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P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

SEP 24 1980

O. C. D.
ARTESIA, OFFICE

5a. Indicate Type of Lease
State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.

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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Yates Petroleum Corporation	8. Farm or Lease Name Nicholas BJ
3. Address of Operator 207 So. 4th St., Artesia, NM 88210	9. Well No. 2
4. Location of Well UNIT LETTER J, 2310 FEET FROM THE South LINE AND 2310 FEET FROM THE East LINE, SECTION 5 TOWNSHIP 19S RANGE 25E NMPM.	10. Field and Pool, or Wildcat Penasco Draw-SA Yeso Assoc
11. Elevation (Show whether DF, RT, GR, etc.) 3588.9 GR	12. County Eddy

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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>

17. 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,

TD 308' Spudded a 15" hole at 2:30 PM 9-18-80. Ran 8 joints of 10-3/4" 34.75# J-55 (308') of casing set at 308'. 1 cut-off shoe at 308'. Flapper insert float at 266'. Cemented w/350 sacks Class "C" 4% CaCl. PD 9:45 PM 9-18-80. Cement circulated 35 sacks to pit. WOC 12 hours. Reduced hole to 9-1/2". Drilled plug and tested to 600#, OK. Resumed drilling.

TD 967' Ran 22 joints of 7" 20# K-55 ST&C (962.29') of casing set at 965'. 1 shoe joint at 962'. Flapper float at 916'. 1 cement basket at 398'. Cemented w/200 sacks Class "C" Neat, 800 sacks 65-35 Poz, 4% Bentonite, 8# Keolite, 1/4# celloflakes and 3% CaCl. Tailed in w/150 sacks Class "C" 2% CaCl. PD 12:30 PM 9-21-80. Cement did not circulate. WOC 6 hours. Ran Temperature Survey and found top of cement at 360'. Ran 1". Tagged cement at 340'. Spotted 75 sacks Class "C" 4% CaCl. PD 10:00 PM 9-21-80. WOC 2 hours. Ran 1". Tagged cement at 312'. Spotted 100 sacks Class "C" 4% CaCl. PD 12:15 AM 9-22-80. Circulated 5 sacks to pit. WOC 18 hours. Nipped up and tested to 1500#, OK. Reduced hole to 6-1/4". Drilled plug and tested to 600#, OK. Resumed drilling.

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

SIGNED Albert R. Hatfield TITLE Engineer DATE 9/24/80

APPROVED BY W. A. Gussot TITLE SUPERVISOR, DISTRICT II DATE SEP 25 1980

CONDITIONS OF APPROVAL, IF ANY: