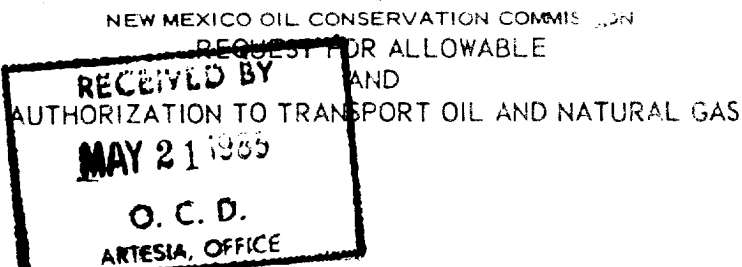


NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	<input checked="" type="checkbox"/>
FILE	<input checked="" type="checkbox"/>
U.S.G.S.	<input type="checkbox"/>
LAND OFFICE	<input type="checkbox"/>
TRANSPORTER	OIL <input checked="" type="checkbox"/>
	GAS <input type="checkbox"/>
OPERATOR	<input checked="" type="checkbox"/>
PRORATION OFFICE	<input type="checkbox"/>



Form C-104
Supersedes Old C-104 and C-110
Effective 1-1-65

Operator
BLUE SKY PRODUCTION ✓

Address
PO Box 1772, Hobbs, NM 88240

Reason(s) for filing (Check proper box) Other (Please explain)

New Well ☐ Change In Transporter of: Oil ☐ Dry Gas ☐

Recompletion ☐ Casinghead Gas ☐ Condensate ☐

Change In Ownership ☒

If change of ownership give name and address of previous owner B & J Production Company, 512 W. Texas Ave., Artesia, NM 88210

DESCRIPTION OF WELL AND LEASE

Lease Name Acrey	Well No. 1	Pool Name, Including Formation Empire (Y-SR)	Kind of Lease State, Federal or See	Lease No. B8318
Location Unit Letter F ; 2310 Feet From The N Line and 2310 Feet From The W				
Line of Section 36 Township 17S Range 27E, NMPM, Eddy County				

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Navajo Refining Co. Pipeline Division	Address (Give address to which approved copy of this form is to be sent) Artesia, NM 88210
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. Is gas actually connected? When
F 36 17S 27E	

If this production is commingled with that from any other lease or pool, give commingling order number: CTB 60

COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'ty.	Diff. Res'ty.
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
			Post ID-3
			6-2-85
			Chg Op

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)

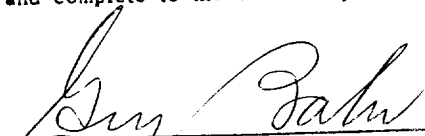
Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pitot, 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.


(Signature)
5/1/85
(Date)

OIL CONSERVATION COMMISSION

APPROVED JUN 04 1985, 19
BY Original Signed By
Les A. Clements
TITLE Supervisor District II

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.