

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. 30-025-02771

5. Indicate Type of Lease STATE [X] FEE []

6. State Oil & Gas Lease No. VA-605

7. Lease Name or Unit Agreement Name

Brunson AQK State

8. Well No. 2

9. Pool name or Wildcat Big Dog Strawn, South

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 [X] GAS WELL [] OTHER

2. Name of Operator YATES PETROLEUM CORPORATION

3. Address of Operator 105 South 4th St., Artesia, NM 88210

4. Well Location Unit Letter H : 1980 Feet From The North Line and 660 Feet From The East Line Section 10 Township 16S Range 35E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4005' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [] PULL OR ALTER CASING [] OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: Re-entry [X]

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.

1-28-2000 - Dig out cellar and remove dry hole marker. Dug out 12' and did not find 8-5/8" casing. Will nipple up on 13-3/8" casing. 1-29-2000 - Welded on 13-3/8" slip joint, 13-3/8" X 13-5/8" 3K head. Backfilled cellar and installed new cellar. 1-30-2000 - Moved in re-entry equipment. 2-1-2000 - Moved in and rigged up pulling unit. TIH with 12-1/4" bit, 4-3/4" drill collars and spudded on surface plug at 6:00 PM 1-30-2000. Drilled 7' of surface plug and washed down 2 joints. TIH to 407'. Washing down at 582'. NOTE: Have not found top of 8-5/8" yet. 2-2-2000 - Washed down, mixed mud and reamed hole. Washed and reamed to 1251'. Tagged top of 8-5/8" casing. Circulated 1 hour. Started out of hole and pulling unit broke down. Circulated while repairing pulling unit. 2-3-2000 - TOOH with bit. TIH with 7-7/8" bit and drill collars. Tagged top of 8-5/8". Rolled bit in. TIH - 52' free. Washed and drilled down. Fell out and ran 2 joints.

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

CONTINUED ON NEXT PAGE:

SIGNATURE [Signature] TITLE Operations Technician DATE March 22, 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:

APR 21 2000

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YATES PETROLEUM CORPORATION
Brunson AQK State #2
Section 10-T16S-R35E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

Drilled and washed to 1540'. Fell out of hard stuff. TIH to 3584' and tagged solid. Circulated 2 hours. TOOH.

2-4-2000 - TIH with 10-3/4" dress off mill. Tagged stub at 1250'. Rigged up swivel. Cut over top of 8-5/8" casing. Milled off 5'. TOOH. TIH with 10-3/4" slip joint and 8-5/8" 32# casing. Washed over 8-5/8" casing. Mixed and pumped 500 gallons of mud flush ahead of 500 sacks "C" Neat (yield 1.32, weight 14.8). Did not circulate cement. Left pressure - 220 psi. Displaced plug to 1200' (73 bbls). Shut in. WOC.

2-5-2000 - Cut off 8-5/8" landing joint. Nippled down BOP. Cut off 13-3/8" casing. Stripped off 13-3/8" X 13-5/8" 3K head. Oranged peeled 13-3/8" to 8-5/8". Welded on 8-5/8" X 11" 3K head. Nippled up BOP stack. TIH with 7-7/8" bit and drill collars and tagged cement at 1132'. Drilled to plug at 1160'. Drilled out cement thru splice. Fell out at 1260'. TIH and tagged junk at 1610'. Drilled for 2 hours and turned loose. TIH.

2-6-2000 - TIH to 4700'. No shoe plug. Circulated up dehydrated mud. TIH to 5500'. Washed to 5638' and fell free. Circulated heavy dehydrated mud to pit. Washed down to 7865'.

2-7-2000 - Tagged 5-1/2" stub at 7951'. Circulated and TOOH. Stand back 4-3/4" drill collars. Picked up 3-1/2" drill collars. TIH with 4-3/4" bit and tagged stub at 7951'. Rotated pipe. Went inside stub 3'. Drilled 8' and quit drilling. TOH.

2-8-2000 - TOOH with bit. TIH with 7-7/8" skirted dress off mill. Washed over stub. Milled off 5' to 7956'. TOOH. TIH with slip joint and 5-1/2" casing.

DETAILED CASING REPORT: Ran 189 joints of 5-1/2" 17# & 15.5# casing as follows: 72 joints of 5-1/2" 17# J-55 LT&C (2997.70'); 104 joints of 5-1/2" 15.5# J-55 LT&C (4420.03') and 13 joints of 5-1/2" 17# J-55 LT&C (545.86') (Total 7963.59') of casing set at 7956'. Slip joint at 7956'. Float collar at 7914'. Set down with 20000#. Pressured to 500 psi, OK. Set C-22 slips thru BOP with 90000#.

2-9-2000 - Nippled down BOP and cut off and dress top of 5-1/2" casing. Nippled up 11" 3K X 7-1/16" 5K tubing head. TIH with 246 joints of 2-7/8" drillpipe open ended. Set mission deep well slips. Rigged down pulling unit. Released well to drilling department.

2-10-2000 - Moving in rotary tools.

2-11-2000 - Moving in and rigging up rotary tools. TOOH with drillpipe. Nippled up BOP.

2-12-2000 - TD 9235'. Washed and reamed to bottom. Nippled up BOP. Tested BOP and choke manifold. Picked up and made up kelly and rigged up power tongs. Picked up 30 3-1/2" drill collars off pipe rack. TIH with drillpipe and tagged float collar at 7914'. Installed rotating head rubber. Drilled float collar. Washed and reamed to bottom.

2-13-2000 - TD 10654'. Circulating. Washed and reamed. Tagged cement at 9625'. Drilled cement from 9625-9675'. Washed and reamed from 9675-10570'. Drilled cement and plug from 10570-10620'. Washed and reamed from 10620-10654'. Pumped sweep and circulated. Started losing fluid at 10570'.

2-14-2000 - TD 10654'. Set cement retainer. Circulated. Closed pipe rams and checked for flow on backside. Circulated and TOOH. Rigged up Rotary Wireline and ran gauge ring and collar locator. Hit tight spot at 8273-8276'. TIH open ended. Picked up drillpipe off rack. Set a 50 sack cement plug from 10650-10334'. TOOH 4 stands of drillpipe. Closed pipe rams. Squeezed cement into formation (pumped 3 bbls - max pressure 380 psi). TOOH. Shoot perms in casing and set cement retainer on wireline.

YATES PETROLEUM CORPORATION
Brunson AQK State #2
Section 10-T16S-R35E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

2-15-2000 - TD 10654'. TIH with drill collars. Rigged down Rotary Wireline. Cut drilling line. TIH and sting into cement retainer. Cemented with 500 sacks of Class H (65-35-6), 6% gel and 2% FL52. Tailed in with 200 sacks Class H Neat. Pulled out of cement retainer and reverse circulated. TOOH. WOC. TIH with drill collars.

2-16-2000 - TD 10654'. TOOH. TIH and tagged cement retainer at 7867'. Drilled cement retainer and cement from 7867-8270'. Circulated and TOOH. TIH and tagged cement at 10237'. Drilled cement and stringers from 10237-10290'. Tagged solid cement at 10368'. Drilled cement from 10368-10418'. Tested casing to 1000#, OK. Drilled cement from 10418-10654'. Pumped sweep and circulated. TOOH.

2-17-2000 - Drilling 10791'. NOTE: Drilling new formation at 8:30 AM 2-16-2000.

TD 11625'. Reached TD of 4-3/4" hole at 10:15 AM 2-24-2000. Ran 38 joints of 3-1/2" 8.81# flush joint liner (1084.22') set at 11623'. Float shoe set at 11623'. Float collar set at 11592'. Cemented with 25 sacks Class C (65-35-6), 4/10% FL50 (yield 2.55, weight 11.5). Tailed in with 65 sacks Class H (61-15-11), 9/10% FL50, 1% salt and 4/10% CD32 (yield 1.45, weight 13.6). PD 2:00 AM 2-26-2000. Pulled 2 stands of drillpipe and reverse circulated. Circulated 12 sacks to pit. WOC. Released rig at 1:00 PM 2-26-2000.

Waiting on completion unit.



Rusty Klein
Operations Technician
March 22, 2000