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Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

RECEIVED

FEB 15 1993

O. C. D.

Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

|  |   |  |  |
|--|---|--|--|
| Operator<br>YATES PETROLEUM CORPORATION  |   | Well API No.<br>30-015-24575               |  |
| Address<br>105 South 4th St., Artesia, NM 88210  |   |  |  |
| Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain) |   |  |  |
| New Well <input type="checkbox"/>  | Change in Transporter of: WELL COMMINGLED BY ORDER DHC-869 AS FOLLOWS:      |  |  |
| Recompletion <input type="checkbox"/>  | Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>               | Undesignated Penn Pool: Oil-58%, Gas-58%   |  |
| Change in Operator <input type="checkbox"/>  | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> | Undesignated Strawn Pool: Oil-42%, Gas-42% |  |
| If change of operator give name and address of previous operator                                   |   |  |  |

II. DESCRIPTION OF WELL AND LEASE

|  |               |  |  |           |
|--|---------------|--|--|-----------|
| Lease Name<br>Merchant XT Com  | Well No.<br>1 | Pool Name, Including Formation<br>Undes. Strawn/Penn | Kind of Lease<br>State, Federal or Fee | Lease No. |
| Location<br>Unit Letter A : 660 Feet From The North Line and 660 Feet From The East Line<br>Section 12 Township 18S Range 25E, NMPM, Eddy County |               |  |  |           |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|   |  |   |           |            |                                   |                                    |
|---|--|---|-----------|------------|-----------------------------------|------------------------------------|
| Name of Authorized Transporter of Oil<br>Navajo Refg. Co.                     | <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent)<br>PO Box 159, Artesia, NM 88210       |           |            |                                   |                                    |
| Name of Authorized Transporter of Casinghead Gas<br>Transwestern Pipeline Co. | <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/>    | Address (Give address to which approved copy of this form is to be sent)<br>PO Box 1188, Houston, TX 77251-1188 |           |            |                                   |                                    |
| If well produces oil or liquids, give location of tanks.                      | Unit<br>A  | Sec.<br>12  | Tw.<br>18 | Rge.<br>25 | Is gas actually connected?<br>Yes | When?<br>2-11-93 (for commingling) |

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

IV. COMPLETION DATA

|                                    |                             |          |                 |          |        |                   |            |            |
|------------------------------------|-----------------------------|----------|-----------------|----------|--------|-------------------|------------|------------|
| Designate Type of Completion - (X) | Oil Well                    | Gas Well | New Well        | Workover | Deepen | Plug Back         | Same Res'v | Diff Res'v |
| 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 |
|           |                      |           |              |
|           |                      |           |              |
|           |                      |           |              |

V. 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.)

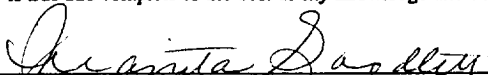
|                                |                 |   |            |
|--------------------------------|-----------------|---|------------|
| Date First New Oil Run To Tank | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
| Length of Test                 | Tubing Pressure | 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 (pilot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size            |

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

  
Signature

Juanita Goodlett - Production Supvr.

Printed Name Title  
2-12-93 (505) 748-1471

Date Telephone No.

OIL CONSERVATION DIVISION

FEB 23 1993

Date Approved

By ORIGINAL SIGNED BY

MIKE WILLIAMS

Title SUPERVISOR, DISTRICT II

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.