Revised 5-10-81 P. O. BOX 2088 STATE OF NEW MEXICO ANTA FE, NEW MEXICO 87501 ENERGY AND MINIERALS DEPARTMENT SA, Indicate Type of Lease APPLICATION FOR WELLHEAD BTATE X PRICE CEILING CATEGORY DETERMINATION 5. State Oll & Gas Lesso No RECEIVED FOR DIVISION USE ONLY: LG - 7982 DATE COMPLETE APPLICATION FILED_ MAR 25 1982 DATE DETERMINATION MADE 7. Unit Agreement Name O. C. D. WAS APPLICATION CONTESTED? YES NO ARTESIA, OFFICE NAME(S) OF INTERVENOR(S). IF ANY: S. Furm or Lease Name McKay Samedan 9. Well No. 2. Name of Operator #1 SANDERS PETROLEUM CORPORATION 10. Field and Poci, or Wildout 3. Address of Operator Undesignated Abo 11000-D Spain N.E., Albuquerque, NM 87111 660 North 12. County 4. Location of Well Chaves 1980 FEET FROM THE East 16 7S LINE OF SEC. 13. Name and Address of Purchaser(s) Transwestern Pipeline Company, P.O. Box 2521, Houston, Texas 77001 **WELL CATEGORY INFORMATION** Check appropriate box for category sought and information submitted. 1. Category(les) Sought (By NGPA Section No.) 102.2 and 107 (C) (5) 2. All Applications must contain: [X] a. C-10! APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK IXI 5. C-105 WELL COMPLETION OR RECOMPLETION REPORT C. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111 [X] d. AFFIDAVITS OF MAILING OR DELIVERY 3. In addition to the above, all applications must contain the items required by the applicable rule of the Division's "Special Rules for Applications For Wellhead Price Ceiling Category Determinations" as follows: A. NEW NATURAL GAS UNDER SEC. 102(c)(1)(B) (using 2.5 Mile or 1000 Feet Deeper Test) [X] All items required by Rule 14(1) and/or Rule 14(2) B. NEW NATURAL GAS UNDER SEC. 102(c)(1)(C) (new onshore reservoir) All items required by Rule 15 C. NEW ONSHORE PRODUCTION WELL All items required by Rule 16A or Rule 16B D. DEEP, HIGH-COST NATURAL GAS, TIGHT FORMATION NATURAL GAS, AND PRODUCTION ENHANCEMENT NATURAL GAS [X] All items required by Rule 17(1), Rule 17(2) or Rule 17(3), or Rule 17(4) E. STRIPPER WELL HATURAL GAS All items required by Rule 18

KNOWLEDGE AND BELIEF. Charles W. Sanders NAME OF APPLICANT (Type or Print) SIGNATURE OF APPLICANT President 03-18-82

Date

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY

Approved Disapproved The information contained herein includes all of the information required to be filed by the applicant under Subpart B of Part 274 of the FERC regulations.

EXAMINER

FOR DIVISION USE ONLY

EXHIBIT "A"

SANDERS PETROLEUM CORPORATION
McKay Samedan #1, API No. 30005 - 61127
6-7-27
Chaves Co., N.M.

Colessee and/or Working Interest Owners:

SANDERS PETROLEUM CORPORATION 11000-D Spain N.E. Albuquerque, N.M. 87111

ROBINSON RESOURCE DEV. CO., INC. P.O. Box 1227 Roswell, N.M. 88201

OILSEARCH CORPORATION 11000-D Spain N.E. Albuquerque, N.M. 87111

U-MEX PRODUCTION COMPANY P.O. Drawer 1517 Roswell, N.M. 88201

FULLER PETROLEUM, INC. Ft. Worth National Bank Bldg. Suite 2020 Fort Worth, TX 76102

MCKAY OIL CORPORATION P.O. Box 2014 Roswell, N.M. 88201

Gas Purchaser
Transwestern Pipeline Co.
P.O. Box 2521
Houston, Texas 77001

SAMEDAN OIL CORPORATION 900 Wall Towers East Midland, TX 79701

MR. NEAL STARNES C/O Durham Ford 823 N. Main St. Roswell, N.M. 88201

MR. NORMAN SMITH
76 Brentwood
Roswell, N.M. 88201

MR. BILL G. ISLER 607 Broken Arrow Roswell, N.M. 88201

MR. DARRYL SAMPLES 1206 W. 4th Street Roswell, N.M. 88201

MR. ROBERT C. MARLEY Rt. 2, Box 153-E Roswell, N.M. 88201

U.S. DEPARTMENT OF ENERGY Federal Energy Regulatory Commission Washington, D.C. 20426

APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA) (Sections 102, 103, 107 and 108)

PLEASE READ BEFORE COMPLETING THIS FORM:

General Instructions:

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination:

| | Section of NGPA | Category Code | Description | | | |
|---|-----------------|---------------|---|--|--|--|
| | 102 | 1 | New OCS Lease | | | |
| | 102 | 2 | New onshore well (2.5 mile test) | | | |
| | 102 | 3 | New onshore well (1,000 feet deeper test) | | | |
| | 102 | 4 | New onshore reservoir | | | |
| - | 102 | 5 | New reservoir on old OCS Lease | | | |
| | 103 | - | New onshore production well | | | |
| | 107 | - | High cost natural gas | | | |
| | 108 | - | Stripper well | | | |

Other Purchasers/Contracts:

| (Mo. Day Yr.) | Purchaser | Buyer Code |
|---------------|-----------|------------|
| | | |
| | | |

Remarks: SANDERS PETROLEUM CORPORATION McKay Samedan #1

| 1.0 API well number: (If not available, leave 1k, 14 digits | | | | | | | | | |
|--|--|---------------------------|--------------|-------------------------------------|-----------|----------------------------------|--|--|--|
| (If not available, leave 1k, 14 digits, 2.0 Type of determination being sought: | 30005 61127 | | | | | | | | |
| (Use the codes found on the front of this form.) | 102 2 Section of NGPA Category Co | | | | - | | | | |
| 3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.) | Category Code 4222 feet | | | | | | | | |
| 4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not | SAN | | | | | | | | |
| evailable, leave blank.) | Name 11000-D Spain N.E. Street | | | | | Seller Code | | | |
| | Albuquerque, N.M. 87111 | | | | | | | | |
| 5.0 Location of this well: [Complete (a) or (b).](a) For onshore wells(35 letters maximum for field name.) | Undesignated Abo Field Name Chaves, N.M. | | | | | | | | |
| (b) For OCS wells: | County | County Sta | | | | | | | |
| | Area Na | orme | | PI | ock Numbe | _ | | | |
| • | | Date of Li Mo. Day | ease: | ы | ock Numbe | er | | | |
| (c) Name and identification number of this well: 135 letters and digits maximum.) | <u> </u> | | | | | | | | |
| (d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.) | | | • | | | <u>-</u> | | | |
| 6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.) | sand digits Transwestern Pineline Company | | | | | | | | |
| (b) Date of the contract: | | 020182 | | | | | | | |
| (c) Estimated annual production: | Mo. Day Yr. | | | | | | | | |
| | <u> </u> | (a) Base Price | | | MMcf. | | | | |
| - | | (\$/MMBTU) | (b) Tax | (c) All (Prices [1 (+) or (- | Indicate | (d) Total of (a), (b) and (c) | | | |
| 7.0 Contract price: (As of filing date. Complete to 3 decimal places.) | | <u>5.216</u> | 0.209 | +0 1 | 2 4 | 5 5 4 9 | | | |
| 8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.) | | <u>5.216</u> | 0.209 | +0.1 | 2 4 | 5 5 4 9 | | | |
| 9.0 Person responsible for this application: | Charles W. Sanders / President | | | | | | | | |
| Agency Use Only Date Received by Juris. Agency | Marie Marie Signature | Marke The Tanden | | | | | | | |
| Date Received by FERC | 03-18- | -82 cation is Complete | a | 505) -29 | | _ | | | |