

YATES PETROLEUM CORPORATION
CHRONOLOGICAL DRILLING REPORT
George "QJ" Federal #10
Unit N
26-6S-25E
Chaves County, New Mexico

Location: 660' FSL & 1500' FWL of Section 26-6S-25E, Chaves
County, New Mexico. API NO.: _____. Elevation: 3751' GL.
PTD: 5200' Abo/Basement. Drilling Contractor: UDI #9. Dirt
Contractor: Jim Wilson Construction.

6-28-01 Building location. Richard Hill with Roswell BLM notified of
Intent to build location 6-22-01.

6-29-01 Building location.

6-30-01 Building location.

7-1-01 Building location.

7-2-01 Building location.

7-3-01 Building location.

7-4-01 Building location.

7-5-01 Building location. Dirt work finished 7-4-01. Pits fenced and
lined. Butch's Rathole to set 40' of 16" conductor 7-5-01.

7-6-01 TD 40'. Building location. Jim Wilson Construction building
location as of 6-28-01. Dirt work finished 7-4-01. Pits fenced
and lined. Spud well 11:30 AM 7-5-01 with Butch's rathole service.
Set and cemented 40' of 16" conductor. Location ready for drilling
rig. Standby. Notified Stan Mayo with BLM of spud 7-5-01.

7-7-9-01 TD 40'. Stand by.

7-10-01 TD 40'. Stand by.

7-11-01 TD 40'. Stand by.

7-12-01 TD 40'. Stand by. Moving in rotary tools 7-13-01.

7-13-01 TD 40'. Moving in rotary tools. NOTE: Notified Stan Mayo BLM 7-
12-01. CC \$30,990

7-14-01 Drilling 114' San Andres. Made 74' in 3 hours, 24.67'/hr. MW 8.6,
Vis 33, pH 10. WOB 40#, RPM 65, SPM 60, PP 500#. Moved to new
location and rigged up. Resumed drilling at 3:00 AM 7-14-01.
Drilled to 114'. Notified Stan Mayo with BLM at 9:00 PM 7-13-01.
DC \$4595; CC \$4595

7-15-01 Drilling 910' San Andres. Made 796' in 23-1/2 hours, 33.87'/hr.
MW 8.6, Vis 33, pH 10. WOB 40#, RPM 65, SPM 60, PP 500#. Drilled
to 542'. Survey 511' 1/2 deg. Drilled to 910'. Lost returns at
794'. Pumped 2 LCM pills. Had not regained returns at report
time. Dry drilling to 921' to run pipe. Notified Stan Mayo of
operations 7-15-01 at 5:30 AM. DC \$9325; CC \$13,920

7-16-01 TD 921'. 1" top out. Made 11' in .5 hours, 22'/hr. SPM 60, PP
500#. Drilled to 921'. TD hole at 6:30 AM 7-15-01. Circulate and
sweep hole. TOH. Cut off conductor pipe 16". Rigged up casing
crew. Run 16 joints 11-3/4" 42# (903.99' + 1.5' CPGS) casing, set
at 921'. Texas Pattern guide shoe set at 905'. Insert float set
at 861.36'. Cemented with 200 sacks "H" + 10#/sx gilsonite + 1/4#
polyflake + 2% CaCl2 + 10% gyp and 400 sacks 35:65:6 "C" + 2% CaCl2
+ 1/4#/sx polyflake (yld 1.99, wt 12.6). Tailed in with 200 sacks
"C" + 2% CaCl2 (yld 1.32, wt 14.8). PD at 4:20 PM 7-15-01. Bumped
plug to 1068 psi. Pipe became stuck at 905'. Got OK from BLM,
Stan Mayo, to go ahead and cement. Cement did not circulate. Ran
temp survey. Top of cement at 200'. Ran 1" and tagged at 195'.
Spot 50 sacks "C" + 2% CaCl2. WOC. Run 1". Tagged at 175'. Spot
50 sacks "C" + 3% CaCl2. WOC. Run 1". Tagged at 175'. Dumped
gravel and spot 50 sacks "C" + 3% CaCl2. Stan Mayo with BLM
witnessed job. DC \$31,184; CC \$45,104

7-17-01 Drilling 1085' San Andres. Made 164' in 7-3/4 hours, 21.16'/hr.
MW 9, Vis 28, pH 10. WOB 40K, RPM 65, SPM 60, PP 1000#. Run 1".
Tag at 170'. Spotted 50 sacks Class "C" + 3% CaCl2. Stopped
pumping at 8:00 AM 7-16-01. WOC 2 hours. Ran 1". Tagged cement
at 170'. Spotted 125 sacks "C" + 3% CaCl2. Stopped pumping at
10:00 AM. WOC 2 hours. Ran 1". Tagged cement at 100'. Spotted
65 sacks Class "C" + 2% CaCl2. Stopped pumping at 12:00 Noon 7-16-
01. WOC 6 hours. Circulated 10 sacks to pit. Nipped up and
tested blind rams to 1000# for 10 min, OK. Cut off drilling line.
TIH and tested pipe rams to 1000# for 10 mins, OK. Drilled cement
and float. Drilled out at 10:00 PM 7-16-01. WOC 29 hours 40 mins.
Reduced hole to 11" and resumed drilling. Drilled to 1085'.
Survey 1024' 1 deg. Drilled to 1085'. DC \$35,103; CC \$80,207

7-18-01 Drilling 1600' sand and lime. Made 515' in 22 hours, 23.41'/hr.
MW 9, Vis 30, pH 10. BGG 10, Max 11. WOB 40#, RPM 65, SPM 60, PP

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1000#. Drilled to 1160'. Service rig. BOP function test.
Drilled to 1531'. Lost returns at 1430'. Survey 1499' 1-1/2 deg.
Drilled to 1600' - 70% returns. TD at 6:00 AM 7-18-01. Lost
circulation at 1430'. Notified Stan Mayo, BLM, to run 8-5/8" 24#
casing. DC \$21,031; CC \$101,238

7-19-01 TD 1600' Glorieta. WOC. Made 0'. SPM 60, PP 1000#. Sweep hole.
TOH and nipped down. Wait on casing crew. Rigged up and run 37
joints 8-5/8" 24# J-55 (1584.97' + 16.74 landing joint) casing, set
at 1600'. Texas pattern guide shoe set at 1600'. Insert float set
at 1556.88'. Cemented with 250 sacks 35:65:6 "C" (yld 2.00, wt
12.). Tailed in with 200 sacks "C" + 25 CaCl2 (yld 1.32, wt 14.8).
PD at 4:00 PM 7-18-01. Bumped plug to 500 psi, held OK.
Circulated 0 sacks. WOC. Backed out landing joint and nipped up.
Tested blind rams to 1000# for 10 mins, OK. TIH. Test pipe rams
to 1000# for 10 mins, OK. Cut off drilling line. Notified Stan
Mayo with BLM on 7-18-01. DC \$20,617; CC \$121,855

7-20-01 Drilling 2540' shale, anhydrite and silt. Made 940' in 18-1/4
hours, 51.51'/hr. MW 9.6, Vis 28, Cl 79K, Calcium 2100, Solids 5,
Gels 9. BGG 10, Max 11. WOB 40#, RPM 55/77, SPM 60, PP 1000#.
WOC. Drilled cement. Drilled out at 10:00 AM 7-19-01. WOC 18
hours. Reduced hole to 7-7/8" and resumed drilling. Drilled to
2033'. Survey 2002' 1-1/4 deg. Drilled to 2527'. Survey 2497' 2
deg. Drilled to 2540'. DC \$14,825; CC \$173,578

7-21-01 Drilling 3582' anhydrite, shale and dolomite. Made 1042' in 22-1/2
hours, 46.31'/hr. MW 10.1, Vis 28, Cl 126K, Calcium 2100, pH 9.
WOB 40#, RPM 55/77, SPM 60, PP 1000#. Drilled to 2774'. Service
rig and BOP function test. Drilled to 3021'. Survey 2991' 1/2
deg. Drilled to 3519'. Survey 3489' 3/4 deg. Drilled to 3582'.
DC \$11,775; CC \$185,353

7-22-01 Drilling 3965' sand, shale and anhydrite. Made 383' in 22 hours,
17.41'/hr. MW 9.8, Vis 44, WL 5, Cl 114K, PV 12, YP 7, Calcium
1100, Solids 2.5, pH 10. BGG 10, Max 12, CG 1. WOB 40#, RPM
55/77, SPM 60, PP 1200#. Displaced hole. Changed flowline.
Mudded up at 3582'. Drilled to 3645'. Service rig and BOP
function test. Drilled to 3965'. DC \$14,993; CC \$200,346

7-23-01 Drilling 4360' shale, dolomite and sand. Made 395' in 23-1/2
hours, 16.81'/hr. MW 10, Vis 50, WL 6, Cl 136K, PV 12, YP 8, FC
1160, Solids 4, pH 10. BGG 10, Max 12. WOB 40K, RPM 55/77, SPM
60, PP 1200#. Drilled to 4048'. Service rig and BOP exercise.
Survey 4017' 3/4 deg. Drilled to 4360'. DC \$11,460; CC \$211,806

7-24-01 Drilling 4475' shale, lime and sand. Made 115' in 12 hours,
9.58'/hr. MW 9.9, Vis 49, WL 5, Cl 139K, PV 15, YP 10, Calcium
1100, Solids 5, pH 10. BGG 11, Max 13, CG 1, TG 3. WOB 40K, RPM
65, SPM 60, PP 1200#. Drilled to 4391'. BOP exercise - service
rig. Drilled to 4415'. TOH with bit #3. Laid down motor. TIH
with bit #4. REamed 200'. Drilled to 4475'. DC \$12,119; CC
\$223,925

7-25-01 Drilling 4720' lime, sand and shale. Made 245' in 23-1/2 hours,
10.43'/hr. MW 9.9, Vis 50, WL 5, Cl 136K, PV 12, Calcium 940, YP
7, Solids 3, pH 10. WOB 40K, RPM 65, SPM 60, PP 1200#. Drilled to
4523'. Service rig. BOP function test. Survey 4497' 1/2 deg.
Drilled to 4720'. DC \$11,265; CC \$235,190

7-26-01 Drilling 4936' lime and shale. Made 216' in 23-1/2 hours,
9.19'/hr. MW 9.9, Vis 49, WL 6, Cl 134K, PV 14, YP 8, Calcium
1100, Solids 3.5, pH 10. BGG 10, Max 12. WOB 40K, RPM 65, SPM 60,
PP 1200#. Drilled to 4772'. Service rig and BOP function test.
Drilled to 4936'. DC \$8831; CC \$244,021

7-27-01 Drilling 5078' shale, granite wash and sand. Made 142' in 19-1/4
hours, 7.38'/hr. MW 10 Vis 48, WL 6, Cl 136K, PV 15, YP 8, Calcium
1120, Solids 4, pH 10. BGG 10, Max 12. WOB 40#, RPM 65, SPM 60,
PP 1200#. Drilled to 4957'. Service rig and BOP function test.
Drilled to 5062'. TOH 25 stands to work on swivel. Work on
drilling swivel. Replaced wash pipe. TIH 25 stands. Drilled to
5078'. DC \$8325; CC \$252,346

7-28-01 Drilling 5218' granite wash, shale and trace chert. Made 140' in
23-1/2 hour, 5.96'/hr. MW 10, Vis 45, WL 8, Cl 130K, PV 12, YP 6,
Calcium 1200, Solids 4.5, pH 10. BGG 10, Max 12. WOB 40#, RPM 65,
SPM 60, PP 1200#. Drilled to 5112'. Service rig. BOP function
test. Drilled to 5218'. DC \$8580; CC \$260,926

7-29-01 TD 5329' granite wash. Make short trip. Made 111' in 19 hours,
5.84'/hr. MW 10, Vis 49, WL 5, Cl 137K, PV 12, YP 6, Calcium 1200,
Solids 4, pH 10. BGG 10, Max 11. WOB 40K, RPM 65, SPM 60, PP
1200#. Drilled to 5236'. Service rig and BOP function test.
Drilled to 5329'. Reached TD at 1:30 AM 7-29-01. Circulate and
sweep hole. Start short trip. DC \$8751; CC \$269,677

7-30-01 TD 5329'. Laying down drill pipe. Made 0'. MW 10, Vis 49, WL 5,

Cl 137K, PV 12, YP 6, Calcium 1200, Solids 4, pH 10. BGG 10, Max 11. SPM 60, PP 1200#. Short trip - 10' of fill. Circulate and sweep hole. TOH for logs. Log wel - logger's depth 5329'. TIH and washed 10' to bottom. Circulate. TOH and lay down drill pipe. DC \$64,401; CC \$334,078

7-31-01 TD 5329'. Released rig. Made 0'. Laid down drill pipe and nipped down. Rigged up casing crew and run 126 joints (5333.78') casing, set at 5329' as follows:
59 joints 5-1/2" 15.5# SB (2489.23')
67 joints 5-1/2" 15.5# mill varn (2844.55')
Float shoe set at 5329'. Float collar set at 5285.81'. Bottom marker set at 3677.37'. Top marker set at 2839.77'. Cemented with 550 sacks Pecos Valley Lite + 4#/sx D-42 + 1#/sx D-44 + 2/10% D-65 + 3/10% D-167 + .2% D46 + .15% D-13 (yld 1.42, wt 13). PD at 6:15 PM 7-30-01. Bumped plug to 1300 psi for 4 mins. Float and casing held OK. Est top of cement at 2900'. ***Rig released at 10:15 PM 7-30-01.** Notified Stan Mayo with BLM before starting pipe. DC \$23,864; CC \$357,942

8-1-01 Waiting on completion unit.
8-2-01 Waiting on completion unit.
8-3-01 Waiting on completion unit.
8-4-6-01 Waiting on completion unit.
8-7-01 Waiting on completion unit.
8-8-01 Clean location. Set and test anchors. Move in and rig up pulling unit. Unloaded tubing. Prep to run bit and scraper. DC \$6375; CC \$6375

8-9-01 TIH with tubing and bit. Tag PBTD at 5285'. Circulate hole. TOH. Rig up wireline. TIH with CBL log. Log from 5279' to 2750' with 1000 psi on log. Top cement at 3010'. TOH. Shut down. Prep to perforate. DC \$6935; CC \$13,310

8-10-01 Rig up wireline. TIH with 4" casing gun. Perforated Cisco from 4996-5012' 4 JSPF 64 - .42" holes. TOH with gun. Had 100 psi on casing. Waited on wireline set packer. Had 800 psi on casing. TIH with wireline set asl with on/off 1.875 blanking plug - set at 4940'. TOH. Rig down wireline. Bled casing down. TIH with on/off and tubing. Latched on packer. Nipple down BOP. Rig up swab. Swab tubing down to 3900'. Prep to pull blanking plug. DC \$12,560; CC \$25,870

8-11-13-01 Rig up SL. TIH and pull blanking plug. Had 1450 psi after pulling plug. Rig down SL.

TIME	PSI/CHK	WATER	GAS
7 AM	1450# - 3/8"	unloaded	good
8 AM	600# - 3/8"	sl mist	
9 AM	650# - 3/8"	sl mist	
10 AM	700# - 3/8"	sl mist	
11 AM	750# - 3/8"	dry	
12 PM	750# - 3/8"	dry	
1 PM	800# - 3/8"	dry	
2 PM	800# - 3/8"	dry	
3 PM	800# - 3/8"	dry	
4 PM	800# - 3/8"	dry	
5 PM	800# - 3/8"	346	2765 mcf

DC \$3810; CC \$29,680

8-14-01 SITP 2000#. Open on a 3/8" choke and flow test for 3 hours. Avg FTP was 800# good gas. Shut well in. Shut down for night. Turn well over to production. Moving rig to Dallas #1.

TIME	PSI/CHK	GAS
7 AM	2000#	open on a 3/8" choke
8 AM	800# - 3/8"	2765 good gas
9 AM	800#	2765 good gas
10 AM	800#	2765 good gas

DC \$1335; CC \$31,195

8-15-01 No report.
8-16-01 No report.
8-17-01 No report.
8-18-20-01 No report.
8-21-01 No report.
8-22-01 No report.
8-23-01 TP 1640# on 12/64" - 2 bbls oil, 0 bbls water and 1260 MCF.
8-24-01 TP 1480# on 14/64" - 0 bbls oil, 0 bbls water and 1760 MCF.
8-24-01 TP 1480# on 14/64" - 0 bbls oil, 0 bbls water and 1760 MCF.
8-25-01 TP 1330# on 15/64" - 0 bbls oil, 0 bbls water and 2020 MCF.
8-26-01 TP 1070# on 15/64" - 142 bbls oil, 0 bbls water and 1916 MCF.
8-27-01 TP 1400# on 11/64" - 138 bbls oil, 0 bbls water and 1116 MCF.
8-28-01 TP 902# on 15/64" - 311 bbls oil, 0 bbls water and 1101 MCF.
8-29-01 TP 800# - 375 bbls oil, 0 bbls water and 685 MCF.

DR

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8-29-01 TP 800# on 14/65" - 375 bbls oil, 0 bbls water and 685 MCF.
8-31-01 TP 724# on 15/64" - 415 bbls oil, 0 bbls water and 472 MCF.
8-31-01 (GAS WELL IP) TD 5329'; PBTD 5285'. On a 24 hour Official
Potential test taken on 8-14-01 well flowed 800# on 3/8" choke =
2765 MCFGPD through perforations 4996-5012' Cisco. WELL IS
SIWOPLC. FINAL REPORT