



30-015-34509

COMPANY : YATES ENERGY CORP.
LEASE : N. HESS FEDERAL "23"
WELL NO. : # 1
FIELD : S. MORROW EAST
COUNTY/STATE : EDDY / NEW MEXICO

TEST DATE : 01/28/06
D.S.T. NO. : 3
TEST TKT. NO. : 23451
INVOICE NO. : 21577
ORDER NO. :

FORMATION : WOLFCAMP
INTERVAL (ft) : 7143 TO 7210
TOTAL DEPTH (ft) : 7210
ELEVATION (ft) : 4117

HOLE SIZE (in) : 7.875
DRILL PIPE ID (in) : 3.82
DRILL COLLAR ID(in) : 2.25
DRILL COLLAR feet : 777

ANCHOR LENGTH (ft): 67
TOOL LENGTH (ft) : 76
TOOL O.D. (in) : 5
PACKER SIZE (in) : 7.00

RECORDER DATA
AK-1KUSTER / ZIPROBE

TOP RECORDER: IN
RECORDER NO. : 9634
CAPACITY (psi): 10000
DEPTH (ft) : 7157
CLOCK NO. : 9634
DURATION (hrs): 99

BOTTOM RECORDER: OUT
RECORDER NO. : 13709
CAPACITY (psi): 7850
DEPTH (ft) : 7210
CLOCK NO. : 19463
DURATION (hrs): 24

MUD PROPERTIES

MUD TYPE : CUT BRINE WATER
MUD WT. (#/gal) : 8.95

WATER LOSS (cc) : 32
FILTER CAKE (in) : FILM
VISCOSITY (sec) : 31

CHLORIDE PPM : 55000
RESISTIVITY(ohm-m): .070

EQUIPMENT DATA

CONVENTIONAL : YES
STRADDLE : NO
SELECTIVE ZONE : NO
SAMPLE CHAMBER : YES
GAS ANALYSIS : NO

ROTARY JARS : YES
NO. OF PACKERS : 2
SAFETY JOINT : YES
CIRCULATING SUB : YES
REVERSED OUT : NO

MULTIFLOW : YES
MILEAGE : NO
OPERATOR TIME : YES
OTHER : YES
ZI ELECTRONICS (2)

SUCCESSFUL : YES

PACKER FAILURE : NO

TOOL PLUG : NO

DECIDED NOT TO TEST : NO

FAIL TO REACH BOTTOM : NO

TIME INTERVAL DATA (min)

TOOL OPENED : 11:05 PM

TOTAL TEST TIME: 838

INITIAL FLOW : 15
SECOND FLOW : 120
THIRD FLOW :

INITIAL SHUT-IN: 104
SECOND SHUT-IN : 599
THIRD SHUT IN :

TEST TOOL OPERATOR: DON TERHUNE



YATES ENERGY CORP.

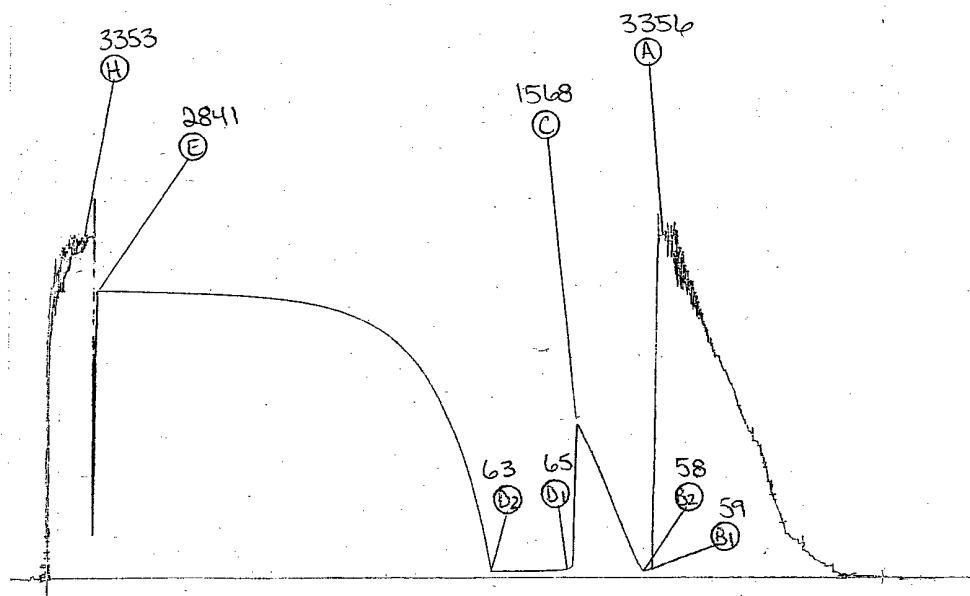
N. HESS FEDERAL "23" # 1
D.S.T. NO. :3

	CORRECTED READING	FIELD READING
A INITIAL HYDROSTATIC:	3337 PSI	3337 PSI
B-1 INITIAL FIRST FLOW :	38 PSI	38 PSI
B-2 FINAL FIRST FLOW :	42 PSI	42 PSI
C FIRST SHUT-IN :	1546 PSI	1546 PSI
D-1 INITIAL SECOND FLOW:	44 PSI	44 PSI
D-2 FINAL SECOND FLOW :	54 PSI	54 PSI
E SECOND SHUT-IN :	2819 PSI	2819 PSI
H FINAL HYDROSTATIC :	3334 PSI	3338 PSI

TKT-23451 REC-13709 WT-7850

AK-1 KUSTER 24 HR. CLOCK

BOTTOM RECORDER : OUTSIDE



PIPE RECOVERY

RECOVERY DATA

B.H. TEMP. (deg F) : 134

SAMPLE CHAMBER

GAS TO SURFACE 105 MIN. INTO FINAL FLOW PERIOD
40 FT. OF OIL CUT DRLG. FLUID (40% OIL)
55,000 MG/L CHLORIDES- .070 OHMS @ 85 DEGREES

330 LBS. OF PRESSURE
.532 CU. FT. OF GAS
400 CC'S OF FREE OIL
43 GRAVITY @ 60 DEGREES
800 CC'S OF DRLG. FLUID
55,000 MG/L CHLORIDES
.070 OHMS @ 85 DEGREES

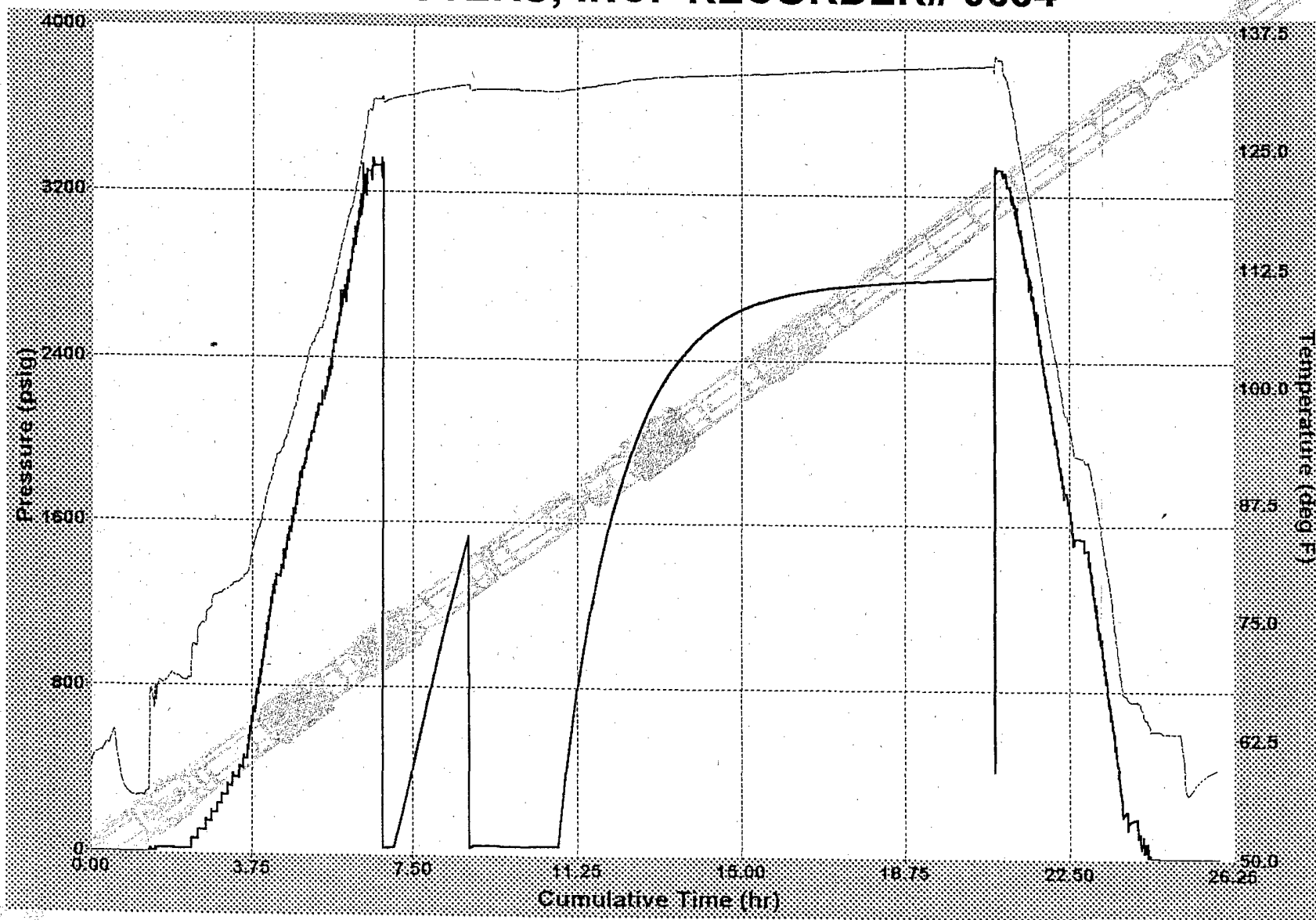
TEST REMARKS

TOOL OPENED WITH FAIR BLOW ON 1/8" CHOKE, 10 OZS. IN 2 MIN., 12.5 OZS. IN 5 MIN., 14 OZS. IN 10 MIN. & 14.5 OZS. AT END OF 15 MIN. FIRST FLOW. RE-OPENED TOOL WITH GOOD BLOW ON 1/8" WITH 3 LBS. IN 1 MIN., 3.4 LBS. IN 5 MIN., 3.4 LBS. IN 10 MIN., 3.4 LBS. IN 20 MIN., 3.6 LBS. IN 30 MIN., CHANGED CHOKE TO 1/4" IN 35 MIN. WITH 2.8 LBS., 8 OZS. IN 40 MIN., (1/4" IN WATER) IN 45 MIN., GAS TO SURFACE IN 105 MIN. WITH 0 LBS. (T.S.T.M.) ON 1/4" AND REMAINED THROUGHOUT THE 120 MIN. FINAL FLOW PERIOD.

Company Name YATES ENERGY CORP.
Well Name N. HESS FEDERAL "23" #1
Type of Test DST #3 (7143-7210 FT.; WOLFCAMP)
Date(s) of Test 1-28-06



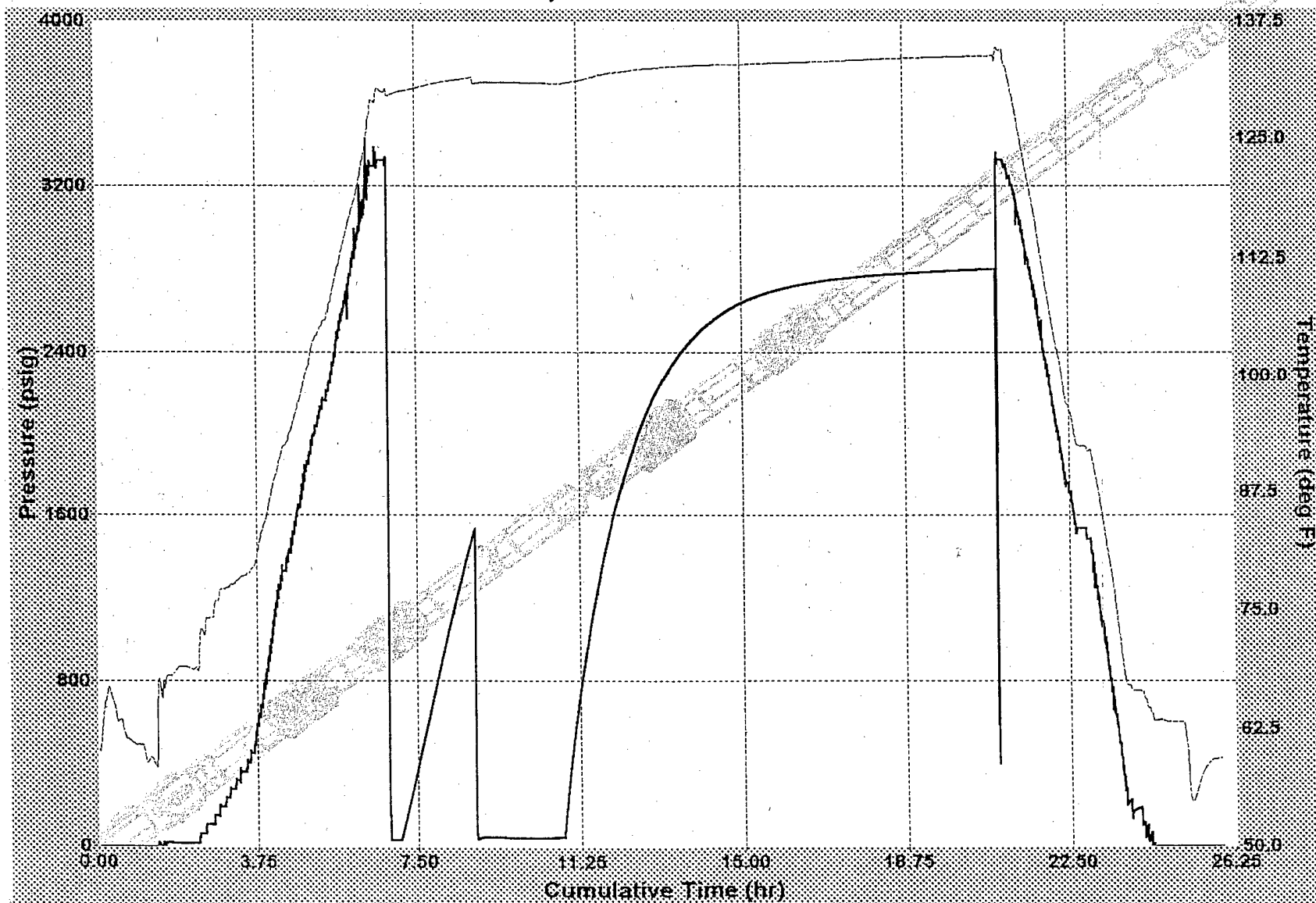
RIG TESTERS, INC. RECORDER# 9634



Company Name YATES ENERGY CORP.
Well Name N. HESS FEDERAL "23" #1
Type of Test DST #3 (7143-7210 FT.; WOLFCAMP)
Date(s) of Test 1-28-06



RIG TESTERS, INC. RECORDER# 9635



INCREMENTAL PRESSURE DATA

RECORDER NO : 9634

RECORDER CAPACITY : 10000 psi

RECORDER DEPTH : 7157 ft

ELAPSED TIME ---MIN---	TOTAL FLOW TIME, T ---MIN---	INCREMENTAL SHUT-IN TIME, DT ---MIN---	(T+DT)/DT (HORNER) -----	PRESSURE ---PSIG---	DELTA P ---PSIG---
FIRST FLOW					
.0	.0			38.80	.00
2.0	2.0			41.00	2.20
4.0	4.0			41.69	2.89
6.0	6.0			41.40	2.60
8.0	8.0			43.23	4.43
10.0	10.0			42.20	3.40
12.0	12.0			42.40	3.60
14.0	14.0			42.61	3.81
14.8	14.8			42.80	4.00
FIRST SHUT-IN					
14.8	14.8	.00	.000	42.80	.00
15.8	14.8	1.00	15.760	57.41	14.61
16.8	14.8	2.00	8.380	72.00	29.20
17.8	14.8	3.00	5.920	85.90	43.10
18.8	14.8	4.00	4.690	100.17	57.37
19.8	14.8	5.00	3.952	113.68	70.88
20.8	14.8	6.00	3.460	126.90	84.10
21.8	14.8	7.00	3.109	140.75	97.95
22.8	14.8	8.00	2.845	153.88	111.08
23.8	14.8	9.00	2.640	167.20	124.40
24.8	14.8	10.00	2.476	181.17	138.37
26.8	14.8	12.00	2.230	208.10	165.30
28.8	14.8	14.00	2.054	236.30	193.50
30.8	14.8	16.00	1.923	264.68	221.88
32.8	14.8	18.00	1.820	292.90	250.10
34.8	14.8	20.00	1.738	322.42	279.62
37.8	14.8	23.00	1.642	367.12	324.32
40.8	14.8	26.00	1.568	412.42	369.62
43.8	14.8	29.00	1.509	458.33	415.53
46.8	14.8	32.00	1.461	505.02	462.22
49.8	14.8	35.00	1.422	551.73	508.93
52.8	14.8	38.00	1.388	598.42	555.62
59.8	14.8	45.00	1.328	708.20	665.40
64.8	14.8	50.00	1.295	787.03	744.23
69.8	14.8	55.00	1.268	865.22	822.42
74.8	14.8	60.00	1.246	941.50	898.70
79.8	14.8	65.00	1.227	1017.41	974.61
84.8	14.8	70.00	1.211	1091.78	1048.98
89.8	14.8	75.00	1.197	1163.90	1121.10
94.8	14.8	80.00	1.185	1235.09	1192.29
99.8	14.8	85.00	1.174	1304.25	1261.45
104.8	14.8	90.00	1.164	1371.20	1328.40
109.8	14.8	95.00	1.155	1436.88	1394.08
114.8	14.8	100.00	1.148	1500.50	1457.70

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INCREMENTAL PRESSURE DATA

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RECORDER DEPTH : 7157 ft

ELAPSED TIME ---MIN---	TOTAL FLOW TIME, T ---MIN---	INCREMENTAL SHUT-IN TIME, DT ---MIN---	(T+DT)/DT (HORNER) -----	PRESSURE ---PSIG---	DELTA P ---PSIG---
FIRST SHUT-IN					
118.7	14.8	103.98	1.142	1546.80	1504.00
SECOND FLOW					
119.8	15.8			44.80	.00
129.8	25.8			53.60	8.80
139.8	35.8			54.50	9.70
149.8	45.8			55.10	10.30
159.8	55.8			51.80	7.00
169.8	65.8			51.21	6.41
179.8	75.8			51.30	6.50
189.8	85.8			51.40	6.60
199.8	95.8			51.79	6.99
209.8	105.8			52.50	7.70
219.8	115.8			53.11	8.31
229.8	125.8			53.60	8.80
239.8	135.8			54.10	9.30
240.2	136.3			54.20	9.40
SECOND SHUT-IN					
240.2	136.3	.00	.000	54.20	.00
242.2	136.3	2.00	69.130	123.51	69.31
244.2	136.3	4.00	35.065	193.89	139.69
246.2	136.3	6.00	23.710	261.80	207.60
248.2	136.3	8.00	18.033	325.23	271.03
250.2	136.3	10.00	14.626	387.58	333.38
252.2	136.3	12.00	12.355	448.00	393.80
254.2	136.3	14.00	10.733	504.57	450.37
256.2	136.3	16.00	9.516	559.85	505.65
258.2	136.3	18.00	8.570	612.60	558.40
260.2	136.3	20.00	7.813	662.37	608.17
263.2	136.3	23.00	6.924	735.61	681.41
266.2	136.3	26.00	6.241	806.14	751.94
269.2	136.3	29.00	5.699	874.05	819.85
272.2	136.3	32.00	5.258	939.48	885.28
275.2	136.3	35.00	4.893	1002.49	948.29
278.2	136.3	38.00	4.586	1063.33	1009.13
285.2	136.3	45.00	4.028	1198.00	1143.80
290.2	136.3	50.00	3.725	1287.03	1232.83
295.2	136.3	55.00	3.477	1371.95	1317.75
300.2	136.3	60.00	3.271	1452.20	1398.00

YATES ENERGY CORP.


 N. HESS FEDERAL "23" # 1
 D.S.T. NO. : 3

INCREMENTAL PRESSURE DATA

RECORDER NO : 9634

RECORDER CAPACITY : 10000 psi

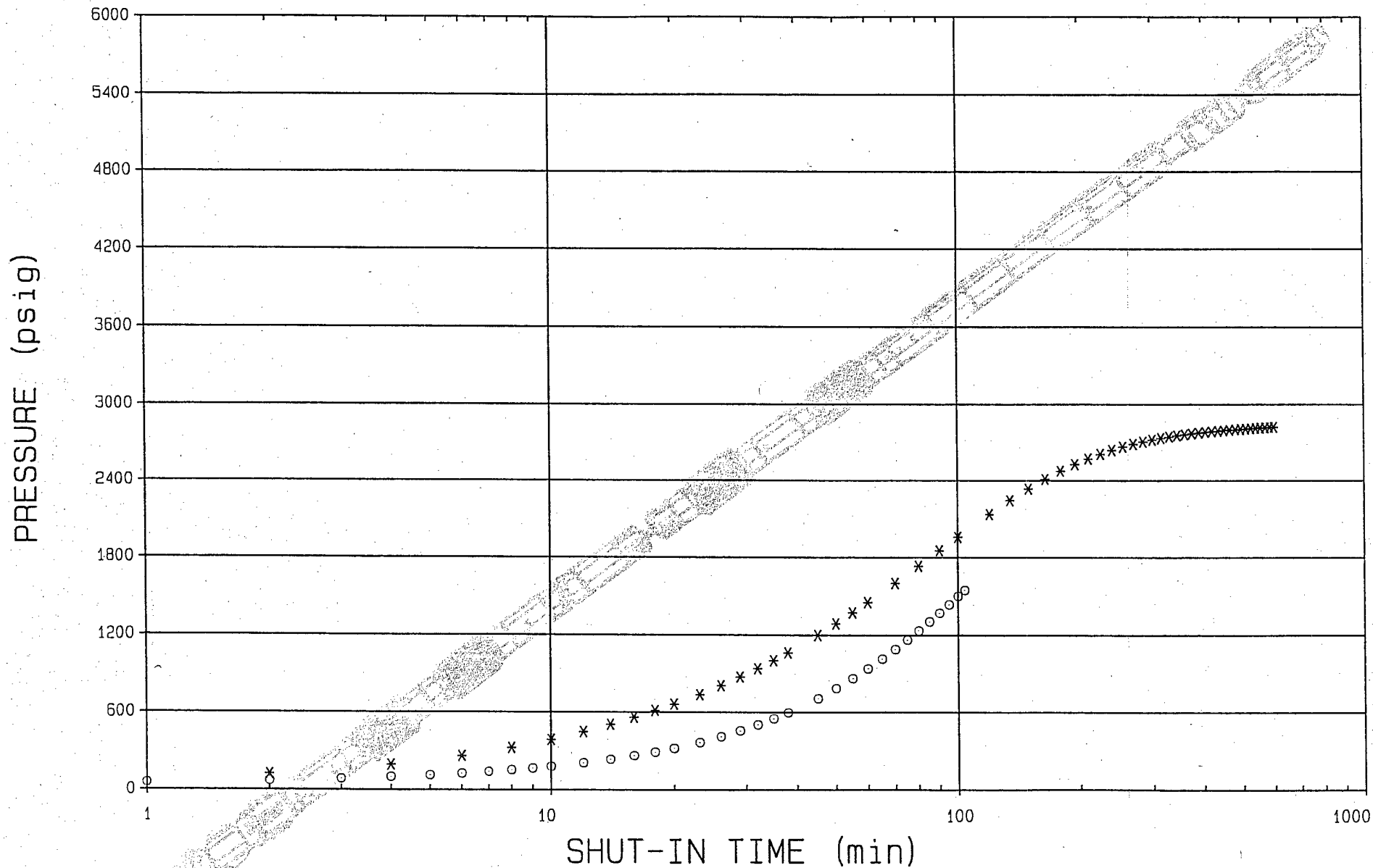
RECORDER DEPTH : 7157 ft

ELAPSED TIME ---MIN---	TOTAL FLOW TIME, T ---MIN---	INCREMENTAL SHUT-IN TIME, DT ---MIN---	(T+DT)/DT (HORNER) -----	PRESSURE ---PSIG---	DELTA P ---PSIG---
		SECOND SHUT-IN			
310.2	136.3	70.00	2.947	1599.52	1545.32
320.2	136.3	80.00	2.703	1732.40	1678.20
330.2	136.3	90.00	2.514	1852.30	1798.10
340.2	136.3	100.00	2.363	1957.39	1903.19
360.2	136.3	120.00	2.136	2135.50	2081.30
375.2	136.3	135.00	2.009	2244.10	2189.90
390.2	136.3	150.00	1.908	2334.80	2280.60
405.2	136.3	165.00	1.826	2410.90	2356.70
420.2	136.3	180.00	1.757	2474.40	2420.20
435.2	136.3	195.00	1.699	2527.00	2472.80
450.2	136.3	210.00	1.649	2570.70	2516.50
465.2	136.3	225.00	1.606	2607.40	2553.20
480.2	136.3	240.00	1.568	2638.10	2583.90
495.2	136.3	255.00	1.534	2663.70	2609.50
510.2	136.3	270.00	1.505	2685.10	2630.90
525.2	136.3	285.00	1.478	2703.10	2648.90
540.2	136.3	300.00	1.454	2718.20	2664.00
555.2	136.3	315.00	1.433	2731.20	2677.00
570.2	136.3	330.00	1.413	2742.20	2688.00
585.2	136.3	345.00	1.395	2751.80	2697.60
600.2	136.3	360.00	1.379	2760.30	2706.10
615.2	136.3	375.00	1.363	2767.40	2713.20
630.2	136.3	390.00	1.349	2773.60	2719.40
645.2	136.3	405.00	1.336	2779.10	2724.90
660.2	136.3	420.00	1.324	2784.40	2730.20
675.2	136.3	435.00	1.313	2788.60	2734.40
690.2	136.3	450.00	1.303	2792.50	2738.30
705.2	136.3	465.00	1.293	2795.80	2741.60
720.2	136.3	480.00	1.284	2799.10	2744.90
735.2	136.3	495.00	1.275	2802.30	2748.10
750.2	136.3	510.00	1.267	2805.50	2751.30
765.2	136.3	525.00	1.260	2808.40	2754.20
780.2	136.3	540.00	1.252	2811.20	2757.00
795.2	136.3	555.00	1.246	2813.80	2759.60
810.2	136.3	570.00	1.239	2816.00	2761.80
825.2	136.3	585.00	1.233	2818.10	2763.90
839.3	136.3	599.04	1.227	2819.90	2765.70

REMARKS

THE INCREMENTAL PRESSURE, PLOTS & ANALYSIS ARE FROM ELECTRONIC RECORDERS
 PLEASE REFER TO DERIVATIVE DIAGNOSTICS ANALYSIS FOR FURTHER INFORMATION
 PRESSURE DATA (ASCII FILE) IS AVAILABLE ON DISKETTE WHEN REQUESTED

PRESSURE TIME



YATES ENERGY CORP.
N. HESS FEDERAL "23" # 1

○ FIRST SHUT-IN
* SECOND SHUT-IN



RigTesters, Inc.
ABILENE - MIDLAND - GRAHAM

YATES ENERGY CORP. N. HESS FEDERAL "23" #1



Well identification

Well ID	N.HESS FED."23"#1	Well location	SW CARLSBAD
County/District	EDDY	State, Country	NEW MEXICO
Company	YATES ENERGY	Division	ROSWELL, NM

Fluid properties

Prod/Inj fluid	OIL	GOR	500:1
Water cut	0%	Condensate yield	UNKNOWN
API gravity	43.0	Gas spec. grav.	0.7
Viscosity	0.70736 cp	Pseudo-critical T	382.97 deg R
Pseudo-critical P	664.37 psia	H2S mole fraction	UNKNOWN
CO2 mole fraction	UNKNOWN	N2 mole fraction	UNKNOWN
Compressibility(t)	15.44 e-6/psi	Formation vol factor	1.2709 RB/STB

Reservoir properties

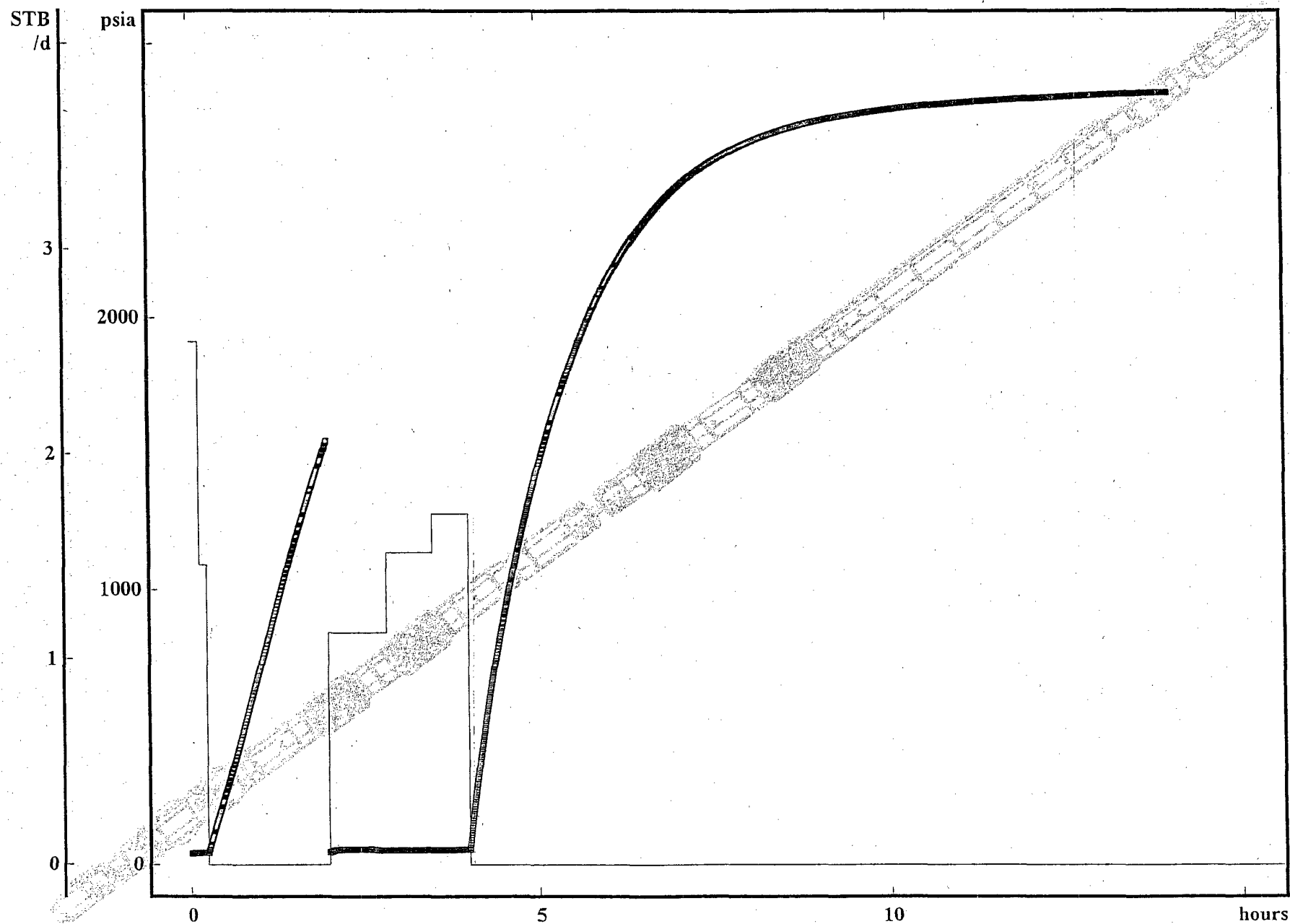
Porosity	0.12 frac	Formation thickness	16 ft
Wellbore radius	0.32813 ft	Prod-observer distance	N/A
Water-Oil Contact	UNKNOWN	Gas-Oil Contact	N/A
Gas-Water Contact	N/A	Rock compressibility	
Reservoir temperature	134 deg F	Pressure for properties	2878 psia

Comments

THE DERIVATIVES INDICATE A RESERVOIR WITH LOW PERMEABILITY AND SLIGHT (POSITIVE) SKIN. THE INITIAL SHUT-IN PERIOD IS DOMINATED BY WELLBORE STORAGE EFFECT WHICH WOULD MAKE ITS CALCULATIONS (EXTRAPOLATION, PERMEABILITY AND SKIN) UNRELIABLE. THE FINAL SHUT-IN PERIOD HAD ACHIEVED RADIAL FLOW AS INDICATED ON DERIVATIVE WITH THE LATE TIME DECREASE BEING INDICATIVE OF SPHERICAL FLOW (PARTIAL PENETRATION) OR POSSIBLY DUE TO VERTICAL FRACTURING. A REGRESSION VERIFIED MODEL ANALYSIS WAS PERFORMED TO BETTER DETERMINE FORMATION PARAMETERS AND IS REPRESENTED BY A SOLID LINE PLOTTED OVER ACTUAL DATA WITH CONFIDENCE INTERVALS (MARGIN OF ERROR) NEXT TO MAJOR PARAMETERS. A PORTION OF THE SKIN FACTOR IS ATTRIBUTABLE TO THE LIMITED FLOW FROM PARTIAL PENETRATION. THE FIXED PARAMETERS USED WERE AN EST. 12% POROSITY, 16 FT. OF NET PAY AND AN AVERAGE (TIME WEIGHTED) PRODUCTION OF 1.44 BBLS. OF OIL FOR THE FINAL FLOW PERIOD. THE RATES WERE BASED ON DENSITY OF FLUID RECOVERED VS. FLOWING PRESSURES. THE TOTAL RADIUS OF INVESTIGATION CALCULATED TO APPROX. 9 FT. FROM WELLBORE.

YATES ENERGY CORP. N. HESS FEDERAL "23" #1

Pressure and flow rate vs time during test sequence

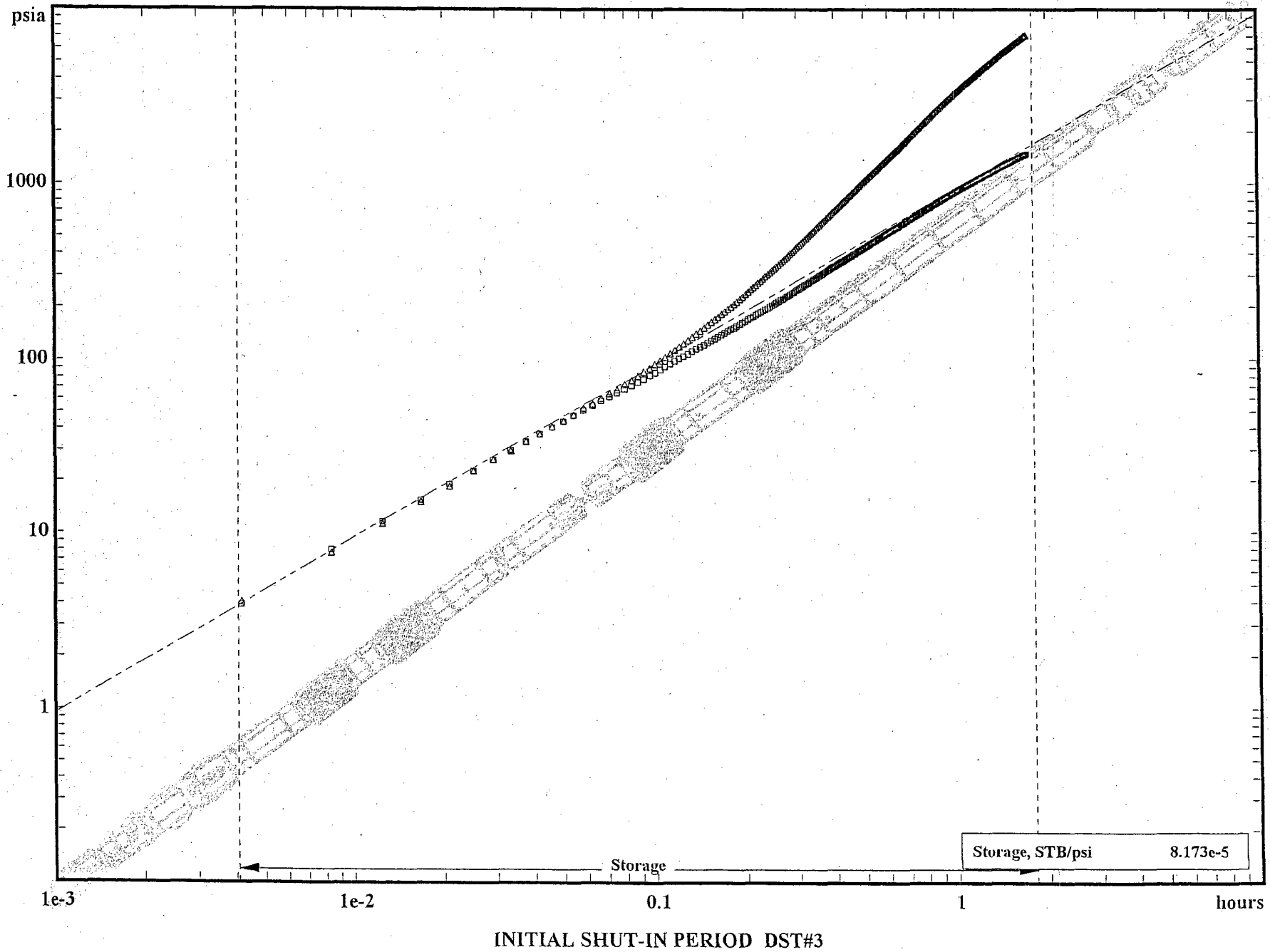


DST #3 7143 - 7210 FT. WOLFCAMP



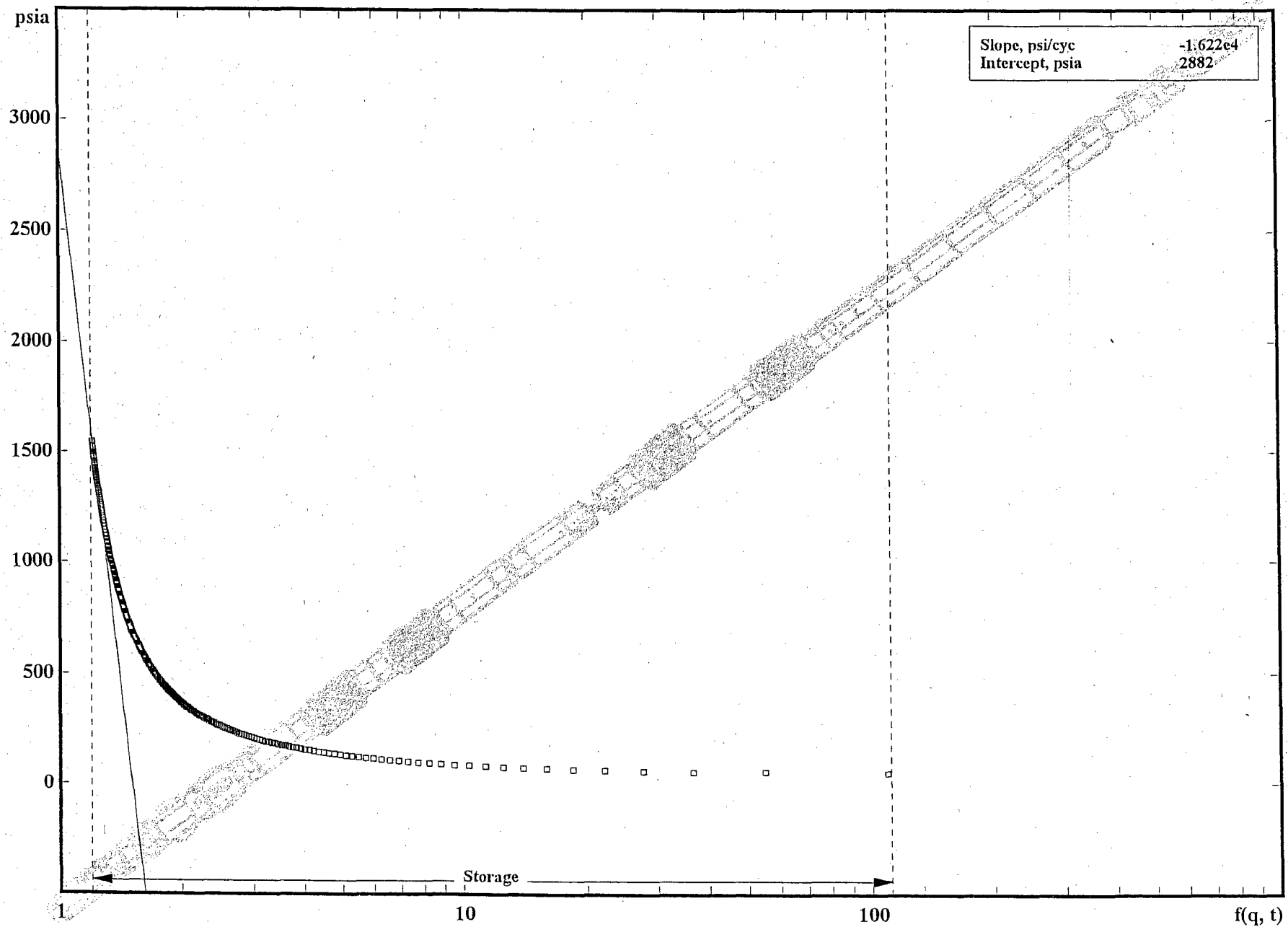
YATES ENERGY CORP. N. HESS FEDERAL "23" #1

Diagnostic plot (pressure & time)



YATES ENERGY CORP. N. HESS FEDERAL "23" #1

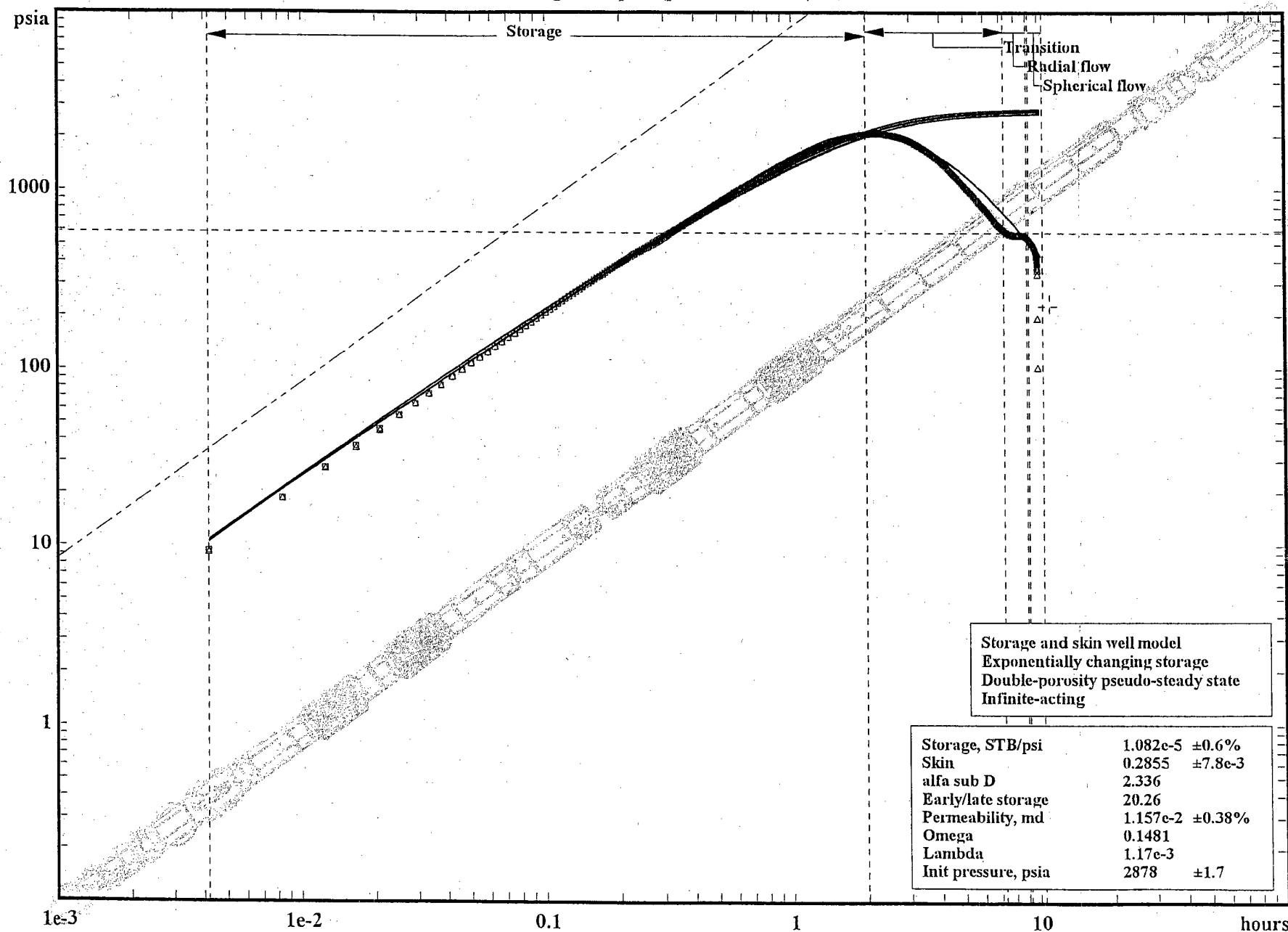
Variable rate Horner plot (pressure & time)



INITIAL SHUT-IN PERIOD DST#3

YATES ENERGY CORP. N. HESS FEDERAL "23" #1

Diagnostic plot (pressure & time)

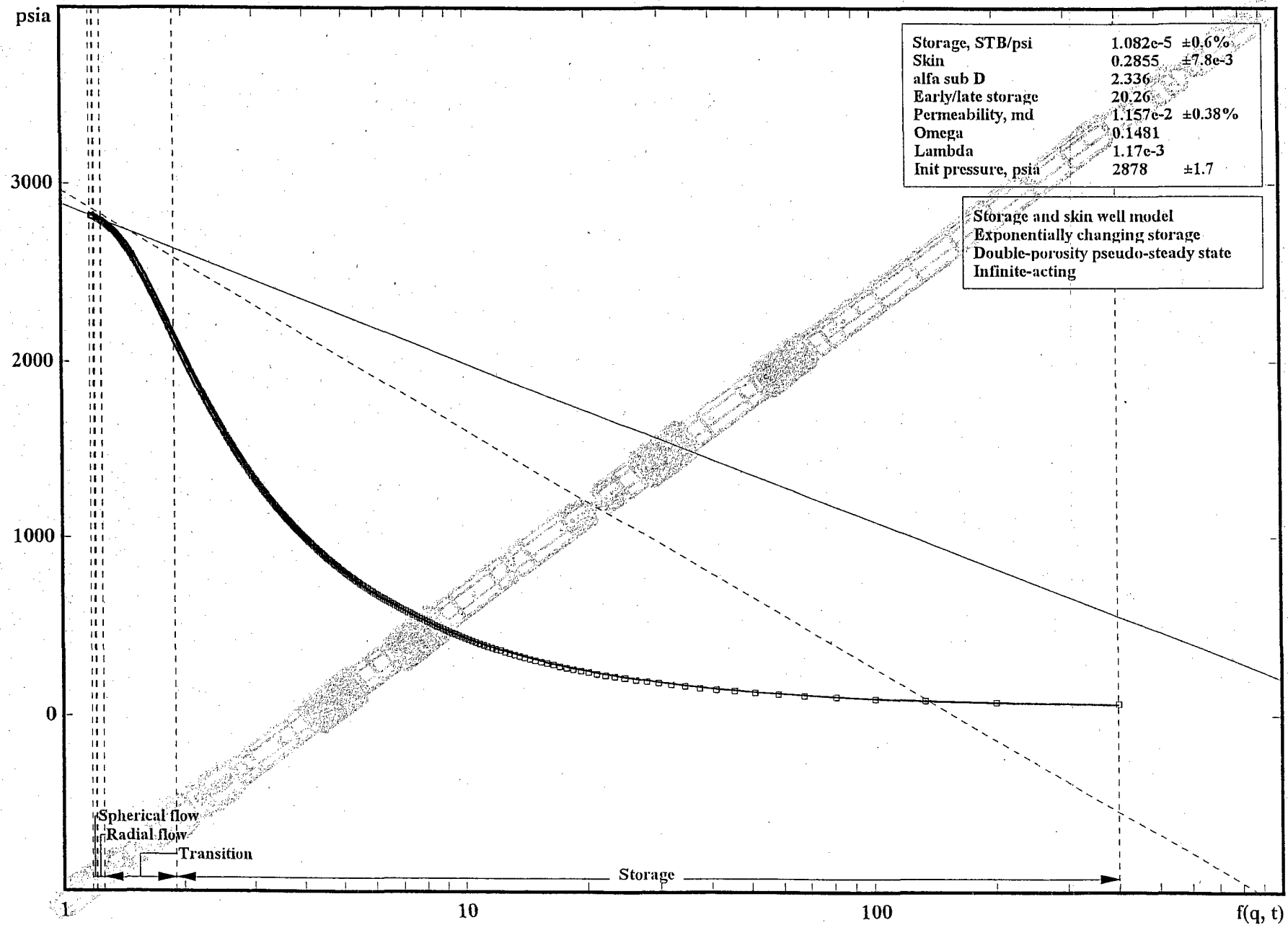


FINAL SHUT-IN PERIOD DST#3 REGRESSION VERIFIED MODEL



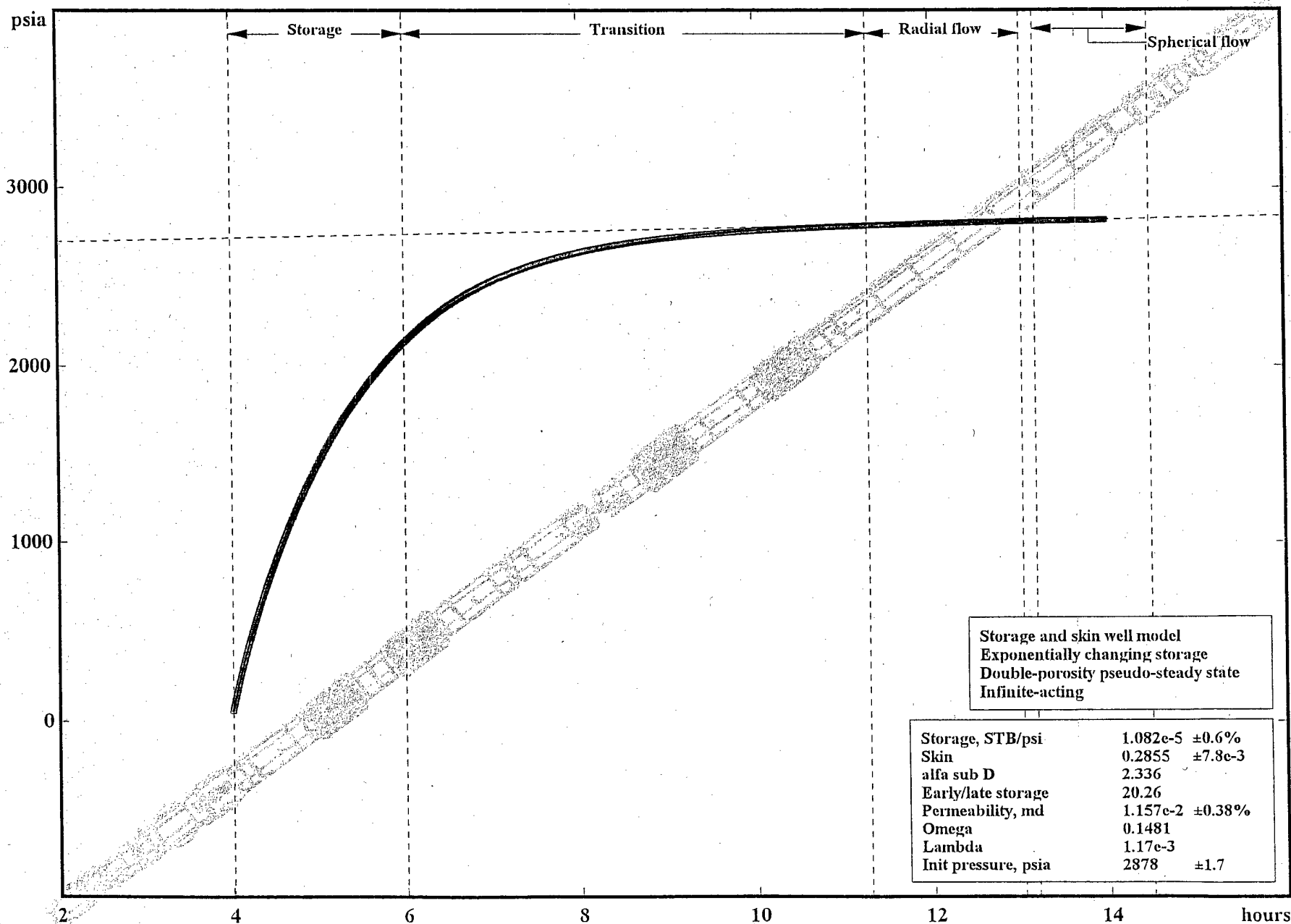
YATES ENERGY CORP. N. HESS FEDERAL "23" #1

Variable rate Horner plot (pressure & time)



YATES ENERGY CORP. N. HESS FEDERAL "23" #1

Cartesian plot (pressure & time)



FINAL SHUT-IN PERIOD DST#3 REGRESSION VERIFIED MODEL

