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| TRANSPORTER            | OIL | / |
|                        | GAS | / |
| OPERATOR               |     | / |
| PRODUCTION OFFICE      |     | / |

NEW MEXICO OIL CONSERVATION COMMISSION  
REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form O-104  
Superseding Old O-104 and C-11  
Effective 1-1-65

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FEB 17 1978

|                                                              |                                                                             |                                    |  |
|--------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------|--|
| Operator<br>Holly Energy, Inc. ✓                             |                                                                             | O.C.C.<br>ARTESIA OFFICE           |  |
| Address<br>2001 Bryan Tower, Suite 2680, Dallas, Texas 75201 |                                                                             |                                    |  |
| Reason(s) for filing (Check proper box)                      |                                                                             | Other (Please explain)             |  |
| New Well <input type="checkbox"/>                            | Change In Transporter of: <input type="checkbox"/>                          | Effective Feb. 1, 1978<br>from TNM |  |
| Recompletion <input type="checkbox"/>                        | Oil <input checked="" type="checkbox"/> Dry Gas <input type="checkbox"/>    |                                    |  |
| Change In Ownership <input type="checkbox"/>                 | Condensate Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |                                    |  |

If change of ownership give name  
and address of previous owner

DESCRIPTION OF WELL AND LEASE

|                                                                                                                                                         |               |                                                           |                                              |                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------|----------------------------------------------|------------------------|
| Lease Name<br>State A                                                                                                                                   | Well No.<br>1 | Pool Name, Including Formation<br>Loco Hills Queen GBR SA | Kind of Lease<br>State, Federal or Fee State | Lease No.<br>B-1778-31 |
| Location<br>Unit Letter 0, 330 Feet From The South Line and 1650 Feet From The East<br>Line of Section 36 Township 17S Range 29E, N.M.P.M., 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"/><br>Navajo Crude Oil Purchasing Company | Address (Give address to which approved copy of this form is to be sent)<br>Box 175, Artesia, N.M. 88210 |
| Name of Authorized Transporter of 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,<br>give location of tanks. | Unit<br>0 | Sec.<br>36 | Twp.<br>17 | Rge.<br>32 | 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 Reels | Full Reels |
| Date Spudded                       | Date Compl. Ready to Prod.  |          | Total Depth     |          |        | P.D.T.D.          |            |            |
| Elevations (DF, R&D, 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  |

GAS WELL

|                                 |                           |                           |                       |
|---------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D       | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
| Testing Method (flow, 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 here is true and complete to the best of my knowledge and belief.

Robert H. Loyd *Robert Loyd*  
(Signature)  
Supt. Production & Exploration  
Feb. 8, 1978  
(Date)

OIL CONSERVATION COMMISSION

APPROVED FEB 20 1978  
BY *W. A. Gussert*  
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 production tests taken on the well in accordance with RULE 111.

All portions of this form must be filled out completely for all applicable or next and completed wells.

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