

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

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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210	4. Well Location Unit Letter <u>I</u> : 1980 Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>27</u> Township <u>15S</u> Range <u>35E</u> NMPM <u>Lea</u> County <u></u>
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3982.3' KB	

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: Re-establish production <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.

11-21-96 - Cleaned location and set anchors. Cut bowl out of head. Moved in and rigged up pulling unit. Nippled up BOP. TIH with bit, drill collars and 2-7/8" tubing. Tagged up at 9605'. Rigged up swivel. Break circulation with 70 bbls. Circulated oil, gas and BS. Rotated - acts as if on iron. TOOH.

11-22-96 - TOOH with bit and collars. TIH with 4-1/2" OD impression block on tubing. Tagged fish at 9606'. TOOH - imprint on block indicates tubing sticking up. TIH with 4-3/4" smooth shoe with dress off mill top with 3' extension, jars, drill collars and 2-7/8" tubing. Tagged fish at 9606'. Rigged up swivel. Washed over 7' - dress off top of fish. Displaced hole with clean fresh water. TOOH - imprint on dress off mill shows 2-7/8" tubing. TIH with 4-11/16" OD overshot with 2-7/8" grapple, jars, drill collars and tubing.

11-23-96 - Finished TIH. Tagged up with overshot at 9608' (1.86' overshot length, indicates over top). Picked up with small bobble on indicator. Set down and tagged 1-1/2' high. Picked up and set down to 9608.50'. Rotated and torqued up. TOOH. Mark

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 Nov. 26, 1996
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY ORIGINAL SIGNATURE OF STATE COMMISSIONER TITLE STATE COMMISSIONER DATE DEC 1 1996
CONDITIONS OF APPROVAL, IF ANY:

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

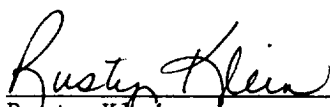
SUNDRY NOTICE - CONTINUED:

on bottom of cutlip guide, none in grapple or overshot. TIH with 4-1/2" impression block. Tagged at 9606'. TOOH - had 3/4" circle imprint of 2-3/8" tubing. TIH with 4-11/16" overshot with 2-3/8" grapple, bumper sub, jars, drill collars and 2-7/8" tubing. Latched onto fish. Bleed jars. Rigged up Rotary Wireline. TIH with 1-3/8" free point tools. Found tubing anchor at 9696-9699'. Pipe free at 9690' and up, no movement below. Tagged bottom at 10630'. TOOH with free point tools. Jarred on tubing to shear tubing anchor. TOOH with 33 joints of 2-3/8" fish and seating nipple.

11-24-96 - TIH with bit and scraper. Tagged PBTD at 10661'. Loaded hole and circulated. TOOH and laid down drill collars. TIH with 5-1/2" 17-20# Uni V packer to 10507'. Set packer. Tested casing to 1000 psi. Nippled down BOP and flanged up.

11-25-96 - Rigged up BJ equipment. Tested lines. Pressured annulus to 950#. Acidized perforations 10558-10600' (Wolfcamp) with 3000 gallons 15% double inhibited iron control HCL acid and ball sealers. Swabbing.

11-26-96 - Swabbed. Released well to production department.



Rusty Klein
Operations Technician
November 26, 1996