YATES PETROLEUM CORPORATION Horn YG Federal #2 Section 10-T8S-R26E Chaves County, New Mexico

SUNDRY NOTICE CONTINUED:

Class C with 5% CaCl2. PD 8:30 AM 2-24-2000. WOC 1 hour. Ran 1". Tagged cement at 170'. Spotted 75 sacks Class C with 5% CaCl2. PD 10:00 AM 2-24-2000. WOC 1-1/2 hour. Ran 1". Tagged cement at 39'. Spotted 75 sacks Class C with 5% CaCl2. PD 11:45 AM 2-24-2000. WOC 3/4 hour. Ran 1". Tagged cement at 35'. Spotted 75 sacks Class C with 2% CaCl2. PD 12:45 PM 2-24-2000. Circulated 34 sacks to pit. WOC. Nippled up and tested to 500 psi for 15 minutes, OK. Drilled out at 3:00 AM 2-25-2000. WOC 32 hours and 45 minutes. Reduced hole to 7-7/8". Resumed drilling. NOTE: Witnessed by Stan Mayo w/BLM-Roswell.

Rusty Klein

Operations Technician May 31, 2000

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