

**DIVISION OF INTEREST FOR:
South Avalon ASZ State Com #1
API Number: 30-015-30582**

<u>OWNER NAME</u>	<u>INTEREST</u>
Abo Petroleum Corporation	.02032700
Oxy USA, Inc.	.04933600
Devon Energy Corporation	.38621800
MYCO Industries, Inc.	.04743000
Sacramento Partners Limited	.02494500
Sharbro Oil Ltd. Co.	.03212150
Titan Resources, L.P.	.04065500
Wilson, Mark	.05000000
Peggy A. Yates Estate	.04567300
Lillie M. Yates Estate	.03212150
Yates Drilling Company	.07447100
John A. Yates	.04567300
Judy H. Yates	.00254100
Peyton Yates	.00254100
Richard Yates	.00717500
Yates Petroleum Corporation	.13877200

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-015-30582
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. K-4529
7. Lease Name or Unit Agreement Name South Avalon ASZ State Com
8. Well No. 1
9. Pool name or Wildcat Burton Flat Morrow

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" (FORM C-101) FOR SUCH PROPOSALS)

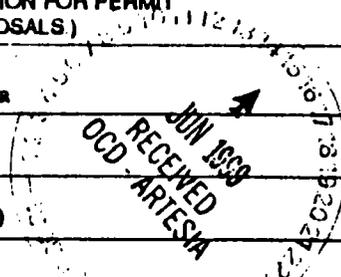
1. Type of Well:
OIL WELL GAS WELL OTHER _____

2. Name of Operator
YATES PETROLEUM CORPORATION

3. Address of Operator
105 South 4th St., Artesia, NM 88210

4. Well Location
Unit Letter C : 660 Feet From The North Line and 1650 Feet From The West Line
Section 14 Township 21S Range 26E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3160' GR



11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: Spud & surface casing <input checked="" type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spudded a 26" hole with rat hole machine at 10:15 AM 6-3-99. Set 40' of 20" conductor pipe and cemented to surface. NOTE: Notified Carmen w/OGD-Artesia of spud. Resumed drilling a 17-1/2" hole with rotary tools at 5:30 AM 6-5-99.

TD 598'. Reached TD at 3:30 AM 6-6-99. Ran 14 joints of 13-3/8" 48# H-40 8rd ST&C (601.61') of casing set at 598'. 1-Texas Pattern notched guide shoe set at 598'. Insert float set at 556'. Cemented with 200 sacks "H", 10% A-10B, 1% CaCl2, 1/4#/sack celloflake and 10#/sack gilsonite (yield 1.52, weight 14.6) and 400 sacks 65-35-6, 5#/sack salt, 1/2#/sack celloflake and 10#/sack gilsonite (yield 2.04, weight 12.5). Tailed in with 200 sacks "C" with 2% CaCl2 (yield 1.34, weight 14.8). PD 8:45 AM 6-6-99. Cement did not circulate. WOC 5 hours. Ran Temperature Survey and found top of cement at 340'. Ran 1". Tagged cement at 310'. Spotted 100 sacks "C" with 4% CaCl2. PD 3:30 PM 6-6-99. WOC 1 hour. Ran 1". Tagged cement at 210'. Spotted 150 sacks "C" with 4% CaCl2. PD 5:15 PM 6-6-99. WOC 1 hour. Ran 1". Tagged cement at 200'. Spotted 75 sacks "C" with

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Rusty Klein TITLE Operations Technician DATE June 10, 1999

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-147

(This space for State Use)

APPROVED BY Jim W. Brown TITLE District Supervisor DATE 6-21-99

CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION
South Avalon ASZ State Com #1
Section 14-T21S-R26E
Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

4% CaCl₂. PD 7:00 PM 6-6-99. WOC 1 hour. Ran 1". Tagged cement at 195'. Spotted 175 sacks "C" with 4% CaCl₂. PD 8:15 PM 6-6-99. WOC 1-1/2 hour. Ran 1". Tagged cement at 125'. Spotted 66 sacks "C" with 4% CaCl₂. PD 10:00 PM 6-6-99. Circulated 3 sacks. WOC. Nippled up and tested to 1000 psi for 5 minutes. Drilled out at 12:15 PM 6-7-99. WOC 27 hours and 30 minutes. Reduced hole to 12-1/4". Resumed drilling.



Rusty Klein
Operations Technician
June 10, 1999

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-105
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

WELL API NO.
 30-015-30582

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 K-4529

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion:
 NEW WELL WORK OVER DEEPEN PLUG BACK DIPP RESVR OTHER _____

2. Name of Operator
 YATES PETROLEUM CORPORATION (505) 748-1471

3. Address of Operator
 105 South 4th St., Artesia, NM 88210

7. Lease Name or Unit Agreement Name
 South Avalon ASZ State Com

8. Well No.
 1

9. Pool name or Wildcat
 Burton Flat Morrow

4. Well Location
 Unit Letter C : 660 Feet From The North Line and 1650 Feet From The West Line

Section 14 Township 21S Range 26E NMPM Eddy County

10. Date Spudded RH 8-3-99 RT 6-3-99	11. Date T.D. Reached 7-2-99	12. Date Compl. (Ready to Prod.) 9-7-99	13. Elevations (DF& RKB, RT, GR, etc.) 3160' GR	14. Elev. Casinghead
15. Total Depth 11200'	16. Plug Back T.D. 10949'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By 40-11200'	18. Rotary Tools Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 10908-10914' Morrow				20. Was Directional Survey Made No
21. Type Electric and Other Logs Run CNL/LDC & Laterolog				22. Was Well Cored No

23. **CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
20"		40'	26"	Cement to surface	
13-3/8"	48#	598'	17-1/2"	1266 sx - circ	
8-5/8"	24#	2178'	12-1/4"	1500 sx - circ	
5-1/2"	17# & 15.5#	11200'	7-7/8"	1800 sx	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	10818'	10828'

26. Perforation record (interval, size, and number)
 11041-11047' w/28 .41" holes
 10908-10914' w/25 .42" holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
 SEE ATTACHED SHEET

28. **PRODUCTION**

Date First Production 7-22-99	Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Producing		
Date of Test 9-21-99	Hours Tested 24	Choke Size 20/64"	Prod'n For Test Period	Oil - Bbl. 2	Gas - MCF 617	Water - Bbl. 6	Gas - Oil Ratio
Flow Tubing Press. 640#	Casing Pressure Packer	Calculated 24-Hour Rate	Oil - Bbl. 2	Gas - MCF 617	Water - Bbl. 6	Oil Gravity - API - (Corr.) N/A	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Sold

Test Witnessed By
 Blaine Wallace

30. List Attachments
 Drill Stem Test, Deviation Survey & Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Rusty Klein Printed Name Rusty Klein Title Operations Tech. Date 9-30-99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____ 9771'	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____ 9994'	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____ 4452'	T. Entrada _____	T. _____
T. Abo _____	T. Delaware _____ 2088'	T. Wingate _____	T. _____
T. Wolfcamp _____ 8642'	T. 3rd Sand _____ 8012'	T. Chinle _____	T. _____
T. Penn _____	T. Morrow Clastics _____ 10726'	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. Lower Morrow _____ 10951'	T. Penn "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____ No. 3, from _____ to _____
 No. 2, from _____ to _____ No. 4, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet
 No. 2, from _____ to _____ feet
 No. 3, from _____ to _____ feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	472	472	Surface rock				
472	2178	1706	Anhydrite				
2178	2281	103	Dolomite				
2281	2617	336	Sand				
2617	5215	2598	Dolomite				
5215	6437	1222	Lime & shale				
6437	9795	3358	Lime				
9795	10880	1085	Lime & shale				
10880	11200	320	Lime, shale & sand				

YATES PETROLEUM CORPORATION
South Avalon ASZ State Com #1
Section 14-T21S-R26E
Eddy County, New Mexico

#27: ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.:

DEPTH INTERVAL

TREATMENT

10908-10914'

Acidized with 1500 gallons 7-1/2% Morrow acid,
25% methanol and 1000 scf/bbl N2

Frac'd w/37000 gallons 70Q foam and 40000#
20-40 ac-frac black sand - screened out.
Total sand in formation 11300#

Re-frac'd with 50647 gallons 70Q foam & 40000#
20-40 ac-frac black sand - pressured out.
Total pumped 6240 gallons 70Q foam with no
proppant

YATES PETROLEUM CORPORATION
South Avalon ASZ State Com #1
Section 14-T21S-R26E
Eddy County, New Mexico

RESULTS OF DRILL STEM TESTS:

DST #1 2270-2338' (Delaware): TIMES: TO 15"; SI 60"; TO 60"; SI 180".
RECOVERY: 40' of mud. SAMPLER: 2600 cc mud. PRESSURES: IHP 1004;
IFP 26-32; ISIP 972; 2nd FP 33-45; 2nd SIP 887; FHP 918