YATES ENERGY CORPORATION

DAILY DRILLING/COMPLETION REPORT

WELL: YATES FEDERAL #16

FIELD: McMILLAN (7 RIVERS, QUEEN)

LOCATION: 2310' FSL & 630' FWL, SEC 5, T-20-S, R-27-E

CO., STATE: EDDY COUNTY, NEW MEXICO

AFE#: 1995-20 AFE COST: \$8,700

8/3/95

MIRU PU & P&A EQUIP. POOH W/ 31 - 5/8" RODS & PUMP. POOH W/ 32 JTS 2" LP AS TBG. INSTALL LIFT SUB ON 8 5/8" CSG. WORKED CSG FROM 30K TO 90K FOR 1.5 HRS, UNABLE TO WORK FREE. SDFN.

DAILY: \$1,230 TCTD: \$1,230

8/4/95

TIH W/ 12 JTS 2 3/8" WS TO 273'. DUMPED 6.5 YDS PEA GRAVEL DOWN CSG, FILLED OH 855' TO 301'. HOLE WOULD NOT LOAD W/ WATER. MIXED & PUMP 60 SX CLASS "C" @ 301' W/ 50% RETURNS @ END. CALC TOC @ 110' FS, POOH W/ TBG. RD MOVED TO #5.

DAILY: \$2,212 TCTD: \$3,442

8/5/95

MIRUPU. TIH W/ TBG & TAG TOC @ 75', FL @ 15'. LOADED HOLE & PRESSURED UP ON 8 5/8" CSG, CIRC TO OUTSIDE. APPEARS TO BE HOLES IN CSG JUST BELOW SURFACE. RAN SHOT CAN AND SHOT 1st CSG COLLAR @ 33'. RAN 2 JTS TBG TO 55'. MIXED & PUMP 30 SX CLASS C W/ 2% CaCl2 W/ CIRC TO OUTSIDE OF CSG. CIRC CMT TO SURF. POH W/ TBG. RD & MOVED TO #5.

DAILY: \$2,558 TCTD: \$6,000

8/6/95

SET DRY HOLE MARKER. CLEANED LOCATION, CUT OFF ANCHORS.

EQUIPMENT ON LOCATION: 32 JTS - 828.46' 2" LINE PIPE 31 - 5/8" RODS & PUMP.

28 JTS - 850.12' - 2 3/8", 8RD EUE J-55 TBG WORKSTRING.

FINAL REPORT