

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.	30-015-21478
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	K-6096
7. Lease Name or Unit Agreement Name	State K
8. Well No.	1
9. Pool name or Wildcat	Dagger Draw Upper Penn, North
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3506' KB

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210	4. Well Location Unit Letter N : 660 Feet From The South Line and 1980 Feet From The West Line Section 28 Township 19S Range 25E NMPM Eddy County

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: Milling, perforate <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.

11-27-12-1-97 - Continued to mill. Getting back cement. Made 1-1/2' to 7725'. TOOH with mill and mill assembly. Shut down for Thanksgiving weekend.

12-2-97 - TIH with diamond mill and mill assembly. Began milling. Did not make any hole. Still at 7725'. TOOH with mill and mill assembly. Mill wore out. TIH with lead block and tubing. Tagged up at 7724'. TOOH with tubing and lead block. Bottom of leak block scored. Looks like a piece of junk metal. Shut down.

12-3-97 - TIH with tubing open ended to 7724'. Circulated well with 300 bbls 2% KCL. Rigged up wireline. TIH with video camera. Rigged up pump truck and pumped 70 bbls clean fresh water. Camera showed pieces of metal in tubing collar on bottom. Could not drop out of tubing to see casing. TOOH with camera. Rigged down wireline. TOOH with tubing. Piece of metal fell out of tubing while POOH. Nothing in bottom joint.

12-4-97 - TIH with 2-7/8" tubing to 7724'. Circulated 100 bbls clean water. Rigged up wireline. TIH with video camera. Started video at 7729'. Moved pipe and camera 4' at a time. Ran video from 7729' to 7672'. TOOH with camera and rigged down wireline.

CONTINUED ON NEXT PAGE:

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

SIGNATURE Rusty Klein TITLE Operations Technician DATE Dec. 28, 1997
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use) **SIGNED BY TIM W. GUN**

APPROVED BY _____ TITLE _____ DATE **JAN 8 1998**
CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION
State K #1
Section 28-T19S-R25E
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

Pulled 2 joints. Shut down.

12-5-97 - Circulated hole with 300 bbls 2% KCL. TOOH with tubing. TIH with globe basket, washpipe, drill collars and tubing. Started milling. Milling plug up. TOOH with tubing and mill assembly. Had metal pieces and some cement. TIH with globe basket and mill assembly. Milled 1' from 7724-7725'. Milled plug up. Started TOOH. Pulling wet. Dropped in with swab to swab well down. Coming out of hole with sand line. Sandline got stuck coming out of hole. Sandline broke at sinker bar. Rig air lines froze up.

12-6-97 - TOOH with globe basket and tubing. Had 2 big pieces of cement and big pieces of metal. TIH with shoe and shoe assembly. Started milling. Made 2' in 4 hours, then shoe started making hole. Made 20' from 7724-7745'. Getting back cement. TOOH with shoe and shoe assembly. TIH with new shoe.

12-7-97 - Started milling. Made 1'. Getting back rubber and some metal. TOOH with shoe assembly and shoe. Tubing pulling wet. Lost fish with 20 stands in. TIH with overshot and tubing. Tagged up at 7735'. TOOH with tubing and overshot. Had 14' pipe, stinger and part of cement retainer. TIH with bit, collars and tubing. Drilled 20' of cement. TIH to 8000'. Pressure tested casing to 1000 psi, held okay. TOOH with bit, collars and tubing.

12-8-97 - TIH with bit, scraper and tubing to 7800'. TOOH with bit, scraper, collars and tubing. Shut down.

12-9-97 - TIH with mechanical cutter and cut perforations 7704-7718'. TOOH with cutter. TIH with RBP, packer and tubing. Set RBP at 7735'. Tested RBP to 2000 psi. Pulled up. Spotted 1500 gallons 20% iron control HCL acid. Well went on vacuum when acid spotted. Moved packer down to 7730'. Loaded tubing and pressured up to 500 psi. Shut down. Well went on vacuum. Rubbers are over hole. Could not get good seal. Moved packer to 7683'. Set and tested packer to 500 psi, held for 10 minutes. Took 124 bbls to load casing. Swabbing.

12-10-97 - Continue to swab. Released packer and RBP. Pulled 4 stands. Shut down due to high winds.

12-11-97 - TOOH with tubing, packer and RBP. Released well to production.



Rusty Kleig
Operations Technician
December 29, 1997