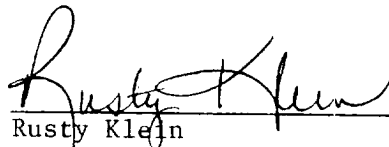


YATES PETROLEUM CORPORATION  
Preston Federal #3  
Section 34-T20½S-R23E  
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

Went down again and set down. On 3rd time - did not set down. Ran 1 stand of pipe and set down. Came up and could not feel tools. Set back down 2-3 times and stacking out. TOOH and left tools and 3 stands of tubing in hole.  
8-31-99 - Bled well down. TIH with 5-3/4" overshot with 3-21/32" grapple and tubing. Tagged fish at 7450'. Worked over fish 1-1/2' and could not latch on. TOOH. Showed to have been over fish. NOTE: Collar probably split and pushed off pin with overshot. TIH with overshot with 3-1/16" grapple and tagged fish. Latched on and pulled 15K over weight. Acts like RBP set. Set down 1 point and rotated. Pulled up, released and TOOH. Dragging 5-10 pts. Recovered all of fish. Shut well in.  
9-1-99 - TIH with 2-7/8" tubing open ended. Hang off on seaboard donut. Closed blinds. Shut well in.  
9-2-99 - TOOH with tubing. Released well to production department.



Rusty Klein  
Operations Technician  
September 27, 1999