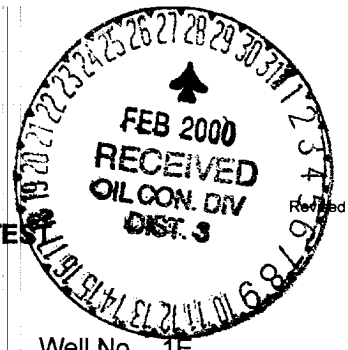
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

This form is not to be used for reporting Packer Leakage tests in Southeast New Mexico

OIL CONSERVATION DIVISION

1999

NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST



Revised 10/01/78

Operator **GREYSTONE ENERGY, INC.** Lease CLAYTON Well No. 1E

Location of Well Unit P Sec. 2 Twp. 30N Rge. 12W County SAN JUAN

	NAME OF RESERVOIR OR POOL	TYPE OF PROD. (Oil or Gas)	METHOD OF PROD. (Flow or Art. Lift)	PROD. MEDIUM (Tbg. or Csg.)
Upper Completion	GALLUP	GAS	FLOW	TBG
Lower Completion	DAKOTA	GAS	FLOW	TBG

PRE-FLOW SHUT-IN PRESSURE DATA

Upper Completion	Hour, date shut-in: 02-14-00	Length of time shut-in: 3 DAYS	SI press. psig: 0	Stabilized? (Yes or No): YES
Lower Completion	Hour, date shut-in: 02-14-00	Length of time shut-in: 3 DAYS	SI press. psig: 146	Stabilized? (Yes or No): YES

FLOW TEST NO. 1

Commenced at (hour, date) * 2-17-00 Zone producing (Upper or Lower): UPPER

TIME (hour, date)	LAPSED TIME Since *	PRESSURE Upper Completion csg	PRESSURE Upper Completion tbg	PRESSURE Lower Completion tbg	PROD. ZONE TEMP.	REMARKS
2/15		147	146	0		Both Zones Shut In
2/16		147	146	0		Both Zones Shut In
2/17		147	146	0		Both Zones Shut In
2/18	1 DAY	123	58	0		Upper zone Flowing
2/19	2 DAYS	116	51	0		Upper Zone Flowing
						Upper zone Flowing

Production rate during test

Oil: 2.5 BOPD based on 5.0 Bbls. in 48 Hours Grav. GOR

Gas: 261 MCFPD: Tested thru (Orifice or Meter) METER

MID-TEST SHUT-IN PRESSURE DATA

Upper Completion	Hour, date shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
Lower Completion	Hour, date shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)

(Continue on reverse side)

NORTHWEST NEW MEXICO PACKER-LEAKAGE

FLOW TEST NO. 2

Commenced at (hour, date) **				Zone Producing (Upper or Lower):	
Time (hour, date)	LAPSED TIME SINCE **	PRESSURE Upper Completion	PRESSURE Lower Completion	PROD. ZONE TEMP.	REMARKS

Production rate during test

Oil: _____ BOPD based on _____ Bbls. in _____ Hrs. _____ Grav _____ GOR _____

Gas: _____ MCFPD: Tested thru (Orifice or Meter): _____

Remarks: Could not do second half of test due to DK being dead. Also no production equipment.

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

Approved FEB 28 2000 Operator GREYSTONE ENERGY, INC.

New Mexico Oil Conservation Division

By ORIGINAL SIGNED BY CHARLIE T. PERRIN By _____

Title DEPUTY OIL & GAS INSPECTOR, DIST. #3 Title PRODUCTION ANALYST

Date 2/23/00

NORTHWEST NEW MEXICO PACKER LEAKAGE TEST INSTRUCTIONS

1. A packer leakage test shall be commenced on each multiply completed well within seven days after actual completion of the well, and annually thereafter as prescribed by the order authorizing the multiple completion. Such tests shall also be commenced on all multiple completions within seven days following recompletion and/or chemical or fracture treatment, and whenever remedial work has been done on a well during which the packer or the tubing have been distrubed. Tests shall also be taken at any time that communication is suspected or when requested by the Division.

2. At least 72 hours prior to the commencement of any packer leakage test, the operator shall notify the Division in writing of the exact time the test is to be commenced. Offset operators shall also be notified.

3. The packer leakage test shall commence when both zones of the dual completion are shut-in for pressure stabilization. Both zones shall remain shut-in until the well-head pressure in each has stabilized, provided however, that they need not remain shut-in more than seven days.

4. For Flow Test No. 1, one zone of the dual completion shall be produced at the normal rate of production while the other zone remains shut-in. Such test shall be continued for seven days in the case of a gas well and for 24 hours in the case of an oil well. Note: if, on an initial packer leakage test, a gas well is being flowed to the atmosphere due to the lack of a pipeline connection the flow period shall be three hours.

5. Following completion of Flow Test No. 1, the well shall again be shut-in in accordance with Paragraph 3 above.

6. Flow Test No. 2 shall be conducted even though no leak was indicated during Flow Test No. 1. Procedure for Flow Test No. 2 is to be the same as for Flow Test No. 1 except that the previously produced zone shall remain shut-in while the zone which was previously shut-in is produced.

7. Pressures for gas-zone tests must be measured on each zone with a deadweight pressure gauge at time intervals as follows: 3 hours tests: immediately prior to the beginning of each flow-period, at fifteen-nminute intervals during the first hour thereof, and at hourly intervals thereafter, including one pressure measuremont immediately prior to the conclusion of each flow period. 7-day tests: immediately prior to the beginning of each flow period, at least one time during each flow period (at approximately the midway point) and immediately prior to the conclusion of each flow period. Other pressures may be taken as desired, or may be requested on wells which have previously shown questionable test data.

24-hour oil zone tests: all pressures, throughout the entire test, shall be continuously measured and recorded with recording pressure gauges the accuracy of which must be checked at least twice, once at the beginning and once at the end of of each test, with a deadweight pressure gauge. If a well is a gas-oil or an oil-gas dual completion, the recording gauge shall be required on the oil zone only, with deadweight pressures as required above being taken on the gas zone.

8. The results of the above-described tests shall be filed in triplicate within 15 days after completion of the test. Tests shall be filed with the Aztec District Office of the New Mexico Oil Conservation Division on Northwest New Mexico Packer Leakage Test Form Revised 10-01-98 with all deadweight pressures indicated thereon as well as the flowing temperatures (gas zones only) and gravity and GOR (oil zones only)