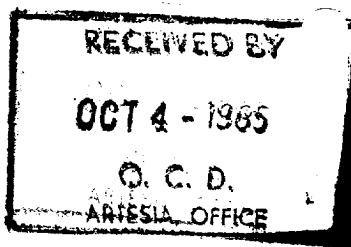


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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



OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

| | |
|---|---|
| Operator Arch Petroleum, Inc. ✓ | |
| Address 777 Taylor, Suite IIA, Fort Worth, TX 76102 | |
| Reason(s) for filing (Check proper box) | Other (Please explain) |
| <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Recompletion <input type="checkbox"/> Change in Ownership | Change in Transporter of: <input type="checkbox"/> Oil <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Dry Gas <input type="checkbox"/> Condensate |

If change of ownership give name
and address of previous owner _____

II. DESCRIPTION OF WELL AND LEASE

| | | | | |
|---|---------------|--|--|----------------------|
| Lease Name Humble-Thomas <u>State</u> | Well No. 2 | Pool Name, including Formation Artesia-Qn, Gb, SA | Kind of Lease State, Federal or Fee State | Lease No. B-11539 |
| Location | | | | |
| Unit Letter <u>B</u> : <u>990</u> Feet From The <u>north</u> Line and <u>1650</u> Feet From The <u>east</u> | | | | |
| Line of Section <u>9</u> Township <u>18s</u> Range <u>28e</u> , NMPM, <u>Eddy</u> County | | | | |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

| | | |
|--|---|-------------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> <u>Navajo Refining Co.</u> | Address (Give address to which approved copy of this form is to be sent) 501 E. Main, P.O. Drawer 159, Artesia, NM 88210 | |
| Name of Authorized Transporter of Casinghead 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, give location of tanks. | Unit B | Sec. 9 |
| | Twp. 8s | Rge. 28e |
| Is gas actually connected? | When <u>Post FD-2</u> <u>10-11-85</u> <u>Comp & BK</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.

Scott Niles
(Signature)
Geologist
(Title)
10-2-85
(Date)

OIL CONSERVATION DIVISION
APPROVED OCT 8 1985, 19_____
BY Original Signed By
Mike Williams
TITLE Oil & Gas Inspector

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 deviation 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.

Separate Forms C-104 must be filed for each pool in multiply 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 9-2-85 | Date Compl. Ready to Prod. 9-18-85 | | Total Depth 2473 | | | P.B.T.D. 2467 | | | |
| Elevations (DF, RKB, RT, GR, etc.) 3645 GL | Name of Producing Formation Grayburg-Premier | | Top Oil/Gas Pay 2304 | | | Tubing Depth 2400' | | | |
| Perforations 2424-37, 15-18, 2397-2403, 2366-75, 10-12, 04-07 | | | | | | Depth Casing Shoe 2467' | | | |
| TUBING, CASING, AND CEMENTING RECORD | | | | | | | | | |
| HOLE SIZE | CASING & TUBING SIZE | | DEPTH SET | | | SACKS CEMENT | | | |
| 12 1/4" | 8 5/8" | | 384 | | | 220 | | | |
| 7 7/8" | 4 1/2" | | 2467 | | | 500 | | | |
| | 2 3/8" | | 2460 | | | | | | |

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 9-18-85 | Date of Test 10-1-85 | Producing Method (Flow, pump, gas lift, etc.) Pump 1 1/2" insert | |
| Length of Test 24 hrs | Tubing Pressure - | Casing Pressure - | Choke Size - |
| Actual Prod. During Test 56 bbls. fluid | Oil - Bbls. 29 | Water - Bbls. 27 | 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 |