

Submit 3 Copies to Appropriate District Office.

State of New Mexico Energy, Mining and Natural Resources Department

Form C-103 Revised 1-1-89

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. 30-025-28136
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. LG-3675
7. Lease Name or Unit Agreement Name Swan VB State
8. Well No. 2
9. Pool name or Wildcat Saunders Permo Upper Penn
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4213' 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 [] OTHER SWD
2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210
4. Well Location Unit Letter J : 1980 Feet From The South Line and 1980 Feet From The East Line
Section 21 Township 14S Range 33E NMPM Lea County

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: Look for holes & repair [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.
11-23-99 - Moved in and rigged up pulling unit. Pumped 25 bbls fresh water via annulus. Disconnected hose. Annulus on strong vacuum. Tubing has slight blow. Pumped 2 bbls down 8-5/8" casing - water coming up around wellhead. Nippled down wellhead and nipped up BOP. Attempted to unset packer at 10016'. Felt movement in packer while trying to unset. Pulled to 80000# and tubing parted. POOH with 130 joints of 2-7/8" plastic coated tubing. Last joint is parted right above upset. There is a hole the size of a quarter 10" above part. Fish looking up is upset and collar. Top of fish at 4160'.
11-24-99 - TIH with 4-11/16" overshot with 3-21/32" grapple on 129 joints of 2-7/8" tubing and engaged fish. Unset packer. POOH to overshot and laid down fish, remainder of plastic coated tubing and packer. Bottom of packer below rubber is bad. NOTE: Suspect hole in casing is in area of tubing parting - 4000-4200'±.
11-25-99 - TIH with casing scraper and tubing to 10076'. TOOH with same. Shut down for holiday.
11-30-99 - TIH with RBP, packer and tubing. Set RBP at 9931' and tested to 1000#, OK.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE [Signature] TITLE Operations Technician DATE Dec. 10, 1999
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

JCS

YATES PETROLEUM CORPORATION
Swan VB #2 SWD
Section 21-T14S-R33E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

Pulled packer to 9735'. Tested squeeze perfs. 9792-9827' to 500#. Bled to 350# in 8 minutes. Moved RBP to 9735' and tested to 1000#, OK. Tested casing to 1000# by setting packer in various locations while coming up hole. Looked closely from 4137-4278'. Casing holds 1100# with no bleed off. Made 3 swab runs to lower fluid level. RIH and unset RBP.

12-1-99 - Laid down workstring, packer and tubing. Rigged down pulling unit. Waiting on new string of plastic coated tubing.



Rusty Klein
Operations Technician
December 10, 1999