

OIL CONSERVATION DIVISION

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

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

|                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------|
| Operator<br>BC & D Operating, Inc.                                                                                                                                                                                                                                                                                                                                                                                                     |  | Well API No.<br>30-031-20116 |
| Address<br>PO Box 5926 Hobbs, New Mexico 88241                                                                                                                                                                                                                                                                                                                                                                                         |  |                              |
| Reason(s) for Filing (Check proper box)<br>New Well <input type="checkbox"/> Change in Transporter of: <input type="checkbox"/> Other (Please explain)<br>Recompletion <input type="checkbox"/> Oil <input checked="" type="checkbox"/> Dry Gas <input type="checkbox"/> EFFECTIVE: May 15, 1993<br>Change in Operator <input checked="" type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |  |                              |
| If change of operator give name and address of previous operator<br>American Exploration Company 1331 Lamar, Ste 900; Houston, Texas 77010-30                                                                                                                                                                                                                                                                                          |  |                              |

II. DESCRIPTION OF WELL AND LEASE

|                                                                                                                                                                                                                      |                |                                                     |                                          |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------|------------------------------------------|-----------|
| Lease Name<br>Hospah Sand Unit                                                                                                                                                                                       | Well No.<br>59 | Pool Name, including Formation<br>Hospah Upper Sand | Kind of Lease<br>(State, Federal or Fee) | Lease No. |
| Location<br>Unit Letter <u>J</u> : <u>1430</u> Feet From The <u>South</u> Line and <u>2625</u> Feet From The <u>East</u> Line<br>Section <u>36</u> Township <u>18N</u> Range <u>9W</u> , <u>NMPM</u> McKinley County |                |                                                     |                                          |           |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|                                                                                                                         |                                                                                                         |            |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------|
| Name of Authorized Transporter of Oil<br>Giant Refining <input type="checkbox"/> or Condensate <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent)<br>PO Box 12999 Scottsdale, AZ |            |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>           | Address (Give address to which approved copy of this form is to be sent)                                |            |
| If well produces oil or liquids, give location of tanks.                                                                | Unit<br>B                                                                                               | Sec.<br>1  |
|                                                                                                                         | Twp.<br>17N                                                                                             | Rgs.<br>9W |
|                                                                                                                         | Is gas actually connected?                                                                              | When?      |

If this production is commingled with that from any other lease or pool, give commingling order number.

IV. COMPLETION DATA

|                                     |                             |          |                 |          |                   |           |            |            |
|-------------------------------------|-----------------------------|----------|-----------------|----------|-------------------|-----------|------------|------------|
| Designate Type of Completion - (X)  | Oil Well                    | Gas Well | New Well        | Workover | Deepen            | Plug Back | Same Res'v | Diff Res'v |
| Date Spudded                        | Date Compl. Ready to Prod.  |          | Total Depth     |          | P.B.T.D.          |           |            |            |
| Elevations (DF, RKB, RT, GR, etc.)  | Name of Producing Formation |          | Top Oil/Gas Pay |          | Tubing Depth      |           |            |            |
| Perforations                        |                             |          |                 |          | Depth Casing Shoe |           |            |            |
| TUBING, CASING AND CEMENTING RECORD |                             |          |                 |          |                   |           |            |            |
| HOLE SIZE                           | CASING & TUBING SIZE        |          | DEPTH SET       |          | SACKS CEMENT      |           |            |            |
|                                     |                             |          |                 |          |                   |           |            |            |
|                                     |                             |          |                 |          |                   |           |            |            |
|                                     |                             |          |                 |          |                   |           |            |            |

V. TEST DATA AND REQUEST FOR ALLOWABLE

|                                                                                                                                                         |                 |                                               |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------|------------|
| OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.) |                 |                                               |            |
| Date First New Oil Run To Tank                                                                                                                          | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
| Length of Test                                                                                                                                          | Tubing Pressure | Casing Pressure                               | Choke Size |
| Actual Prod. During Test                                                                                                                                | Oil - Bbls.     | Water - Bbls.                                 | Gas - MCF  |

RECEIVED  
JUN 22 1993  
OIL CON. DIV  
DIST. 3

GAS WELL

|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D        | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shot-in) | Casing Pressure (Shot-in) | Choke Size            |

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Donnie Hill  
Printed Name Donnie Hill President  
Date 6/4/93 Title 392-2041  
Telephone No.

OIL CONSERVATION DIVISION

Date Approved JUN 22 1993

By Barry Chang  
Title SUPERVISOR DISTRICT #3

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.