Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
OCD Artesia
DEC 02 2013
NMOCD ARTESIA

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM31198

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
COPELAN FEDERAL 1

2. Name of Operator
YATES PETROLEUM CORPORATION
Contact: LAURA WATTS
E-Mail: laura@yatespetroleum.com

9. API Well No.
30-015-23720

3a. Address
105 SOUTH FOURTH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4272
Fx: 575-748-4585

10. Field and Pool, or Exploratory
PENASCO DRAW; SA-YESO

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 5 T19S R25E SESW 660FSL 1980FWL

11. County or Parish, and State
EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Workover Operations
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum Corporation plans to re-frac Yeso as follows:
1. MIRU WSU and all safety equipment necessary. ND tree NU BOP.
2. POOH with the 2.375 inch J-55 production tubing and equipment. TIH with bit and scraper and clean out to plus or minus 2,800 ft. Attempt to circulate the hole with 2 percent KCL water. Set an RBP at 2,400 ft and test the casing to 3,000 lbs and POOH with all tools.
3. Perforate the Yeso: 2,522 ft to 2,678 ft (29 holes).
4. Pump a facture treatment limiting the surface treating pressure to 3,000 psig. (Treatment schedule attached).
5. Flow the well back and allow the well to clean up.
6. TIH with pumping equipment and turn the well over to the production department.

Schematics attached

SUBJECT TO LIKE APPROVAL BY STATE

Accepted for record
NMOCD TG 12/3/2013

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #223791 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by JOHNNY DICKERSON on 10/23/2013 ()

Name *(Printed/Typed)* LAURA WATTS — Title REG REPORTING TECHNICIAN

Signature (Electronic Submission) — Date 10/21/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
NOV 26 2013
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved By _____ Title _____ Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

11/22/13

Treatment Schedule

Stage Number	Stage Description	Fluid Description	Clean Stage Size (Gal)	Slurry Stage Size (Gal)	Clean Stage Size (BBLS)	Slurry Stage Size (BBLS)	Proppant Conc. Blender (PPA)		Slurry Rate (BPM)	Time Stage (Min.)	Time Cum (Min.)	Total Prop (Lbs.)	Cum. Prop (Lbs.)	Prop Type
1	Prepad	Slick Water	2,000	2,000	48	48	0	0	20	0.7	0.7	0	0	
2	Acid	20% HCL	6,000	6,000	143	143	0	0	20	2.2	2.9	0	0	
3	Pad	Slick Water	50,000	50,000	1,190	1,190	0	0	65	18.3	21.2	0	0	
4	Slurry	Slick Water	4,500	4,541	107	108	0.2	0.2	65	1.7	22.9	900	900	100 Mesh
5	Sweep	Slick Water	4,000	4,000	95	95	0	0	65	1.5	24.4	0	900	
6	Slurry	Slick Water	4,700	4,764	112	113	0.3	0.3	65	1.7	26.1	1,410	2,310	100 Mesh
7	Sweep	Slick Water	4,000	4,000	95	95	0	0	65	1.5	27.6	0	2,310	
8	Slurry	Slick Water	4,700	4,786	112	114	0.4	0.4	65	1.8	29.3	1,880	4,190	100 Mesh
9	Sweep	Slick Water	4,000	4,000	95	95	0	0	65	1.5	30.8	0	4,190	
10	Slurry	Slick Water	4,700	4,807	112	114	0.5	0.5	65	1.8	32.6	2,350	6,540	100 Mesh
11	Sweep	Slick Water	4,000	4,000	95	95	0	0	65	1.5	34.0	0	6,540	
12	Slurry	Slick Water	4,700	4,829	112	115	0.6	0.6	65	1.8	35.8	2,820	9,360	100 Mesh
13	Sweep	Slick Water	4,000	4,000	95	95	0	0	65	1.5	37.3	0	9,360	
14	Slurry	Slick Water	4,600	4,747	110	113	0.7	0.7	65	1.7	39.0	3,220	12,580	100 Mesh
15	Sweep	Slick Water	4,500	4,500	107	107	0	0	65	1.6	40.6	0	12,580	
16	Slurry	Slick Water	4,600	4,768	110	114	0.8	0.8	65	1.7	42.4	3,680	16,260	100 Mesh
17	Sweep	Slick Water	4,500	4,500	107	107	0	0	65	1.6	44.0	0	16,260	
18	Slurry	Slick Water	4,600	4,789	110	114	0.9	0.9	65	1.8	45.8	4,140	20,400	100 Mesh
19	Sweep	Slick Water	4,500	4,500	107	107	0	0	65	1.6	47.4	0	20,400	
20	Slurry	Slick Water	4,600	4,810	110	115	1	1	65	1.8	49.2	4,600	25,000	100 Mesh
21	Sweep	Slick Water	10,700	10,700	255	255	0	0	65	3.9	53.1	0	25,000	
22	Slurry	Slick Water	12,900	13,018	307	310	0.2	0.2	65	4.8	57.9	2,580	27,580	40/70
23	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	60.6	0	27,580	
24	Slurry	Slick Water	12,900	13,076	307	311	0.3	0.3	65	4.8	65.4	3,870	31,450	40/70
25	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	68.2	0	31,450	
26	Slurry	Slick Water	12,900	13,135	307	313	0.4	0.4	65	4.8	73.0	5,160	36,610	40/70
27	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	75.7	0	36,610	
28	Slurry	Slick Water	12,900	13,194	307	314	0.5	0.5	65	4.8	80.6	6,450	43,060	40/70
29	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	83.3	0	43,060	
30	Slurry	Slick Water	12,900	13,253	307	316	0.6	0.6	65	4.9	88.2	7,740	50,800	40/70
31	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	90.9	0	50,800	
32	Slurry	Slick Water	12,900	13,312	307	317	0.7	0.7	65	4.9	95.8	9,030	59,830	40/70
33	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	98.5	0	59,830	
34	Slurry	Slick Water	12,900	13,371	307	318	0.8	0.8	65	4.9	103.4	10,320	70,150	40/70
35	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	106.2	0	70,150	
36	Slurry	Slick Water	12,900	13,429	307	320	0.9	0.9	65	4.9	111.1	11,610	81,760	40/70
37	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	113.9	0	81,760	
38	Slurry	Slick Water	12,900	13,488	307	321	1	1	65	4.9	118.8	12,900	94,660	40/70
39	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	121.5	0	94,660	
40	Slurry	Slick Water	10,800	11,292	257	269	1	1	65	4.1	125.7	10,800	105,460	20/40
41	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	128.4	0	105,460	
42	Slurry	Slick Water	10,800	11,785	257	281	2	2	65	4.3	132.7	21,600	127,060	20/40
43	Sweep	Slick Water	7,500	7,500	179	179	0	0	65	2.7	135.5	0	127,060	
44	Slurry	Slick Water	10,800	12,277	257	292	3	3	65	4.5	140.0	32,400	159,460	20/40
45	Pad	Slick Water	30,000	30,000	714	714	0	0	65	11.0	151.0	0	159,460	
46	Slurry	Slick Water	20,000	20,912	476	498	1	1	65	7.7	158.6	20,000	179,460	16/30
47	Slurry	Slick Water	25,000	27,280	595	650	2	2	65	10.0	168.6	50,000	229,460	16/30
48	Slurry	Slick Water	30,000	34,104	714	812	3	3	65	12.5	181.1	90,000	319,460	16/30
49	Flush	Slick Water	8,000	8,000	190	190	0	0	65	2.9	207.5	0	319,460	
	TOTALS		551,900	566,467	13,140	13,487				207		319,460		

Estimated Surface Treating Pressure = 2,342 psig.
Maximum Surface Treating Pressure = 3,000 psig.

WELL NAME: Copelan Federal # 1 **FIELD:** Penasco Draw SA-Yeso

LOCATION: 660' FSL & 1,980' FWL of Section 05-19S-25E Eddy Co., NM

GL: 3,575' **ZERO:** 8' **KB:** 3,583'

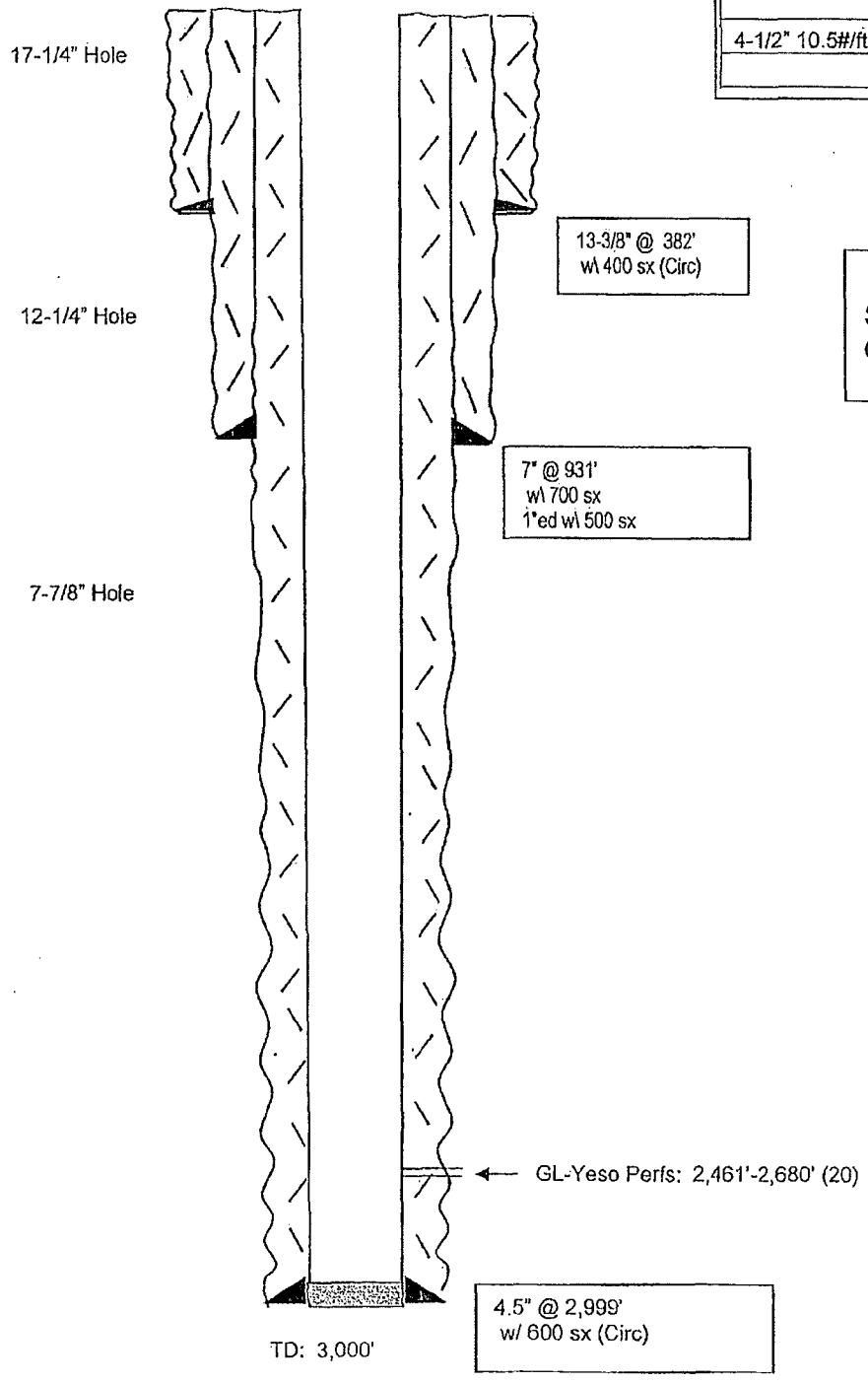
SPUD DATE: 06/02/81 **COMPLETION DATE:** 08/14/81

COMMENTS: API No.: 30-015-23720

CASING PROGRAM

13-3/8" 50#/ft H-90 ST&C	382'
8-5/8" 23#.ft K-55 ST&C	931'
4-1/2" 10.5#/ft J-55	2,999'

Before



TOPS

SA	550'
Glorieta	1,904'

Not to Scale
10/10/13
JMH

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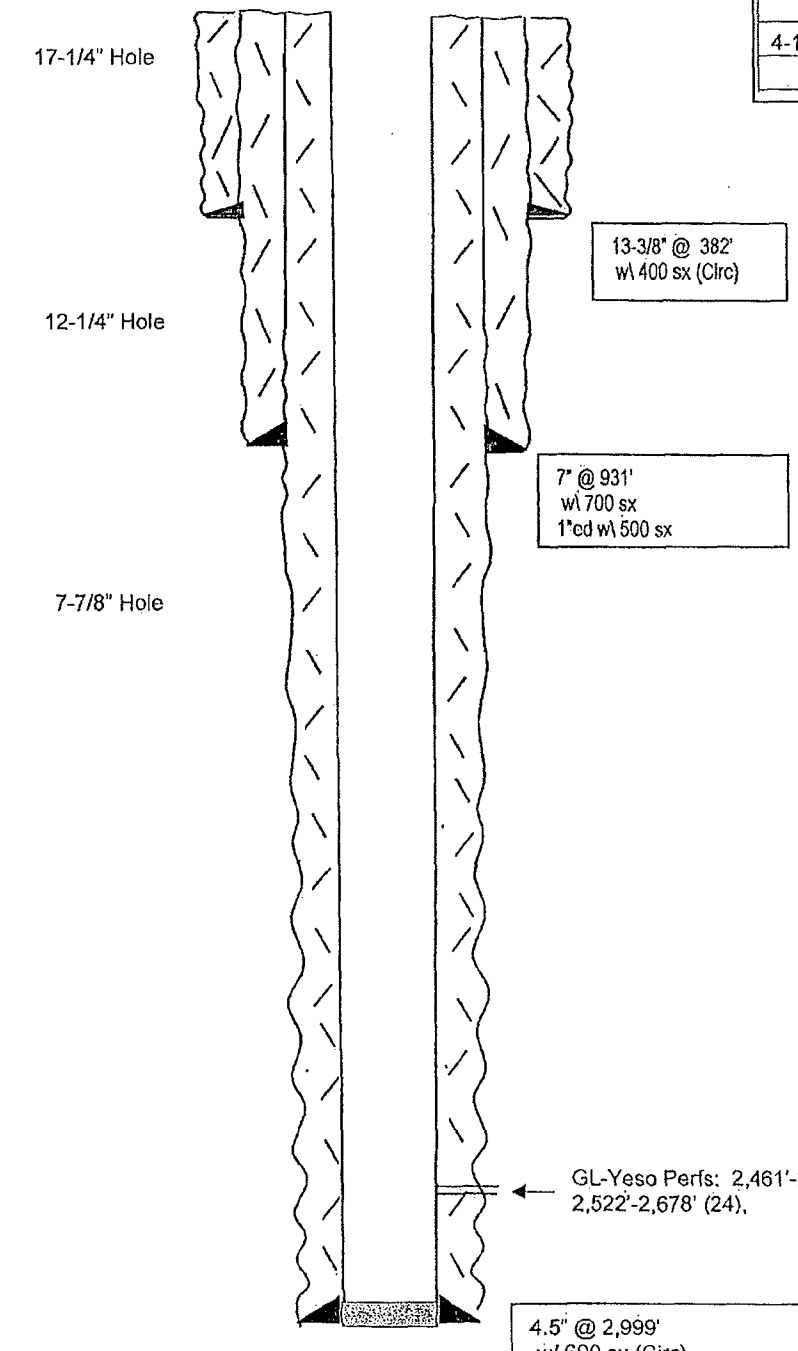

Not to Scale
10/10/13
JMH

Copeland Federal 1
30-015-23720
Yates Petroleum Corporation
November 26, 2013
Conditions of Approval

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

Work to be completed by February 26, 2014.

1. **Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.**

2. **If CIT passes, operator is approved to add perforations and frac the Yeso as written.**

3. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.

4. Surface disturbance beyond the originally approved pad must have prior approval.

5. Closed loop system required.

6. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

7. Operator to have H2S monitoring equipment on location.

8. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

9. **Subsequent sundry required detailing work done. Operator to include well bore schematic of current well condition when work is complete.**

JAM 112613