YATES PETROLEUM CORPORATION Zingaro ANG Federal #4 Section 1-T22S-R23E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

PD 12:00 PM 9-2-99. WOC 2-1/4 hours. Ran 1". Tagged cement at 584'. Spotted 30 sacks "C" with 4% CaCl2. PD 2:30 PM 9-2-99. WOC 1-3/4 hours. Ran 1". Tagged cement at 562'. Spotted 50 sacks "C" with 4% CaCl2. PD 4:30 PM 9-2-99. WOC 2-1/4 hours. Ran 1". Tagged cement at 445'. Spotted 50 sacks "C" with 4% CaCl2. PD 7:00 PM 9-2-99. WOC 1-1/4 hours. Ran 1". Tagged cement at 368'. Spotted 75 sacks "C" with 4% CaCl2. PD 8:30 PM 9-2-99. WOC 1-3/4 hours. Ran 1". Tagged cement at 245'. Spotted 125 sacks "C" with 4% CaCl2. PD 10:30 PM 9-2-99. WOC 1-1/4 hours. Ran 1". Tagged cement at 153'. Spotted 50 sacks "C" with 4% CaCl2. PD 12:00 AM 9-3-99. WOC 1 hour. Ran 1". Tagged cement at 153'. Spotted 50 sacks "C" with 4% CaCl2. PD 1:15 AM 9-3-99. WOC 2 hours. Ran 1". Tagged cement at 50'. Spotted 75 sacks "C" Neat. PD 3:30 AM 9-3-99. Circulated 15 sacks to pit. WOC. Nippled up and tested to 3000#, OK. Drilled out at 9:45 AM 9-4-99. WOC 73 hours and 15 minutes. Reduced hole to 8-3/4". Resumed drilling.

Rusty Klein Operations Technician September 10, 1999