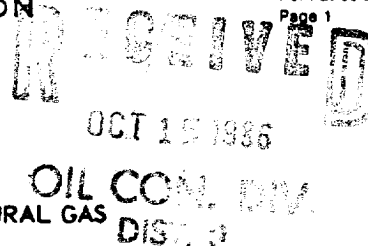


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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	GAS
OPERATOR	
PRODUCTION OFFICE	

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



REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator
Southland Royalty Company

Address
P. O. Box 4289, Farmington, NM 87499

Reason(s) for filing (Check proper box)

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

Other (Please explain)

If change of ownership give name
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name Virgo	Well No. 1	Pool Name, including Formation Undesignated Gallup	Kind of Lease State, Federal or Fee	Lease No. NM 23246
Location Unit Letter <u>P</u> : <u>885</u> Feet From The <u>South</u> Line and <u>824</u> Feet From The <u>East</u> Line of Section <u>8</u> Township <u>32N</u> Range <u>13W</u> , NMPM, <u>San Juan</u> 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"/> Meridian Oil Inc.	Address (Give address to which approved copy of this form is to be sent) P. O. Box 4289, Farmington, NM 87499			
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input checked="" type="checkbox"/> (Waiting on Pipeline)	Address (Give address to which approved copy of this form is to be sent)			
If well produces oil or liquids, give location of tanks.	Unit P	Sec. 8	Twp. 32N	Rge. 13W
Is gas actually connected?		When		

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.

(Signature)
Drilling Clerk
(Title)
10-13-86
(Date)

OIL CONSERVATION DIVISION

APPROVED FEB 19 1987

BY Original Signed by FRANK J. CHAVEZ

TITLE SUPERVISOR

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 multiply completed wells.

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 10-31-84	Date Compl. Ready to Prod. 10-9-86	Total Depth 2755'				P.B.T.D. 2710'			
Elevations (DF, RKB, RT, GR, etc.) 6239' GL	Name of Producing Formation Undesignated Gallup	Top Oil/Gas Pay 2277'				Tubing Depth 2612'			
Perforations 2277, 2280, 2282, 2454, 2461, 2480, 2482, 2503, 2506, 2510, 2518, 2520, 2637, 2640, 2647 w/1 SPZ						Depth Casing Shoe 2755'			
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE		CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
12 1/4"		7"		100'		118 cu ft			
6 1/4"		4 1/2"		2755'		218 cu ft			
		2 3/8" Tbg		2612'					

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of lost 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 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

Actual Prod. Test - MCF/D 91	Length of Test SI 7 Days	Bbls. Condensate/MMCF 91 MCF/D	Gravity of Condensate 0
Testing Method (pitot, back pr.) Pitot Tube	Tubing Pressure (Shut-in) SI 247	Casing Pressure (Shut-in) SI 282	Choke Size 3/4"