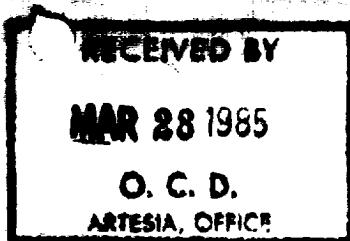


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	✓
FILE	✓
U.S.O.S.	
LAND OFFICE	
TRANSPORTER	OIL ✓ GAS ✓
OPERATOR	✓
PRODUCTION OFFICE	



OIL CONSERVATION DIVISION

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

Form C-104
Revised 12-01-78
Format 06-01-83
Page 1

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Operator
Challenger Energy, Inc.

Address
P.O. Box 1262 Artesia, NM 88210

Reason(s) for filing (Check proper box)		Other (Please explain)
☒ New Well	Change in Transporter of:	
☐ Recompletion	☐ Oil	☐ Dry Gas
☐ Change in Ownership	☐ Casinghead Gas	☐ Condensate

If change of ownership give name and address of previous owner

I. DESCRIPTION OF WELL AND LEASE

Lease Name Mobil "22" Federal	Well No. 3	Pool Name, including Formation Brushy Draw - Delaware	Kind of Lease State, Federal or Fee Federal	Lease No. NM-22634
---	----------------------	---	---	------------------------------

Location

Unit Letter **D** : **990** Feet From The **South** Line and **1650** Feet From The **East**

Line of Section **22** Township **26S** Range **29E** NMPM, **Eddy** County

II. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

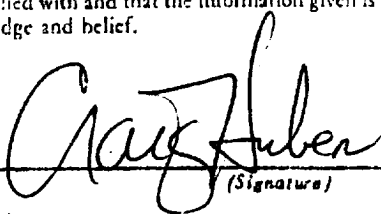
Name of Authorized Transporter of Oil ☒ or Condensate ☐ Navajo Refining Company	Address (Give address to which approved copy of this form is to be sent) Box 159 Artesia, NM 88210
Name of Authorized Transporter of Casinghead Gas ☒ or Dry Gas ☐ Conoco, Inc.	Address (Give address to which approved copy of this form is to be sent) Box 1267 Ponca City, OK 74603
If well produces oil or liquids, give location of tanks.	Is gas actually connected? When
Unit P Sec. 22 Twp. 26 Rge. 29	Yes 3/21/85

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.

I. CERTIFICATE OF COMPLIANCE

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.


(Signature)

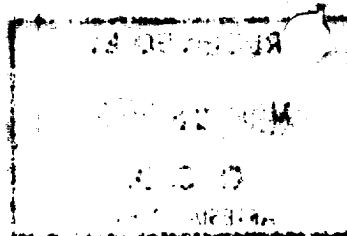
(Title)

(Date)

OIL CONSERVATION DIVISION

APPROVED **MAR 29 1985**, 19
BY **Original Signed By**
Leslie 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.



Form C-104
Revised 10-01-78
Format 06-01-83
Page 2

V. 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	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.			
3/5/85	3/18/85		6170'			6130'			
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth			
2887.2 GL	Delaware		4990'			4990'			
Perforations						Depth Casing Shoe			
4990' - 5022' (32') 1-.42" JSPF (33holes)									

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
11	8 5/8	406	275 SX "C" W/2% CaCl ₂
7 7/8	5 1/2	6170	405SX Hal. Lite; 3855
			50/50 Poz W/6#NaCl,
2 7/8	2 7/8	4990'	1# Flocele

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	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
3/18/85	3/22/85	Flow	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
12 hrs.	100#	450#	37/64
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF
	133	185	108

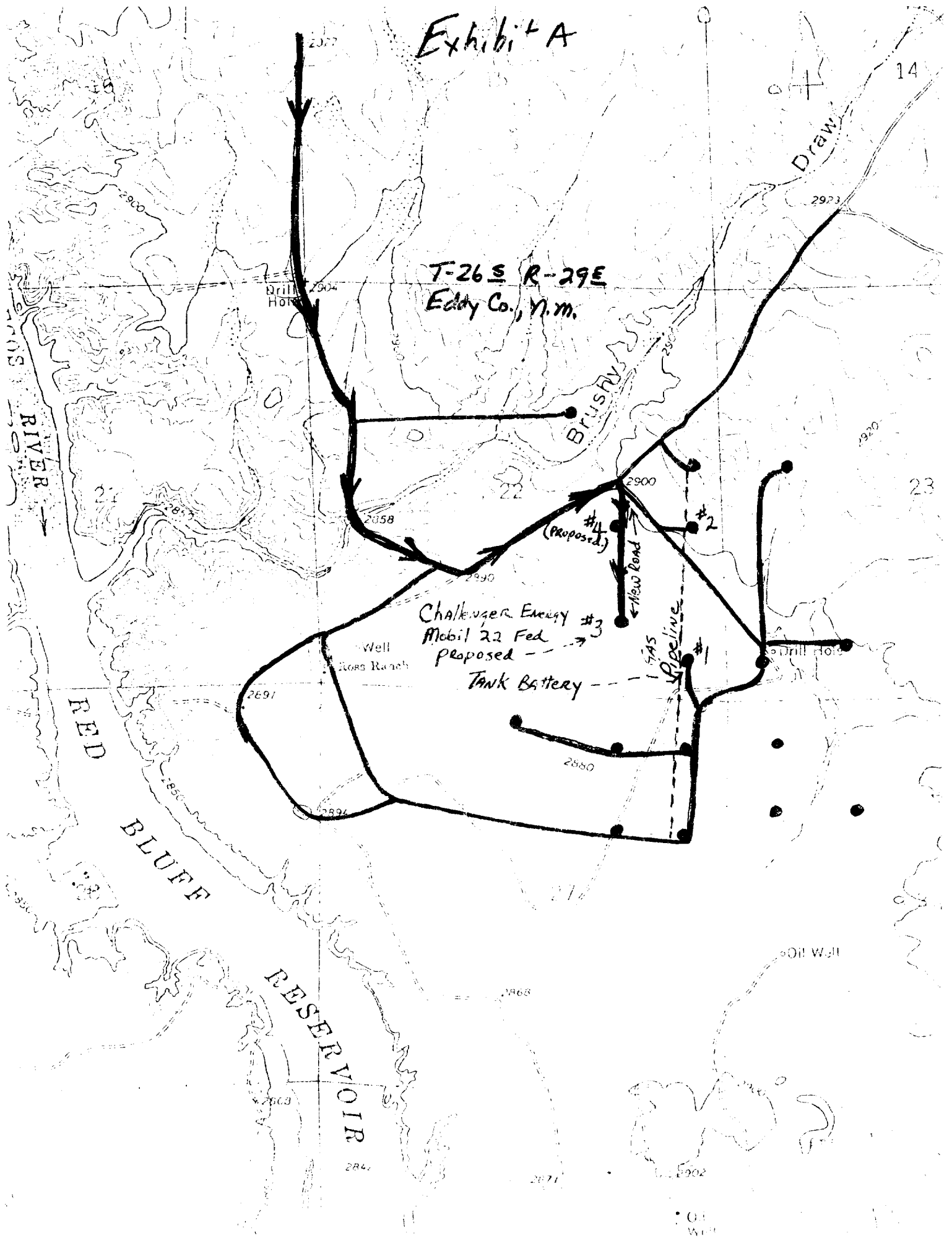
GOR 8'2:1

AS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Casing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

Exhibit A

T-26 S R-29 E
Eddy Co., N.M.



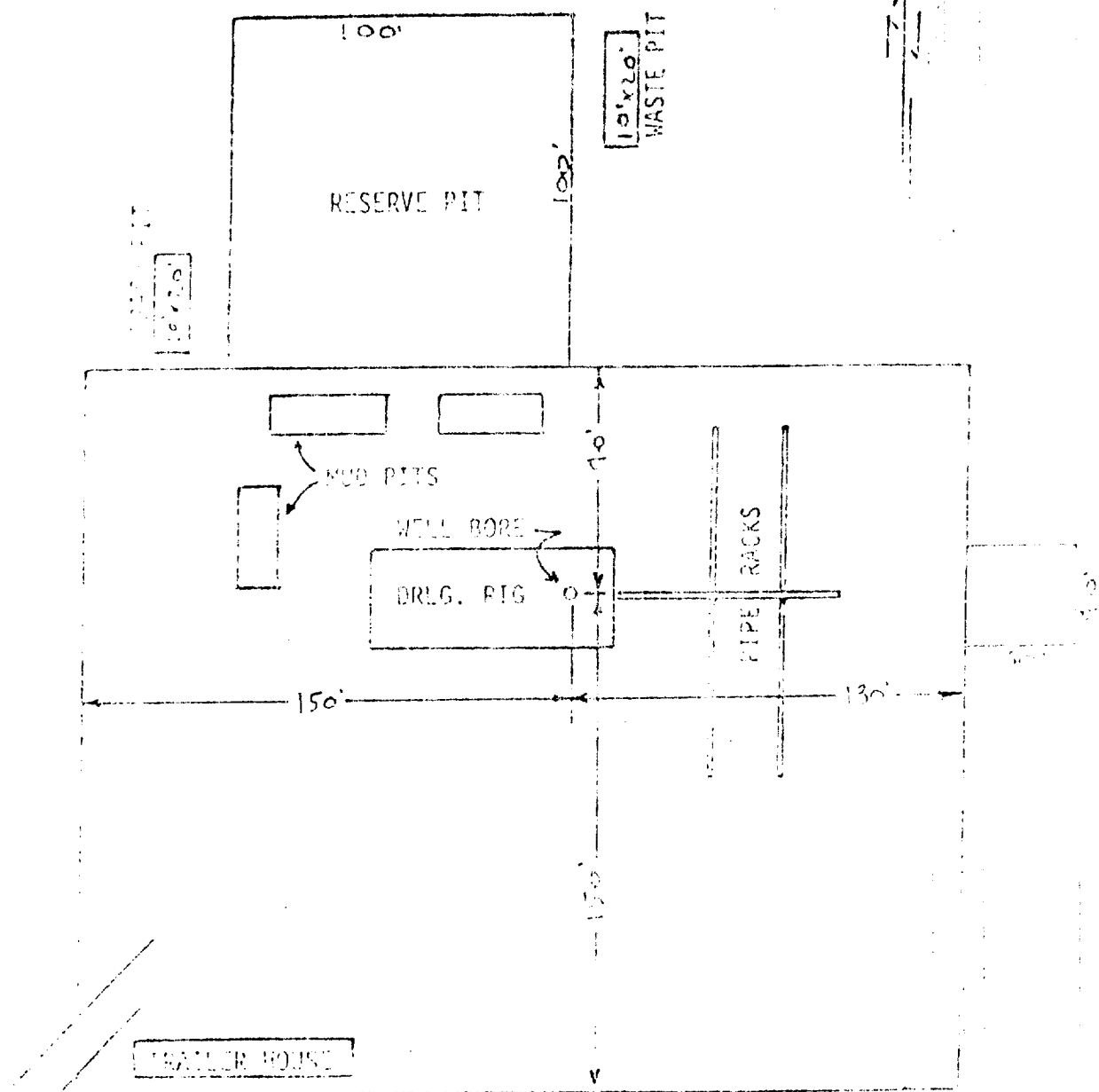


EXHIBIT "C"

Challenger Energy, INC.
 Mobil Federal "22" #
 Drilling Rig Layout

#3