State of New Mexico Form C-103 Submit 3 Copies , Minerals and Natural Resources Department Revised 1-1-89 to Appropriate District Office OIL CONSERVATION DIVISION DISTRICT I WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-015-29539 Santa Fe. New Mexico 87504-2088 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease STATEKX FEE _ DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. K = 3402SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: WEIL X METT [Stonewall DD State 2. Name of Operator 8. Well No. MAY 21 1997 YATES PETROLEUM CORPORATION 3. Address of Operator 9. Pool name or Wildcat 105 South 4th St., Artesia, NM 88210 Burton Flat Morrow Gas 4. Well Location DIST. 2 990 North West : 1650 Feet From The Feet From The Line Unit Letter _ 20S Range 28E Eddy **NMPM** Township Section 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3266' GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: **ALTERING CASING** PLUG AND ABANDON REMEDIAL WORK PERFORM REMEDIAL WORK PLUG AND ABANDONMENT COMMENCE DRILLING OPNS. **CHANGE PLANS** TEMPORARILY ABANDON CASING TEST AND CEMENT JOB **PULL OR ALTER CASING** OTHER: Resume drilling, surface casing & cmt [X] OTHER: 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. Resumed drilling a 17-1/2" hole with rotary tools at 12:00 midnight 5-14-97 (12:00 AM 5-15-97). TD 542'. Reached TD at 7:30 PM 5-15-97. Ran 12 joints of 13-3/8" 48# H-40 8rd ST&C (546.87') of casing set at 542'. 1-Texas Pattern notched guide shoe set at 542'. Insert float set at 497'. Cemented with 50 sacks Premium (scavenger cement) (yield 2.62, weight 11.6) and 300 sacks Halliburton Lite Premium Plus, 2% CaCl2, 5#/sack gilsonite and 1/4#/sack flocele (yield 1.96, weight 12.5). Tailed in with 200 sacks Premium Plus with 2% CaCl2 (yield 1.32, weight 14.8). PD 1:30 AM 5-15-97. Bumped plug to 400 psi, OK. Circulated 140 sacks. WOC. Nippled up and tested to 3000 psi for 30 minutes, OK. Drilled out at 7:30 PM 5-16-97. WOC 18 hours. Reduced hole to

12-1/4". Resumed drilling. NOTE: Bryan Arrant w/OCD-Artesia approved casing point change from 600' to 542' due to drilling rate dropping.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.	*
A CANADA COMPANY COMPA	ne Technician May 20 1007
SIGNATURE TILE OPERATION	ns Technician DATE May 20, 1997
	TELEPHONE NO. 505/748-147
TYPE OR PRINT NAME RUSty Klein	TELEPHONE NO. DOD/140-147

MAY 27 1997

(This space for State Use) PAGINAL SICHED BY TIM W. GUM DISTRICT U SUPERVISOR DATE APPROVED BY -

CONDITIONS OF APPROVAL, IP ANY: