

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.	30-025-20982
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	VA-492
7. Lease Name or Unit Agreement Name	Sawyer AQN State
8. Well No.	1
9. Pool name or Wildcat	Sawyer San Andres, West

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 <u>A</u> : <u>660</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>6</u> Township <u>10S</u> Range <u>37E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3890' 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Re-entry <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.

12-21-96 - Cleaned location and set and tested anchors. Dig out cellar. Cut off dry hole marker. Cut 8-5/8" casing off and welded on new piece of 8-5/8" casing. Moved in and rigged up pulling unit. Nippled up wellhead and BOP. Moved in and rigged up reverse unit equipment. Shut down. Prep to spud in.
12-22-96 - Rigged up 7-7/8" bit and 4-5/8" collar. Began drilling on surface plug in 8-5/8" casing at 7:00 AM 12-21-96. Drilled 15' surface plug. TIH and tag soft at 252'. Washed out old mud and tagged cement at 365'. Drilled out cement to 500'. Fell out of cement at 500'. Washed out old mud and rebedded from 500' to 638'. Appears to be 4-1/2" stub at 638'. Circulated hole clean. POOH with tubing, drill collars and bit. Shut well in.
12-23-96 - Changed rams in BOP. Picked up 3-7/8" bit, drill collars and 2-3/8" tubing. Tagged up at 638'. Picked up swivel and drilled out to 663'. Drilling on junk casing. TOOH with tubing, drill collars and bit. TIH with 3-7/8" cone blaster mill, collars and tubing. TIH and tagged at 663'. Drilled out to 700'. Drilling metal at first, then mostly rebedded in returns. TOOH with mill, collars and tubing. Mill mostly worn on outside. Possibly

CONTINUED ON NEXT PAGE:

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 Dec. 30, 1996

TYPE OR PRINT NAME Rusty Klein

TELEPHONE NO. 505/748-1471

(This space for State Use) ORIGINAL SIGNED BY

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

JK