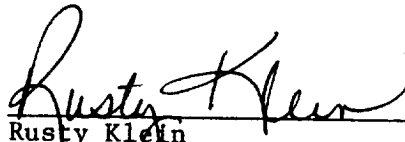


YATES PETROLEUM CORPORATION
Gallagher ATJ State Com #1
Section 2-T16S-R35E
Lea County, New Mexico

SUNDRY NOTICE CONTINUED:

12-3-99 - Flowed well down. Loaded with 2% KCL. Nippled up BOP. Released packer. TOOH with tubing and packer. TIH with packer with index valve and tubing. Set at 12660' and tested to 1500#. Shut well in.
12-4-6-99 - TOOH with tubing. Shut well in.
12-7-99 - Rigged up wireline. TIH with 4" casing guns and perforated 12542-12590' w/112 .42" holes as follows: 12542-12546' and 12567-12590' (4 SPF - Morrow). TOOH with casing guns and rigged down wireline. TIH with packer with 1.81" XL on/off tool, 2.25" F nipple 1 stand above on/off tool and tubing. Nippled down BOP and nipped up tree. Set packer at 12507'. Swabbed tubing down. Rigged up tree-saver. Acidized perforations with 1000 gallons 7-1/2% Morrow acid. Rigged down treesaver. Bled well down. Swab and flow test. Shut well in.
12-8-99 - Opened well and flow tested. Shut well in.
12-9-99 - Opened well and flow tested. Shut well in.
12-10-99 - Opened well and flow tested. Shut well in.
12-11-99 - Shut in. Prep to frac.
12-12-99 - Bled casing down. Loaded and tested to 1000#. Rigged up treesaver. Frac'd perforations 12542-12590' (via 2-7/8" tubing) with 42000 gallons 40# binary frac and 50000# 20-40 interprop. Pressured out with 27500# 20-40 interprop in formation, 250 bbls fluid, 80 tons CO2 and 580000 scf N2 pumped. Rigged down tree-saver. Flowed well for cleanup. Flow testing.
12-13-99 - Flow tested. Shut well in.
12-14-99 - Flow tested. Shut well in. Released well to production department.



Rusty Klein
Operations Technician
December 15, 1999