

|                        |     |   |
|------------------------|-----|---|
| NO. OF COPIES RECEIVED |     | 7 |
| DISTRIBUTION           |     |   |
| SANTA FE               |     | 1 |
| FILE                   |     | 1 |
| U.S.G.S.               |     |   |
| LAND OFFICE            |     |   |
| TRANSPORTER            | OIL | 1 |
|                        | GAS | 1 |
| OPERATOR               |     | 3 |
| PRODUCTION OFFICE      |     |   |

NEW MEXICO OIL CONSERVATION COMMISSION  
REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104  
Supersedes Old C-104 and C-110  
Effective 1-1-65

|                                                |                          |                           |                          |
|------------------------------------------------|--------------------------|---------------------------|--------------------------|
| Operator                                       |                          | SOUTHLAND ROYALTY COMPANY |                          |
| Address                                        |                          |                           |                          |
| P. O. Drawer 570, Farmington, New Mexico 87401 |                          |                           |                          |
| Reason(s) for filing (Check proper box)        |                          | Other (Please explain)    |                          |
| New Well                                       | <input type="checkbox"/> | Change in Transporter of: |                          |
| Recompletion                                   | <input type="checkbox"/> | Oil                       | <input type="checkbox"/> |
| Change in Ownership                            | <input type="checkbox"/> | Casinghead Gas            | <input type="checkbox"/> |
|                                                |                          | Dry Gas                   | <input type="checkbox"/> |
|                                                |                          | Condensate                | <input type="checkbox"/> |
|                                                |                          | NAME CHANGE               |                          |

If change give name and address of previous owner Artec Oil & Gas Company, P. O. Drawer 570, Farmington, New Mexico 87401

I. DESCRIPTION OF WELL AND LEASE

|                 |          |                                |                               |                       |
|-----------------|----------|--------------------------------|-------------------------------|-----------------------|
| Lease Name      | Well No. | Pool Name, including Formation | Kind of Lease                 | Lease No.             |
| Page            | #2-Y     | Blanco Mesaverde               | State, Federal or Fee Federal | SF-078215             |
| Location        |          |                                |                               |                       |
| Unit Letter     | M        | 790 Feet From The              | South Line and                | 830 Feet From The     |
| Line of Section | 7        | Township                       | 52 North                      | Range                 |
|                 |          |                                | 10 West                       | NMPM, San Juan County |

II. 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) |
| Plateau, Inc.                                                                                                            | P. O. Box 108, Farmington, New Mexico 87401                              |
| 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) |
| Southern Union Gathering                                                                                                 | Fidelity Union Tower, Dallas, Texas 75201                                |
| 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: \_\_\_\_\_

V. COMPLETION DATA

|                                     |                            |             |          |          |        |           |             |              |
|-------------------------------------|----------------------------|-------------|----------|----------|--------|-----------|-------------|--------------|
| Designate Type of Completion -- (X) | Oil Well                   | Gas Well    | New Well | Workover | Deepen | Plug Back | Same Res'v. | Dist. Res'v. |
| Date Spudded                        | Date Compl. Ready to Prod. | Total Depth | P.E.T.D. |          |        |           |             |              |

|           |                      |           |                  |
|-----------|----------------------|-----------|------------------|
| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SHUT-IN PRESSURE |
|           |                      |           |                  |
|           |                      |           |                  |
|           |                      |           |                  |

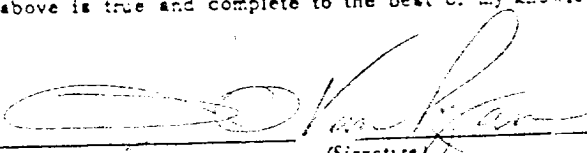
V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

|                                 |                 |                                              |            |
|---------------------------------|-----------------|----------------------------------------------|------------|
| Date First New Oil Run To Tanks | 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    |

|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| GAS WELL                         |                           |                           |                       |
| Actual Prod. Test-MCF/D          | Length of Test            | Bbls. Condensate/MCF      | Gravity of Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size            |

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

  
(Signature)  
District Production Manager  
(Title)  
1-1-78

OIL CONSERVATION COMMISSION  
APPROVED JAN 1 1978, 19  
BY Original Signed by A. R. Kendrick  
TITLE SUPERVISOR DIST. #3

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.