

MEMO TO: David Catanach

FROM: Chris Williams *CW*

DATE: June 17, 1997

RE: FAGADAU, Coy Lowe SWD #1-E, Sec. 7, T13S, R38E

It has come to our attention that a string of 2 7/8 inch tubing has been run and cemented to surface in the above referenced salt water disposal well.

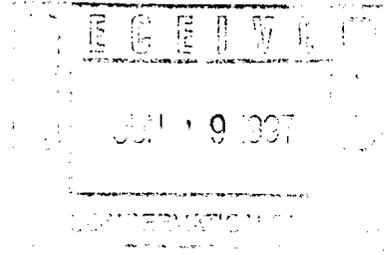
Please notify us of any special requirements to be initiated for testing the integrity of the well.

Enclosed is a copy of the sheet with information on the bradenhead test conducted March 3, 1997.

The operator can be reached at:

FAGADAU Energy Corporation
2323 Bryan Street, Suite 1770
Dallas, Texas 75201

Phone: (214) 754-5908



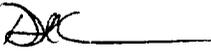


NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

MEMORANDUM

TO: Chris Williams

FROM: David Catanach 

RE: FAGADAU, Coy Lowe SWD No. 1-E
Section 7, T-13S, R-38E

As per your request dated June 17, 1997, I have conducted some research on this well. Enclosed find a letter written to me by Atapco, the previous operator, dated August 23, 1995. In this letter, Atapco presented the Division with four options to repair their well. They apparently decided on Option No. 3, which included running an annual tracer survey. If we have not already done so, we should inform the new operator that an annual tracer survey will be required for continued operation on this well. In addition, the operator should be required to run a mechanical integrity pressure test on the tubing on the regular five year cycle.

If I can be of further assistance, please advise.

ATTN: David Catanach
SWD-251

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT I

P.O. Box 1980, Hobbs NM 88240

DISTRICT II

P.O. Drawer DD, Artesia NM 88210

DISTRICT III

1000 Ric Brazos Rd., Aztec NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO. 30-015-22893

5. Indicate Type of Lease

State FEE

6. State Oil & Gas Lease No.

B-1111

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 GAS
WELL WELL OTHER

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South 4th., Artesia, NM 88210

4. Well Location

Unit Letter G 1980 Feet From The NORTH Line and 1980 Feet From The EAST Line

Section 22 Township T17S Range R28E NMPM EDDY COUNTY

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3592' GR



7. Lease Name or Unit Agreement Name

LUCAS STORE KT STATE COM

8. Well No.

1

9. Pool Name or Wildcat

UNDESIGNATED ABO

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 T/A for future use as SWD

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.

Yates Petroleum Corporation respectfully requests permission to change this well from a SWD back to a producing well. We also request to temporarily abandon for future use as a SWD as follows:

MIRU WSU - Install BOP & other safety equipment as needed.
POH w/ tubing & packer. TIH to see if A RH RBP is set @ 6704'. POH, lay down tubing.
RU wireline to run 5-1/2" CIBP; set CIBP @ ~~6510~~ 6583, dump 35' of cement on top of CIBP.
Load casing w/ 2% KCL water & NU wellhead.
Notify the OCD 24 hrs in advance so they can witness pressure test. Will pressure test casing to 900 psi for 30 minutes using a pump w/ a chart recorder.

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

SIGNATURE *Donna Clack*
TYPE OR PRINT NAME DONNA CLACK

TITLE Operations Technician DATE 3/19/02
TELEPHONE NO. 505-748-1471

APPROVED BY *[Signature]*
CONDITIONS OF APPROVAL, IF ANY

TITLE *[Signature]* DATE MAR 26 2002