

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

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3997' GR
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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 NMMP 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: 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 12620'. Reached TD at 7:15 PM 9-16-98. Ran 306 joints of 5-1/2" 17# casing as follows: 35 joints of 5-1/2" 17# M-95 sandblasted (1415.45'); 25 joints of 5-1/2" 17# M-95 varnished (1202.94'); 70 joints of 5-1/2" 17# N-80 varnished (2902.27'); 83 joints of 5-1/2" 17# J-55 varnished (3445.27'); 74 joints of 5-1/2" 17# L-80 varnished (3068.35') and 19 joints of 5-1/2" 17# M-95 varnished (784.87') (Total 12637.15') of casing set at 12620'. Float shoe set at 12620'. Float collar set at 12576'. Bottom marker set at 11205'. Cemented with 925 sacks Halliburton Lite Premium and 2-1/2#/sack salt (yield 2.05, weight 12.4). Tailed in with 900 sacks Super H, 5% Halad 344, .2% HR7, .4% CFR3, 1#/sack salt and 5#/sack gilsonite (yield 1.67, weight 13.0). PD 12:30 AM 9-21-98. Bumped plug to 3500 psi for 5 minutes, OK. WOC. Released rig at 4:30 AM 9-21-98.

NOTE: Displaced with 2% KCL.

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 Sept. 23, 1998

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

(This space for State Use) ORIGINAL SIGNATURE OF APPROVING OFFICIAL

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____