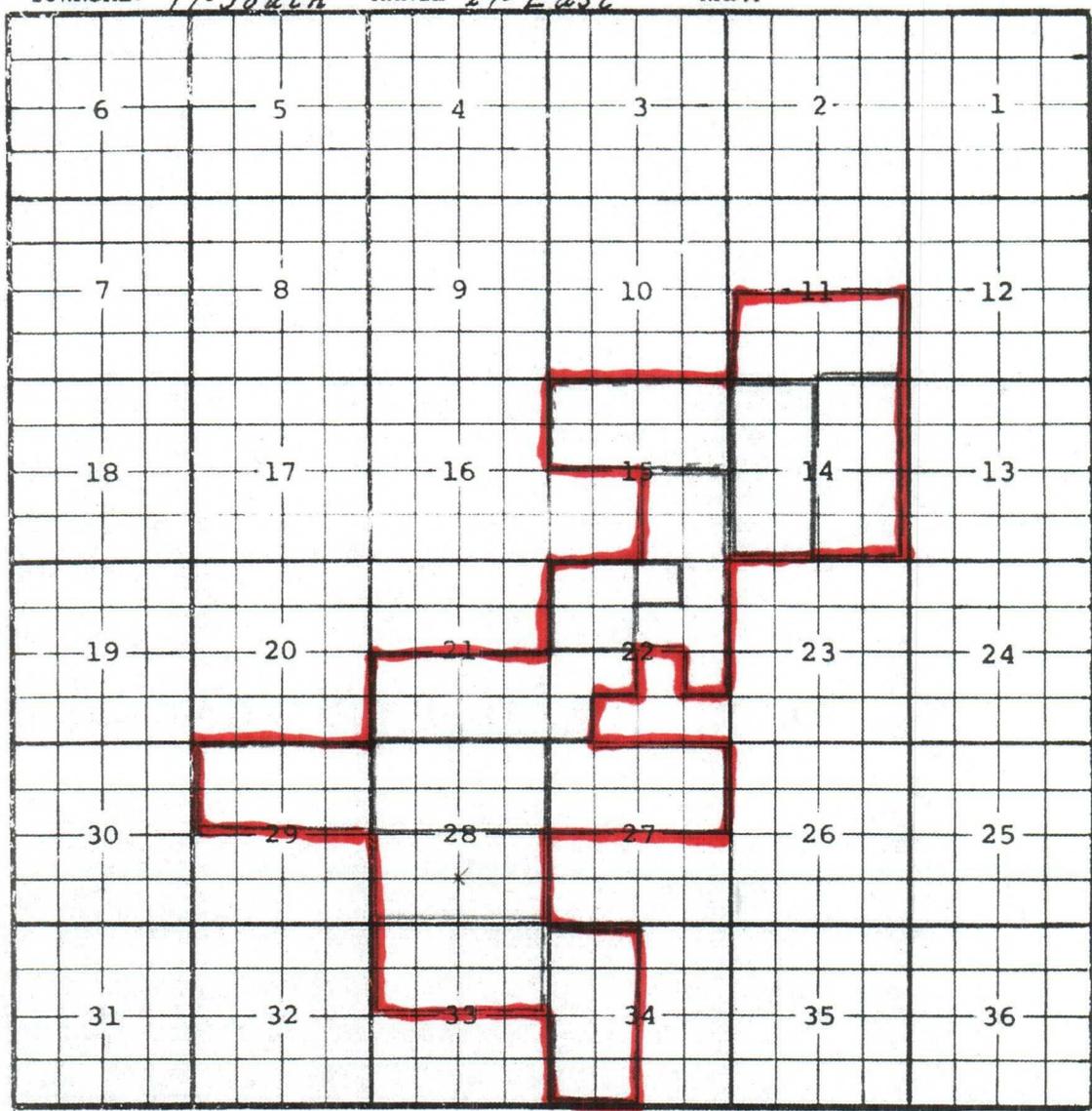


COUNTY Eddy POOL Morrow Grayburg ~~Atoka~~ Gas (77840)
 TOWNSHIP 17-South RANGE 29-East NMFM



Description: NW/4 Sec. 22, (R-1129, 2-20-58).
Redefine vertical limits as Morrow formation and redesignate (R-4137, 5-6-71)
Ext: S/2 Sec. 21; NW/4 NE/4 SW/4 SW/4 Sec. 22 (R-4232, 1-1-72)
N/2 Sec. 28 (R-4540, 6-1-73). Ext: S/2 Sec 28 (R-4734, 3-1-74)
Ext: SE/4 Sec 15, E/2 NE/4, SW/4 NE/4 & NE/4 SE/4 Sec 22 (R-4809, 6-18-74)
Ext: N/2 Sec 33 (R-4937, 2-1-75) Ext: N/2 Sec 27 (R-5511, 9-1-77)
EXT: W/2 SEC 14 (R-9171, 6-1-90) EXT: N/2 SEC 15 (R-9418, 2-1-91)
Ext: S/2 Sec. 11 (R-9578, 9-10-91) Ext: E/2 Sec. 14 (R-10951, 2-4-98)
Ext: N/2 Sec. 29 (R-11729, 2-22-02) Ext: W/2 Sec 34 (R-11764, 4-24-02)

COUNTY *Eddy*

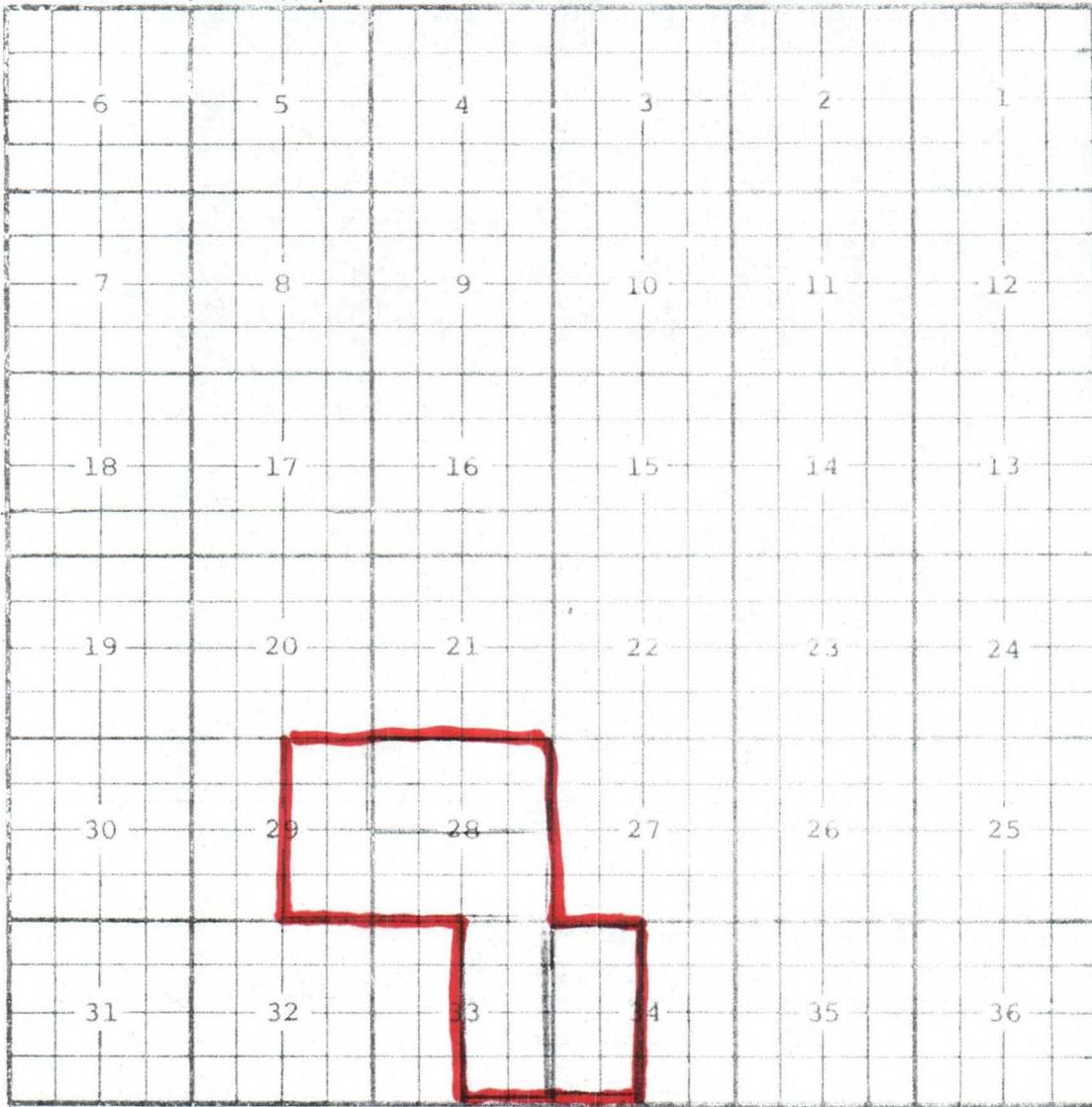
POOL *Grayburg - Atoka Gas*

(77720)

TOWNSHIP *17 South*

RANGE *29 East*

NMIM



Description: $\frac{S}{2}$ Sec 28, $\frac{E}{2}$ Sec 29 (R-5015, 6-1-75)

Ext: $\frac{E}{2}$ Sec. 33 (R-1141, 7-10-00) Ext: $\frac{W}{2}$ Sec. 34 (R-11908, 2-12-03)

Ext: $\frac{W}{2}$ Sec. 28 (R-12222, 10-25-04)

Form 3160-3
(August 1999)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.
NM-96219
6. If Indian, Allottee or Tribe Name
7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
Millennium "34" Federal Com. #1

2. Name of Operator
Yates Drilling Company

9. API Well No.
30-015-31833

3A. Address **105 South Fourth Street
Artesia, New Mexico 88210**

3b. Phone No. (include area code)
(505) 748-1471

10. Field and Pool, or Exploratory
Grayburg Morrow - 77840

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface **990' FSL and 990' FWL**
At proposed prod. Zone **Same**

11. Sec., T., R., M., or Blk, and Survey or Area
Section 34, T17S-R29E

14. Distance in miles and direction from nearest town or post office*

Approximately 17 miles east of Artesia, New Mexico.

12. County or Parish **Eddy County** 13. State **NM**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **990'**

16. No. of Acres in lease **40**

17. Spacing Unit dedicated to this well **320 W/2**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **1/2 mile**

19. Proposed Depth **11,400**

20. BLM/BIA Bond No. on file **586000**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **3531' GL**

22. Approximate date work will start* **ASAP**

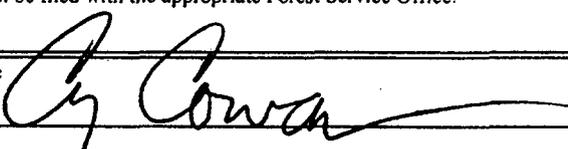
23. Estimated duration **35 days**

24. Attachments

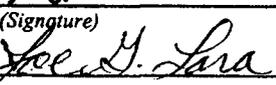
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

Roosevelt Controlled Water Basin

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office. | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature  Name (Printed/Typed) **Cy Cowan** Date **4/12/01**

Title: **Regulatory Agent**

Approved by (Signature)  Name (Printed/Typed) **Joe G. Lara** Date **4/13/2001**

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.

Conditions of approval, if any, are attached. **APPROVAL FOR 1 YEAR**

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**

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., Artesia, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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 Grayburg Morrow
Property Code	Property Name MILLENNIUM "34" FEDERAL COM.	Well Number 1
OCRID No. 025575 13	Operator Name YATES DRILLING COMPANY	Elevation 3531

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	17S	29E		990	SOUTH	990	WEST	EDDY

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

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

<p>NM-065108</p>	<p>NM-028775</p>			<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i></p> <p>Signature</p> <p>Cy Cowan</p> <p>Printed Name</p> <p>Regulatory Agent</p> <p>Title</p> <p>April 12, 2001</p> <p>Date</p>
	<p>NM-064073</p>			
<p>990'</p> <p>NM-3531 3528</p> <p>96219</p> <p>088</p>			<p>SURVEYOR CERTIFICATION</p> <p>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> <p>3/06/2001</p> <p>Date Surveyed</p> <p>Signature of Registered Professional Surveyor</p> <p>HERBERT JONES NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 3640</p> <p>Certificate No. 3640 Jones RLS 3640</p> <p>MILLENNIUM PROFESSIONAL ZONE SURVEYOR GENERAL SURVEYING COMPANY</p>	

YATES DRILLING COMPANY
Millennium "34" Federal Com. #1
 990' FSL & 990' FWL
 Sec. 34-T17S-R29-E
 Eddy County, New Mexico

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

Yates	938'
San Andres	2838'
Bone Springs	4025'
Wolfcamp	7484'
Penn	9102'
Strawn	9859'
Atoka	10210'
Morrow Clastics	10718'
Lower Morrow	10878'
TD	11400'

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

Water: Approx 200' - 350'
 Oil or Gas: All Potential Zones

3. Pressure Control Equipment: BOPE will be installed on the 8 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)

WITNESS	<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Interval</u>	<u>Length</u>
	14 3/4"	11 3/4"	42#	H-40	ST&C	0- 350 385'	350 385'
	11" "	8 5/8"	24#	J-55	ST&C	0-2200'	2200'
	11"	8 5/8"	32#	J-55	ST&C	2200'-3000'	800'
	7 7/8"	5 1/2"	17#	L-80	LT&C	0-2100'	2100'
	7 7/8"	5 1/2"	17#	J-55	LT&C	2100'-7600'	5500'
	7 7/8"	5 1/2"	17#	N-80	LT&C	7600'-10400'	2800'
	7 7/8"	5 1/2"	17#	S-95	LT&C	10400'-11400'	1000'

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

B. CEMENTING PROGRAM:

Surface casing: 200 sx "C" (Yld 1.32 Wt.14.6); Tail in w/200 sx "C" + 2% CaCl2 (Yld 1.32 Wt. 14.6).

Intermediate Casing: 1500 sx Lite (Yld 2.05 Wt. 12.6); Tail in w/200 sx "C" (Yld 1.32 Wt 14.6)

Production Casing: (TOC=2500') 600 sx Lite (Yld 2.05 Wt. 12.6); Tail in w/500 sx Super "C" (Yld 1.67 Wt 13.0) Note: Nitrified mud will be used ahead of cement.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-350'	FW Gel/Paper	8.6-9.0	32-36	N/C
350' - 3000'	Brine	10.0-10.2	28	N/C
3000'-9800'	Cut Brine	8.8-9.3	28	N/C
9800'-11400'	Salt Gel/Starch /Drispac/KCL	9.5-10.0	32-40	<10

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 samples ot from under surface casing.
 Logging: CNL/LDT, DLL - w/RXD - TD to casing.
 Coring: None anticipated.
 DST's: As warranted.

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

From:	O	TO:	350'	Anticipated Max.	BHP:	150	PSI
From:	350'	TO:	2900'	Anticipated Max.	BHP:	1300	PSI
From:	2900'	TO:	TD	Anticipated Max.	BHP:	5750	PSI

No abnormal pressures or temperatures are anticipated.

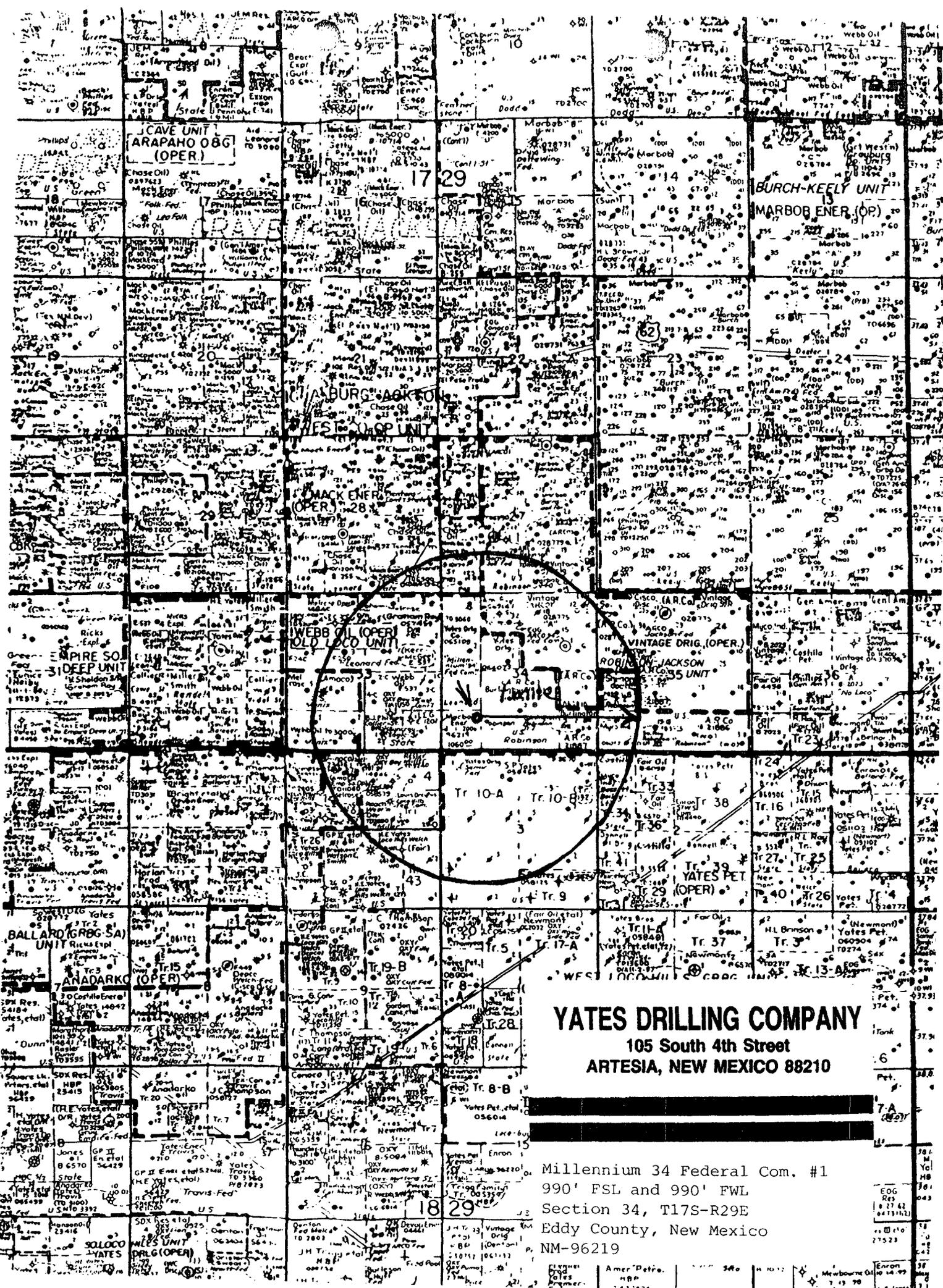
Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None.

Maximum Bottom Hole Temperature: 198 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 20 days to drill the well with completion taking another 15 days.



YATES DRILLING COMPANY
 105 South 4th Street
 ARTESIA, NEW MEXICO 88210

Millennium 34 Federal Com. #1
 990' FSL and 990' FWL
 Section 34, T17S-R29E
 Eddy County, New Mexico
 NM-96219

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N. M. OIL & GAS Division
811 G. W. ST.
ARTESIA, N.M. 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

95F

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

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		5. Lease Serial No. NM-96219
2. Name of Operator Yates Drilling Company		6. If Indian, Allottee or Tribe Name
3a. Address 105 South Fourth Street, Artesia, NM 88210	3b. Phone No. (include area code) (505) 748-1471	7. If Unit or CV Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL & 990' FWL Section 34 T17S-R29E		8. Well Name and No. Millennium 34 Federal Com. #1
		9. API Well No.
		10. Field and Pool, or Exploratory Area Grayburg Morrow
		11. County or Parish, State 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 checked="" 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 Operations (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 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 Drilling Company respectfully requests permission to make the following changes to this well:
Will nipple up 5,000 psi BOP on 11 3/4" casing as required by BLM stips, however we will test the BOPE and casing to 1,400 psi (70% 11 3/4" casing burst) as allowed by Onshore Order #2, not to 5,000 psi as required in stips.
Also, we would like to change the 8 5/8" setting depth to 2,900' and the design of the string. The string will now be all 32# J-55 w/ ST&C couplings instead of a mixture of 24 & 32# J-55.

Sincerely,

Gary Goustry, RFD

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Cory Frederick	Title Drilling Engineer Asst.
Signature <i>Cory Frederick</i>	Date July 9, 2001

THIS SPACE FOR FEDERAL OR STATE USE

Approved by DENIED	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.

Title 18 U.S.C. Section 1001, 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
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

CISF

SUNDRY NOTICES AND REPORTS ON WELLS

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

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.
30-010-11253

10. Field and Pool, or Exploratory Area
Grayburg Morrow

11. County or Parish, State
Eddy County, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

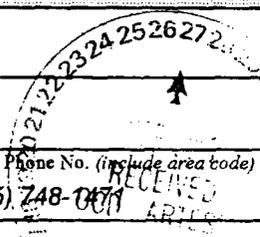
1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Yates Drilling Company

3a. Address
105 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)
(505) 748-0471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FSL & 990' FWL
Section 34 T17S-R29E



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 type="checkbox"/> Other
	<input checked="" 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 Operations (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.)

Due to severe lost circulation encountered in the 7 7/8" hole at approximately 9,200' we request to change the wellplan as follows.

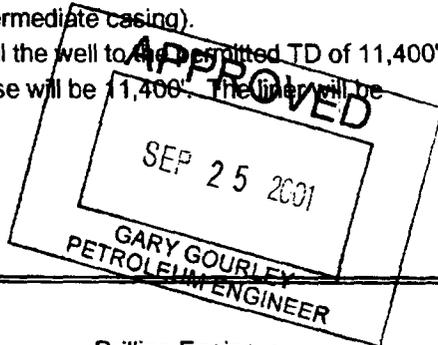
We will run 5 1/2" casing to a depth of approximately 9,900', and cement with 650 sx Lite (yld 1.98 wt 12.0), tailed in w/ 400 sx Super C (yld 1.62 wt 13.2). TOC will be 2,400' (500' inside intermediate casing).

After running the 5 1/2" casing we will reduce the hole size to 4 3/4" and drill the well to the permitted TD of 11,400'. At this depth a 3 1/2" flush joint liner will be run. Liner top will be 9,400', base will be 11,400'. The liner will be cemented in place with approximately 150 sx Super C (yld 1.62 wt 13.2).

We nipple our BOP back up on the 5 1/2" casing and re-test to 5,000 psi.

Please see attached sheet for 5 1/2" casing and 3 1/2" liner designs.

Sincerely,



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

Name (Printed/Typed) Cory Frederick	Title Drilling Engineer
Signature <i>Cory Frederick</i>	Date August 22, 2001

THIS SPACE FOR FEDERAL OR STATE 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.

Title 18 U.S.C. Section 1001, 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

Millenium 34 Federal Com. #1 5 1/2" casing Sundry Notice

The 5 1/2" casing design is listed below:

0'-1,640'	5 1/2"	17#	J-55	LT&C Couplings
1,640'-6,300'	5 1/2"	15.5#	J-55	LT&C Couplings
6,300'-8,100'	5 1/2"	17#	J-55	LT&C Couplings
8,100'-9,900'	5 1/2"	17#	N-80	LT&C Couplings

NOTE: The 5 1/2" 15.5# casing is used white band casing that has been reconditioned and tested to API specs for new 5 1/2" 15.5# casing.

The 3 1/2" liner design is listed below:

9,400'-11,400'	3 1/2"	9.3#	P-110	ST-L Flush Joint Couplings
----------------	--------	------	-------	----------------------------

Prepared by: *Cory Frederick*
 Cory Frederick
 Drilling Engineer

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 November 30, 2000

CISI

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.

Well 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" Fed Com #1

9. API Well No.
30-015-31833

10. Field and Pool, or Exploratory Area
Grayburg Morrow

11. County or Parish, State
Eddy County 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 South 4th Street, Artesia, NM

3b. Phone No. (include area code)
505-746-0308

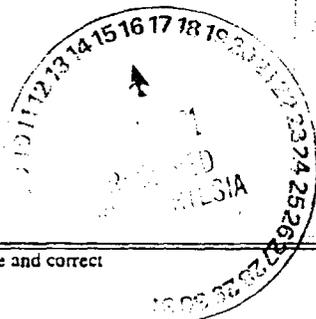
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FSL & 990' FWL
Section 34-17S-29E

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 Spud
	<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.)

Spudded a 26" hole with rat hole machine at 1:40 PM, 7-10-2001. Set 40' of 20" conductor pipe. Note: Notified Kathy Queen, BLM of spud.
Resumed drilling 14 3/4" hole with rotary tools at 9:00 PM, 7-14-2001.
TD 177', lost circulation 64'-69' and 93'-98'. Pumped 8 yds. redi-mix in open hole. WOC 2 hrs. Drilled out cement.



ACCEPTED FOR RECORD

RECEIVED
2001 AUG 22 PM 12 17
BUREAU OF LAND MGMT
CARLSBAD FIELD OFFICE

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

Karen J. Leishman

Title Engineering Technician

Signature

Date 8-21-2001

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
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

CISK

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. 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" Fed Com #1
9. API Well No. 30-015-31833
10. Field and Pool, or Exploratory Area Grayburg Morrow
11. County or Parish, State Eddy County 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 South 4th Street, Artesia, NM

3b. Phone No. (include area code)
505-746-0308

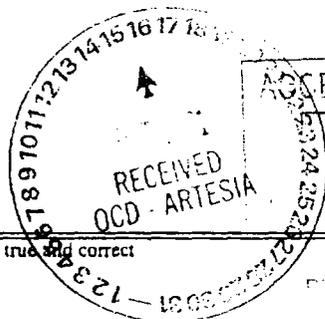
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FSL & 990' FWL
Section 34-17S-29E

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 <u>Casing and Cement</u>
	<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.)

7-16-2001 TD 420'. Ran 10 jts. 11 3/4" 42#, H casing, set at 420'. Texas Pattern guide shoe set at 420'. Insert float set at 383.39'. Cemented with 200 sxs. "H"+10B+1% CAC12 (yld 1.52, wt 14.6). Tailed in with 300 sxs. "C"+2% CAC12 (yld 1.34, wt 14.8). PD at 3:30 PM, 7-16-2001. Bumped plug to 500 psi, held okay. Circulated 30 sxs. WOC 12 hrs. Note: Ran Davis/Lynch float equipment Centralizers on joints #1, 3, 5, 7 & 9. Cement job witnessed by Don Early, BLM. Resumed drilling 11" hole.



2001 AUG 22 PM 12 18
RECEIVED
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

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 8-21-2001

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 _____

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 November 30, 2000

dsf

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.

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" Fed Com #1

9. API Well No.
30-015-31833

10. Field and Pool, or Exploratory Area
Grayburg Morrow

11. County or Parish, State
Eddy County 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 South 4th Street, Artesia, NM

3b. Phone No. (include area code)
505-746-0308

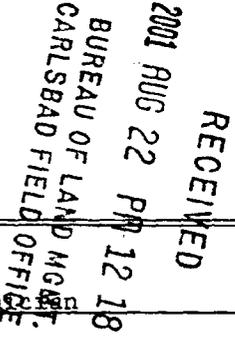
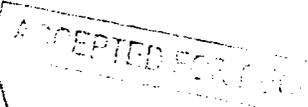
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FSL & 990' FWL
Section 34-17S-29E

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 <u>Casing and Cement</u>	
	<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.)

7-21-2001 TD 2900'. Ran 69 jts. 8 5/8" 32# J-55 8rd ST&C casing, set at 2900'. Float shoe set at 2900'. Float collar set at 2857.10'. Cemented with 725 sxs. 35/65/6 + 5# LCM + 1/4# CF (yld 2.04, wt 12.5). Tailed in with 200 sxs. "C" + 1% CAC12 (yld 1.34, wt 14.8). PD at 3:34 AM, 7-22-2001. Circulated 125 sxs. WOC, 28 hrs. Drilled out at 8:00 AM, 7-23-2001. Resumed drilling 7 7/8" hole.



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 8-21-2001

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 _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. LAND OFFICE
1301
Artesia

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

clsr

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 South 4th Street, Artesia, NM

3b. Phone No. (include area code)
 505-746-0308

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 990' FSL & 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" Fed Com #1

9. API Well No.
 30-015-31833

10. Field and Pool, or Exploratory Area
 Grayburg Morrow

11. County or Parish, State
 Eddy County NM

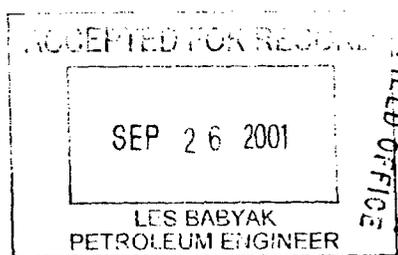
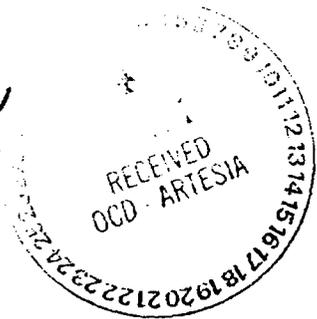
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<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Casing & Cement</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
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See attachment.

No Attachment



RECEIVED
 2001 SEP 20 PM 12 57
 BUREAU OF LAND MGMT
 CARLSBAD FIELD OFFICE

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 9-19-01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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Office _____

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 November 30, 2000

CLSP

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. Case 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" Fed Com #1

9. API Well No. 30-015-31833

10. Field and Pool, or Exploratory Area Grayburg Morrow

11. County or Parish, State Eddy County, 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 South 4th St., Artesia, NM

3b. Phone No. (include area code)
505-746-0308

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FSL & 990' FWL
Section 34-17S-29E

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<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 <u>Perf, Acid, Frac</u>
	<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	

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See attachment.

ACCEPTED FOR RECORD
DEC - 7 2001
LES BABYAK
PETROLEUM ENGINEER

RECEIVED
2001 DEC 7 PM 12 39
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

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 12-6-01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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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.

MILLENNIUM "34" FEDERAL COM #1
Section 34-17S-29E
Eddy County, New Mexico
NM-92619
December 5, 2001

- 10-30-2001 RUPU. Nipped up hydraulic BOP. RIH with 4 3/4" bit and scraper. Tagged cement at 8758'. Rigged up reverse unit.
- 10-31-2001 Drilled cement to 9420' inside 5 1/2" casing, circulated hole clean.
- 11-1-2001 Picked up 2 3/4" bit and drilled cement to 10,053' inside 3 1/2" csg. and fell through. RIH to 10,210' and tagged cement.
- 11-2-2001 Drilled out cement to 11,294'. Circulated hole clean. Pressured up hole and tested liner to 1500 psi for 30 min. Held good.
- 11-3-2001 Ran CBL, Gamma Ray and CCL.
- 11-4-2001 Pressured casing to 2000 psi. Casing held good. RIH with packer and set in liner at 9436'.
- 11-6-2001 Perforated Morrow with 2 1/8" guns with .25" holes, as follows:
10,874'-10,882' with 6 SPF
10,914'-10,919' with 6 SPF
- 11-7-2001 Swabbed well.
- 11-8-2001 Acidized Morrow perms. With 1500 gals. 7.5% NEFE HCL acid with 78,105 SCF N2. Flowed well back and rigged up swab line and swabbed well.
- 11-9-2001 Swabbed well and flowed well back.
- 11-12-2001 Frac'd Morrow perforations (10,874'-10,919') with 34,160# of 20/40 Interprop, 10,300# 20/40 Ceramax with 509,583 SCF N2, 89 tons of CO2. Flowed well back.
- 11-13-2001
thru 11-20-2001 Flowed well back. Shut well in, waiting on pipeline connection.



PATTERSON DRILLING COMPANY LP
A LIMITED PARTNERSHIP

410 North Loraine Street • Midland, Texas 79701
(915) 682-9401 • Fax (915) 682-1565

August 11, 2000

Yates Petroleum Corporation
105 S 4th St
Artesia, NM 88210

RE: Inclination Report
Haldeman EN #2
Sec 31; T-17-S; R-26-E

Gentlemen:

The following is an inclination survey on the above referenced well located in Eddy County, New Mexico:

358' - 0.75	3464' - 0.50	6900' - 1.00
758' - 1.00	3938' - 0.75	7377' - 1.00
1227' - 1.75	4415' - 0.75	7695' - 1.00
1335' - 1.50	4893' - 1.00	7696' - 1.00
1554' - 1.50	5370' - 1.00	8040' - 0.75
2031' - 1.50	5466' - 1.25	8484' - 0.75
2508' - 1.25	5944' - 1.00	8800' - 2.50
2986' - 1.25	6422' - 1.00	

Sincerely,

Rebecca Edwards

Rebecca A. Edwards
Administrative Assistant

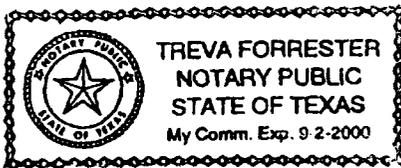
STATE OF TEXAS)
)
COUNTY OF MIDLAND)

Rebecca A. Edwards acknowledged the foregoing before me this 11th day of August 2000.

MY COMMISSION EXPIRES:

Treva Forrester

NOTARY PUBLIC



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

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

FORM APPROVED

OMB NO. 1004-0137

February 28, 1995

CIST

SIGNATURE AND SERIAL NO. NM-96219

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL [], GAS WELL [X], DRY WELL [], OTHER []

b. TYPE OF COMPLETION: NEW WELL [X], WORK OVER [], DEEP-EN [], PLUG BACK [], DIFF. CENVR. [], OTHER []

2. NAME OF OPERATOR: Yates Drilling Company

3. ADDRESS AND TELEPHONE NO.: 105 South 4th Street, Artesia, NM 505-746-0308

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements): At surface 990' FSL & 990' FWL

At top prod. interval reported below

At total depth

14. PERMIT NO. DATE ISSUED 12. COUNTY OR PARISH Eddy 13. STATE NM

15. DATE SPUDED 7-10-2001 16. DATE T.D. REACHED 9-11-2001 17. DATE COMPL. (Ready to prod.) 11-20-2001 18. ELEVATIONS (OF, RKB, RT. GR. ETC.)* 3531' GR 19. ELEV. CASINGHEAD -

20. TOTAL DEPTH, MD & TVD 11,430' 21. PLUG, BACK T.D., MD & TVD 11,397' 22. IF MULTIPLE COMPL. HOW MANY? - 23. INTERVALS DRILLED BY 24-11,430' 23. INTERVALS ROTARY TOOLS 40-11,430' 23. INTERVALS CABLE TOOLS -

24. PRODUCING INTERVAL(S), OF THIS COMPLETION --TOP, BOTTOM, NAME (MD AND TVD)* 10,874'-10,919' Morrow 25. WAS DIRECTIONAL SURVEY MADE Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN CN/GR, Laterolog 27. WAS WELL CORED No

Table with 6 columns: CASING SIZE/GRADE, WEIGHT, LB./FT., DEPTH SET (MC), HOLE SIZE, TOP OF CEMENT, CEMENTING RECORD, AMOUNT PULLED. Rows include 20", 11 3/4", 8 5/8", 5 1/2" casing sizes.

Table with 8 columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT, SCREEN (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Row includes 3 1/2" size, 9436' top, 11429' bottom.

Table with 2 columns: 31. PERFORATION RECORD (Interval, size and number) and 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. Rows include 10,874'-10,882', 6 SPF, 48 holes, .25" and 10,914'-10,919', 6 SPF, 30 holes, .25".

33. PRODUCTION: DATE FIRST PRODUCTION, PRODUCTION METHOD (Flowing, gas lift, pumping --size and type of pump), WELL STATUS (Producing or shut-in) SIWOPLC

Table with 8 columns: DATE OF TEST, HOURS TESTED, CHOKE SIZE, PROD'N FOR TEST PERIOD, OIL - BBL., GAS - MCF, WATER - BBL., GAS-OIL RATIO.

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

35. LIST OF ATTACHMENTS: Directional Survey, Electric Logs, DST

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Karen J. Leschman TITLE Engineering Technician DATE 12-12-01

Title 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

RECEIVED FOR RECORD DEC 14 2001 LES BABYAK PETROLEUM ENGINEER

YATES PETROLEUM CORPORATION
 MILLENNIUM 34 FEDERAL COM WELL NO. 1
 GRAYBURG MORROW FIELD
 EDDY COUNTY, NEW MEXICO
 (BASIC P/U)
 JOB NO(S) : MSRG-1110660
 DATE(S) : NOVEMBER 2, 2001
 MAGNETIC DECLINATION 09 DEGREES 12 MINUTES EAST
 ALL DIRECTIONS FROM TRUE NORTH
 COMPUTALOG DRILLING SERVICES, INC.

RECORD OF SURVEY
 ALL CALCULATIONS PERFORMED BY AN IBM COMPATIBLE PERSONAL COMPUTER
 MINIMUM CURVATURE METHOD
 HORIZONTAL VERSION 4.1wcds

CDS SURFACE RECORDING GYROSCOPIC MULTISHOT SURVEY FROM SURFACE TO 9423 FT MD

MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH	DRIFT DIRECTION	TOTAL COORDINATES	C L O S U R E DISTANCE	ANGLE	DOG LEG SEVERITY DEG/100FT
0	.00	.00	.00	.00 N	.00 E	.00	90.00
200	.63	200.00	55.83	.62 N	.91 E	1.11	55.83
400	.70	399.99	323.73	2.23 N	1.11 E	2.49	26.42
600	1.23	599.96	300.33	4.30 N	1.47 W	4.54	341.07
800	1.12	799.92	3.68	7.33 N	3.21 W	8.00	336.37
1000	1.28	999.88	12.35	11.46 N	2.60 W	11.75	347.21
1200	1.97	1199.80	359.93	17.08 N	2.13 W	17.21	352.90
1400	2.28	1399.67	332.75	24.06 N	3.96 W	24.38	350.66
1600	2.32	1599.51	340.05	31.40 N	7.16 W	32.20	347.16
1800	1.75	1799.38	343.62	38.13 N	9.40 W	39.27	346.15
2000	2.33	1999.25	355.17	45.11 N	10.60 W	46.34	346.77
2200	2.72	2199.06	354.08	53.89 N	11.44 W	55.09	348.02
2400	2.30	2398.87	10.82	62.54 N	11.17 W	63.53	349.87
2600	1.65	2598.75	3.63	69.36 N	10.24 W	70.11	351.61
2800	1.22	2798.69	11.68	74.31 N	9.62 W	74.93	352.62

PAGE NO. 3
 DOG LEG SEVERITY
 DEG/100FT

MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH	DRIFT DIRECTION	TOTAL COORDINATES	CLOSURE DISTANCE	CLOSURE ANGLE	DOG LEG SEVERITY DEG/100FT
9200	.72	9190.91	263.20	258.49 N	271.04	342.49	.46
9400	1.55	9390.87	316.28	260.29 N	273.71	341.99	.63
9423	1.85	9413.86	287.28	260.63 N	274.20	341.90	3.91

BOTTOM HOLE CLOSURE 274.20 FEET AT 341.90 DEGREES AZIMUTH

COMPUTALOG
 Wellbore knowledge and solutions
 DRILLING SERVICES, INC.

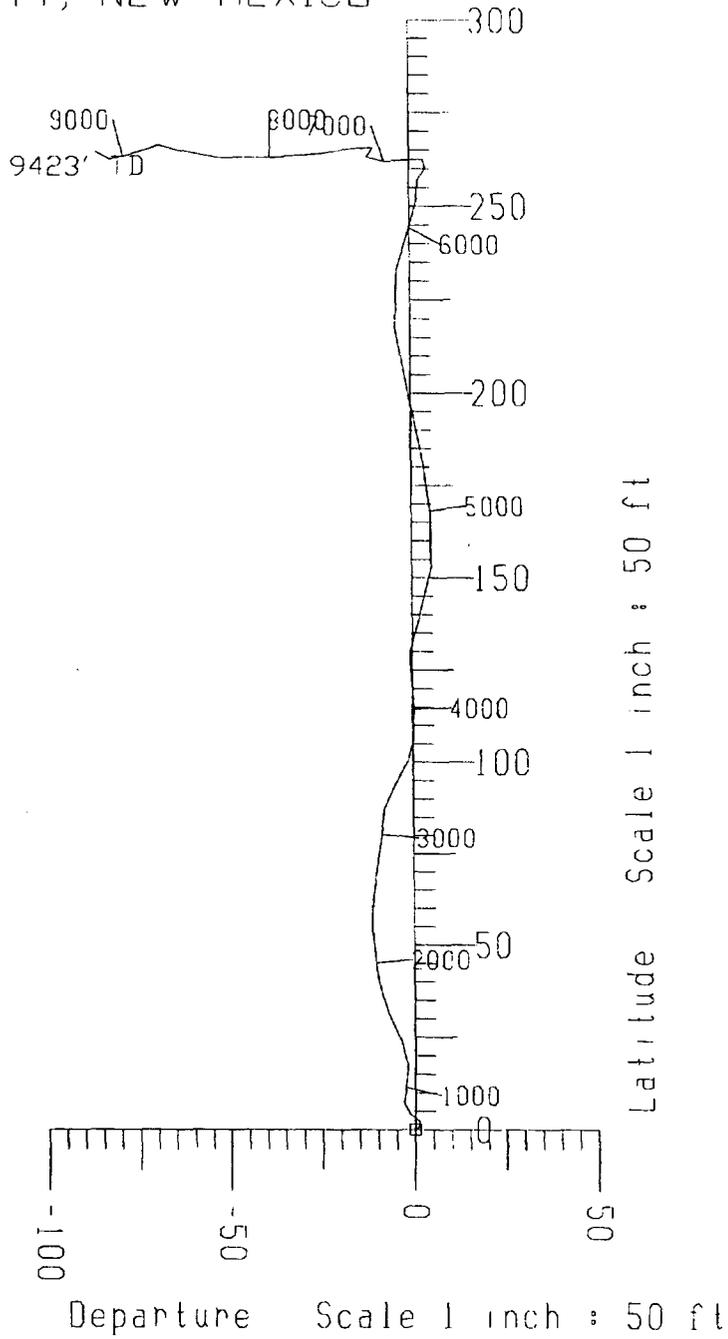
This is to certify that the Survey Readings from 8 to 9423 were obtained by our Field Surveyors and represent, to the best of our knowledge, a true and accurate survey of the well at the time the survey was run.

COMPUTALOG
 Wellbore knowledge and solutions
 DRILLING SERVICES, INC.
 Survey Supervisor *[Signature]*

YATES PETROLEUM CORPORATION
MILLENNIUM 34 FEDERAL COM WELL NO. 1
GRAYBURG MORROW FIELD
EDDY COUNTY, NEW MEXICO



COMPUTALOG
Wellbore knowledge
and solutions
DRILLING
SERVICES, INC.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OFFICE OF THE
N. M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210
REVISED 1004-G135
September 30, 2000

0157

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

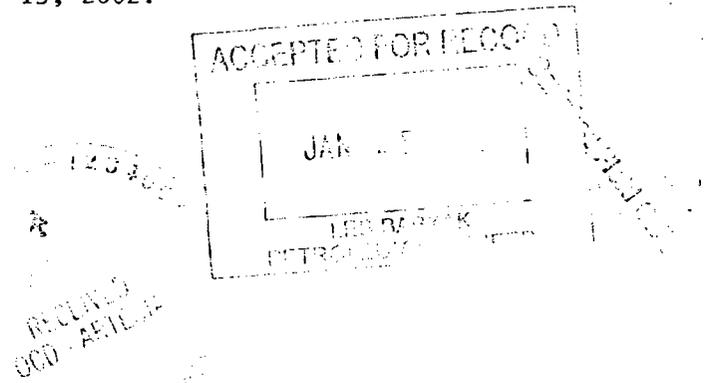
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-96219
2. Name of Operator Yates Drilling Company		6. If Indian, Allottee or Tribe Name -
3a. Address 105 South 4th Street, Artesia, NM	3b. Phone No. (include area code) 505-746-0308	7. If Unit or CA/Agreement, Name and/or No. -
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL & 990' FWL Section 34-17S-29E		8. Well Name and No. Millennium "34" Fed Com #1
		9. API Well No. 30-015-31833
		10. Field and Pool, or Exploratory Area Grayburg Morrow
		11. County or Parish, State Eddy County 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 <u>1st Sales</u>
	<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 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.)

Date of first sales - January 15, 2002.



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 1-16-2002

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

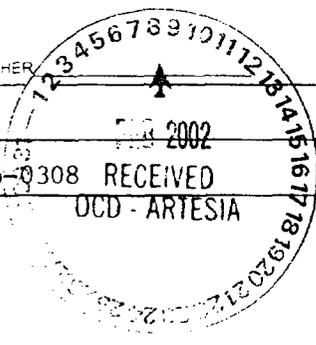
(See other side) N.M. DIV-DIST 2 1801 W. Grand Avenue Artesia, NM 88210

Oil Cons. DIST-2 1004-0137 Expires February 28, 1995

DST

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL, GAS WELL, DRY WELL, OTHER. b. TYPE OF COMPLETION: NEW WELL, WORK OVER, DEEP-EN, PLUG BACK, DIFF. CENVR, OTHER. 2. NAME OF OPERATOR: Yates Drilling Company. 3. ADDRESS AND TELEPHONE NO.: 105 South 4th St., Artesia, NM 505-746-0308. 4. LOCATION OF WELL: At surface 990' FSL & 990' FWL. At top prod. interval reported below. At total depth.



6. IF INDIAN, ALLOTTEE OR TRIBE NAME. 7. UNIT AGREEMENT NAME. 8. FARM OR LEASE NAME, WELL NO.: Millennium 34 Fed Com #1. 9. API WELL NO.: 30-015-31833. 10. FIELD AND POOL, OR WILDCAT: Grayburg Morrow. 11. SEC., T.R.M., OR BLOCK AND SURVEY ON AREA: Section 34-17S-29E. 12. COUNTY OR PARISH: Eddy. 13. STATE: NM. 14. PERMIT NO. DATE ISSUED. 15. DATE SPUNDED: 7-10-2001. 16. DATE T.D. REACHED: 9-11-2001. 17. DATE COMPL. (Ready to prod.): 11-20-2001. 18. ELEVATIONS (DF, RKB, RT. GR. ETC.): 3531' GR. 19. ELEV. CASINGHEAD. 20. TOTAL DEPTH, MD & TVD: 11,430'. 21. PLUG, BACK T.D., MD & TVD: 11,397'. 22. IF MULTIPLE COMPL. HOW MANY? 23. INTERVALS DRILLED BY: 40-11,430'. 24. PRODUCING INTERVAL(S), OF THIS COMPLETION -- TOP, BOTTOM, NAME (MD AND TVD): 10,874'-10,919' Morrow. 25. WAS DIRECTIONAL SURVEY MADE: Yes. 26. TYPE ELECTRIC AND OTHER LOGS RUN: CN/GR, Laterolog. 27. WAS WELL CORED: No.

28. CASING RECORD (Report all strings set in well) Table with columns: CASING SIZE/GRADE, WEIGHT, LB./FT., DEPTH SET (MC), HOLE SIZE, TOP OF CEMENT, CEMENTING RECORD, AMOUNT PULLED. Rows include 20" casing, 1 1/4" casing, 8 5/8" casing, 5 1/2" casing.

29. LINER RECORD Table with columns: SIZE, TCP (MD), BOTTOM (MD), SACKS CEMENT, SCREEN (MD). 30. TUBING RECORD Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD). Rows include 3 1/2" tubing and 2 7/8" tubing.

31. PERFORATION RECORD (interval, size and number) Table with columns: DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED. Rows include 10,874'-10,882' (6 SPF, 48 holes, .25"), 10,914'-10,919' (6 SPF, 30 holes, .25"), 10,874'-10,919' (Acidized w/ 1500 gals. 7.5% NEEF HCL, 78105 SCF N2), 10,874'-10,919' (Frac'd w/ 34,160# 20/40 Interprop, 10,300# 20/40 Ceramax w/ 509,583 SCF N2, 89 tons CO2).

33. PRODUCTION Table with columns: DATE FIRST PRODUCTION, PRODUCTION METHOD, WELL STATUS, DATE OF TEST, HOURS TESTED, CHOKE SIZE, PROD'N FOR TEST PERIOD, OIL - BBL, GAS - MCF, WATER - BBL, GAS-OIL RATIO, FLOW, TUBING PRESS, CASING PRESSURE, CALCULATED 24-HOUR RATE, OIL - BBL, GAS - MCF, WATER - BBL, OIL GRAVITY - API (CORR.). Rows include production starting 1-16-2002, flowing, producing, with test data for 1-23-2002.

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): Sold. TEST WITNESSED BY: Greg Boans.

35. LIST OF ATTACHMENTS: Directional Survey, Electric Logs, DST Report. ACCEPTED FOR RECORD.

I hereby certify that the foregoing and attached information is complete and correct as determined from all available records. SIGNED: Kevin J. Leishman, TITLE: Engineering Technician, DATE: JUNE 30 1982.

Title 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. E. BABYAK, PETROLEUM ENGINEER.

District I
 O Box 1900, Hobbs, NM 88241-1900
 District II
 O Drawer DD, Aztec, NM 88211-0719
 District III
 300 Rio Brazos Rd., Aztec, NM 87410
 District IV
 O Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-104
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

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

SF
 HT
 GP
 [Handwritten initials and marks]

AMENDED REPORT

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address Yates Drilling Company 105 South 4th St. Artesia, NM 88210		OGRID Number 025513
		Reason for Filing Code NW
API Number 30-0 15-31833	Pool Name Grayburg Morrow	Pool Code 77840
Property Code 28164	Property Name Millennium 34 Fed Com	Well Number #1

II. Surface Location

U/I or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South Line	Feet from the	East/West Line	County
L	34	17S	29E		990	South	990	West	Eddy

Bottom Hole Location

U/I or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South Line	Feet from the	East/West Line	County

" Lic Code	" Producing Method Code	" Gas Connection Date	" C-129 Permit Number	" C-129 Effective Date	" C-129 Expiration Date
G	Flowing	1-16-2002			

III. Oil and Gas Transporters

" Transporter OGRID	" Transporter Name and Address	" POD	" O/G	" POD ULSTR Location and Description
147831	Agave Energy Co. 105 South 4th St. Artesia, NM 88210	2831410	G	Unit L-34-17S-29E
138648	Amoco Pipeline Inc. Trucking 502 N. West Ave. Levelland, TX 75391-0588	2831409	O	Unit L-34-17S-29E



IV. Produced Water

" POD	" POD ULSTR Location and Description
2831411	Unit L-34-17S-29E

V. Well Completion Data

" Spud Date	" Ready Date	" TD	" PBTD	" Perforations
7-10-2001	11-20-2001	11,430'	11,397'	10,874'-10,919'

" Hole Size	" Casing & Tubing Size	" Depth Set	" Sacks Cement
26"	20"	40'	Cement to surface
14 3/4"	11 3/4"	420'	500 sxs. circulate
11"	8 5/8"	2900'	925 sxs. circulate
7 7/8"	5 1/2"	9904'	1230 sxs.
	3 1/2"	11429'	230 sxs

VI. Well Test Data

" Date New Oil	" Gas Delivery Date	" Test Date	" Test Length	" Tbg. Pressure	" Csg. Pressure
1-16-2002	1-16-2002	1-23-2002	24 hrs.	200	0

" Choke Size	" Oil	" Water	" Gas	" AOF	" Test Method
16/64	2	3	132	-	Flowing

" 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: *Karen J. Leishman*
 Printed name: Karen J. Leishman
 Title: Engineering Technician
 Date: 1-28-2002 Phone: 505-746-0308

Approved by: *[Signature]*
OIL CONSERVATION DIVISION
ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR
 Title:
 Approval Date: **FEB 13 2002**

" If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

C/SF

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Oil Cons.

FORM APPROVED OMB No. 1004-0125 Expires November 30, 2000

N.M. Div-Dist. 2 301 W. Grand Avenue Artesia, NM 88210

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

5. Lease Serial No. NM-96219
6. Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. Millennium "34" Fed Com #1
9. API Well No. 30-015-31833
10. Field and Pool, or Exploratory Area Grayburg Morrow
11. County or Parish, State Eddy County, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well [] Oil Well [x] Gas Well [] Other
2. Name of Operator Yates Drilling Company
3a. Address 105 S. 4th St., Artesia, NM
3b. Phone No. (include area code) 505-745-0308
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL & 990' FWL Section 34-17S-29E



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

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. 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.

The Millennium produces approximately 3 barrels of water per day. It is stored on location in a 210 barrel fiberglass tank. The water will be trucked by O.K. Hot Oil Service to the following disposal: Aid State Section 14-T17S-R28E Eddy County, NM NM#580311146

Attached is a water analysis for the produced water.

Accepted for record - NRM/CED

RECEIVED APR 12 2002 FIELD OFFICE
ACCEPTED FOR RECORD APR 15 2002
LES BABYAK PETROLEUM ENGINEER

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

Title Engineering Technician
Date 4-11-02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Blank] Title [Blank] Date [Blank]
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 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



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.

Administrative Order DHC-3033

Yates Drilling Company

August 9, 2002.

Page 2

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 Wrottenbery (wvj)

LORI WROTENBERY
Division Director

LW/WVJ

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM OIG Case 02-100-2

1307-100-100

FORM 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

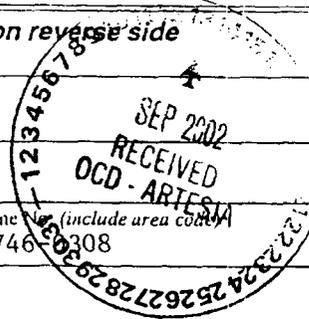
1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Yates Drilling Company

3a. Address
 105 S. 4th St., Artesia, NM

3b. Phone (include area code)
 505-746-308

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 990' FSL & 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			
<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 checked="" 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 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/BLA. 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.)

Propose to:

- Perforate Atoka formation 10,677'-10,688' and frac same.
- 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

Karen J. Leishman

Date 9/9/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

RETROLEUM 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

Form 3160-3
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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.

RECEIVED
OCC. ARTESIA

5. Lease Serial No.
NM-96219

6. Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No

Millennium 34 Fed Com #1

2. Name of Operator
Yates Drilling Company

9. API Well No.

30-015-31833

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

3b. Phone No. (include area code)
505-748-1471

10. Field and Pool, or Exploratory Area

Under Grayburg Atoka

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

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

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 Integrit.
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Re-complete	<input checked="" type="checkbox"/> Other Perforate
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Component Abandon	<u>Simulate</u>
	<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.)

- 10/11/02 Perforate Atoka 10,677' - 10,688' (6 SPF) - .25" holes, 66 holes.
- 10/15/02 Spotted sand plug (10,720' - 11,397') over Morrow perms (10,874' - 10,919').
- 10/17/02 Spearheaded 2000 gals. 7 1/2% HCL. Frac'd with 41,380# 20/40 Interprop, 77 tons CO2, 5800 SCF Nitrogen.
- 10/18/02 Flowing well back. (sand plug still in place)

ACCEPTED FOR RECORD
NOV 21 2002
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 19-Nov-02

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 15 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

c198

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. Resrv. Other Recom.

2. Name of Operator: Yates Drilling Company

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

3a. Phone No. (include area code): 505-748-1471

5. Lease Ser at No: NM-96219

6. If Indian, Avictes or Tribe Name: -

7. Unit or CA Agreement Name and No.: -

8. Lease Name and Well No: Millennium 34 Fed Com #1

9. API Well No: 30-015-31833

10. Field and Pool or Exploratory: Under Grayburg Atcka

11. Sec., T., R., M., on Block and Survey or Area: 34-17S-29E

12. County or Parish: Eddy 13. State: NM

14. Date Spudded: RC 10/11/2002

15. Date T.D. Reached: NA

16. Date Completed: 10/17/2002 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL): 3558' GR

18. Total Depth: MD 11,430' TVD

19. Plug Back T.D.: MD 11,397' TVD

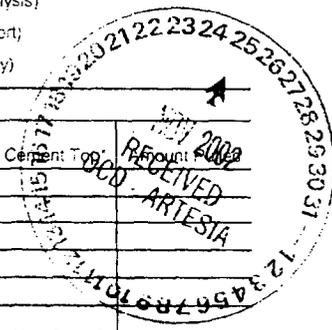
20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

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 Current	Sturry Vol. (BBL)	Cement Top



24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf Status
A) Atcka	10,677'	10,688'	10,677-10,688	.25"	66	
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
10,677'-10,688'	2000 gals. 7 1/2% HCL. Frac'd with 41.380# 20/40 Interprop. 77 tons CO2, 5800 scf Nitrogen

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
10/17/2002	11/11/02	24	↪	0	52	3	NA	-	Flowing
Choke Size	Tbg. Press. Flwg. 245 SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	PRODUCING

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

28a. 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
Refer to Original completion					

32. Additional remarks (include plugging procedure):

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 Technician

Signature *Karen J. Leishman* Date 11/20/2002

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.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1060 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

Handwritten: 0157
AT
Submit to Appropriate District Office
APL

5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

1 Operator Name and Address Yates Drilling Company 105 South Fourth Street Artesia NM 88210		2 OGRID Number 025513
3 Reason for Filing Code Effective Date RC		
4 API Number 30-015-31833	5 Pool Name Undesignated Grayburg Atoka	6 Pool Code 77720
7 Property Code 028164	8 Property Name Millennium 34 Federal Com	9 Well Number 1

10 Surface Location									
11 Grid Lot No. M	12 Section 34	13 Township 17S	14 Range 29E	15 Lot Idn M	16 Feet from the 990	17 North-South Line South	18 Feet from the 990	19 East-West line West	20 County Edley

11 Bottom Hole Location									
21 Grid Lot No.	22 Section	23 Township	24 Range	25 Lot Idn	26 Feet from the	27 North-South line	28 Feet from the	29 East-West line	30 County
31 Well Code	32 Producing Method Code	33 Gas Connection Date	34 C-129 Permit Number	35 C-129 Effective Date	36 C-129 Expiration Date				

III. Oil and Gas Transporters

37 Transporter OGRID	38 Transporter Name & Address	39 POD	40 ICG	41 POD/USLR Location and Description
147831	Agave Energy Company 105 S. 4 th St. Artesia, NM 88210	2831410	G	Unit L-34-17S-29E
138648	Amoco Pipeline Inc. Trucking 502 N. West Ave. Levelland, TX 75391-0588	2831409	O	Unit L-34-17S-29E



IV. Produced Water

42 POD 2831411	43 POD/USLR Location and Description Unit L-34-17S-29E
-------------------	---

V. Well Completion Data

44 Start Date RC 10/11/02	45 Ready Date 10/17/02	46 ID 11,430'	47 PBTD 11,397'	48 Perforations 10,677-10,688	49 DRC CAR
50 Hole Size	51 Casing & Tubing Size	52 Depth Set	53 Sacks Cement		

VI. Well Test Data

54 Date New Oil	55 Gas Delivery Date 10/17/2002	56 Test Date 11/11/02	57 Test Length 24 hrs.	58 Tbg. Pressure 245	59 Csg. Pressure
60 Choke Size 50/64	61 Oil	62 Water 3 bbls.	63 Gas 52 mcf	64 AOP	65 Test Method Flow Test

66 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: <i>Karen J. Leishman</i>		67 Approved by: OIL CONSERVATION DIVISION ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR	
68 Printed name: Karen J. Leishman		69 Title:	
70 Title: Engineering Technician		71 Approval Date: DEC 02 2002	
72 Date: 11/20/02	73 Phone: 505-746-0308		

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

RECEIVED

2. Name of Operator

Yates Drilling Company

MAY 11 2004

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)

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

5. Lease Serial No.

LC-085408 NA 96214

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Atoka

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 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 checked="" 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 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.)

Spot 170' cement plug from 10,720' to 10,550'. Perforate Penn zone 9424' to 9450'.
Acidize with 10,000 gals. of 15% NEFE acid.

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

3/12/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Date

MAY 07 2004

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
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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC-065108
2. Name of Operator Yates Drilling Company		6. If Indian, Allottee or Tribe Name
3a. Address 105 S. 4th Str., Artesia, NM 88210	3b. Phone No. (include area code) 505-748-8463	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) 990' FSL & 990' FWL Section 34-17S-29E		8. Well Name and No. Millennium 34 Fed Com #1
		9. API Well No. 30-015-31833
		10. Field and Pool, or Exploratory Area Grayburg Atoka
		11. County or Parish, State Eddy, NM

RECEIVED
DEC - 8 2004

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	Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Site Security Diagram</u>
	<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 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 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.)

Attached please find a Site Security Diagram.

ACCEPTED FOR RECORDS
DEC 6 2004
LES BABYAK
PETROLEUM ENGINEER

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 12/2/2004

Accepted for record - NMOCD

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

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

DEC 29 2005

OOD-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)

990' FSL & 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 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Grayburg Atoka

11. County or Parish, State

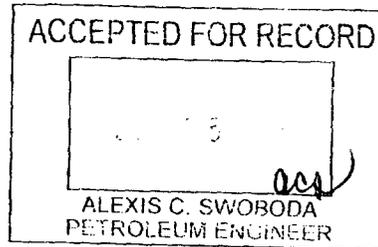
Eddy, NM

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

See attachment.



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

Name (Printed/Typed) **Karen J. Leishman** Title **Operations Technician**

Signature *Karen J. Leishman* Date **12/9/2005**

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

Millennium "34" Federal Com #1
Section 34-17S-29E
Eddy County, NM
30-015-31833

10-28-2004 RIH with CIBP and set at 10,550'.
10-29-2004 RIH and dumped 50' cement on top of CIBP. PBTD 10,500'.
Perforated Penn zone 9424'-9450', 6 SPF, .25" holes.
12-21-2004 RIH with CIBP and set at 9000'. RIH and dumped 50' cement on top of
CIBP. Perforated 8610'-8650', 1 SPF, .36" holes.
12-28-2004 Acidized well with 2000 gals 15% HCL acid.
12-30-2004 RIH with CIBP and set at 8550'. RIH and dumped 50' cement on top of
CIBP. PBTD 8500'.
12-31-2004 Perforated 8370'-8414', 2 SPF, .36" holes.
1-5-2005 RIH with CIBP and set at 8300'. RIH and dumped 50' cement on top of
CIBP. PBTD 8250'. Perforated 7812'-7814', 2 SPF, .36" holes.
2-2-2005 RIH with CIBP and set at 7800'. RIH and dumped 50' cement on top of
CIBP. PBTD at 7750'. Perforated 7504'-7530', 1 SPF, .36" holes.

Well is currently shut-in pending re-completion attempt.

UCD-ARTESIA

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
NM-96219

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED

1. Type of Well

Oil Well Gas Well Other

FEB 08 2006

8. Well Name and No.

Millennium 34 Fed Com #1

2. Name of Operator

Yates Drilling Company

9. API Well No.

30-015-31833

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

Grayburg Atoka

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

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

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 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 checked="" 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 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.)

1/18/2006 Set CIBP at 7430' and dumped 35' cement on top of CIBP. New PBTD 7395'.

1/20/2006 Perforated Bone Springs, 6964'-7040', .44" holes, 2 SPF.

1/24/2006 Acidized with 3500 gals 10% HCL acid with 228 ball sealers. Began swabbing well.

1/31/2006 Frac'd with 6000 gals 9.5# brine, 4,000 gals 35# linear gel, 25,000 gals Medallion 3500 with 1000# 20/40 White Sand, 8,032# 14/30 Liteprop 125, 66,700# 16/30 White Sand, 15,280# 16/30 Siberprop for tail sand. Flowing well back.

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

Name (Printed/Typed)

Karen J. Leishman

Title Operations Tech.

Signature

Date 2/2/2006

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID B. CLAR

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

PETROLEUM ENGINEER

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. Reserv.,
 Other Recom.

5. Lease Serial No.
NM-96219

6. If Indian, Allottee or Tribe Name
-

2. Name of Operator
Yates Drilling Company

7. Unit or CA Agreement Name and No.
-

3. Address **105 S. 4th Str., Artesia, NM 88210** 3a. Phone No. (include area code) **505-748-1471**

8. Lease Name and Well No.
Millennium 34 Fed Com #1

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At Surface **990' FSL & 990' FWL**
 At top prod. Interval reported below
 At total depth

9. API Well No.
30-015-31833 0053

10. Field and Pool, or Exploratory
 11. Sec., T., R., M., on Block and Survey or Area
34-17S-29E

12. County or Parish **Eddy** 13. State **NM**

RECEIVED
MAR 23 2006
OCD-ARTESIA

14. Date Spudded **RC 1/17/2006** 15. Date T.D. Reached **NA** 16. Date Completed **2/4/2006**
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
3558' GR

18. Total Depth: MD **11,430'** 19. Plug Back T.D.: MD **7395'** 20. Depth Bridge Plug Set: MD
 TVD TVD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
REFER TO ORIGINAL COMPLETION

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)	Botm (MD)	State Cementer Depth	No. of Skis & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Bone Springs	6,964'	7,040'	6,964'-7,040'	.44"	152	
B)						
C)						
D)						

26. Perforation Record

Depth Interval	Amount and Type of Material
6,964'-7,040'	3500 gals. 10% HCL with 228 ball sealers. Frac'd with 6000 gals 9.5# brine, 4000 gals 35# linear gel, 25,000 gals Medallion 3500 with 1000# 20/40 white sand, 8032# 14/30 Liteprop-125, 66,700 # 16/30 white sand, 15,280# 16/30 Siberprop for tail sand.

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

Depth Interval	Amount and Type of Material
6,964'-7,040'	3500 gals. 10% HCL with 228 ball sealers. Frac'd with 6000 gals 9.5# brine, 4000 gals 35# linear gel, 25,000 gals Medallion 3500 with 1000# 20/40 white sand, 8032# 14/30 Liteprop-125, 66,700 # 16/30 white sand, 15,280# 16/30 Siberprop for tail sand.

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
2/5/2006	2/21/2006	24	↻	15	44	2.9	38.4	-	Pumping
Choke Size	Tbg. Press. Flwg. 245	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			↻	15	44	2.9	34/1	PRODUCING	

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

ACCEPTED FOR RECORD
DAVID R. GLASS
MAR 21 2006
DAVID R. GLASS
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	
Refer to Original completion						

32. Additional remarks (include plugging procedure):

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 Operations Tech

Signature *Karen J. Leishman* Date 3/13/2006

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.

Form 3180-4
(September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OPERATOR'S COPY
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

1b. Type of Completion: New Well Work Over Deepen Plug Back Oil Reserv. Other Recon.

2. Name of Operator: Yates Drilling Company

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

3a. Phone No. (include area code): 505-748-1471

4. Location of Well (Report location clearly and in accordance with Federal requirements):
At Surface: 990' FSL & 990' FWL
At top prod. interval reported below
At total depth

5. Lease Serial No.: NM-96219

6. If Indian, Allottee or Tribe Name:

7. Unit or CA Agreement Name and No.:

8. Lease Name and Well No.: Millennium 34 Fed Com #1

9. API Well No.: 30-015-31833-0053

10. Field and Pool, or Exploratory:

11. Sec., T., R., M. on Block and Survey or Area: 34-17S-29E

12. County or Parish 13. State: Eddy NM

RECEIVED
MAR 24 2006
YATES DRILLING

14. Date Spudded: RC 1/17/2006

15. Date T.D. Reached: NA

16. Date Completed: 2/4/2006
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL): 3558' GR

18. Total Depth: MD 11,430' TVD

19. Plug Back T.D.: MD 7395' TVD

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each): REFER TO ORIGINAL COMPLETION

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

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Bone Springs	6,964'	7,040'	6,964'-7,040'	.44"	152	
B)						
C)						
D)						

26. Perforation Record

Depth Interval	Amount and Type of Material
6,964'-7,040'	3500 gals. 10% HCL with 228 ball sealers. Frac'd with 6000 gals 9.5# brine, 4000 gals 35# linear gel, 25,000 gals Medallion 3500 with 1000# 20/40 white sand, 8032# 14/30 Liteprop-125, 68,700 # 16/30 white sand, 15,280# 16/30 Siberprop for tail sand.

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

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
2/5/2006	2/21/2006	24	↔	15	44	2.9	38.4	-	Pumping
Choke Size	Tbg. Press. Fwg. 245	Cog. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			↔	15	44	2.9	34/1		

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. Fwg. S1	Cog. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			↔						

PRODUCING
ACCEPTED FOR RECORD
David R. Glass
MAR 21 2006
DAVID R. GLASS
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	Cog. 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	Cog. 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
Refer to Original completion					

32. Additional remarks (include plugging procedure):

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 Operations Tech
 Signature *Karen J. Leishman* Date 3/13/2006

Title 18 U.S.C. Section 1001 and Title 49 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 or to any master within its jurisdiction.

DISTRICT I
1425 E. French St., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1020 N. Brazos St., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31833	Pool Code	Pool Name Bone Spring
Property Code	Property Name Millennium "34" Federal Com.	Well Number 1
OGSM No. 025513	Operator Name YATES DRILLING COMPANY	Elevation 3531'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	17S	29E		990'	South	990'	East	Eddy

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

Dedicated Acres 40	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

	<p>RECEIVED MAR 30 2006 JUN 17 2006</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i> Signature</p> <p>Cy Cowan Printed Name</p> <p>Regulatory Agent Title</p> <p>March 30, 2006 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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> <p>REFER TO ORIGINAL PLAT.</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p>
		<p>Certificate No. Herschel L. Jones RLS 3640</p>
		<p>GENERAL SURVEYING COMPANY</p>

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

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Yates Drilling Company 105 South Fourth Street Artesia NM 88210		² OGRID Number 025513
		³ Reason for Filing Code/ Effective Date RC
⁴ API Number 30-015-31833	⁵ Pool Name Leca Hills; Bone Spring	⁶ Pool Code 39510
⁷ Property Code 028164	⁸ Property Name Millennium 34 Federal Com	⁹ Well Number 1

II. 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
M	34	17S	29E	M	990	South	990	West	Eddy

¹¹ Bottom Hole Location

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

¹² Lse Code F	¹³ Producing Method Code Pumping	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
-----------------------------	--	-----------------------------------	-----------------------------------	------------------------------------	-------------------------------------

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name & Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
15694	Navajo Refining Company P.O. Box 159 Artesia, NM 88210	2831410	O	Unit L-34-17S-29E
				RECEIVED MAR 16 2006 OED-ARTESIA

IV. Produced Water

²³ POD 2831411	²⁴ POD ULSTR Location and Description Unit L-34-17S-29E
------------------------------	---

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTD	²⁹ Perforations	³⁰ DHC, MC
RC 1/17/2006	2/4/2006	11,430'	7395'	6964'-7040'	
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
2/5/2006		2/21/2006	24 hrs.		
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method
	15	3 bbls.	44 mcf		Pumping

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: *Karen J. Leishman*

Printed name: Karen J. Leishman

Title: Engineering Technician

Date: 3/13/2006

Phone: 505-748-8463

Approved by: *Nicholas H. Segerson*

Title: District II Supervisor

Approval Date: APR 03 2006

UNITED STATES **OCD-ARTESIA**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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 reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM-96219

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/o

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 South Fourth Street, Artesia, NM 88210

3b. Phone No. (include area code)
(505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**990' FSL and 990' FWL
 Section 34, T17S-R29E**

8. Well Name and No.
Millennium "34" Federal #1

9. API Well No.
30-015-31833

10. Field and Pool, or Exploratory Area
Bone Spring

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 <u>Change</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	of name.
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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 Drilling Company wishes to change the name for the captioned from Millennium "34" Federal Com. #1 to the Millennium "34" Federal #1 **35631**

Thank you.

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

Name (Printed/Typed) **Cy Cowan** Title **Regulatory Agent**

Signature *[Signature]* Date **3/23/06**

RECEIVED FOR RECORD THIS SPACE FOR FEDERAL OR STATE USE

Approved by **ORIG. SGDJ DAVID R. GLASS** 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, 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.

DAVID R. GLASS
PETROLEUM ENGINEER

(Instructions on Reverse)

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.

RECEIVED

JUN 16 2006

5. Lease Serial No.
NM-96219

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

8. Well Name and No.

Millennium 34 Fed Com #1

9. API Well No.

30-015-31833

10. Field and Pool, or Exploratory Area

Loco Hills, Bone Springs

11. County or Parish, State

Eddy, NM

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)

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

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 <u>Off-lease Measurement</u>
	<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 Drilling Company requests approval for Off-lease Measurement of the gas produced from this well. The gas produced will be the only product measured off-lease. The pipeline that will transport the gas is located in the SE/4SW/4 Section 33-17S-34E. The well produces approximately 40 MCFPD. We will lay 2" polypipe on the surface to the Duke Energy pipeline at the Perry Leonard Federal Battery. The total flow meter will be owned by Duke. I have attached the survey plats for the pipeline location and lease information.

APPROVED
JUN 14 2006
GARY GOURLEY
PETROLEUM ENGINEER

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

6/7/2006

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.

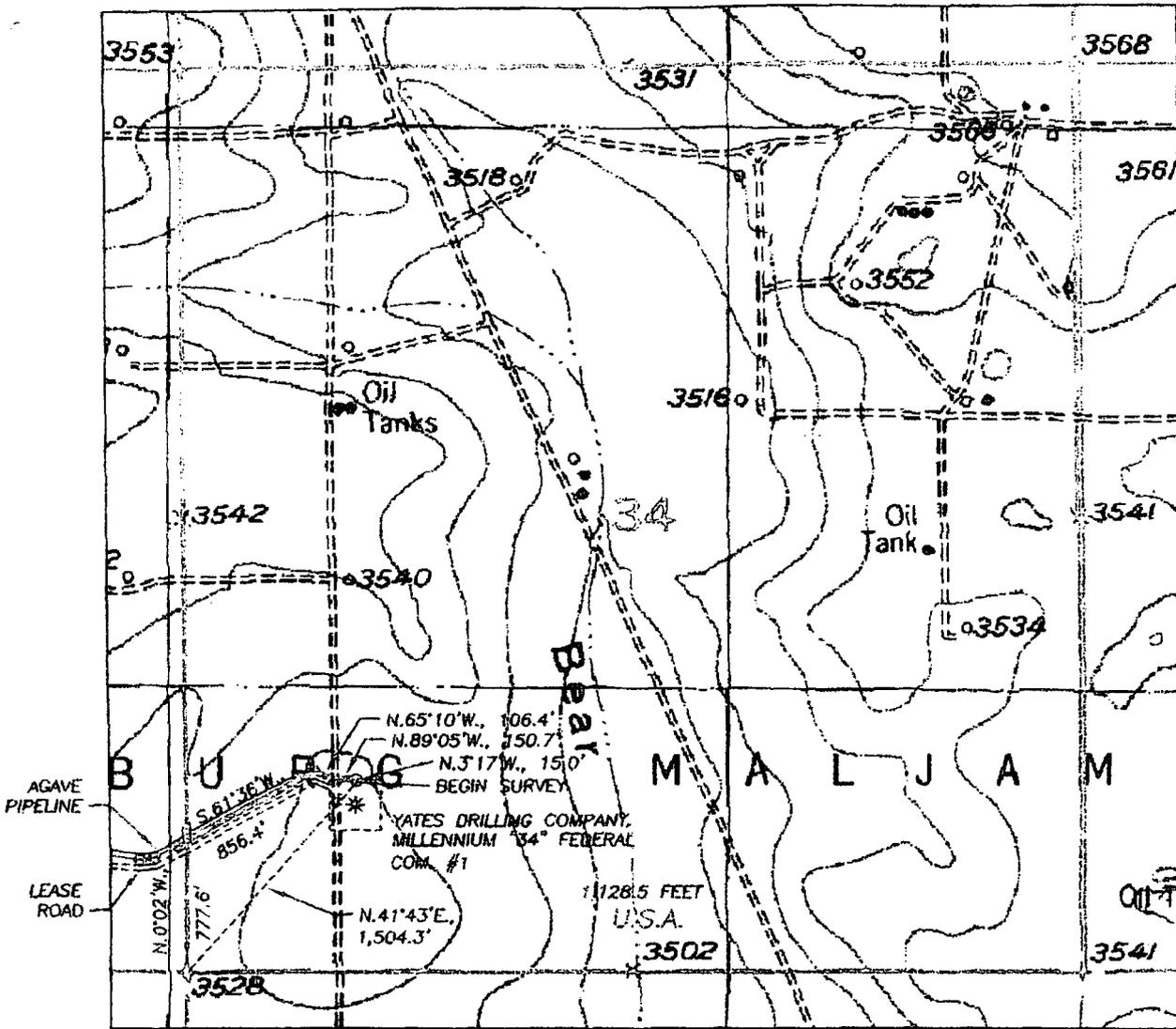
Title

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

SECTION 34, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

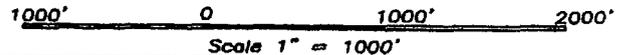


DESCRIPTION:

A SURFACE LOW PRESSURE GAS PIPELINE RIGHT OF WAY 30 FEET WIDE AND 1,128.5 FEET IN LENGTH, BEING 15 FEET TO THE LEFT AND RIGHT OF THE SURVEY CENTERLINE AS SHOWN IN RED ON THIS PLAT.

1,128.5 FEET = 68.3939 RODS, 0.2137 MILES OR 0.7772 ACRES, MORE OR LESS.

NOTE: ABOVE SAID RIGHT OF WAY IS ALONG AN EXISTING AGAVE BURIED PIPELINE AND YATES LEASE ROAD.



THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

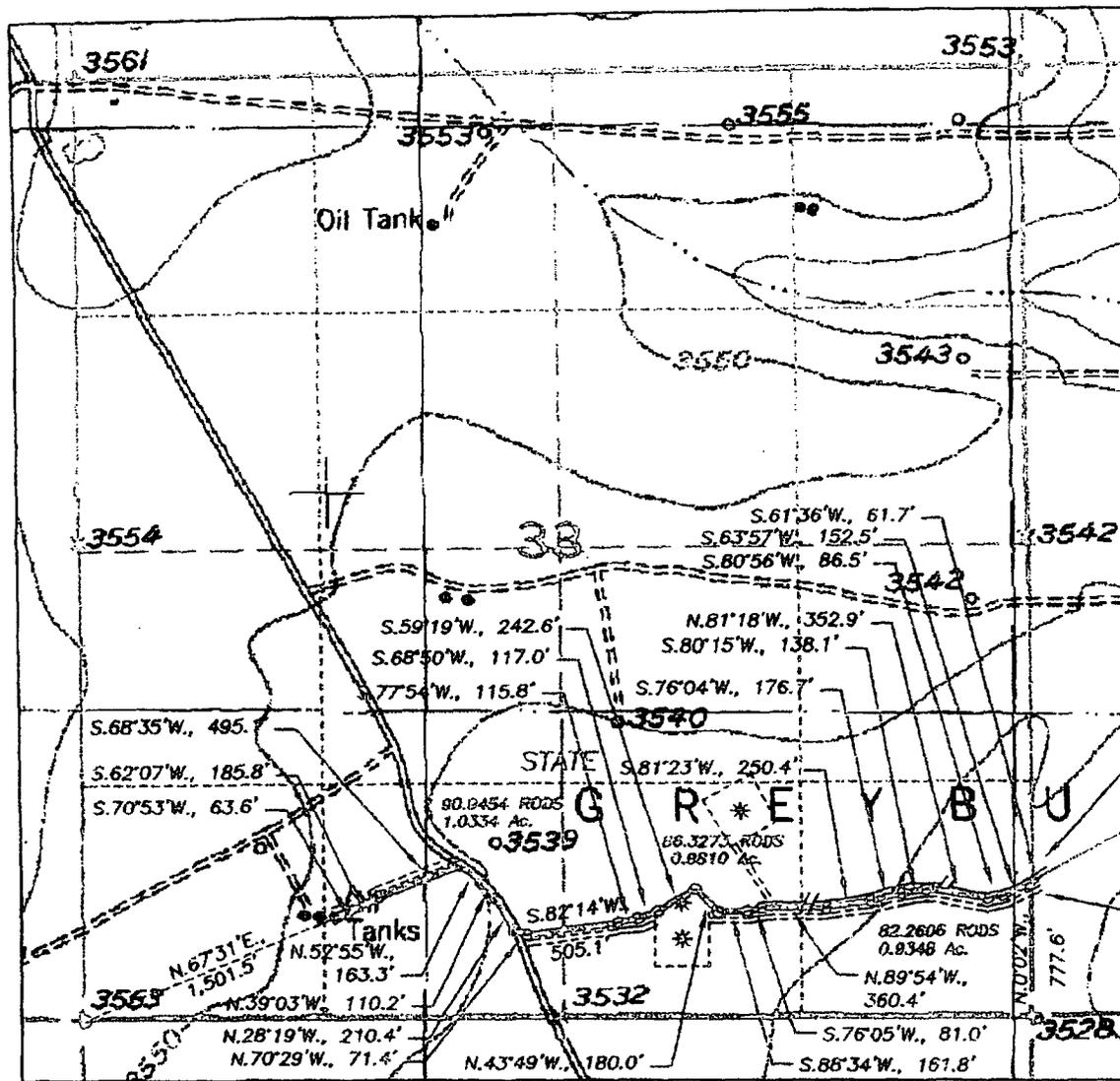
[Signature]
 HERSHEY L. JONES, R.L.S. 8870, 3640
 GENERAL SURVEYING COMPANY, P.O. BOX 1928
 LOVINGTON, NEW MEXICO 88260

YATES DRILLING COMPANY

A SURFACE LOW PRESSURE PIPELINE TO CONNECT THE YATES DRILLING COMPANY MILLENNIUM "34" FEDERAL COM.#1 WELL LOCATED IN SECTION 34, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 4/21/2006	Sheet 1 of 2 Sheets
Drawn By: Ed Blevis	W.O. Number
Date: 4/25/06	Scale 1" = 1000' MILLENNIUM

SECTION 33, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



DESCRIPTION:

A SURFACE LOW PRESSURE GAS PIPELINE RIGHT OF WAY 30 FEET WIDE, BEING 15 FEET TO THE LEFT AND RIGHT OF THE FOLLOWING DESCRIBED SURVEY CENTERLINE;

BEGINNING AT A POINT LOCATED N.0°02'W., 777.6 FEET DISTANT FROM THE SOUTHEAST CORNER OF SECTION 33, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO; THENCE S.61°36'W., 61.7 FEET; THENCE S.63°57'W., 152.5 FEET; THENCE S.80°56'W., 86.5 FEET; THENCE N.81°18'W., 352.9 FEET; THENCE S.80°15'W., 138.1 FEET; THENCE S.76°04'W., 176.7 FEET; THENCE S.81°23'W., 250.4 FEET; THENCE N.89°54'W., 360.4 FEET; THENCE S.76°05'W., 81.0 FEET; THENCE S.88°34'W., 161.8 FEET; THENCE N.43°49'W., 180.0 FEET; THENCE S.59°19'W., 242.6 FEET; THENCE S.68°50'W., 117.0 FEET; THENCE S.77°54'W., 115.8 FEET; THENCE S.82°14'W., 505.1 FEET; THENCE N.70°29'W., 71.4 FEET; THENCE N.28°19'W., 210.4 FEET; THENCE N.39°03'W., 110.2 FEET; THENCE N.52°55'W., 163.3 FEET; THENCE S.68°35'W., 495.1 FEET; THENCE S.62°07'W., 185.8 FEET; THENCE S.70°53'W., 63.6 FEET TO A POINT LOCATED AT AN EXISTING PIPELINE STUB-OUT AND BEARING N.67°31'E., 1,501.5 FEET DISTANT FROM THE SOUTHWEST CORNER OF SAID SECTION 33.

SAID TRACT CONTAINS 2.9492 ACRES, MORE OR LESS, ALLOCATED BY FORTY ACRE TRACTS AS FOLLOWS; SE/4SE/4 82.2606 RODS, 0.9348 Ac.; SW/4SE/4 86.3273 RODS, 0.9810 Ac.; SE/4SW/4 90.9454 RODS, 1.0334 Ac., MORE OR LESS. 4,282.3 FEET = 259.5333 RODS, MORE OR LESS.



THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

[Signature]
 HERBERT L. JONES, No. 3640
 PROFESSIONAL LAND SURVEYOR

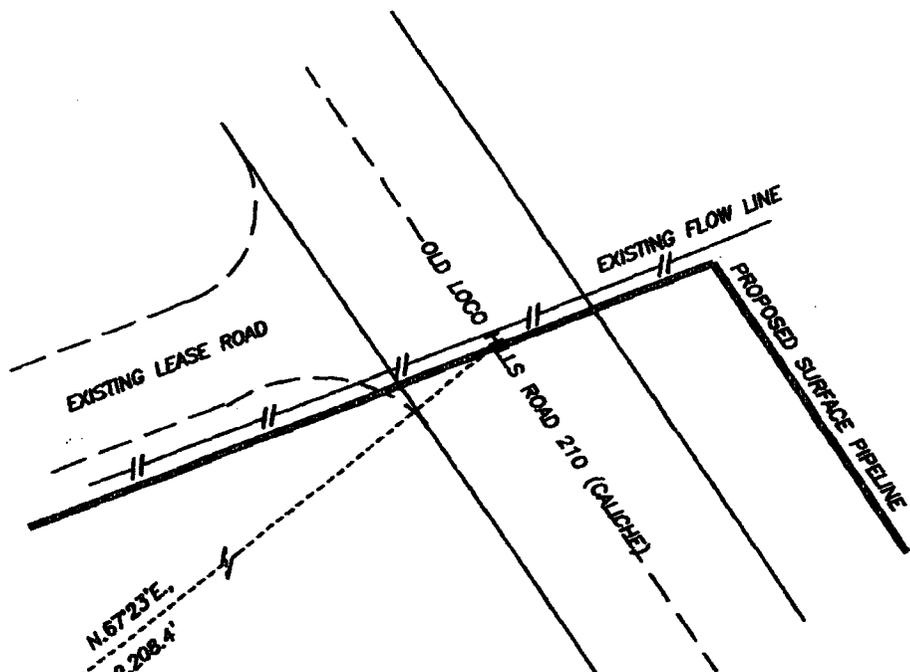
GENERAL SURVEYING COMPANY P.O. BOX 1928
 LOVINGTON, NEW MEXICO 88260

YATES DRILLING COMPANY

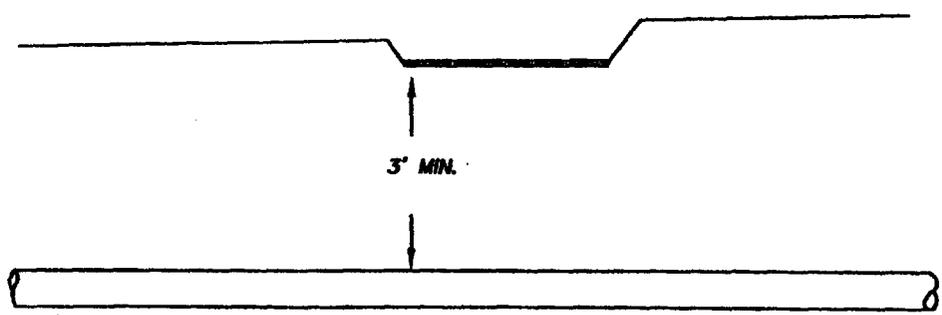
A SURFACE LOW PRESSURE PIPELINE TO CONNECT THE YATES DRILLING COMPANY MILLENNIUM "34" FEDERAL COM.#1 WELL LOCATED IN SECTION 34, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 4/21/2006	Sheet 2 of 2 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 4/25/06	Scale 1" = 1000' MILLENNIUM

YATES DRILLING COMPANY PIPELINE CROSSING OF OLD LOCO HILLS ROAD (CR #210) LOCATED IN THE SE/4SW/4 OF SEC. 33, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

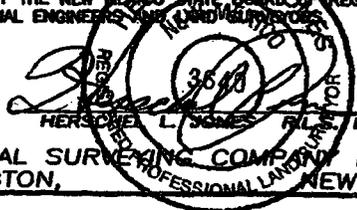


T. 17 S.
R. 29 E.
S. 32 23
5 4
T. 18 S.



25' 0 25' 50'
Scale 1" = 25'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.



GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

YATES DRILLING COMPANY

PIPELINE CROSSING OF OLD LOCO HILLS ROAD (CR #210)
LOCATED IN THE SE/4SW/4 OF SECTION 33, TOWNSHIP 17
SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW
MEXICO.

Survey Date: 4/21/2006	Sheet 1 of 1 Sheets
Drawn By: Ed Blewins	W.O. Number
Date: 4/25/06	Scale 1" = 25' MILLENNIUM