



KEY ENERGY DRILLING, INC.
P.O. Box 1295
Midland, Texas 79702
Phone 915-570-0494
Fax 915-570-0465

To Whom It May Concern:

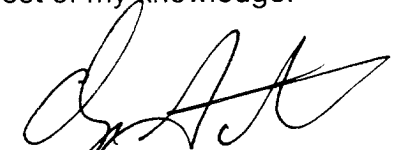
RE: STATE OF NEW MEXICO
OIL AND GAS DIVISION
INCLINATION REPORT



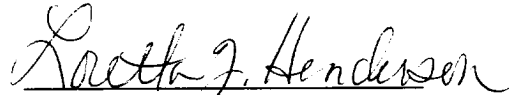
Lease Name: HORIZON AWH STATE
Well Number: #1
County/State: CHAVES NM
Operator: YATES PETROLEUM CORPORATION
Address: P.O. BOX 840
Address: ARTESIA NM 88210
Location:

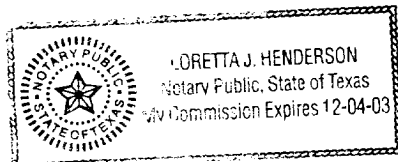
I, **CHOYR GILBERT**, Contract Manager for Key Energy Drilling, Inc., PO Box 1295, Midland, TX 79702, declare that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on this form and that such data and facts are true, correct, and complete to the best of my knowledge.

Sworn to and Subscribed Before Me by the said


CHOYR GILBERT
Contract Manager

This the 25TH day of January, 2001


Signature of Notary Public
In and for the State of Texas



LORETTA J. HENDERSON
Print Name of Notary Public

**STATE OF NEW MEXICO
OIL AND GAS DIVISION**

INCLINATION REPORT

FIELD NAME	LEASE NAME HORIZON AWH STATE	WELL NUMBER 1
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OPERATOR YATES PETROLEUM CORPORATION	COUNTY CHAVES
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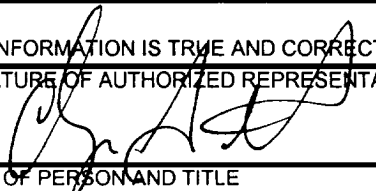
ADDRESS 105 SOUTH 4TH STREET, ARTESIA, NM 88210
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LOCATION

RECORD OF INCLINATION

MEASURED DEPTH FEET	COURSE LENGTH HUNDREDS OF FEET	ANGLE OF INCLINATION DEGREE	DISPLACEMENT PER HUNDRED FEET	COURSE DISPLACEMENT FEET	ACCUMULATIVE DISPLACEMENT
432	4.32	0.75	1.31	5.65	5.65
753	3.21	0.00	0.00	0.00	5.65
1144	3.91	0.25	0.44	1.71	7.36
1582	4.38	0.00	0.00	0.00	7.36
2020	4.38	0.25	0.44	1.91	9.27
2490	4.70	1.00	1.75	8.20	17.47
2710	2.20	0.75	1.31	2.88	20.35
3027	3.17	1.00	1.75	5.53	25.89
3314	2.87	0.50	0.87	2.50	28.39
3630	3.16	0.75	1.31	4.14	32.53
4011	3.81	1.00	1.75	6.65	39.18
4425	4.14	0.75	1.31	5.42	44.60
4771	3.46	2.00	3.49	12.08	56.67
4866	0.95	2.00	3.49	3.32	59.99
4993	1.27	3.00	5.23	6.65	66.63
5056	0.63	3.00	5.23	3.30	69.93
5117	0.61	2.25	3.93	2.39	72.33
5212	0.95	2.25	3.93	3.73	76.05
5338	1.26	2.00	3.49	4.40	80.45
5370	0.32	2.00	3.49	1.12	81.57
5498	1.28	2.00	3.49	4.47	86.04
5593	0.95	1.00	1.75	1.66	87.69
5750	1.57	1.00	1.75	2.74	90.43
5909	1.59	1.00	1.75	2.77	93.21
6163	2.54	1.00	1.75	4.43	97.64
6380	2.17	0.75	1.31	2.84	100.48
	-63.80		0.00	0.00	100.48
	0.00		0.00	0.00	100.48
	0.00		0.00	0.00	100.48
	0.00		0.00	0.00	100.48
	0.00		0.00	0.00	100.48
	0.00		0.00	0.00	100.48
	0.00		0.00	0.00	100.48

THIS INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

SIGNATURE OF AUTHORIZED REPRESENTATIVE 	NAME OF COMPANY KEY ENERGY DRILLING, INC.
NAME OF PERSON AND TITLE CHOYR GILBERT - CONTRACT MANAGER	TELEPHONE NUMBER (915) 570-0494

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

WELL API NO.
30-005-63316

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
L-6811

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 ☐ Gas Well ☒ Other ☐

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. 4th Street Artesia, NM 88210

4. Well Location
Unit Letter **A** : **1200** feet from the **North** line and **660** feet from the **East** line
Section **16** Township **9S** Range **26E** NMPM **Chaves** County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
3768' GR

7. Lease Name or Unit Agreement Name:
Horizon "AWH" State

7. Well No.
#1

8. Pool name or Wildcat
Foor Ranch Pre-Permian

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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Perf, acidize, fracture <input checked="" type="checkbox"/>	

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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

2/1/01 - RU pulling unit. TIH with bit and scraper. Tag PBTD at 6312'.

2/2/01 - TIH with CBL. TOC 3960'

Perf Ordovician from 6022-6046' and 6052-6070', 168 holes, .42" holes. Acidize Ordovician perfs with 2100 gals 20% IC HCL + balls.

2/12/01 - Perf Wolfcamp 5372-5386', 30 holes, .42" holes. Spot 1 bbl 15% IC HCL. Acidize Wolfcamp perfs with 1400 gals 15% IC HCL + balls.

2/14/01 - TIH with 2-7/8" tbg, 40' blast joints, and 2.31" sliding sleeve. Latch on to packer set at 5954'. Ordovician perfs flowing up tbg, Wolfcamp perfs flowing up casing.

2/15/01 - Rig down pulling unit. Turn well over to production.

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

SIGNATURE [Signature] TITLE **Engineering Technician** DATE **August 27, 2001**

Type or print name **Susan Herpin** Telephone No. **505-748-1471**

(This space for State use)

APPROVED BY [Signature] **ORIGINAL SIGNED BY TIM W. GUM**
DISTRICT II SUPERVISOR

Conditions of approval, if any:

DATE

AUG 29 2001