

State of New Mexico  
Energy, Minerals and Natural Resources Department

DISTRICT I  
P.O. Box 1980, Hobbs NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

WELL APN NO.	
30-015-31941	
5. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
7. Lease Name or Unit Agreement Name	
Grande Mike "AZK" State	
8. Well No	
#1	
9. Pool Name or Wildcat	
Wildcat Mississippian	

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 <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South 4th., Artesia, NM 88210	
4. Well Location Unit Letter <u>S</u> : <u>1650'</u> Feet From The <u>South</u> Line and <u>1550'</u> Feet From The <u>West</u> Line Section <u>2</u> Township <u>16S</u> Range <u>29E</u> NMPM Eddy COUNTY	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3733' GL	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

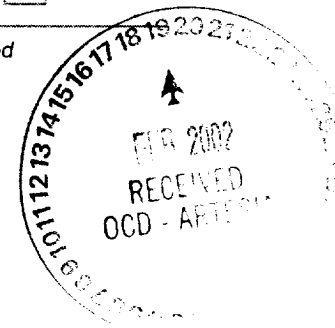
PERFORM REMEDIAL WORK	<input type="checkbox"/>	PLUG AND ABANDON	<input type="checkbox"/>
TEMPORARILY ABANDON	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>		
OTHER	<input type="checkbox"/>		

SUBSEQUENT REPORT OF:

REMEDIAL WORK	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
COMMENCE DRILLING OPNS.	<input type="checkbox"/>	PLUG AND ABANDONMENT	<input type="checkbox"/>
CASING TEST AND CEMENT JOB	<input type="checkbox"/>		
OTHER	<input checked="" type="checkbox"/>	Intermediate casing & cement	<input checked="" type="checkbox"/>

12. 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.

TD 11" hole at 6:15 am 10-29-01. Pumped sweep and circulate. Strap out of hole and lay down 8" drill collars. Rigged up and ran 63 joints 8-5/8" 32# J-55 casing. Pumped 725 sacks of Class "C" Lite (35.65:6 with .25#/sx celloflake + 5% LCM-1 + 6% bentonite (yld 1.95, wt 12.5). Tailed in with 200 sacks Class "C" with 1% CaCl2 (yld 1.34, wt 14.8). PD at 2:45 PM 10-29-01. Circulated 116 sacks to pit. WOC. 10-31-01-Drilling 2740' dolomite and anhydrite. Maded 115' in 3-3/4 hours, 30.67'/hr. Tested BOP, choke manifold, kelly to 5000# for 30 mins, OK. TIH and picked up 9-6" drill collars. Tagged cement at 2565'. Tested casing to 1000#, OK. Drilled out at 2:15 AM 10-31-01. WOC 35 hours 30 mins. Reduced hole to 7-7/8" and resumed drilling. Drilling 4268' sand and dolomite. Made 667' in 22-1/2 hours, 29.64'/hr. 11-3-01- Drilling 4869' dolomite and sand. Made 601' in 22-3/4 hours, 26.42'/hr. 10-4-01-Drilling 5480' dolomite. Made 611' in 23 1/4 hours, 26.28'/hr. 11-5-01-'TD 6045' dolomite. Trip for bit. Made 565' in 19 hours, 29.74'/hr. 11-6-01- TD 6105' shale, dolomite and anhydrite. TOH and layed down junk basket. Maded 60' in 9-3/4 hours, 6.15'/hr. 11/7/01-Drilled 6365' shale, dolomite and anhydrite. Maded



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Missing 2nd Page

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

SIGNATURE Erma Vazquez

TITLE Drilling Supervisor

DATE January 15, 2002

TYPE OR PRINT NAME

Erma Vazquez

TELEPHONE NO 505-748-1471

(This space for State  
APPROVED BY  
CONDITIONS OF A

SUPERVISOR, DISTRICT II

JAN 28 2002

RECORDED

Grande Mike "AZK" St. #1  
Eddy Co., New Mexico  
Sec 2-T16S-R29E

260" in 16-1/2 hours, 15.76'/hr. Finished TIH with bit #6. Washed 80' to bottom, no fill.  
11/8/01-Drilled 6885' dolomite and shale. Made 520' in 22-1/4 hours, 23.37'/hr. 11/9/01-  
drilled 7225' dolomite and shale. Made 340' in 21-3/4 hours, 15.63'/hr. 11/10/01-TD 7292'  
Finished TIH with DST #1. Ran DST #1-bottom packer set at 7230'.

DETAILED RESULTS OF DST #1 7230-7292' (27') Wolfcamp: TIMES: 15", 60", 60",  
120",. Open tool with weak blow on 1/8" choke = no flow for 15 mins.  
RECOVERY: 20' (0.098 bbls) mud, C1 85,000. SAMPLER: 25 psi @ 60 deg, 2600 cc mud  
c1 85,000. PRESSURES:

DEPTH	2736'
BHT	<b>110 deg F</b>
IHP	<b>3380</b>
IFP	<b>27-58</b>
ISIP	<b>1881</b>
FFP	<b>66-60</b>
FSIP	<b>1757</b>
FHP	<b>3383</b>

11-11-01- drilled 7360' lime and shale. Made 68' in 6-1/4 hours, 10.88'/hr. 11-13-01-TD 7790'  
lime & shale. DST #2. Maded 109' in 4 1/2 hours, 24.22'/hr. Ran DST  
#2 7738-7790'. Bottom packer set 7738'. TD 7790'. PARTIAL RESULTS OF DST #2  
7738-7790' (27') Wolfcamp: Opened tool with strong blow on 1/8" choke = 4 psi in 5  
mins, 7-1/2 psi in 10 mins, 11-1/4 psi in 15 mins. BOB in 30 seconds. NO GTS. Shut  
in. Opened tool with weak blow on 1/8' choke = 3-1/2 psi in 5 mins, 5-1/2 psi in 10 mins  
6-3/4 psi in 15 mins 7-1/4 psi in 20 mins, 7-1/2 in 25 mins, 7-1/4 psi in 30 mins, 6-1/2  
psi in 35 mins, 6 psi in 40 mins, 5-3/4 psi in 45 mins, 5 psi in 50 mins, 4-1/2 psi in 55 mins,  
4 psi in 60 mins. No GTS. Losing approx 6 BPH. Shut in. 11-14-01 drilling 7822'  
lime and shale. Made 32' in 2 hours, 6'/hr. DST #2- 3rd flow assisted with coiled tubing and  
nitrogen. Pulled packer loose and TOH.

DETAILED RESULTS OF DST #2 7738-7790' (27') Wolfcamp: TIMES: 15", 60", 90",  
454", 400". RECOVERY: 112 bblsof water, C1 52,000 and 66 bbls water C1 53,000.  
SAMPLER: 200 PSI @ 60 deg, 2600 cc water, C1 53,000. PRESSURES:

DEPTH	<b>7743'</b>
BHT	<b>119 deg F</b>
IHP	<b>3584</b>
IFP	<b>1122-1959</b>
ISIP	<b>2788</b>
2nd FP	<b>2112-2588</b>
2ND SIP	<b>2910</b>

Grande Mike "AZK" St. #1  
Eddy Co., New Mexico  
Sec 2-T16S-R29E

FFP            **jetting**  
FHP            **3560**

11-15-01- drilled 8195' lime and shale. Maked 373' in 23-1/4 hours, 16.04'/hr.  
PD at 7:45 PM. TOH with 15 stands drill pipe. WOC. 11-17-01- TD 8228' lime and  
shale. Drilled cement at 7218'. Maded 0'. TOH laying down 62 joints drill pipe. WOC.  
TIH with drill collar. TIH and tag cement at 7096. Changed out liner and swab. 11/18/01  
drilled 8394' lime and shale. Maked 166' in 9-1/4 hours, 17.95'/hr. Drilled 8790' lime and  
shale. Maded 395' in 22 hours, 18'/hr. 11/20/01-drilled 9155' lime and shale. Maked 365'  
in 22-1/4 hours, 16.40'/hr. Drilled 9485' lime and shale. Maded 330' in 23 hours, 14.35'/hr.  
11/22/01-drilled 9511' lime and shale. Maded 26' in 3-1/4 hours, 8'/hr. 11/23/01-drilled  
9685' lime and shale. Maded 174' in 23-3/4 hours, 7.33'/hr. 11/24/01 drilling 9880' lime and  
shale. Made 195' in 23-3/4 hours, 8.21'/hr. 11/25/01-drilled 10,135' lime and shale.  
Maded 255' in 23 hours, 11.09'/hr. Drilled 10,385' lime, shale and sand. Maded 250' in  
23-3/4 hours, 10.53'/hr. 11/28/01-TD 10,462' lime and shale. Wash and ream to bottom.  
Maded 0'. 11/29/01-Drilled 10,610' lime and shale. Maded 148' in 23 hours, 6.43'/hr.  
11/30/01- Drilled 10,688' lime and shale. Maded 78' in 23 3/4 hours, 3.28'/hr. 12/1/01-  
TD-10,700' lime and shale. Logging Make 12' in 3-1/2 hours, 3.43'/hr. Rigged up  
Logger's TD 10,698' at 10:15 PM 11-30-01. Ran 253 joints of casing, set at 10,700'  
as follows:

19 joints 5-1/2" 17# P-110

54 joints 5-1/2" 17# N-80

146 joints 5-1/2" 17# J-55

34 joints 5-1/2" 17# L-80

Cemented with 150 SCF nitrogen and 150 bbls of mud ahead of 50 sacks Super "H"

Modified + 6/10% FL-25 + 6/10% FL-52 + .25#/sx Celloflake + 5# gilsonite + 3% KCL

(yld 2, wt 11.5). Tailed in with 600 sacks Super "H" Modified with 6/10% FL-25 + 6/10%

FL-52 + .25# celloflake + 5# gilsonite + 3% KCl (yld 1.52, wt 13.2) PD at 10:30 PM 12-2-01.

Rig released at 4:00 am 12-3-01. Waiting on completion unit.