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Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
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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<br><b>McKenzie Methane Corporation</b>   |   | Well API No.<br><b>30-045-27741</b> |
| Address<br><b>1911 Main Ave., #255, Durango, Co. 81301</b>                              |   |                                     |
| Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain) |   |                                     |
| New Well <input checked="" type="checkbox"/>  | Change in 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><b>Angel Peak 11 A</b>   | Well No.<br><b>#4</b> | Pool Name, Including Formation<br><b>Basin Fruitland Coal</b> | Kind of Lease<br>State, Federal or <input checked="" type="checkbox"/> | Lease No.<br>_____ |
| Location<br>Unit Letter <b>A</b> : <b>975</b> Feet From The <b>N</b> Line and <b>1135</b> Feet From The <b>E</b> Line<br>Section <b>11</b> Township <b>27N</b> Range <b>10W</b> , <b>NMPM, San Juan</b> 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) |                                    |
| <b>El Paso Natural Gas</b>   | <b>P.O. Box 4990, Farmington, N.M. 87401</b>                             |                                    |
| If well produces oil or liquids,<br>give location of tanks.  | Unit   Sec.   Twp.   Rge.  | Is gas actually connected?   When? |
|  |  | <b>No</b>   <b>8-1-90</b>          |

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 |
|   |  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |          |                                   |           |            |            |
| Date Spudded<br><b>4/28/90</b>  | Date Compl. Ready to Prod.<br><b>6/28/90 29</b>      |                                     | Total Depth<br><b>2000'</b>         |          | P.B.T.D.<br><b>1964'</b>          |           |            |            |
| Elevations (DF, RKB, RT, GR, etc.)<br><b>5999 GR</b>                          | Name of Producing Formation<br><b>Fruitland Coal</b> |                                     | Top Oil/Gas Pay<br><b>1673'</b>     |          | Tubing Depth<br><b>1843'</b>      |           |            |            |
| Perforations<br><b>1673-76, 1696-1700, 1765-80, 1785-95, 1848-50, 1870-92</b> |  |                                     |                                     |          | Depth Casing Shoe<br><b>2000'</b> |           |            |            |
| TUBING, CASING AND CEMENTING RECORD   |  |                                     |                                     |          |                                   |           |            |            |
| HOLE SIZE<br><b>12 1/4</b>  | CASING & TUBING SIZE<br><b>8 5/8, 24#</b>            |                                     | DEPTH SET<br><b>266'</b>            |          | SACKS CEMENT<br><b>175</b>        |           |            |            |
| <b>7 7/8</b>  | <b>4 1/2, 11.6#</b>                                  |                                     | <b>2000'</b>                        |          | <b>510</b>                        |           |            |            |
| <b>---</b>  | <b>2 3/8"</b>  |                                     | <b>1843'</b>                        |          | <b>---</b>                        |           |            |            |

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 (Flowline, Lift Pump, etc.) |
|                                |                 | <b>RECEIVED</b>                              |
| Length of Test                 | Tubing Pressure | Casing Pressure                              |
|                                |                 | <b>AUG 1 1990</b>                            |
| Actual Prod. During Test       | Oil - Bbls.     | Water - Bbls.                                |
|                                |                 | <b>OIL CON. DIV.</b>                         |
|                                |                 | <b>DIST. 3</b>                               |
|                                |                 | Choke Size                                   |
|                                |                 | Gas - MCF                                    |

GAS WELL

|   |   |   |                                     |
|---|---|---|-------------------------------------|
| Actual Prod. Test - MCF/D<br><b>480</b>                   | Length of Test<br><b>24hrs,</b>         | Bbls. Condensate/MMCF<br><b>0</b>       | Gravity of Condensate<br><b>N/A</b> |
| Testing Method (pilot, back pr.)<br><b>2" flow prover</b> | Tubing Pressure (Shut-in)<br><b>280</b> | Casing Pressure (Shut-in)<br><b>280</b> | Choke Size<br><b>1/2</b>            |

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.

**R.J. Sagle** - **CS**  
Signature  
**R.J. Sagle** Operations Manager  
Printed Name Title  
**7/31/90** **303-385-4654**  
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved **AUG 03 1990**

By **ORIGINAL SIGNED BY ERNIE BUSCH**

Title **DEPUTY OIL & GAS INSPECTOR, DIST. #3**

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.

Sections of this form must be filled out for allowable on new and recompleted wells.

but only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.

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