

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. 30-015-23610
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 North Carlsbad OK Com
8. Well No. 1
9. Pool name or Wildcat Happy Valley Strawn
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3131' 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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	2. Name of Operator YATES PETROLEUM CORPORATION	3. Address of Operator 105 South 4th St., Artesia, NM 88210
4. Well Location Unit Letter B : 660 Feet From The North Line and 1650 Feet From The East Line Section 26 Township 21S Range 26E NMPM Eddy County	11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Add perforations <input checked="" type="checkbox"/>
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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.

4-24-96 - Moved in and rigged up pulling unit. Nippled up choke. Could not close master valves on tree. Loaded annulus with 50 bbls 2% KCL water. Pressured to 1500 psi and held for 5 minutes. Bled tubing for 3-1/2 hours. Pumped 50 bbls 2% KCL water thru choke. Nippled down tree. Nippled up BOP. Released packer at 9985'. Picked up 5 joints of 2-3/8" tubing. Released RBP at 10145'. TOOH with tools. TIH with 4-1/2" 13.5# Uni VI RBP and 4-1/2" 13.5# Uni V packer to 7000'. Shut well in.

4-25-96 - TIH with tubing. Set RBP at 10006'. Tested RBP to 2500 psi. Set packer at 9850'. Nippled down BOP. Nippled up tree. Flanged up. Loaded annulus and tested to 1500 psi. Swabbed tubing down to 7500'. Rigged up wireline. TIH with 1-11/16" enerjet strip gun and perforated 9921-9925' w/20 .25" holes (4 SPF). TOOH with gun and rigged down wireline. Swabbed. Shut well in.

4-26-96 - Flowed well to pit. Rigged up treesaver. Pressured annulus to 1500 psi. Acidized perforations 9921-9925' with 1250 gallons 7-1/2% iron control HCL acid with 2 GPT 550-21M surfactant with 1000 scf/bbl N2 with 2000 scf on flush. Nippled down treesaver.

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 Production Clerk DATE May 7, 1996
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use) ORIGINAL SIGNED BY TIM J. GUM
DISTRICT II SUPERVISOR

MAY 28 1996

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: