

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. 30-025-29496
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FREE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-4849
7. Lease Name or Unit Agreement Name Yam AYQ State
8. Well No. 1
9. Pool name or Wildcat Tatum Morrow
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3961.8' GR

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER
2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210
4. Well Location Unit Letter N : 990 Feet From The South Line and 2310 Feet From The West Line Section 26 Township 12S Range 36E NMPM Lea County

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: Spud on re-entry, run production casing <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.

4-27-2001 - Bladed road to location. Scraped location and dig out cellar. Cut off 8-5/8" casing. Welded on 8-5/8" and 11" 5K head. Backfilled cellar.
4-28-2001 - Set anchors. Moved in and rigged up pulling unit. Moved in re-entry equip.
NOTE: Notified Sylvia w/OCD-Hobbs of intent to spud on Monday, April 30th.
4-29-30-2001 - Nippled up BOP. Finished moving in and rigging up re-entry equipment.
5-1-2001 - TIH with bit, drill collars and spudded on surface plug at 10:00 AM 4-30-2001. Fell out at 20'. Picked up collars and 4 joints of drillpipe and tagged plug at 467'. Drilled solid cement to 610' and fell out. Circulated clean. Shut in.
5-2-2001 - Picked up drillpipe and TIH and tagged up at 700'. Drilled stringers to 720'. TIH and tagged plug at 2210'. Drilled hard cement to 2365'. Drilled stringers to 2425'. TIH to 3600'. Circulated heavy mud. TIH and tagged plug at 4770'. Shut in.
5-3-2001 - Started drilling on plug at 4770' and drilled to 4784'. Tested casing to 500#, OK. Drilled 5' more and fell out. Tagged up at 4925'. Fell out at 4965'. Washed down and tagged stub at 5995'. No plug on top of stub. Circulated 1-1/2 hours. Pulled up

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 Sept. 30, 2001
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY _____ TITLE PETROLEUM ENGINEER DATE _____
CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION
Yam AYQ State #1
Section 26-T12S-R36E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

into casing at 4500'. Shut well in.

5-4-2001 - TOOH. Picked up 3-1/2" drill collars and TIH with bit and drill collars and tagged 5-1/2" stub. Did not feel top. Set down at 6076' solid. Picked back up to top. Did not feel again. Tagged to 6076'. Rigged up swivel and pushed down. Catch in casing collar from 200'. TIH to 6825'. TOOH. Picked up 7-5/8" dress off mill and TIH with mill and drill collars. Shut in.

5-5-2001 - TIH with skirted dress off mill and tagged stub. Felt like we were over stub. Worked 4 hours and made 2'. TOOH. Shut well in.

5-6-7-2001 - TIH with flat bottom skirted dress off mill and tagged stub. Worked shoe over stub. Washed down 7" to mill face. Milled 3'. Pulled up into casing. Shut well in.

5-8-2001 - TOOH with dress off mill. Changed rams in BOP. TIH with 5' slip joint. Picked up 5-1/2" casing. Tagged stub. Worked over stub 4' with slip joint. Pumped around slip joint. Rigged up wireline. TIH with collar locator and weight and set down at 5700'. Could not spud thru. Rigged down wireline. Set slips on casing. Nippled down BOP and cut off. Landed and tested 11" 3K X 7-1/16" 5K tubing head. Nippled up 7-1/16" 5K BOP. Shut in.

DETAILED CASING REPORT: Ran 136 joints of 5-1/2" 17# casing and tied onto existing 5-1/2" casing at 5700'.

5-9-2001 - TIH with bit, drill collars and drill pipe and went thru spot at 5725'. Tagged up at splice. Feathered with bit for 30 minutes - rough. TOOH. TIH with 4-3/4" concave mill and milled 45 minutes. Went down 30'. Rotated with tongs. Went down 40' and stopped at 6078'. Milled 1 hour. Pulled up and shut well in.

5-10-2001 - TIH with 4-11/16" shoe with 4-3/4" mesh on bottom, drill collars and drill pipe and set down at splice. Worked shoe for 1-1/2'. TOOH. TIH with tapered mill and string mill. Cleaned out splice. TIH and set down at 6035'. Rotated mill for 3 hours. Made 7'. Could not get mill to fall thru but was making hole. Pulled above splice. Did not feel splice. Shut well in.

5-11-2001 - TOOH with string mill and tapered mill. Rigged up wireline. Ran 5' 4" OD casing gun with CCL and set down at 6832'. Logged up across splice. Indications are that pipe is cut around 6500'. Ran 40 arm caliper log from 6832' to 100' above splice. Had a 4' gap at 6480'. Splice indicates we sliced top of stub. Slip joint is over 4' on one side of pipe with 3' window below slip joint on other side. Shut well in.

5-12-14-2001 - Shut in.

5-15-2001 - Nippled down BOP and stack. Welded on 5-1/2" lift sub. Picked up on casing and pulled slips. Worked casing up to 140K - would not move. Reset slips. Flanged up spool and BOP. TIH with globe basket and tagged up at 6834'. Cut 3'. Fell thru to 6876'. Washed and milled to 6897'. TIH to 7030'. Milling on possible cement plug. Cut core and pulled above splice. Shut well in.

5-16-2001 - TOOH with globe basket. Had a wad of casing in shoe. TIH with bit, drill collars and drill pipe. Set down at splice. Rolled in. TIH and set down at 6834'. Rigged up swivel. Washed down to 7277'. TOOH. Rigged up wireline. Ran 40 arm caliper from 7600-6300'. Spliced to log run on 5-10-2001. Shows that casing is cut at 7313', 6997, plus the part at 6480'. TOOH and rigged down wireline. Shut well in.

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SUNDRY NOTICE CONTINUED:

5-17-2001 - Pumped down 5-1/2" casing. Pressured to 900 psi. Broke circulation around 8-5/8" X 5-1/2" by pumping at 4 BPM at 300 psi. TIH with tapered and string mill. Tagged up at stub top. Cleaned out. Worked mills thru several times. Felt clean. Pulled above splice. Shut in.

5-18-2001 - Shut down. Waiting on casing alignment tool.

5-19-21-2001 - Ran string mill thru splice - did not feel anything. TOOH. TIH with 25' casing alignment tool with drill retainer and set at 5985' with bottom of alignment tool at 6012'. Pumped thru retainer and circulated out 8-5/8" X 5-1/2". Mixed and pumped 150 sacks "C" Neat (yield 1.23, weight 14.8) and 50 sacks C with 2% CaCl₂ (yield 1.32, weight 14.8). With 3 bbls left in tubing, closed annulus. Squeezed to 600 psi. Sting out of retainer. Reversed tubing clean. TOOH and laid down drillpipe. Shut in. WOC.

5-22-2001 - TIH with bit, drill collars and 2-7/8" tubing and tagged cement at 5983'. Drilled out cement and retainer. Circulated clean. Picked up and shut well in.

5-23-2001 - Drilled out alignment tool and cement. Tested to 1000 psi. TIH to 7430'. Pressured to 960 psi. Lost 30 psi in 6 minutes. Picked up tubing. TIH to 11650'. Set down solid. TOOH. Shut well in.

5-24-2001 - TIH with 2-7/8" tubing with notched collar to 7325'. Spotted a 10 sack "C" Neat plug with 2% CaCl₂ (yield 1.32, weight 14.8). Pulled up to 7002'. Spotted a 10 sack "C" Neat plug with 2% CaCl₂ (Yield 1.32, weight 14.8). Pulled up to 6515'. Spotted a 10 sack "C" Neat plug with 2% CaCl₂ (yield 1.32, weight 14.8). TOOH. TIH with 4-3/4" string mill and worked thru splice at 6000'. TOOH. Started in hole with bit, drill collars and tubing. Shut well in.

5-25-2001 - TIH and did not tag plug at 6500'. TIH and set down at 6990'. Rigged up swivel. Feather bit for 30 minutes. Circulated up celloflake in returns. TIH and did not tag plug at 7300'. TOOH. TIH with notched collar on tubing to 7350'. Mixed and pumped a 100 sack "C" Neat plug with 2% CaCl₂. Pulled up to 6170' and reversed 2 bbls cement. Closed valve on tubing. Pressured to 1000 psi and squeezed 1 bbl. Pressured to 1200 psi and held 1 minute. TOOH with tubing. Loaded hole and pressured to 500 psi. Shut well in. WOC.

5-26-29-2001 - Shut in - holiday weekend. WOC.

5-30-2001 - TIH with bit, drill collars and tubing. Tagged cement at 6900'. Drilled to 6990'. Tagged casing part. Drilled for 30 minutes - rough. Did not make any hole. TOOH. TIH with 4-3/4" flat bottom mill to dress off ID. Worked thru splice. Set down at 6071'. Same spot found with mill before. Rigged up swivel.

5-31-2001 - Milled at 6071' for 1 hour. Did not make any hole. TOOH. TIH with 4-11/16" flat bottom mill. Worked thru spot at 6071'. Set down at 6340'. Worked thru. TIH to 6690'. Made 4' to 6694'. Shut well in.

6-1-2001 - Milled 1 hour at 6990'. Made 1'. TOOH with mill. TIH with 4-5/8" mill and went thru spot at 6690'. Tagged up at 6995'. Milled for 30 minutes. Drilled 5' of cement and TOOH. TIH with 4-3/4" bit and drilled cement to 7035'. Circulated clean. Shut well in.

6-2-4-2001 - Resumed original drilling on cement at 7035'. Drilled to 7330'. Circulated clean. Tested to 1500 psi for 15 minutes, OK. TOOH. TIH open ended.

6-5-2001 - TIH to 6580'. Mixed and pumped 20 sacks of "C" Neat cement with 3% CaCl₂ (spotted plug across cut at 6480'). Pulled up to 6000' and reversed 1 bbl cement. TIH with bit, drill collars and tubing to 3000'. Shut in. WOC.

6-6-2001 - TIH and did not tag cement at 6400'. TIH and tagged at 6505'. Drilled to 6570'. Fell out. TIH and drilled cement from 7330-7370' and fell out. TIH and tagged at 11794'.

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SUNDRY NOTICE CONTINUED:

Washed to 11825'. Drilled dehydrated mud and cement to 11870'. Washed down to 11935'. Circulated clean. Shut well in.

6-7-2001 - Resumed washing and drilling to 12150'. Fell out. TIH to 12640'. Displaced hole with 7% miracle fluid. Drilled 2' of cement with cast iron in returns. Quit drilling. TOOH to 6000'. Shut well in.

6-8-2001 - TOOH with tubing - bit worn out. Left 2 cones in hole. TIH with 4-5/8" smooth OD shoe with 4' extension and set down at 12300'. Stuck pipe - worked loose. Feather for 2 hours. Made 9". If any weight was applied - torqued out and pressured up. TOOH. Shut down.

6-9-11-2001 - TIH with 4-9/16" shoe, jars, drill collars and tubing and set down at 12300'. Rigged up swivel and rotated 30 minutes. Fell through. TIH and tagged up at 12648'. Milled for 3 hours. Acted like there was 3' of fill. Picked up and worked down 3'. Did not tag high again. Cut 20 minutes. TOOH. Had 4' X 32" piece of metal (twisted) in shoe. Shut well in.

6-12-2001 - TIH with 4-5/8" X 5' shoe, jars, drill collars, tubing and set down at 12300'. Rigged up swivel and milled 1 hour. Fell through. TIH and tagged up at 12665'. Milled 3'. Plugged tubing - unplugged. Milled 1' to 12659'. Plugged - could not pump out. TOOH. Shut well in.

6-13-2001 - POOH and recovered 2-1/2" of junk out of shoe and 1 18" piece of 2-7/8" tubing. Shut down for rig repairs.

6-14-2001 - TIH with shoe and reamed thru tight spots at 6840', 7725' and 12300'. Took shoe to bottom. Rigged up swivel and shut well in.

6-15-2001 - Finished TIH with shoe and tagged up at 12656'. Cut 1' to 12657' and fell thru. Tagged bottom at 12990'. Circulated clean. TOOH with shoe. Recovered 2' of junk. TIH with bit and scraper to 12990'. Pulled above perforations. Shut well in.

COMPLETION WORK:

6-16-2001 - TOOH with bit, scraper and tubing. Rigged up wireline. TIH with logging tools and ran GR/CCL log. TOOH with logging tools. TIH with 3-3/8" casing guns and perforated 12674- 12694' w/120 .42" holes (6 SPF - Morrow). TOOH with casing guns and rigged down wireline. TIH with packer with 2.25" on/off tool to 12613'. Did not touch anything. Set packer and attempted to test annulus. Packer not holding. Moved tool 3 times - would not test. Shut well in.

6-17-18-2001 - TOOH with packer. TIH with new packer and set down at 6080' and stuck packer. Worked loose and pulled up 2 stands. Shut well in.

6-19-2001 - Ran 1 stand and set down at 6080'. TOOH and lost packer. TIH and tagged up at 3000'. TOOH. Rigged up wireline. TIH with gauge ring to 12650'. Recovered rubber. TIH with wireline set packer and set packer at 12400'. TOOH and rigged down wireline. TIH with seal connector and latched onto packer. Spaced out and loaded annulus. Tested to 1000 psi. Nippled down tree. Flanged up. Shut well in.

6-20-2001 - Swabbed and flow tested perforations 12674-12694'. Shut well in.

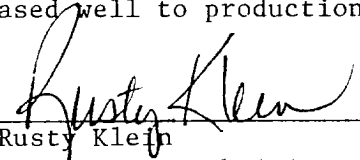
6-21-2001 - Bled well down. Swabbed. Acidized perforations 12674-12694' with 2000 gallons of 7-1/2% Morrow acid with 25% methanol and 1000 scf/bbl N2. Flowing well to pit for cleanup. Shut well in.

6-22-2001 - Bled well down. Swabbed & flow tested. Shut well in. Rigged down pulling unit.

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SUNDRY NOTICE CONTINUED:

6-23-25-2001 - Moved in and rigged up swab unit. Swabbed and flow tested. Shut well in. Rigged down swab unit.
6-26-30-2001 - Shut in.
7-1-13-2001 - Shut in.
7-14-2001 - Moved in and rigged up pulling unit.
7-17-2001 - Rigged up slickline. TIH with 2.25" blanking plug. Bled well down. Loaded tubing with 47 bbls. Released on/off tool. Reversed tubing capacity. Nippled down tree and nipple dup BOP. TOOH with 2-7/8" tubing. Shut well in.
7-18-2001 - TIH with seal connector and 3-1/2" frac string. Spaced out. Nippled down BOP. Nippled up tree. Latched onto packer at 12400'. Flanged up and tested packer to 500 psi. Shut well in.
7-19-2001 - Swabbed 3-1/2" tubing down to 8000'. Rigged up slickline. Pulled blanking plug. Flow tested and swabbed. Shut well in.
7-20-2001 - Swabbed and flow tested. Shut well in.
7-21-2001 - Rigged up treesaver. Frac'd perforations 12674-12694' (via 3-1/2" tubing) (Morrow) with 60445 gallons 70Q foam and 50376# 20-40 interprop. Rigged down treesaver. Flowing well for cleanup.
7-22-23-2001 - Flow testing. Shut well in.
7-24-2001 - Flow tested. Shut well in.
7-25-2001 - Rigged up slickline. Set 2.25" blanking plug in on/off tool at 12400'. Bled tubing down. Loaded and tested to 500 psi. Released on/off tool. Reversed tubing capacity. Nippled down 3-1/2" tree. Nippled up BOP. Started TOOH with 3-1/2" tubing. Shut well in.
7-26-2001 - Finished TOOH with 3-1/2" tubing. Changed rams in BOP to 2-7/8". Repaired on/off tool. TIH with seal connector and 2-7/8" tubing. Spaced out and nipped down BOP. Nippled up tree. Loaded and tested on/off tool to 1000 psi. Shut well in.
7-27-2001 - Swabbed tubing down to 7500'. Rigged up slickline. Pulled equalizing probe. Pulled blanking plug. Flow tested. Shut well in.
7-28-30-2001 - Flow tested. Shut well in.
7-31-2001 - Flow tested. Shut well in. Released well to production department.



Rusty Klein
Operations Technician
September 30, 2001