YATES PETROLEUM CORPORATION Cabeza AUD Federal Com #1 Section 10-T18S-R29E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

8-31-2000 - TOOH with RBP at 10800'. Snubbed 29 stands out of hole. Re-dressed pump thru plug. Snubbed in hole with bit, bit sub, 1 joint of 2-7/8", 2.32" X nipple, 1 joint of 2-3/8", 2.32" X nipple and snubbed 35 stands. Run 30 more stands. Shut down for night.

9-1-2000 - TIH and tagged sand at 11000'. Rigged up N2 and fluid pump. Washed down to CIBP at 11250'. Drilled CIBP and pushed to PBTD at 11361'. Displaced tubing with N2. Pulled up to inside grey. Bled tubing down. Laid down 17 joints of tubing. Shut well in.

9-2-5-2000 - TOOH with bit. Shut well in.

Operations Technician August 31, 2000