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Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

OIL CONSERVATION DIVISION

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

I.

Operator Mitchell Energy Corporation	Well API No. 30-025-31198
Address P. O. Box 4000, The Woodlands, TX 77387-4000	
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)	
New Well <input checked="" type="checkbox"/>	Change in Transporter of:
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>

If change of operator give name and address of previous operator

II. DESCRIPTION OF WELL AND LEASE

Lease Name Sapphire Fed Unit	Well No. 2	Pool Name, Including Formation Wildcat (Delaware) 10/1/91	Kind of Lease State, Federal or Fee	Lease No. NM-63763
Location Unit Letter <u>C</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>23</u> Township <u>19S</u> Range <u>33E</u> , <u>NMPM</u> , <u>Lea</u> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Texaco Trading & Transportation, Inc.	Address (Give address to which approved copy of this form is to be sent) P. O. Box 60628, Midland, TX 79711-0628			
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Mitchell Energy Corporation	Address (Give address to which approved copy of this form is to be sent) P. O. Box 4000, The Woodlands, TX 77387-4000			
If well produces oil or liquids, give location of tanks.	Unit J	Sec. 23	Twp. 19S	Rge. 33E
Is gas actually connected?	When?		No	

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 X	Gas Well	New Well X	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded 4/18/91	Date Compl. Ready to Prod. 6/12/91		Total Depth 8000'			P.B.T.D. 7545'		
Elevations (DF, RKB, RT, GR, etc.) 3651' GR	Name of Producing Formation Delaware		Top Oil/Gas Pay 7257'			Tubing Depth 7223'		
Perforations 7257-64', 7303-07', 7330-42', 7380-7404'						Depth Casing Shoes 7999'		
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET			SACKS CEMENT		
17 1/2"	13 3/8"	54.5#	487'			530 sx C1 "C"		
12 1/4"	8 5/8"	32#	3420'			1350 sx PP		
7 7/8"	5 1/2"	17#	7999'			1250 sx POZ/A		
	2 3/8"		7223'					

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 6/18/91	Date of Test 6/26/91	Producing Method (Flow, pump, gas lift, etc.) Pump	
Length of Test 24 hrs	Tubing Pressure 10 psi	Casing Pressure 10 psi	Choke Size open
Actual Prod. During Test	Oil - Bbls. 95	Water - Bbls. 295	Gas-MCF vented

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

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.

James Blount
Signature
James Blount Engineer
Printed Name Title
6/25/91 (915) 682-5396
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved JUL 08 1991
By ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR
Title _____

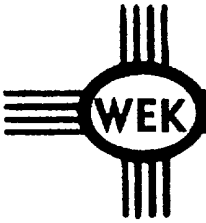
INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 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.

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DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

**KEN REYNOLDS—PRESIDENT
ARNIE NEWKIRK—VICE-PRESIDENT**

**P. O. Box 1498 ROSWELL, NEW MEXICO 88202-1498
505/623-5070 ROSWELL, NM
505/746-2719 ARTESIA, NM**

May 13, 1991

Mitchell Energy Corporation
Suite 1000
400 W. Illinois
Midland, Texas 79701

REF: Sapphire Federal Unit #2. *660/N + 1980/W 23-19.33*

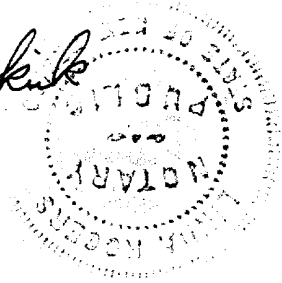
Gentlemen:

The following is a Deviation Survey on the above referenced well located in Lea County, New Mexico.

501' - 3/4°	3154' - 1 1/4°	5902' - 3/4°
993' - 3/4°	3420' - 1°	6378' - 1°
1451' - 3/4°	3901' - 1 1/4°	6948' - 3/4°
1843' - 1/2°	4402' - 1°	7443' - 3/4°
2333' - 1/4°	4902' - 1°	7671' - 1°
2833' - 1°	5402' - 1°	8000' - 1° TD

Sincerely,

Arnold Newkirk
Vice-President



STATE OF NEW MEXICO)
 ↓
COUNTY OF CHAVES)

The foregoing was acknowledged before me this 13th day of May 1991 by Arnold Newkirk.

MY COMMISSION EXPIRES

October 07, 1992

NOTARY PUBLIC

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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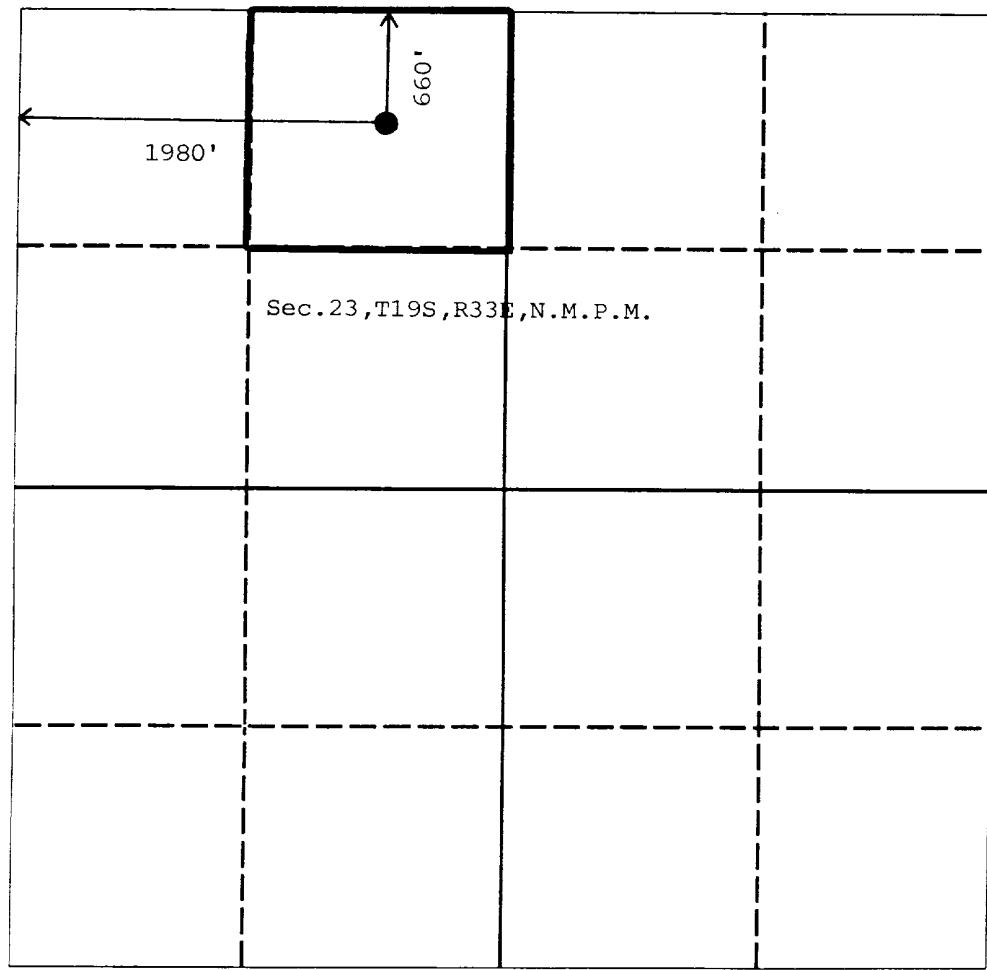
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Mitchell Energy Corporation			Lease Sapphire Federal Unit		Well No. 2
Unit Letter C	Section 23	Township 19 S.	Range 33 E.	County Lea	
Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the West line					
Ground level Elev. 3651	Producing Formation Delaware		Pool Wildcat- Delaware		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



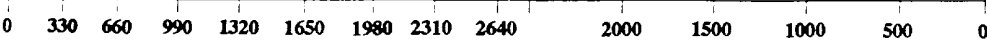
OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *George Mullen*
 Printed Name: George Mullen
 Position: Reg. Affairs Specialist
 Company: Mitchell Energy Corporation
 Date: 7-3-91

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: _____
 Signature & Seal of Professional Surveyor: _____

Certificate No. _____



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