DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

See Instructions at Bottom of Page

OIL CONSERVATION DIVISION

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

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I.

Operator	Well API No.
McKenzie Methane Corporation	30-045-28441

Address: 1911 Main Ave., Suite 255, Durango, Colorado 81301

Reason(s) for Filing (Check proper box)

- New Well [X]
- Recompletion [ ]
- Change in Operator [ ]
- Change in Transporter of: Oil [ ] Dry Gas [ ] Casinghead Gas [ ] Condensate [ ]
- Other (Please explain) [ ]

If change of operator give name and address of previous operator: _____

II. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease (State, Federal or Fee)	Lease No.
Hughes 34 B	6	Basin FT Coal		SF-078049

Location: Unit Letter B : 820 Feet From The N Line and 1670 Feet From The E Line

Section 34 Township 29N Range 8W NMPM, San Juan County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil [ ] or Condensate [ ]	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas [ ] or Dry Gas [X]: El Paso Natural Gas	Address (Give address to which approved copy of this form is to be sent): P.O. Box 4990, Farmington, NM 87401

If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When ?
					No	

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
		X	X					

Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.
11-30-90	6-12-91	3450	3394
Elevations (DF, RKB, RT, GR, etc.)	**Name of Producing Formation**	**Top Oil/Gas Pay**	**Tubing Depth**
6820 GR	Fruitland Coal	3191	3310
Perforations			**Depth Casing Shoe**
3191-96, 3206-11, 3272-82, 3289-97, 3332-52.			3438

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
12-1/4	8-5/8, 24#	259	200
7-7/8	4-1/2, 11.6#	3438	180 + 550 (2-stage)
N/A	2-3/8, 4.7#	3310	None

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 (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

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
434	24 hours	---	---
Testing Method (pilot, back pr.)	**Tubing Pressure (Shut-in)**	**Casing Pressure (Shut-in)**	**Choke Size**
2" prover	560 Psig	560 Psig	.750

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.

Signature: R. J. Sagle

Printed Name: R. J. Sagle — Title: Operations Manager

Date: 7-11-91 — Telephone No.: 303/385-4654

OIL CONSERVATION DIVISION

Date Approved: AUG 8 1991

By: _____

Title: SUPERVISOR DISTRICT #3

OIL CON. DIV. DIST. 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.