

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-126  
Revised June 10, 2003

Submit 4 Copies  
to appropriate  
District Office

## PERMIT TO TRANSPORT RECOVERED LOAD OIL

(NOTE: Required only when load oil was obtained from source other than lease on which used.)  
(See Rule 508, 1104, and 1126)

### RECOVERED LOAD OIL

|                                                      |                     |                                      |                             |
|------------------------------------------------------|---------------------|--------------------------------------|-----------------------------|
| OPERATOR<br><b>MERRION OIL &amp; GAS CORPORATION</b> |                     | ADDRESS<br><b>610 REILLY AVENUE</b>  |                             |
| LEASE NAME<br><b>GUINEA PIG COM</b>                  | WELL NO<br><b>1</b> | POOL<br><b>GAVILAN MANCOS</b>        | COUNTY<br><b>RIO ARriba</b> |
| LOCATION<br><b>(D) SECTION 24, T26N, R2W</b>         |                     | TRANSPORTER<br><b>GIANT REFINING</b> |                             |

30.039.27247

### BBLs. LOAD OIL RECOVERED

205.63

RCVD NOV 20 '07  
OIL CONS. DIV.

### SOURCE OF LOAD OIL

#### PURCHASED OIL

DIST. 3

|                                         |                                     |
|-----------------------------------------|-------------------------------------|
| BARRELS PURCHASED<br><b>205.63</b>      | DATE PURCHASED<br><b>10-18-2007</b> |
| PURCHASED FROM<br><b>Giant Refining</b> | ADDRESS                             |

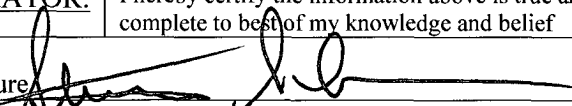
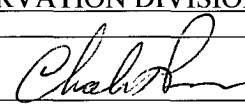
|                   |                |
|-------------------|----------------|
| BARRELS PURCHASED | DATE PURCHASED |
| PURCHASED FROM    | ADDRESS        |

### OIL TRANSFERRED FROM ANOTHER LEASE OR POOL

|                                                                             |                             |                              |
|-----------------------------------------------------------------------------|-----------------------------|------------------------------|
| BARRELS TRANSFERRED                                                         | POOL FROM WHICH TRANSFERRED | LEASE FROM WHICH TRANSFERRED |
| DATE OF LETTER OF NOTIFICATION OF TRANSFER IN COMPLIANCE WITH RULE 1104 (F) |                             |                              |

|                                                                             |                             |                              |
|-----------------------------------------------------------------------------|-----------------------------|------------------------------|
| BARRELS TRANSFERRED                                                         | POOL FROM WHICH TRANSFERRED | LEASE FROM WHICH TRANSFERRED |
| DATE OF LETTER OF NOTIFICATION OF TRANSFER IN COMPLIANCE WITH RULE 1104 (F) |                             |                              |

|                                                                             |                             |                              |
|-----------------------------------------------------------------------------|-----------------------------|------------------------------|
| BARRELS TRANSFERRED                                                         | POOL FROM WHICH TRANSFERRED | LEASE FROM WHICH TRANSFERRED |
| DATE OF LETTER OF NOTIFICATION OF TRANSFER IN COMPLIANCE WITH RULE 1104 (F) |                             |                              |

|                                                                                                          |                                                                                                    |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| OPERATOR: I hereby certify the information above is true and complete to best of my knowledge and belief | OIL CONSERVATION DIVISION                                                                          |
| Signature:            | Approved by:  |
| Printed Name: Steven S. Dunn<br>& Title: Drilling & Production Manager                                   | Title: <b>SUPERVISOR DISTRICT # 3</b>                                                              |
| E-mail: sdunn@merrion.bz                                                                                 |                                                                                                    |
| Address: sdunn@merrion.bz                                                                                |                                                                                                    |
| Date: 11/19/07 Telephone No. (505) 324-5300                                                              | Date: <b>NOV 21 2007</b>                                                                           |



23733 NORTH SCOTTSDALE RD  
SCOTTSDALE, ARIZONA 85255  
480/585-8739

|                           |                     |                                                                                                                        |                 |                       |                   |                                   |  |
|---------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-------------------|-----------------------------------|--|
| <b>REMIT TO</b>           |                     | GIANT REFINING COMPANY<br>P.O. BOX 52489<br>PHOENIX, ARIZONA 85072-2489                                                |                 | <b>INVOICE NUMBER</b> |                   | RMS-63829                         |  |
|                           |                     |                                                                                                                        |                 | <b>INVOICE DATE</b>   |                   | 11/7/2007                         |  |
| <b>BILL TO</b>            |                     | Merrion Oil & Gas Corporation<br><del>ATTN: LINDA HARE</del><br>610 Reilly Avenue<br>FARMINGTON, NEW MEXICO 87401-2634 |                 | <b>PAGE NUMBER</b>    |                   | 1                                 |  |
|                           |                     |                                                                                                                        |                 | <b>GIANT CONTRACT</b> |                   | FRAC OIL                          |  |
| <b>TERMS</b>              |                     |                                                                                                                        |                 | <b>TERMINAL</b>       |                   | <b>SHIPPED VIA</b>                |  |
| NET DUE UPON RECEIPT      |                     |                                                                                                                        |                 |                       |                   | GIANT TRUCKS                      |  |
| <b>BILL OF LADING NO.</b> | <b>DATE SHIPPED</b> | <b>DESCRIPTION</b>                                                                                                     | <b>QUANTITY</b> | <b>UNIT</b>           | <b>UNIT PRICE</b> | <b>EXTENDED PRICE</b>             |  |
| 4104929                   | 10/18/2007          | SAN JUAN BASIN CONDENSATE                                                                                              | 205.63          | NB                    | 80.1000           | 16,470.96                         |  |
|                           |                     | 3.50 Hour truck time                                                                                                   | 3.50            | HRS                   | 70.0000           | 245.00                            |  |
|                           |                     | Administration Fee                                                                                                     | 205.63          | NB                    | 0.5000            | 102.82                            |  |
|                           |                     |                                                                                                                        |                 |                       |                   | <b>SUB-TOTAL</b> 16,818.78        |  |
|                           |                     |                                                                                                                        |                 |                       |                   | <b>SALES TAX</b> 21.52            |  |
|                           |                     |                                                                                                                        |                 |                       |                   | <b>TOTAL AMOUNT DUE</b> 16,840.30 |  |

PROVISIONAL INVOICE SUBJECT TO ADJUSTMENT

S:[CRUDE]MERRION.XLS

NOV 13 2007

|                                               |  |                                                           |  |
|-----------------------------------------------|--|-----------------------------------------------------------|--|
| EMERGENCY<br>CALL: CHEMTREC<br>1-800-424-9300 |  | CRUDE OIL<br>GATHERING<br>TICKET NUMBER<br>663<br>4104928 |  |
| MO DAY YEAR<br>10/18/07                       |  |                                                           |  |

|                                                       |                |
|-------------------------------------------------------|----------------|
| DESCRIPTION<br>PETROLEUM CRUDE OIL, 3, UN1267, PG III | BARRELS<br>204 |
|-------------------------------------------------------|----------------|

|                                                  |                                                                                  |
|--------------------------------------------------|----------------------------------------------------------------------------------|
| OPERATOR OR LOCATION<br>Enterprise Field Service |                                                                                  |
| LEASE OR COMPANY NAME<br>Lindroth                | DELIVERY RECEIPT<br><input type="checkbox"/> <input checked="" type="checkbox"/> |
| WELL NUMBER<br>Compressor                        | CRUDE GRADE OR PRODUCT<br>Condensate                                             |
| CREDIT                                           |                                                                                  |
| FOR ACCOUNT OF                                   |                                                                                  |

|                                                   |                       |  |  |
|---------------------------------------------------|-----------------------|--|--|
| LEASE OR TANK LOCATION<br>P SEC 18 TWP 24N RGE 5W |                       |  |  |
| COUNTY<br>Rio Arriba                              | STATE NM              |  |  |
| FEDERAL OR STATE LEASE NO                         | GIANT LEASE NO / CODE |  |  |

|                                                   |                                         |                      |
|---------------------------------------------------|-----------------------------------------|----------------------|
| TANK SIZE<br>2-500's                              | TANK HEIGHT<br>16'0 1/4" / 16'1 3/4"    | TRUCK NO<br>663 3560 |
| CHECK IF LINE SAMPLED<br><input type="checkbox"/> | TANK OR METER NUMBER<br>GI6926 / GI6927 |                      |

|                   |    |    |      |           |    |    |      |                                    |
|-------------------|----|----|------|-----------|----|----|------|------------------------------------|
| HGT OF CONNECTION |    |    |      | OIL LEVEL |    |    |      | Merrion<br>Guinea<br>Pig Com<br>#1 |
| GAGE              | FT | IN | 1/4" | GAGE      | FT | IN | 1/4" |                                    |
| 1st               | 0  | 11 | 3/4  | 1st       | 0  | 11 | 3/4  |                                    |
| BOTTOM BS&W LEVEL |    |    |      | 2nd       |    |    |      |                                    |
| GAGE              | FT | IN | 1/4" | GAGE      | FT | IN | 1/4" |                                    |
| 1st               | 0  | 3  | 0    | 1st       | 0  | 3  | 0    |                                    |
| OBS GVT           |    |    |      | TEMP      |    |    |      |                                    |
| 67.0              |    |    |      | 44        |    |    |      |                                    |
| BS&W %            |    |    |      | TRUE GVT  |    |    |      |                                    |
| 0.23              |    |    |      | 204       |    |    |      |                                    |

|                                                                                      |  |         |        |
|--------------------------------------------------------------------------------------|--|---------|--------|
| TEMPERATURE COMPENSATED?<br>YES <input type="checkbox"/> NO <input type="checkbox"/> |  | BARRELS | TENTHS |
| AVERAGE LINE TEMPERATURE                                                             |  |         |        |
| CTL FACTOR                                                                           |  |         |        |
| AVERAGE METER PRESSURE                                                               |  | METERED |        |
| METER FACTOR                                                                         |  | NET     |        |

|                               |                |               |
|-------------------------------|----------------|---------------|
| GAUGER<br>ON                  | TIME<br>9:04 A | DATE<br>10-18 |
| OPERATOR'S WITNESS<br>No Seal |                |               |
| GAUGER<br>OFF                 | TIME<br>9:30 A | DATE<br>10-18 |
| OPERATOR'S WITNESS<br>No Seal |                |               |

|                                                                                                        |                |
|--------------------------------------------------------------------------------------------------------|----------------|
| RECEIVING POINT<br>Merrion-Guinea Pig Com #1                                                           | TANK NO<br>3,5 |
| REMARKS<br>load to Gained Gauges<br>tanks are man folded together.<br>Report to Ht # 4104929 30 Ld Mi. |                |

|                                               |  |                                                           |  |
|-----------------------------------------------|--|-----------------------------------------------------------|--|
| EMERGENCY<br>CALL: CHEMTREC<br>1-800-424-9300 |  | CRUDE OIL<br>GATHERING<br>TICKET NUMBER<br>663<br>4104929 |  |
| MO DAY YEAR<br>10/18/07                       |  |                                                           |  |

|                                                       |                |
|-------------------------------------------------------|----------------|
| DESCRIPTION<br>PETROLEUM CRUDE OIL, 3, UN1267, PG III | BARRELS<br>204 |
|-------------------------------------------------------|----------------|

|                                              |                                                                                             |
|----------------------------------------------|---------------------------------------------------------------------------------------------|
| OPERATOR OR LOCATION<br>Giant Transportation |                                                                                             |
| LEASE OR COMPANY NAME<br>Lindroth            | DELIVERY RECEIPT<br><input checked="" type="checkbox"/> <input checked="" type="checkbox"/> |
| WELL NUMBER<br>Compressor                    | CRUDE GRADE OR PRODUCT<br>Condensate                                                        |
| CREDIT                                       |                                                                                             |
| FOR ACCOUNT OF                               |                                                                                             |

|                                                   |                       |  |  |
|---------------------------------------------------|-----------------------|--|--|
| LEASE OR TANK LOCATION<br>P SEC 18 TWP 24N RGE 5W |                       |  |  |
| COUNTY<br>Rio Arriba                              | STATE NM              |  |  |
| FEDERAL OR STATE LEASE NO                         | GIANT LEASE NO / CODE |  |  |

|                                                   |                                         |                      |
|---------------------------------------------------|-----------------------------------------|----------------------|
| TANK SIZE<br>2-500's                              | TANK HEIGHT<br>16'0 1/4" / 16'1 3/4"    | TRUCK NO<br>663 3560 |
| CHECK IF LINE SAMPLED<br><input type="checkbox"/> | TANK OR METER NUMBER<br>GI6926 / GI6927 |                      |

|                   |    |    |      |           |    |    |      |                                    |
|-------------------|----|----|------|-----------|----|----|------|------------------------------------|
| HGT OF CONNECTION |    |    |      | OIL LEVEL |    |    |      | Merrion<br>Guinea<br>Pig Com<br>#1 |
| GAGE              | FT | IN | 1/4" | GAGE      | FT | IN | 1/4" |                                    |
| 1st               | 0  | 11 | 3/4  | 1st       | 0  | 11 | 3/4  |                                    |
| BOTTOM BS&W LEVEL |    |    |      | 2nd       |    |    |      |                                    |
| GAGE              | FT | IN | 1/4" | GAGE      | FT | IN | 1/4" |                                    |
| 1st               | 0  | 3  | 0    | 1st       | 0  | 3  | 0    |                                    |
| OBS GVT           |    |    |      | TEMP      |    |    |      |                                    |
| 67.0              |    |    |      | 44        |    |    |      |                                    |
| BS&W %            |    |    |      | TRUE GVT  |    |    |      |                                    |
| 0.23              |    |    |      | 204       |    |    |      |                                    |

|                                                                                      |  |         |        |
|--------------------------------------------------------------------------------------|--|---------|--------|
| TEMPERATURE COMPENSATED?<br>YES <input type="checkbox"/> NO <input type="checkbox"/> |  | BARRELS | TENTHS |
| AVERAGE LINE TEMPERATURE                                                             |  |         |        |
| CTL FACTOR                                                                           |  |         |        |
| AVERAGE METER PRESSURE                                                               |  | METERED |        |
| METER FACTOR                                                                         |  | NET     |        |

|                               |                |               |
|-------------------------------|----------------|---------------|
| GAUGER<br>ON                  | TIME<br>9:04 A | DATE<br>10-18 |
| OPERATOR'S WITNESS<br>No Seal |                |               |
| GAUGER<br>OFF                 | TIME<br>9:30 A | DATE<br>10-18 |
| OPERATOR'S WITNESS<br>No Seal |                |               |

|                                                                                                                                                         |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| RECEIVING POINT<br>Merrion-Guinea Pig Com #1                                                                                                            | TANK NO<br>3,5 |
| REMARKS<br>Drip Delivered to Merrion<br>Guinea Pig Com #1 tank # 64081<br>seal off Tank Gage 00041 seal on GI630534<br>Report to Ht # 4104928 30 Ld Mi. |                |