NEW MEXICO OIL CONSERVATION COMMISSION Form C -104 Superiedes Old C-104 and C-1, SANTA FE REQUEST FOR ALLOWABLE Ellective 1-1-65 FILE AND U.S.G.S. AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS LAND OFFICE OIL TRANSPORTER GAS OPERATOR PRORATION OFFICE Operator Merrion Oil & Gas Corporation Box 1017, Farmington, New Mexico 87499 Ο. Reason(s) for liling (Check proper box) Other (Please explain) OIL CON. DIV. Dry Gos Recompletion DIST. 3 Casinghead Gas Change in Ownership If change of ownership give name and address of previous owner DESCRIPTION OF WELL AND LEASE Lease No. Kind of Lease Well No. Pool Name, Including Formation NM 23738 Federal State, Federal or Fee Counselors Gallup Margarita Com 1 Location East 1820 Feet From The North Line and 810 , NMPM, Rio Arriba Range 6W Township 23N DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Nome of Authorized Transporter of Oil or Condensate Address (Give address to which approved copy of this form is to be sent) P. O. Box 1702, Farmington, New Mexico 87499
Address (Give address to which approved copy of this form is to be sent) Permian Corporation Name of Authorized Transporter of Casinghead Gas or Dry Gas Negotiating Is gas actually connected? When Poe. Twp. Unit Sec. If well produces oil or liquids, As soon as possible H 23N: 6W No 15 give location of tanks. If this production is commingled with that from any other lease or pool, give commingling order number COMPLETION DATA Plug Back Same Resty. Diff. Resty New Well Workover Oil Well Designate Type of Completion - (X) XX XX Total Depth Date Compl. Ready to Prod. Date Spudded 5/12/83 5700' KB 5692' KB 7/6/83 Tubing Depth Top Oll/Gas Pay Name of Producing Formation Elevations (DF, RKB, RT, GR, etc.) 5306' KB 6962' KB, 6949' GL Gallup Ferforations 5348, 4 holes; 5652 - 5660, 5 holes, 5578, 5580, 5582, 5584, 5586 Depth Casing Show 1 each; 5305 - 5309, 3 holes; 5333 - 5337, 3 holes: 5625, 5630, 1 hole each; 5443 - each. 5700' KB TUBING, CASING, AND CEMENTING RECORD SACKS CEMENT CASING & TUBING SIZE HOLE SIZE 8-5/8" 213' KB 170 sx (350.2 cu. ft.) 12-1/4" 225 sx (275.5 cu. ft.) 4-1/2" 5700' KB 7-7/8" 700 sx (1442 cu. ft.) 100 sx (122 cu. ft.) 2-3/8" 5306' KB (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) TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL Producing Method (Flow, pump, gas lift, etc.) Date of Test Date First New Cil Run To Tanks Flowing 7/7/83 7/5/83 Choke Size Tubing Pressure Casing Pressure Length of Test 1/2" 250 80 24 hours MCE Water - Bble. Oil - Bbls. Actual Prod. During Test 28 GAS WELL Gravity of Condensate Bbls. Condensate/MMCF Length of Test Actual Prod. Tost-MCF/D Cosing Pressure (Shut-in) Tubing Pressure (Shut-in) Testing Method (pitot, back pr.) OIL CONSERVATION COMMISSION CERTIFICATE OF COMPLIANCE APPROVEDUL 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. Original Signed by FRANK T. CHAVEZ SUPERVISOR DISTRICT # 5 TITLE . This form is to be filed in compliance with RULE 1104. If this is a request for allowable for a newly drilled or deepen well, this form must be accompanied by a tabulation of the deviationate taken on the well in accordance with RULE 111. All sections of this form must be filled out completely for alleable on new and recompleted wells. Steve S. Dunn, Operations Manager Fill out only Sections 1, 11, 111, and VI for changes of own name or number, or transporter, or other such change of condition 7/7/83 errore Frime C-104 must be filed for each pool in multi (Doie)