SUNDF Do not use th	UNITED STATE DEPARTMENT OF THE BUREAU OF LAND MAN RY NOTICES AND REPO his form for proposals to ell. Use Form 3160-3 (AP	INTERIOR 811 S AGEMENT Artes ORTS ON WELLS Defill or to re-enter	Oil Cons. J 6. 1st Street ía, NM 88210 an Is.	OMB No. 1004-0135
SUBMIT IN TRIPLICATE - Other instructions on reverse side 7. If Unit or CA/Agreement, Name and/or No				
 Type of Well Oil Well X Gas Well Name of Operator Yates Petroleum (3a. Address 105 S. 4th St Location of Well (Footage, Sec 660' FNL & 1310' F 	Corporation Artesia, NM 88210 ., T., R., M., or Survey Descriptio FEL of Section 12-7	n) [225-R23E (Unit	AN ENENE)	 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			
 Notice of Intent Subsequent Report Final Abandonment Notice 	 Acidize Alter Casing Casing Repair Change Plans Convert to Injection 	 Deepen Fracture Treat New Construction Plug and Abandon Plug Back 	 Production (St Reclamation Recomplete Temporarily / Water Disposa 	Well Integrity C Other Perforate & Abandon acidize
1. Describe Proposed is to depend operationally or recomplete horizontally, give subsuitce feations and measured and two vertical depths of all perintent matters and zenes. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLMBIA. Required explose subscience reports shall be filed with 30 days following completion of the involved approximate Notices shall be filed once testing has been completed. Final Abandomment Notices shall be filed only after all requirements, including reclamation, have been completed, as form J160-4 shall be filed once testing has been completed. Final Abandomment 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.) 1-13-2000 - Cleaned location, set and tested anchors. Moved in and rigged up pulling unit. Nippled up BOP. TIR with bit, drill collars and tubing. Tagged DV tool at 6177'. Drilled out DV tool and tested to 1000 psi. TIR to PBTD 7825'. Circulated hole with 2% KCL water. 100H with bit. 1-14-2000 - Rigged up wireline. TIH with logging tools and ran GR/CBL/CCL log. TOOH with logging tools and rigged down wireline. TIH with bit, scraper and tubing to 7646'. 1-15-17-2000 - Prep to perforate. 1-18-2000 - TOOH with tubing, scraper and bit. Rigged up wireline. TIH with 4" casing guns and perforated 7600-7640' w/41 .42" holes (1 SPF - Canyon). TOOH with casing guns and rigged down wireline. TIH with packer and tubing. Set packer at 7523' and tested. Swabbing. 1-19-2000 - Swabbed. Shut well in. 1-20-2000 - Swabbed. Shut well in. 1-20-2000 - Acidized perforations 7600-7640' with 4000 gallons gelled 20% iron control HCL acid and ball sealers. Released packer. TOOH with tub				
Approved by Conditions of approval, if any, are attached. Approval of this notice does not warra certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon.			(OH Milice	CEPTED FOR RECORD IG. SGD.) DAVID R. GLASS JAN 2 8 2000
Title 18 U.S.C. Section 1001 and T States any false, fictitious or fraudul	itle 43 U.S.C. Section 1212, mak lent statements or representations	e it a crime for any person as to any matter within its	knowingly and willfu urisdiction.	ly to make to any department of agency of the United BLM

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

SUNDRY NOTICE CONTINUED:

7490-7510' and 7520-7540' (1 SPF - Canyon). TOOH with casing guns and rigged down wireline. TIH with RBP, packer and tubing. Set RBP at 7583' and tested. Set packer at 7429'. Loaded annulus and tested packer. Acidized perforations 7490-7540' with 50000 gallons 20% gelled iron control HCL acid and ball sealers. Moved tools and began swabbing perforations 7490-7640'.

1-21-2000 - Pumped 40 bbls down tubing. Released tools. TOOH with tubing and tools. Released well to production department.

Rusty Klefth

Operations Technician January 25, 2000