

District I
PO Box 1900, Hobbs, NM 88241-1900
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Branco Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address KIMBELL OIL COMPANY OF TEXAS 76102 500 THROCKMORTON ST., Suite 3000, Ft. Worth, TX		² OGRID Number 12683
		³ Reason for Filing Code CH
⁴ API Number 30-039-05792	⁵ Pool Name DEVILS FORK GALLUP	⁶ Pool Code 17610
⁷ Property Code 22244	⁸ Property Name SALAZAR G COM 26	⁹ Well Number 1

¹² Lec Code 007836	¹³ Producing Method Code P	¹⁴ Gas Connection Date 10/1/82	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
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II. 10 Surface Location

UL or lot no. m	Section 26	Township 25N	Range 6W	Lot Ida	Feet from the 825	North/South Line	Feet from the 810	East/West Line	County Rio Arriba
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11 Bottom Hole Location

UL or lot no. F	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
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III. Oil and Gas Transporters

¹⁸ Transporter OGRID 9018	¹⁹ Transporter Name and Address GANT Rf	²⁰ POD 1912810	²¹ O/G O	²² POD ULSTR Location and Description
RECEIVED JAN 09 1998 OIL CON. DIV. DIST. 3 EPAG Co				
151618		1912830	G	OIL CON. DIV. DIST. 3

IV. Produced Water

²³ POD 1912850	²⁴ POD ULSTR Location and Description
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V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ FBTD	²⁹ Perforations	³⁰ DHC, DC, MC
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method

⁴⁷ 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:

Printed name:

Title:

Date: 12/17/97

Phone: 817-335-2591

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

SUPERVISOR DISTRICT #3

JAN - 9 1998

⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator

merriam Oil & Gas Corp.

Previous Operator Signature

Printed Name

SEE ATTACHED letter agreement

dated 11/1/97

Pres. 1-7-98

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 filing 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. Top and bottom perforation in this completion or casing shoe and TD if openhole
 30. 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.
 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
- If 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

**Attachment "A" To Notice of Intent to Change Operator of Well and Recomplete to Test
Mesaverde and Pictured Cliffs Formations for:**

**Salazar G Com 26 #1 Well
825' FSL & 810' FWL
Section 26-T25N-R6W
Rio Arriba County, New Mexico**

November 25, 1997

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DEC - 1 1997
OIL CON. DIV.
DIST. 3

This well was originally drilled, completed and produced from the Dakota formation by Kay Kimbell Company predecessor to Kimbell Oil Company of Texas starting in December of 1959. Upon depletion of the Dakota formation, the Gallup formation lease rights and wellbore operating rights to same formation were farmed out to Merrion Oil & Gas Company who proceeded to perforate, complete and produce the Gallup formation oil and gas reserves. Subsequent to the depletion of the Gallup formation reserves, a recommendation has been made to recomplete and test the Mesaverde and Pictured Cliffs formations in this wellbore. Because of a significant change in ownership rights to these two new formations, it has been negotiated and agreed that Merrion Oil & Gas Company will turn over operating rights of this wellbore to Kimbell Oil Company of Texas in exchange for Kimbell agreeing to become fully responsible for the ultimate plugging, abandonment and site reclamation for this well. Kimbell has agreed to do so. (**See attached copy of executed letter agreement between parties dated November 1, 1997.

It is Kimbell Oil Company's intent to initiate logistical planning and site preparation to commence recompletion and testing operations in the Mesaverde and P.C. formations as soon as possible. In coordinating with the service company sector, it appears that the earliest we can commence our work is immediately following the Christmas and New Years Holidays. Since the well is in a "temporarily abandoned" status, Kimbell herein requests an extension of 60 days from this date to commence operations on this wellbore.

A proposed operational procedure for this work is also attached herein for your information and any necessary approvals. Should you have any questions in regard to this filing, please contact us at (817) 335-2591 at your earliest convenience.

I hereby certify that the foregoing is true and correct and is submitted as an attachment to BLM form 3160-5 "SUNDRY NOTICES AND REPORTS ON WELLS" for the Change in Operators on this referenced well and for the recompletion operations of this same well as referenced herein above.

Signed Jack Redding, Jr. Title U.P. Date 11-26-97

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DEC 22 1997
OIL CON. DIV.
DIST. 3

KIMBELL OIL COMPANY OF TEXAS

FAX: 817-338-1355

500 THROCKMORTON STREET SUITE 3000
FORT WORTH, TEXAS 76102

PHONE: 817-335-2591

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DEC 22 1997

November 1, 1997

Merrion Oil and Gas Corporation
610 Reilly Avenue
Farmington, New Mexico 87401

Robert L. Bayless
610 Reilly Avenue
Farmington, NM 87401

Steve S. Dunn
610 Reilly Avenue
Farmington, NM 87401

OIL CON. DIV.
DIST. 3

Gentlemen:

Upon execution of this agreement, and effective November 1, 1997, you agree to assign to Kimbell Oil Company of Texas et al all of your right, title and interest in the following:

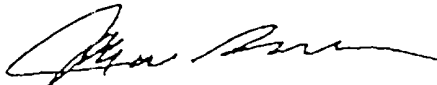
1. All of your interest in oil and gas leases covering the 160 acre proration unit around the Salazar G26-1 well located in Section 26, T25N-R6W, Rio Arriba County, New Mexico.
2. All of your interest in any equipment, machinery or personal property used in connection with the Salazar G26-1 well.
3. All of your interest in the Operating Rights in the Salazar G26-1.
4. All of your interest in any right-of-ways, easements, surface leases, permits, licenses or contracts which may be used in the production or marketing of oil, gas, or other minerals from the Salazar G26-1 well.

You also agree to execute and deliver any necessary paperwork or forms which may be required to facilitate the transfer of the above described interest to Kimbell Oil Company of Texas et al.

As consideration for this assignment, Kimbell Oil Company of Texas et al agrees to assume all plugging and surface remedial obligations for the said well and will do so in accordance with any governmental regulations.

If you are in agreement with the terms set out herein, please execute and return one copy of this letter to the undersigned within ten (10) days of receipt. This agreement may be signed in counterparts.

Kimbell Oil Company of Texas

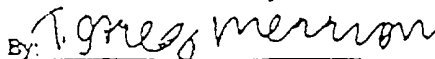


Jack W. Redding, President

Agreed to and accepted this 11th day of November, 1997.

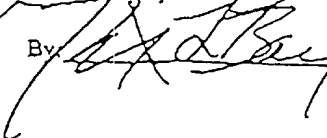
Merrion Oil and Gas Corporation,

By:



Robert L. Bayless

By:



Steven S. Dunn

By:

