

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.	30-015-26383
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	V-2531
7. Lease Name or Unit Agreement Name	Algerita AHR State
8. Well No.	1
9. Pool name or Wildcat	Dagger Draw Upper Penn, South
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3718' GR

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	2. Name of Operator YATES PETROLEUM CORPORATION ✓
3. Address of Operator 105 South 4th St., Artesia, NM 88210	4. Well Location Unit Letter H : 1980 Feet From The North Line and 660 Feet From The East Line Section 16 Township 20S Range 24E NMPM Eddy County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3718' GR	

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: Acidize existing perfs <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input 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.

Propose to acidize current perforations 7438-7572' (Canyon) as follows:

1. POOH with rods and pump. Nipple up and test BOP. POOH with 2-7/8" tubing string.
2. TIH with bit and scraper and clean out casing to 7800'±.
3. TIH with packer and tubing to 7350'±. Pickle tubing with 500 gallons 20% HCL acid. Set packer at 7350'±. Load backside and test.
4. Acidize perforations 7438-7572' with 3000 gallons 20% NEFE HCL acid with ball sealers.
5. POOH with packer. Return well to production.

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

SIGNATURE Rusty Klein TITLE Production Clerk DATE March 18, 1996

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

APPROVED BY _____ TITLE _____ DATE MAR 27 1996

CONDITIONS OF APPROVAL, IF ANY: