

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-104  
Revised 10-01-78  
Format 08-01-83  
Page 1

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| OPERATOR               |  |
| PROBATION OFFICE       |  |

REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator  
Southland Royalty Company

Address  
PO Box 4289, Farmington, NM 87499

Reason(s) for filing (Check proper box)

|  |  |   |
|--|--|---|
| <input type="checkbox"/> New Well            | <input type="checkbox"/> Change in Transporter of: | <input checked="" type="checkbox"/> Dry Gas |
| <input type="checkbox"/> Recompletion        | <input type="checkbox"/> Oil                       | <input type="checkbox"/> Condensate         |
| <input type="checkbox"/> Change in Ownership | <input type="checkbox"/> Casinghead Gas            |   |

Other (Please explain)

If change of ownership give name  
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

|                         |                |   |  |                       |
|-------------------------|----------------|---|--|-----------------------|
| Lease Name<br>Grenier A | Well No.<br>8M | Pool Name, including Formation<br>Blanco Mesa Verde | Kind of Lease<br>State, Federal or Fee | Lease No.<br>NM 06738 |
|-------------------------|----------------|---|--|-----------------------|

Location  
Unit Letter M 1100 Feet From The South Line and 1030 Feet From The West

Line of Section 35 Township 30N Range 10W NMPM, San Juan County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

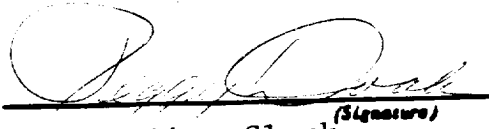
|  |  |
|--|--|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/> | Address (Give address to which approved copy of this form is to be sent) |
| Meridian Oil Inc.  | PO Box 4289, Farmington, NM 87499  |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>    | Address (Give address to which approved copy of this form is to be sent) |
| Unterra Gas Gathering Co.  | P. O. Box 1899, Bloomfield, NM 87413                                     |
| If well produces oil or liquids, give location of tanks.   | Is gas actually connected? When  |
| Unit M Sec. 35 Twp. 30N Rge. 10W   |  |

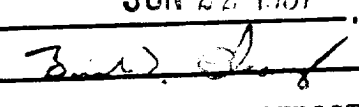
If this production is commingled with that from any other lease or pool, give commingling order number:

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.

  
Drilling Clerk  
May 15, 1987  
(Date)

OIL CONSERVATION DIVISION  
JUN 22 1987  
APPROVED \_\_\_\_\_  
BY   
TITLE 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 deepened 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 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 multiple completed wells.