

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240
FORM APPROVED
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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-01218
2. Name of Operator Yates Drilling Company		6. If Indian, Allottee or Tribe Name -
3a. Address 105 S. 4th St., Artesia, NM 88210	3b. Phone No. (include area code) 505-746-0308	7. If Unit or CA/Agreement, Name and/or No. CA SW-72
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL & 660' FEL Section 30-19S-32E A		8. Well Name and No. Elliott Hall A #1
		9. API Well No. 30-025-20104
		10. Field and Pool, or Exploratory Area Lusk Strawn
		11. County or Parish, State Lea 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 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 checked="" type="checkbox"/> Water Disposal	

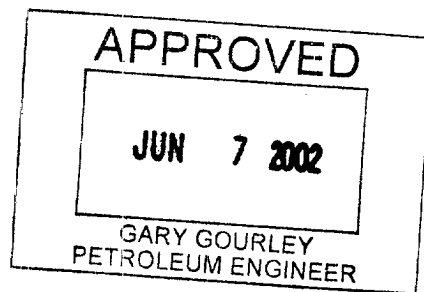
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 recompleat 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.)

This well produces approximately 7 bbls. water per day and is stored in a 210 bbl. fiberglass tank on location. A produced water analysis is attached.

Water will be hauled by I & W, Inc. to the following:

Tennessee SWD
Section 21-19S-31E
Eddy County, NM
NM# R-8173

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED**



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 5-31-02

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 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.

BUREAU OF LAND MANAGEMENT
POSWELL OFFICE

2002 JUN -3 AM 10:37

RECEIVED

700 200



MILLER CHEMICALS, INC.

Post Office Box 298
 Artesia, N.M. 88211-0298
 (505) 746-1919 Artesia Office
 (505) 393-2893 Hobbs Office
 (505) 746-1918 Fax

WATER ANALYSIS REPORT

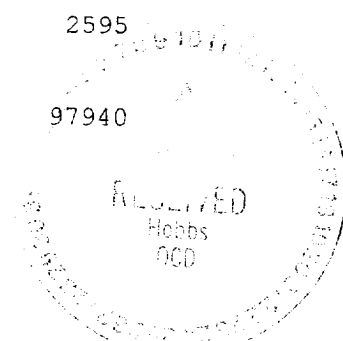
Company	: YATES DRILLING CO.	Date	: 5/30/02
Address	: ARTESIA, NM	Date Sampled	: 5/30/02
Lease	: ELLIOTT HALL "A"	Analysis No.	: 00449
Well	: #1		
Sample Pt.	: WATER TANK		

ANALYSIS		mg/L		* meq/L	
-----		----		-----	
1.	pH	6.0			
2.	H2S	0			
3.	Specific Gravity	1.110			
4.	Total Dissolved Solids	129336.8			
5.	Suspended Solids	NR			
6.	Dissolved Oxygen	NR			
7.	Dissolved CO2	NR			
8.	Oil In Water	NR			
9.	Phenolphthalein Alkalinity (CaCO3)				
10.	Methyl Orange Alkalinity (CaCO3)				
11.	Bicarbonate	HCO3 244.0	HCO3	4.0	
12.	Chloride	Cl 79236.0	Cl	2235.1	
13.	Sulfate	SO4 300.0	SO4	6.2	
14.	Calcium	Ca 10320.0	Ca	515.0	
15.	Magnesium	Mg 662.7	Mg	54.5	
16.	Sodium (calculated)	Na 38529.1	Na	1675.9	
17.	Iron	Fe 45.0			
18.	Barium	Ba NR			
19.	Strontium	Sr NR			
20.	Total Hardness (CaCO3)	28500.0			

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter		Compound Equiv wt X meq/L = mg/L			
+-----+		+-----+			
515	*Ca <----- *HCO3	4	Ca (HCO3) 2	81.0	4.0 324
-----	/----->	-----	CaSO4	68.1	6.2 425
55	*Mg -----> *SO4	6	CaCl2	55.5	504.7 28007
-----	<-----/	-----	Mg (HCO3) 2	73.2	
1676	*Na -----> *Cl	2235	MgSO4	60.2	
+-----+		+-----+	MgCl2	47.6	54.5 2595
Saturation Values Dist. Water 20 C			NaHCO3	84.0	
CaCO3	13 mg/L		Na2SO4	71.0	
CaSO4 * 2H2O	2090 mg/L		NaCl	58.4	1675.9 97940
BaSO4	2.4 mg/L				

REMARKS:



SCALE TENDENCY REPORT

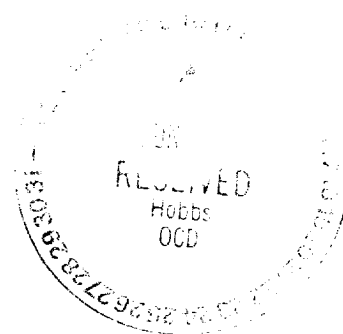
Company : YATES DRILLING CO. Date : 5/30/02
Address : ARTESIA, NM Date Sampled : 5/30/02
Lease : ELLIOTT HALL "A" Analysis No. : 00449
Well : #1 Analyst : A. MILLER
Sample Pt. : WATER TANK

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

S.I. = 0.1 at 70 deg. F or 21 deg. C
S.I. = 0.2 at 90 deg. F or 32 deg. C
S.I. = 0.3 at 110 deg. F or 43 deg. C
S.I. = 0.3 at 130 deg. F or 54 deg. C
S.I. = 0.4 at 150 deg. F or 66 deg. C

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

S = 1505 at 70 deg. F or 21 deg C
S = 1619 at 90 deg. F or 32 deg C
S = 1700 at 110 deg. F or 43 deg C
S = 1734 at 130 deg. F or 54 deg C
S = 1741 at 150 deg. F or 66 deg C



Respectfully submitted,
A. MILLER