

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N French Dr, Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd, Aztec, NM 87410 District IV 1220 S St Francis Dr, Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-35179 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <u>AUG 21 2007</u> b Type of Completion NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF <input type="checkbox"/> WELL <input type="checkbox"/> OVER <input type="checkbox"/> BACK <input type="checkbox"/> RESVR <input type="checkbox"/> OTHER <input type="checkbox"/> 2 Name of Operator HARVEY E YATES COMPANY 3 Address of Operator PO BOX 1933 - ROSWELL, NM 88202-1933	7 Lease Name or Unit Agreement Name Mesquite 2 State 8 Well No 6 9 Pool name or Wildcat Tamano Bone Spring
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4 Well Location					
Unit Letter <u>K</u>		1,650 Feet From The <u>SOUTH</u> Line and		1,650 Feet From The <u>WEST</u> Line	
Section <u>2</u>		Township <u>18 SOUTH</u>		Range <u>31 EAST</u> NMPM <u>EDDY</u> County	
10 Date Spudded <u>04/13/07</u>	11 Date T D Reached <u>06/01/07</u>	12 Date Compl (Ready to Prod) <u>07/27/07</u>	13 Elevations (DF& RKB, RT, GR, etc) <u>3,788' KB</u>	14 Elev Casinghead	
15 Total Depth <u>12,485'</u>	16 Plug Back T D <u>8,695'</u>	17 If Multiple Compl How Many Zones? <u>n/a</u>	18 Intervals Drilled By <u>0-12,485'</u>	Rotary Tools <u>0-12,485'</u>	
19 Producing Interval(s), of this completion - Top, Bottom, Name <u>8,350-8,370' Tamano Bone Spring</u>				20 Was Directional Survey Made <u>NO</u>	
21 Type Electric and Other Logs Run <u>GR-MICROCFL // HNGS // LD/CNL // SONIC // HRLA</u>				22 Was Well Cored <u>NO</u>	

23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB / FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48# H-40	835'	17 1/2"	735 sx Circ	
8 5/8"	32# J-55	3,120'	12 1/4"	1000 sx Circ	
5 1/2"	17# J-55	9,130'	7 7/8"	1110 sx	


24 LINER RECORD				25 TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
N/A	N/A	N/A	N/A	N/A	2-3/8"	8,157'	7,840'

26 Perforation record (interval, size, and number)		27 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC	
8350-8370' w/2 spf, 40 holes	8898-8903' w/2 spf, 11 holes	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
8939-8943', 8950-8984' w/2 spf, 18 holes		8350-8370'	2000g 7 5% NeFe, 70573g Med 3000, 126990# Pr
		8893-8903'	1000g 15% NeFe
		8939-43', 8950-5'	3400# SQZ W/150 SX CLASS H CMT

28 PRODUCTION							
Date First Production <u>8/1/2007</u>		Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>) <u>Pumping</u>			Well Status (<i>Prod or Shut-in</i>) <u>Producing</u>		
Date of Test <u>8/7/2007</u>	Hours Tested <u>24</u>	Choke Size	Prod'n For Test Period	Oil - Bbl <u>38</u>	Gas - MCF <u>14</u>	Water - Bbl <u>46</u>	Gas - Oil Ratio <u>368</u>
Flow Tubing Press	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl <u>38</u>	Gas - MCF <u>14</u>	Water - Bbl <u>46</u>	Oil Gravity - API - (<i>Corr</i>)	

29 Disposition of Gas (<i>Sold, used for fuel, vented, etc</i>) <u>sold</u>	Test Witnessed By
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30 List Attachments <u>Logs, survey</u>
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31 I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief			
Signature 	Printed Name <u>Jeanetta Serrano</u>	Title <u>Eng Tech</u>	Date <u>8/6/07</u>
E-mail Address <u>JSERRANO@HILYCOENERGY.COM</u>			

INSTRUCTIONS



This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico				Northwestern New Mexico			
T. Anhy	820'	T. Canyon		T. Ojo Alamo		T. Penn. "B"	
T. Salt	1045'	T. Strawn	11144'	T. Kirtland-Fruitland		T. Penn. "C"	
B. Salt	2095'	T. Atoka	11492'	T. Pictured Cliffs		T. Penn. "D"	
T. Yates	2270'	T. Miss	12374'	T. Cliff House		T. Leadville	
T. 7 Rivers	2680'	T. Devonian		T. Menefee		T. Madison	
T. Queen	3370'	T. Silurian		T. Point Lookout		T. Elbert	
T. Grayburg	3850'	T. Montoya		T. Mancos		T. McCracken	
T. San Andres	4316'	T. Simpson		T. Gallup		T. Ignacio Otzte	
T. Glorieta		T. McKee		Base Greenhorn		T. Granite	
T. Paddock		T. Ellenburger		T. Dakota		T.	
T. Blinebry		T. Gr. Wash		T. Morrison		T.	
T. Tubb		T. Delaware Sand	4630'	T. Todilto		T.	
T. Drinkard		T. Bone Springs	7464'	T. Entrada		T.	
T. Abo		T. Morrow Clastics	12014'	T. Wingate		T.	
T. Wolfcamp	9240'	T. Lower Morrow	12248'	T. Chinle		T.	
T. Penn	10360'	T. Upper Mississippian	12374'	T. Permian		T.	
T. Cisco (Bough C)		T. Logger's TD	12506'	T. Penn "A"		T.	

OIL OR GAS SANDS OR ZONES
8,902 Oil & Form Wtr

No. 1, from 11,660 to 11,674 Dist & form wtr
No. 2, from 12,190 to 12,204 Gas & form wtr

No. 3, from 5,600 to 8,902 Oil & Form Wtr
No. 4, from 9,930 to 9,964 Oil & Form Wtr

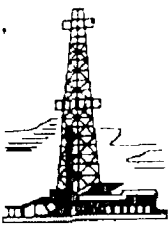
IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, fromto..... feet.....
No. 2, fromto..... feet.....
No. 3, fromto..... feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
0	820	820	Aluv. Sand & Redbeds				
820	1,045	225	Anhy				
1,045	2,095	1,050	Salt, Anhy				
2,095	2,270	175	Anhy				
2,270	2,680	410	Anhy, Sandstone				
2,680	3,370	690	Anhy, Dol, Sandstone				
3,370	3,850	480	Sandstone, Dol, Anhy				
3,850	4,316	466	Dol, Sandstone				
4,316	4,630	314	Dol, Sandstone				
4,630	5,468	838	Sandstone, Dol				
5,468	7,464	1,996	Limestone, Dol, Chert				
7,464	8,062	598	Sandstone, Dol				
8,062	8,924	862	Sandstone, Dol				
8,924	9,240	316	Sandstone, Siltstone, Dol				
9,240	10,360	1,120	Limestone, Dol, Shale				
10,360	11,144	784	Shale, Limestone				
11,144	11,492	348	Limestone				
11,492	12,014	522	Shale, Limestone				
12,014	12,248	234	Sandstone, Shale, Limestone				
12,248	12,374	126	Sandstone, Shale, Limestone				
12,374	12,506	132	Limestone, Shale				



Permian Drilling Corporation

P. O. Box 726 (505)397-3798 Fax (505)393-2448 Hobbs, New Mexico 88241



INCLINATION REPORT

RECEIVED JUN 25 2007

DATE: 6/15/2007

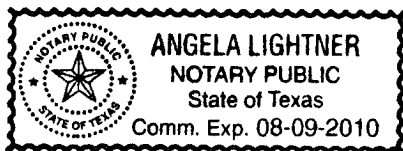
AUG 21 2007
OCD-ARTESIA

WELL NAME AND NUMBER. Mesquite 2 St Com #6
LOCATION: Eddy Co., NM
OPERATOR: Harvey E. Yates Company
DRILLING CONTRACTOR: PERMIAN DRILLING CORPORATION

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

DEGREE	DEPTH	DEGREE	DEPTH	DEGREE	DEPTH
0.75	391	0.75	4785	4.75	7222
0.75	544	0.75	5293	4.75	7255
0.75	700	1.00	5778	4.75	7351
1.00	827	2.75	6287	5.00	7382
0.75	1298	2.75	6600	4.25	7477
0.75	1777	2.75	6700	4.30	7571
1.25	2288	2.75	6796	4.00	7618
1.25	2763	2.25	6922	3.80	7645
0.25	3120	4.00	7018	3.70	7669
0.75	3320	4.00	7050	3.60	7701
0.75	3767	4.00	7086	3.80	7733
0.75	4308	5.00	7192	3.70	7765

Drilling Contractor:
Permian Drilling Incorporation

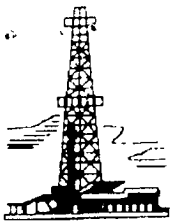


By: *Sherry Coskrey*
Sherry Coskrey
Regulatory Clerk

Subscribed and sworn to before me on this 18th day of June, 2007.

My Commission Expires: 08-09-2010

Angela Lightner



Permian Drilling Corporation

P. O. Box 726

(505)397-3798

Fax (505)393-2448

Hobbs, New Mexico 88241



INCLINATION REPORT

AUG 21 2007
OCD-ARTESIA

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Mesquite 2 St Com #1

DEGREE	DEPTH	DEGREE	DEPTH	DEGREE	DEPTH
4.00	7796	0.90	8893	1.40	10737
3.40	7803	1.40	8956	1.50	10809
4.00	7859	1.30	9020	1.40	10892
3.70	7891	0.50	9114	1.40	10956
3.70	7938	0.30	9188	1.40	11019
3.50	7969	0.40	9210	0.30	11156
2.90	8044	0.10	9273	1.30	11237
2.30	8077	0.30	9411	1.40	11269
1.20	8139	0.10	9433	1.30	11372
0.60	8161	0.30	9528	1.10	11424
0.30	8193	0.10	9687	1.00	11518
0.30	8225	0.20	9812	1.00	11623
0.30	8257	0.40	9984	1.60	11676
0.30	8288	0.20	10068	1.50	11738
0.30	8457	0.20	10163	1.20	11843
0.30	8394	0.80	10290	1.30	11907
0.30	8447	1.40	10354	1.40	11958
0.30	8511	1.30	10480	1.20	12054
0.40	8638	1.30	10513	1.80	12152
0.60	8734	1.60	10608	2.20	12287
0.70	8870	1.40	10704	1.00	12374