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Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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>MERRION OIL & GAS CORPORATION                        |                                                                             | Well API No.                                    |
| Address<br>P. O. BOX 840, FARMINGTON, NEW MEXICO 87499           |                                                                             |                                                 |
| Reason(s) for Filing (Check proper box)                          |                                                                             | <input type="checkbox"/> Other (Please explain) |
| New Well <input type="checkbox"/>                                | Change in Transporter of:                                                   | Effective 3/1/90                                |
| Recompletion <input type="checkbox"/>                            | Oil <input type="checkbox"/> Dry Gas <input checked="" type="checkbox"/>    |                                                 |
| Change in Operator <input type="checkbox"/>                      | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |                                                 |
| If change of operator give name and address of previous operator |                                                                             |                                                 |

II. DESCRIPTION OF WELL AND LEASE

|                       |                 |                                                             |                                        |                       |           |
|-----------------------|-----------------|-------------------------------------------------------------|----------------------------------------|-----------------------|-----------|
| Lease Name<br>Bonanza | Well No.<br>4   | Pool Name, Including Formation<br>W. Lindrith Gallup-Dakota | Kind of Lease<br>State, Federal or Fee | Indian<br>Jic 360     | Lease No. |
| Location              |                 |                                                             |                                        |                       |           |
| Unit Letter<br>A      | : 790           | Feet From The<br>North                                      | Line and<br>790                        | Feet From The<br>East | Line      |
| Section<br>11         | Township<br>22N | Range<br>3W                                                 | NMPM,                                  | Sandoval              | County    |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|                                                                                                                          |                                                                          |            |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>         | Address (Give address to which approved copy of this form is to be sent) |            |
| Meridian Oil, Inc.                                                                                                       | P.O. Box 4289, Farmington, New Mexico 87499                              |            |
| Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) |            |
| El Paso Natural Gas Company                                                                                              | P.O. Box 4990, Farmington, New Mexico 87499                              |            |
| If well produces oil or liquids, give location of tanks.                                                                 | Unit<br>A                                                                | Sec.<br>11 |
|                                                                                                                          | Twp.<br>22N                                                              | Rge.<br>3W |
|                                                                                                                          | Is gas actually connected?                                               | When?      |
|                                                                                                                          | Yes                                                                      | 6/81       |

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)  | <input checked="" type="checkbox"/> 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 Res'v | <input type="checkbox"/> Diff Res'v |
| Date Spudded                        | Date Compl. Ready to Prod.                   |                                   | Total Depth                       |                                   | P.B.T.D.                        |                                    |                                     |                                     |
| Elevations (DF, RKB, RT, GR, etc.)  | Name of Producing Formation                  |                                   | Top Oil/Gas Pay                   |                                   | Tubing Depth                    |                                    |                                     |                                     |
| Perforations                        |                                              |                                   |                                   |                                   | Depth Casing Shoe               |                                    |                                     |                                     |
| 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.)

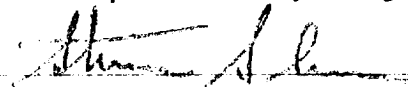
|                                |                 |                                               |
|--------------------------------|-----------------|-----------------------------------------------|
| Date First New Oil Run To Tank | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |
| Length of Test                 | Tubing Pressure | Casing Pressure                               |
| Actual Prod. During Test       | Oil - Bbls.     | Water - Bbls.                                 |
|                                |                 | <b>RECEIVED</b><br>FEB 28 1990                |

GAS WELL

|                                  |                           |                           |               |
|----------------------------------|---------------------------|---------------------------|---------------|
| Actual Prod. Test - MCF/D        | Length of Test            | Bbls. Condensate/MMCF     | OIL CON. DIV. |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | DIST. 3       |
|                                  |                           |                           | Choke Size    |

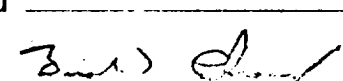
VI. OPERATOR CERTIFICATE OF COMPLIANCE

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  
Steven S. Dunn Operations Manager  
Printed Name Title  
2-26-90 (505) 327-9801  
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved FEB 28 1990

By   
SUPERVISOR DISTRICT #3  
Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.