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| LAND OFFICE | |
| TRANSPORTER | OIL GAS |
| OPERATOR | |
| PRORATION OFFICE | |

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-11
Effective 1-1-55

| | |
|--|---|
| Operator Grace Petroleum Corporation | |
| Address Three Park Central, Suite 200, 1515 Arapahoe Street, Denver, Colorado 80202 | |
| Reason(s) for filing (Check proper box) | Other (Please explain) |
| New Well <input type="checkbox"/> | Oil Transporter changed |
| Recompletion <input type="checkbox"/> | from: The Permian Corp. <i>MOG</i> |
| Change in Ownership <input type="checkbox"/> | to: Inland Corporation |
| Change in Transporter of: | |
| Oil <input checked="" type="checkbox"/> | Dry Gas <input type="checkbox"/> |
| Casinghead Gas <input type="checkbox"/> | Condensate <input type="checkbox"/> |

If change of ownership give name
and address of previous owner

DESCRIPTION OF WELL AND LEASE

| | | | | |
|--|---------------|--|--|-----------------------|
| Lease Name Kenney 23 | Well No. 3 | Pool Name, Including Formation Escrito Gallup | Kind of Lease State <input checked="" type="checkbox"/> Federal <input type="checkbox"/> or Fee Federal | Lease No. SF078563 |
| Location | | | | |
| Unit Letter <u>K</u> : <u>1500</u> Feet From The <u>South</u> Line and <u>1550</u> Feet From The <u>West</u> | | | | |
| Line of Section <u>23</u> Township <u>24 North</u> Range <u>7 West</u> , NMPM, <u>Rio Arriba</u> County | | | | |

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

| | | | | | | |
|---|---|------------|--------------|-------------|-----------------------------------|-----------------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Inland Corporation | Address (Give address to which approved copy of this form is to be sent) P. O. Box 1528, Farmington, NM 87401 | | | | | |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Grace Petroleum Corporation | Address (Give address to which approved copy of this form is to be sent) 3 Park Central, Ste. 200, 1515 Arapahoe St. Denver, CO 80202 | | | | | |
| If well produces oil or liquids, give location of tanks. | Unit K | Sec. 23 | Twp. 24 N | Rge. 7 W | Is gas actually connected? Yes | When 8/10/61 |

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

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 | | |

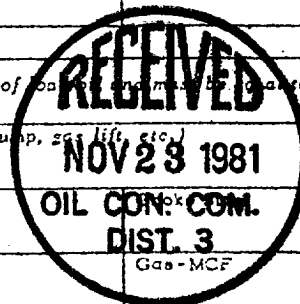
TUBING, CASING, AND CEMENTING RECORD

| | | | |
|-----------|----------------------|-----------|--------------|
| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SACKS CEMENT |
| | | | |
| | | | |
| | | | |
| | | | |

TEST DATA AND REQUEST FOR ALLOWABLE
OIL WELL

(Test must be after recovery of total volume of oil and gas to or exceed top allowable for this depth or be for full 24 hours)

| | | |
|---------------------------------|-----------------|---|
| Date First New Oil Run To Tanks | Date of Test | Producing Method (Flow, pump, gas lift, etc.) |
| Length of Test | Tubing Pressure | Casing Pressure |
| Actual Prod. During Test | Oil-Bbls. | Water-Bbls. |



GAS WELL

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

CERTIFICATE OF COMPLIANCE

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

W. Higgins
(Signature)
Manager of Production
(Title)
November 5, 1981
(Date)

OIL CONSERVATION COMMISSION
NOV 23 1981
APPROVED _____, 19____
BY Original Signed by CHARLES GHOLSON
TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3

This form is to be filed in compliance with RULE 1104.
If this is a request for allowable 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.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner well name or number, or transporter, or other such change of condition. Separate Forms C-104 must be filed for each pool in multiple.