

YATES PETROLEUM CORPORATION  
Preston Federal #25  
Section 34-T20½S-R23E  
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

top of fish in drillpipe. Found fish at 5478'. Replaced drum clutch on rig. Kept annulus full. Taking 5 BPH to fill up annulus. Drillpipe and casing pressure 0#. 7-12-98 - Milling on fish. Ran impression block on wireline (top of fish at 5980'). ran overshot on wireline and pulled out of rope socket. Left tools in hole. Rigged down rotary wireline. Work on stuck pipe. Rigged up rotary wireline. Well started flowing up annulus - closed hydril and monitor pressure. Ran impression block with wireline. Monitor casing pressure. Ran overshot on wireline. Retrieved fish in 2 runs. Ran impression block on wireline. Rigged up coiled tubing unit. Welded connection for motor. TIH with 2-1/4" OD mill. Tagged fish at 6043'. Milled on fish - very fine cuttings in returns. Set 10K on fish - no movement. CP & DPP 0#.

Annulus taking 4-5 BPH.

7-13-98 - Milled on fish with coiled tubing (depth 6044'). TOOH with coiled tubing and mill. Break down fishing tools. Monitor pressures. Ran impression block on wireline. Ran spud bars on wireline. Tagged up on fish at 6025'. Pushed fish to bottom. Tagged up on top of fish at 9110'. Rigged down coiled tubing unit. Ran free point. Tagged up on junk in hole at 7530' - free at 7025' - 70% movement at 7150' - 20% movement at 7325' and 7522'. Ran restriction bar. Tagged restriction at 7530'. Pushed junk to 8250'. Rigged up Wedge Wireline and ran noise and temperature log.

7-14-98 - Wait on orders and 4-1/2" casing.

7-15-98 - Circulating and conditioning mud. Rigged up rotary wireline. Ran shot and backed off at 6837'. Rigged down wireline and load out tools. TOOH with 74 stands of drillpipe (chained out, strapped pipe and removed wear bushing pipe)(strap 6837.10'). Rigged up casing crew and laydown machine. Ran 161 joints of 4-1/2" casing. Rigged up BJ and washed to bottom (50' of fill). Work stuck pipe at 6830' - could not circulate - bridged off. Circulate and condition mud. Broke circulation and had some movement in pipe. Worked stuck pipe - worked pipe free at 6780'. Circulate and condition mud. Worked pipe every 30 minutes.

7-16-98 - Rigging down rotary tools. Circulate and condition mud. Washed 90' to bottom and screwed into fish. Pressured up on fish to 800 psi. Set slips on casing (60000# on slips). Installed full open safety valve. Laid down drillpipe in derrick. Broke stands down in mousehole. Jet pits and nipped down BOP. DPP & CP 0 psi.

DETAILED CASING REPORT: Ran 16 joints of 4-1/2" 11.6# J-55 (6841') of casing set at 6841'. Tied casing into drillpipe at 6841'. No cement on outside of casing. Released rig at 6:00 AM 7-16-98.

7-17-98 - Finished rigging rotary tools down. Split substructure. Pulled rig equipment away from well. Rigged up crane and picked BOP up over 4-1/2" casing. Made cut off with pipe cutters. Set tubinghead and nipped up 5K Xmas tree. Tested seals to 5K. Tied well into production lines.

7-18-98 - Cleaned location, set and tested anchors. Moved in and rigged up coiled tubing unit and mast truck. TIH with 2-1/4" bit, motor and 1-1/4" coiled tubing. Started pumping 2% KCL water with 1 GPT gel and 5 bbls gel sweeps every 30 bbls at 6000'. Tagged fill at 6852'. Drilled stringers and reciprocated coiled tubing down to 6990'. While pulling up it felt like we were dragging something. Tried to pull up inside 4-1/2" casing. Became stuck at crossover at 6838'. Pressured up to 6400 psi with no bleed off. Worked coiled tubing but could not go up or down. Pulled 12000# on coiled tubing and pressured to 2500 psi. Left overnight.