

YATES PETROLEUM CORPORATION
CHRONOLOGICAL DRILLING REPORT

RECEIVED

APR 07 2004

Chimay "BAO" State #1

Unit E

2-24S-23E

OCD-ARTESIA

Eddy County, New Mexico

30-015-32508

Location: 1988' FNL & 155' FWL of Section 2-24S-23E,
Eddy County, New Mexico. API No.: _____
Elevation: 4502' GL. PTD: 10,800' Morrow. Drilling
Contractor: _____.

10-25-02 Wait on One Call. Jim Krogman notified NM One Call at
4:10 PM 10-24-02. Ticket #2002432697. Will be
notifying Agave.

10-26-28-02 Upgrade existing road and build small pad for rathole
machine. Dirt Contractor: Morgan Tools.

10-29-02 Upgrading existing road and build small pad for rathole
machine.

10-30-02 Stand by. Ungraded existing road and built small pad
for rathole machine.

10-1-02 Stand by.

11-1-02 Prep to spud with Butch's Rathole.

11-2-02 TD 10'. Stand by. Spudded with Butch's Rathole
Service at 10:30 AM 11-1-02. Hole size 12.25".
Notified Van Barton with Artesia OCD.

11-5-02 TD 10'. Stand by.

11-6-02 TD 10'. Stand by.

11-7-02 TD 10'. Stand by.

11-22-02 TD 10'. Stand by. Prep to make 5' of new hole with
Butch's Rathole. NOTE: New One Call ticket
#2002471856.

11-22-02 TD 15'. Stand by. Made 5' of new hole at 9:30 AM 11-
21-02 with Butch's Rathole. Hole size 12.25".
Notified Tim Gunn with Artesia OCD via voice mail.

11-23-24-02 TD 15'. Wait on One Call.

11-25-02 TD 15'. Prep to build location.

11-26-02 TD 15'. Building location.

11-27-02 TD 15'. Building location.

11-28/12-2-02 TD 15'. Building location.

12-3-02 TD 15'. Building location. New One Call ticket
#2002471856. Notified Tim Gunn with Artesia OCD via
voice mail. Building location with Jim Wilson
Construction.

12-4-02 TD 15'. Building location with Jim Wilson
Construction.

12-5-02 TD 15'. Building location with Jim Wilson
Construction.

12-6-02 TD 15'. Building location.

12-7-9-02 TD 15'. Building location.

12-10-02 TD 15'. Building location with Jim Wilson
Construction.

12-11-02 TD 15'. Building location. Prep to make 5' of new
hole with Butch's Rathole.

12-18-02 TD 20'. Building location with Jim Wilson
Construction.

12-19-02 TD 20'. Building location with Jim Wilson.

12-20-02 TD 20'. Building location with Jim Wilson
Construction.

12-21-23-02 Building location with Jim Wilson Construction.

12-24-02 Building location with Jim Wilson Construction.

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*****Eddy Co., NM*****

12-25-02 Building location with Jim Wilson Construction. Shut down for Christmas.

12-26-02 Building location with Jim Wilson Construction.

12-27-02 Building location with Jim Wilson Construction.

12-28-30-02 Building location with Jim Wilson Construction.

12-31-02 TD 20'. Building location. Prep to make 5' of new hole with Butch's Rathole Service.

1-1-03 TD 25'. Building location. Made 5' of new hole with Butch's Rathole Service. Hole size 12.25". Notified Van Barton with Artesia OCD via voice mail.

1-2-03 TD 25'. Building location.

1-3-02 TD 25'. Location finished. Stand by.

1-4-6-03 TD 25'. Standby.

1-7-03 TD 25'. Stand by.

1-8-03 TD 25'. Stand by.

1-9-03 TD 25'. Prep to set conductor. Moving in Butch's Rathole to set conductor pipe.

1-10-03 TD 40'. Moving in rotary tools. Moved in Butch's Rathole and set 40' of 20" conductor pipe. Notified Van Barton with OCD of continuous operations.

1-11-03 TD 40'. Rigging up rotary tools and prep to resume drilling.

1-12-03 Drilling 320' surface. Made 280' in 18-1/4 hours, 15.34'/hr. Mw 8.4, Vis 29. WOB all, RPM 90, SPM 85, PP 350#. Rigging up rotary tools and prep to resume drilling. Resumed drilling at 11:00 AM 1-11-03. Drilled to 233'. Lost returns at 230'. Mixed and pumped LCM sweep - no returns. Survey 190' 1/2 deg. Drilled to 320'. DC \$111,411; CC \$111,411

1-13-03 TD 389' anhydrite. 1" cement. Made 69' in 4 hours, 17.25'/hr. MW 8.4, Vis 28. WOB all, RPM 90, SPM 85, PP 350#. Drilled to 360'. Rig service. Drilled to 389'. TD 17-1/2" hole at 10:15 AM 1-12-03. Pumped sweep and circulate. Survey 346' 2 deg. TOH to run 13-3/8" casing. Rigged up casing crew and run 9 joints 13-3/8" 48# H-40 (391.09') casing, set at 389'. Texas Pattern guide shoe set at 389'. Float collar set at 345.53'. Rigged up BJ Services and circulated. Pumped 200 sacks Class "H" (A-10) with 2% CaCl2 + .25#/sx Celloflake + 10#/sx LCM-1 (yld 1.52, wt 14.6). Tailed in with 425 sacks Class "C" + 2% CaCl2 (yld 1.34, wt 14.8). PD at 4:45 PM 1-12-03. Bumped plug to 225#, held OK. Did not circulate cement. WOC. Cut off conductor and 13-3/8" casing. Rigged up Temp. survey (tool not working - received verbal permission from Gerry Guy with OCD to just 1" cement). Ran 1". Tagged cement initially at 230'. DETAILED 1" REPORT TO FOLLOW. DC \$23,623; CC \$135,034

1-14-03 Drilling 520' anhydrite. Made 131' in 13-1/4 hours, 9.89'/hr. MW 8.4, Vis 28, pH 10. WOB 25,000, RPM 70, SPM 110, PP 700#. Finished 1" cementing as follows: Ran 1". Tagged cement at 235'. Spotted 50 sacks Class "C" + 4% CaCl2. Stopped pumping at 11:30 PM 1-12-03. WOC 1 hour. Ran 1". Tagged cement at 230'. Spotted 25 sacks Class "C" + 4% CaCl2. Stopped pumping at 1:00 AM 1-13-03. WOC 1 hour. Ran 1". Tagged cement at 192'. Spotted 25 sacks of Class "C" + 4% CaCl2. Stopped pumping at 2:30 AM 1-13-03. WOC 1 hour. Ran 1". Tagged cement at 192'. Spotted 25 sacks Class "C" + 4% CaCl2. Stopped pumping at 4:00 AM 1-13-03. WOC 1 hour. Ran 1". Tagged cement at 192'. Spotted 25 sacks Class "C" + 4% CaCl2. Stopped pumping at 5:45 AM 1-13-03. WOC 1 hour. Ran 1". Tagged cement at 169'. Spotted 50 sacks Class "C" + 4% CaCl2. Stopped pumping at 7:15 AM 1-13-03. WOC 3-1/2 hours. Ran 1". Tagged cement ta 99'. Spotted 100 sacks Class "C" + 4% CaCl2. Stopped pumping at 11:00 AM 1-13-03. Circulated 10

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sacks to pit. Welded on rotating head flange. Hooked up rotating head and hooked up flowline. TIH and tagged cement at 328'. Drilled cement, plug and float. Drilled out at 4:45 PM 1-13-03. WOC 24 hours. Reduced hole to 7-7/8" and resumed drilling. Drilled to 520'. DC \$22,076; CC \$157,110

1-15-03 Drilling 840' anhydrite. Made 320' in 20-1/4 hours, 10.70'/hr. MW 8.4, Vis 28, pH 10.5. WOB 35,000, RPM 70, SPM 100, PP 725#. Drilled to 544'. Rig service. Survey 501' 1-1/2 deg. Drilled to 699'. Survey 657' 1-1/4 deg. Drilled to 840'. DC \$8140; CC \$165,250

1-16-03 Drilling 1310'. Made 470' in 22 hours, 21.36'/hr. MW 8.4, Vis 28. WOB 45,000, RPM 70, SPM 70, PP 400#. Rig service. Survey 812' 3/4 deg. Drilled to 1007'. Survey 965' 1-1/4 deg. Drilled to 1164'. Survey 1122' 1-1/4 deg. Drilled to 1213'. Lost returns at 1213'. Mixed and pumped LCM sweeps. Did not regain returns. Drilled to 1310'. Drilling with no returns. DC \$9014; CC \$174,264

1-17-03 Drilling 1825'. Made 515' in 23-1/4 hours, 22.15'/hr. MW 8.4, Vis 28. WOB 50,000, RPM 70, SPM 70, PP 300#. Drilled to 1419'. Rig service. Survey 1376' 3/4 deg. Drilled to 1674'. Survey 1631' 1/2 deg. Drilled to 1825'. DC \$17,418; CC \$191,682

1-18-03 TD 1970' limestone. TIH with bit #3. Made 145' in 12-1/4 hours, 11.84'/hr. MW 8.4, Vis 28, pH 8. WOB 50, RPM 60/70, SPM 70, PP 350#. Drilled to 1895'. Service rig. Drilled to 1927'. Survey 1885' 3/4 deg. Drilled to 1970'. TOH to change out rotary table. Changed out rotary table. TIH with bit #3. Drilling with no reutrns. DC \$14,832; CC \$206,514

1-19-03 Drilling 2402' lime. Made 432' in 21 hours, 20.57'/hr. MW 8.4, Vis 28, pH 8. Drilling wiht no returns. WOB 50, RPM 65, SPM 70, PP 400#. Finished TIH. Reamed 60' to bottom. Drilled to 2023'. Service rig. Drilled to 2180'. Survey 2137' 3/4 deg. Drilled to 2402'. Fluid level approx 60'. DC \$20,052; CC \$226,566

1-20-03 TD 2515' lime. 1" cementing. Made 113' in 5-1/4 hours, 21.52'/hr. MW 8.4, Vis 28, pH 8. WOB 50, RPM 65, SPM 70, PP 450#. Drilled to 2515'. TD 12-1/4" hole at 11:15 AM 1-19-03. Pumped viscous sweep. Dropped totco and TOH with bit #3. Rigged up lay down machine and laid down drill collars. Rigged up casers and run 58 joints 9-5/8" 36# J-55 (2517.63') casing, set at 2515'. Rigged up BJ and circulated. Cemented with 200 sacks "H" + 10% H-10 + 1% CaCl2 + 10# LCM-1 + 1/4# celloflake and 600 sacks 35:65:6 "C" + 5# salt + 5# LCM-1. Tailed in with 200 sacks "C" + 1% CaCl2. PD at 8:45 PM MST 1-19-03. Cement did not circultae. WOC. Cut off conductor pipe and casing. Run temperature survey and found TOC at 1270'. Run 1" - tagged cement at 1269'. DETAILED CASING REPORT TO FOLLOW. DC \$48,962; CC \$275,528

1-21-03 TD 2515' lime. Test BOP. Made 0'. MW 8.4, Vis 28. 1" cementing - circulated 10 sacks to pit on 6th stage. WOC. Cut off casing and weld on head. Tested head to 1000#, OK. Nippled up BOP and choke manifold. Tested BOP and choke manifold to 5000# (low pressure test to 250#). Tested annular to 2500#. DC \$34,839; CC \$310,367

DETAILED CASING REPORT: Ran 58 joints 9-5/8" 36# J-55 ST&C (2517.63') casing, set at 2515'. Texas Pattern Guide shoe set at 2515'. Float collar set at 2472'. Cemented with 200 sacks "H" + 10% A-1 + 1% CaCl2 + 10# LCM-1 + 1/4# Celloflake (yld 1.52, wt 14.6) and 600 sacks 35:65:6 "C" + 5# salt + 5# LCM-1 (yld 2.03, wt 12.5). Tailed in with 200 sacks "C" + 1% CaCl2 (yld

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1.34, wt 14.8). PD at 8:45 PM 1-19-03. Bumped plug to 1150#, held OK. Cement did not circulate. WOC 5 hours. Ran temperature survey and found TOC at 1270'. Ran 1". Tagged cement at 1269'. Spotted 50 sacks Class "C" + 4% CaCl₂. Stopped pumping at 6:30 AM 12-20-03. WOC 1-1/2 hours. Ran 1". Tagged cement at 1252'. Spotted 25 sacks Class "C" + 4% CaCl₂. Stopped pumping at 8:15 AM 1-20-03. WOC 1-1/2 hours. Ran 1". Tagged cement at 1252'. Spotted 25 sacks Class "C" + 4% CaCl₂. Stopped pumping at 10:15 AM 1-20-03. WOC 1-1/2 hours. Ran 1". Tagged cement at 1252'. Spotted 25 sacks of Class "C" + 4% CaCl₂. Stopped pumping at 12:15 AM 1-20-03. WOC 1-1/2 hours. Ran 1". Tagged cement at 1142'. Spotted 100 sacks Class "C" + 4% CaCl₂. Stopped pumping at 2:15 PM 1-20-03. WOC 1-1/2 hours. Ran 1". Tagged cement at 667'. Spotted 225 sacks Class "C" + 2% CaCl₂. Stopped pumping at 4:30 PM 1-20-03. Circulated 10 sacks cement to pit. NOTE: Ran centralizers on joints #1, 4, 7, 10 and 13. Did not circulate cement on initial cement job.

1-22-03 Drilling 2975' lime and sand. Made 460' in 10-3/4 hours, 42.79'/hr. MW 8.8, Vis 28, pH 10.5. BGG 5. WOB 60,000, RPM 60, SPM 100, PP 1300#. Rig repair - replaced hook on blocks. Picked up BHA and TIH. Drilled cement, plug and float. Drilled out at 7:00 PM 1-21-03. WOC 46 hours 15 mins. Reduced hole to 8-3/4" and resumed drilling. Drilled to 2785'. Survey 2785' 1 deg. Drilled to 2975'. DC \$15,108; CC \$325,475

1-23-03 Drilling 3805' dolomite. Made 830' in 23 hours, 36.09'/hr. MW 8.9, Vis 29, pH 10.5. BGG 10. WOB 60,000, RPM 60, SPM 100, PP 1350#. Drilled to 3260'. Rig service. Survey 3215' 3/4 deg. Drilled to 3736'. Survey 3691' 1-1/4 deg. Drilled to 3805'. NOTE: Losing fluid at 3200'. Went thru steel pits and lost 20 bbls in 1 hour. Pumped paper sweeps - no losing any fluid at report time. DC \$10,268; CC \$335,743

1-24-03 Drilling 4395' lime, sand and shale. Made 590' in 23-1/4 hours, 25.38'/hr. MW 8.9, Vis 28, pH 10.5. BGG 10. WOB 55,000#, RPM 60, SPM 100, PP 1350#. Drilled to 4022'. Rig service. Drilled to 4212'. Survey 4167' 1-3/4 deg. Drilled to 4395'. DC \$8672; CC \$344,415

1-25-03 Drilling 4790' lime, shale and sand. Made 395' in 22-3/4 hours, 17.36'/hr. MW 8.9, Vis 28, pH 10.5. BGG 20. WOB 55,000, RPM 60, SPM 100, PP 1400#. Drilled to 4433'. Rig service. Survey 4388' 2 deg. Drilled to 4687'. Survey 4642' 2 deg. Drilled to 4790'. DC \$15,140; CC \$359,555

1-26-03 Drilling 5100' lime and shale. Made 310' in 22-3/4 hours, 13.63'/hr. MW 8.9, Vis 28, pH 10.5. BGG 10. WOB 50,000, RPM 60, SPM 100, PP 1400#. Drilled to 4877'. Rig service. Drilled to 4941'. Survey at 4896' misrun. Drilled to 4945'. Survey 4928' 2-1/2 deg. Drilled to 5100'. DC \$8890; CC \$368,445

1-27-03 Drilling 5270' lime, sand and shale. Made 170' in 22-1/2 hours, 7.56'/hr. MW 8.9+, Vis 28, pH 10.5. BGG 10. WOB 40,000, RPM 60, SPM 100, PP 1450#. Rig service. Survey 5055' 3-1/2 deg. Drilled to 5195'. Survey 5150' 3-1/4 deg. Drilled to 5270'. DC \$8890; CC \$377,335

1-28-03 Drilling 5500' lime and shale. Made 230' in 15-3/4 hours, 14.60'/hr. MW 9, Vis 28, pH 10.5. BGG 5, TG 50. WOB 35, RPM 40/95, SPM 105, PP 1300#. Drilled to 5290'. Rig service. Survey 5245' 3-1/4 deg. Drilled to 5300'. TOH with bit #4. Picked up bit #5, motor, reamer and TIH. Washed 55' to bottom, no fill. Drilled to 5415'. Survey 5349' 3 deg. Drilled to