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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-110
Effective 1-1-65

| | |
|--|--|
| Operator Grace Petroleum Corporation | |
| Address 3 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"/> | Change in Transporter of: |
| Recompletion <input type="checkbox"/> | Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> |
| Change in Ownership <input type="checkbox"/> | Casinghead Gas <input checked="" type="checkbox"/> Condensate <input type="checkbox"/> |

If change of ownership give name
and address of previous owner

I. DESCRIPTION OF WELL AND LEASE

| | | | | |
|---|---------------|--|--|-----------------------|
| Lease Name Grace Federal | Well No. 1 | Pool Name, including Formation Escrito Gallup | Kind of Lease State, Federal or Fee Federal | Lease No. SF078924 |
| Location Unit Letter K : 1650 Feet From The South Line and 1730 Feet From The West Line of Section 21 Township 24N Range 7W , NMPM, Rio Arriba County | | | | |

I. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

| | | | | | | |
|--|---|------------|-------------|------------|----------------------------------|----------------------------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Merit Oil Corporation | Address (Give address to which approved copy of this form is to be sent) Suite 300, 300 W. Arrington, Farmington, NM 87401 | | | | | |
| Name of Authorized Transporter of Casinghead Gas <input 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, #200, 1515 Arapahoe, Denver, CO | | | | | |
| If well produces oil or liquids, give location of tanks. | Unit K | Sec. 21 | Twp. 24N | Rge. 7W | Is gas actually connected? No | When Approximately 4/80 |

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

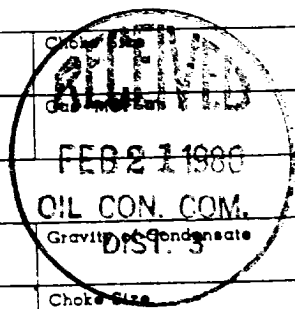
V. COMPLETION DATA

| | | | | | | | | |
|--------------------------------------|-----------------------------|----------|-----------------|----------|-------------------|-----------|-------------|--------------|
| Designate Type of Completion - (X) | Oil Well | Gas Well | New Well | Workover | Deepen | Plug Back | Same Restv. | Diff. Restv. |
| 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 Tanks | 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 WELL | | Bbls. Condensate/MMCF | |
| Actual Prod. Test-MCF/D | Length of Test | Gravity of Condensate | |
| Testing Method (pitot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size |



I. 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.

Scott G. Smith
(Signature)
Southern Operations Manager
(Title)
February 11, 1980
(Date)

OIL CONSERVATION COMMISSION
APPROVED FEB 21 1980, 19_____
BY Original Signed by FRANK T. CHAVEZ
SUPERVISOR DISTRICT # 3
TITLE _____

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 multiply completed wells.