

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

*NMOC Artesia*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0557142
2. Name of Operator YATES PETROLEUM CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-748-4200 Fx: 575-748-4664		8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory N SEVEN RIVERS-GLOR-YESO
		11. County or Parish, and 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 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measuremen
	<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.)

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

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

*Meter # 2212*

A list of all owners being notified is attached.

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

Gas Measurement

Accepted for record  
NMOC D  
12/16/2013  
**RECEIVED**  
DEC 16 2013  
NMOC D ARTESIA

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #212923 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 07/12/2013 (13KMS6727SE)</b>	
Name (Printed/Typed) MIRIAM MORALES	Title PRODUCTION ANALYST
Signature (Electronic Submission)	Date 07/09/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <b>RETURNED</b> <i>Stephan J. Carr</i>	(BLM Approver No. Specified)	DEC 10 2013
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 12/10/2013
Office Carlsbad	BUREAU OF LAND MANAGEMENT CARLSBAD FIELD 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.

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

### Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM0557142	NMNM0557142	NDDUP UNIT 46	30-015-28501-00-S1	Sec 21 T19S R25E NWNE 660FNL 1980FEL
NMNM0557142	NMNM0557142	ROSS EG FEDERAL 14	30-015-28501-00-S2	Sec 21 T19S R25E NWNE 660FNL 1980FEL

### 32. Additional remarks, continued

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

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

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

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

See attached economic impact report.

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

District I  
 PO Box 1960, Hobbs, NM 88240-1960  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-28501		Pool Code 97565		Pool Name N. Seven Rivers; Dajo Draw, Upper Penn, North		Well Number 14	
Property Code ROSS EG FEDERAL COM		Property Name YATES PETROLEUM CORPORATION				Elevation 3489.	
OGRID No. 025578		Operator Name YATES PETROLEUM CORPORATION				Elevation 3489.	

10 Surface Location

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

11 Bottom Hole Location If Different From Surface

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

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

16			<p>17 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>Signature: <i>Ken Beardemphl</i></p> <p>Printed Name: Ken Beardemphl</p> <p>Title: Landman</p> <p>Date: 3-30-95</p>	
				<p>18 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>MARCH 29, 1995</p> <p>Date of Survey: R. REDDM</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number: NM 5412</p>

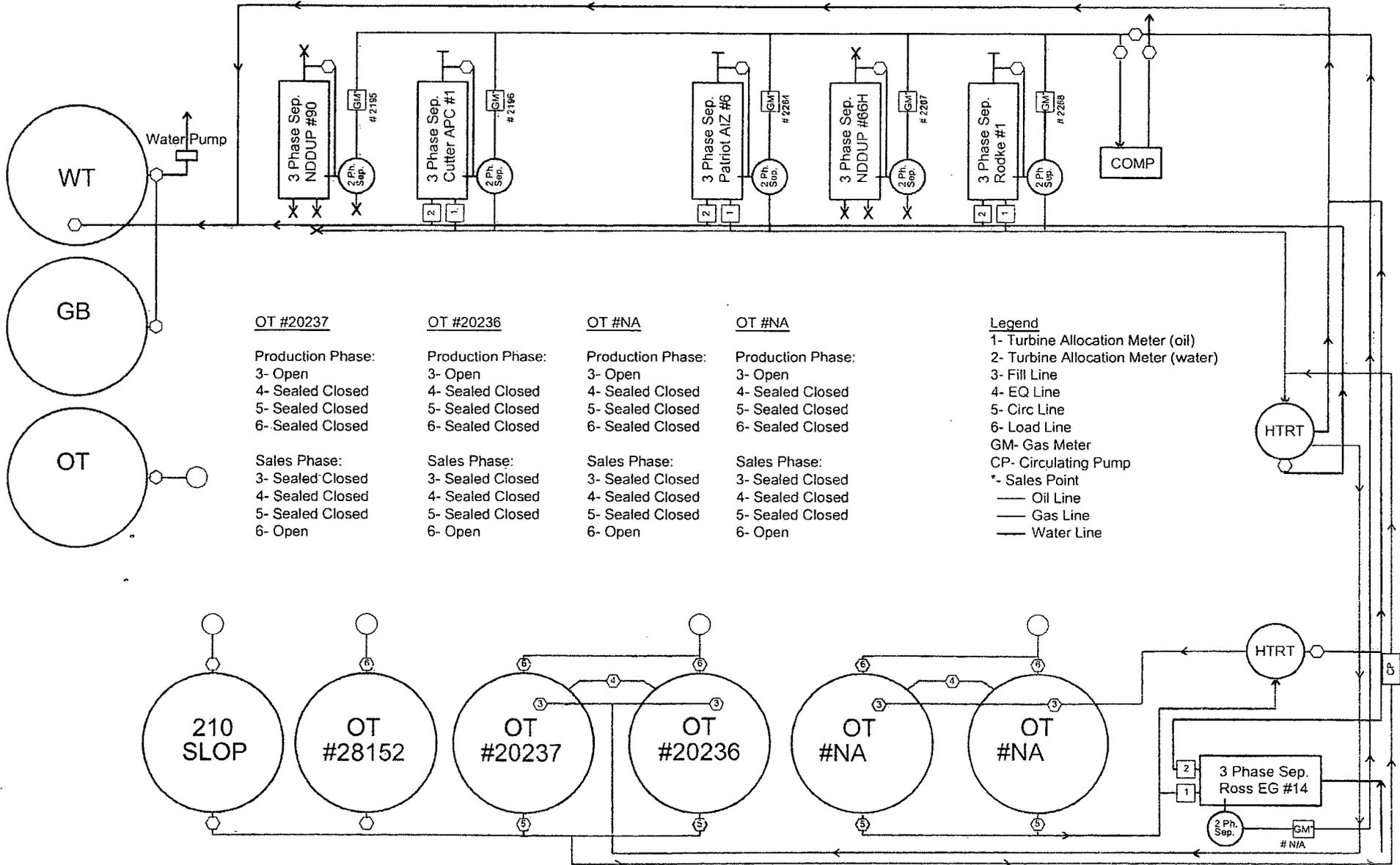


105 South 4th Street  
Artesia, NM 88210  
(575) 748-1471

Michael Farmer  
July 2013

# PATRIOT / RODKE BATTERY

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



OT #20237

Production Phase:  
3- Open  
4- Sealed Closed  
5- Sealed Closed  
6- Sealed Closed

Sales Phase:  
3- Sealed Closed  
4- Sealed Closed  
5- Sealed Closed  
6- Open

OT #20236

Production Phase:  
3- Open  
4- Sealed Closed  
5- Sealed Closed  
6- Sealed Closed

Sales Phase:  
3- Sealed Closed  
4- Sealed Closed  
5- Sealed Closed  
6- Open

OT #NA

Production Phase:  
3- Open  
4- Sealed Closed  
5- Sealed Closed  
6- Sealed Closed

Sales Phase:  
3- Sealed Closed  
4- Sealed Closed  
5- Sealed Closed  
6- Open

OT #NA

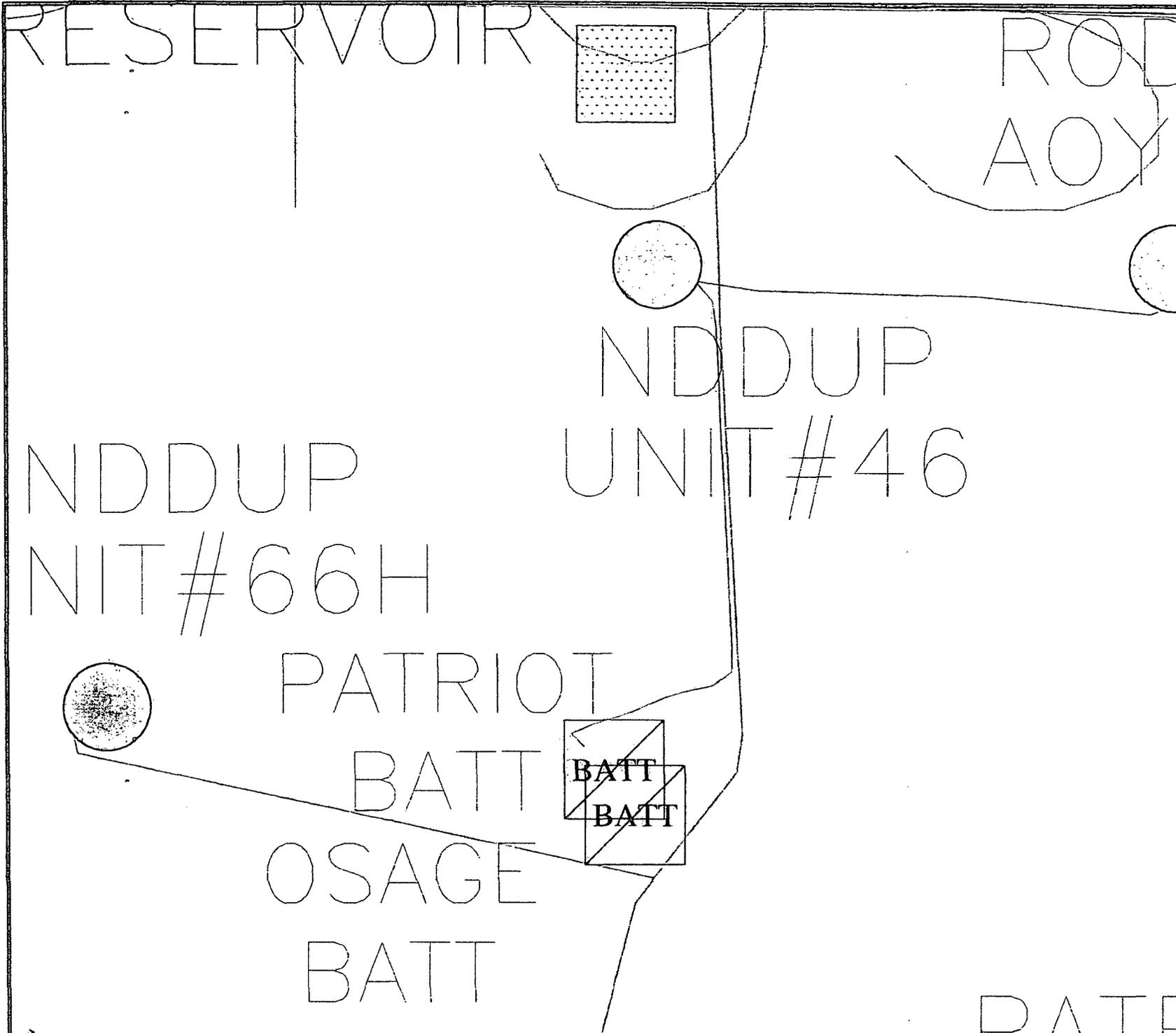
Production Phase:  
3- Open  
4- Sealed Closed  
5- Sealed Closed  
6- Sealed Closed

Sales Phase:  
3- Sealed Closed  
4- Sealed Closed  
5- Sealed Closed  
6- Open

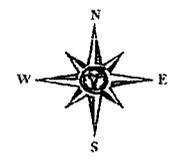
Legend

- 1- Turbine Allocation Meter (oil)
- 2- Turbine Allocation Meter (water)
- 3- Fill Line
- 4- EQ Line
- 5- Circ Line
- 6- Load Line
- GM- Gas Meter
- CP- Circulating Pump
- \*- Sales Point
- Oil Line
- Gas Line
- Water Line

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



**YATES PETROLEUM CORPORATION**  
 105 SOUTH FOURTH (575) 748-1171  
 ARTESIA, NEW MEXICO 88210



**LEGEND**

- OIL WELL PROPOSED
- ★ GAS WELL
- OIL WELL
- GPS ROADS

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

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

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

TITLE:

DATE

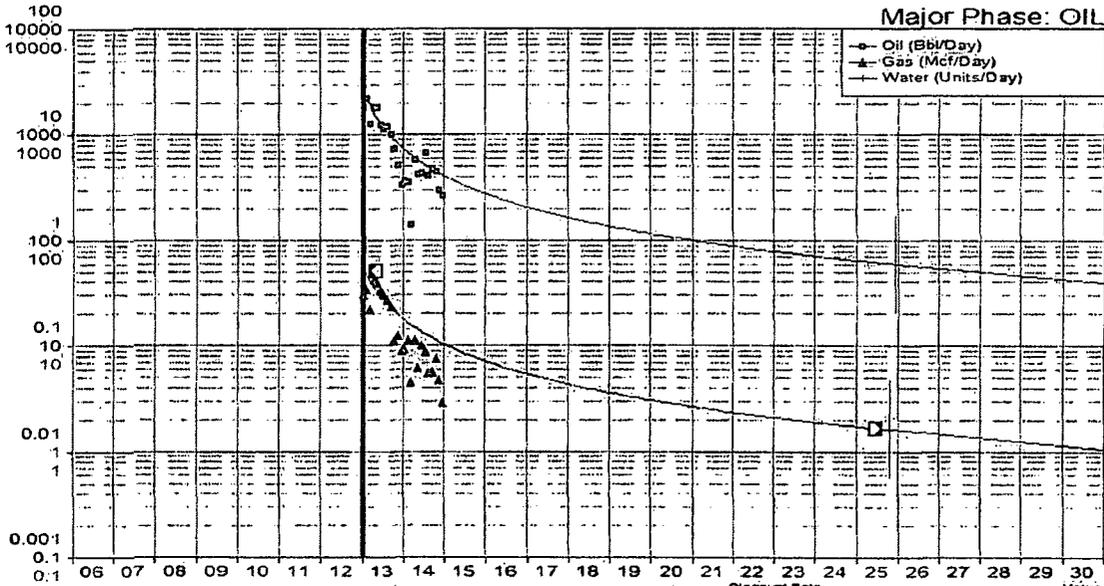
## EUR FOR YPC OPERATED YESO RECOMPLETIONS OF DAGGER DRAW WELLS

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

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

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

AVERAGE DAGGER DRAW YESO RECOMPLETION  
 BASED ON POWER TOOLS TYPE CURVE OF  
 SYPG OPERATED DAGGER DRAW YESO RECOMPLETIONS



Major Phase: OIL

Oil (Bbl/Day)  
 Gas (Mcf/Day)  
 Water (Units/Day)

Phase	OIL	Phase	GAS	Discount Rate	Value
PSD	2/1/13	PSD	2/1/13	0	23247
Type	90,000   EXP	Type	90,000   EXP	10	-18809
Decline(%)	91,000   LAST	Decline(%)	84,000   LAST	RATE OF RETURN	5.832358
qj	25,000   LAST	qj	50,000   LAST	PAYOUT YEARS	2.994998
Limit	8.000 %   2055,000 AD	Limit	8.000 %   2055,000 AD	1.0 0 3200 2.0 OIL 02 01 2013	
Cum(MBBL)	0	CO	X   X	221	OIL 0.000 0.80 28.00 7.8 1
Remaining(MBBL)	9.049	Cum(MMcf)	0	222	GAS 0.000 0.80 2.00 7.5 0
Ultimate(MBBL)	9.049	Ultimate(MMcf)	21.677	210	INVEST 2013 AD 0 0 377 0
				221	
				211	
				211	



DD YESO RECOMPL TYPE CURVE  
 SEVEN RIVERS NORTH GLORIETA YESO

DATE: 06/14/13  
 TIME: 09:15:20  
 FILE: DDYESO-1  
 PROP: 1  
 STID: BASE  
 .CMD: CURRENT  
 .OUT: SAMPLE

R E S E R V E S   A N D   E C O N O M I C S

YATES PETROLEUM CORPORATION

AS OF JANUARY 1, 2013

-END- MO-YR	---GROSS PRODUCTION---		---NET PRODUCTION---		---PRICES---		OPERATIONS, M\$		CAPITAL COSTS, M\$	CASH FLOW BTAX, M\$	10.00 PCT CUM. DISC BTAX, M\$	
	OIL, MBBL	GAS, MMCF	OIL, MBBL	GAS, MMCF	OIL \$/B	GAS \$/M	NET OPER REVENUES	SEV+ADV TAXES				NET OPER EXPENSES
12-13	4.338	9.687	3.470	7.750	85.00	2.00	310.450	29.027	35.200	377.000	-130.777	-143.166
12-14	1.974	4.903	1.579	3.922	85.00	2.00	142.059	13.282	38.400	.000	90.377	-64.829
12-15	1.208	3.096	.966	2.477	85.00	2.00	87.064	8.141	38.400	.000	40.523	-32.897
12-16	.863	2.242	.690	1.794	85.00	2.00	62.238	5.819	38.400	.000	18.039	-19.989
12-17	.666	1.749	.533	1.399	85.00	2.00	48.103	4.498	38.400	.000	5.205	-16.599
S TOT	9.049	21.677	7.238	17.342	85.00	2.00	649.914	60.767	188.800	377.000	23.347	-16.599
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	-16.599
TOTAL	9.049	21.677	7.238	17.342	85.00	2.00	649.914	60.767	188.800	377.000	23.347	-16.599
CUM.	.000	.000										
ULT.	9.049	21.677										
BTAX RATE OF RETURN (PCT)			5.53	PROJECT LIFE (YEARS)			5.000		.0	23.347	30.0	-72.601
BTAX PAYOUT			12/30/2015	DISCOUNT RATE (PCT)			10.000		2.0	14.467	35.0	-83.311
BTAX PAYOUT (DISC)			LIFE	GROSS OIL WELLS			1.000		5.0	2.039	40.0	-93.073
BTAX NET INCOME/INVEST			1.06	GROSS GAS WELLS			.000		8.0	-9.432	45.0	-102.011
BTAX NET INCOME/INVEST (DISC)			.96	GROSS WELLS			1.000		10.0	-16.599	50.0	-110.230
INITIAL W.I. FRACTION			1.000000	INITIAL NET OIL FRACTION			.800000		15.0	-33.049	70.0	-137.466
FINAL W.I. FRACTION			1.000000	FINAL NET OIL FRACTION			.800000		18.0	-42.026	80.0	-148.497
PRODUCTION START DATE			2/01/13	INITIAL NET GAS FRACTION			.800000		20.0	-47.680	90.0	-158.236
MONTHS IN FIRST LINE			12.00	FINAL NET GAS FRACTION			.800000		25.0	-60.785	100.0	-166.911
WATER GROSS PROD. (MU)			.000	WATER NET PRODUCTION (MU)			.000		WATER NET REVENUES (M\$)			.000

**SURFACE RELEASE AGREEMENT**

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

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

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

OWNERS LIST

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

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

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

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

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

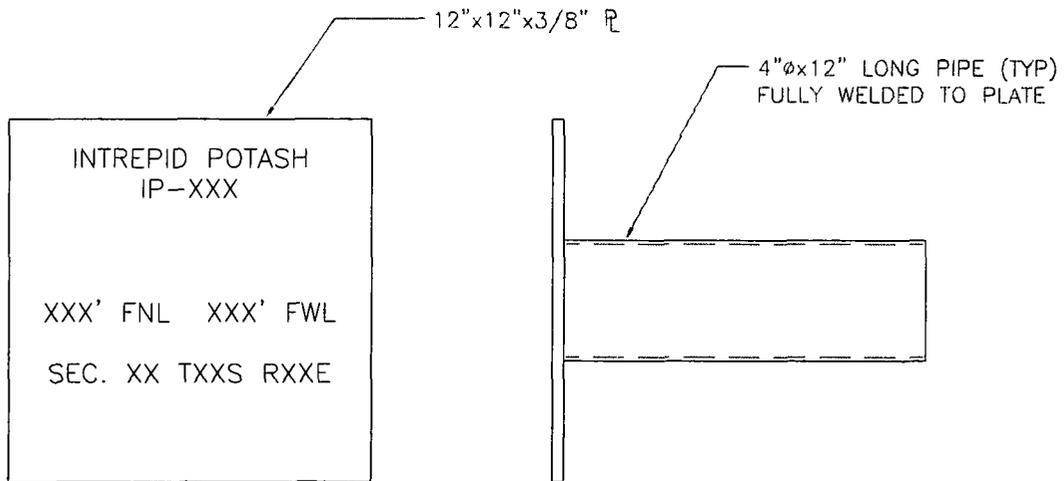
TULIPAN LLC  
105 S 4TH STREET  
ARTESIA, NM 88210

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

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

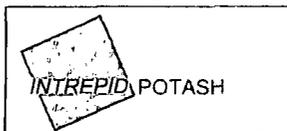
ABO PETROLEUM CORP  
P O BOX 900  
ARTESIA, NEW MEXICO

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



NOTE! - 6 PLATES TO BE MADE WITH xx's FILLED IN WITH THE DATA BELOW.

Name	Township	Range	Section	FOOTAGE CALLS	
IP-050	21S	31E	32	525' FSL	120' FWL
IP-052	21S	31E	31	815' FSL	1325' FEL
IP-062	20S	31E	34	1055' FNL	1220' FEL
IP-066	20S	31E	32	2600' FNL	1345' FWL
IP-073	21S	32E	7	575' FSL	660' FWL
IP-074	21S	31E	32	2640' FNL	2640' FWL



INTREPID POTASH, INC.  
CARLSBAD, NEW MEXICO

CORE DRILLING  
PLATE COVERS

REFERENCE DRAWINGS

X

SCALE: 3"=1'-0"

DATE: 9/30/10

DWG. No. COV-002

ISSUE

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