

RECEIVED

AUG 25 '87

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

C. C. D.  
ARTESIA, OFFICE  
OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-104  
Revised 10-01-76  
Format 06-01-83  
Page 1

|                        |                                     |
|------------------------|-------------------------------------|
| NO. OF COPIES RECEIVED |                                     |
| DISTRIBUTION           |                                     |
| SANTA FE               | <input checked="" type="checkbox"/> |
| FILE                   | <input checked="" type="checkbox"/> |
| U.S.O.S.               | <input checked="" type="checkbox"/> |
| LAND OFFICE            | <input checked="" type="checkbox"/> |
| TRANSPORTER            | <input checked="" type="checkbox"/> |
| OPERATOR               | <input checked="" type="checkbox"/> |
| PRODUCTION OFFICE      | <input checked="" type="checkbox"/> |

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):  
 New Well  
 Recompletion  
 Change in Ownership

Change in Transporter of:  
 Oil  
 Castinghead Gas  
 Dry Gas  
 Condensate

Other (Please explain):  
 CASINGHEAD GAS MUST NOT BE  
 FLARED AFTER 10-27-87  
 UNLESS AN EXCEPTION TO:  
 RULE 306 IS OBTAINED

If change of ownership give name and address of previous owner: \_\_\_\_\_

II. DESCRIPTION OF WELL AND LEASE

|                                 |                      |   |   |                             |
|---------------------------------|----------------------|---|---|-----------------------------|
| Lease Name<br><u>State "24"</u> | Well No.<br><u>3</u> | Pool Name, including Formation<br><u>East Red lake Queen GB</u> | Kind of Lease<br>State, Federal or Fee <u>State</u> | Lease No.<br><u>LG-3965</u> |
|---------------------------------|----------------------|---|---|-----------------------------|

Location:  
 Unit Letter 1 ; 330 Feet From The East Line and 1653 Feet From The South  
 Line of Section 24 Township 16-S Range 28-E , NMPM, Eddy County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|   |   |
|---|---|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/><br><u>Navajo Refining Company</u> | Address (Give address to which approved copy of this form is to be sent)<br><u>P.O. Drawer 159, Artesia, N.M. 88210</u> |
| Name of Authorized Transporter of Castinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/><br><u>None</u>           | Address (Give address to which approved copy of this form is to be sent)<br><u>Post ID-2</u>                            |

|  |                  |                   |                     |                     |  |                        |
|--|------------------|-------------------|---------------------|---------------------|--|------------------------|
| If well produces oil or liquids, give location of tanks. | Unit<br><u>0</u> | Sec.<br><u>24</u> | Twp.<br><u>16-S</u> | Rge.<br><u>28-E</u> | Is gas actually connected?<br><u>comp + BK</u> | When<br><u>8-28-87</u> |
|--|------------------|-------------------|---------------------|---------------------|--|------------------------|

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  
 August 24, 1987  
 (Date)

OIL CONSERVATION DIVISION

APPROVED AUG 26 1987, 19\_\_\_\_

BY Les A. Clements  
 Original Signed By  
 Supervisor District # \_\_\_\_\_

TITLE \_\_\_\_\_

This form is to be filed in compliance with RULE 1104.  
 If this is a request for allowable for a newly drilled or deepene well, this form must be accompanied by a tabulation of the deviatio tests taken on the well in accordance with RULE 111.  
 All sections of this form must be filled out completely for allow able 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 multipl completed wells.

IV. COMPLETION DATA

|  |                             |                      |                 |           |          |                   |           |             |              |
|--|-----------------------------|----------------------|-----------------|-----------|----------|-------------------|-----------|-------------|--------------|
| Designate Type of Completion - (X)             |                             | Oil Well             | Gas Well        | New Well  | Workover | Deepen            | Plug Back | Same Res'v. | Diff. Res'v. |
|  |                             | X                    |                 | X         |          |                   |           |             |              |
| Date Spudded                                   | Date Compl. Ready to Prod.  |                      | Total Depth     |           |          | P.B.T.D.          |           |             |              |
| 7-27-87  | 8-14-87                     |                      | 1770'           |           |          | 1700'             |           |             |              |
| Elevations (DF, RKB, RT, GR, etc.)             | Name of Producing Formation |                      | Top Oil/Gas Pay |           |          | Tubing Depth      |           |             |              |
| 3578.7 GR                                      | Penrose                     |                      | 1633'           |           |          | 1600'             |           |             |              |
| Perforations                                   |                             |                      |                 |           |          | Depth Casing Shoe |           |             |              |
| 1636, 37, 38, 39, 40, 41, 42, 43, 44, 45, & 46 |                             |                      |                 |           |          | 1768'             |           |             |              |
| TUBING, CASING, AND CEMENTING RECORD           |                             |                      |                 |           |          |                   |           |             |              |
| HOLE SIZE                                      |                             | CASING & TUBING SIZE |                 | DEPTH SET |          | SACKS CEMENT      |           |             |              |
| 12 1/4"  |                             | 8 5/8"               |                 | 310'      |          | 220 SX            |           |             |              |
| 7 7/8"   |                             | 4 1/2"               |                 | 1768'     |          | 490 SX            |           |             |              |
|  |                             | 2 3/8"               |                 | 1600'     |          |                   |           |             |              |

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 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.) |  |            |  |
| 8-14-87                         |  | 8-23-87         |  | Pumping                                       |  |            |  |
| Length of Test                  |  | Tubing Pressure |  | Casing Pressure                               |  | Choke Size |  |
| 24                              |  | 0               |  | 0   |  |            |  |
| Actual Prod. During Test        |  | Oil - Bbls.     |  | Water - Bbls.                                 |  | Gas - MCF  |  |
| 71                              |  | 63              |  | 8   |  | 54         |  |

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            |  |
|                                  |  |                           |  |                           |  |                       |  |