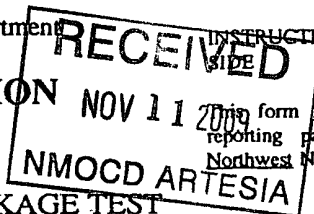


DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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



SOUTHEAST NEW MEXICO PACKER LEAKAGE TEST

30-005-61224

Operator	YATES Petroleum Corp.			Lease	PENZOIL "SG" STATE		Well No.	1
Location of Well	Unit	Sec.	Twp	Rge	County			
	0	32	175	26 E	CHAVES			
	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	ABO		GAS	Flow	CSG		OPEN	
Lower Compl	WOLFcamp		GAS	Flow	TBG		22/64	

FLOW TEST NO. 1

Both zones shut-in at (hour, date): 8:30 AM 10/26/2009

Well opened at (hour, date): 10:25 AM 10/26/2009

	Upper Completion	Lower Completion
Indicate by (X) the zone producing.....	X	
Pressure at beginning of test.....	100	135
Stabilized? (Yes or No).....	YES	YES
Maximum pressure during test.....	100	195
Minimum pressure during test.....	93	135
Pressure at conclusion of test.....	100	195
Pressure change during test (Maximum minus Minimum).....	7	60
Was pressure change an increase or a decrease?.....	DECREASE	INCREASE
Well closed at (hour, date): 9:45 AM 10/27/2009	Total Time On Production 23 Hrs 20 min.	
Oil Production	Gas Production	
During Test: 0 bbls; Grav. —	During Test: 14	MCF; GOR —
Remarks		

FLOW TEST NO. 2

Well opened at (hour, date): 9:50 10/27/09

	Upper Completion	Lower Completion
Indicate by (X) the zone producing.....		X
Pressure at beginning of test.....	103	195
Stabilized? (Yes or No).....	YES	YES
Maximum pressure during test.....	115	195
Minimum pressure during test.....	103	105
Pressure at conclusion of test.....	115	105
Pressure change during test (Maximum minus Minimum).....	12	90
Was pressure change an increase or a decrease?.....	INCREASE	DECREASE
Well closed at (hour, date): 9:00 10/28/2009	Total time on Production 23 Hrs. 10 min.	
Oil production	Gas Production	
During Test: 0 bbls; Grav. —	During Test: 81	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

Title

10/28/09

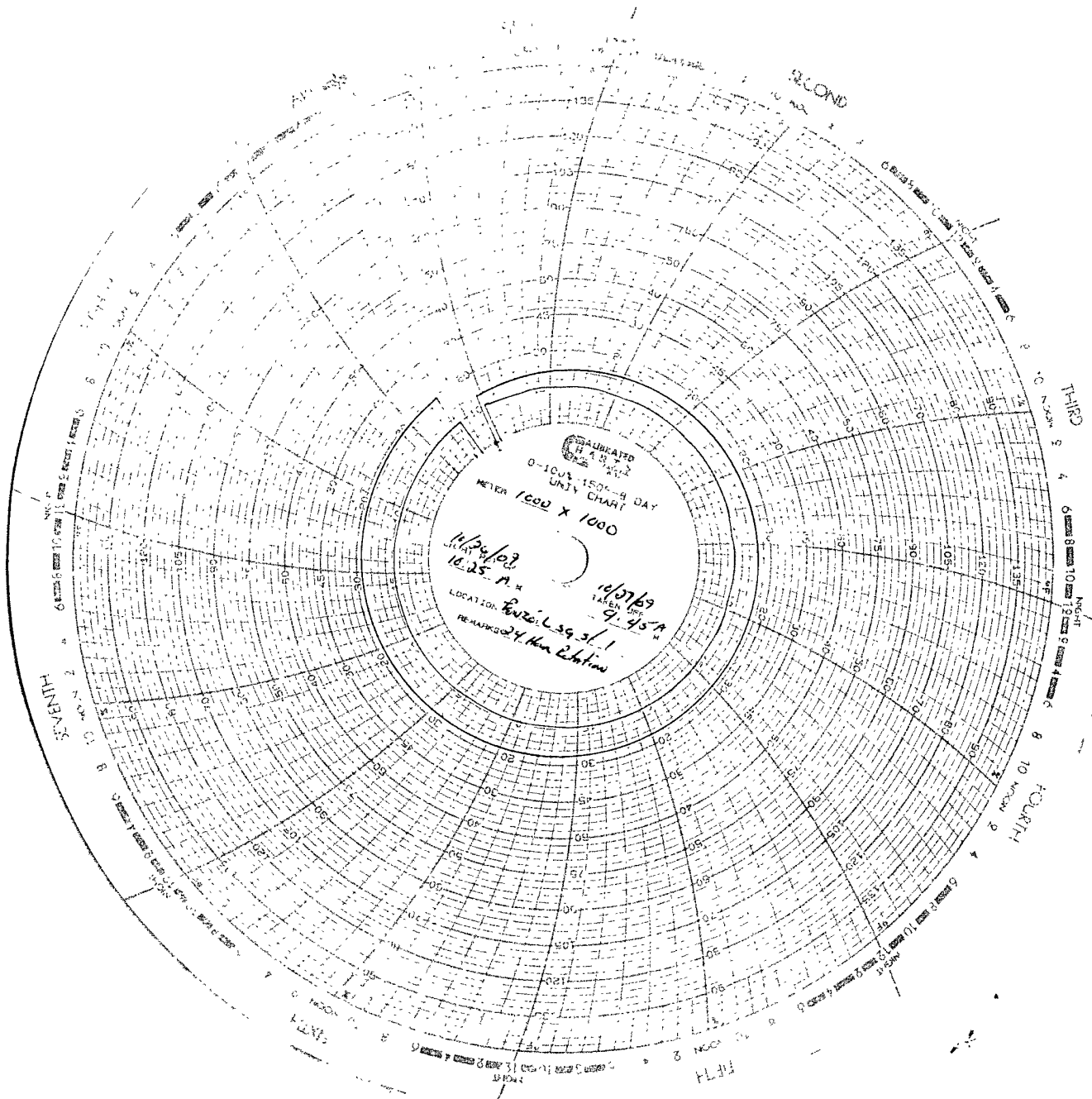
575/622-9874

OIL CONSERVATION DIVISION

Date Approved 12/11/09

By Richard INGE

Title COMPLIANCE OFFICER



SECOND

START

THIRD

FOURTH

FIFTH

SIXTH

EIGHTH

CALIBRATED
H.A.T.T.S.

0-100X-150F-8 DAY
UNIV CHART

MEISS 1000X1000

UNION / PUT ON

10/27/09

9:50

LOCATION PENZANCE 54 ST#1

PREPARING 24 HR ROTATION

TAKE OF
10/28/09
9:00