

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. 30-025-33781
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-0504
7. Lease Name or Unit Agreement Name Nichols AQO State
8. Well No. 1
9. Pool name or Wildcat Maljamar Grayburg San Andres

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 M : 330 Feet From The South Line and 370 Feet From The West Line Section 5 Township 17S Range 33E NMPM Lea County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4219' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Recomplete to Grayburg <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.

7-16-97 - Moved in and rigged up pulling unit. Unseat pump. TOOH with rods and pump. Released tubing anchor. Nippled up BOP. Dropped 2-7/8" standing valve. Loaded tubing. Tested tubing to 2500 psi. Fished standing valve. TOOH with tubing. TIH with retrieving tool. Released RBP at 4760' and TOOH. Rigged up wireline. TIH with 4" Select Fire guns and perforated 4130-4334' with 16 .42" holes as follows: 4130, 32, 82, 87, 4240, 42, 64, 66, 68, 4308, 10, 18, 26, 30, 32 & 4334' (1 SPF - Grayburg). TOOH with guns and rigged down wireline. Shut well in.

7-17-97 - TIH with packer and RBP. Set RBP at 4452' and tested to 2000#. Spot 200 gallons 15% iron control HCL acid at 4341'. Set packer at 4056'. Acidized perforations 4130-4334' with 2500 gallons 15% iron control HCL acid and ball sealers. Swabbed. Shut well in.

7-18-97 - Opened well and bled down. Swabbed. Released packer. TOOH. Shut well in.

7-19-21-97 - Changed to 3-1/2" rams in BOP. TIH with 5-1/2" X 2-7/8" 10K big bore Uni VI packer with 3-1/2" tubing. Set packer at 4050'. Shut well in. Prep to frac.

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 July 24, 1997

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

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APPROVED BY Charles Lerra TITLE OIL & GAS INSPECTOR DATE 8-1-97

CONDITIONS OF APPROVAL, IF ANY: