

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

## 1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

## 2. Name of Operator

Yates Drilling Company

## 3a. Address

105 S. 4th St., Artesia, NM

3b. Phone No. (include area code)  
505-746-2308

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

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

## 5. Lease Serial No.

NM-96219

## 6. If Indian, Allottee or Tribe Name

-

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

-

## 8. Well Name and No.

Millennium 34 Federal Com #1

## 9. API Well No.

30-015-31883 31833

## 10. Field and Pool, or Exploratory Area

Grayburg Morrow

## 11. County or Parish, State

Eddy, NM

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

## TYPE OF SUBMISSION

## TYPE OF ACTION

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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.)

## Propose to:

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

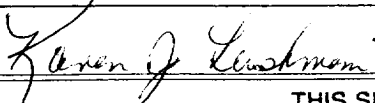
## 14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Karen J. Leishman

Title Engineering Technician

Signature



Date 9/9/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Date

SEP 12 2002

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

Office



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

## ADMINISTRATIVE ORDER DHC-3033

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

Attention: Mr. Tobin L. Rhodes

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

Dear Mr. Rhodes:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the well bore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

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

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

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

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Lori Wrotenbery* (wv)  
LORI WROTENBERY  
Division Director

LW/WVJ

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