YATES PETROLEUM CORPORATION Ernest AUQ #1 Section 35-T17S-R25E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

4-16-17-2000 - Shut in. 4-18-2000 - Rigged up wireline and lubricator. Tested lubricator to 3000 psi. TIH with 4" casing guns and perforated 8602-8638' w/136 .42" holes (4 SPF - Morrow) as follows: 8602-8628' and 8632-8638'. TOOH with casing guns and rigged down wireline and lubricator. Swab & flow tested. Shut well in. 4-19-2000 - Flowed well down. Flow tested. Shut well in. 4-20-2000 - Rigged up casing saver. Frac'd perforations 8602-8760' (Morrow) with 139000# 70Q 40# foam frac with methanol, CO2 & 137000# ac-frac black sand. Opened well up and began flowing back frac. 4-21-2000 - Flowing back frac. Nippled up BOP. Shut well in. 4-22-24-2000 - Flowed well down. Rigged up coiled tubing unit. TIH with 1-3/4" coiled tubing to 8870'. Did not tag any sand. Circulated hole clean. TOOH with coiled tubing. Rigged down coiled tubing unit. Rigged up wireline. TIH with CIBP and set CIBP at 8560'. TOOH and rigged down wireline. Bled casing down. 4-25-2000 - Rigged up wireline. TIH with 4" casing guns and perforated 8427-8454' w/112 .42" holes (4 SPF - Morrow). Lost guns after perforating. TOOH with wireline. Pumped 30 bbls treated water down casing. TIH with overshot with 3-1/4" grapple and latched onto guns. TOOH with fishing tool and guns. Flow tested. Shut well in. 4-26-2000 - Rigged up coiled tubing unit. TIH to 8560' and jetted hole dry. TOOH with coiled tubing unit. Rigged down coiled tubing unit. Flow tested. Shut well in. 4-27-30-2000 - Shut in. 5-1-2000 - Shut in. Prep to frac. 5-2-2000 - Rigged up casing saver. Frac'd perforations 8427-8454' with 40000 gallons 40# CMHPG with methanol & CO2 and 95100# 20-40 ac-frac black sand. Shut well in 2 hours. Opened well up and began flowing back frac. 5-3-2000 - Flowed frac back. Flow tested. Shut well in. 5-4-2000 - Flow tested. Shut well in. 5-5-2000 - Flow tested. Shut well in. 5-6-2000 - Rigged up coiled tubing unit. TIH with 6" mill and 1-3/4" coiled tubing and tagged sand at 8434'. Circulated sand down to CIBP at 8560'. Drilled on CIBP for 7 hours and drilled out. TIH to PBID at 8837'. 5-7-8-2000 - Circulated hole clean for 5 hours. TOOH with coiled tubing. Rigged down coiled tubing unit. 5-9-2000 - Rigged up wireline. TIH with setting tool and wireline packer. Tried to set packer at 8350'. Had a short in line. Packer would not set. Started TOOH - packer stopped at 5200'. Worked with packer. Could not move packer up or down. Could not break weak point. Tried to reset packer. Packer set this time. Started out of hole & stopped at 4600'. Had a stranded armor. Blew well down. Fixed stranded armor. TOOH with wireline. 5-10-12-2000 - Waiting on snubbing unit. 5-13-15-2000 - Packer leaking. 5-16-2000 - Rigged up snubbing unit. TIH with retrieving tool, 1 joint, F nipple with 2.25" one way valve that you pump thru, but holds pressure from below. Snubbed into packer at 5200' and latched onto packer. Tried to release packer - packer would not release. Got off packer. Shut well in. 5-17-2000 - Latched onto packer. Rigged up N2 truck. Pressured up to 2450 psi on casing.

Released packer. Bled casing down. Rigged up N2 truck. Pressured up to 2450 psi on casing. not get on plug. TOOH. Rigged down slickline. Snubbed tubing and packer. Rigged up N2