

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. 30-025-33000
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-971
7. Lease Name or Unit Agreement Name San Simon Unit
8. Well No. 1
9. Pool name or Wildcat San Simon Sink Morrow (gas)
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3351' 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 checked="" type="checkbox"/> GAS WELL <input 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 0 : 660 Feet From The South Line and 1980 Feet From The East Line Section 18 Township 23S Range 35E NMPM Lea County
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10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3351' GR
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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"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER: Acidize existing perfs <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.
Propose to acidize perforations 13582-13711' (Morrow) as follows:

1. Pressure tubing annulus to 2000 psi and watch for 20 minutes. Swab to seating nipple.
2. Acidize with 3000 gallons 10% iron control HCL acid using 20% mutual solvent. Energize acid w/1750 scf/bbl N2. Utilize two 500 gallon 50# CMHPG polymer based foam diversion plugs dividing the acid in three stages of 1000 gallons with ball sealers. Flush with 30 bbls 3% KCL water with 3000 scf/bbl N2. Flow well back.
3. Flange in coiled tubing hanger. NU 1-1/4" coiled tubing unit. TIH with jet nozzle ended coiled tubing with pump off sub. Clean out to 13800'. Pull up to 13550'. Cut coiled tubing and set slips. When coiled tubing in installed, pressure CT with N2 to pump off plug and jet nozzle assembly.
4. Jet in production. Flow test.
5. Place well back into production.

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

SIGNATURE <u>Rusty Klein</u>	TITLE <u>Operations Technician</u>	DATE <u>Oct. 7, 1998</u>
TYPE OR PRINT NAME <u>Rusty Klein</u>	TELEPHONE NO. <u>505/748-1471</u>	

(This space for State Use)

Orig. Signed by Paul Kautz
Geologist

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: