

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.	30-025-22062
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	V-3999
7. Lease Name or Unit Agreement Name	
Union AQZ State	
8. Well No.	1
9. Pool name or Wildcat	Kemnitz 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 G : 1980 Feet From The North Line and 1980 Feet From The East Line Section 14 Township 16S Range 34E NMPM Lea County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4070.3' 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: Continue re-entry <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.
4-12-97 - Washed and reamed from 1708-1750'. Circulated clean. TOOH with 12-1/4" bit. Rotated thru tite spot at 1480'. Break off 12-1/4" mill. TIH with 11" mill tooth bit, drill collars and tubing. Tagged up at 1770'. Washed and reamed down to 2525'.
4-13-97 - Washed and reamed from 2523' to 3105' (top of 8-5/8" stub). Circulated 2 hours. TIH with 10-3/4" OD skirted dress off mill, drill collars and tubing. Washed 8' of fill. Washed over 8-5/8" stub. Dressed off 2-1/2". Circulated 2 hours. TOOH.
4-14-97 - Rigged up casing crew. TIH with 10-3/4" OD slip joint and 75 joints of 8-5/8" 24# casing. Washed down 6'. Slipped over casing stub. Pressured to 500 psi. Picked up and lost pressure. Set down. Pressured to 500#. Had good seal at slip joint. Rigged up wireline. TIH with 4" X 2' gun with CCL. Could not get into top of stub (sticky). TOOH with gun. Rigged up cementers. Picked up off stub 1-1/2'. Mixed and pumped 1000 sacks 65-35-6 (yield 2.05, weight 12.5) and 250 sacks "C" with 2% CaCl2 (yield 1.33, weight 14.8). Washed up to pit. Dropped plug. Displaced with 190 bbls mud. Set down with 25000# and set slips. Pressured to 200 psi. Shut in. WOC.

CONTINUED ON NEXT PAGE:

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 April 25, 1997
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

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