YATES PETROLEUM CORPORATION Scheurich #4 Section 32-T17S-R30E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

C Neat cement. WOC. Shut well in for night.

Spotted a 25 sack Class C Neat cement plug from 2822-2681'. POOH with tubing. Shut well in for night.

7-9-2002 - RIH with tubing and tagged cement at 2672'. POOH with tubing. Rigged up wireline. RIH with wireline and perforated at 1871'. POOH and rigged down wireline. RIH with packer and tubing - would not go. POOH. RIH with casing scraper to 1620'. POOH. RIH with packer and tubing and set packer at 1593'. Squeezed with 25 sacks Class C Neat cement. WOC. Shut well in for night.

7-10-2002 - Rigged up wireline. RIH with wireline and tagged cement at 1744'. POOH and rigged down wireline. POOH with tubing and packer. Rigged up wireline. RIH with wireline. Perforated at 1221'. POOH & rigged down wireline. RIH with tubing and packer and set packer at 924'. Squeezed with 75 sacks Class C Neat cement. WOC 4 hours. POOH with tubing and packer. Shut well in for night.

7-11-2002 - RIH with tubing and tagged cement at 1114'. POOH. Rigged up wireline. RIH with wireline and perforated at 552'. POOH & rigged down wireline. RIH with tubing and packer and set packer at 254'. Squeezed with 60 sacks Class C Neat cement. WOC 4 hours. Rigged up wireline. RIH with wireline - did not tag. POOH and rigged down wireline. Reset packer at 254'. Squeezed with 60 sacks Class C Neat cement. WOC. Shut well in for night.

7-12-2002 - POOH with tubing and packer. Rigged up wireline. RIH with wireline - did not tag. POOH & rigged down wireline. RIH with tubing and packer and set packer at 254'. Squeezed with 60 sacks Class C Neat cement. WOC 4 hours. RIH with wireline - did not tag. POOH & rigged down wireline. RIH with tubing and packer and set packer at 254'. Squeezed with 60 sacks Class C Neat cement. WOC. Shut well in for night. 7-13-15-2002 - POOH with tubing and packer. Rigged up wireline. RIH with wireline and tagged cement at 584'. POOH with wireline and rigged down wireline. RIH with packer and tubing and set packer at 254'. Squeezed with 60 sacks Class C Neat cement. WOC 4 hours. POOH with tubing and packer. Rigged up wireline and RIH with wireline. Tagged cement at 441'. POOH & rigged down wireline. Rigged down tubing equipment and floor. Nippled down BOP. Rigged up wireline. RIH and perforated casing at 60'. Squeezed with 40 sacks Class

7-16-2002 - Rigged up wireline and RIH with wireline - did not tag. POOH with tubing. Circulated 40 sacks Class C Neat cement down 5-1/2" casing and up through 8-5/8" surface casing. WOC 4 hours. Cement at 50'. Topped off with 5 sacks Class C Neat cement. Rigged down pulling unit and plugging equipment. PLUGGED AND ABANDONED - FINAL REPORT. Plugging completed 7-15-2002. Installed regulation abandonment marker.

Rusty Klein / / / Agent for BCM & Associates

July 16, 2002