

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-104
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|--|--|-------------------------------------|
| Operator name and Address H & S Oil LLC P.O. Box 186 Artesia, NM 88211-0186 | | OGRID Number 009572 |
| | | Reason for Filing Code CH 1/1/97 |
| API Number 30-015-10370 | Pool Name Benson Queen Grayburg North | Pool Code 005300 |
| Property Code 4846 | Property Name McClay | Well Number 7 |

II. Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 33 | 18S | 30E | | 330 | North | 1650 | West | Eddy |

Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | | | |
|-----------------|-----------------------------|---------------------|---------------------|----------------------|-----------------------|
| Le Code Fed. | Producing Method Code SI | Gas Connection Date | C-129 Permit Number | C-129 Effective Date | C-129 Expiration Date |
|-----------------|-----------------------------|---------------------|---------------------|----------------------|-----------------------|

III. Oil and Gas Transporters

| Transporter OGRID | Transporter Name and Address | POD | O/G | POD ULSTR Location and Description |
|-------------------|------------------------------|-----|-----|------------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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DIST. 2

IV. Produced Water

| | |
|-----|------------------------------------|
| POD | POD ULSTR Location and Description |
|-----|------------------------------------|

V. Well Completion Data

| | | | | | |
|-----------|----------------------|-----------|--|--------------|--------------|
| Spud Date | Ready Date | TD | PBTD | Perforations | DIIC, DC, MC |
| Hole Size | Casing & Tubing Size | Depth Set | Sacks Cement Pest ID-3 2-14-97 chy up names | | |

VI. Well Test Data

| | | | | | |
|--------------|-------------------|-----------|-------------|---------------|---------------|
| Date New Oil | Gas Delivery Date | Test Date | Test Length | Tbg. Pressure | Csg. Pressure |
| Choke Size | Oil | Water | Gas | AOF | Test Method |

I hereby certify that the rules 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: *Herbert R. Spencer*

Printed name: Herbert R. Spencer

Title: Managing Member

Date: Jan. 23, 1997

Phone: 505-746-6658

OIL CONSERVATION DIVISION

Approved by: SUPERVISOR, DISTRICT II

Title:

Approval Date:

FEB - 5 1997

* If this is a change of operator fill in the OGRID number and name of the previous operator

Herbert R. Spencer
 Previous Operator Signature

Herbert R. Spencer

Printed Name

Co-Owner 1/23/97

Title

Date

New Mexico Oil Conservation Division
C-104 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT

Report all gas volumes at 15.025 PSIA at 60°. Report all oil volumes to the nearest whole barrel.

A request for allowable for a newly drilled or deepened well must be accompanied by a tabulation of the deviation tests conducted in accordance with Rule 111.

All sections of this form must be filled out for allowable requests on new and recompleted wells.

Fill out only sections I, II, III, IV, and the operator certifications for changes of operator, property name, well number, transporter, or other such changes.

A separate C-104 must be filed for each pool in a multiple completion.

Improperly filled out or incomplete forms may be returned to operators unapproved.

1. Operator's name and address
2. Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.
3. Reason for filling code from the following table:

| | |
|----|---|
| NW | New Well |
| RC | Recompletion |
| CH | Change of Operator (Include the effective date.) |
| AO | Add oil/condensate transporter |
| CO | Change oil/condensate transporter |
| AG | Add gas transporter |
| CG | Change gas transporter |
| RT | Request for test allowable (Include volume requested) |

 If for any other reason write that reason in this box.
4. The API number of this well
5. The name of the pool for this completion
6. The pool code for this pool
7. The property code for this completion
8. The property name (well name) for this completion
9. The well number for this completion
10. The surface location of this completion NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.
11. The bottom hole location of this completion
12. Lease code from the following table:

| | |
|---|--------------------|
| F | Federal |
| S | State |
| P | Fee |
| J | Jicarilla |
| N | Navajo |
| U | Ute Mountain Ute |
| I | Other Indian Tribe |
13. The producing method code from the following table:

| | |
|---|----------------------------------|
| F | Flowing |
| P | Pumping or other artificial lift |
14. MO/DA/YR that this completion was first connected to a gas transporter
15. The permit number from the District approved C-129 for this completion
16. MO/DA/YR of the C-129 approval for this completion
17. MO/DA/YR of the expiration of C-129 approval for this completion
18. The gas or oil transporter's OGRID number
19. Name and address of the transporter of the product
20. The number assigned to the POD from which this product will be transported by this transporter. If this is a new well or recompletion and this POD has no number the district office will assign a number and write it here.
21. Product code from the following table:

| | |
|---|-----|
| O | Oil |
| G | Gas |
22. The ULSTR location of this POD if it is different from the well completion location and a short description of the POD (Example: "Battery A", "Jones CPD", etc.)
23. The POD number of the storage from which water is moved from this property. If this is a new well or recompletion and this POD has no number the district office will assign a number and write it here.
24. The ULSTR location of this POD if it is different from the well completion location and a short description of the POD (Example: "Battery A Water Tank", "Jones CPD Water Tank", etc.)
25. MO/DA/YR drilling commenced
26. MO/DA/YR this completion was ready to produce
27. Total vertical depth of the well
28. Plugback vertical depth
29. Write in 'DHC' if this completion is downhole commingled with another completion, 'DC' if this completion is one of two non-commingled completions in this well bore, or 'MC' if there are more than three non-commingled completions in this well bore.
30. Top and bottom perforation in this completion or casing shoe and TD if openhole

31. Inside diameter of the well bore
 32. Outside diameter of the casing and tubing
 33. Depth of casing and tubing. If a casing liner show top and bottom.
 34. Number of sacks of cement used per casing string
- The following test data is for an oil well it must be from a test conducted only after the total volume of load oil is recovered.
35. MO/DA/YR that new oil was first produced
 36. MO/DA/YR that gas was first produced into a pipeline
 37. MO/DA/YR that the following test was completed
 38. Length in hours of the test
 39. Flowing tubing pressure - oil wells
Shut-in tubing pressure - gas wells
 40. Flowing casing pressure - oil wells
Shut-in casing pressure - gas wells
 41. Diameter of the choke used in the test
 42. Barrels of oil produced during the test
 43. Barrels of water produced during the test
 44. MCF of gas produced during the test
 45. Gas well calculated absolute open flow in MCF/D
 46. The method used to test the well:

| | |
|---|----------|
| F | Flowing |
| P | Pumping |
| S | Swabbing |

 If other method please write it in.
 47. The signature, printed name, and title of the person authorized to make this report, the date this report was signed, and the telephone number to call for questions about this report
 48. The previous operator's name, the signature, printed name, and title of the previous operator's representative authorized to verify that the previous operator no longer operates this completion, and the date this report was signed by that person