

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-32045
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-10

<p align="center">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.)</p>			
<p>1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/></p>		<p>7. Lease Name or Unit Agreement Name Hourglass State Unit</p>	
<p>2. Name of Operator YATES PETROLEUM CORPORATION</p>		<p>8. Well No. 2</p>	
<p>3. Address of Operator 105 South Fourth Street - Artesia, NM 88210</p>		<p>9. Pool name or Wildcat South Vacuum Wolfcamp</p>	
<p>4. Well Location Unit Letter <u>M</u> : <u>990</u> Feet From The <u>South</u> Line and <u>330</u> Feet From The <u>West</u> Line Section <u>10</u> Township <u>18S</u> Range <u>35E</u> NMPM Lea County</p>			
		<p>10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3918' GR</p>	

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 checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: Surface & Intermediate Casing <input checked="" 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.

Spudded 12 1/4" hole 12:30 PM 8-18-93. Drilled to 40' and opened to 26". Set 20" conductor at 40' below GL and grouted annulus to surface with 3-1/2 yards redi-mix. Notified NMOCD, Hobbs, NM, of spud. Resumed drilling 17 1/2" hole 7-27-93. Ran 10 joints 13-3/8" 54.5# J-55 ST&C casing set 455'. Guide shoe set 455', insert float set 411'. Cemented w/500 sx Class "C" w/2% CaCl2 (yield 1.33, wt 14.8). PD 11:00 AM 8-27-93. Bumped plug to 450 psi, float held OK. Circulated 160 sacks. WOC. (Notified NMOCD, Hobbs, NM. Drilled out 8:30 AM 8-28-93. WOC 21 hrs and 30 minutes. NU and tested to 1000 psi for 30 mins, OK. Reduced hole to 12 1/4" and resume drilling. Ran 89 joints 9-5/8" 36# & 40# LT&C casing set 4000'. Float shoe set 4000', float collars set 3956'. Cemented w/1250 sx PSL "C" w/9% salt, 1/4#/sx celloseal (yield 2.0, wt 12.5) Tailed in w/250 sx "C" w/1% CaCl2 (yield 1.32, wt 14.8). PD 2:00 AM 9-5-93. Bumped plug to 1700 psi, float held OK. Circulated 202 sacks. WOC. Drilled out 9:15 PM 9-5-93. WOC 19- hours, 15 minutes. NU and tested to 3000 psi for 30 minutes. Reduced hole to 8-3/4" and resumed drilling. Note: Weld shoe and 4 joints. Centralizers #1, #3, 35, #& and #9. Good circulation. NMOCD notified - did not witness.

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

SIGNATURE Granita Godwin TITLE Production Supervisor DATE 10-4-93
TYPE OR PRINT NAME Production Supervisor TELEPHONE NO. 505-748-1471

(This space for State Use)

**Orig. Signed by
Paul Kautz
Geologist**

APPROVED BY _____ TITLE _____ DATE OCT 06 1993

RECEIVED

NOV 11 1993

CRIMINAL
DIVISION