

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals 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

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

Santa Fe, New Mexico 87504-2088

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

| | |
|--------------------------------------|--|
| WELL API NO. | 30-025-34252 |
| 5. Indicate Type of Lease | STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. | VA-604 |
| | |
| 7. Lease Name or Unit Agreement Name | Field APK State Com |
| 8. Well No. | 3 |
| 9. Pool name or Wildcat | Wildcat Morrow |

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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER |
| 2. Name of Operator YATES PETROLEUM CORPORATION |
| 3. Address of Operator 105 South 4th St., Artesia, NM 88210 |
| 4. Well Location Unit Letter <u>K</u> <u>1880</u> Feet From The <u>South</u> Line and <u>1650</u> Feet From The <u>West</u> Line Section <u>2</u> Township <u>16S</u> Range <u>35E</u> NMPM Lea County |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc) 3995' 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"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: _____ <input type="checkbox"/> | | OTHER: Snubbing <input 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.

3-19-99 - Rigged up JSI lubricator. TIH with 2.01" OD magna range CIBP. Tagged 1.875" "F" nipple at 12220'. Picked up 5' and set plug. TOOH. Rigged down wireline. Swabbed tubing down to 12200'. Attempted to release on/off tool 3-4 times, wrap around leaking. Closed BOP. Hang off tubing on rams. Nippled up 10 riser pipe spools. Rigged up space saver snubbing unit. Tied in lines from choke manifold to sales line.

3-20-99 - Rigged up Cudd N2 pump. Tested BOP stack. Tried to release packer or on/off tool. Could not release. Loaded tubing on CIBP to elongate tubing. Could not release packer. Released on/off tool. Pulled tubing hanger and subs out. Picked up 3 joints. Latched onto packer. Worked 1 hour. Could not release. Got off on/off tool. NOTE: There is no movement of packer mandrel.

3-21-99 - Swabbed tubing down to 11000' (remove fluid to allow more pull). Latched onto packer. Try to release for 1-1/2 hours - no movement in mandrel. Released on/off tool. TOOH and snubbed last 8 stands out. Rigged down snubbing unit. Rigged up JSI. TIH with 5-1/2" shorty wireline, set retrievable RBP. Set at 8000'. Bled casing down. Shut well in.

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

CONTINUED ON NEXT PAGE:

SIGNATURE Rusty Klein TITLE Operations Technician DATE March 26, 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:

YATES PETROLEUM CORPORATION
Field APK State Com #3
Section 2-T16S-R35E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

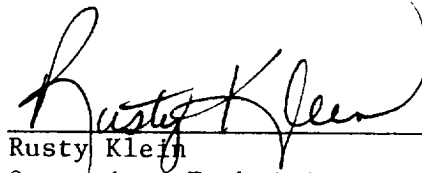
3-22-99 - Loaded casing with 170 bbls 2%. Nipped down BOP stack. Nipped down 11" 5000 X 7-1/16" 5000 tubinghead. Nipped up 11" 5000 X 7-1/16" 10K tubinghead. Nipped up BOP stack. TIH with retrieving tool, 1 joint 2-7/8" tubing, 2.312" X nipple with 2.312 pump thru plug, 1 joint 2-7/8" X nipple without plug. Rigged up snubbing unit after running 17 stands tubing. Shut down.

3-23-99 - TIH with tubing and tagged RBP. Latched on open equalizing valve. Flowed well for 2 hours. Released packer and TOOH. Closed blind rams and locked. Shut down. Flowed well overnight.

3-24-99 - Rigged up JSI lubricator. TIH with setting tool, 5-1/2" 10K wireline set Uni VI packer with 2.25" on/off profile. Below packer 2-7/8" L-80 6' sub, 2-7/8" box X 2-3/8" pinn, 1.875" "F" nipple with blanking plug in place. Set down at 7900'. Picked up, hung up and worked loose. Worked packer up hole, hanging up off and on. Hung up at 6159'. Worked 1-1/2 hours. Set packer with top at 6159'. TOOH with wireline. Bled casing down. Loaded with 114 bbls 2% KCL. Closed blinds and locked. Shut down. Monitoring 5-1/2" casing and 9-5/8" (choke line connected on 9-5/8").

3-25-99 - Picked up 4.50" OD retrieving tool, 1 joint 2-7/8", 2.312" X nipple with pump thru plug in place, 1 joint 2-7/8" tubing, 2.312" X nipple without plug. TIH with 90 stands. TIH and tagged packer at 6159'. Loaded tubing with 9.1# brine. Displaced annulus with 95 bbls at 3 BPM thru pump thru plug. Rigged up JSI. TIH and pulled pump thru plug. Landed tubing and rigged down snubbing unit. Latched into packer. Nipped down BOP stack. Nipped up 7-1/16" 5K DM tree.

3-26-99 - Nipped down manifold and flow lines. Fabricated new sales tie in. Rigged up JSI. Pressure tubing - 2500 psi + 2900 psi hydrostatic = 5400 psi at packer. TIH and pulled equalizing probe - no change in pressure. Flowed well for 2-3 minutes. TIH and latched onto plug. Released plug and TOOH. Rigged down wireline. Released well to production department.



Rusty Klein
Operations Technician
March 26, 1999