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| LAND OFFICE            |     |   |
| TRANSPORTER            | OIL | 1 |
|                        | GAS | 1 |
| OPERATOR               |     |   |
| PRORATION 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-111  
Effective 1-1-65

-REVISED-

|                                         |                                     |                                          |                          |
|-----------------------------------------|-------------------------------------|------------------------------------------|--------------------------|
| Operator                                |                                     | AAA OPERATING COMPANY, INC.              |                          |
| Address                                 |                                     | 1808 CAMPBELL CENTRE DALLAS, TEXAS 75206 |                          |
| Reason(s) for filing (Check proper box) |                                     | Other (Please explain)                   |                          |
| New Well                                | <input checked="" 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"/> |

If change of ownership give name and address of previous owner

|                               |          |                                |                                   |                                 |
|-------------------------------|----------|--------------------------------|-----------------------------------|---------------------------------|
| DESCRIPTION OF WELL AND LEASE |          | Kind of Lease                  |                                   | Lease No.                       |
| Lease Name                    | Well No. | Pool Name, including Formation | State, Federal or Fee             | SF 078480                       |
| Federal E                     | IA       | Blanco Mesaverde               |                                   |                                 |
| Location                      |          |                                |                                   |                                 |
| Unit Letter                   | D        | 610'                           | Feet From The North Line and 620' | Feet From The West              |
| Line of Section               | 25       | Township                       | 27N                               | Range 8W, NMPM, San Juan County |

|                                                                                                                          |      |      |      |      |                                                                          |      |
|--------------------------------------------------------------------------------------------------------------------------|------|------|------|------|--------------------------------------------------------------------------|------|
| DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS                                                                        |      |      |      |      | Address (Give address to which approved copy of this form is to be sent) |      |
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>         |      |      |      |      | P.O. Box 489 Bloomfield, NM 87413                                        |      |
| 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 Co.                                                                                                  |      |      |      |      | P.O. Box 990 Farmington, New Mexico 87401                                |      |
| If well produces oil or liquids, give location of tanks.                                                                 | Unit | Sec. | Twp. | Pge. | Is gas actually connected?                                               | When |
|                                                                                                                          |      |      |      |      | No                                                                       |      |

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

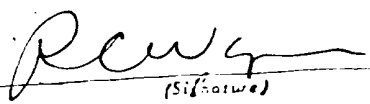
|                                      |                             |                 |           |                   |                   |        |           |             |              |
|--------------------------------------|-----------------------------|-----------------|-----------|-------------------|-------------------|--------|-----------|-------------|--------------|
| COMPLETION DATA                      |                             | Oil Well        | Gas Well  | New Well          | Workover          | Deepen | Plug Back | Same Res'v. | Diff. Res'v. |
| Designate Type of Completion - (X)   |                             |                 | XX        | XX                |                   |        |           |             |              |
| Date Spudded                         | Date Compl. Ready to Prod.  | Total Depth     |           | P.B.T.D.          |                   |        |           |             |              |
| 5-12-79                              | 8-6-79                      | 4850'           |           |                   |                   |        |           |             |              |
| Elevations (DF, RKB, RT, GR, etc.)   | Name of Producing Formation | Top Oil/Gas Pay |           | Tubing Depth      |                   |        |           |             |              |
| 5983' GR                             | Blanco Mesaverde            | 3860            |           | 4529'             |                   |        |           |             |              |
| Perforations                         | SEE REVERSE SIDE            |                 |           | Depth Casing Shoe |                   |        |           |             |              |
|                                      |                             |                 |           | 4815'             |                   |        |           |             |              |
| TUBING, CASING, AND CEMENTING RECORD |                             |                 |           |                   |                   |        |           |             |              |
| HOLE SIZE                            | CASING & TUBING SIZE        |                 | DEPTH SET |                   | SACKS CEMENT      |        |           |             |              |
| 9-7/8                                | 8-5/8                       |                 | 200'      |                   | 145 sx.           |        |           |             |              |
| 6-1/4                                | 4-1/2                       |                 | 4850'     |                   | 245 sx. Class B & |        |           |             |              |
|                                      | 1 1/2                       |                 | 4529'     |                   | 95 sx. Lifepoz    |        |           |             |              |

|                                                 |                 |                                               |            |                                                                                                                                               |  |  |  |
|-------------------------------------------------|-----------------|-----------------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| 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 10% 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                        |                           | Bbls. Condensate/MCF      |            | Gravity of Condensate |  |
| Actual Prod. Test-MCF/D         | Length of Test            |                           |            |                       |  |
| 2245                            | 3 hours                   |                           |            |                       |  |
| Testing Method (flow, back pr.) | Tubing Pressure (shot-in) | Casing Pressure (shot-in) | Choke Size |                       |  |
| Back Pressure                   | 977                       | 977                       | 3/4 T & C  |                       |  |

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.

  
\_\_\_\_\_  
President  
\_\_\_\_\_  
(Title)  
8-11-79  
\_\_\_\_\_  
(Date)

OIL CONSERVATION COMMISSION  
APPROVED AUG 21 1979, 19\_\_\_\_  
BY Original Stamp  
TITLE \_\_\_\_\_

This form is to be filed in compliance with RULE 1104.  
If this is a request for allowable for a newly drilled or deepener 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 allow-  
able 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 multi-  
completed wells.

PERFORATIONS

3780,83,85,88,3905,25,29,33,79,83,4010,14,22,25,28,33,55,58,60,64,67,70,74  
77,82,4101,07,12,17,22,25,28,33,37,57,61,64,68,78,81,84,96,4219, 36,40,49,52,66,69,73,  
76,87,4312,4321,47,63,67,78,81,4405,19,44,47,50,54, 57,61,65,68,81,87,92,96,99,4504,  
09,13,17,21,32,37,45,52,54,57,65,94,4602,10,15,38,83,87,4722,4733,4754,4760,4777,4781