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| FILE                   |     |  |
| U.S.G.S.               |     |  |
| LAND OFFICE            |     |  |
| TRANSPORTER            | OIL |  |
|                        | GAS |  |
| OPERATOR               |     |  |
| PRODUCTION OFFICE      |     |  |

1 / 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

|  |   |
|--|---|
| Operator                                     |   |
| Flag-Redfern Oil Company                     |   |
| Address                                      |   |
| P. O. Box 23, Midland, Texas 79701           |   |
| Reason(s) for filing (Check proper box)      |   |
| New Well <input checked="" type="checkbox"/> | Change In Transporter of:   |
| Recompletion <input type="checkbox"/>        | Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>               |
| Change In Ownership <input type="checkbox"/> | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |
| Other (Please explain)                       |   |

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.                   |
| State "16"      | 2        | Sawyer (San Andres)            | State, Federal or Fee | State LG-949 & 691          |
| Location        |          |                                |                       |                             |
| Unit Letter     | L        | 660 Feet From The              | West                  | Line and 1980 Feet From The |
| Line of Section |          | 16                             | Township              | 9S                          |
| Range           |          | 38E                            | , N44°M, Lea County   |                             |

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|  |  |      |
|--|--|------|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/>         | Address (Give address to which approved copy of this form is to be sent) |      |
| The Permian Corporation  | P. O. Box 3119, Midland, Texas 79701                                     |      |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) |      |
| Cities Service Oil Company   | P. O. Box 300, Tulsa, Oklahoma 74102                                     |      |
| If well produces oil or liquids,<br>give location of tanks.  | Unit   | Sec. |
| D  | 16   | 9S   |
|  |  | 38E  |
| Is gas actually connected?   | When   |      |
| Yes  | January 1, 1976  |      |

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 Res'v. | Diff. Res'v. |
|                                      |                             | X        | X               |          |                   |           |             |              |
| Date Spudded                         | Date Compl. Ready to Prod.  |          | Total Depth     |          | P.B.T.D.          |           |             |              |
| 5-13-75                              | 6-12-75                     |          | 5015'           |          | 5005'             |           |             |              |
| Elevations (DF, FKB, RT, GR, etc.)   | Name of Producing Formation |          | Top Oil/Gas Pay |          | Tubing Depth      |           |             |              |
| 3958' GR                             | San Andres                  |          | 4963'           |          | 4991'             |           |             |              |
| Perforations                         |                             |          |                 |          | Depth Casing Shoe |           |             |              |
| 4963-4991'                           |                             |          |                 |          | 5005'             |           |             |              |
| TUBING, CASING, AND CEMENTING RECORD |                             |          |                 |          |                   |           |             |              |
| HOLE SIZE                            | CASING & TUBING SIZE        |          | DEPTH SET       |          | SACKS CEMENT      |           |             |              |
| 12-1/4"                              | 8-5/8"                      |          | 367'            |          | 250               |           |             |              |
| 7-7/8"                               | 4-1/2"                      |          | 5015'           |          | 250               |           |             |              |
|                                      |                             |          |                 |          |                   |           |             |              |
|                                      |                             |          |                 |          |                   |           |             |              |

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 Tanks | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
|                                 |                 |   |            |
| Length of Test                  | Tubing Pressure | Casing Pressure                               | Choke Size |
|                                 |                 |   |            |
| Actual Prod. During Test        | Oil-Bbls.       | Water-Bbls.                                   | Gas-MCF    |
|                                 |                 |   |            |

GAS WELL

|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test-MCF/D          | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
| 300                              | 24 hrs                    | 3                         | 24.1°                 |
| Testing Method (pitot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size            |
| Back pressure                    | 50 psig                   | 360 psig                  | 16/64"                |

I. 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.

John H. [Signature]  
(Signature)  
Petroleum Engineer  
(Title)  
February 20, 1976  
(Date)

OIL CONSERVATION COMMISSION

APPROVED [Signature], 19\_\_\_\_  
BY [Signature]  
TITLE \_\_\_\_\_

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

May 28, 1975

Deviation surveys taken on Flag-Redfern Oil Company's State "16" Com No. 2, Section 16, T-9-S, R-38-E, Lea County, New Mexico.

| <u>Depth</u> | <u>Degree</u> |
|--------------|---------------|
| 367          | 1/4           |
| 841          | 1/2           |
| 1336         | 1/2           |
| 1832         | 1/2           |
| 2330         | 1             |
| 2822         | 1             |
| 3349         | 1             |
| 3380         | 1             |
| 3877         | 3/4           |
| 3955         | 3/4           |
| 4281         | 1/2           |
| 4788         | 1/2           |
| 4809         | 1/2           |
| 5015         | 1/4           |

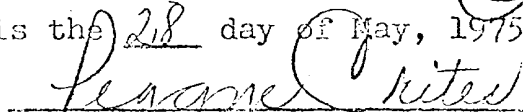
I hereby certify that I have personal knowledge of the data and facts placed on this sheet, and that such information given above is true and complete.

  
Sherman H. Norton, Jr.  
Sitton and Norton Drilling Company

Before me, the undersigned authority, on this day personally appeared Sherman H. Norton, Jr., known to me to be the person whose name is subscribed hereto, who, after being duly sworn, on oath states that he is the drilling contractor of the well identified in this instrument and that such well was not intentionally deviated from the vertical whatsoever.

  
Sherman H. Norton, Jr.

Sworn and Subscribed to before me this the 28 day of May, 1975.

  
Notary Public in and for Lubbock  
County, Texas.