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SANTA FE	✓	✓
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LAND OFFICE		
TRANSPORTER: OIL	✓	
TRANSPORTER: 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

RECEIVED BY
APR 23 1986
O. C. D.
ARTESIA, OFFICE

Operator
Challenger Energy, Inc.

Address
P.O. Box 1262, Artesia, NM 88211-1262

Reason(s) for filing (Check proper box)
New Well [X]
Recompletion [ ]
Change in Ownership [ ]
Change in Transporter of: Oil [ ] Dry Gas [ ] Casinghead Gas [ ] Condensate [ ]

Other (Please explain)
CASINGHEAD GAS MUST NOT BE FLARED AFTER 5-28-86 UNLESS AN EXCEPTION FROM THE B. L. M. IS OBTAINED

If change of ownership give name and address of previous owner

DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease	Lease No.
Picou Federal	#1	Brushy Draw Delaware	State, Federal or Fee Federal	NM-57261

Location
Unit Letter P ; 505 Feet From The South Line and 930 Feet From The East
Line of Section 12 Township 26 Range 29 , NMPM, Eddy County

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil [ ] or Condensate [ ]	Address (Give address to which approved copy of this form is to be sent)
NavajoRefining Co.	P.O. Box 159, Artesia, Nm 88210
Name of Authorized Transporter of Casinghead Gas [ ] or Dry Gas [ ]	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
	P	12	26	29	No	

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	Gas Well	New Well	Workover	Deepen	Plug Back	Same Resv.	Diff. Resv.
	XX		XX					

Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.
2/7/86	4/18/86	6770'	6110'

Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth
3033.4	Cherry Canyon	5761	5812

Perforations	Depth Casing Shoe
5761, 81, 92 Hydrojet 2 cuts/foot.	6770

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
17 1/4"	13 3/8", 54 1/2#	660'	680sks
12 1/4"	9 5/8", 36#	3108'	300 sks
8 3/4"	7", 23#	6770'	675 + 250 sks
	2 3/8"	5812'	

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)
OIL WELL

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)
4/18/86	4/21/86	pumping

Post FD-2
5-2-86
Comp + BK

Length of Test	Tubing Pressure	Casing Pressure	Choke Size
24 hours			(X)

Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF
276 bbls	52	215	24.7

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.

Vickie Teel
(Signature)
Production Clerk
(Title)
4/22/86
(Date)

OIL CONSERVATION COMMISSION

APPROVED APR 28 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 operator, well name or number, or transporter, or other such change of condition.