

REQUEST FOR A SPACING UNIT AND FORCED POOLING ORDER
DAGGER DRAW 30 SE FED #11

Yates Petroleum Corporation is requesting a S/2 spacing unit and a forced pooling order for the Dagger Draw 30 SE Fed #11 well (originally drilled as the Conoco, Dagger Draw Fed #11). The well is located 660' FSL and 1980 FEL of section 30, T19S R25E. Originally this well was drilled as a Canyon test, and has produced 568 MBO and 1 BCF, but the well has been depleted in the Canyon Formation. Yates now proposes to test the Wolfcamp dolomite from 5824-62. Two nearby wells ran DST's which tested similar stratigraphic intervals and recovered gas. If this is a gas well, this would require a 320 acre spacing.

Nearburg performed a Wolfcamp DST in an offsetting well in 1958 and recovered a rate of 200 MCFG/D. This well perforated 5865 to 5950 and is located approximately 1880' to the northeast. The footage location for this offsetting well is 1969' FSL and 629' FEL of section 30


A second Nearburg well ran a Wolfcamp DST in 2005 on a well located 1980' FSL and 1980 FEL of section 31, 19S 25E. This well had a rate of 1000 MCF/D. Although this well tested a slightly deeper Wolfcamp zone (7102-26), both Nearburg wells indicate a Wolfcamp interval will probably be gas.

The Dagger Draw 30 SE Fed #11 and the two Nearburg wells are shown on the attached map.

John Amiet

Yates Petroleum Corporation
Case No. 14597
Exhibit 8



		
<p align="center">Dagger Draw 30 SE Fed #11 30-19S-25E Eddy County, NM</p>		
Author: Jahn Amiet	Scale: 1" = 2000'	Date: 10 February, 2011 DD 19s 25e Sec 30 JA gmp

