

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
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	4219' GR

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

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: Production casing & cement <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.

TD 5236'. Reached TD at 7:00 PM 2-12-97. Ran 125 joints of 5-1/2" 15.5# J-55 (5239.26') of casing set at 5236'. Float shoe set at 5236'. Float collar set at 5193'. Marker joints set at 3961' and 43' (used as a landing joint). Pumped 1000 gallons of Super Flush 102 ahead of 1475 sacks Halliburton Lite C Premium Plus, 1/4#/sack flocele and 5#/sack salt (yield 2.00, weight 12.6). Tailed in with 350 sacks Class C, 3#/sack KCL, 1/4#/sack flocele and 4/10% Halad 344 (yield 1.28, weight 15.2). PD 9:05 AM 2-14-97. Bumped plug to 2100 psi for 1 minute, OK. Circulated 95 sacks. WOC. Released rig at 12:00 noon 2-14-97.

Waiting on completion unit.

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 Feb. 17, 1997

TYPE OR PRINT NAME Rusty Klein

TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: