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Appropriate District Office  
DISTRICT I  
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DISTRICT II  
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DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

|                                                                                                                                                                                                                                                                                                                                                     |  |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------|
| Operator<br><b>ACTION OIL CO., INC.</b>                                                                                                                                                                                                                                                                                                             |  | Well API No.<br><b>1-X 20209</b> |
| Address<br><b>3301 EAST MAIN FARMINGTON, NEW MEXICO 87402</b>                                                                                                                                                                                                                                                                                       |  |                                  |
| Reason(s) for Filing (Check proper box)<br>New Well <input type="checkbox"/> Change in Transporter of:<br>Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/><br>Change in Operator <input checked="" type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |  |                                  |
| If change of operator give name and address of previous operator<br><b>CHASE ENERGY, INC.</b>                                                                                                                                                                                                                                                       |  |                                  |

|                                                                                                                                                                                                                      |                        |                                                            |                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------------------------------|------------------------------------|
| II. DESCRIPTION OF WELL AND LEASE                                                                                                                                                                                    |                        | Navajo                                                     |                                    |
| Lease Name<br><b>King Kong</b>                                                                                                                                                                                       | Well No.<br><b>1-X</b> | Pool Name, Including Formation<br><b>Salt Creek Dakota</b> | Lease No.<br><b>14-20-0603-639</b> |
| Location<br>Unit Letter <b>L</b> : <b>1800</b> Feet From The <b>South</b> Line and <b>182</b> Feet From The <b>West</b> Line<br>Section <b>4</b> Township <b>30N</b> Range <b>17W</b> , NMPM, <b>San Juan</b> County |                        |                                                            |                                    |

|                                                                                                                                             |                  |                                                                                                                       |                    |                    |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|------------------------------------------------|
| III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS                                                                                      |                  |                                                                                                                       |                    |                    |                                                |
| Name of Authorized Transporter of Oil<br><b>GIANT INDUSTRIES</b> <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> |                  | Address (Give address to which approved copy of this form is to be sent)<br><b>PO BOX 12999, SCOTTSDALE, AZ 85267</b> |                    |                    |                                                |
| 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<br><b>L</b> | Sec.<br><b>4</b>                                                                                                      | Twp.<br><b>30N</b> | Rge.<br><b>17W</b> | Is gas actually connected? When ?<br><b>NO</b> |
| 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 type="checkbox"/> Gas Well <input type="checkbox"/> New Well <input type="checkbox"/> Workover <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Same Rec'y <input type="checkbox"/> Diff Rec'y <input type="checkbox"/> |
| Date Spudded                        | Date Compl. Ready to Prod.                                                                                                                                                                                                                                                         |
| Elevations (DF, RKB, RT, GR, etc.)  | Name of Producing Formation                                                                                                                                                                                                                                                        |
| Perforations                        | Top Oil/Gas Pay                                                                                                                                                                                                                                                                    |
| TUBING, CASING AND CEMENTING RECORD |                                                                                                                                                                                                                                                                                    |
| HOLE SIZE                           | CASING & TUBING SIZE                                                                                                                                                                                                                                                               |
| DEPTH SET                           |                                                                                                                                                                                                                                                                                    |
| SACKS CEMENT                        |                                                                                                                                                                                                                                                                                    |

|                                                                                                                                                         |                           |                                         |                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------|-----------------------|
| 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 Tank                                                                                                                          | Date of Test              | Producing Method (Flow, pump, gas lift) |                       |
| Length of Test                                                                                                                                          | Tubing Pressure           | Casing Pressure                         | Choke Size            |
| Actual Prod. During Test                                                                                                                                | Oil - Bbls.               | Water - Bbls.                           | Gas - MCF             |
| GAS WELL                                                                                                                                                |                           | OIL CON. DIV. DIST. 3                   |                       |
| Actual Prod. Test - MCF/D                                                                                                                               | Length of Test            | Bbls. Condensate/MCF                    | Gravity of Condensate |
| Testing Method (pilot, back pr.)                                                                                                                        | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in)               | Choke Size            |

|                                                                                                                                                                                                            |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| VI. OPERATOR CERTIFICATE OF COMPLIANCE                                                                                                                                                                     |                |
| I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. |                |
| Signature<br><b>Gene Burson</b>                                                                                                                                                                            | PRESIDENT      |
| Printed Name                                                                                                                                                                                               | (505) 327-0311 |
| Date                                                                                                                                                                                                       | Telephone No.  |

|                           |                               |
|---------------------------|-------------------------------|
| OIL CONSERVATION DIVISION |                               |
| Date Approved             | <b>NOV 8 1993</b>             |
| By                        | <b>Supervisor</b>             |
| Title                     | <b>SUPERVISOR DISTRICT 13</b> |

INSTRUCTIONS: This form is to be filed in compliance with Rule 1101  
1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.