

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

MAY 14 1992

O. C. D.
ARTESIA OFFICE

WELL API NO. 30-015-26961
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG 9810
7. Lease Name or Unit Agreement Name Candelilla AKD State Com
8. Well No. 2
9. Pool name or Wildcat North Dagger Draw U/Penn

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 <u>N</u> : <u>660</u> Feet From The <u>South</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>2</u> Township <u>20S</u> Range <u>24E</u> NMPM <u>Eddy</u> County		
10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>3643' GR</u>		

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"/>	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 checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <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.

Spudded 26" hole 8:15 AM 5-5-92. Set 40' of 20" conductor piper. Notified Mike Stubblefield NMOCD, Artesia, NM, of spud. Resumed drilling 14-3/4" hole 8:30 AM 5-7-92. Ran 24 joints 9-5/8" 36# J-55 casing set 1074'. Guide shoe set 1074', insert float set 1029'. Cemented w/900 sx Lite + 10#/sx Gilsonite + 1/4# Flocele + 3% CaCl2 (yield 1.84, wt 12.7). Tailed in w/200 sx Premium Plus "C" with 2% CaCl2: (yield 1.32, wt 14.5). PD 1:45 PM 5-10-92. Bumped plug to 700 psi, float held OK. Circulated 210 sacks to pit. WOC. Drilled out 7:45 AM 5-11-92. WOC 18 hrs. Reduced hole to 8-3/4" and resumed drilling.

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 5-12-92
TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

ORIGINAL SIGNED BY
MIKE WILLIAMS
SUPERVISOR, DISTRICT II

APPROVED BY _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

MAY 25 1992