

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. 30-025-34790
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-1314
7. Lease Name or Unit Agreement Name East Sand Springs Unit
8. Well No. 1
9. Pool name or Wildcat Sand Springs Atoka Morrow

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 <u>L</u> : <u>1000</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>5</u> Township <u>11S</u> Range <u>35E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4155' 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: Spud, conductor, resume drlg, surface casing & cement <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.

Spudded a 26" hole with rat hole machine at 2:45 PM 12-21-99. Set 38' of 20" conductor pipe and cemented to surface. NOTE: Notified Sylvia w/OCD-Hobbs of spud. Resumed drilling a 17-1/2" hole with rotary tools at 6:00 AM 12-23-99.

TD 425'. Reached TD at 4:15 PM 12-23-99. Ran 10 joints of 13-3/8" 48# H-40 (430.99') of casing set at 425'. 1-Texas Pattern notched guide shoe set at 425'. Insert float set at 378'. Cemented with 175 sacks 65-35-6 Poz with 2% CaCl2 (yield 1.87, weight 12.7). Tailed in with 200 sacks "C" and 2% CaCl2 (yield 1.34, weight 14.8). PD 8:00 PM 12-23-99. Bumped plug to 400 psi, OK. Circulated 86 sacks. WOC. Nippled up and tested to 500 psi for 10 minutes, OK. Drilled out at 4:45 PM 12-24-99. WOC 20 hours and 45 minutes. Reduced hole to 12-1/4". Resumed drilling. NOTE: Notified Sylvia w/OCD-Hobbs of resuming drilling, surface casing and cement.

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 Jan. 11, 2000
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

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