YATES PETROLEUM CORPORATION Barry ARD State #1 Section 29-T15S-R35E Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

1-20-98 - Rigged up wireline. TIH with gauge ring and junk basket to 11100'. TOOH. TIH with 5-1/2" cement retainer and set at 11085'. TOOH with setting tool. TIH with stinger on 2-7/8" tubing. Stung into retainer. Established injection rate of 2 BPM at 2000#. Mixed and pumped 50 sacks "H" with .4% FL and 50 sacks "H" Neat. With 70 sacks in formation, squeezed to 4000 psi. Sting out of retainer. Reversed 25 sacks to pit. TOOH. Shut well in. 1-21-98 - TIH with 4-3/4" bit, 4 3-1/2" drill collars and 2-7/8" tubing. Tagged cement at 11081'. Drilled cement and retainer. Fell out of cement at 11156'. Circulated clean. Tested casing to 1000#. TOOH. TIH with 4-1/2" OD magnet on sandline. Tagged at 11223'. TOOH - had small slivers of metal. Shut well in. 1-22-98 - TIH with retrieving tool on 2-7/8" tubing. Washed sand to RBP. Displaced hoel with clean 2% KCL. Reversed RBP. Pulled up to 10325'. Set RBP and tested to 1000 psi. TOOH. Shut well in. 1-23-98 - Rigged up wireline. TIH with 4" casing guns and perforated 10258-10275' w/18 .42" holes. TOOH with guns. Rigged down wireline. TIH with packer to 10292. SPotted 100 gallons 15% iron control HCL acid. Pulled up to 10195'. Reversed 3 bbls. Breakdown perforations. Opened bypass. Spotted acid and balls to packer. Closed bypass. Acidized perforations 10258-10275' with 2400 gallons 15% iron

control HCL acid and ball sealers. Nippled down BOP. Nippled up tree. Reversed 10 bbls. Set packer and tested to 500#. Swabbing.

1-24-98 - Swabbed. Shut well in.

1-25-26-98 - Shut in.

1-27-98 - Rigged up wireline. Ran static pressure bomb. Flowed well down. Loaded tubing. Released packer. Nippled down tree. Nippled up BOP. Picked up 4 joints tubing. Released RBP. TOOH with tools. Picked up 6 joints tubing, 1-1/2" dip tube, 2-7/8" X 1-1/2" crossover, 4' sub, 2.25" seating nipple and 44 joints tubing with tubing anchor. TIH with 50 stands. Shut well in.

1-28-98 - TIH with tubing. Nippled down BOP. Set tubing anchor at 10154' with seating nipple set at 11600'. End of tubing at 11785'. Flanged up wellhead. TIH with pump and rods. Released well_to production department.

Kusty Klein

Rusty Kløin Operations Technician January 29, 1998