

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. 30-015-28853
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 Marshall APH
8. Well No. 3
9. Pool name or Wildcat Dagger Draw Upper Penn, North

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"/>	MAY 22 1996
2. Name of Operator YATES PETROLEUM CORPORATION	
3. Address of Operator 105 South 4th St., Artesia, NM 88210	
4. Well Location Unit Letter C : 840 Feet From The North Line and 1980 Feet From The West Line Section 9 Township 19S Range 25E NMPM Eddy County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3528' 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: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Perforate & acidize <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.

5-14-96 - Cleaned location and set anchors. Installed tubinghead. Moved in and rigged up pulling unit. TIH with bit, stabilizer, drill collars and 2-7/8" tubing. Drilled DV tool at 6018' and tested casing to 1500 psi. TIH and tagged PBTD at 8200'. Displaced hole with 2% KCL. TOOH. Rigged up wireline. TIH with logging tools and ran GR/CBL log. TOOH with logging tools and rigged down wireline. TIH with bit and scraper to 7890'.

5-15-96 - Spot 300 gallons 20% double inhibited iron control HCL acid at 7890'. TOOH with bit and scraper. Rigged up wireline. TIH with 4" casing guns and perforated 7859-7876' w/6 .42" holes. TOOH with casing guns and rigged down wireline. Loaded annulus with 5.4 bbls. TIH with packer and RBP. Set RBP at 7936'. Pulled packer up to 7810'. Reversed 3 bbls. Set packer. Swabbed. Acidized perforations 7859-7876' with 750 gallons 20% double inhibited iron control HCL acid. Swabbing.

5-16-96 - Pumped 30 bbls 2% down tubing. Released packer and RBP. Reset RBP at 7842'. Tested RBP to 1500 psi. TOOH with packer. Rigged up wireline. TIH with 4" casing

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

CONTINUED ON NEXT PAGE:

SIGNATURE Rusty Klein TITLE Operations Technician DATE May 21, 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 _____

CONDITIONS OF APPROVAL, IF ANY:

JUN 10 1996