

**Arrant, Bryan**

30-015-33335

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**From:** Arrant, Bryan  
**Sent:** Wednesday, March 09, 2005 8:59 AM  
**To:** 'Doug.Lynn@wipp.ws'  
**Cc:** Gum, Tim  
**Subject:** Yates-Jacque ;AOJ State # 7

Hello Doug,

As I described on your phone message recorder, Yate's encountered a water flow @ 2850' with a flow rate of 100 BPH. H2S was measured at @ 1300 ppm.

The well is located in Unit C, Sec. 34 T-21-S R-31-E. The well is located northwest of the WIPP area.

At this time this is all I know.

I have contacted Yates Petroleum and instructed them to submit a letter explaining the situation in compliance of R-111-P.  
Bryan

30-015-33335  
To: NMOCD – Artesia, N.M.  
Attention: Brian Arrant

From: Tim Bussell – Yates Petroleum Corp.

Date: 3/9/2005  
Subject: Jacque AQJ State # 7 – Waterflow

While drilling our 11" intermediate casing hole, a waterflow was encountered. The flow was encountered at 2,900', at an initial rate of 104 BPH. H2S was initially reported at 100 ppm. American Safety Company was notified and monitored the flow. An Air Trailer and Fans were deployed to location.

H2S increased to 1,300 ppm during the drilling of the well.

11" hole was drilled to 4,100', and 8 5/8" casing was ran and cemented to surface in two stages.

The first stage was 125 sx. Halliburton Lite Premium Plus, tailing in with 200 sx. Premium Plus.

The Stage Packer Tool was set at 2,605'.  
Waterflow was sealed off after Packer was inflated.  
Circulated 40 sx. Cement off of tool on first stage.

The second stage was 950 sx. Halliburton Lite Premium Plus, tailing in with 100 sx. Premium Plus.

Circulated 220 sx. to pit.

Sincerely,



Tim Bussell

RECEIVED

MAR 10 2005

QCD-ARTESIA