

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. 30-015-34456 5. Indicate Type of Lease STATE ☒ FEE ☐ State Oil & Gas Lease No. VO-5710
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____ b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐ WELL OVER BACK RESVR.	7. Lease Name or Unit Agreement Name Lupine BHJ State Com 8. Well No. 1 9. Pool name or Wildcat Chosa Draw; Morrow
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2. Name of Operator Yates Petroleum Corporation 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 (575) 748-1471	
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4. Well Location Unit Letter <u>L</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>16</u> Township <u>25S</u> Range <u>26E</u> NMPM <u>Eddy</u> County			
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10. Date Spudded RH 8/2/07 RT 8/8/07	11. Date T.D. Reached 9/30/07	12. Date Compl (Ready to Prod.) 11/15/07	13. Elevations (DF& RKB, RT, GR, etc.) 3409'GR 3428'KB	14. Elev Casinghead
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15. Total Depth 12,250'	16. Plug Back T.D. 11,634'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools 40'-12,250'	Cable Tools
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19. Producing Interval(s), of this completion - Top, Bottom, Name 11,426'-11,536' Morrow	20. Was Directional Survey Made Yes (Attached)
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21. Type Electric and Other Logs Run CNL, Hi-Res Laterolog Array, CBL	22. Was Well Cored No
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23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
20"	Conductor	40'		Redi-mix	
13-3/8"	48#	343'	17-1/2"	300 sx (circ)	
9-5/8"	36#	1912'	12-1/4"	800 sx (circ)	
7"	23#, 26#	8700'	8-3/4"	1700 sx (TOC 1000')	
4-1/2"	11.6#	12,250'	6-1/8"	350 sx (TOC 6978'Est)	

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	11,279'	11,279'

26. Perforation record (interval, size, and number) 11,828'-11,840'(73) 11,664'-11,670'(37) 11,506'-11,510'(25) 11,848'-11,852'(25) 11,426'-11,430'(25) 11,532'-11,536'(25) 11,866'-11,872'(37) 11,466'-11,470'(25) 12,144'-12,152'(49) 11,494'-11,500'(37)				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>11,828'-12,152'</td> <td>Acidize w/2500g 7-1/2% HCL acid w/120 BS</td> </tr> <tr> <td>11,828'-12,152'</td> <td>Frac w/CO2 foam frac, 675 bbls fluid, 50,000# 20/40 Versaprop</td> </tr> <tr> <td>11,664'-11,670'</td> <td>Acidize w/1000g 7-1/2% HCL acid</td> </tr> <tr> <td>11,426'-11,536'</td> <td>Acidize w/2500g 7-1/2% HCL acid w/200 BS</td> </tr> </table>		DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	11,828'-12,152'	Acidize w/2500g 7-1/2% HCL acid w/120 BS	11,828'-12,152'	Frac w/CO2 foam frac, 675 bbls fluid, 50,000# 20/40 Versaprop	11,664'-11,670'	Acidize w/1000g 7-1/2% HCL acid	11,426'-11,536'	Acidize w/2500g 7-1/2% HCL acid w/200 BS
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28. PRODUCTION

Date First Production 11/16/07		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing			Well Status (Prod. or Shut-in) Producing		
Date of Test 11/22/07	Hours Tested 24 hrs	Choke Size 22/64"	Prod'n For Test Period 0	Oil - Bbl 2550	Gas - MCF 9	Water - Bbl. NA	Gas - Oil Ratio NA
Flow Tubing Press. 840 psi	Casing Pressure 840 psi	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 2550	Water - Bbl. 9	Oil Gravity - API - (Corr.) NA	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	Test Witnessed By L. Raga
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30. List Attachments Logs, Deviation Survey and Directional Survey

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 <u>Tina Huerta</u>	Printed. Name <u>Tina Huerta</u>	Title <u>Regulatory Compliance Supervisor</u>	Date <u>December 27, 2007</u>
E-mail Address <u>tinah@ypcnm.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	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn 10,650'	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka 11,038'	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Siluro-Devonian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	
T. Blinbry	T. Castille	T. Morrison	
T. Tubb	T. Delaware Sand 1915'	T. Todilto	
T. Drinkard	T. Cherry Canyon 2776'	T. Entrada	
T. Abo	T. Brushy Canyon 3788'	T. Wingate	
T. Wolfcamp 8518'	T. Bone Spring 5600'	T. Chinle	
T. Wolfcamp B Zone	T. Morrow 11,415'	T. Permian	
T. Cisco (Bough C)	T. Pre-Cambrian	T. Penn "A"	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 2, from.....to.....

No. 3, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

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

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

From	To	Thickness In Feet	Lithology

OPERATOR
WELL/LEASE
COUNTY

YATES PETROLEUM CORP.
LUPINE BHJ STATE COM #1
EDDY

RIG: 511

STATE OF NEW MEXICO
DEVIATION REPORT

169	0.75	9,440	2.33
318	0.50	9,520	1.76
415	0.75	9,414	1.06
731	1.25	9,679	0.97
936	1.40	9,773	0.79
1,126	1.30	9,906	0.80
1,396	2.25	10,096	1.50
1,648	2.00	10,317	2.30
1,791	2.10	10,506	2.50
1,879	2.00	10,727	2.00
2,315	1.40	10,950	1.60
2,553	1.00	11,232	1.60
2,833	0.70	11,709	2.50
3,118	0.50	11,900	2.30
3,499	0.50	12,058	2.50
3,690	0.50	12,250	3.40
3,881	0.70		
4,071	0.40		
4,261	0.30		
4,664	0.70		
5,086	0.50		
5,439	0.70		
5,815	1.60		
6,072	1.50		
6,323	1.60		
6,549	0.70		
6,834	0.80		
7,025	1.50		
7,214	2.10		
7,499	1.90		
7,784	1.80		
8,065	1.50		
8,354	1.30		
8,634	0.75		
9,084	1.80		
9,336	2.60		
9,411	3.08		

BY: Steve Moore

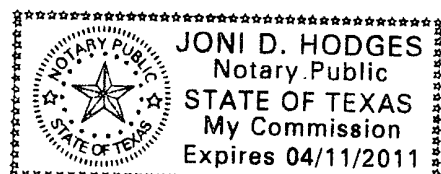
STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on
Moore on behalf of Patterson-UTI Drilling Company LLC.

October 8, 2007, by Steve

Joni D. Hodges
Notary Public for Midland County, Texas
My Commission Expires: 4/11/11





DIRECTIONAL SURVEY REPORT

YATES PETROLEUM

LUPINE BHJ ST. COM #1

EDDY COUNTY, NEW MEXICO

PREPARED BY: CODY MEBANE

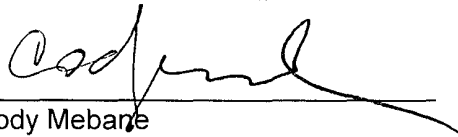
DIRECTIONAL SURVEY COMPANY REPORT:

1. NAME OF SURVEYING COMPANY: PATHFINDER ENERGY SERVICES
2. NAME OF PERSON(S) PERFORMING SURVEY:
A) JOHN PATTERSON
3. POSITION OF SAID PERSON(S): (A-F) SURVEYORS (FIELD ENGINEERS)
4. DATE(S) ON WHICH SURVEY WAS PERFORMED: 9/05/07 TO 9/08/07
5. STATE IN WHICH SURVEY WAS PERFORMED: NEW MEXICO
6. LOCATION OF WELL: EDDY COUNTY, NM
7. TYPE OF SURVEY(S) PERFORMED: MWD
8. COMPLETE IDENTIFICATION OF WELL:

YATES PETROLEUM
LUPINE BHJ ST. COM #1
EDDY COUNTY, NM
RIG: PATTERSON 511

9. SURVEY CERTIFIED FROM: 9425 TO 9867 FEET MEASURED DEPTH.

THIS IS TO VERIFY THAT ATTACHED DOCUMENTS SHOWING THE WELL TO BE DISPLACED AT 13.33 FEET ON A BEARING OF 265.58 DEGREES FROM THE CENTER OF THE ROTARY TABLE AT A PROJECTED BIT DEPTH OF 9907 FEET, ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.


Cody Mebane
M/LWD SERVICE COORDINATOR

PATHFINDER

ENERGY SERVICES

DIRECTIONAL SURVEY INFORMATION

Prepared By: CODY MEBANE

Name of Client: Yates Petroleum

Attention: _____

☒ Directional Only Job OR ☐ Logging Job

Name(s) of Persons Performing Surveys:

A) JOHN PATTERSON D) _____
B) _____ E) _____
C) _____ F) _____

Positions of Said Persons: Surveyors / Field Engineers: Other _____

Date(s) Survey was Performed: From 9/5/2007 To 9/8/2007

Type of Survey Performed: (Specify if other than MWD) _____

IDENTIFICATION OF WELL:

Client:	<u>Yates Petroleum</u>	Rig Name:	<u>Patterson 511</u>
Well No.:	<u>Lupine BHJ St. Com #1</u>	API No.:	<u>30-015-34456</u>
Location:	<u>Eddy Co NM</u>	Job No.:	<u>101006683 WT-WT</u>
State:	<u>NM</u>		

TEXAS RAILROAD COMMISSION INFORMATION:

Field: CHOSA DRAW; MORROW (GAS)

Abstract No.: _____
Well Plat Survey Co.: HERSCHELL JONES

Surveys Performed From 9425 Feet TO 9867 Feet

MMS / ASCII / LAS Diskette Filename: _____

THIS IS TO VERIFY THAT ATTACHED DOCUMENTS SHOW THE WELL TO BE DISPLACED AT 13.33 FEET
ON A BEARING OF 265.58 DEGREES FROM THE CENTER OF THE ROTARY TABLE AT PROJECTED DEPTH OF
9907 FEET, ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

PathFinder Energy Services, Inc.

BHL Report

Page 01/01
Tie-in Date: 09/05/2007
Date Completed: 09/08/2007

YATES PETROLEUM
LUPINE BHJ STATE COM # 1
EDDY COUNTY, NM
Rig:PATTERSON
PathFinder Office Supervisor: CODY MEBANE
PathFinder Field Engineers:JOHN PATTERSON

Survey Horiz. Reference:WELLHEAD
Ref Coordinates: LAT:32.5.54.4200 N LON:104.15.55.5804 W
GRID Reference:NAD27 new mexico east Transverse Mercator
Ref GRID Coor: X: 521024.3653 Y: 399546.0745
North Aligned To:GRID NORTH
Total Magnetic Correction: 8.29° EAST TO GRID
Vertical Section Plane: 0.00
Survey Vert. Reference: 19.00' Rotary Table To Ground
Altitude:3409.00' Ground To MSL

Measured Depth	9907.00	(feet)
Inclination	1.06	(deg)
Azimuth	280.70	(deg)
True Vertical Depth	9906.80	(feet)
Course Length	40.00	(feet)
Vertical Section	-1.03	(feet)
Rectangular Corr. N/S	1.03 S	(feet)
Rectangular Corr. E/W	13.29 W	(feet)
Closure Distance	13.33	(feet)
Direction of Closure	265.58	(deg)
Dogleg Severity	0.00	(deg/100ft)

PathFinder Energy Services, Inc.

Survey Report

YATES PETROLEUM

LUPINE BHJ STATE COM # 1

EDDY COUNTY, NM

Rig: PATTERSON

PathFinder Office Supervisor: CODY MEBANE

PathFinder Field Engineers: JOHN PATTERSON

Survey Horiz. Reference: WELLHEAD

Ref Coordinates: LAT: 32.5.54.4200 N LON: 104.15.55.5804 W

Reference: NAD27 new mexico east Transverse Mercator

Ref GRID Coord: X: 521024.3653 Y: 399546.0745

North Aligned To: GRID NORTH

Total Magnetic Correction: 8.29° EAST TO GRID

Vertical Section Plane: 0.00

Survey Vert. Reference: 19.00' Rotary Table To Ground

Altitude: 3409.00' Ground To MSL

Survey Calculations by PathCalc v1.95U using Minimum Curvature

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Retangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)	DLS (dg/100ft)	
NO TIE IN PROVIDED. ASSUMED VERTICAL @ 9339' MD.										
9339.00	0.00	0.00	9339.00	0.00	0.00	0.00	0.00	0.00@ 0.00	0.00	
TOTCO SURVEY @ 9399' MD ASSUMING DIRECTION.										
9399.00	2.90	256.32	9398.97	60.00	-0.36	0.36 S	1.48 W	1.52@ 256.32	4.83	
THE FOLLOWING ARE PATHFINDER MWD SURVEYS.										
9425.00	3.08	256.32	9424.94	26.00	-0.68	0.68 S	2.79 W	2.87@ 256.32	0.69	
9457.00	2.37	257.64	9456.90	32.00	-1.02	1.02 S	4.27 W	4.40@ 256.52	2.23	
9488.00	1.76	270.33	9487.88	31.00	-1.16	1.16 S	5.38 W	5.50@ 257.83	2.45	
9520.00	1.76	272.47	9519.87	32.00	-1.14	1.14 S	6.36 W	6.46@ 259.88	0.21	
9551.00	1.67	272.31	9550.85	31.00	-1.10	1.10 S	7.29 W	7.37@ 261.44	0.29	
9583.00	1.14	271.01	9582.84	32.00	-1.07	1.07 S	8.07 W	8.14@ 262.43	1.66	
9614.00	1.06	263.44	9613.84	31.00	-1.10	1.10 S	8.66 W	8.73@ 262.77	0.53	
9647.00	1.23	271.92	9646.83	33.00	-1.12	1.12 S	9.32 W	9.39@ 263.13	0.73	
9679.00	0.97	268.28	9678.83	32.00	-1.12	1.12 S	9.93 W	10.00@ 263.57	0.84	
9710.00	0.53	257.57	9709.82	31.00	-1.16	1.16 S	10.34 W	10.40@ 263.61	1.48	
9742.00	0.62	251.89	9741.82	32.00	-1.24	1.24 S	10.65 W	10.72@ 263.34	0.33	
9773.00	0.79	263.19	9772.82	31.00	-1.32	1.32 S	11.02 W	11.10@ 263.16	0.71	
9806.00	0.97	276.56	9805.82	33.00	-1.32	1.32 S	11.52 W	11.60@ 263.48	0.82	
9837.00	0.97	277.71	9836.81	31.00	-1.25	1.25 S	12.04 W	12.11@ 264.07	0.06	
9867.00	1.06	280.70	9866.81	30.00	-1.17	1.17 S	12.57 W	12.62@ 264.70	0.35	
STRAIGHT LINE PROJECTION TO BIT @ 9907' MD.										
9907.00	1.06	280.70	9906.80	40.00	-1.03	1.03 S	13.29 W	13.33@ 265.58	0.00	