STATE OF NEW MEXICO

| NERGY | ANO | MINERALS | DEPARTMENT |
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OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

Form C-104 Revised 10-01-78 Format 06-01-83 Page 1

JUN2 4 1987

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

JEROME P. McHUGH

Assess

P O Box 809, Farmington, NM 87499

Recton(s) for filing (Check proper box)

New Yell

Recton(s) for filing (Check proper box)

Change in Transporter of:

Dry Gas

Effective 7/1/87

Change of ownership

Casinghead Gas

Condensate

| LOS NEW | <u></u> | | Well No. | Pool Name, Includi | ng Formation | | Kind of Lease | | Leese No. |
|-----------------|---------|----------|-----------|--------------------|--------------|---------|---------------------------|------|-----------|
| Gallo White | | | 1 | Counselors | Gallup/ | Lak | State, Federal or Fee Fed | | NM41721 |
| Lecation | | | | | | | | | |
| Unit Letter J | : _ | 1660 | Feet From | m The South | _Line and | 2000 | Feet From The | East | |
| Line of Section | 14 | Township | 23N | Range | 06W | , имри, | Rio Arriba | | County |

| II. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL Name of Authorized Transporter of CII A or Condensate Petro Source Corp. Name of Authorized Transporter of Cosinghead Gas A or Dry Gas Dugan Production Corp. | | | | | 85258 8777 E Via de Ventura, Suite 100, Scottsdale, AZ Address (Give address to which approved copy of this form is to be sent) P O Box 208, Farmington, NM 87499 | | |
|--|--|--|--|--|---|--|--|
| | | | | | | | |

If this production is commingled with that from any other lease or pool, give commingling order number

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. 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 is true and complete to the best of my knowledge and belief.

| Jan S. Ha | |
|---------------------------------------|--|
| James S. Hazen (Manature) Field Supt. | |
| (Title) | |

(Date)

| OII | CONSERVATION | DIVISION |
|-----|--------------|----------|
| UIL | COMPERVATION | DIAIDION |

BY_____SUPERVISION DISTRICT # 3

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepenswell, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with AULE 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.

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