

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

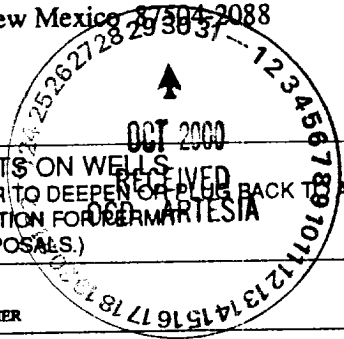
cts 1

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.	30-015-28415
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	
Hinkle ALD	
8. Well No.	3-H
9. Pool name or Wildcat	Dagger Draw Upper Penn, North
4. Well Location Proposed BHL: 660' FNL & 760' FEL of Section 28-T19S-R25E (Unit A, NENE) Unit Letter <u>H</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>28</u> Township <u>19S</u> Range <u>25E</u> NMPM <u>Eddy</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3471' 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 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	8. Well No. 3-H
4. Well Location Proposed BHL: 660' FNL & 760' FEL of Section 28-T19S-R25E (Unit A, NENE) Unit Letter <u>H</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>28</u> Township <u>19S</u> Range <u>25E</u> NMPM <u>Eddy</u> County	9. Pool name or Wildcat Dagger Draw Upper Penn, North

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: Start drilling horizontal <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.

8-11-2000 - Moved in and rigged up rotary tools. Pumped 80 bbls to kill well - well turns around and gases back. Pumped 120 bbls water. Flowing back fluid. Pumped 40 bbls water. Continue to pump water at 2 BPM while taking well cap off. Lower wireline and set RBP in hole. Bolted up and packed off. RIH with wireline and set bridge plug at 1974'. Loaded hole with brine water. Tested bridge plug to 500 psi. POOH with wireline. Nippled up BOP.

8-12-2000 - Nippled up BOP. Tested manifold, blinds and valves. Picked up 60 joints of 3-1/2" drillpipe with retrieving tool for wireline set bridge plug. Tested rams and hydril. Changed liners in pumps to 4-1/2".

8-13-2000 - PBTB 7643'. TOOH to pick up whipstock. Picked up 3 joints and kelly. Released bridge plug. Bypass plugged. Worked kelly to tear elements (rubbers) to allow fluid to pass to keep from swabbing gas in. TOOH. TIH with gauge ring and junk basket on wireline. TOOH. TIH with CIBP and set CIBP at 7642'. TIH with BHA. Changed out swivel. Rigged up lay down machine. Picked up drillpipe and tagged CIBP at 7643'. Pumped down drillpipe. TOOH - continuously pump down casing to control H2S.

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 Sept. 30, 2000

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

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT III SUPERVISOR

NOV 03 2000

YATES PETROLEUM CORPORATION
Hinkle ALD #3-H
Section 28-T19S-R25E
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

8-14-2000 - TD 7627'. Milling window. Rigged up wireline. TIH with Gyro thru heavy weight drillpipe. TOOH with HWDP. Laid down mill. Picked up whipstock. Started milling. TIH. Run wireline orientation tools. Set whipstock. Started milling. Plugged drillpipe. Increase pump rate of backside 4 BPM. Milled 16". TOOH. Changed out mills. Unplugged drillpipe. TIH to finish cutting window. Milled on casing to cut window. Pumped 1 BPM down backside with centrifugal.

8-15-2000 - Drilling 7642'. Milled window. Top of window at 7625' and bottom of window at 7335'. Laid down 48 joints of 3-1/2" drillpipe. TOOH. Laid down BHA. Picked up directional tools and 46 joints of 2-7/8" tubing. TIH. Installed rotary head orientation tool. Drilled to 7460'.

8-27-2000 - TD 8514'. Worked pipe to find hole. TOOH & pulled wireline. TOOH & laid down 1.83 degree motor and picked up 1.5 degree motor and bit #7. TIH. Run in wireline. Worked pipe to enter new hole - finding old hole. Continue to work and worked into new hole.

8-28-2000 - TD 8612'. Waiting on fishing tools. TIH. Slide 8514-8526', rotate 8526-8577', slide 8577-8597', rotate 8597-8612'. Pumped sweep. Pipe jumping. Pulled off bottom. Set drill. Would not drill. Trip for bit. TOOH. Pulled wireline. Wireline broke - left 800'± in hole. TOOH. Left BHA and 25 joints of 2-7/8" PH 6 tubing in hole. Twisted off 1.1' above coupling. Bit at 8612'. Top of fish at 7746' (63-1/2 inclination, 79 degree dog log). Waiting on fishing tools.

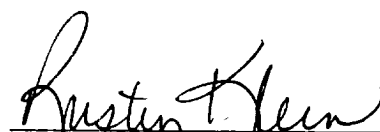
8-29-2000 - TD 8612'. TOOH with fish. Made up fishing tools. Rigged up power tongs. TIH with tools. Top of fish at 7741'. Tagged up at 7711' and worked thru. Tagged at approximately 7746' and worked by. Worked around fish. Not getting anywhere and not getting any indication of fish. Worked by depth of fish - not sure we are in right hole. TOOH. Found bottom with joint of 2-7/8" tubing to try to free fish from bottom of hole. TIH. Cut drilling line 110'. Finished TIH and tagged fish at 7746'. Rotated and worked fish. Pump on. Rotate. Increase in pump pressure 0-75 psi. Pulled up hole, dragging 5-10 points. TOOH with fish.

8-30-2000 - TD 8612'. Waiting on Mondel DC steering tool. TOOH. Waiting on short catch grapple. Picked up tools and bent joint of tubing. TIH and worked thru tight hole at 7711'. Ran to 7748'. Worked around fish. No indication of fish. RIH to 7766'. Tagged up and stuck. Pulled 35K. Pulled out of tight spot. Possibly in wrong hole. TOOH. Wait on steering tool.

8-31-2000 - TD 8612'. Try to steer into new hole to catch fish. TIH with overshot and bent joint of tubing. Worked pipe overshot. Tagged bottom at 7766'. No fish. TOOH & checked overshot. Picked up Mondel DC steering tool and TIH. Run wireline. Hit obstruction. Picked up swivel. Pumped down drillpipe for 30 minutes. Run wireline. Pulled wireline. Run 4 stands. Ran wireline. TIH and attempt to find new hole. Worked pipe and steering tool. No success.

9-1-2000 - TD 8612'. Released rig. Attempted to find new hole - no success. Falls into old hole. Rigged down power swivel wireline. TOOH. Pulled wireline out of hole. TIH and rigged up lay down machine. Laid down drillpipe and tubing. Nippled down BOP. Installed B section cap on wellhead. Released rig at 6:00 AM 9-1-2000. NOTE: Whipstock left in hole for production.

Waiting on completion unit.


Rusty Klein, Operations Technician