YATES PETROLEUM CORPORATION Mescalero ARL State #1 Section 2-T10S-R32E Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

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Acidized perforations 8831-8864' with 2500 gallons 15% iron control HCL acid and ball sealers. Swabbed. Shut well in. 8-7-9-99 - Opened well up and flow tested. Pumped 30 bbls 2% KCL water. Released packer and RBP. TOOH with tubing, packer and RBP. Released well to production department.

NOTE: Perforations open: 8668-9484'

Rusty Klei

Operations Technician August 20, 1999