

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-025-21342
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VA-0452
7. Lease Name or Unit Agreement Name Alphabet Unit
8. Well No. 2
9. Pool name or Wildcat Undesignated Berry Morrow

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 [] GAS WELL [X] 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 17 Township 21S Range 34E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3745' DF

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [] PULL OR ALTER CASING [] OTHER: []
SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: Perforate & acidize [X]

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.
10-20-21-96 - Cleaned location. Moved in, and rigged up pulling unit. Dig gravel out of cellar.
10-22-96 - Nippled down 11" 5000# X 7-1/16" 5000# tubing head. Nippled up 11" 5000# X 7-1/16" 10000# head. Tested seals to 3500#. Nippled up BOP stack. Tested head, blinds, 2-3/8" rams, 2-7/8" rams and 10K manifold to 300 psi for low and 10000 psi for high. Picked up bit, drill collars and 2-7/8" L-80 tubing. Shut well in.
10-23-96 - TIH with tubing, drill collars and bit. Tagged with 333 joints of tubing in hole. Rigged up swivel. Drilled down to 10574'. Displaced mud to tank with 10# brine. Shut well in.
10-24-96 - Drilled and washed from 10574-11260'. Hit more solid cement at 11400'. Drilled out to 12160'. Circulate hole clean.
10-25-96 - Drilled out last 200' of cement. Tagged top of liner at 12374'. Circulated clean. Shut in tubing. Pressured tested casing down annulus to 2200 psi for 30 minutes. Lost 100 psi. Bled off pressure. Monitored for 1-1/2 hours - 5 psi increase. TOOH.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. CONTINUED ON NEXT PAGE:
SIGNATURE Rusty Klein TITLE Operations Technician DATE Nov. 4, 1996
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use) ORIGINAL SIGNED BY JERRY CUSTON SUPERVISOR
APPROVED BY DATE NOV 07 1996
CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION
Alphabet Unit #2
Section 17-T21S-R34E
Lea County, New Mexico

SUNDRY NOTICE - CONTINUED:

Laid down drill collars. TIH with bit, scraper and 2-7/8" L-80 tubing. Tagged liner top. Picked up. Shut well in.

10-26-96 - TOOH with tubing, scraper and bit. TIH with bit, scraper, flush joint drill collars and 2-3/8" L-80 tubing and 2-7/8" L-80 tubing. Tagged liner top at 12374'. Drilled 5' of cement in top of liner and fell thru. TIH and tagged at 14030'. Washed and drilled down to 14210'. Displaced hole with clean 10# brine. Pulled 35 stands. Shut well in.

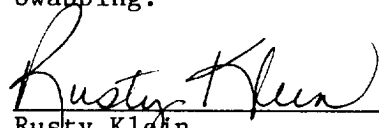
10-27-28-96 - TOOH. Laid down 2-3/8" drill collars. Rigged up wireline. TIH with logging tools and ran GR/CBL log. TOOH with logging tools and rigged down wireline. Shut well in.

10-29-96 - TIH with 4-1/2" 13.5# 10K Uni VI packer with 1.81" XL on/off tool, 57 joints of 2-3/8" L-80 tubing and 387 joints of 2-7/8" L-80 tubing. Hydrotested tubing to 8000 psi below slips. Set packer at 13875'. Nippled down BOP stack. Nippled up 7-1/16" 10K tree. Tested tree to 10000 psi. Flanged well up.

10-30-96 - Rigged up swab and swabbed tubing down to 9300'. Rigged up wireline. Assembled 10K lubricator. Picked up and tested to 10000 psi. TIH with 1-11/16" strip gun - decentralized. Guns did not shoot. TOOH with guns and rigged down wireline. Shut well in.

10-31-96 - Rigged up wireline. TIH with 1-11/16" strip guns and perforated 13955-13962' w/15 .39" holes (2 SPF - Morrow). TOOH with guns and rigged down wireline. Swabbing.

11-1-96 - Bled well down. Swabbed. Rigged up tree saver and BJ equipment. Tested lines to 10000#. Acidized perforations 13955-13962' with 3000 gallons 10% double inhibited iron control HCL acid with 25% water phase methanol (750 gallons) with 500 scf/bbl N2. Nippled down tree saver. Swabbing.



Rusty Klein
Operations Technician
November 4, 1996