YATES PETROLEUM CORPORATION Box Canyon 34 ATN Federal #1 Section 34-T2OS-R21E Eddy County, New Mexico

SUNDRY NOTICE CONTINUED:

10 sacks to pit. WOC. Nippled up and tested BOP to 3000 psi for 10 minutes, OK. Drilled out at 10:15 PM 11-27-99. WOC 34 hours. Reduced hole to 7-7/8". Resumed drilling. NOTE: One-inch cementing was witnessed by Jim Amos w/BLM-Carlsbad.

Rusty Klein

Operations Technician December 3, 1999