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OCT 12 '89

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
L-6775

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT DEPTH. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-		7. Unit Agreement Name
2. Name of Operator YATES ENERGY CORPORATION		8. Farm or Lease Name Seymour State Com
3. Address of Operator P. O. Box 2323, Roswell, NM 88202		9. Well No. 2
4. Location of Well UNIT LETTER <u>M</u> <u>1300</u> FEET FROM THE <u>West</u> LINE AND <u>660</u> FEET FROM THE <u>South</u> LINE, SECTION <u>18</u> TOWNSHIP <u>9-S</u> RANGE <u>27-E</u> NMPM.		10. Field and Pool, or Wildcat Four Ranch (Pre-Permian)
15. Elevation (Show whether DF, RT, GR, etc.) 3822.1 GL		12. County Chaves

16. 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"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER _____ <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER <u>Acidize and frac Montoya Formation</u> <input checked="" type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>

17. 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.

9-27-89 Spot acid, pull out of hole with tubing

9-28-89 Perforate the Montoya from 6012'-40' w/2 SPF and from 6050'-52' w/2 SPF for a total of 34 holes, ran in hole w/Baker LOK-SET packer, on-off tool & tubing to 5911' K.B., broke down w/250 gals. 10% acetic acid.

9-29-89 Treated w/1750 gals. 15% HCL acid. Swabbing back load.

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

SIGNED Cindy Stevens TITLE Production Clerk DATE 10-10-89

ORIGINAL SIGNED BY
MIKE WILMAUS
SUPERVISOR, DISTRICT 11

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

OCT 31 1989