Yates Petroleum Corporation Dragonfly ARX State #1 API 30-005-62659 Section 30 T9S-R27E Chaves County, NM

Describe proposed or completed operations.

4/25/01 – TIH with CBL. TOC 4880'. Perforate 4 squeeze holes at 4850', .42" holes. Set cement retainer at 4830'.

4/26/01 – Pumped 100 sxs H + .4% FL and 200 sxs H neat. Squeeze off at 2400 psi.

4/27/01 – TIH with CBL. TOC 4600'.

5/1/01 – Drilled out cement and retainer at 4830'. Fell out at 4864'. Tagged PBTD at 5010'.

5/2/01 – Perforate Abo 4892-4901' with 20 holes, .42". Acidized perfs 4892-4901' with 1000 gals 7.5% IC HCL.

5/10/01 – Frac Abo with 82,000 gals 25Q CO2 foamed gelled 7% KCL water carrying 120,000# 16/30 Brady sand. 2000 gals 7.5% HCL spearhead acid pumped ahead of frac.

5/22/01 - Release all equipment. Turn well over to production department.