

OIL CONSERVATION DIVISION

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

|                                                                                         |                                     |                           |                                                              |
|-----------------------------------------------------------------------------------------|-------------------------------------|---------------------------|--------------------------------------------------------------|
| Operator                                                                                | Southland Royalty Co                | Well API No.              | 30-045-28785                                                 |
| Address                                                                                 | PO Box 4289, Farmington, NM 87499   |                           |                                                              |
| 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"/> |
| change of operator give name and address of previous operator                           |                                     |                           |                                                              |

I. DESCRIPTION OF WELL AND LEASE

|             |          |                                |                                        |                                 |
|-------------|----------|--------------------------------|----------------------------------------|---------------------------------|
| Lease Name  | Well No. | Pool Name, including Formation | Kind of Lease<br>State, Federal or Fee | Lease No.                       |
| Hanks       | 501      | Fulcher Kutz Pic.Cliffs        |                                        | SF-077874                       |
| Location    |          |                                |                                        |                                 |
| Unit Letter | E        | : 1800                         | Feet From The North Line and 790       | Feet From The West Line         |
| Section     | 12       | Township                       | 27                                     | Range 10, 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) |
| Meridian Oil Inc. 2395/170                                                                                               | PO Box 4289, Farmington, NM 87499                                        |
| 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) |
| Sunterra Gas Gathering 395/30                                                                                            | PO Box 1869, Bloomfield, NM 87413                                        |
| well produces oil or liquids, or location of tanks.                                                                      | Unit Sec. Twp. Rgs. Is gas actually connected? When?                     |
|                                                                                                                          | E 12 27 10                                                               |
| this production is commingled with that from any other lease or pool, give commingling order number: R-9717 DEC          |                                                                          |

VI. COMPLETION DATA

|                                     |                                                    |                 |              |          |        |           |                   |            |
|-------------------------------------|----------------------------------------------------|-----------------|--------------|----------|--------|-----------|-------------------|------------|
| Designate Type of Completion - (X)  | Oil Well                                           | Gas Well        | New Well     | Workover | Deepen | Plug Back | Same Res'v        | Diff Res'v |
|                                     |                                                    | X               | X            |          |        |           |                   |            |
| Date Spudded                        | Date Compl. Ready to Prod.                         | Total Depth     | P.B.T.D.     |          |        |           |                   |            |
| 11-5-92                             | 11-19-92                                           | 2183'           |              |          |        |           |                   |            |
| Levations (DF, RKB, RT, GR, etc.)   | Name of Producing Formation                        | Top Oil/Gas Pay | Tubing Depth |          |        |           |                   |            |
| 6040' GL                            | Pictured Cliffs                                    | 1960'           | 1972'        |          |        |           |                   |            |
| Formations                          | 1960-70', 1974-82', 1984-2000', 2004-12', 2016-22' |                 |              |          |        |           | Depth Casing Shoe |            |
| TUBING, CASING AND CEMENTING RECORD |                                                    |                 |              |          |        |           |                   |            |
| HOLE SIZE                           | CASING & TUBING SIZE                               | DEPTH SET       | SACKS CEMENT |          |        |           |                   |            |
| 12 1/4"                             | 8 5/8"                                             | 200'            | 277 cu.ft.   |          |        |           |                   |            |
| 7 7/8"                              | 4 1/2"                                             | 2183'           | 1156 cu.ft.  |          |        |           |                   |            |
|                                     | 2 3/8"                                             | 1972'           |              |          |        |           |                   |            |

TEST DATA AND REQUEST FOR ALLOWABLE

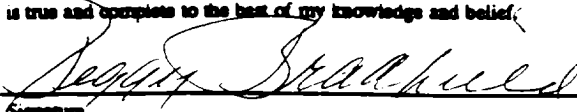
|                                                                                                                                                         |                 |                                               |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------|------------|
| II. 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 (Flow, pump, gas lift, etc.) |            |
|                                                                                                                                                         |                 |                                               |            |
| Length of Test                                                                                                                                          | Tubing Pressure | Casing Pressure                               | Choke Size |
|                                                                                                                                                         |                 |                                               |            |
| Actual Prod. During Test                                                                                                                                | Oil - Bbls.     | Water - Bbls.                                 | Gas - MCF  |
|                                                                                                                                                         |                 |                                               |            |

III. GAS WELL

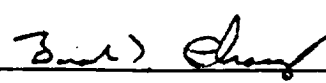
|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D        | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
| 1349                             | 3 hrs                     | --                        | --                    |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size            |
| backpressure                     | 86                        | 144                       | 3/4"                  |

IV. 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.

  
Signature  
Peggy Bradfield, Regulatory Rep.  
Printed Name Title  
3-27-93 326-9700  
Date Telephone No.

OIL CONSERVATION DIVISION

Date Approved APR 09 1993  
By   
Title SUPERVISOR DISTRICT #3

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

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

ICT II  
New Mexico DD, Aztec, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

ICT III  
30 Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

or Southland Royalty Co Well API No. 30-045-28785

PO Box 4289, Farmington, NM 87499

(s) for Filing (Check proper box) ☐ Other (Please explain)

Change in Transporter of:  
Oil ☐ Dry Gas ☐  
Casinghead Gas ☐ Condensate ☐

Is operator give name  
and of previous operator

DESCRIPTION OF WELL AND LEASE

| Name  | Well No. | Pool Name, including Formation | Kind of Lease<br>State, Federal or Fee | Lease No. |
|-------|----------|--------------------------------|----------------------------------------|-----------|
| Hanks | 501      | Basin Fruitland Coal           |                                        | SF-077874 |

Unit Letter E : 1800 Feet From The North Line and 790 Feet From The West Line  
Section 12 Township 27 Range 10, NMPM, San Juan County

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

| Is 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) |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Meridian Oil Inc.                                                                                           | PO Box 4289, Farmington, NM 87499                                        |

| Is 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) |
|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Sunterra Gas Gathering                                                                                              | PO Box 1869, Bloomfield, NM 87413                                        |

| Produces oil or liquids,<br>none of tanks. | Unit | Sec. | Twp. | Rge. | Is gas actually connected? | When? |
|--------------------------------------------|------|------|------|------|----------------------------|-------|
|                                            | E    | 12   | 27   | 10   |                            |       |

Production is commingled with that from any other lease or pool, give commingling order number: R-9717

COMPLETION DATA

| Designate Type of Completion - (X) | Oil Well | Gas Well | New Well | Workover | Deepen | Plug Back | Same Res v | Diff Res v |
|------------------------------------|----------|----------|----------|----------|--------|-----------|------------|------------|
|                                    |          | X        | X        |          |        |           |            |            |

| Added   | Date Compl. Ready to Prod. | Total Depth | P.B.T.D. |
|---------|----------------------------|-------------|----------|
| 11-5-92 | 11-19-92                   | 2183'       |          |

| Test (DF, RKB, RT, GR, etc.) | Name of Producing Formation | Top Oil/Gas Pay | Tubing Depth |
|------------------------------|-----------------------------|-----------------|--------------|
| 6040' GL                     | Fruitland Coal              | 1820'           | 1972'        |

Depth Casing Shoe: 1820-36', 1848-51', 1853-55', 1930-50'

TUBING, CASING AND CEMENTING RECORD

| HOLE SIZE | CASING & TUBING SIZE | DEPTH SET | SACKS CEMENT |
|-----------|----------------------|-----------|--------------|
| 12 1/4"   | 8 5/8"               | 200'      | 277 cu.ft.   |
| 7 7/8"    | 4 1/2"               | 2183'     | 1156 cu.ft.  |
|           | 2 3/8"               | 1972'     |              |

TEST DATA AND REQUEST FOR ALLOWABLE

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.)

| New Oil Run To Tank | Date of Test | Producing Method (Flow, pump, gas lift, etc.) |
|---------------------|--------------|-----------------------------------------------|
|                     |              |                                               |

| of Test | Tubing Pressure | Casing Pressure | Choke Size |
|---------|-----------------|-----------------|------------|
|         |                 |                 |            |

| Prod. During Test | Oil - Bbls. | Water - Bbls. | Gas - MCF |
|-------------------|-------------|---------------|-----------|
|                   |             |               |           |

MAR 30 1993

OIL CON. DIV.

DIST. 3

WELL

| Prod. Test - MCF/D | Length of Test | Bbls. Condensate/MMCF | Gravity of Condensate |
|--------------------|----------------|-----------------------|-----------------------|
| 1349               | 3 hrs          | --                    | --                    |

| Method (pust, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size |
|-------------------------|---------------------------|---------------------------|------------|
| backpressure            | 86                        | 144                       | 3/4"       |

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.

Peggy Bradfield  
Name Title  
3-27-93 326-9700  
Telephone No.

OIL CONSERVATION DIVISION

APR 09 1993

Date Approved  
By Brian D. Chang  
SUPERVISOR DISTRICT #3  
Title

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