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| TRANSPORTER | OIL | ✓ |
| | GAS | ✓ |
| OPERATOR | | ✓ |
| PRORATION 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-110
Effective 1-1-65

| | | |
|---|---|------------------------|
| Operator H & S OIL COMPANY ✓ | | RECEIVED |
| Address SUITE 303, FIRST NATIONAL BANK BLDG. - ARTESIA, NM 88210 | | |
| Reason(s) for filing (Check proper box) | | Other (Please explain) |
| New Well <input checked="" type="checkbox"/> | Change in Transporter of: | JUL 20 '88 |
| Recompletion <input type="checkbox"/> | Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> | O. C. D. |
| Change in Ownership <input type="checkbox"/> | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> | ARTESIA OFFICE |

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

DESCRIPTION OF WELL AND LEASE

| | | | | | |
|---|---------------|---|--|-----|-----------|
| Lease Name INEX | Well No. 3 | Pool Name, including Formation Atoka, Glorieta, Yeso | Kind of Lease State, Federal or Fee | Fee | Lease No. |
| Location | | | | | |
| Unit Letter A ; 660 Feet From The North Line and 660 Feet From The East | | | | | |
| Line of Section 26 Township 18S Range 26E , NMPM, 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"/> Navajo Refining Company | Address (Give address to which approved copy of this form is to be sent) P. O. Box 159 - Artesia, NM 88210 | | | | | |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> Phillips 66 Natural Gas Co. | Address (Give address to which approved copy of this form is to be sent) P. O. Box 5050 - Bartlesville, OK 74004 | | | | | |
| If well produces oil or liquids, give location of tanks. | Unit H | Sec. 26 | Twp. 18S | Rge. 26E | Is gas actually connected? Yes | When 7/8/88 |

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 checked="" type="checkbox"/> | Gas Well | New Well <input checked="" type="checkbox"/> | Workover | Deepen | Plug Back | Same Res'v. | Diff. Res'v. |
| Date Spudded 6/8/88 | Date Compl. Ready to Prod. 7/8/88 | | Total Depth 3475 | | P.B.T.D. | | | |
| Elevations (DF, RKB, RT, GR, etc.) 3298 GR | Name of Producing Formation Yeso | | Top Oil/Gas Pay 2804 | | Tubing Depth 3260 | | | |
| Perforations 2804 - 3346 | | | Depth Casing Shoe | | | | | |

TUBING, CASING, AND CEMENTING RECORD

| | | | |
|-----------|----------------------|-----------|--------------|
| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SACKS CEMENT |
| 10 3/4" | 8 5/8" | 915' | 360 sacks |
| 7 7/8" | 5 1/2" | 3469' | 630 sacks |
| | 2 7/8" | 3260' | |

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)

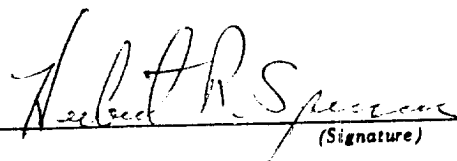
| | | | |
|--|-------------------------|---|------------------|
| Date First New Oil Run To Tanks 7/16/88 | Date of Test 7/20/88 | Producing Method (Flow, pump, gas lift, etc.) Pump | |
| Length of Test 24 hrs. | Tubing Pressure | Casing Pressure | Choke Size |
| Actual Prod. During Test | Oil - Bbls. 84 | Water - Bbls. 450 | Gas - MCF 104 |

GAS WELL

| | | | |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D | Length of Test | Bbls. Condensate/MMCF | Gravity of Condensate |
| Testing Method (pitot, 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.


(Signature)
Partner
(Title)
7/20/88
(Date)

OIL CONSERVATION COMMISSION

APPROVED JUL 22 1988, 19
BY Original Signed By
Mike Williams
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 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.