

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.	30-005-62795
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	LG-5246
7. Lease Name or Unit Agreement Name	Pathfinder AFT State
8. Well No.	9
9. Pool name or Wildcat	Diablo Fusselman, Assoc.
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3822' GR

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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210	4. Well Location Bottom Hole Location: 1520' FSL & 2600' FWL - Sec 21-T10S-R27E (Unit K, NESW)
5. Unit Letter N	6. Feet From The South
7. Section 21	8. Township 10S
9. Range 27E	10. NMPM Chaves
11. County Chaves	12. Elevation (Show whether DF, RKB, RT, GR, etc.) 3822' GR

11. 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Spud on horizontal hole <input checked="" type="checkbox"/>

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.

8-26-97 - Moved in and rigged up pulling unit and sub structure. Installed catwalk and pipe racks. Dig pits. Moved in pumps, tanks and steel pits. Nippled down well-head and installed BOP. TOOH and laid down 2-7/8" tubing. Rigged up wireline. TIH with gauge ring and junk basket to 6300'. TOOH. TIH with CIBP and set CIBP at 6280'. Rigged down wireline.

8-27-97 - Continued setting in equipment. Picked up section mill, 14 4-1/8" drill collars and 3-1/2" drillpipe to 3400'. Repaired tongs.

8-28-97 - TIH with section mill to CIBP at 6280'. Pulled up and positioned section mill at 5951'. Rigged up power swivel. Displaced hole with mud. Started milling on casing at 5951' at 9:42 AM 8-27-97. At report time - milling on casing at 5972'.

8-29-97 - Repaired centrifugal pump and conditioned mud. Continued milling on casing. Parted sandline and broke weight indicator. Repaired sandline and replaced weight indicator. At report time - section milling at 6001'.

8-30-97 - Continued section milling 7-5/8" casing to 6031'. Circulated hole with mud

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

CONTINUED ON NEXT PAGE:

SIGNATURE Rusty Klein TITLE Operations Technician DATE Sept. 12, 1997

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Seal)
DISTRICT II SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

SEP 26 1997