

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

**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 <u>J</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>2270</u> Feet From The <u>East</u> Line Section <u>11</u> Township <u>16S</u> Range <u>35E</u> 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: Intermediate 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 4760'. Reached TD at 6:15 PM 8-9-98. Ran 109 joints of 8-5/8" 42# casing as follows: 13 joints of 8-5/8" 42# H-40 8rd ST&C (569.36') and 96 joints of 8-5/8" 42# H-40 8rd ST&C (4199.82') (Total 4769.18') of casing set at 4760'. Float shoe set at 4760'. Float collar set at 4717'. Cemented with 1300 sacks Halliburton Interfill C, 1/4#/sack flocele (yield 2.42, weight 11.9). Tailed in with 250 sacks Halliburton Premium Plus with 2% CaCl2 (yield 1.32, weight 14.8). PD 8:30 AM 8-10-98. Bumped plug to 2060 psi, OK. WOC. Nipped up and tested to 5000 psi for 30 minutes, OK. Drilled out at 12:00 PM 8-11-98. WOC 27 hours and 30 minutes. Reduced hole to 7-7/8". Resumed drilling.

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 Aug. 24, 1998

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

(This space for State Use)

APPROVED BY [Signature] TITLE [Signature] DATE OCT 20 1998

CONDITIONS OF APPROVAL, IF ANY: