YATES PETROLEUM CORPORATION Ceniza AGZ Com #2 Section 12-T2OS-R24E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

2-7/8" tubing. Tagged cement retainer at 7655'. Cut over slips and pushed retainer to 9400' (PBTD). TOOH with tubing and collars. Rigged up wireline. TIH with cement retainer and set retainer at 7645'. TOOH with wireline. TIH with stinger on tubing. Loaded hole. Sting into retainer. Pressure tested casing to 1500 psi. Shut well in. 7-25-27-98 - Pressured annulus to 500 psi. Established rate thru retainer at 4 BPM at 100 psi. Mixed and pumped 150 sacks "H" with 10% thixad with 1/4#/sack celloflake (yield 1.52, weight 14.6) and 250 sacks "H" Neat (yield 1.18, weight 15.6). Washed up - no pressure. Pumped 30 bbls displacement at 3 BPM. Hesitated 3 times - no squeeze and no pressure. Over displaced 10 bbls. Mixed 100 sacks "H" with 10% thixadd (yield 1.52, weight 14.6) and 200 sacks "H" Neat (yield .99, weight 17). Caught pressure with 16 bbls displacement. Slowed pump rate. With 18 bbls displacement, perforations 7692-7799' (Canyon) squeezed to 2500 psi. Sting out of retainer. Reversed 164 sacks cement to pit. TOOH. Shut well in. WOC.

7-28-98 - TIH with bit, drill collars and tubing. Tagged cement retainer at 7647'. Rigged up swivel. Drilled out retainer and cement. Fell out of cement at 7815'. Circulated clean. Pressured up to 1500 psi - squeezed perforations held. TOOH with tubing, drill collars and bit. TIH with bit, scraper and tubing to PBTD 9371'. TOOH with tubing, scraper and bit.

7-29-98 - Rigged up wireline and lubricator. TIH with 4" casing guns and perforated 9222-9228' w/42 .48" holes (6 SPF - Morrow). TOOH with casing guns. Rigged down wireline and lubricator. TIH with packer and tubing to 9420'. Spotted 4 bbls 7-1/2% HCL acid. Pulled up and reversed 5 bbls. Set packer at 9137'. Nippled down BOP. Nippled up tree. Tested packer and tree to 500 psi. Pressured up on tubing to 6500 psi. Morrow perforations 9222-9228' would not break down. Shut well in.

7-30-98 - Break perforations 9222-9228' down. Swabbed well down. Rigged up treesaver. Acidized perforations 9222-9228' with 1000 gallons 7-1/2% MS HCL acid with 1000 scf/bbl N2. Rigged down treesaver. Flowing well back. Shut well in. 7-31-98 - Flowed well down. Swabbed. Shut well in.

Rusty Klein

Operations Technician August 4, 1998