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P.O. Box 1980, Hobbs, NM 88240

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

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

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

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Operator Highland Production Company	Well API No. 30-025-30447
Address 810 N. Dixie Blvd., Suite 202, Odessa, Texas 79761	
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 checked="" 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 Conoco "D" Federal	Well No. 2	Pool Name, Including Formation North Mason (Delaware)	Kind of Lease State <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Fee	Lease No. LC-062749-C
Location Unit Letter <u>0</u> : <u>990</u> Feet From The <u>South</u> Line and <u>2310</u> Feet From The <u>East</u> Line Section <u>18</u> Township <u>26-S</u> Range <u>32-E</u> NMPM, <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"/> Conoco Inc. - Surface Transportation	Address (Give address to which approved copy of this form is to be sent) 1406 N. West County Road, Hobbs, NM 88240	
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Phillips 66 Natural Gas Company	Address (Give address to which approved copy of this form is to be sent) 4001 Penbrook, Odessa, Texas 79762	
If well produces oil or liquids, give location of tanks.	Unit <u>J</u> Sec. <u>18</u> Twp. <u>26S</u> Rge. <u>32E</u>	Is gas actually connected? <u>yes</u> When? <u>8/21/90</u>
If this production is commingled with that from any other lease or pool, give commingling order number: <u>no</u>		

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well <input checked="" type="checkbox"/>	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded 7/14/90	Date Compl. Ready to Prod. 8/21/90		Total Depth 4348		P.B.T.D.			
Elevations (DF, RKB, RT, GR, etc.) 3195' GR	Name of Producing Formation Delaware Sand		Top Oil/Gas Pay 4326		Tubing Depth 4238			
Perforations 4326 - 4348 Open Hole					Depth Casing Shoe 4326			
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
12 1/4"	8 5/8" Casing		1130'		600 Sacks			
7 7/8"	5 1/2" Casing		4326'		775 Sacks			
	2 3/8" Tubing		4238'					

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 8/21/90	Date of Test 8/28/90	Producing Method (Flow, pump, gas lift, etc.) Pump	
Length of Test 24 Hours	Tubing Pressure -	Casing Pressure 25#	Choke Size -
Actual Prod. During Test	Oil - Bbls. 40	Water - Bbls. 50	Gas - MCF 80

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.

Signature Marvin L. Smith President
Printed Name August 30, 1990 Title
Date 915/332-0275 Telephone No.

OIL CONSERVATION DIVISION

Date Approved _____
By Paul J. Ruiz
Title Geologist

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.