

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. Oil Cons. Division
1625 N French Dr.
Hobbs, NM 88240

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
Harvey E. Yates Company

3. Address
P.O. Box 1933, Roswell, NM 88202

3b. Telephone No. (include area code)
(505) 623-6601

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UNIT J, SEC 1, T18S, R31E
1980' FSL & 1650' FEL

5. Lease Serial No.

NMNM-2537

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

CHOLLA 1 FED #1

9. API Well No.

30-015-31187

10. Field and Pool, or Exploratory Area

TAMANO BONE SPRING

11. County or Parish, State

Eddy
LEA COUNTY, NM

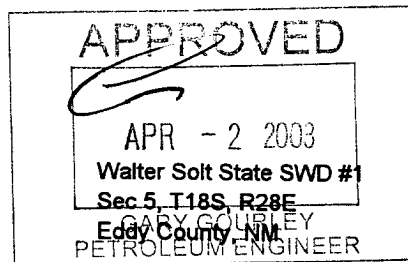
12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting 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.)

1. Formation: Bone Spring
2. BWPD: 4
3. Water Analysis: See Attached
4. Lease Storage: Stock tanks.
5. Water transported by truck to disposal.
6. Operator: I & W Inc.
PO Box 98
Loco Hills, NM 88255

to disposal well:



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

Name (Printed/Typed)
Jon Atkinson

Title
Prod. Analyst

Signature
Jon Atkinson

Date
21-Mar-03

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

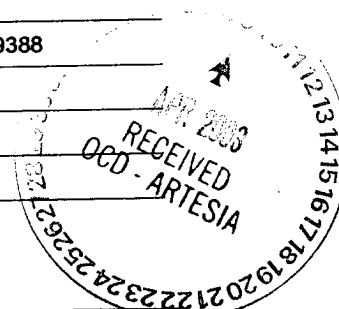
Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations or to any matter within its jurisdiction.

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121
Lab Team Leader - Sheila Hernandez
(915) 495-7240

Water Analysis Report by Baker Petrolite

Company: HEYCO
Region: PERMIAN BASIN
Area: HOBBS, NM
Lease/Platform: CHOLLA FED LEASE
Entity (or well #): 1
Formation: UNKNOWN
Sample Point: WELLHEAD

Sales RDT: 33517
Account Manager: CURRY PRUIT (505) 910-9388
Sample #: 135576
Analysis ID #: 17997
Analysis Cost: \$40.00



Summary		Analysis of Sample 135576 @ 75 °F							
Sampling Date: 3/8/01 Analysis Date: 3/13/01 Analyst: MARILYN BRANNON TDS (mg/l or g/m3): 156426.8 Density (g/cm3, tonne/m3): 1.113 Anion/Cation Ratio: 1 Carbon Dioxide: 700 PPM Oxygen: Comments:		Anions		mg/l	meq/l	Cations		mg/l	meq/l
		Chloride:	97250.0	2743.07	Sodium:	34418.5	1497.12		
		Bicarbonate:	109.8	1.8	Magnesium:	4445.0	365.66		
		Carbonate:	0.0	0.	Calcium:	16967.0	846.66		
		Sulfate:	1067.0	22.21	Strontium:	321.0	7.33		
		Phosphate:			Barium:	2.5	0.04		
		Borate:			Iron:	291.0	10.52		
		Silicate:			Potassium:	1555.0	39.77		
					Aluminum:				
					Chromium:				
					Copper:				
					Lead:				
			Manganese:						
			Nickel:						
		Hydrogen Sulfide:		0.1 PPM					
		pH at time of sampling:							
		pH at time of analysis:		5.82					
		pH used in Calculation:		5.82					

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ ·2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	-0.35	0.00	0.09	112.97	0.09	86.76	0.09	32.53	1.08	1.20	0.96
100	0	-0.27	0.00	0.04	56.33	0.11	102.12	0.09	29.82	0.90	1.20	1.19
120	0	-0.18	0.00	0.01	10.84	0.15	138.27	0.09	31.03	0.75	1.20	1.42
140	0	-0.08	0.00	-0.02	0.00	0.22	186.17	0.10	35.25	0.62	0.90	1.65

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO₂ pressure is actually the calculated CO₂ fugacity. It is usually nearly the same as the CO₂ partial pressure.