

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
11 S. 1st Street
Artesia, NM

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

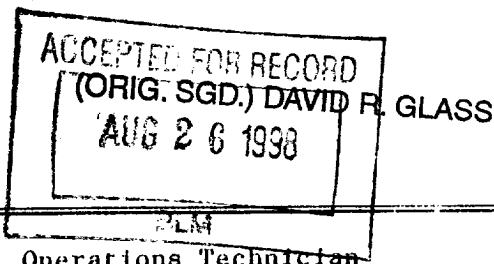
SUBMIT IN TRIPLICATE

| | |
|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 5. Lease Designation and Serial No. NM-12241-A |
| 2. Name of Operator YATES PETROLEUM CORPORATION (505) 748-1471 | 6. If Indian, Allottee or Tribe Name |
| 3. Address and Telephone No. 105 South 4th St., Artesia, NM 88210 | 7. If Unit or CA, Agreement Designation |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL & 1190' FWL of Section 7-T21S-R22E (Unit E, SWNW) | 8. Well Name and No. Little Box Canyon AOX Fed #2 |
| | 9. API Well No. 30-015-30222 |
| | 10. Field and Pool, or Exploratory Area Little Box Canyon Morrow |
| | 11. County or Parish, State Eddy Co., NM |

| 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | |
|--|---|
| TYPE OF SUBMISSION | TYPE OF ACTION |
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other Production casing & cmt |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |
| | (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)
TD 8440'. Reached TD at 3:00 AM 8-17-98. Ran 203 joints of 5-1/2" 17# & 15.5# casing as follows: 22 joints of 5-1/2" 17# J-55 sandblasted (898.42'); 26 joints of 5-1/2" 17# J-55 varnished (1078.10'); 23 joints of 5-1/2" 17# J-55 sandblasted (966.38'); 32 joints of 5-1/2" 17# J-55 varnished (1299.08') and 100 joints of 5-1/2" 15.5# J-55 varnished (4204.79') (Total 8446.77') of casing set at 8440'. Float shoe set at 8440'. Float collar set at 8398'. Marker joint set at 7610'. Pumped 150 bbls of nitrified mud ahead of 500 sacks Class H (65-35-6), 5#/sack salt, 5#/sack gilsonite, 1/4#/sack celloflake, .2% FL52 (yield 2.05, weight 12.4). Tailed in with 225 sacks of Super C Modified, 35% FL52, 5#/sack gilsonite and 2% KCL (yield 1.63, weight 13.0). PD 3:30 PM 8-18-98. Bumped plug to 2000 psi for 1 minute, OK. WOC. Released rig at 8:00 PM 8-18-98. NOTE: Displaced casing with 2% KCL.

Waiting on completion unit.



14. I hereby certify that the foregoing is true and correct
Signed Rusty Klein Title Operations Technician Date August 24, 1998
(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any: