

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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.	30-005-62566
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	LG-4927
7. Lease Name or Unit Agreement Name	Dragonfly ARX State
8. Well No.	1
9. Pool name or Wildcat	Foor Ranch Wolfcamp
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3810.5' GR

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG A WELL 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 D : 660 Feet From The North Line and 990 Feet From The West Line Section 30 Township 9S Range 27E NMPM Chaves County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3810.5' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <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: Perforate & acidize Wolfcamp <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.

6-16-99 - Moved in and rigged up pulling unit. Pumped 20 bbls down tubing. Nippled down wellhead and nipped up BOP. Loaded 8-5/8" casing with 7 bbls. Released packer. TOOH with tubing and packer. Rigged up wireline. TIH with CIBP and set CIBP at 5950'. TOOH. Capped CIBP with 35' of cement. TOOH. TIH with 4" casing guns and perforated 5257-5353' w/26 .42" holes as follows: 5257-5266', 5271-5277' & 5345-5353' (1 SPF - Wolfcamp). TOOH with casing guns and rigged down wireline. TIH with RBP, packer and tubing. Set and tested RBP at 5396'. Spotted 100 gallons HCL acid. Pulled up and set packer at 5298'. Broke perforations 5345-5353'. Opened by-pass and took acid to packer. Lost all pressure - zone communicated. Pulled packer up to 5200' and tested to 1000 psi. Acidized perforations 5257-5353' with 4500 gallons 15% iron control HCL acid and ball sealers. Flowed well down. Opened by-pass on packer and reversed 10 bbls to ensure that no acid on annulus. Closed by-pass. Swabbing.

6-17-99 - Swabbed. Shut well in.

6-18-99 - Released packer & RBP. TOOH with tubing, RBP and packer. TIH with packer

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

CONTINUED ON NEXT PAGE:

SIGNATURE Rusty Klein TITLE Operations Technician DATE June 24, 1999

TYPE OR PRINT NAME Rusty Klein

TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY Jim W. Green

District Supervisor

CONDITIONS OF APPROVAL, IF ANY:

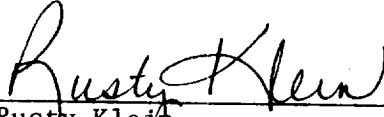
TITLE

DATE 6-30-99

YATES PETROLEUM CORPORATION
Dragonfly ARX State #1
Section 30-T9S-R27E
Chaves County, New Mexico

SUNDRY NOTICE CONTINUED:

and tubing. Set packer at 5200'. Nippled down BOP and nipped up wellhead. Tested packer. Swabbed well down. Released well to production department.



Rusty Klein
Operations Technician
June 24, 1999