GPS ROADS

- FEDERAL MINERALS
- NM STATE
- US BUREAU OF LAND MANAGEMENT

DRAWN BY: JAH
 DATE DRAWN: 07-05-13
 COUNTY: EDDY
 STATE: NEW MEXICO
 SHEET NUMBER: 1 OF 1
 SCALE: 1" = 1/16 MILE

TITLE:

THIS MAP HAS BEEN CAREFULLY COMPILED AND PRINTED BY YATES PETROLEUM CORPORATION FROM AVAILABLE INFORMATION. YATES PETROLEUM CORPORATION DOES NOT GUARANTEE THE ACCURACY OF THIS MAP OR INFORMATION DELINEATED THEREON. NOR DOES YATES PETROLEUM CORPORATION ASSUME RESPONSIBILITY FOR ANY RELIANCE THEREON. RECIPIENT AGREES NOT TO COPY, DISTRIBUTE OR DIGITIZE THIS MAP WITHOUT EXPRESS CONSENT FROM YATES PETROLEUM CORPORATION OR ITS AFFILIATES.

DATE

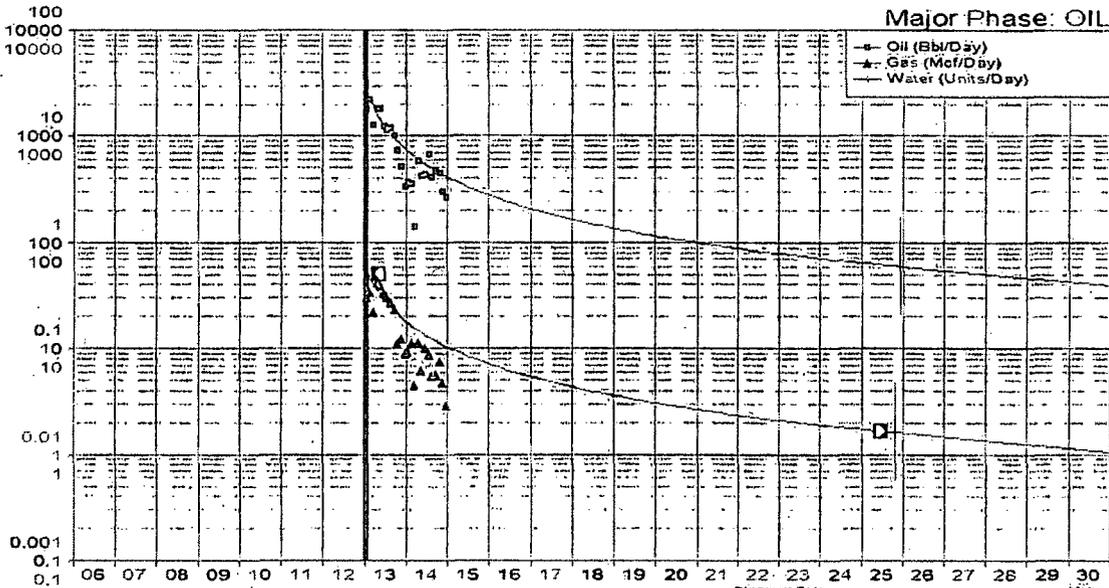
EUR FOR YPC OPERATED YESO RECOMPLETIONS OF DAGGER DRAW WELLS

The average AFE for these wells is \$377K with an estimated rate of return of 5.5% or a value of \$23,347 using the power tools generated type curve, so the cost of building a battery would have a negative value of <\$126,653>.

The type curve was generated with power tools using the wells listed below.

	OIL EUR	GAS EUR	GOR
AMOLE AMM STATE COM 2	4,783	6,838	1.43
PATRIOT AIZ 6	13,784	60,023	4.35
CUTTER APC 1	15,290	54,772	3.58
AMOLE AMM STATE COM 4	13,115	17,883	1.36
TACKITT AOT 1	6,445	12,780	1.98
ROSS EG FEDERAL 8	4,236	6,654	1.57
BOYD X STATE 12	5,303	6,529	1.23
TACKITT AOT 2	7,471	12,558	1.68
RODKE AOY 1	6,695	15,282	2.28
AVERAGE	8,569	21,480	2.16

**AVERAGE DAGGER DRAW WESO RECOMPLETION
 BASED ON POWER TOOLS TYPE CURVE OF
 9 YPC OPERATED DAGGER DRAW WESO RECOMPLETIONS**



Phase	OIL	Phase	GAS	Discount Rate	Value
PSD	2/1/13	PSD	2/1/13	0	22347
Type	90,000 EXP	Type	90,000 EXP	10	-14899
Decline(%)	91,000 LAST	Decline(%)	84,000 LAST	RATE OF RETURN	6.83258
q	28,000 LAST	q	20,000 LAST	PAYOUT YEARS	2.998908
Limit	3,000 % 2055,000 AD	Limit	3,000 % 2055,000 AD	221	1.00 3200 2.0 OIL 02 04 2013
Cum(MBSL)	0	qs	X X	222	OIL 0,000 0.80 05.00 7.5 1
Remaining(MBSL)	9,049	Cum (MMcf)	0	810	GAS 0,000 0.80 2.00 7.5 0
Ultimate(MBSL)	9,049	Ultimate(MMcf)	21,677	811	INVEST 2012 AD 0 0 177 0

OGRE(R) V2.6 BTAX
 FILE NAME: DDYESO~1(1)
 CASE NAME: DD YESO RECOMPL TYPE CURVE
 101 DD YESO RECOMPL TYPE CURVE
 104 SEVEN RIVERS NORTH GLORIETA YESO
 105 YATES PETROLEUM CORPORATION

DATA REPORT

DATE: 06/14/13
 TIME: 09:15:20

117 CASE \$COM
 120 1 2013 12 1 1 2013 10 M

	W.I. FRACTION	OP. COST (\$/W/MO)	OP. COST (\$/MO.)	ADV. TAX (PCT)	MAJOR PH. NAME	PROD DATE (MO/DY/YR)
210	1.00000000	.00	3200.00	2.000	OIL	2/01/2013

	PHASE NAME	CUM PROD (MUNITS)	REV. INT FRACTION	PRICE (\$/UNIT)	SEV. TAX (PCT)	NO. OF WELLS	RATIO TO MAJOR PH
221	OIL	.000	.80000000	85.000	7.500	1.0	
222	GAS	.000	.80000000	2.000	7.500	.0	
223	WATER	.000	.00000000	.000	.000	.0	

	PH. NAME	CURVE TP	DECLINE%	QI RATE	QT RATE	CUM. LIMIT	(M GR Y)	CALC VALUE
405	OIL	90.000	91.000	25.000	X	8.000	%	D
CALC	OIL	90.000	END= 8.000	25.000	.596	12.948	YRS	D
406	OIL	EXP	LAST	LAST	X	2055.000	AD	D
CALC	OIL	EXP	END= 8.000	.596	.053	42.000	YRS	D
410	GAS	90.000	84.000	50.000	X	8.000	%	D
CALC	GAS	90.000	END= 8.000	50.000	1.614	12.803	YRS	D
411	GAS	EXP	LAST	LAST	X	2055.000	AD	D
CALC	GAS	EXP	END= 8.000	1.614	.141	42.000	YRS	D

	INV NAME	INV. POINT	(G OR N)	TANG-M\$	INTANG-M\$	LSEHLD-M\$	RISK FRAC	OVHD FLAG
810	INVEST	2013.000	AD	G	.000	377.000	.000	

ECONOMIC LIFE (YRS): 5.000
 GROSS OIL (MBBL): 9.049
 GROSS GAS (MMCF): 21.677

SURFACE RELEASE AGREEMENT

I J. T. Ross, Of the County of Eddy
in the state of NEW MEXICO, am the surface owner of the lands described
below. I do hereby give authorization to the Bureau of Land Management to enter said
lands associated with the Yates Petroleum facility listed below. I further hereby give
authorization to enter any gates and use any roadways located on surface lands owned by
me that is needed to access the location described as:

Patriot/Rodke Battery
Sec 21-T19S-R25E (SWNE)
Eddy County, NM

J. T. Ross
Surface Owner
P.O. Box 216
Lakewood, NM 88254
Address

OWNERS LIST

NEARBURG EXPLORATION CO LLC
P O BOX 678100
DALLAS, TX 75267-8100

OCD
1220 S SAINT FRANCIS DR
SANTA FE, NEW MEXICO 87505

YATES INDUSTRIES LLC
P O BOX 1091
ARTESIA, NM 88211-1091

MARIGOLD LLLP
P O BOX 1290
ARTESIA, NM 88211-1290

SANTO LEGADO LLLP
P O BOX 1020
ARTESIA, NM 88211-1020

TULIPAN LLC
105 S 4TH STREET
ARTESIA, NM 88210

OXY-Y1 COMPANY
P O BOX 841803
DALLAS, TX 75284-1803

SHARBRO ENERGY LLC
P O BOX 840
ARTESIA, NM 88211-0840

ABO PETROLEUM CORP
P O BOX 900
ARTESIA, NEW MEXICO

MYCO INDUSTRIES INC
P O BOX 840
ARTESIA, NEW MEXICO 88211

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Off-Lease Measurement

**Conditions of Approval: Yates Petroleum Corporation
Ross EG Federal Com #14
NM0557142 - 3001528501**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease measurement from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green.