

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 <u>G</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>14</u> Township <u>16S</u> Range <u>34E</u> 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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: 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.

4-4-97 - Cut road to pad and cleared pad. Dug out cellar 10'. Cut off 13-3/8" and weld on extension. Backfilled cellar. Set cellar. Welded on 13-3/8" starting head.  
4-5-7-97 - Dig workover pit. Set in re-entry equipment and tanks. Set anchors.  
4-8-97 - Moved in and rigged up pulling unit. Nippled up 12" hydraulic BOP. TIH with 12-1/4" mill tooth bit and drill collars. Tagged plug at 60'. Drilled 2 hours, pushing down hole. Tagged up at 380'. Circulated clean. Continue pushing wood cuttings down. Currently drilling at 580'. Spudded at 2:00 PM 4-7-97. Notified OCD-Hobbs of spud.  
4-9-97 - Drilling at 580'. Wood and redbed returns at 594'. Dropped 4'. Made next connection and drilled 1 hour and 15 minutes. Made connection at 665'. Pulled up above 594'. Rotated down and tagged. Worked for 2 hours & TOOH. TIH and resumed drilling. Drilling at 735' at report time.  
4-10-97 - Drilled and washed to 766'. TOOH. TIH and washed and reamed to 1080'.  
4-11-97 - Washed and reamed from 1142-1660'.

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 11, 1997  
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use) ORIGINAL SIGNED BY  
GARY WINK  
FIELD REP. II

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY: