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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-111  
Effective 1-1-80

SEP 17 1980

O. C. D.  
ARTESIA OFFICE

|                                                                |                                                                                                                                                                           |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operator<br><b>Frostman Oil Corporation</b>                    |                                                                                                                                                                           |
| Address<br><b>P.O. Box 161, Artesia, NM 88210</b>              |                                                                                                                                                                           |
| Reason(s) for filing (Check proper box)                        | Other (Please explain)                                                                                                                                                    |
| New Well <input checked="" type="checkbox"/>                   | Change In Transporter of:<br>Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/><br>Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |
| Re-completion <input type="checkbox"/>                         | <b>Change name from Sively Fed. CASINGHEAD GAS MUST NOT BE FLARED AFTER 11-1-80 UNLESS AN EXCEPTION TO Rule 30 &amp; IS OBTAINED</b>                                      |
| Change In Ownership <input type="checkbox"/>                   |                                                                                                                                                                           |
| If change of ownership give name and address of previous owner |                                                                                                                                                                           |

|                                                                                                                        |                                                                           |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| 1. DESCRIPTION OF WELL AND LEASE                                                                                       |                                                                           |
| Lease<br><b>Sively Federal</b>                                                                                         | Well No. <b>1</b> Pool Name including Formation <b>Loco Hills Q.G.SA.</b> |
| Kind of Lease<br>State, <u>Federal</u> or Fee                                                                          |                                                                           |
| Lease No. <b>NM-0924</b>                                                                                               |                                                                           |
| Location<br>Unit Letter <b>A</b> ; <b>990</b> Feet From The <b>North</b> Line and <b>330</b> Feet From The <b>East</b> |                                                                           |
| Line of Section <b>31</b> Township <b>18S</b> Range <b>29E</b> , NMPM, <b>Eddy</b> County                              |                                                                           |

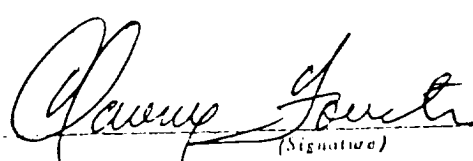
|                                                                                                                                                             |                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| 1. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS                                                                                                        |                                                                                                                            |
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/><br><b>Navajo Crude Oil Purchasing</b>      | Address (Give address to which approved copy of this form is to be sent)<br><b>N. Freeman-PO Box 175-Artesia, NM 88210</b> |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/><br><b>Phillips Petroleum Corp.</b> | Address (Give address to which approved copy of this form is to be sent)<br><b>Bartlesville, OK 74004</b>                  |
| If well produces oil or liquids, give location of tanks.                                                                                                    | Unit <b>A</b> Sec. <b>31</b> Twp. <b>18</b> Pge. <b>29</b>                                                                 |
| Is gas actually connected? <b>No</b> When <b>by 11-1-80</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)                   | <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Workover <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Same Restv. <input type="checkbox"/> Partial |
| Date Spudded<br><b>8-2-80</b>                        | Date Compl. Ready to Prod.<br><b>8-29-80</b>                                                                                                                                                                                                                                                           |
| Elevations (DB, RKB, RT, GR, etc.)<br><b>3431 GR</b> | Name of Producing Formation<br><b>Queen-Gb-SA</b>                                                                                                                                                                                                                                                      |
| Perforations<br><b>1834 to 2860 116 holes total</b>  | Total Depth<br><b>3000'</b>                                                                                                                                                                                                                                                                            |
| TUBING, CASING, AND CEMENTING RECORD                 |                                                                                                                                                                                                                                                                                                        |
| HOLE SIZE<br><b>12 1/2"</b>                          | CASING & TUBING SIZE<br><b>8 5/8 23#</b>                                                                                                                                                                                                                                                               |
| <b>7 7/8"</b>                                        | <b>4 1/2 9.5#</b>                                                                                                                                                                                                                                                                                      |
|                                                      | <b>2 3/8"</b>                                                                                                                                                                                                                                                                                          |
| DEPTH SET<br><b>386</b>                              |                                                                                                                                                                                                                                                                                                        |
| <b>3000</b>                                          |                                                                                                                                                                                                                                                                                                        |
| <b>2920</b>                                          |                                                                                                                                                                                                                                                                                                        |
| SACKS CEMENT<br><b>250 sks cir.</b>                  |                                                                                                                                                                                                                                                                                                        |
| <b>1275 sks</b>                                      |                                                                                                                                                                                                                                                                                                        |

|                                                                                                                                                                                            |                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| 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<br><b>8-30-80</b>                                                                                                                                          | Date of Test<br><b>9-6-80</b>                                |
| Length of Test<br><b>24 hours</b>                                                                                                                                                          | Producing Method (Flow, pump, gas lift, etc.)<br><b>Pump</b> |
| Actual Prod. During Test<br><b>163</b>                                                                                                                                                     | Casing Pressure<br><b>60 PSI</b>                             |
|                                                                                                                                                                                            | Choke Size<br><b>-</b>                                       |
|                                                                                                                                                                                            | Water - Gals.<br><b>100-Frac water</b>                       |
|                                                                                                                                                                                            | Gen. MCF<br><b>104</b>                                       |

|                                 |                           |
|---------------------------------|---------------------------|
| GAS WELL                        |                           |
| Actual Prod. Test - MCF/D       | Length of Test            |
| Testing Method (flow, back pr.) | Tubing Pressure (shut-in) |
|                                 | Casing Pressure (shut-in) |
|                                 | Choke Size                |

|                                                                                                                                                                                                              |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1. 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. |  |
| <br><b>President</b>                                                                                                       |  |
| <b>9/8/80</b>                                                                                                                                                                                                |  |
| OIL CONSERVATION COMMISSION                                                                                                                                                                                  |  |
| APPROVED <b>SEP 18 1980</b>                                                                                                                                                                                  |  |
| BY <b>W. A. Gressett</b>                                                                                                                                                                                     |  |
| TITLE <b>SUPERVISOR, DISTRICT II</b>                                                                                                                                                                         |  |
| 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 average tests taken on the well in accordance with RULE 111.                   |  |
| All portions of this form must be filled out completely for all wells on new and re-completed wells.                                                                                                         |  |
| Fill out only Sections I, II, III, and VI for changes of ownership, name or number, or transporter or other such change of condition.                                                                        |  |