

Yates Petroleum Corporation  
Iwanowski MM Federal No. 1 - NM-28152  
1780' FNL & 560' FEL of Section 34-6S-24E  
Chaves County, New Mexico

Perforations and Treatment Continued:

out and perforations 3490-3500' leaked. POOH. WIH w/RTTS and set at 3280'. Cemented w/75 sacks Class C Howco, 3#/sack gilsonite, 5#/sack salt. Tested to 1000# OK, unseated RTTS and POOH. Drilled out perfs 3530-35' and pressure tested, would not hold. WIH EZ retainer and set at 3515', squeezed perforations w/75 sacks of Class C, 3#/sack gilsonite, 5#/sack salt. WOC. Drilled out retainer at 3515'. Drilled out retainer 3600'. Tested to 1500#, would not hold. POOH. WIH w/RTTS tool, set at 3555' and squeeze perforations 3645-55'. WOC, drilled out and pressure tested to 1500# OK. Displaced hole w/KCL. POOH and layed down tools. WIH w/ casing gun on wireline and perforated 3451-56' w/10 .50" holes (2spf). POOH. WIH w/Guiberson packer on 2-7/8" tubing set at 3414'. Treated perforations w/1000 gallons 15% Spearhead acid and nitrogen. Had a flare of gas. TSTM. Sand Frac'd perforations w/20000 gallons Titan II-30 gel, 50000# sand, 10000# 100 mesh and 40000# 20-40 sand. SI 3 hours and well started flowing back fluid. Flowed 1 hour on 1/2" choke at 44# and decreased to 32#. WIH w/ Steel Strip gun on wireline and perforated 3404-3573' w/35 .50" hole as follows: 3404-14' (20 holes); 3484-88' (5 holes); 3525-29' (5 holes) & 3561, 63, 67, 71, & 73 (5 holes). POOH. WIH set packer at 3380' and RBP at 3430' to break down formations. Attempted to acidize perforations 3404-14' - had communications w/perforations 3451-56'. Moved bridge plug to 3512' and set packer at 3471'. Acidized perforations 3484-88' w/375 gallons 15% NE acid. Communicated. Moved bridge plug to 3539' & packer to 3510'. Acidized perforations 3525-29' w/375 gallons 15% NE acid. Moved bridge plug to 3592' and packer at 3539' acidized perforations 3561, 63, 67, 71 & 73' w/400 gallons 15% NE acid. Swabbed. Sand Frac'd perfs 3484-88'; 3525-29', 3561, 63, 67 71 & 73'.w/21472 gallons Titan II-30 gel, 50000# sand, 10000# mesh and 40000# 20-40 sand and 47.75 tons CO-2. Swabbed back salt water. No show of oil or gas. TD 5523'; PBD 3472' - WIH and moved RBP at 3472' and packer at 3379' to test perforations 3404-14' (20 holes) and 3451-56' (10 holes). Well cleaned up and flowed ~~360#~~ on 1/4" choke ARO 360 MCFPD.

235#