

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised Feb 26, 2007

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

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | | |
|--|---|--|---------------------------------|
| ¹ Operator name and Address DKD, LLC P. O. Box 682 Tatum, NM 88267 | | ² OGRID Number 210091 | |
| | | ³ Reason for Filing Code/ Effective Date Skim Oil Sales 1003 Bbls. | |
| ⁴ API Number 30 - 0 2534197 | ⁵ Pool Name SWD; Upper Premo Penn | | ⁶ Pool Code 96134 |
| ⁷ Property Code 29221 | ⁸ Property Name Watson 6 | | ⁹ Well Number #1 |

II. ¹⁰ Surface Location


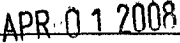

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 6 | 16S | 36E | 14 | 2857 | SOUTH | 1417 | WEST | LEA |

¹¹ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| SAME | | | | | | | | | SAME |

| | | | | | |
|------------------------|--|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| ¹² Lse Code | ¹³ Producing Method Code SWD | ¹⁴ Gas Connection Date | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date |
|------------------------|--|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|

III. Oil and Gas Transporters

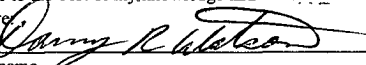

| | | |
|---|---|--|
| ¹⁸ Transporter OGRID 243484 | ¹⁹ Transporter Name and Address TransOil Marketing, Inc. P. O. Box 6697 Abilene, TX 79608 | ²⁰ O/G/W 6-16-36 Skim Oil Watson "6" #1 |
|    | | |

IV. Well Completion Data

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

V. Well Test Data

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

| | | | |
|--|------------------------|---|--|
| ⁴² 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. | | OIL CONSERVATION DIVISION | |
| Signature:  | | Approved by:  | |
| Printed name Danny R. Watson | | Title OC DISTRICT SUPERVISOR/GENERAL MANAGER | |
| Title: President | | Approval Date: APR 29 2008 | |
| E-mail Address: | | | |
| Date 3-25-08 | Phone. 575-398-3490 | | |