

YATES PETROLEUM CORPORATION
Cerro AQF Federal Com #1
Section 15-T18S-R29E
Eddy County, New Mexico

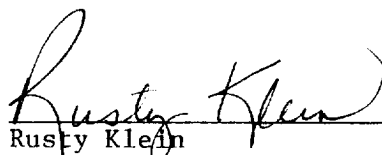
SUNDRY NOTICE CONTINUED:

perforated 10970-10975' w/24 .31" holes (4 SPF - Morrow). TOOH with guns and rigged down wireline. Flowed well to pit. Shut in.

1-29-97 - Installed tree saver. Pressured annulus to 2500 psi. Frac'd perforations 10970-11074' (Morrow) with 18000 gallons Medallion 3500 & CO2 and 11000# 20-40 resin coated sand. Well pressured out. Opened well to flow back frac.

1-30-97 - Flowing back frac.

1-31-97 - Flow testing well.

A handwritten signature in cursive script, reading "Rusty Klein", is written over a horizontal line.

Rusty Klein
Operations Technician
January 31, 1997