NM OIL CONS COMMISSION
Drawer DD
Artesia, NM 88210

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NM-12246

6. If Indian, Allottee or Tribe Name:

7. If Unit or CA, Agreement Designation:

Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.: Oakason NV Federal #3

Name of Operator: YATES PETROLEUM CORPORATION (505) 748-1471)

9. API Well No.: 30-015-24095

Address and Telephone No.: 105 South 4th St., Artesia, NM 88210

10. Field and Pool, or Exploratory Area: N. Dagger Draw U/Penn Undesignated Canyon

Location of Well (Footage, Sec., T., R., M., of Survey Description): Section 34-T19S-R24E 2030/N 1650/E UT.G

11. County or Parish, State: Eddy County New Mexico

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
☒ Notice of Intent	☐ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☐ Other _____	☒ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation is submitting application for produced water from the above well pursuant to NTL-2B, Section II, and requests your approval. The above well produces approximately 150 bbls fo water per day from the Undesignated Canyon formation. The water is stored in a 210 barrel stock tank and pipelined to the Federal HJ SWD permit #R-5545.

A water analysis is attached.

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

Signed Shannon J. Copeland Title Production Clerk Date 11-21-94

(This space for Federal or State office use)

Approved by Orig. Signed by Adam Salameh Title **Petroleum Engineer** Date 12/13/94

Conditions of approval, if any:

— SEE ATTACHED —

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

*See Instruction on Reverse Side

(rev. 3/10/94)

BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

Disposal of Produced Water From Federal Wells

Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency be notified of any change in your method or location of disposal.

2. Compliance with all provisions of Onshore Oil and Gas Order No. 7.

3. This agency shall be notified of any spill or discharge as required by NTL-3A.

4. 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.

5. All aboveground structures on the lease shall be painted sandstone brown, Federal Std. 595-20318, or 30318, within 90 days if you have not already done so.

6. Any on lease open top storage tanks or pits shall be covered with a wire screen or plastic/nylon netting to prevent entry by birds and other wildlife.

7. This approval does not constitute right-of-way approval for any off lease activities. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.

PETROLITE

TRETOLITE DIVISION

Petrolite Corporation
510 West Texas
Artesia, NM 88210-2041
(505) 746-3588
Fax (505) 746-3580

Reply to:
P.O. Box FF
Artesia, NM
88211-7531

WATER ANALYSIS REPORT

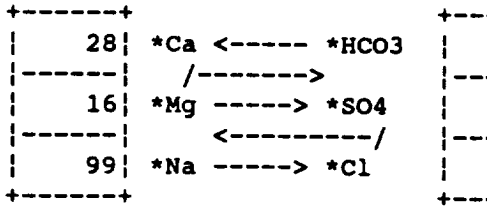
Company : YATES PETROLEUM
Address : ARTESIA, NM
Lease : OAKASON "NV"
Well : #3
Sample Pt. : WATER TANK

Date : 11/18/94
Date Sampled : 11/18/94
Analysis No. : 937

	ANALYSIS		mg/L		* meq/L
1.	pH	7.0			
2.	H2S	70			
3.	Specific Gravity	1.000			
4.	Total Dissolved Solids		8896.5		
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	366.0	HCO3	6.0
12.	Chloride	Cl	3003.0	Cl	84.7
13.	Sulfate	SO4	2500.0	SO4	52.1
14.	Calcium	Ca	552.0	Ca	27.5
15.	Magnesium	Mg	194.7	Mg	16.0
16.	Sodium (calculated)	Na	2280.9	Na	99.2
17.	Iron	Fe	NR		
18.	Barium	Ba	NR		
19.	Strontium	Sr	NR		
20.	Total Hardness (CaCO3)		2180.0		

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	6.0	486
CaSO4	68.1	21.5	1466
CaCl2	55.5		
Mg(HCO3)2	73.2		
MgSO4	60.2	16.0	964
MgCl2	47.6		
NaHCO3	84.0		
Na2SO4	71.0	14.5	1030
NaCl	58.4	84.7	4951

REMARKS:

Petrolite Oilfield Chemicals Group

Respectfully submitted,
A. MILLER

SCALE TENDENCY REPORT

Company	: YATES PETROLEUM	Date	: 11/18/94
Address	: ARTESIA, NM	Date Sampled	: 11/18/94
Lease	: OAKASON "NV"	Analysis No.	: 937
Well	: #3	Analyst	: A. MILLER
Sample Pt.	: WATER TANK		

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

S.I. =	0.3	at	60 deg. F	or	16 deg. C
S.I. =	0.3	at	80 deg. F	or	27 deg. C
S.I. =	0.4	at	100 deg. F	or	38 deg. C
S.I. =	0.4	at	120 deg. F	or	49 deg. C
S.I. =	0.4	at	140 deg. F	or	60 deg. C

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

S =	1983	at	60 deg. F	or	16 deg C
S =	2081	at	80 deg. F	or	27 deg C
S =	2120	at	100 deg. F	or	38 deg C
S =	2119	at	120 deg. F	or	49 deg C
S =	2108	at	140 deg. F	or	60 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,
A. MILLER

PETROLITE