

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. 30-025-34443
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Runnels ASP
8. Well No. 2
9. Pool name or Wildcat Townsend Morrow

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	2. Name of Operator YATES PETROLEUM CORPORATION
3. Address of Operator 105 South 4th St., Artesia, NM 88210	4. Well Location Unit Letter J : 1650 Feet From The South Line and 2270 Feet From The East Line Section 11 Township 16S Range 35E NMPM Lea County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' GR	

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: Perforate & frac <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.

9-26-28-98 - Cleaned location, set and tested anchors. Moved in pulling unit.

9-29-98 - Rigged up pulling unit. Nippled up BOP. TIH with bit, scraper and tubing and tagged PBTD at 12409'.

9-30-98 - Pickled tubing with 500 gallons 15% HCL acid. Tested BOP to 3500 psi. TOOH with tubing, scraper and bit. Rigged up wireline. TIH with logging tools and ran CBL/GR/CCL log. Rigged down wireline. TIH with 30 stands to displace hole 300'. NOTE: Need air cushion before shooting stim guns. TOOH with tubing.

10-9-98 - Rigged up wireline and lubricator. TIH with 3-3/8" stim guns and perforated 12008-12025' w/72 .41" holes (4 SPF - Atoka). TOOH with stim guns. Rigged down wireline and lubricator. TIH with 1.81" F nipple, 10 joints tailpipe, packer and tubing. Bottom of tailpipe at 11937'. Packer at 11609'. Nippled down BOP and nipped up 5K tree. Tested packer and tree to 3000 psi, OK. Swabbed well down. Shut well in.

10-2-98 - Rigged up treesaver. Attempted to frac - had leak in crossover. Shut down. Rigged down treesaver. Pumped 75 bbls 2% KCL water with non-ionic surfactant. Nippled

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

CONTINUED ON NEXT PAGE:

SIGNATURE Rusty Klein TITLE Operations Technician DATE Oct. 8, 1998

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

(This space for State Use)

APPROVED BY Orig. Signed by TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____