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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

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MAR 17 '88

O. C. D.
ARTESIA OFFICE

I.

| | |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Operator Reading & Bates Petroleum Co. | |
| Address 2412 N. Grandview, Suite 201, Odessa, Texas 79761 | |
| Reason(s) for filing (Check proper box) | Other (Please explain) |
| New Well <input checked="" type="checkbox"/> | Change in Transporter of: |
| Recompletion <input type="checkbox"/> | Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> |
| Change in Ownership <input type="checkbox"/> | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |
| Casinghead Gas MUST NOT BE Produced AFTER 3/23/88 UNLESS AN EXCEPTION TO: THIS RULE IS OBTAINED | |

If change of ownership give name
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

| | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------|----------------------------------------|-----------------|
| Lease Name South Culebra Bluff 23 | Well No. 1 | Pool Name, including Formation Undersigned Delaware | Kind of Lease State, Federal or Fee | Lease No. NA |
| Location Unit Letter <u>K</u> ; <u>1830</u> Feet From The <u>South</u> Line and <u>1980</u> Feet From The <u>West</u> Line of Section <u>23</u> Township <u>23S</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"/> | Address (Give address to which approved copy of this form is to be sent) | | | | | |
| Permian | Box 1183 Houston, Texas 77001 | | | | | |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) | | | | | |
| El Paso Natural Gas Co. | Box 1492 El Paso, Texas 79978 | | | | | |
| If well produces oil or liquids, give location of tanks. | Unit N | Sec. 23 | Twp. 23S | Rge. 28E | Is gas actually connected? No meter | When As soon as possible |

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 <input checked="" type="checkbox"/> | Gas Well | New Well <input checked="" type="checkbox"/> | Workover | Deepen | Plug Back | Same Res'tv. | Diff. Res'tv. |
| Date Spudded 1-4-88 | Date Compl. Ready to Prod. 3-9-88 | Total Depth 6560' | P.B.T.D. 6304' | | | | | |
| Elevations (DF, RKB, RT, GR, etc.) 3010.1 DF, 3011.5 RT, 2999.3 GR | Name of Producing Formation 2999' Delaware | Top Oil/Gas Pay 6196' | Tubing Depth 6030' | | | | | |
| Perforations 6196-6210' 46 holes | Depth Casing Shoe 6560' | | | | | | | |
| TUBING, CASING, AND CEMENTING RECORD | | | | | | | | |
| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SACKS CEMENT | | | | | |
| 12 1/4" | 8 5/8" | 527.88' | 447 sacks | | | | | |
| 7 7/8" | 5 1/2" | 6560' | 1578 sacks | | | | | |
| | 2 7/8" | 6030' | | | | | | |

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 3/9/88 | Date of Test 3/10/88 | Producing Method (Flow, pump, gas lift, etc.) Flow | |
| Length of Test 24 | Tubing Pressure 890# | Casing Pressure 0# | Choke Size 12/64" |
| Actual Prod. During Test 277 | Oil-Bbls. 160 | Water-Bbls. 117 | Gas-MCF 225 |

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 |

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.


(Signature)

Area Superintendent

(Title)

March 16, 1988

(Date)

OIL CONSERVATION COMMISSION

MAR 21 1988

APPROVED _____, 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.