

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Oil, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

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.<br>30-025-34263  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.<br>VA-1914   |
| 7. Lease Name or Unit Agreement Name<br>Salbar ATQ State Com  |
| 8. Well No.<br>1  |
| 9. Pool name or Wildcat<br>Wildcat Mississippian  |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.)<br>3918' 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:<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER | 2. Name of Operator<br>YATES PETROLEUM CORPORATION  |
| 3. Address of Operator<br>105 South 4th St., Artesia, NM 88210   | 4. Well Location<br>Unit Letter E : 2456 Feet From The North Line and 1023 Feet From The West Line<br>Section 16 Township 16S Range 36E NMPM Lea County |

|   |   |
|---|---|
| 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: Spud on re-entry <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.

12-31-99 - Moving in and rigging up rotary tools.  
1-1-2000 - Finished rigging up rotary tools. Nippled up BOP and tested BOP and valves. Hydraulic valve and outside 4" on manifold will not test. Bob Shirley, Oil & Gas Inspector for the City of Lovington gave permission to start drilling plugs and do repairs prior to drilling new formation. NOTE: Notified OCD-Hobbs on 12-31-99 about testing BOP - left message on Ext. 112. Notified OCD-Hobbs of intent to start drilling plugs on 1-1-2000 (left message). NOTE: Spudded in at 10:00 AM 1-1-2000.  
1-2-2000 - TD 4748'. Picking up drillpipe and drilling on plugs. Tested BOP. Made up BHA. Picked up drill collars and drilled surface plug. Picked up drillpipe. Circulate off thick mud. Drilled plug. Picked up drillpipe and washed thru bridge. Picked up drillpipe.  
1-3-2000 - TD 11215'. Picked up drillpipe. TOOH for RTTS (ran drillpipe approx. 450' past bottom of 9-5/8" casing). Picked up RTTS to test casing - would not go below 40'. Laid down RTTS. Tallied pipe. TIH. Run and periodically wash drillpipe in hole (no

CONTINUED ON NEXT PAGE:

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 Jan. 13, 2000  
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-14

(This space for State Use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION  
Salbar ATQ State Com #1  
Section 16-T16S-R36E  
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

solid plugs) to 11215'.

1-4-2000 - TD 11215'. Conditioning mud. Circulated off gas bubble. Packed off. Worked stuck pipe. Unplugged jets. Laid down 2 joints drillpipe. TOOH with 4 stands. Installed rotating head. Displaced system with 10# brine adding brine water. Circulate and condition mud. Changed out valves on BOP.

1-5-2000 - TD 11215'. Condition mud and work pipe. Circulate and condition mud.

Change out 4" valve on choke manifold while circulating and conditioning mud. Laid down 4 stands of drillpipe out of derrick. Started washing. Tight at 10815'.

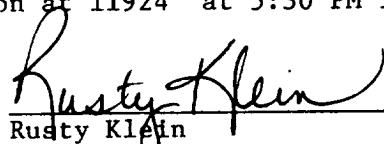
Picked up to 10803'. Circulate and conditioning mud. Worked pipe at 15 minute intervals. Free down to 10815'.

1-6-2000 - TD 11215'. Circulate and condition mud at 11032'. Washed and reamed from 10803-11154'. Changed out rotating rubber. Washed and reamed from 11154-11215'. Worked up thru tight hole laying down 6 joints. Came free. Regained rotation and circulation. Circulated and conditioned mud at 11032'.

1-7-2000 - TD 11215'. Circulating and conditioning mud at 11215'. Washed and reamed from 11032-11275'. Circulate and condition mud.

1-8-2000 - TD 11885'. NOTE: SLM correct to 11924'. Tripping for bit #2. Circulate and conditioned mud. Washed and reamed from 11275-11681'. Circulate out gas. Washed and reamed from 11681-11885'. NOTE: Dragging up to 40K from 11885-11416'.

1-9-2000 - TD 11960'. Circulating hole. TIH with bit #2 at 11924'. Cut drilling line. TIH. Installed rotating head. TIH. Washed and reamed down 4 stands. Drilled from 11924-11960'. Began drilling new formation at 11924' at 5:30 PM 1-8-2000.

  
Rusty Klein  
Operations Technician  
January 13, 2000

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