

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 West St., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 8  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-104  
Revised August 1, 2011

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

HOBBS OCD

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUIRED INFORMATION ALLOWABLE AND AUTHORIZATION TO TRANSPORT

|                                                                                                        |                                                  |                                                                                       |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------|
| <sup>1</sup> Operator name and Address<br>Key Energy Services, LLC<br>P. O. Box 99<br>Eunice, NM 88231 |                                                  | <sup>2</sup> OGRID Number 19797                                                       |
|                                                                                                        |                                                  | <sup>3</sup> Reason for Filing Code/ Effective Date<br>Sale Skim Oil 4/30/2014 687.58 |
| <sup>4</sup> API Number<br>30-025-8845                                                                 | <sup>5</sup> Pool Name<br>SWD Seven Rivers/Queen | <sup>6</sup> Pool Code<br>96132                                                       |
| <sup>7</sup> Property Code<br>28844                                                                    | <sup>8</sup> Property Name<br>J. H. Day          | <sup>9</sup> Well Number<br>#1                                                        |

II. <sup>10</sup> Surface Location

|                     |                |                 |              |         |                         |                           |                         |                        |               |
|---------------------|----------------|-----------------|--------------|---------|-------------------------|---------------------------|-------------------------|------------------------|---------------|
| UL or lot no.<br>AC | Section<br>316 | Township<br>21S | Range<br>36E | Lot Idn | Feet from the<br>660 FT | North/South Line<br>South | Feet from the<br>660 FT | East/West line<br>West | County<br>Lea |
|---------------------|----------------|-----------------|--------------|---------|-------------------------|---------------------------|-------------------------|------------------------|---------------|

<sup>11</sup> Bottom Hole Location

|                        |                                     |                                   |                                   |                                    |                                     |                  |               |                |        |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| UL or lot no.          | Section                             | Township                          | Range                             | Lot Idn                            | Feet from the                       | North/South line | Feet from the | East/West line | County |
|                        |                                     |                                   |                                   |                                    |                                     |                  |               |                |        |
| <sup>12</sup> Lse Code | <sup>13</sup> Producing Method Code | <sup>14</sup> Gas Connection Date | <sup>15</sup> C-129 Permit Number | <sup>16</sup> C-129 Effective Date | <sup>17</sup> C-129 Expiration Date |                  |               |                |        |

III. Oil and Gas Transporters

|                                           |                                                                                                                                               |                                |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <sup>18</sup> Transporter OGRID<br>303651 | <sup>19</sup> Transporter Name and Address<br>National Crude Marketing<br>2300 Highway 365, STE 400<br>Nederland, Texas 77627<br>409-722-6880 | <sup>20</sup> O/G/W<br>2809182 |
|                                           |                                                                                                                                               |                                |
|                                           |                                                                                                                                               |                                |
|                                           |                                                                                                                                               |                                |
|                                           |                                                                                                                                               |                                |
|                                           |                                                                                                                                               |                                |
|                                           |                                                                                                                                               |                                |
|                                           |                                                                                                                                               |                                |

IV. Well Completion Data

|                         |                                    |                         |                            |                            |                       |
|-------------------------|------------------------------------|-------------------------|----------------------------|----------------------------|-----------------------|
| <sup>21</sup> Spud Date | <sup>22</sup> Ready Date           | <sup>23</sup> TD        | <sup>24</sup> PBTD         | <sup>25</sup> Perforations | <sup>26</sup> DHC, MC |
| <sup>27</sup> Hole Size | <sup>28</sup> Casing & Tubing Size | <sup>29</sup> Depth Set | <sup>30</sup> Sacks Cement |                            |                       |
|                         |                                    |                         |                            |                            |                       |
|                         |                                    |                         |                            |                            |                       |
|                         |                                    |                         |                            |                            |                       |
|                         |                                    |                         |                            |                            |                       |

V. Well Test Data

|                            |                                 |                         |                           |                             |                             |
|----------------------------|---------------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|
| <sup>31</sup> Date New Oil | <sup>32</sup> Gas Delivery Date | <sup>33</sup> Test Date | <sup>34</sup> Test Length | <sup>35</sup> Tbg. Pressure | <sup>36</sup> Csg. Pressure |
| <sup>37</sup> Choke Size   | <sup>38</sup> Oil               | <sup>39</sup> Water     | <sup>40</sup> Gas         |                             | <sup>41</sup> Test Method   |

<sup>42</sup> I hereby certify that the rules 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:

Printed name:  
Randy Corbell

Title:  
Operations Manager

E-mail Address:  
rcorbell@keyenergy.com

Date: 5/20/2014

Phone:  
575-394-1395

Approved by:

Title:

Approval Date:

OIL CONSERVATION DIVISION

Accepted for Record Only

MAY 28/2014

MAY 29 2014

Int'l # 1-1015955477

# PETROLEUM EXPRESS

2300 HIGHWAY 365, STE 400  
NEDERLAND, TEXAS 77627  
409-722-6880 (24 HOURS)

Pm 40605

|                                              |           |                               |                                |                                                                                                              |                       |                                |
|----------------------------------------------|-----------|-------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|
| RUN TICKET<br>TICKET NUMBER<br><b>25513</b>  |           | MONTH<br><b>4</b>             | DAY<br><b>4</b>                | YEAR<br><b>14</b>                                                                                            |                       |                                |
| LEASE OPERATOR / PRODUCER<br><b>Athe SWD</b> |           |                               | LEASE NUMBER<br><b>036441</b>  |                                                                                                              |                       |                                |
| LEASE NAME<br><b>Key Energy</b>              |           |                               | FIELD NAME<br><b>Eunice NM</b> |                                                                                                              |                       |                                |
| TRUCK NUMBER<br><b>129</b>                   |           | TRAILER NUMBER<br><b>2004</b> |                                | DESTINATION NAME<br><b>National Crude Marketing</b>                                                          |                       |                                |
| GAUGE                                        | OIL LEVEL |                               |                                | TANK TEMP                                                                                                    | TANK BOTTOM<br>INCHES | COUNTY / ORIGATION             |
|                                              | FEET      | INCHES                        | FRACTION                       |                                                                                                              |                       |                                |
| OPEN                                         | <b>7</b>  | <b>2</b>                      |                                | <b>67</b>                                                                                                    |                       | TANK NUMBER<br><b>oil tank</b> |
| CLOSE                                        | <b>1</b>  | <b>8</b>                      |                                | <b>65</b>                                                                                                    |                       | TANK SIZE                      |
| OBS GRAVITY<br><b>43.3</b>                   |           | OBS TEMP<br><b>65</b>         |                                | GROSS BARRELS*                                                                                               | NET BARRELS*          |                                |
| TANK NUMBER<br><b>oil tank</b>               |           | B S & W %<br><b>2%</b>        |                                | <b>180.0</b>                                                                                                 |                       |                                |
| *Estimated Barrels                           |           |                               |                                |                                                                                                              |                       |                                |
| DRIVER'S NAME<br><b>Tomeke Lewis</b>         |           |                               |                                | DRIVER'S SIGNATURE<br>   |                       |                                |
| OPERATOR'S NAME<br><b>Joe Flores</b>         |           |                               |                                | OPERATOR'S SIGNATURE<br> |                       |                                |

UN 1267, PETROLEUM CRUDE OIL, 3, PG II

24 HOUR EMERGENCY CONTACT 877-664-4645

|          |
|----------|
| COMMENTS |
|          |
|          |
|          |

WHITE - PURCHASER YELLOW - OPERATOR PINK - DRIVER

**PETROLEUM EXPRESS**

2300 HIGHWAY 365, STE 400  
NEDERLAND, TEXAS 77627  
409-722-6880 (24 HOURS)

*P.M. 4/10/77*

|                                                  |           |                               |            |                                                     |                                  |                         |  |
|--------------------------------------------------|-----------|-------------------------------|------------|-----------------------------------------------------|----------------------------------|-------------------------|--|
| RUN TICKET                                       |           | MONTH                         |            | DAY                                                 |                                  | YEAR                    |  |
| TICKET NUMBER<br><b>25542</b>                    |           | 4                             |            | 15                                                  |                                  | 77                      |  |
| LEASE OPERATOR / PRODUCER<br><i>Key ATHA SWD</i> |           |                               |            |                                                     | LEASE NUMBER<br><i>LC 036441</i> |                         |  |
| LEASE NAME<br><i>ATHA SWD</i>                    |           |                               |            |                                                     | FIELD NAME<br><i>ATHA</i>        |                         |  |
| TRUCK NUMBER<br><i>130</i>                       |           | TRAILER NUMBER<br><i>1993</i> |            | DESTINATION NAME<br><i>National Crude Marketing</i> |                                  |                         |  |
| GAUGE                                            | OIL LEVEL |                               |            | TANK TEMP                                           | TANK BOTTOM<br>INCHES            | COUNTY / ORIGINATION    |  |
|                                                  | FEET      | INCHES                        | FRACTION   |                                                     |                                  |                         |  |
| OPEN                                             | <i>6</i>  | <i>9</i>                      | <i>1/2</i> | <i>54</i>                                           |                                  | TANK NUMBER<br><i>2</i> |  |
| CLOSE                                            | <i>1</i>  | <i>5</i>                      |            | <i>58</i>                                           |                                  | TANK SIZE<br><i>250</i> |  |
| OBS GRAVITY<br><i>40</i>                         |           | OBS TEMP<br><i>58</i>         |            | GROSS BARRELS*                                      |                                  | NET BARRELS*            |  |
| TANK NUMBER<br><i>2</i>                          |           | B S & W %<br><i>15%</i>       |            | <i>180</i>                                          |                                  |                         |  |
| *Estimated Barrels                               |           |                               |            |                                                     |                                  |                         |  |
| DRIVER'S NAME<br><i>Holland Smith</i>            |           |                               |            | DRIVER'S SIGNATURE<br><i>Holland Smith</i>          |                                  |                         |  |
| OPERATOR'S NAME                                  |           |                               |            | OPERATOR'S SIGNATURE                                |                                  |                         |  |

**UN 1267, PETROLEUM CRUDE OIL, 3, PG II****24 HOUR EMERGENCY CONTACT 877-664-4645**

|          |                    |
|----------|--------------------|
| COMMENTS | <i>off 4175244</i> |
|          | <i>on 4175221</i>  |
|          |                    |
|          |                    |

WHITE - PURCHASER    YELLOW - OPERATOR    PINK - DRIVER

**PETROLEUM EXPRESS**

2300 HIGHWAY 365, STE 400

NEDERLAND, TEXAS 77627

409-722-6880 (24 HOURS)

P.m. 42107

|                                                  |                  |                               |                           |                                                     |                           |                             |
|--------------------------------------------------|------------------|-------------------------------|---------------------------|-----------------------------------------------------|---------------------------|-----------------------------|
| <b>RUN TICKET</b>                                |                  | <b>MONTH</b>                  | <b>DAY</b>                | <b>YEAR</b>                                         |                           |                             |
| <b>TICKET NUMBER</b><br>25557                    |                  | 4                             | 23                        | 14                                                  |                           |                             |
| <b>LEASE OPERATOR / PRODUCER</b><br>Key Atha SWD |                  |                               | <b>LEASE NUMBER</b>       |                                                     |                           |                             |
| <b>LEASE NAME</b><br>Atha SWD                    |                  |                               | <b>FIELD NAME</b><br>Atha |                                                     |                           |                             |
| <b>TRUCK NUMBER</b><br>130                       |                  | <b>TRAILER NUMBER</b><br>1993 |                           | <b>DESTINATION NAME</b><br>National Crude Marketing |                           |                             |
| <b>GAUGE</b>                                     | <b>OIL LEVEL</b> |                               |                           | <b>TANK TEMP</b>                                    | <b>TANK BOTTOM INCHES</b> | <b>COUNTY / ORIGINATION</b> |
|                                                  | <b>FEET</b>      | <b>INCHES</b>                 | <b>FRACTION</b>           |                                                     |                           |                             |
| OPEN                                             | 7                | 3                             | /                         | 74                                                  |                           | <b>TANK NUMBER</b><br>1     |
| CLOSE                                            | 2                | 5                             | /                         | 76                                                  |                           | <b>TANK SIZE</b><br>8x240   |
| <b>OBS GRAVITY</b><br>43                         |                  | <b>OBS TEMP</b><br>76         |                           | <b>GROSS BARRELS*</b><br>162                        |                           | <b>NET BARRELS*</b>         |
| <b>TANK NUMBER</b><br>1                          |                  | <b>B S &amp; W %</b><br>.5    |                           |                                                     |                           |                             |
| <b>*Estimated Barrels</b>                        |                  |                               |                           |                                                     |                           |                             |
| <b>DRIVER'S NAME</b><br>Rolland Smith            |                  |                               |                           | <b>DRIVER'S SIGNATURE</b><br>Rolland Smith          |                           |                             |
| <b>OPERATOR'S NAME</b><br>Kennie R. Key          |                  |                               |                           | <b>OPERATOR'S SIGNATURE</b><br>Kennie R. Key        |                           |                             |

UN 1267, PETROLEUM CRUDE OIL, 3, PG II

24 HOUR EMERGENCY CONTACT 877-664-4645

COMMENTS

WHITE - PURCHASER YELLOW - OPERATOR PINK - DRIVER

**PETROLEUM EXPRESS**

2300 HIGHWAY 365, STE 400  
NEDERLAND, TEXAS 77627  
409-722-6880 (24 HOURS)

|                                                   |                  |                               |                                    |                                                                                                                     |                           |                           |
|---------------------------------------------------|------------------|-------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>RUN TICKET</b>                                 |                  | <b>MONTH</b>                  | <b>DAY</b>                         | <b>YEAR</b>                                                                                                         |                           |                           |
| <b>TICKET NUMBER</b><br>33647                     |                  | 04                            | 29                                 | 14                                                                                                                  |                           |                           |
| <b>LEASE OPERATOR / PRODUCER</b><br>Key Attna SWD |                  |                               | <b>LEASE NUMBER</b><br>6317416     |                                                                                                                     |                           |                           |
| <b>LEASE NAME</b><br>Key Attna                    |                  |                               | <b>FIELD NAME</b><br>Key Attna SWD |                                                                                                                     |                           |                           |
| <b>TRUCK NUMBER</b><br>132                        |                  | <b>TRAILER NUMBER</b><br>2005 |                                    | <b>DESTINATION NAME</b><br>National Guard                                                                           |                           |                           |
| <b>GAUGE</b>                                      | <b>OIL LEVEL</b> |                               |                                    | <b>TANK TEMP</b>                                                                                                    | <b>TANK BOTTOM INCHES</b> | <b>COUNTY / ORIGATION</b> |
|                                                   | <b>FEET</b>      | <b>INCHES</b>                 | <b>FRACTION</b>                    |                                                                                                                     |                           |                           |
| OPEN                                              | 6                | 9                             | /                                  | 74                                                                                                                  |                           | <b>TANK NUMBER</b><br>011 |
| CLOSE                                             | 1                | 4                             | /                                  | 72                                                                                                                  |                           | <b>TANK SIZE</b><br>8/    |
| <b>OBS GRAVITY</b><br>42                          |                  | <b>OBS TEMP</b><br>72         |                                    | <b>GROSS BARRELS*</b><br>170.5                                                                                      | <b>NET BARRELS*</b>       |                           |
| <b>TANK NUMBER</b><br>011                         |                  | <b>B S &amp; W %</b><br>.19%  |                                    |                                                                                                                     |                           |                           |
| *Estimated Barrels                                |                  |                               |                                    |                                                                                                                     |                           |                           |
| <b>DRIVER'S NAME</b><br>Kimberly Petersen         |                  |                               |                                    | <b>DRIVER'S SIGNATURE</b><br>   |                           |                           |
| <b>OPERATOR'S NAME</b><br>Schwartz                |                  |                               |                                    | <b>OPERATOR'S SIGNATURE</b><br> |                           |                           |

**UN 1267, PETROLEUM CRUDE OIL, 3, PG II****24 HOUR EMERGENCY CONTACT 877-664-4645****COMMENTS**

WHITE - PURCHASER YELLOW - OPERATOR PINK - DRIVER