

YATES PETROLEUM CORPORATION  
HOC Federal #1  
Section 13-T22S-R23E  
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

Pushed retainer to 7604'. Rigged up power swivel. Drilling from 7604-7650'. Cement on top of CIBP was green. Retainer is spinning but drilling up. Circulated hole clean. Shut well in.

6-14-2000 - Bled off pressure. Started drilling on retainer at 7650'. Drilled CIBP lose. Circulated and pushed CIBP to 7690'. Recovering cement and drilling formation. Worked bit to 7690'. NOTE: Everytime we would pull up and go back down the formation had caved in and we were back at 7670' and would have to wash back to 7690'. Washed to 7690'. Bit plugged. Pressured up to 600 psi - lost returns and pressure. Pulled up to 7500' and pumped down tubing. Cleared cuttings out of tubing. Tubing went on vacuum. Shut well in.

6-15-2000 - Ran back in hole to 7670' and tagged up. Picked up power swivel. Circulated down to 7690' with little to no returns. Picked up at 7650' and changed back to the tubing to get returns back. Tubing was plugged. Attempted to clear tubing with out any success. Swabbed tubing down to 5500'. POOH with plugged bit and bit sub. Clean out bit sub. TIH with bit to 3200'. Shut well in for night.

6-16-2000 - Bled off pressure. TIH to 6000'. Rigged up foam air unit. Displaced fluid. TIH to 7666'. Picked up power swivel. Drilled and reamed to 7698'. Reamed until area was cleaned up. Drilled to 7740' with high torque and hard drilling. Circulate hole clean. Pulled up to 7600' and shut well in.

6-17-2000 - TIH to 7685'. Tagged up. Picked up power swivel. Blow well dry. Reamed to 7740'. Tagged back up on hard drilling. Drilled to 7758'. Bit stopped drilling. Circulated hole clean. TOOH. Shut well in.

6-18-2000 - Bled off pressure. TIH with 4-3/4" cone buster mill and stopped at 7000'. Blew well dry. TIH and tagged up at 7670'. Rigged up power swivel. Washed and reamed to 7758'. Picked up to 7730' to re-ream area. Lost hole. Mill binding up. Milled back to 7740' and stopped making hole. Circulated clean. TOOH with mill. TIH with 4-3/4" tri-cone bit to 7000'. Shut well in.

6-19-2000 - Blew well dry. TIH with 4-3/4" cone bit and tagged up at 7670'. Rigged up power swivel and tagged tight spot at 7680-7685', 7694-7704 and 7718-7730'. Stuck bit - worked free. Lost hole to 7726'. Hard drilling and high torque. Could not drill past 7726'. Circulated hole clean. Pulled up to 7000'. Shut well in for night.

6-20-2000 - TIH to 7670' and tagged tight spot. Rotated bit through tongs. TIH to 7690' and worked to 7692'. Could not work thru tight spot. POOH & laid down tubing and drill collars. Nippled down BOP and nipped up tubing flange and valve. Shut well in. Rigged down pulling unit.

6-21-30-2000 - Waiting on decision to be made.

7-1-12-5-2000 - Waiting on decision to be made.

12-6-2000 - Moved in and rigged up pulling unit. Killed well. Installed BOP. Picked up and tallied 40 stands. Installed TIW valve and closed. Shut blinds on BOP. Closed casing valve. Shut down.

12-7-2000 - Killed well. Continued running 2-7/8" tubing in well. Tagged up at 7670'. Laid down 1 joint - left seating nipple setting at 7639'. Swabbed. Closed TIW valve. Shut well in.

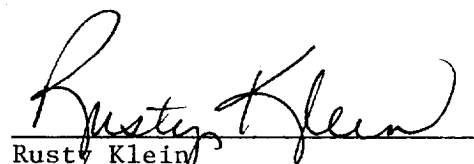
12-8-2000 - Swabbed. Removed BOP. Flanged well up. Rigged down pulling unit.

12-9-11-2000 - Swabbed. Shut well in.

12-12-31-2000 - Shut in.

1-1-29-2000 - Shut in.

Perforations open: 7702-7798' (existing)

  
Rusty Klein

Operations Technician - January 31, 2001