

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

State of New Mexico  
Energy, Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

WELL API NO. <b>30-025-35449</b>
5. Indicate Type of Lease State <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
7. Lease Name or Unit Agreement Name VA-978  Breeze AYF State Com
8. Well No. 1
9. Pool Name or Wildcat Wildcat Morrow ...

(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 <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>
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2. Name of Operator Yates Petroleum Corporation
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3. Address of Operator 105 South 4th., Artesia, NM 88210
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4. Well Location Unit Letter I : 1980 Feet From The South Line and 990 Feet From The East Line Section 4 Township 15S Range 35E NMPM Lea COUNTY
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10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4006'
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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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>		OTHER <input type="checkbox"/>	Production casing <input 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.

11-28-01- TD 8-3/4" hole @ 11:15 pm 11-28-01. Circulate to lay down drill pipe. Lay down 4-1/2" drill pipe.  
11-29-01- TD 12,085'. ND BOP. Rig up caser & run 290 jts (12,091.72') casing, set @ 12,085' as follows:  
55 jts 7" 26# P-110 (2241.60')  
63 jts 7" 26# N-80 (2688.14')  
103 jts 7" 26# J-55 (4290.94')  
69 jts 7" 26# L-80 (2871.04')  
Float shoe set @ 12,085'. Float collar set @ 12,047'. Top of bottom marker set @ 11,659'. Top of top marker set @ 9967'. Cemented w/ 530 sx Super "H" + .5% Halad-344 + .4% CFR-3 + 1% HR-7 + 5# Gilsonite + 1# salt (yld 1.68, wt 13) PD @ 5:15 am 11-30-01. Bumped plug to 1100# for 2 mins, float & casing held OK.  
12-2-01- Drilled cement & float collar. Tested casing to 1000#, OK. Drilled cement & shoe. Drilled out @ 11:45 am  
12-2-01. WOC 54 hrs 30 mins. Reduced hole & resumed drilling.  
12-11-01- Circulate & pump sweep. Circulate for logs. TD 6-1/8" hole @ 6:00 am 12-11-01. Dropped totco. SLM out of hole for logs. Corrected depth to 13,806'.  
12-14-01- TOH for logs. RU loggers & log well. Loggers TD 13,808'. RU lay down machine & LD drill collars.

continued on next page

I hereby certify that the information above is a true and complete to the best of my knowledge and belief.

SIGNATURE <u>Donna Clack</u>	TITLE <u>Operations Technician</u>	DATE <u>1/10/02</u>
TYPE OR PRINT NAME <u>Donna Clack</u>	TELEPHONE NO <u>505-748-1471</u>	
(This space for State Use)		
APPROVED BY _____	TITLE _____	DATE <u>JAN 25 2002</u>
CONDITIONS OF APPROVAL, IF ANY:		

YATES PETROLEUM CORPORATION  
BREEZE AYE STATE COM #1  
Sec 4-15S-35E  
Lea County, NM

continued --

Rig up casers & run 47 jts 4-1/2" 11.6# (1972.07' pipe + liner hanger 27.17' = 1999.24' total) liner. TIH w/ 4-1/2" liner.

DETAILED LINER REPORT:

Ran 47 jts 4-1/2" 11.6# P110 (1972.07) liner, set @ 13805'. Float shoe set @ 13805'. Float collar set @ 13763'. Cemented w/ 130 sx Super "H" + 5/10% Halad-344 + 3/10% HR-7 + 4/10% CFR-3 + 1# salt (yld 1.66, wt 13). PD @ 11:15 am. Bumped plug to 2000 psi for 1 min. Held OK. Rig released @ 1:30 am 12-15-01. NOTE: Liner top set @ 11805.76'.