

DISTRICT I
P.O. Box 1 NM 88240

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

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

INSTRUCTIONS ON REVERSE
SIDE

This form is not to be used for
reporting packer leakage tests in
Northwest New Mexico

SOUTHEAST NEW MEXICO PACKER LEAKAGE TEST

30-005-61224

Operator <u>YATES Petroleum Corp.</u>		Lease <u>PENZOIL SG STATE</u>		Well No. <u>1</u>	
Location of Well	Unit <u>0</u>	Sec. <u>32</u>	Twp <u>17 S</u>	Rge <u>26 E</u>	County <u>CHAVES</u>
Name of Reservoir or Pool		Type of Prod. (Oil or Gas)	Method of Prod. Flow, Art Lift	Prod. Medium (Tbg. or Csg)	Choke Size
Upper Compl	<u>ABO</u>	<u>GAS</u>	<u>FLOW</u>	<u>OSG</u>	<u>18/64</u>
Lower Compl	<u>WOLFCAMP</u>	<u>GAS</u>	<u>FLOW</u>	<u>TUBING</u>	<u>OPEN</u>

FLOW TEST NO. 1

Both zones shut-in at (hour, date): 9:00 AM 11-7-06

Well opened at (hour, date): 11:00 AM 11-7-06

	Upper Completion	Lower Completion
Indicate by (X) the zone producing.....		<u>X</u>
Pressure at beginning of test.....	<u>100</u>	<u>150</u>
Stabilized? (Yes or No).....	<u>YES</u>	<u>YES</u>
Maximum pressure during test.....	<u>100</u>	<u>150</u>
Minimum pressure during test.....	<u>100</u>	<u>100</u>
Pressure at conclusion of test.....	<u>100</u>	<u>100</u>
Pressure change during test (Maximum minus Minimum).....	<u>0</u>	<u>50</u>
Was pressure change an increase or a decrease?.....	<u>SAME</u>	<u>DECREASE</u>
Well closed at (hour, date): <u>9:00 11-8-06</u>	Total Time On Production <u>22 Hrs.</u>	
Oil Production During Test: <u>0</u> bbls; Grav. _____	Gas Production During Test <u>87</u> MCF; GOR _____	

Remarks _____

FLOW TEST NO. 2

Well opened at (hour, date): 9:15 11-8-06

	Upper Completion	Lower Completion
Indicate by (X) the zone producing.....	<u>X</u>	
Pressure at beginning of test.....	<u>100</u>	<u>125</u>
Stabilized? (Yes or No).....	<u>YES</u>	<u>YES</u>
Maximum pressure during test.....	<u>100</u>	<u>240</u>
Minimum pressure during test.....	<u>100</u>	<u>125</u>
Pressure at conclusion of test.....	<u>96</u>	<u>240</u>
Pressure change during test (Maximum minus Minimum).....	<u>4</u>	<u>115</u>
Was pressure change an increase or a decrease?.....	<u>DECREASE</u>	<u>INCREASE</u>
Well closed at (hour, date): <u>8:15 AM 11-9-06</u>	Total time on Production <u>23 Hrs</u>	
Oil production During Test: <u>0</u> bbls; Grav. _____	Gas Production During Test <u>15</u> MCF; GOR _____	

Remarks _____

OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the information contained herein is true and completed to the best of my knowledge

YATES Petroleum Corp.

Operator Jeff Deck

Signature Jeff Deck Measurement Tech II

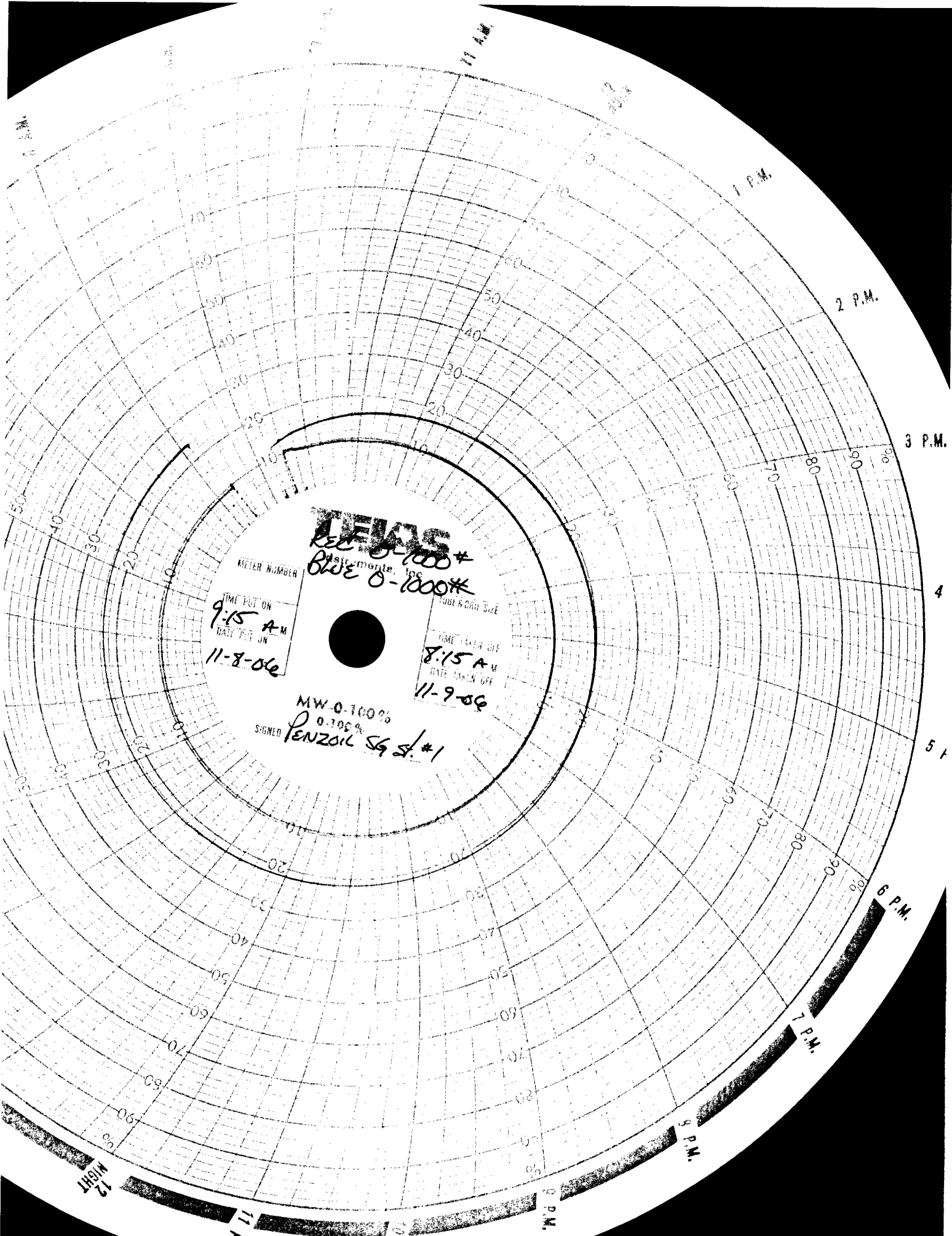
Printed Name 11/9/06 Title 505-622-9874

OIL CONSERVATION DIVISION

Date Approved DEC 1 2006

By Gerry Guye

Title Gerry Guye
Deputy Field Inspector
District II - Artesia



TEXAS

REC-0-1000*
Blast Monitor, Inc.
Blast 0-1000*

WATER NUMBER

TIME PUT ON
9:15 A.M.
DATE PUT ON
11-8-06

TIME TAKEN OFF
8:15 A.M.
DATE TAKEN OFF
11-9-06

MW-0-100%
D-0-100%
SIGNED PENZOIL SG S. #1

TEXAS

RED-O-1000*

BLUE-O-1000*

MILITARY STANDARD

TIME PUT ON

11:00 A.M.

DATE PUT ON

11-7-06

TIME TAKEN OFF

9:00 A.M.

DATE TAKEN OFF

11-8-06

MILITARY STANDARD

100%

PENZOIL 54 S1 #1

2 P.M.

3 P.M.

4 P.M.

5 P.M.

6 P.M.

7 P.M.

8 P.M.

9 P.M.

10 P.M.

11 P.M.

12 NIGHT