YATES PETROLEUM CORPORATION Lechuguilla Canyon AJ Federal #1 Section 8-T24S-R24E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

12-31-96 - Acidized perforations 8210-8234' (Canyon) with 2500 gallons 15% iron control HCL acid and ball sealers. Perfs already broke down. Bled well down and began swabbing. 1-1-97 - Flared well down to pit. Swabbed. Shut well in. 1-2-97 - Flared well down to pit. Swabbed. Shut well in.

Rusty Klein

Operations Technician January 3, 1997