YATES PETROLEUM CORPORATION McClellan MB Federal #7 Section 31-T5S-R25E Chaves County, New Mexico

SUNDRY NOTICE CONTINUED:

HCL ahead of frac. Shut well in 2 hours. Opened well up and began flowing back frac. 8-18-19-2000 - Continue flowing back frac. 8-20-21-2000 - Continue flowing back frac. Shut well in. 8-21-2000 - Bled casing down. Pumped 30 bbls. Nippled down frac valve. Nippled up BOP. TIH with seating nipple and tubing. Tagged sand at 3977'. Pumped 100 bbls 7% water - did not circulate. Pulled up. Nippled down BOP and nippled up wellhead. Seating nipple set at 3685'. Swab & flow tested. Released well to production department.

Rusty Klein

Operations Technician

August 30, 2000