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| U.S.G.C.               |     |   |
| LAND OFFICE            |     |   |
| TRANSPORTER            | OIL |   |
|                        | GAS |   |
| OPERATOR               |     |   |
| PRODUCTION 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 1-1-65

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|                                                         |                                                                                                    |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Operator<br>LAYTON ENTERPRISES, INC. ✓                  |                                                                                                    |
| Address 3103 79th STREET<br>LUBBOCK, TEXAS 79423        |                                                                                                    |
| J. C. C.<br>ARTESIA, OFFICE                             |                                                                                                    |
| Reason(s) for filing (Check proper box)                 |                                                                                                    |
| New Well <input type="checkbox"/>                       | Change in Transporter of: Oil <input checked="" type="checkbox"/> Dry Gas <input type="checkbox"/> |
| Recompletion <input type="checkbox"/>                   | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>                        |
| Change in Ownership <input checked="" type="checkbox"/> | Other (Please explain) EFFECTIVE DATE 12-1-76                                                      |

If change of ownership give name and address of previous owner CONTINENTAL OIL COMPANY

1. DESCRIPTION OF WELL AND LEASE

|                                                                         |               |                                                   |                                                |                       |
|-------------------------------------------------------------------------|---------------|---------------------------------------------------|------------------------------------------------|-----------------------|
| Lease Name<br>FOREST POOL UNIT                                          | Well No.<br>1 | Pool Name, including Formation<br>SQUARE LAKE GSA | Kind of Lease<br>State, Federal or Fee FEDERAL | Lease No.<br>LC061832 |
| Location                                                                |               |                                                   |                                                |                       |
| Unit Letter P ; 330 Feet From The SOUTH Line and 600 Feet From The EAST |               |                                                   |                                                |                       |
| Line of Section 27 Township 16 S Range 29 E , NMPM, EDDY County         |               |                                                   |                                                |                       |

2. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|                                                                                                                                                            |                                                                                                                               |            |            |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/><br><del>KAYATO CRUDE OIL PURCHASING</del> | Address (Give address to which approved copy of this form is to be sent)<br><del>NORTH FREEMAN AVE, ARTESIA, N.M. 88210</del> |            |            |            |
| 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<br>H                                                                                                                     | Sec.<br>34 | Twp.<br>16 | Rge.<br>29 |
| Is gas actually connected?                                                                                                                                 |                                                                                                                               | When       |            |            |

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 Pres'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 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    |

POSTER  
T.D. 3-76  
12-17-76

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            |

3. 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.

Donald L. Layton  
(Signature)

PRESIDENT

(Title)

12-1-76

(Date)

OIL CONSERVATION COMMISSION

APPROVED DEC 16 1976

BY W. A. Gressett

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 deviated points taken on the well in accordance with RULE 111.

All portions 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 conditions.