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| TRANSPORTER            | OIL /<br>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

|                                                          |                                                                             |
|----------------------------------------------------------|-----------------------------------------------------------------------------|
| Operator<br><b>Yates Petroleum Corporation</b>           |                                                                             |
| Address<br><b>207 South 4th Street-Artesia, NM 88210</b> |                                                                             |
| Reason(s) for filing (Check proper box)                  | Other (Please explain)                                                      |
| New Well <input type="checkbox"/>                        | Change in Transporter of <input type="checkbox"/>                           |
| Recompletion <input type="checkbox"/>                    | Oil <input checked="" type="checkbox"/> Dry Gas <input type="checkbox"/>    |
| Change in Ownership <input type="checkbox"/>             | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |
| <i>From sec</i>                                          |                                                                             |

If change of ownership give name  
and address of previous owner

|                                                                                                              |                                                                                    |                                                                     |           |
|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------|
| DESCRIPTION OF WELL AND LEASE                                                                                |                                                                                    |                                                                     |           |
| Lease Name<br><b>Federal AY</b>                                                                              | Well No. <b>2</b> Pool Name, including Formation<br><b>Penasco Draw S. A. Yeso</b> | Kind of Lease <b>NM 060843</b><br>State, Federal or Fee <b>Fed.</b> | Lease No. |
| Location                                                                                                     |                                                                                    |                                                                     |           |
| Unit Letter <b>F</b> ; <b>1650</b> Feet From The <b>West</b> Line and <b>1490</b> Feet From The <b>North</b> |                                                                                    |                                                                     |           |
| Line of Section <b>25</b> Township <b>18S</b> Range <b>25E</b> . NMPM, <b>Eddy</b> County                    |                                                                                    |                                                                     |           |

|                                                                                                                          |                                                                                                                           |                |                 |                  |                                       |                     |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|------------------|---------------------------------------|---------------------|
| DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS                                                                        |                                                                                                                           |                |                 |                  |                                       |                     |
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>         | Address (Give address to which approved copy of this form is to be sent)<br><b>No. Freeman Ave-Artesia, NM 88210</b>      |                |                 |                  |                                       |                     |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent)<br><b>207 South 4th Street-Artesia, NM 88210</b> |                |                 |                  |                                       |                     |
| If well produces oil or liquids,<br>give location of tanks.                                                              | Unit <b>F</b>                                                                                                             | Sec. <b>25</b> | Twp. <b>18S</b> | Range <b>25E</b> | Is gas actually connected? <b>Yes</b> | When <b>2-28-73</b> |

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 <input type="checkbox"/> Gas Well <input type="checkbox"/> New Well <input type="checkbox"/> Workover <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Same Res'v. <input type="checkbox"/> Diff. Res'v. <input type="checkbox"/> |                 |              |
| 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    |

|                                   |                           |                           |                       |
|-----------------------------------|---------------------------|---------------------------|-----------------------|
| GAS WELL                          |                           |                           |                       |
| Actual Prod. Test-MCF/D           | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
| Testing Method (pistol, 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. |  |
| <i>Christine Tomlinson</i><br>(Signature)                                                                                                                                                                    |  |
| <b>Christine Tomlinson-Geol. Secty.</b>                                                                                                                                                                      |  |
| (Title)                                                                                                                                                                                                      |  |
| <b>3-31-79</b>                                                                                                                                                                                               |  |
| (Date)                                                                                                                                                                                                       |  |

|                                                                                                                                                                                             |                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| OIL CONSERVATION COMMISSION                                                                                                                                                                 |                       |
| APPROVED                                                                                                                                                                                    | <b>APR 4 1979</b>     |
| BY                                                                                                                                                                                          | <i>W. A. Gressett</i> |
| TITLE                                                                                                                                                                                       |                       |
| 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 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.                                                     |                       |