

Submit 3 Copies
to Appropriate
District Office

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. 30-025-33000
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-971
7. Lease Name or Unit Agreement Name San Simon Unit
8. Well No. 1
9. Pool name or Wildcat San Simon Sink Morrow (gas)

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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210

4. Well Location
Unit Letter 0 : 660 Feet From The South Line and 1980 Feet From The East Line

Section 18 Township 23S Range 35E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3351' 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: Acidized existing perforations <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.

10-17-19-98 - Moved in and rigged up pulling unit. Bled off casing. Loaded with 1-1/2 bbls 10# brine. Pressured to 2000 psi for 10 minutes, OK. Bled off. Rigged up wireline. TIH with 1-3/8" grapple and fished plunger lift spring catcher assembly at 11321'. TOOH. Flowed well to pit for 1-1/2 hours. Swabbed. Shut well in.

10-20-98 - Installed 2-9/16" X 10000 gate valve crown valve, 1-13/16" X 10000 wing valve and choke. Tested to 8000 psi. Rigged up treesaver. Acidized perforations 13582-13711' (Morrow) with 3000 gallons 10% iron control HCL acid with (2) 500 gallon 50# HEC gel plugs after 1st and 2nd 1000 gallons, 1750 scf N2 per bbl with acid and 3500 scf N2 per bbl with gel. Flowed well to pit for cleanup. Shut well in.

10-21-98 - Bled down. Nippled down crown valve, tee with wing valve and choke. Nippled up 5000# coiled tubing hanger and coiled tubing unit. TIH with wash tool on 1-1/4" coiled tubing to 13665'. Pulled up to 13500'. Set slips in coiled tubing hanger. Cut coiled tubing and installed 3000# ball valve. Dropped ball and made off wash tool. Pumped 1 hour. Pumped down 1-1/4" X 2-1/2" annulus. Pressured to 2500 psi - tubing side dead.

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

SIGNATURE Rusty Klein TITLE Operations Technician DATE Nov. 5, 1998

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

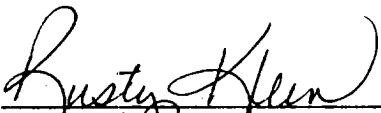
APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION
San Simon Unit #1
Section 18-T23S-R35E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

Repressured tubing and flowed back tubing with slight blow. Pumped down tubing.
Flowed down annulus. Unloaded fluid. Bled off tubing. Shut well in.
10-22-98 - Bled off tubing. Flow tested. Shut well in. Released well to production
department.



Rusty Klein
Operations Technician
Nov. 5, 1998