

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE
(Other instructions on reverse side)

Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

NM-37843

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Desert Rose Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Bandana Point - Strawn

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Section 27-23S-23E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

JUN 24 1991

O. C. D.
ARTESIA, OFFICE

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
YATES ENERGY CORPORATION

3. ADDRESS OF OPERATOR
P. O. Box 2323, Roswell, New Mexico 88202-2323

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
1740' FSL & 660' FEL

14. PERMIT NO.
30-015-26167

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
4210' GR

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
(Other)

PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other)

REPAIRING WELL
ALTERING CASING
ABANDONMENT*

dual completion

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

05/22/91 Move in and rig up. Pumped 20 barrels 2% KCL water down tubing, tubing on vacuum. Removed tree and installed BOP. Unseated packer and pulled out of the hole with 268 joints tubing. Layed down packer. Went in the hole with retrieving tool. Tagged sand at 9165'. Pumped 40 barrels 2% KCL water down tubing and well started circulating. Reversed sand into tubing, caught and released Halliburton plug. Pulled out of the hole with plug.

05/23/91 Went in the hole with Baker SL overshot and 6' sub, Baker "L" sliding sleeve (open) with 1.87 profile nipple, and 303 joints tubing (9352'). Pumped 30 barrels 2% KCL and latched on/off tool. Nippled down BOPS and nipped up tree. Rigged up swab and found fluid at 2000'. Mad 8 runs recovered 40 barrels water with strong tail gas.

05/24/91 Swabbing

05/25/91 Tied casing into flowline and installed blowdown line.

05/26/91 Rig up Jarrell Slick Line and went in the hole, closed Model "L" sliding sleeve. Installed recorder at 1:00 pm, CP 690 psig, TP 180 psig. 1:10 pm blew down tubing to zero and had continuous weak blow. 1:30 pm shut in tubing and continued leakage test with recorder.

*See attached sheet.

18. I hereby certify that the foregoing is true and correct

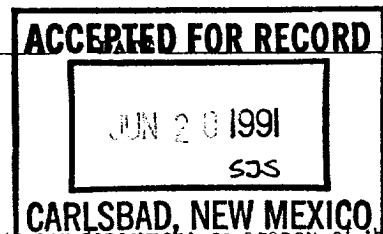
SIGNED Sharon Hamilton TITLE Landman

DATE 06/04/91

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side



- 05/29/91 Rigged up Jarrel Services. Made three bailer runs and cleaned off debris from top of plug in profile in on/off tool. Pulled equalizing prong and pressure in tubing increased to 2000 psig. Made two runs with pulling tool and pulled blanking plug. TP 2450 psig. Installed choke and hooked up blowdown line to atmosphere. Left well flowing overnight.
- 05/30/91 Shut in and removed choke and tied tubing back into flowline. Will flow Morrow down line 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.