YATES PETROLEUM CORPORATION Union AQZ State #1 Section 14-T16S-R34E Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

4-15-97 - WOC. 4-16-97 - Cut off 8-5/8". Nippled down BOP. Nippled up 13-5/8" 3000# X 11" 5000# spool. Nippled up BOP. TIH with 7-7/8" mill tooth bit, drill collars and 2-7/8" tubing. Tagged cement at 2800'. Drilled out thru splice at 3107'. Fell out of cement at 3117'. TIH and tagged at 3138'. Drilled kelly down to 3148'. Circulated clean. Tested casing to 1000 psi for 5 minutes. Shut well in. 4-17-97 - Drilling cement at 3148'. Fell out at 3200'. Tripped in and tagged at 4490'. Displaced and drilled out. Circulated. Washed and drilled from 4490'. Fell out at 4800'. Washed down to 4968'. Circulated clean. Pulled 7 stands. Bit inside of casing. Shut well in. 4-18-97 - TIH and tagged bridge at 5705'. Washed thru to 5785'. TIH and tagged up at 6075'. Drilled soft cement to 6190'. Washed to 6255'. TIH and tagged up at 7320'. Drilled 20' stringer. Washed from 7352-7446'. TIH and tagged at 8107'. Drilled to 8110'. Circulated 2 hours. TOOH and laid down 2-7/8" L-80 tubing. 4-19-97 - Finished laying down 2-7/8" tubing and drill collars. Nippled down BOP. Set on 11" 5000# B-1 adapter flange. Nippled up. Cleaned location and rigged down and moved off. Released all rental equipment. Waiting on rotary tools.

Veen Rusty Klefin

Operations Technician April 25, 1997