State of New Mexico Submit 3 Capies Form C-103 to Appropriate District Office Energy, Minerals and Natural Resources Department Revised 1-1-89 OIL CONSERVATION DIVISION DISTRICT P.O. BOX 1980, Hobbs, NM 88240 WELL API NO. P.O. Box 2088 30-025-23043 Santa Fe, New Mexico 87504-2088 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease FEE STATEKX DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410 6. State Oil & Gas Lease No. V-4382 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS) Type of Well: METT X Champlin AQD State 2. Name of Operator YATES PETROLEUM CORPORATION 3. Address of Operator 9. Pool same or Wildcat 105 South 4th St., Artesia, NM 88210 Bagley Permo Penn, North 4. Well Location Unit Letter F : 1980 Feet From The North Line and 2130 Feet From The West Line 118 nship 11S Range 33E 10. Elevation (Show whether DF, RKB, RT, GR, etc.) Township 4304 GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON** CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: Prep for re-entry to drill deeper OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed 5-25-99 - Moved in and rigged up pulling unit. Unseat pump. TOOH with rods and pump. 5-26-99 - Released tubing anchor. TOOH with tubing, tubing anchor and seating nipple. Rigged up wireline. TIH with junk basket and gauge ring to 9100'. TOOH. TIH with bolt cement retainer and set retainer at 9100'. Rigged down wireline. TIH with stinger on tubing. Sting into retainer and spaced out. Loaded annulus with 110 bbls fresh water. Pressured annulus to 1000#. Established injection rate thru retainer of 4-1/2 BPM for

62 bbls. Mixed and pumped 50 sacks Thixatropic cement (yield 1.53, weight 14.6) and 150 sacks "H" Neat (yield 1.08, weight 16.3). Hesitated - no squeeze. Pumped in 12 bbls over displacement. With 8 bbls gone, pressured to 2000# at 1 BPM. Shut down. Pressure went to 0 psi in 2 minutes. Sting out of retainer. Mix and pump 50 sacks "H" Neat (yield 1.08, weight 16.3) to within 5 bbls of retainer. Sting into retainer. Squeezed to 3050 psi with 40 sacks in formation. Stung out. Reversed tubing out. Pulled 10 stands. Shut down. WOC.

5-27-99 \sim T00H with tubing. Break off stinger. Shut well in. CONTINUED ON NEXT PAGE: I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Operations Technician DATE June 9, 1999

TISLEPHONE NO. 505/748-1471

TYPE OR PRINT NAME

SIGNATURE -

(This space for State Use) CHASTINAL PICKED BY OUDIS WILLIAMS

Rusty Klein

CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION Champlin AQD State #1 Section 8-T11S-R33E Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

5-28-99 - Nippled down BOP and 11" 2000 X 7-1/16" 2000 tubinghead. Dressed off 5-1/2" and weld on extension. Nippled up 11" 2000 X 11" 3000 double stub adapter. Nipple up 11" 3000 X 7-1/16" 5000 tubinghead. Tested seals. Nippled up BOP TIH with bit, drill collars and tubing. Drilled out retainer at 9100'. Drilled cement to 9215'. Circulate clean. Tested squeeze perforations to 1000 # for 5 Tagged partial CIBP and pushed down to 9370'. Started drilling, circulated minutes. clean and shut down. 5-29-99 - Pushed partial CIBP down and drilled up. Drilled cement to CIBP at 9433'. Drilled top slips and rubber. Lost circulation and 20 bbls. Got circulation back. Pushing CIBP down at 9540' and lost circulation. Drilled on CIBP for 1 hour with no circulation. Tubing plugged. TOOH and unplugged bit. Rigged up wireline. with bolt cement retainer and set retainer at 9475'. Rigged down wireline. TIH with stinger on tubing and spaced out. Loaded annulus with 95 bbls fresh water. Pressured to 1000#. Pumped through retainer at 4 BPM at 180 psi. Mixed and pumped 50 sacks Thixotropic cement (yield 1.53, weight 14.6) and 150 sacks "H" Neat (yield 1.08, weight 16.4). Squeezed with 146 sacks in formation. Sting out of retainer. Reversed 41 sacks to pit. Pulled 10 stands. Shut well in. WOC. 5-30-99 - TOOH with tubing. Break off stinger. Shut well in. 6-2-99 - TIH with bit, drill collars and tubing. Tagged up at 9473'. Took 20 bbls to load hole. Pressured to 1000 psi. Lost 500 psi in 3 minutes. Drilled out retainer and cement to 9515'. TIH and tagged CIBP at 9558'. Tested to 1000#. Lost 500 psi in 3 minutes. Drilled out CIBP and cement to top of packer at 9595'. TOOH. TIH with 4-3/4" OD shoe, 6' extension, 4-3/4" jars and drill collars. Tagged packer and cut over packer 3'. Lost circulation (40-50 bbls). TOOH & change shoe. TIH and cut 1-1/2. Pulled up packer. Moving up but will not go down. TOOH. 6-3-99 - TOOH with soe. Remainder of packer stuck in shoe. Missing 3 bottom dove tail slips. TIH with bit, scraper, drill collars and tubing. Tagged up at 10230'. Rigged up swivel. Started washing down to 10425'. TOOH. TIH with packer and RBP. 6-4-99 - Set RBP at 9960'. Straddled perforations 9647-9929'. Loaded with 42 bbls. Pumped in at 1 BPM at 2400%, 1-1/2 BPM at 3000%. Moved tools. Straddled squeeze perforations 9504-9506'. Tested to 2000 psi in 3 minutes. Moved tools. Tested from 9240-9460' to 1500#, OK. Straddled perforations 9145-9212'. Pressured to 1500#. Lost 500# in 3 minutes. Released packer and RBP. TOOH. Rigged up wireline. TIH with bolt cement retainer and set retainer at 10150'. TOOH with wireline. TIH with stinger on tubing. Sting into retainer and spaced out. Loaded annulus with 96 bbls. Pressured to 1000#. Bled off in 5 minutes. Pumped through retainer at 5 BPM at 0 psi. Mixed and pumped 50 sacks "H" with 4/10% fluid loss and 200 sacks "H" Neat (yield 1.1, weight 16.0). Hesitation - no squeeze. Overdisplaced 12 bbls. Washed up. Loaded annulus with 20 bbls. Pressured to 1000%. Bled of fin 5 minutes. Mixed and pumped 300 sacks "H" Neat (yield 1.08, weight 16.4). Displaced 25 bbls. Squeezed to 3000 psi with 31 bbls cement in tubing. Sting out of retainer. Pulled up to 8400'. Reversed out 16 bbls cement. Pressured up on casing and tubing to 1500 psi and held. Pulled 20 stands. Shut well in. WOC. 6-5-99 - TOOH with tubing and stinger. Rigged up wireline. TIH with collar locator and weight bar. Tagged cement at 8439. TOOH. Laid down 50 joints tubing. Shut in.

6-6-99 - TIH with bit, drill collars and tubing and tagged up at 8439'. Pushed and washed down to 9462'. Tested casing to 500# for 5 minutes, OK. Rigged up swivel.

YATES PETROLEUM CORPORATION Champlin AQD State #1 Section 8-T11S-R33E Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

Drilled solid cement to 9531'. Pressure tested perforations 9504-9506' to 500#, OK. Drilled to 9669' and tested perforations 9647-9658' to 500#, OK. Drilled cement to 9947' and tested perforations 9924-9929' to 500#, OK. Drilled cement to retainer and drilled out retainer at 10150'. Drilled cement to 10235'. Getting back some pieces and formation in returns. Tested to 500#. Bled off to 0 psi in 5 minutes. Drilled out remainder of cement, getting pieces of cone from bit. Fell out of cement at 10385'. Tested to 500#. Bled to 0 psi in 5 minutes. TIH and washed down to 10440'.

6-7-99 - TOOH with tubing and bit. TIH with 4-1/2" shoe with 4-3/4" smooth OD with mesh ID, globe backet, 4' extension, string mill, jars and collars. Reamed tite spot at 9250'. TIH and tagged at 10235'. Reamed out tite spot from 10256-10263'. TIH and tagged PBTD at 10440'. Cut 3' and had pump pressure increase. Started out of hole. Pulled 20 stands and blew a hole in the transmission hydraulic line. Shut down for rig repair.

6-8-99 - TOOH with shoe and had pieces of metal, threads off casing, cement and bottom of float shoe. TIH with bit, drill collars and tubing. Tagged up at 10441'. Drilled 20' of formation to 10461'. Displaced hole with 9.3 ppg cut brine. TOOH and laid down work string. Shut well in.

6-9-99 - TOOH & laid down 2-7/8" tubing and drill collars. Nippled down BOP. Nippled up B-1 adapter and ball valve. Released well to drilling department.

Rusty Klein

Operations Technician

June 9, 1999