

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 API NO. 30-025-23379
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG 2247
7. Lease Name or Unit Agreement Name Lonestar AAI State
8. Well No. 1
9. Pool name or Wildcat Eight Mile Draw Permo Penn

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 WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER WORKOVER	
2. Name of Operator YATES PETROLEUM CORPORATION	
3. Address of Operator 105 South 4th St., Artesia, NM 88210	
4. Well Location Unit Letter <u>K</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>19</u> Township <u>11S</u> Range <u>35E</u> NMPM <u>Lea</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4139.6' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: Add perms to existing zone, acidize <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input 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.

Propose to test existing perms 9998-10029' to see if primary water producer can be isolated.
Propose to add Permo Penn pay as follows:
1) MIRU. RU rod stripper and TOOH w/rods and pump. NU BOP and TOOH w/tubing.
2) TIH w/packer and RBP. Straddle top perf interval 9998-10029' and test annulus to 500 psi. Isolate leaks if annulus doesn't test. (Note: Determination will be made at this time whether to abandon well or continue with workover). Swab test interval 9998-10029'. After getting good swab test, set RBP at PBD, set packer above bottom interval 10373-10395' (PBD originally = 10398') and swab test. Depending on swab tests, a decision will be made whether to squeeze, CIBP, RBP or leave alone one or both of the existing producing zones.
3) Perforate Permo-Penn pay as follows: 9326-9988' w/48 shots. (Note: if interval 9998-10029' is giving up majority of water - will not perforate 9985-9988' (8 holes).
4) Will treat with acid each zone as necessary to obtain production.

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 4-1-92
TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY CECILIA J. SEXTON TITLE Assistant Secretary

DATE APR 06 '92

CONDITIONS OF APPROVAL, IF ANY: