

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. 30-025-35331
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-7984
7. Lease Name or Unit Agreement Name Pardner AXO State Com
8. Well No. 1
9. Pool name or Wildcat Morrow Wildcat Mississippian
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4034' GR

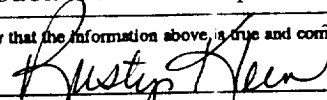
SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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 F : 1980 Feet From The North Line and 1980 Feet From The West Line

Section 19	Township 15S	Range 35E	NMPM	Lea	County
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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, acidize & 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.
7-6-2001 - Cleaned location and set anchors. Moved in pulling unit.
7-7-9-2001 - Rigged up pulling unit. TIH with bit, scraper and tubing and tagged PBTD at 13360'. Shut well in.
7-10-2001 - Pickled tubing with 1500 gallons of 15% HCL acid. Displaced hole with 7% miracle fluid. TOOH with tubing, scraper and bit. Rigged up wireline. TIH with logging tools and ran cased hole logs. TOOH with logging tools and rigged down wireline. Shut well in.
7-11-2001 - Rigged up wireline with lubricator. TIH with 4' expendable guns and perforated 12856-12875' w/114 .45" holes (6 SPF - Mesa). TOOH with guns and rigged down wireline. TIH with packer with 2.25" on/off tool to 12600'. Nippled down BOP and nipped up tree. Set packer. Swabbed tubing down. Shut well in.
7-12-2001 - Rigged up treesaver. Acidized perforations 12856-12875' with 1500 gallons of 7-1/2% Morrow acid with 1000 scf/bbl N2 and ball sealers. Rigged down treesaver. Flowed well back for cleanup. Shut well in.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.		CONTINUED ON NEXT PAGE:	
SIGNATURE 	TITLE Operations Technician	DATE August 30, 2001	
TYPE OR PRINT NAME Rusty Klein		TELEPHONE NO. 505/748-1471	

(This space for State Use)

APPROVED BY	TITLE	DATE

CONDITIONS OF APPROVAL, IF ANY: