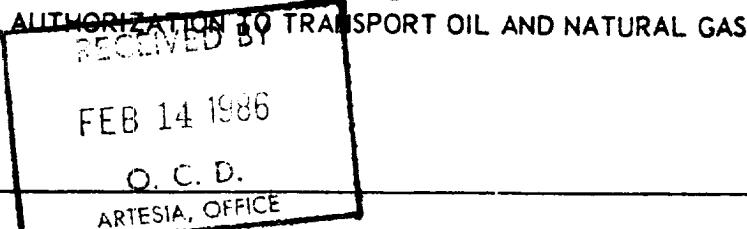


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TRANSPORTER	<input checked="" type="checkbox"/>
OIL	<input checked="" type="checkbox"/>
GAS	<input checked="" type="checkbox"/>
OPERATOR	<input checked="" type="checkbox"/>
PRORATION OFFICE	<input checked="" type="checkbox"/>

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND

Form C-104
Supersedes Old C-104 and C-11
Effective 1-1-65



I.

Operator Kaneb Operating Company, Ltd.	
Address 400 Wilco Building Midland, Texas 79701-4466	
Reason(s) for filing (Check proper box)	
New Well <input type="checkbox"/>	Change in Transporter of: Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>
Recompletion <input type="checkbox"/>	Other (Please explain) Change Operator name from Kaneb Energy Company to Kaneb Operating Company, Ltd., effective February 7, 1986
Change in Ownership <input type="checkbox"/>	

If change of ownership give name and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name Federal 24	Well No. 2	Pool Name, Including Formation Sand Dunes (Cherry Canyon)	Kind of Lease State, Federal or Fee Federal	Lease No. NM 40655
Location Unit Letter L : 330 Feet From The West Line and 2310 Feet From The South Line of Section 24 Township 23-S Range 31-E, NMPM, Eddy 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"/> The Permian Corporation	Address (Give address to which approved copy of this form is to be sent) P. O. Box 1183 Houston, Texas 77001
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 Sec. Twp. Rge. Is gas actually connected? When

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			
					Post ID-2			
					2-21-86			
					Chg Op. Name.			

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 Tanks	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. 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.

Leslie D. Souther
(Signature)

Division Production Manager
(Title)

February 10, 1986
(Date)

OIL CONSERVATION COMMISSION

APPROVED FEB 19 1986, 19
BY Original Signed By
Les A. Clements
TITLE Supervisor District II

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.