YATES PETROLEUM CORPORATION Preston Federal #25 Section 34-T203S-R23E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

cutrite worn off of shoe. TIH with overshot, 3-25/32" X 1-5/8" grapple, BHA and 2-3/8" tubing. Tagged up at 6847'. Pulled 8 points over weight and popped free. TOOH. Left grapple in hole. TIH with shoe (2-7/8" OD X 2.44" ID with 10' cavity), BHA and tubing. Tagged up at 6847.5'.

7-25-98 - Started milling over fish. Made 2". TOOH. Cutrite was worn off shoe. TIH with shoe (2-15/16" X 2-1/4" ID with 10' cavity), BHA and 2-3/8" tubing. Tagged up at 6847'. Milled down 10". TOOH - cutrite worn off shoe. TIH with overshot, 2-27/32" X 1-5/8" grapple, BHA and 2-3/8" tubing. Tagged up at 6847'. Dropped down 1' to 6848'. Pulled 8 points over weight and popped free. Dropped down. Weight was 1-1/2 points less than tubing weight. TOOH with tubing, BHA and overshot. Overshot had a notch 1" wide and 3/4" deep cut out of overshot guide. There was an 8" mark on outside of overshot and 6" mark inside of overshot. Did not have anything in grapple. TIH with shoe, 2-15/16" X 2-1/4" ID with 10' cavity, BHA and 2-3/8" tubing. Tagged up at 6848'. Milled 5". Getting back some metal and metal shavings. TOOH - cutrite worn off of shoe. Shoe was split 2" and a piece of shoe was broken off the bottom. Nothing in shoe. TIH with 2-3/8" tubing open ended. Tagged at 6848.5'. Circulated well clean with 200 bbls fresh water.

7-26-98 - Rigged up wireline downhole video. TIH with video. Found fish at 6839' (wireline depth). Have lots of metal pieces at bottom of crossover. TOOH with video. Rigged down wireline. Rigged up swivel. Tagged metal pieces. Began circulating 3 to 3-1/2 BPM. Circulated hand full of metal out. TOOH with tubing. TIH with shoe with wires inside 2-15/16" X 1-13/16" X 5'3" long and tubing. Began working shoe getting back metal pieces and metal shavings. Made 1' down to 6850'. Tubing pressuring up. TOOH with tubing and shoe with wires. Had 6" of junk metal in shoe. TIH with shoe with wires inside 2-15/16" X 1-13/16" X 5'1" long and tubing. Tagged at 6850'. Began milling. Milled 1-1/2" to 6851.5'. TOOH with tubing and mill. Had 8" of big pieces of junk in mill. Cutrite worn off. TIH with shoe with wires 2-15/16" X 1-13/16" X 5'2" long and tubing.

7-27-98 - Tagged at 6851'. Milled 3' to 6854'. Tubing pressuring up. TOOH with tubing and mill. The 2 joints above mill were plugged off in tubing. Wires in mill were bent back. TIH with mill with wires 2-15/16" X 1-13/16" X 5'1" long and mill. Milled 6". Fell through. Dropped down 20'. Circulated well clean. Got back shale. TOOH with tubing and mill. Had 2 pieces of coiled tubing in shoe. TlH with 2-1/4" overshot, 1-1/4" grapple, 10 joints of 2-1/16" tubing (340') and 2-3/8" tubing to 7178'. Did not tag anything. TOOH. TIH with 2-5/16" overshot with 1-5/8" grapple, 1460' of 2-1/16" CS hydril tubing and 6735' of 2-3/8" N-80 tubing. Tagged up at 8180'. Circulated down to 8195'. Tagged solid at 8195'. Reversed hole clean and displaced with 2% KCL water.

7-28-98 - TOOH and laid down 2-3/8" tubing and 2-1/16" tubing. Removed BOP and nippled up wellhead and flow lines. Rigged up wireline and lubricator. TIH with 2-1/8" strip gun. Perforated drillpipe with 120 .41" holes from 8158-8178'. Well remained static. TOOH and rigged down lubricator and wireline. Shut well in.

7-29-98 - Rigged up wireline. TIH with Temperature Log and logged. TOOH with logging tools. TIH with 2-1/8" Enerjet guns and perforated 8128-8138' w/l1 .38" holes (1 SPF -Morrow). TOOH with guns and rigged down wireline. Rigged up coiled tubing unit. TIH with coiled tubing to 6830'. Jet hole out with nitrogen. Pumped 171,000 scf N2. TOOH with coiled tubing. Rigged down coiled tubing unit. Opened well up. Rigged down pulling unit. Released well to production department.

Rusty Klein, Operations Technician