YATES PETROLEUM CORPORATION Tracy AXW State #1 Section 25-T21S-R26E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

5-2-2001 - Set packer at 11785'. Swabbed. Shut well in. 5-3-2001 - Opened well and bled well down. Swabbed & flow tested. Shut well in. 5-4-2001 - Bled well down. Nippled up treesaver. Acidized perforations 11876-11900' (Morrow) with 1500 gallons of 7-1/2% Morrow acid and 1000 scf/bbl N2 and ball sealers. Opened well and bled well down. Swabbed & flow tested. Shut well in. 5-5-2001 - Opened well and bled well down. Swabbed. Shut well in. 5-6-7-2001 - Bled well down. Swabbed. Shut well in. 5-8-2001 - Bled well down. Swabbed. Loaded tubing. Nippled up BOP. Unset packer and TOOH. Shut well in. 5-9-2001 - Rigged up wireline. TIH with cement retainer and set retainer at 11863'. Rigged down wireline. TIH with stinger and tubing and sting into retainer. Established injection rate of 1-1/2 BPM at 2650#. Squeeze perforations 11876-11900' (Morrow) with 100 sacks of Class H, .3% D-167, .2% D-65, .1% D-13 and tailed in with 100 sacks Class H with .2% D-13. Squeezed perforations off at 3700#. Sting out of retainer. Could not reverse. Went the long way and circulated 18 sacks. POOH with stinger and tubing. Shut well in. 5-10-2001 - Rigged up wireline. TIH with casing guns and perforated 11595-11802' w/204 .38" holes as follows: 11595-11597' (12 holes); 11632-11641' (54 holes); 11660-11668' (48 holes); 11705-11711' (36 holes); 11725-11732' (42 holes) and 11800-11802' (12 holes) (6 SPF - Morrow). TOOH wtih casing guns and rigged down wireline. TIH with PPI tools to 11500'. Shut well in. 5-11-2001 - TIH with PPI tools and straddled perforations 11800-11802'. Acidized with 250 gallons of 7-1/2% Morrow acid. Moved tools and acidized perforations 11725-11732' with 500 gallons of 7-1/2% Morrow acid - communicated with 9 bbls pumped. Moved tool and straddled perforations 11705-11711' - communicated with 5 bbls pumped. Moved tools and straddled perforations 11660-11668' - communicated with 5 bbls pumped. Moved tools and straddled perforations 11632-11641' and acidized with 500 gallons of 7-1/2% Morrow acid. Moved tools and straddled perforations 11595-11597' and acidized with 500 gallons of 7-1/2% Morrow acid. Pulled packer above all perforations and attempted to pump remaining acid. Could not get packer to hold. TOOH wtih PPI tools. TIH with packer with 1.81" on/off tool and set packer at 11519'. Nippled down BOP and nippled up tree. Shut well in. 5-12-14-2001 - Acidized perforations 11595-11802' with 1350 gallons of 7-1/2% Morrow acid. Swabbed. Shut well in. 5-15-2001 - Opened well and bled well down. Swabbed. Shut well in. 5-16-2001 - Bled well down. Swabbed & flow tested. Shut well in. 5-17-2001 - Bled well down. Swabbed & flow tested. Shut well in. 5-18-2001 - Bled well down. Swabbed & flow tested. Shut well in. 5-19-21-2001 - Bled well down. Swabbed & flow tested. Shut well in. 5-22-2001 - Bled well down. Swabbed & flow tested. Shut well in. 5-23-2001 - Bled well down. Swabbed & flow tested. Shut well in. 5-24-2001 - Bled well down. Swabbed & flow tested. Shut well in. 5-25-2001 - Bled well down. Swabbed & flow tested. Shut well in. 5-26-29-2001 - Bled well down. Loaded tubing and nippled up BOP. TOOH with tubing and packer. Nippled down BOP and nippled up frac valve. Shut well in. Prep to frac. 5-30-31-2001 - Shut in. Prep to frac. 6-1-2001 - Frac'd perforations 10595-11802' (Morrow) with 24948 gallons 65Q CO2 foam and 75500# 20-40 interprop. Shut well in for 4 hours. Opened well up and began flowing back frac. Shut well in.