

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. 30-025-29843
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-4510
7. Lease Name or Unit Agreement Name Sand Spring ASU State
8. Well No. 1
9. Pool name or Wildcat Sand Springs Atoka (gas)

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	
2. Name of Operator YATES PETROLEUM CORPORATION	
3. Address of Operator 105 South 4th St., Artesia, NM 88210	
4. Well Location Unit Letter C : 330 Feet From The North Line and 1650 Feet From The West Line Section 11 Township 11S Range 34E NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4145' 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: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Production 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 13318'. Reached TD at 3:30 AM 10-31-98. Ran 319 joints of 5-1/2" 17# casing as follows: 148 joints of 5-1/2" 17# M-95 8rd LT&C (6117.94'); 70 joints of 5-1/2" 17# J-55 8rd LT&C (2983.12'); 86 joints of 5-1/2" 17# L-80 8rd LT&C (3593.47') and 15 joints of 5-1/2" 17# M-95 8rd LT&C (620.47') (Total 13315') of casing set at 13300'. Notched guide shoe and float collar set at 13300'. Float collar set at 13215'. DV tool set at 12609'. Bottom marker set from 13068-13089'. Top marker set at 11930-11951'. Cemented in two stages as follows: Stage 1: 500 gallons of Superflush 102 ahead of 150 sacks Super H, 5/10% Halad 344, 4/10% HR7, 4/10% CFR3, 8#/sack gilsonite and 1#/sack salt (yield 1.68, weight 13.0). PD 2:30 PM 11-8-98. Did not bump plug. Went 1 bbl over calculated displacement and shut down. Stage 2: 150 bbls mud with 150 scf/bbl N2 ahead of 750 sacks Interfill H, 4/10% Halad 322, 1/4#/sack flocele (yield 2.72, weight 11.5) and 100 sacks Super H, 5#/sack gilsonite, 3/10% HR7, 1#/sack salt, 5/10% Halad 344, 4/10% CFR3 (yield 1.68, weight 13.0). Tailed in with 1200 sacks Super H, 3/10% HR7, 1#/sack salt, 5/10% Halad 344 and 4/10% CFR3 (yield 1.68, weight 13.0). PD 9:45 PM 11-9-98. Bumped plug to 2600 psi for 3 minutes. OK.

WOC. Released rig at 4:00 AM 11-9-98. Waiting on completion unit.

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

SIGNATURE Rusty Klein TITLE Operations Technician DATE Nov. 10, 1998

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY DAVID L. WILKINS DISTRICT ATTORNEY

CONDITIONS OF APPROVAL, IF ANY: _____ TITLE _____ DATE _____