YATES PETROLEUM CORPORATION Quiniela AXQ State #2 Section 5-T10S-R26E Chaves County, New Mexico

SUNDRY NOTICE CONTINUED:

and 100000# 20-40 Brady sand. Flowing back frac for cleanup. 7-18-2001 - Flowing back frac for cleanup. 7-19-2001 - Flowing back frac for cleanup. 7-20-2001 - Bled well down. Loaded casing. Nippled up BOP. TIH with notched collar and tubing. Tagged up at 5863' (135' below bottom perforations). TOOH with notched collar and tubing. TIH with packer and 1.875% on/off tool and set packer at 5551'. Loaded and tested, OK. Nippled down BOP and nippled up tree. Swabbed. Flow tested. Shut well in. 7-21-23-2001 - Flow tested. Shut well in. 7-24-2001 - Bled well down. Nippled up BOP. TIH and released packer. TOOH with packer and tubing. Shut well in. 7-25-2001 - Rigged up wireline. TIH with 3-3/8" casing guns and perforated 5428-5437' w/54 .42" holes (6 SPF - Wolfcamp). TOOH with casing guns and rigged down wireline. TIH with RBP, packer and tubing. Set RBP at 5486' and tested. Pulled up and set packer at 5358' and tested. Acidized perforations 5428-5437' with 950 gallons 7-1/2% iron control HCL acid and ball sealers. Swabbed. Shut well in. 7-26-2001 - Swabbed & flow tested. Shut well in. 7-27-2001 - Swabbed & flow tested. Shut well in. 7-28-30-2001 - Bled well down. Nippled down BOP. Nippled up wellhead. Swabbed tubing dry. Shut well in. Rigged down and moved out pulling unit. Waiting on frac date. 7-31-2001 - Shut in. 8-1-28-2001 - Shut in. 8-29-2001 - Moving in and rigged up pulling unit. Bled tubing down. Loaded tubing with 7% KCL water. Nippled up BOP and released packer and RBP. TOOH. 8-30-2001 - Rigged up wireline. TIH with CIBP and set CIBP at 5580'. TOOH. Rigged down wireline. Nippled down BOP and nippled up frac valve. 8-31-2001 - Prep to frac. 9-1-2001 - Frac'd perforations 5428-5437' (Wolfcamp) with 52000 gallons 650 CO2 foam, 5000# 100 mesh and 50000# 20-40 Ottawa sand. Shut well in 2 hours. Opened well up and began flowing back frac. 9-2-4-2001 - Flow tested. Shut well in. 9-5-2001 - Flow tested. Shut well in. 9-6-2001 - Rigged up wireline. TIH with gauge ring and tubing and tagged sand at 5440'. TOOH with tubing and gauge ring. TIH with wireline set packer with blanking plug and set packer at 5360'. TOOH. Rigged down wireline. Bled casing down. TIH with on/off tool and tubing and latched onto packer. Nippled down BOP. Rigged up slickline. TIH and pulled blanking plug. TOOH and rigged downslickline. Flow rested. Shut well in. 9-7-2001 - Released well to production department.

Rust y Klefin

Operations Technician November 14,2001