DUAL COMPLETION AND COMMINGLE SURFACE

YATES ENERGY CORPORATION P. O. BOX 2323 1010 SUNWEST CENTRE ROSWELL, NEW MEXICO (505)623-4935 DESERT ROSE FEDERAL #1 660' FEL & 1,740' FSL SECTION 27 T-23-S, R-23-E EDDY COUNTY, NEW MEXICO

05/29/91 Cont. 2:30pm TP 2200 psig 20/64" choke, opened to flow. 3:00pm TP 460 psig 20/64" choke, dry gas CP 815 psig. 3:30pm TP 160 psig very light fluid mist. CP 815 psig. 4:00pm TP 165 psig 20/64" very light fluid mist. CP 815 psig. 4:30pm TP 180 psig 20/64" very light fluid mist. CP 815 psig. 5:00pm TP 170 psig 20/64" very light fluid mist 425 MCFPD, CP 815 psig. Left well flowing overnight. Daily cost: \$ 3,260.00 Cumulative: \$23,987.00

05/30/91 7:30 AM flowing on 20/64" choke, TP 150 psig, 400 MCFPD with light water mist. Flowed Morrow until 5:30 AM. Shut in and removed choke and tied tubing back into flowline. Replaced choke on Texasville No. 1. Unable to rig down due to wind. Released crew at 11:00 AM. Turned well over to Gray Pumping Service at 11:45 AM with instructions to flow Morrow downline with Strawn shut in for two days, using two pen recorder; then open Strawn and flow for 24 hours to atmosphere through 5/8" choke while flowing Morrow downline and record pressure. Further instructions to come from 0'Briant or Yates. Daily cost: \$ 1,720.00 Cumulative: \$25,702.00

05/31/91 Casing Pressure 735 Tubing Pressure 645 250 MCF/day 0 barrels of oil and 11 barrels of water.