

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. 30-025-28257
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. LG 740-3

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 [X] GAS WELL [] OTHER []

2. Name of Operator YATES PETROLEUM CORPORATION

3. Address of Operator 105 South 4th St., Artesia, NM 88210

4. Well Location Unit Letter I : 1980 Feet From The South Line and 660 Feet From The East Line Section 4 Township 19S Range 34E NMPM Lea County

7. Lease Name or Unit Agreement Name Vacuum State

8. Well No. 4

9. Pool name or Wildcat Scharb Bone Springs

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

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 [], PULL OR ALTER CASING [], OTHER: Test additional Bone Springs interval [X]. SUBSEQUENT REPORT OF: REMEDIAL WORK [], ALTERING CASING [], COMMENCE DRILLING OPNS. [], PLUG AND ABANDONMENT [], CASING TEST AND CEMENT JOB [], OTHER: []

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.

- Propose to test additional Bone Springs intervals as follows: 1. TOOH w/pump and rods. Nipple up BOP and TOOH with tubing. 2. Perforate Bone Springs from 8854-9007' w/20 holes (1 SPF) as follows: 8854, 56, 58, 60 & 8862' (5 holes) and 8958, 60, 62, 66, 68, 73, 75, 77, 84, 86, 88, 93, 9000, 05 & 9007' (15 holes). 3. Straddle perforations 8958-9007' and acidize with 5000 gallons 15% NEFE HCL acid with ball sealers. Flow/swab test. 4. Straddle perforations 8854-8862' and acidize with 1500 gallons 15% NEFE HCL acid with ball sealers. Flow/swab test. 5. Perforate 8294-8349' w/14 holes (1 SPF) as follows: 8294, 98, 8301, 03, 05, 14, 16, 18, 38, 40, 42, 46, 47 & 8349'. 6. Straddle perforations 8294-8349' and acidize with 4000 gallons 15% NEFE HCL acid with ball sealers. CONTINUED

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE Rusty Klein TITLE Production Clerk DATE Sept. 22, 1993 TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use) ORIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR APPROVED BY TITLE DATE Oct 17 1993 CONDITIONS OF APPROVAL, IF ANY:

CONTINUED FROM PREVIOUS PAGE:

7. Flow/swab test.
8. If added pay zones are non-commerical, will plug and abandon well.
NOTE: Plugging procedure dated June 17, 1993, has been approved :
on June 22, 1993.
9. If added pay zones are commerical, will place well into production.

OCD - Hobbs

RECEIVED

SEP 24 1993

UCC 60000
OFFICE