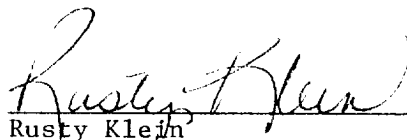


YATES PETROLEUM CORPORATION
Preston Federal #22
Section 34-T20S-R24E
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

12-2-97 - TD 2290'. TIH with tubing. TIH with magnet. Worked magnet on junk. TOOH with magnet. Recovered 7 links of chain. Picked up and made up globe basket and extension. TIH with globe basket. Worked globe basket on junk. TOOH with globe basket. Recovered long die and cement. Laid down globe basket and picked up magnet. TIH with magnet and worked magnet on junk. TOOH with magnet. Recovered broken chain links, chain hook and 2 bolts. TIH with magnet and worked magnet on junk. TOOH with magnet. Recovered small pieces of chain links and 2 cotter pins. Laid down magnet and picked up bit and junk basket. TIH with bit and picked up power swivel. Drilled cement from 2218-2346'. Circulated gas and old mud out of hole. TIH with tubing.

12-3-97 - TD 6159'. Circulating. Circulated gas and old mud to pit. TIH with tubing. Tagged cement at 3575'. Drilled cement from 3570-3670'. Circulate gas and mud to pit. TIH with 30 joints tubing. Tagged cement at 5725'. Drilled cement plug from 5725-5825'. Circulated gas out of hole. Ran 4 joints tubing. Tagged up at 5994'. Picked up power swivel and washed from 5994-6159'. Circulate gas out of hole.



Rusty Klein
Operations Technician
Dec. 3, 1997