

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

Handwritten initials and signature in the top right corner.

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. 30-015-26300
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. LG-1525

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 [X] OTHER []
2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210

7. Lease Name or Unit Agreement Name State CO Com
8. Well No. 4
9. Pool name or Wildcat Undesignated Morrow

4. Well Location Unit Letter F : 1980 Feet From The North Line and 1980 Feet From The West Line
Section 36 Township 19S Range 24E NMPM Eddy County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3622' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [] PULL OR ALTER CASING [] OTHER: []
SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: Squeeze Canyon perforations, drill deeper [X]

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.
2-12-14-2000 - Moved in and rigged up pulling unit. Released pump. TOOH with rods and pump.
2-15-2000 - Pumped 30 bbls 2% water. Released tubing anchor. TOOH with tubing anchor and tubing. Rigged up wireline. TIH with gauge ring to PBD of 7935'. TOOH. TIH with cement retainer and set retainer at 7640'. TOOH. Rigged down wireline. TIH with stinger and tubing. Sting into retainer. Tubing went on vacuum. Tested annulus to 500 psi.
2-16-2000 - Squeezed perforations 7682-7843' (Canyon) with 200 sacks Thixotropic at 14.2# and 100 sacks "H" Neat at 15.6# - would not squeeze. Over displaced 15 bbls on vacuum. Waited 2 hours. Pumped 200 sacks "H" Neat - would not squeeze. Overdisplaced 10 bbls. Sting out of retainer and reversed out.
2-17-2000 - Pumped 250 bbls to load casing. Casing would not load. TOOH with stinger - seal on stinger was bad. TIH with new stinger and sting in. Tried to load casing - casing loaded but would not hold pressure. Sting out - casing on vacuum. Retainer washed out. Will not hold fluid. TOOH.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. CONTINUED ON NEXT PAGE:
SIGNATURE [Signature] TITLE Operations Technician DATE July 31, 2000
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)
SUPERVISOR, DISTRICT II
APPROVED BY _____ TITLE _____ DATE 8-25-00
CONDITIONS OF APPROVAL, IF ANY: