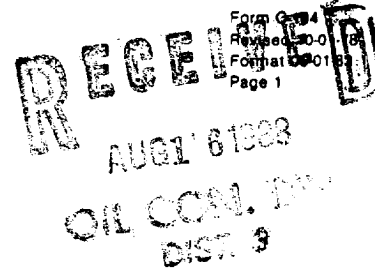


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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| LAND OFFICE | |
| TRANSPORTER | OIL |
| | GAS |
| OPERATOR | |
| PRODUCTION OFFICE | |

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501



REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

| | |
|---|---|
| Operator Southland Royalty Company | |
| Address PO Box 4289, Farmington, NM 87499 | |
| Reason(s) for filing (Check proper box) | Other (Please explain) |
| <input type="checkbox"/> New Well <input type="checkbox"/> Recompletion <input checked="" type="checkbox"/> Change in Ownership | Change of operator from Lynco Oil to Southland Royalty Company |
| Change in Transporter of: <input type="checkbox"/> Oil <input type="checkbox"/> Casinghead Gas | <input type="checkbox"/> Dry Gas <input type="checkbox"/> Condensate |

If change of ownership give name and address of previous owner Lynco Oil. 4101 E. Louisiana, Denver, CO 80222

II. DESCRIPTION OF WELL AND LEASE

| | | | | |
|-----------------------|-----------------|---|--|-----------------------|
| Lease Name Ojito | Well No. 1 | Pool Name, including Formation Blanco Mesa Verde | Kind of Lease State, Federal or Fee | Lease No. NM-4447 |
| Location | | | | |
| Unit Letter M | 900 | Feet From The South | Line and 790 | Feet From The West |
| Line of Section 16 | Township 26N | Range 2W | NMPM, | Rio Arriba County |

III. 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) |
| Meridian Oil Inc. | PO Box 4289, Farmington, NM 87499 |
| 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) |
| El Paso Natural Gas Company | PO Box 4990, Farmington, NM 87499 |
| If well produces oil or liquids, give location of tanks. | Is gas actually connected? When |
| Unit Sec. Twp. Rge. 16 26N 2W | |

If this production is commingled with that from any other lease or pool, give commingling order number:

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. 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 is true and complete to the best of my knowledge and belief.

Regulatory Affairs

08-10-88

(Title)

(Date)

OIL CONSERVATION DIVISION

APPROVED AUG 16 1988, 19

BY

TITLE SUPERVISION DISTRICT # 5

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 completed wells.