

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

RECEIVED

TXO Production Corp.

900 Wilco Bldg. Midland, TX 79701

APR 27 '88

ARTESIA OFFICE

effective May 1, 1988

DESCRIPTION OF WELL AND LEASE

Yates Federal

3 E. Burton Flat (Morrow)

Federal

Unit Letter E 1980

Feet From The North Line and 660

Feet From The West

Line of Section 17 Township 20-S Range 29-E

Eddy

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil or Condensate

JM Petroleum Corp.

2000 N. Tower LB 319 Dallas, TX 75201

Name of Authorized Transporter of Gaseous Gas or Dry Gas

Delhi Gas Pipeline & Affil

1st City Cntr 1700 Pacific Ave. Dallas, TX 75201

Transwestern Pipeline Co.

Box 2521 Houston, TX 77001

Yes 9-9-75

COMPLETION DATA

Designate Type of Completion - (X)

Oil Well Gas Well New Well Workover Deepen Plug Back Since Drilled Fill

Date Spudded

Date Compl. Ready to Prod.

Total Depth

P.D.T.D.

Deviations (DP, NED, RT, CR, etc.)

Name of Producing Formation

Top Oil/Gas Pay

Testing Depth

Perforations

Depth Casing Shoe

TUBING, CASING, AND CEMENTING RECORD

| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SACKS CEMENT |
|-----------|----------------------|-----------|--------------|
|           |                      |           | Part F.D. 3  |
|           |                      |           | 5-6-88       |
|           |                      |           | Chg. LT. PER |

TEST DATA AND REQUEST FOR ALLOWABLE

Test must be after recovery of total volume of lead oil and must be equal to or exceed:

able to this depth or be for full 24 hours

| Date First New Oil Run To Tanks | Date of Test | Producing Rate (Flow, pump, 24 hr, etc.) |
|---------------------------------|--------------|------------------------------------------|
|                                 |              |                                          |

| Length of Test | Testing Pressure | Casing Pressure | Choke Size |
|----------------|------------------|-----------------|------------|
|                |                  |                 |            |

| Actual Prod. During Test | Oil - Bbls. | Water - Bbls. | Gas - MCF |
|--------------------------|-------------|---------------|-----------|
|                          |             |               |           |

AS WELL,

| Actual Prod. Test - MCF/D | Length of Test | Bottom Casing Pressure | Gravity of Condensate |
|---------------------------|----------------|------------------------|-----------------------|
|                           |                |                        |                       |

| Testing Pressure (lb./sq. in.) | Testing Pressure (lb./sq. in.) | Casing Pressure (lb./sq. 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.

Julia Collier 4-18-88

Julia Collier

Engineer Asst.

4-12-88

OIL CONSERVATION COMMISSION

APR 28 1988

APPROVED

Original Signed By

Mike Williams

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 reworked well, this form must be accompanied by a tabulation of the tests taken on the well in accordance with RULE 1104.

All portions of this form must be filled out completely for this form to be considered valid.

Fill out only Sections I, II, III, and VI for changes of well name or number, or transporter, or other such change of data.