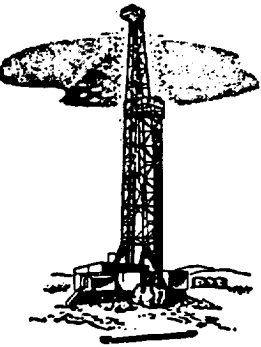


**L & M DRILLING, INC. — Oil Well Drilling Contractors**

P.O. BOX 470 / ARTESIA, NEW MEXICO 88210



August 22, 1994

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Re: Dee OQ State #5  
2310' FSL & 2310' FWL  
Sec. 32, T5S, R25E  
Chaves County, New Mexico

Gentlemen:

The following is a Deviation Survey for the above captioned well.

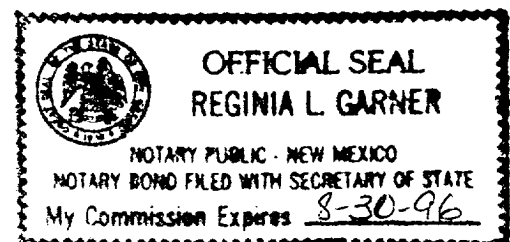
DEPTH	DEVIATION
505'	1/2°
900'	1°
1436'	1°
1902'	1 3/4°
2396'	1 1/2°
2897'	1 3/4°
3488'	2°
3950'	1 3/4°
4300'	1 3/4°

Very truly yours,

Eddie C. LaRue  
Drilling Supt.

STATE OF NEW MEXICO §  
COUNTY OF EDDY §

The foregoing was acknowledged before  
me this 22nd day of August, 1994.

  
REGINA L. GARNER  
NOTARY PUBLIC

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

dst  
dp

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

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

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-005-63015
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L-6274
7. Lease Name or Unit Agreement Name Dee OQ State
8. Well No. 5
9. Pool name or Wildcat Pecos Slope Abo

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

RECEIVED  
SEP-9-94  
O. C. D.  
ARTESIA, OFFICE

1. Type of Well:  
 OIL WELL  GAS WELL  OTHER

2. Name of Operator  
YATES PETROLEUM CORPORATION

3. Address of Operator  
105 South Fourth Street - Artesia, NM 88210

4. Well Location  
 Unit Letter K : 2310 Feet From The South Line and 2310 Feet From The West Line  
 Section 32 Township 5S Range 25E NMPM Chaves County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)  
3779' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <u>One inch, perforate, acidize &amp; frac</u> <input checked="" type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

8-30-94 - Cleaned location, set and tested anchors and markers. Made cut off on 4-1/2" casing. Weld on 4-1/2" bell nipple. Moved in and rigged up pulling unit. Pulled 4-1/2" X 9-5/8" casing slips. TIH with 1" pipe to 1608'. Cemented 4-1/2" X 7-7/8" annulus with 325 sacks Pacesetter Lite C (yield 1.86, weight 12.6). Circulated 10 sacks to pit. Laid down 1" pipe. Set casing slips. Nippled up tubing head and installed BOP. TIH w/bit, scraper and 2-3/8" tubing to 4230'. Displaced casing with 2% KCL water. Tested casing to 2000# for 10 minutes, OK. TOOH with tubing, scraper and bit. TIH with logging tools and ran GR/CCL log. TOOH & rigged down wireline.

9-1-94 - Rigged up wireline. TIH w/3-3/8" casing guns and perforated 3716-3858' w/16 .42" holes as follows: 3716, 17, 23, 24, 85, 86, 87, 88, 89, 90, 3853, 54, 55, 56, 57 & 3858' (1 SPF). TOOH with casing guns and rigged down wireline. TIH w/RBP, packer and 2-3/8" tubing to 3890'. Set RBP at 3890'. Set packer at 3828'. Acidized perforations 3853-3858' with 500 gallons 7-1/2" NEFE acid and ball sealers. Unset packer at 3828'. Unset RBP at 3890'. Reset RBP at 3828' and tested to 1300#, OK. Set packer at 3765'. Acidized perfs. 3785-3790' with 500 gallons 7-1/2% NEFE acid and ball sealers. CONTINUED ON NEXT PAGE:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Rusty Klein TITLE Production Clerk DATE 9-8-94  
 TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505-748-1471

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

**SUPERVISOR DISTRICT II** **OCT 5 1994**

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

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

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-005-63015
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No. L-6274
7. Lease Name or Unit Agreement Name Dee OQ State
8. Well No. 5
9. Pool name or Wildcat Pecos Slope Abo
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3779' GR

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL [ ] GAS WELL [X] OTHER [ ]

2. Name of Operator YATES PETROLEUM CORPORATION

3. Address of Operator 105 South Fourth Street - Artesia, NM 88210

4. Well Location Unit Letter K : 2310 Feet From The South Line and 2310 Feet From The West Line Section 32 Township 5S Range 25E NMPM Chaves County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3779' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ] TEMPORARILY ABANDON [ ] CHANGE PLANS [ ] PULL OR ALTER CASING [ ] OTHER: [ ]
SUBSEQUENT REPORT OF: REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPNS. [ ] PLUG AND ABANDONMENT [ ] CASING TEST AND CEMENT JOB [ ] OTHER: Acid & frac perforations [X]

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

CONTINUED FROM PREVIOUS PAGE: Unset packer at 3765'. Unset RBP at 3828'. Reset RBP at 3765' and tested to 1000#. Reset packer at 3699'. Acidized perforations 3716-3724' with 500 gallons 7-1/2% NEFE acid and ball sealers. Unset packer at 3699'. Unset RBP at 3765'. TOOH with 2-3/8" tubing, packer and RBP. Nippled down BOP and tubinghead. Frac'd perforations 3716-3858' (down 4-1/2" casing) with 130000 gallons 30# linear gel and 260000# 20-40 Brady sand. Shut in overnight. 9-2-94 - Nippled up BOP. TIH w/2-3/8" tubing. Tagged sand at 4081'. Washed sand to 4113'. Circulated clean. TOOH with 2-3/8" tubing. RIH w/production packer and 2-3/8" tubing. Set packer at 3637'. Tested annulus to 500 psi, OK. Nippled down BOP. Flanged up. Swabbed. 9-3-6-94 - Swab/flow test well. Released to production department.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE Rusty Klein TITLE Production Clerk DATE 9-6-94 TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505-748-1471

(This space for State Use) SUPERVISOR, DISTRICT II APPROVED BY TITLE DATE SEP 23 1994