YATES PETROLEUM CORPORATION Spring ART Federal #1 Section 23-T20S-R26E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

foam and 28000# 20-40 Interprop. Removed treesaver. Shut well in 3 hours. Opened well and began flowing back frac. 1-22-98 - Flowed and swabbed. Shut well in. 1-23-98 - Flared well down to pit. Loaded tubing with 2% KCL water. Nippled down wellhead and installed BOP. Unset packer. TOOH wtih tubing and packer. Rigged up wireline and lubricator. TIH with 4" casing guns and perforated 9978-10006' w/32 .42" holes as follows: 9978-9980' w/12 holes and 10002-10006' w/20 holes. TOOH with casing guns. Rigged down wireline and lubricator. TIH with RBP and tubing. Set RBP at 10107' and tested to 2400 psi. Pulled up and set packer at 9891'. Removed BOP and nippled up wellhead. Tested annulus to 1800 psi. Swabbed tubing dry. 1-24-26-98 - Swabbed. Installed treesaver. Acidized perforations 9978-10006' with 1500 gallons 7-1/2% iron control HCL acid with 1000 scf/bbl N2 and ball sealers. Removed treesaver. Opened well to flow back acid job. Shut well in. 1-27-98 - Flared well down to pit. Swabbed & flowed. Shut well in. 1-28-98 - Flared well down to pit. Loaded tubing with 2% KCL water. Nippled down wellhead and installed BOP. Unset packer. Dropped down and unset RBP. Pulled up and reset RBP at 9480' and tested to 2300 psi. TOOH with tubing and packer. TIH with Power Perf system, packer and tubing. Removed BOP and nippled up wellhead. Set packer at 9178'. 1-29-98 - Pumped 1 bb1 2% KCL water into 2-7/8" tubing. Installed treesaver. Pressured annulus to 2500 psi. Pressured tubing with N2. Guns fired - perforating 9280-9287' w/43 .45" holes (6 SPF - Strawn). Removed treesaver. Flowing well to pit. Shut well in. 1-30-98 - Flared well down to pit. Swabbed & flared well to pit. Shut well in. 1-31-98 - Shut in. 2-1-2-98 - Shut in. 2-3-98 - Flared well down to pit. Loaded tubing with 2% KCL water. Nippled down wellhead and installed BOP. Unset packer. TOOH with packer and Power Perf system. TIH with RBP. Set RBP at 8476'. Tested RBP to 1800 psi. TOOH with tubing. 2-4-98 - Rigged up wireline and lubricator. TIH with 4" casing guns and perforated 8166-8234' w/35 .42" holes (1 SPF every 2' - Canyon). TOOH with casing guns. Rigged down wireline and lubricator. TIH with packer. Set packer at 8078'. Acidized perforations 8166-8234' with 3000 gallons 20% iron control HCL acid and ball sealers. Swabbed.

2-5-98 - Swabbing.

Rusty Klefn Operations Technician February 6, 1998