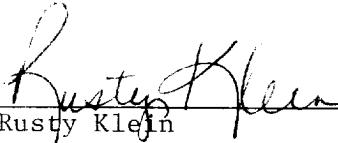


YATES PETROLEUM CORPORATION
Lakewood AQE State #1
Section 30-T19S-R26E
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

stringers from 6520-6850'. Washed and reamed from 6850-7189'.
12-31-99 - TD 8526'. Circulate and condition mud. Washed and reamed from 7159-7500'.
Rig service. Washed and reamed from 7500-7933'. Circulate gas out. Washed and
reamed 7933-8526'. Circulate and condition mud. Taking weight at 8526' - set 20000#
down on plug. Held okay. Losing 1-2 barrels fluid per hour.
1-1-2000 - TD 8526'. Running 7" casing. Circulate and condition mud. Short trip
to 6000' - no fill. Circulate. Laid down drillpipe. Rigged up casers and running
7" casing.
1-2-2000 - TD 8567' - corrected total depth. Reached TD at 4:30 AM 12-31-99.
Ran 208 joints of 7" 26# & 23# casing as follows: 31 joints of 7" 26# N-80 8rd LT&C
(1249.96'); 77 joints of 7" 26# J-55 8rd LT&C (3174.51'); 35 joints of 7" 23# J-55
8rd LT&C B condition (1442.15'); 10 joints of 7" 23# J-55 8rd LT&C A condition
(419.33') and 55 joints of 7" 26# J-55 8rd LT&C (2288.95') (Total 8574.90') of casing
set at 8567'. Float shoe set at 8567'. Float collar set at 8523'. Bottom marker
set at 7539-7559'. Top marker set at 7519-7539'. Pumped 150 bbls mud with 150 scf/
bbl nitrogen followed by 1200 sacks BJ Lite, 5#/sack gilsonite, 1/4#/sack celloflake
(yield 2.00, weight 12.2). Tailed in with 450 sacks Super Modified C, 8#/sack gilsonite,
.7% FL50 and .3% CD32 (yield 1.57, weight 13.2). PD 4:30 PM 1-1-2000. Bumped plug
to 2560 psi for 2 minutes. WOC. Released rig at 8:30 PM 1-1-2000. NOTE: Set 185000#
on ERC-22C slips.

Waiting on completion unit.



Rusty Klein
Operations Technician
January 12, 2000