

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Co. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Yates Petroleum Corporation

3a. Address
 105 S. 4th St. - Artesia, NM 88210

3b. Phone No. (include area code)
 505-748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 660' FNL & 1310' FEL of Section 12-T22S-R23E (Unit A, NENE)

5. Lease Serial No.
 NM-0399448

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 Malone ASA Federal #2

9. API Well No.
 30-015-30769

10. Field and Pool, or Exploratory Area
 Indian Basin Upper Penn

11. County or Parish, State
 Eddy Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	casing & cement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Resumed drilling a 14-3/4" hole with rotary tools at 12:45 AM 12-1-99. NOTE: Notified Duncan Whitlock w/BLM-Carlsbad of resuming drilling.

TD 1476'. Reached TD at 12:45 PM 12-5-99. Ran 33 joints of 9-5/8" 36# J-55 (1481.84') of casing set at 1476'. 1-Texas Pattern notched guide shoe set at 1475'. Float collar set at 1430'. Cemented with 200 sacks "H", 10% A-10B, 1% CaCl2 and 1/4#/sack celloflake (yield 1.52, weight 14.6) and 995 sacks 65-35 Poz C, 2% CaCl2, 1/4#/sack celloflake, 10#/sack gilsonite and 6% gel (yield 1.90, weight 12.7). Tailed in with 200 sacks "C" with 2% CaCl2 (yield 1.34, weight 14.8). PD 10:45 PM 12-5-99. Bumped plug to 600 psi, OK. Cement did not circulate. WOC 6 hours. Ran Temperature Survey and found top of cement at 822'. Ran 1". Tagged cement at 940'. Spotted 35 sacks "C" with 4% CaCl2. PD 8:00 AM 12-6-99. WOC 2 hours. Ran 1". Tagged cement at 940'. Spotted 35 sacks "C" with 4% CaCl2. PD 10:15 AM 12-6-99. WOC 2 hours. Ran 1". Tagged cement at 875'. Spotted 35 sacks "C" with 4% CaCl2. PD 12:30 PM 12-6-99. WOC 2 hours. Ran 1". Tagged

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

CONTINUED ON NEXT PAGE:

Rusty Klein

Title Operations Technician

Signature

Rusty Klein

Date December 27, 1999

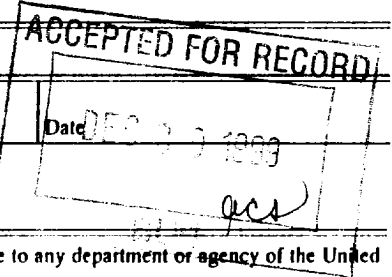
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

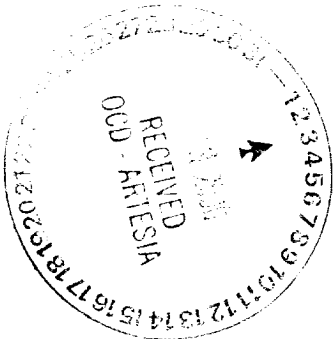
Approved by

Title

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office



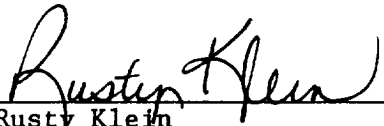


RECEIVED
1999 DEC 30 A 8:26
DEPARTMENT OF THE ARMY
WASHINGTON, DC 20315

YATES PETROLEUM CORPORATION
Malone ASA Federal #2
Section 12-T22S-R23E
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

cement at 875'. Spotted 50 sacks "C" with 4% CaCl2. PD 2:30 PM 12-6-99. WOC 2 hours. Ran 1". Tagged cement at 840'. Spotted 50 sacks of "C" with 4% CaCl2. PD 4:45 PM 12-6-99. WOC 2 hours. Ran 1". Tagged cement at 811'. Spotted 75 sacks "C" with 4% CaCl2. POOH with 1". Cut off conductor and 9-5/8" casing. Dumped 3 yards of pea gravel. PD 7:15 PM 12-6-99. WOC 5 hours. Ran 1". Tagged cement at 748'. Spotted 50 sacks "C" with 4% CaCl2. PD 12:45 AM 12-7-99. WOC 2 hours. Ran 1". Tagged cement at 730'. Spotted 50 sacks "C" with 4% CaCl2. PD 3:15 AM 12-7-99. WOC 2 hours. Ran 1". Tagged cement at 728'. Spotted 50 sacks "C" with 4% CaCl2. PD 5:45 AM 12-7-99. WOC 3 hours. Ran 1". Tagged cement at 655'. Spotted 100 sacks "C" with 4% CaCl2. POOH with 1". Dumped 6 yards of pea gravel. PD 9:00 AM 12-7-99. WOC 2 hours. Ran 1". Tagged cement at 500'. Spotted 75 sacks "C" with 4% CaCl2 and 6 yards of pea gravel. PD 10:45 AM 12-7-99. WOC 1-1/2 hours. Ran 1". Tagged cement at 321'. Spotted 100 sacks "C" with 4% CaCl2 and 5 yards of pea gravel. PD 1:00 PM 12-7-99. WOC 1-1/2 hours. Ran 1". Tagged cement at 136'. Spotted 175 sacks "C" with 2% CaCl2. PD 3:00 PM 12-7-99. Circulated 10 sacks. WOC. Nippled up and tested to 3000 psi for 30 minutes. Drilled out at 11:00 AM 12-8-99. WOC 60 hours and 15 minutes. Reduced hole to 8-3/4". Resumed drilling.



Rusty Klein
Operations Technician
December 27, 1999

