

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. 80-025-29998

5. Indicate Type of Lease STATE [ ] FEE [X]

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name

Arreguy AVM

1. Type of Well: OIL WELL [ ] GAS WELL [X] OTHER

8. Well No.

1

2. Name of Operator YATES PETROLEUM CORPORATION

9. Pool name or Wildcat

Wildcat Mississippian

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

4. Well Location Unit Letter A : 810 Feet From The North Line and 510 Feet From The East Line

Section 25 Township 15S Range 34E NMPM Lea County

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

4035.5' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ] TEMPORARILY ABANDON [ ] CHANGE PLANS [ ] PULL OR ALTER CASING [ ] OTHER: [ ]

REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPNS. [ ] PLUG AND ABANDONMENT [ ] CASING TEST AND CEMENT JOB [ ] OTHER: Spud on re-entry [X]

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.

8-4-2000 - Dug out dry hole marker. Installed 6' X 6' cellar. Welded on 8-5/8" X 11" 3000K wellhead.

8-5-2000 - Moved in and rigged up rotary tools. Nippled up BOP.

8-6-2000 - TD 4347'. Drilling cement. Tested BOP to 3000# and hydril to 1500#. Picked up bit and kelly and drilled surface plug. Spudded in at 5:15 PM 8-5-2000. Picked up drill collars and drillpipe and TIH and tagged cement at 1885'. Drilled cement plug from 1885-1980'. Picked up 30 joints of drillpipe. Circulated hole clean. Picked up drillpipe and TIH and tagged cement at 4310'. Drilled cement from 4310-4347'.

8-7-2000 - TD 4347'. Drilled cement and tagged up on casing stub at 4344'. TOOH. Picked up dress off mill and TIH. Rigged up power swivel. Dressed off 5-1/2" casing (milled 3' off casing). Pumped sweep and circulated. Laid down swivel and TOOH. RIH with bit and drill collars. Rigged up power swivel. Drilled cement inside of 5-1/2" casing. Circulated and pumped sweep. Rigged down power swivel.

8-8-2000 - TD 4347'. Rigged up power tongs and lay down machine. Ran 105 joints of

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

CONTINUED ON NEXT PAGE:

SIGNATURE [Signature] TITLE Operations Technician DATE Dec. 8, 2000

TYPE OR PRINT NAME Rusty Klein

TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE AUG 09 2001

CONDITIONS OF APPROVAL, IF ANY: