

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.	30-005-63125
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	VA-0582
7. Lease Name or Unit Agreement Name	Ziggy ARC State
8. Well No.	1
9. Pool name or Wildcat	Chisum San Andres
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	3744' 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 Unit Letter B : 990 Feet From The North Line and 2310 Feet From The East Line Section 12 Township 11S Range 27E NMPM Chaves County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3744' 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: Perforate & acidize Queen <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.

5-16-97 - Moved in and rigged up pulling unit. POOH with rods, pump and tubing. Rigged up wireline. TIH with 4" casing guns and perforated 1034-1139' w/10 .42" holes as follows: 1034, 37, 69, 78, 83, 84, 90, 1100, 32 & 1139' (1 SPF - Queen). TOOH with casing guns and rigged down wireline. TIH with 5-1/2" Uni VI packer. Moved RBP to 2425' and set packer at 2367'. Loaded backside. Loaded tubing. Pumped into perforations 2400-2418' (San Andres) at 1 BPM at 300#. Moved RBP to 2035' and packer to 1930'. Pumped into perforations 1970-2018' (San Andres) at 1.1 BPM at 900#. Moved RBP to 1930' and packer to 1800'. Pumped into perforations 1813-1847' (San Andres) at 1.4 BPM at 650#. Shut in for night.

5-17-97 - Moved RBP to 1115' and packer to 1052'. Acidized perforations 1069-1100' (Queen) with 1250 gallons 7-1/2% NEFE acid and ball sealers. Moved RBP to 1178' and packer to 1115'. Circulated. Picked up packer to 1052'. Acidized perforations 1069-1139' with 500 gallons of 7-1/2% NEFE acid and ball sealers. Moved RBP to 1052 and packer to 990'. Acidized perforations 1034-1037' with 500 gallons 7-1/2% NEFE acid and ball sealers.

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 May 20, 1997  
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

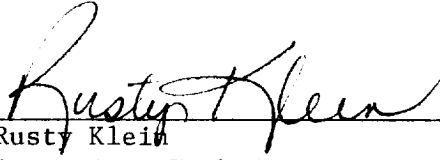
(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM TITLE DISTRICT II SUPERVISOR DATE MAY 27 1997  
CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION  
Ziggy ARC State #1  
Section 12-T11S-R27E  
Chaves County, New Mexico

SUNDRY NOTICE CONTINUED:

Moved RBP to 1242' and tested to 1200#. Moved packer to 990'. Prep to swab test.  
5-18-19-97 - Swab testing to drum.  
5-20-97 - Swab testing to drum. Shut well in.

  
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Rusty Klein  
Operations Technician  
May 20, 1997