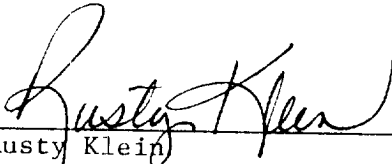


YATES PETROLEUM CORPORATION
Runnels ASP #3
Section 11-T16S-R35E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

Circulate gas cut mud to reserve pit. Washed and reamed from 10525-11032'.
3-14-99 - TD 11375'. Work pipe. Washed and reamed from 11032-11375'. Worked stuck pipe. Stuck at 11375' while washing and reaming. Worked out of hole to 11300'. Rigged up wireline. Ran free point - 10 drill collars free, 50% stuck at 10718'. RIH with backoff shot. Pipe did not unscrew. Reload shot and shoot again at 10660'. Pipe did not unscrew. RIH with free point. Pipe moved 2' down hole. Worked pipe down to approx. 11375'.
3-15-99 - TD 11375'. TOOH. Worked pipe and break circulation. Circulated and worked pipe free. Circulated, rotated and conditioned mud. TOOH.
3-16-99 - TD 10947'. Washing and reaming to bottom. Laid down 2 drill collars with cracked boxes. Changed jets in bit and TIH with drill collars. Slip and cut 150' of drilling line. TIH with drillpipe. Slip and cut 300' of drilling line. TIH with drillpipe. Tight at 10759'. Picked up kelly and washed from 10700-10947'. NOTE: Recovered 300 joints of 5-1/2" casing.
3-17-99 - Circulating at 11742'. Washed and reamed from 10947-11742'. Tight from 11331-11362'.
3-18-99 - TD 12141'. Washed and reamed. Circulate and conditioned mud. Washed and reamed from 11500-11742'. Reamed from 11742-11920'. Circulate out gas cut mud. Reamed from 11920-12141'.
3-19-99 - Drilling 12233'. Washed and reamed from 12141-12209'. Circulate. Drilled from 12209-12233'. Began drilling new formation at 1:30 AM 3-19-99. NOTE: Notified OCD-Hobbs of drilling new formation.


Rusty Klein
Operations Technician
March 26, 1999