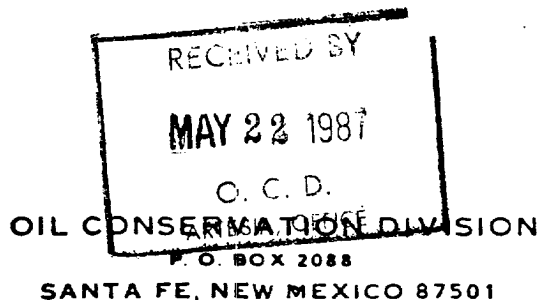


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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PRODUCTION OFFICE	



Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator
Spectrum 7 Exploration Company

Address
P. O. Box 10626, Midland, Texas 79702

Reason(s) for filing (Check proper box)

<input checked="" type="checkbox"/> New Well	Change in Transporter of:	
<input type="checkbox"/> Recompletion	<input type="checkbox"/> Oil	<input type="checkbox"/> Dry Gas
<input type="checkbox"/> Change in Ownership	<input type="checkbox"/> casinghead Gas	<input type="checkbox"/> Condensate

Other (Please explain)

If change of ownership give name and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name State "24"	Well No. 2	Pool Name, including Formation East Red Lake Queen Grayburg	Kind of Lease State, Federal or Fee State	Lease No. LG-3965
Location Unit Letter <u>P</u> : <u>330</u> Feet From The <u>East</u> Line and <u>430'</u> Feet From The <u>South</u> Line of Section <u>24</u> Township <u>16-S</u> Range <u>28-E</u> , NMPM, Eddy				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

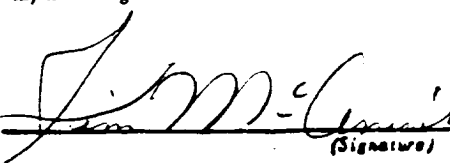
Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Navajo Refining Company	Address (Give address to which approved copy of this form is to be sent) P. O. Drawer 159, Artesia, NM 88210
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Conoco, Inc.	Address (Give address to which approved copy of this form is to be sent) P. O. Box 90, Maljamar, NM 88264
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. P 24 16-S 28-E
Is gas actually connected?	When Yes 5/20/87 Post ID-2

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

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. 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 is true and complete to the best of my knowledge and belief.


Jim McAninch
(Signature)
Engineer
(Title)
May 21, 1987
(Date)

OIL CONSERVATION DIVISION

APPROVED MAY 25 1987, 19
BY Original Signed By
Mike Williams
TITLE Oil & Gas Inspector

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deep well, this form must be accompanied by a tabulation of the device tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for all wells on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of well name or number, or transporter, or other such change of conditions.

Separate Forms C-104 must be filed for each pool in multi-completed wells.

IV. COMPLETION DATA

Designate Type of Completion - (X)		Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. P.
		X		X					
Date Spudded	Date Compl. Ready to Prod.		Total Depth		P.B.T.D.				
4/29/87	5/09/87		1780'		1728'				
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay		Tubing Depth				
3593.4' GR	Penrose		1669'		1670'				
Perforations						Depth Casing Shoe			
1673', 75', 77', 79', 81', 83', 85', 87' & 89'						1780'			
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE		CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
12-1/4"		8-5/8"		333'		220 SX			
7-7/8"		4-1/2"		1780'		490 SX			
		2-3/8"		1670'					

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top able 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.)	
5/09/87	5/20/87	Pumping	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
24 hrs	0	0	
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF
43	38	5	52

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