YATES PETROLEUM CORPORATION Arreguy AVM #1 Section 25-T15S-R34E Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

Drilled cement from 11366-11385'.

5-1/2" 17# J-55 (4354.05') of casing set at 4347'. Float collar set at 4265'. Cemented with 400 sacks of BJ Lite C (65-35-6) and 2% CaC12 (yield 1.92, weight 12.6). Tailed in with 200 sacks Class C and 2% CaC12 (yield 1.33, weight 14.8). PD 3:30 PM 8-7-2000. Bumped plug to 1800 psi for 1 minute, OK. Circulated 100 sacks. NOTE: Tied back into casing at 4347'.

8-9-2000 - TD 4347'. Picked up drill collars and drillpipe and TIH. Tagged cement at 4193'. Drilled cement from 4193-4213'. Circulated. Tripped out of hole for bit. 8-10-2000 - TD 5400'. Picking up 2-7/8" drillpipe. Finished tripping out of hole for bit change. TIH with new bit. Circulated and pump sweep. Drilled cement from 4213-4376'.

8-11-2000 - TD 10205'. TOOH for new bit. Picked up drill pipe and tagged cement plug at 7294'. Circulated old mud out of hole. Tested casing to 500# for 15 minutes, OK. Drilled cement from 7294-7387'. Rigged up lay down machine. Picked up drillpipe and tagged up at 10043'. Installed rotating head rubber. Circulated. Washed thru tight spot in casing from 10043-10184'. Tested casing to 1000# for 15 minutes, OK. Short tripped 3 stands of drillpipe. Washed from 10184-1095'. Tagged cement at 10195'. Drilled cement from 10195-10200'. Could not get past 10200'. Circulated. TOOH. 8-12-2000 - TD 10205'. TIH with 4-1/2" magnet. Finished TOOH with bit #3. TIH with 4-3/4" shoe and washed to top of junk and cut core (made 1-1/2'). Worked stuck pipe. Pulled 50K over to get unstuck. TOOH and break down shoe - nothing in shoe. Bottom and side of shoe were pitted from running on metal. TIH with magnet, junk basket and jars.

8-13-2000 - TD 10208'. TIH with 4-3/4" shoe. Finished TIH with magnet. Worked magnet on top of junk. TOOH with magnet and break down magnet. Clean out junk basket. Recovered small pieces of steel, brass and casing iron. TIH with magnet and junk basket. Washed over junk. TOOH with magnet and break down magnet. Cleaned out junk basket. TIH with shoe.

8-14-2000 - TD 10244'. Circulated and pumped sweep. Finished TIH with shoe. Cut 2' of core with shoe. TOOH with shoe and break down. TIH with bit #4. Washed 27' to bottom. Washed and reamed from 10209-10235'. Tagged up on CIBP at 10235'. Drilled CIBP from 10209-10235'. Pumped sweep and circulated.

8-15-2000 - TD 11303'. Drilled float collar and cement. Pumped sweep and circulated. Picked up drillpipe and washed and reamed from 10235-11153'. Displaced hole and pits with 10# brine. Drilled cement from 11153-11192'. Drilled CIBP at 11192-11195'. Pipe stuck at 11195'. Worked stuck pipe and lost returns in bottom perforations. Pulled 45K on drillpipe and pulled free. Mixed and pumped LCM pill - got returns back. Finished drilling CIBP at 11195'. Washed and reamed from 11195-11276'. Tagged up at 11276'. Circulated and pumped LCM sweep. Drilled float collar and cement.

8-16-2000 - TD 11366'. TIH with bit #5. Drilled cement from 11276-11366'. TOOH to change bit. TIH with bit #5.

8-17-2000 - TD 11366'. Washing and reaming to bottom. TIH with bit #5. Washed to bottom (junk on bottom). Circulated and pumped sweep. TOOH with bit #5. TIH with magnet, junk basket and jars. Tagged up at 11291'. Washing and reaming to bottom.
8-18-2000 - TD 11366'. TIH with magnet. Washed magnet 89' to bottom and washed over junk. TOOH with magnet and clean out magnet and junk basket. TIH with magnet and washed magnet over junk. TOOH with magnet and clean out magnet and junk basket. TIH with magnet.
8-19-2000 - TD 11385'. Drilled cement. TIH with magnet and washed 25' to bottom and worked magnet. TOOH with magnet. TIH with drill collars and bit #5. Washed 25' to bottom.