Yates Petroleum Corporation Arreguy AVP Com #1 API 30-025-35079 Section 24 T15S R34E Lea County, NM

Describe proposed or completed operations continued 12/24/00 - 1/23/01 - Drilled to 12,875'. 1/24/01 - TIH with DST #1 Mesa sand 12,812-12,875'. 2/1/01 - TD 13,490'. Reached TD of 7-7/8" hole at 2:00AM. Logging and sidewall cores. Logger's TD 13,500'. 2/2/01 - Received verbal permission from Chris Williams with NMOCD in Hobbs to plug back. 2/3/01 – Set cement plugs as follows: Plug #1 set at 13,482' with 35 sxs Premium Plus + .3% HR-7. Plug #2 set at 13,294' with 35 sxs Premium Plus + .3% HR-7. Plug #3 set at 12,735' with 45 sxs Premium Plus + .3% HR-7. Plug #4 set at 12,325' with 45 sxs Premium Plus + .3% HR-7. Plug #5 set at 11,753' with 110 sxs Premium Plus + .1% HR-7. + .4% CFR-3. TIH and tag cement at 11,447'. Dress cement to 11,450'. 2/4/01 - Run DST #2 11,474-11,359'. Tools slid 24' down hole. Lost packer seat. No results. 2/6/01 - Received verbal permission from Donna at NMOCD to set cement plugs. Set cement plugs as follows: Plug #1 set at 9757' with 45 sxs Premium Neat. Plug #2 set at 8486' with 170 sxs Premium + .75% CFR-3. 2/7/01 - TIH and tagged cement at 8194'. Drilled cement from 8194' to 8300'. 2/8/01 - TIH with directional tools. 2/9 - 3/29/01 – directional drilling from 8300'. 3/30/01 - TD 13,720' Reached TD of 7-7/8" hole at 7:15 PM. 3/31/01 - Log well. Logger's TD 13,716'. 4/3/01 - Ran 326 jts (13,727.81') casing set at 13,720' as follows: 42 jts 5-1/2" 20# P110 SB (1734.46') 48 jts 5-1/2" 17# P110 Varn (1967.16') 6 jts 5-1/2" 17# N80 SB (312.36') 206 jts 5-1/2" 17# L80 Varn (6796.78') 22 jts 5-1/2" 17# P110 Varn (917.05') Float shoe set at 13,720'. Float collar set at 13,681'. Bottom marker set at 9731'. Cemented with 770 sxs Interfill H + .25 pps Flocele + .2% HR-7 and 530 sxs Super H + .5% Halad-344 + .4% CFR - 3 + 5# gilsonite +1# salt + .3% HR-7. Bumped plug to 2585# for 2 mins. Held OK. 4/3/01 - Rig released at 4:30 PM.