

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. 30-025-25640
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-3421
7. Lease Name or Unit Agreement Name Chambers AQI State
8. Well No. 1
9. Pool name or Wildcat Townsend Permo Upper Penn
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3982.3' KB

**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 ☒ GAS WELL ☐ OTHER ☐

2. Name of Operator  
YATES PETROLEUM CORPORATION

3. Address of Operator  
105 South 4th St., Artesia, NM 88210

4. Well Location  
Unit Letter I : 1980 Feet From The South Line and 660 Feet From The East Line  
Section 27 Township 15S Range 35E NMPM Lea County

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: <u>Operations</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.

12-13-96 - TOOH with production string and laid down on racks. Nippled down BOP and wellhead. Welded on 5-1/2" casing extension. Installed 11" 3000 X 7-1/16" 5000 tubing head. Nippled up 7-1/16" X 5000 hydraulic BOP. Unloaded drill collars and tubing. Unit broke down. Shut down to repair unit.

12-14-96 - Repair unit.

12-15-96 - Drilled cement retainer. Drilled cement from 10509-10657'. Drilled on float collar at 11704'. Drilled to 11713'. Circulated clean. TOOH - 2-1/2 cones off bit gone. Wait on tools. Picked up 4-5/8" shoe, extension and jars. TIH. Picked up swivel. Displaced hole with brine water. Fishing from 10709-10712'. Hung up. Jarred loose. TOOH.

12-16-96 - TOOH with shoe. Laid down and picked up cone booster mill and junk basket. TIH. Picked up swivel. Break circulation. Repair flowline. Drilling on junk from 10709-10715'. Worked up and down hole. Set back swivel and unthaw air line on swivel. TOOH. Laid down fishing tools. TIH with magnet and junk basket.

12-17-96 - TD 10715'. Fishing. TIH. Broke circulation and fishing. TOOH - recovered

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

CONTINUED ON NEXT PAGE:

SIGNATURE Rusty Klein TITLE Operations Technician DATE Dec. 20, 1996  
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-147

(This space for State Use)

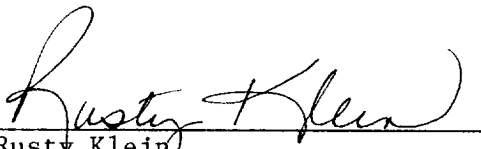
JAN 15 1997

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION  
Chambers AQI State #1  
Section 27-T15S-R35E  
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

1-1/2 cones. Break down tools. TIH with magnet and piggy back junk baskets. Picked up swivel and fishing. TOOH. Repair on rig.  
12-18-96 - TD 10715'. Fishing. Break down tools. Picked up tools. TIH with globe basket. Down - airline froze and burst drum clutch. TOOH to drill collars so pipe could be inspected. TIH - inspecting drillpipe visually. Picked up swivel. Break circulation. Reversed. Fishing with globe basket. Continue fishing with globe basket to 10719'. Set back swivel. TOOH. Laid down. Break out all tools.  
12-19-96 - Drilling 10833'. Made 1/4' in 14-1/4 hours. TIH with bit #2. Picked up swivel. Break circulation. Washed to bottom. Changed out shaker. Drilled to 10750'. Lost approximately 1-1/2 hours due to bad weather. Air lines and water lines freezing.  
12-20-96 - TD 10849'. Reaming at 10845'. Made 16' in 3-3/4 hours. TOOH with bit #2 - locked - out of gauge. TIH - found bad drill collar. TOOH. TIH with bit #3. Picked up swivel and break circulation. Started washing at 10796'. Start reaming hole at 10835'.

  
Rusty Klein  
Operations Technician  
December 20, 1996