

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Avenue, Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b>  <b>Oil Conservation Division</b> <b>1220 South St. Francis Dr.</b> <b>Santa Fe, NM 87505</b>	<b>Form C-105</b> Revised June 10, 2003  WELL API NO. 30-015-32801 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. <b>K-3977</b>												
<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>														
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____  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 OVER BACK RESVR. <input type="checkbox"/> OTHER		7. Lease Name or Unit Agreement Name  Yates State  8. Well No. <b>2</b>  9. Pool name or Wildcat Burton Flat - Atoka												
2. Name of Operator  Unit Petroleum Company 3. Address of Operator P.O. Box 702500 Tulsa, OK 74170		RECEIVED APR 26 2004 OOB-ARTESIA												
4. Well Location  Unit Letter M: 1310 Feet From The South Line and 1310 Feet From The West Line  <table style="width:100%; border: none;"> <tr> <td style="text-align: center;">Section</td> <td style="text-align: center;">10</td> <td style="text-align: center;">Township</td> <td style="text-align: center;">21S</td> <td style="text-align: center;">Range</td> <td style="text-align: center;">27E</td> <td style="text-align: center;">NMPM</td> <td style="text-align: center;">Eddy</td> <td style="text-align: center;">County</td> </tr> </table>			Section	10	Township	21S	Range	27E	NMPM	Eddy	County			
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10. Date Spudded 11-22-03	11. Date T.D. Reached 1-29-04	12. Date Compl. (Ready to Prod.) 4-3-04	13. Elevations (DF& RKB, RT, GR, etc.) 3268' Gr	14. Elev. Casinghead 3267'										
15. Total Depth 11,467'	16. Plug Back T.D. 10,673'	17. If Multiple Compl. How Many Zones?  	18. Intervals Drilled By Rotary Tools x	Cable Tools  										
19. Producing Interval(s), of this completion - Top, Bottom, Name 10,430' - 10,665' Atoka				20. Was Directional Survey Made No										
21. Type Electric and Other Logs Run DLL/GR CDN/GR				22. Was Well Cored No										
<b>23. CASING RECORD (Report all strings set in well)</b>														
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED									
13 3/8"	48#	580'	17 1/2"	300sx Poz&200sxC	None									
9 5/8"	36 #	2835'	12 1/4"	600sxPoz&200sxC	None									
5 1/2"	20# & 17#	11,375'	8 3/4"	800sx Poz "H"	None									
<b>24. LINER RECORD</b>			<b>25. TUBING RECORD</b>											
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET							
					2 3/8"		10,350'							
26. Perforation record (interval, size, and number) 11,375'-11,467' Open hole CIBP @ 10,708'  10,430' - 10,665' 3 spf 78 holes 0.43" diam.				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table style="width:100%; border: none;"> <tr> <td style="text-align: center;">DEPTH INTERVAL</td> <td style="text-align: center;">AMOUNT AND KIND MATERIAL USED</td> </tr> <tr> <td style="text-align: center;">10,430 - 10,665'</td> <td style="text-align: center;">3000 gal 7 1/2% HCL</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table>			DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	10,430 - 10,665'	3000 gal 7 1/2% HCL				
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<b>28. PRODUCTION</b>														
Date First Production 3-24-04		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing			Well Status (Prod. or Shut-in Producing)									
Date of Test 4/4/04	Hours Tested 24	Choke Size 14/64"	Prod'n For Test Period  	Oil - Bbl 1	Gas - MCF 843	Water - Bbl. 0	Gas - Oil Ratio 843,000							
Flow Tubing Press. 450 psi	Casing Pressure 0 psi	Calculated 24-Hour Rate  	Oil - Bbl. 1	Gas - MCF 843	Water - Bbl. 0	Oil Gravity - API - (Corr.)								
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold						Test Witnessed By								
30. List Attachments Deviation Report & Logs														
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 Kelly Ryan Name		Title Dist. Engr.		Date 4/5/04								

# 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 9378	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn 10148	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka 10380	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss 10888	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	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.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp 8950	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

## 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

LOCATION YATES STATE #2

LEASE & WELL SEC. 10, 21S, 27E EDDY COUNTY, NM  
(Give Unit, Section, Township and Range)

OPERATOR UNIT PETROLEUM COMPANY 7130 S. LEWIS, SUITE 1000  
TULSA, OKLAHOME 74136

DRILLING CONTRACTOR NABORS DRILLING USA, LP

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:

DEGREES @ DEPTH		DEGREES @ DEPTH		DEGREES @ DEPTH		DEGREES @ DEPTH	
1/4	143	1/2	4201				
1 1/4	287	1	4696				
1/4	346	1/2	5127				
3/4	530	1	5619				
1/2	829	3/4	6166				
3/4	1111	1/2	6611				
3/4	1297	3/4	7081				
3/4	1510	1	7364				
1/2	1807	1	7757				
1/2	2067	1/2	8203				
1/2	2345	1 3/4	8670				
3/4	2592	1	8794				
1 1/4	2785	1 1/4	9260				
1/2	3217	1 1/4	9511				
1/2	3712	1/2	10008				

RECEIVED  
APR 26 2004  
OCD-ARTESIA

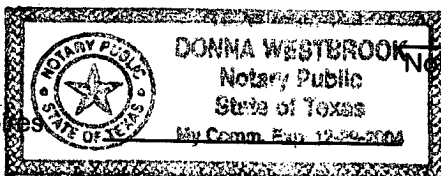
Drilling Contractor

Nabors Drilling USA, LP

By

Don Nelson  
Don Nelson - District Drilling Superintendent

Subscribed and sworn to before me this 14 day of April, 2004



Donna Westbrook  
Notary Public

My Commision Expires

MIDLAND

County

TEXAS