

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. 30-025-02801
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-698
7. Lease Name or Unit Agreement Name Buffalo ARU State Com
8. Well No. 1
9. Pool name or Wildcat Townsend 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>K</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>1945</u> Feet From The <u>West</u> Line Section <u>18</u> Township <u>16S</u> Range <u>35E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) Unavailable	

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: <u>Re-entry</u> <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.

9-25-97 - Clear location, dug out cellar and cut off dry hole marker. Welded on 8-5/8" X 11" 5000# head. Set anchors.

9-26-97 - Dug reserve pit and widen location. Moved in re-entry equipment. Set tanks.

9-27-97 - Moved in and rigged up pulling unit. Set in pipe racks and unload drill pipe and drill collars. Nippled up 11" 5000# hydraulic BOP and spool. NOTE: Notified Bonnie w/OCD-Hobbs of intent to spud.

9-28-97 - Rigged up Safety Test and tested BOP and choke manifold to 5000 psi. Picked up 7-5/8" bit and 4-3/4" drill collars. Displaced mud. Picked up drill pipe. Circulated at 3000'. TIH and tagged at 4190'. Washed down - dehydrated mud. Solid at 4330'. Drilling at 4370' at report time. NOTE: Spudded at 3:00 PM 9-27-97.

9-29-97 - Drilled hard cement at 4370'. Drilled solid to 4625'. Washed down to 4684'. Circulated hole clean. TIH to 5700'. Circulated up dehydrated mud. TIH to 6420' and circulate. TIH at report time at 7725'.

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 Sept. 29, 1997
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use) ORIGINAL SIGNED BY CHRIS WILLIAMS
DISTRICT I SUPERVISOR

OCT 17 1997

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: