

DISTRICT II  
P.O. Drawer 1113, Artesia, NM 88210

DISTRICT III  
1000 Rio Hondo Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

|                                                                                         |                                                                             |                              |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------|
| Operator<br>McKenzie Methane Corporation                                                |                                                                             | Well API No.<br>30-045-28500 |
| Address<br>1911 Main Ave., Suite 255, Durango, Colorado 81301                           |                                                                             |                              |
| Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain) |                                                                             |                              |
| New Well <input checked="" type="checkbox"/>                                            | Change to Transporter of:                                                   |                              |
| Recompletion <input type="checkbox"/>                                                   | Oil <input type="checkbox"/> Dry Gas <input 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>Jones 35 A | Well No.<br>9   | Pool Name, including Formation<br>Basin FT Coal | Kind of Lease<br>State <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Fed | Lease No.<br>SF-079938 |
| Location                 |                 |                                                 |                                                                                                 |                        |
| Unit Letter<br>A         | : 1050          | Feet From The<br>N                              | Line And<br>810                                                                                 | Feet From The<br>E     |
| Section<br>35            | Township<br>29N | Range<br>8W                                     | NMPM,<br>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) |      |      |      |                            |       |
| El Paso Natural Gas                                                                                                      | P.O. Box 4990, Farmington, NM 87401                                      |      |      |      |                            |       |
| If well produces oil or liquids, give location of tanks.                                                                 | Unit                                                                     | Sec. | Twp. | Rge. | Is gas actually connected? | When? |
|                                                                                                                          |                                                                          |      |      |      | No                         |       |

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 |
|                                                              |                                               | X        | X                       |          |                           |           |            |            |
| Date Spudded<br>1-7-91                                       | Date Compl. Ready to Prod.<br>6-20-91         |          | Total Depth<br>2875     |          | P.D.T.D.<br>2823          |           |            |            |
| Elevations (D.F., RKB, RT, GR, etc.)<br>6260 GR              | Name of Producing Formation<br>Fruitland Coal |          | Top Oil/Gas Pay<br>2609 |          | Tubing Depth<br>2757      |           |            |            |
| Perforations<br>2609-13, 2657-62, 2706-19, 2722-31, 2776-89. |                                               |          |                         |          | Depth Casing Shoe<br>2875 |           |            |            |

TUBING, CASING AND CEMENTING RECORD

|           |                      |           |              |
|-----------|----------------------|-----------|--------------|
| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SACKS CEMENT |
| 12-1/4    | 8-5/8, 24#           | 267       | 250 200      |
| 7-7/8     | 4-1/2, 11.6#         | 2875      | 475+175      |
| N/A       | 2-3/8, 4.7#          | 2757      | None         |

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                               | Choke Size |
| Actual Prod. During Test                                                                                                                                | Oil - Bbls.     | Water - Bbls.                                 | Unit - MCF |

GAS WELL

|                                               |                                       |                                       |                       |
|-----------------------------------------------|---------------------------------------|---------------------------------------|-----------------------|
| Actual Prod. Test - MCF/D<br>208              | Length of Test<br>24 hours            | Bbls. Condensate/MCF                  | Gravity of Condensate |
| Testing Method (pilot, back pr.)<br>2" prover | Tubing Pressure (Shut-in)<br>560 Psig | Casing Pressure (Shut-in)<br>560 Psig | Choke Size<br>.50     |

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 R. J. Sagle  
Printed Name Operations Manager  
Date 7-11-91  
Telephone No. 303/385-4654

OIL CONSERVATION DIVISION

Date Approved AUG 8 1991  
By [Signature]  
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 well in multiply completed wells.