STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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| DISTRIBUTION | | | 1 |
| SANTA FE | | | |
| FILE | | | |
| U.S.G.S. | | | |
| LAND OFFICE | | | |
| TRANSPORTER | OIL | | |
| | GAS | | |
| GPERATOR | | | |
| PROBATION OF | ICE | | |

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

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DECVIECT COD

| PROBATION OFFICE | FOR ALLOWABLE AND ANSPORT OIL AND NATURAL GAS |
|--|--|
| Operator American Exploration Company | |
| 2100 RepublicBank Center, Houston, Texas | s 77002 |
| Reason(s) for filing (Check proper box) New Well Change in Transporter of: Recompletion Oil Change in Ownership Casinghed Gas | Other (Please explain) Dry Gas Condensate |
| If change of ownership give name Tesoro Petroleum Com | rporation, 8700 Tesoro Drive, San Antonio, Tex. 78286 |
| II. DESCRIPTION OF WELL AND LEASE Lease Name Hospah Sand Unit Well No. Pool Name, Including Hospah Uppe | |
| K 1850 South | 1875 West |
| Line of Section 36 Township 18N Range | 9W McKinley County |
| III. DESIGNATION OF TRANSPORTER OF OIL AND NATUR Name of Authorized Transporter of Oil or Condensate Ciniza Pipeline Name of Authorized Transporter of Casinghead Gas or Dry Gas | Address (Give address to which approved copy of this form is to be sent) P. O. Blx 1887, Bloomfield, N.M. 87413 Address (Give address to which approved copy of this form is to be sent) |
| If well produces all or liquids, Que location of tanks. Unit Sec. Twp. Age. B 1 17N 9V | |
| If this production is commingled with that from any other lease or po NOTE: Complete Parts IV and V on reverse side if necessary. | ol, give commingling order number: |
| VI. CERTIFICATE OF COMPLIANCE hereby certify that the rules and regulations of the Oil Conservation Division has | |
| Deen complied with and that the information given is true and complete to the best my knowledge and belief. | TITLE SUPERVISION DISTRICT #3 |
| (Signature) Roy Quiroga Production Administrator | This form is to be filed in compliance with RULE 1104. If this is a request for sllowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111. |
| August 17, 1988 | All sections of this form must be filled out completely for sllow- able on new and recompleted wells. Fill out only Sections I, II, III, and VI for changes of owner, |
| (Date) | well name or number, or transporter, or other such change of condition. Separate Forms C-104 must be filed for each pool in multiply completed wells. |

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| V. COMPLETION DATA | | | | | | | | | |
|------------------------------------|-------------------------------|----------------------------------|---|---------------------------------------|-------------------|-------------------|----------------|---------------|--|
| Designate Type of Completi | on - (X) | Gas Well | New Well | Workover | Deepen | Plug Back | Same Res'y. | Diff. Res'v | |
| Date Spudded | Date Compi. 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 | | | |
| Performions | quione | | | | | Depth Casing Shoe | | | |
| | TUBING, | CASING, AN | D CEMENTI | NG RECORE | | | | | |
| HOLE SIZE | CASING & TUBING SIZE | | DEPTH SET | | SACKS CEMENT | | | | |
| | | | | | ,, ··- <u>·</u> - | | | | |
| | | | | | | | | | |
| | | | | · · · · · · · · · · · · · · · · · · · | | | | | |
| 7. TEST DATA AND REQUEST OIL WELL | FOR ALLOWABLE (T | est must be a ble for this di | ifter recovery : epth or be for : | of total volum /ull 24 hours/ | e of load oil | and must be e | qual to or exe | sed top allow | |
| Date First New Oil Run To Tanks | Date of Test | | Producing Method (Flow, pump, gas lift, etc.) | | | | | | |
| Longth of Tost | Tubing Pressure | | Casing Pressure Choice Size | | | | | | |
| Actual Prod. During Test | OII - Bbis. | ···· | Water - Bble. | Water - Bbis. | | Gas - MCF | | | |
| | | | <u></u> | | | 1 | | | |
| SAS WELL | | | | | | | | | |
| Actual Prod. Test-MCF/D | Length of Test | | Bble. Conse | magte/MMCF | | Gravity of C | ondensate | | |
| Testing Method (puet, back pr.) | Tubing Pressure (Shat- | (a) | Casing Pres | ewe (Sbet- | la) | Choke Sise | . | | |
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Submit 3 Copies to Appropriate

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

District Office

OIL CONSERVATION DIVISION WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 Santa Fe, New Mexico 87504-2088 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 FEE X STATE 6. State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Hospah Sand Unit 1. Type of Well: WELL X WELL OTHER 2. Name of Operator 8. Well No. 96 American Exploration Company 9. Pool name or Wildcat 3. Address of Operator 2100 RepublicBank Center, Houston, Texas 77002 Hospah Upper Sand 4. Well Location 1875 West 1850 Feet From The _ Feet From The Unit Letter 9W McKinley 36 Range County Township Section 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 7049 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: ALTERING CASING PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT **CHANGE PLANS TEMPORARILY ABANDON** CASING TEST AND CEMENT JOB **PULL OR ALTER CASING** Add 14' of Perforations & Stimulate OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. Move in and rig up Company Pulling Unit. Spot 100 gallons of 15% NEFE HCL acid over proposed interval. Perforate the Upper Hospah Sand w/4 JHPF @ the following depths: 1707-10', 1713-16', 1718-22' and 1726-30 (GL). Total 14' (64 holes). Isolate perfs 1707-1730'. Acidize new perfs. w/500 gal. 15% NEFE HCL. Acidize old perfs 1686-98' GL w/500 gals. 15% NEFE HCL. Swab back acid residue from entire zone. Lower treating pkr. and attempt to establish feed in rate from new perforaiton. Run production Equipment and place well on production. JIL CON. DIV I hereby certify that the information above is true and complete to the best of my knowledge and belief. Fine Sr Production Analyst DATE 5/23/89 TELEPHONE NO. TYPE OR PRINT NAME (This space for State Use)

TITLE

SUPERVISOR DISTRICT #

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Original Signed by FRANK T. CHAVEZ