

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. 30-015-25452		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.	
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>Horizontal</u> b. Type of Completion: NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>				7. Lease Name or Unit Agreement Name MESQUITE 2 STATE	
2. Name of Operator HARVEY E. YATES COMPANY				8. Well No. #003H	
3. Address of Operator PO BOX 1933 - ROSWELL, NM 88202-1933				9. Pool name or Wildcat TAMANO; BONE SPRING	
4. Well Location Unit Letter <u>J</u> : <u>1980</u> Feet From The <u>SOUTH</u> Line and <u>1980</u> Feet From The <u>EAST</u> Line Section <u>2</u> Township <u>18 SOUTH</u> Range <u>31 EAST</u> NMPM <u>EDDY</u> County					
10. Date Spudded 11/16/1985		11. Date T.D. Reached 2/18/06		12. Date Compl. (Ready to Prod.) 3/2/2006	
13. Elevations (DF& RKB, RT, GR, etc.) 3780'		14. Elev. Casinghead		15. Total Depth 11,252' MD	
16. Plug Back T.D. 11,191' MD		17. If Multiple Compl. How Many Zones?		18. Intervals Drilled By Rotary Tools 7,926'-11,252' Cable Tools	
19. Producing Interval(s), of this completion - Top, Bottom, Name Top Bone Spgs 8,492' TVD				20. Was Directional Survey Made Yes - attached	
21. Type Electric and Other Logs Run Directional Survey during drilling.				22. Was Well Cored NO	
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"	54.5#	358'	17 1/2"	300 sxs	existing
8 5/8"	24.0#	2275'	11"	900 sxs	existing
5 1/2"	17.0#	9025'	7 7/8"	1275 sxs	existing
24. LINER RECORD					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
3 1/2"	7,691' Tvd	11,237' Md	215 sxs		
25. TUBING RECORD					
SIZE	DEPTH SET	PACKER SET			
2 7/8"	11,191' Md				
26. Perforation record (interval, size, and number) 10290-10293.44' (18, 0.34" diam, 6 spf @ 60°) 10806-10809.59' (22, 0.34" diam, 6 spf @ 60°) 9486.77-50.03, 10077-1080.59' (38, 0.34", 6 spf @ 60°) 9522-9525', 9126-9129' (38, 0.34" diam, 6 spf @ 60°)			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 9126-10809.59' oa Medallion 3500, LF, 15% NEFE, Interprop 30/50 (all perfs) Carboprop 16/30, Super DC 1/30 TOTAL PROPPANT: 469,454		
28. PRODUCTION					
Date First Production 3/2/2006		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping			Well Status (Prod. or Shut-in) Producing
Date of Test 3/5/2006	Hours Tested 24	Choke Size n/a	Prod'n For Test Period	Oil - Bbl 97	Gas - MCF 29
Flow Tubing Press. n/a	Casing Pressure n/a	Calculated 24-Hour Rate	Oil - Bbl 97	Gas - MCF 29	Water - Bbl. 22
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold		Test Witnessed By			
30. List Attachments 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>Jes Serrano</u>		Printed Name Jeanetta Serrano		Title Eng. Tech	
E-mail Address jserrano@heycoenergy.com		Date 9/28/2006			

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	1,905'	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt		T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt		T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	2,277'	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	2,698'	T. Devonian	T. Menefee	T. Madison
T. Queen	3,375'	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	3,866'	T. Montoya	T. Mancos	T. McCracken
T. San Andres	4,148'	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	4,678'	T. Todilto
T. Drinkard		T. Bone Springs	5,116'	T. Entrada
T. Abo		T.		T. Wingate
T. Wolfcamp		T.		T. Chinle
T. Penn		T.		T. Permian
T. Cisco (Bough C)		T.		T. Penn "A"

OIL OR GAS SANDS OR ZONES

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

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

No. 2, 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
			(from original vertical drilling completion)				
0	358		ANHY & RED BED				
358	847		ANHY & SALT				
847	2,275		ANHY & DOLO				
2,275	2,391		ANHY				
2,391	4,865		DOLO				
4,865	5,348		DOLO & SAND				
5,348	5,719		LIME & SAND				
5,719	6,738		SAND & DOLO				
6,738	7,850		LIME & SHALE & CHERT				
7,850	8,090		LIME & DOLO				
8,090	8,420		LIME & SHALE				
8,420	9,025		DOLO & SAND				