YATES PETROLEUM CORPORATION South Avalon ASZ State Com #2 Section 14-T21S-R26E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

4% CaCl2. Fluid at 124'. PD 7:30 AM 2-15-2000. WOC 1-1/2 hour. Ran 1". Tagged cement at 861'. Spotted 100 sacks "C" with 4% CaCl2. PD 10:00 AM 2-15-2000. WOC 2 hours. Ran 1". Tagged cement at 812'. Spotted 50 sacks "C" with 4% CaC12. PD 12:30 PM 2-15-2000. WOC 1-1/2 hour. Ran 1". Tagged cement at 810'. Spotted 100 sacks "C" with 4% CaC12. Fluid level at 180'. PD 3:00 PM 2-15-2000. WOC 1-1/2 hour. Ran 1". Tagged cement at 808'. Spotted 115 sacks "C" with 4% CaC12. PD 5:00 PM 2-15-2000. Fluid at 90'. WOC 1-1/2 hour. Ran 1". Tagged cement at 712'. Spotted 100 sacks "C" with 4% CaCl2. Fluid level at 90'. PD 7:00 PM 2-15-2000. WOC 1-1/2 hour. Ran 1". Tagged cement at 672'. Spotted 110 sacks "C" with 4% CaC12. Fluid level at 90'. PD 9:00 PM 2-15-2000. WOC 1-1/2 hour. Ran 1". Tagged cement at 644'. Spotted 120 sacks "C" with 4% CaCl2. Fluid level at 28'. PD 11:00 PM 2-15-2000. WOC 1-1/2 hour. Ran 1". Tagged cement at 579'. Spotted 120 sacks "C" with 2% CaCl2. PD 1:30 AM 2-16-2000. WOC 2-1/2 hours. Ran 1". Tagged cement at 202'. Spotted 55 sacks "C" with 2% CaCl2. PD 4:15 AM 2-16-2000. Circulated 5 sacks to pit. WOC. Nippled up and tested to 3000 psi for 15 minutes, OK. Drilled out at 2:45 AM 2-17-2000. WOC 55 hours and 45 minutes. Reduced hole to 7-7/8". Resumed drilling.

Rusty Kleffn Operations Technician June 26, 2000

