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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 Merit Energy Company	Well API No. 30-045-05733
Address 12221 Merit Drive, Suite #500 Dallas, Texas 75251	
Reason(s) for Filing (Check proper box) New Well <input type="checkbox"/> Change in Transporter of: Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Change in Operator <input checked="" type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>	
If change of operator give name and address of previous operator Southern Union Exploration Company 324 Hwy US64, NBU3001 Farmington, NM 87401	

II. DESCRIPTION OF WELL AND LEASE

Lease Name Hodges	Well No. 7	Pool Name, Including Formation Ballard Pictured Cliffs	Kind of Lease State, Federal or Fee	Lease No. SF078432
Location Unit Letter K : 1750 Feet From The South Line and 1770 Feet From The West Line Section 22 Township 26 N Range 8 W , NMPM, San Juan County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)	
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)	
Gas Company of New Mexico	Post Office Box 1899 Bloomfield, NM 87413	
If well produces oil or liquids, give location of tanks.	Unit	Sec.
	Twp.	Rge.
		Is gas actually connected? When?

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)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	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 for 48 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	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

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OIL CON. DIV.
DIST. 3

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	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 Donald E. Spence
Printed Name Donald E. Spence Title Vice-President
Date April 1, 1993 Telephone No. 214/701-8377

OIL CONSERVATION DIVISION

Date Approved APR 12 1993

By Brian J. Chang
Title SUPERVISOR DISTRICT #3

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.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.