

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

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

RECEIVED

JAN 08 2009

HOBBSOCD

Form C-104
Reformatted July 20, 2001

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | | |
|--|--|--|---------------------------------|
| ¹ Operator name and Address Yale E. Key, Inc. dba Key Energy Services, Inc./ P.O. Box 2040 Hobbs, NM 88241 | | ² OGRID Number 19797 / | |
| | | ³ Reason for Filing Code/ Effective Date Sale Skim Oil 01/06/2009 152 BBLS | |
| ⁴ API Number 30 - 025-04861 | ⁵ Pool Name SWD Seven Rivers Queen | | ⁶ Pool Code 96132 |
| ⁷ Property Code 28844 | ⁸ Property Name Atha SWD-- | | ⁹ Well Number 1 |

II. ¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|-------------------------|---------------------------|-------------------------|------------------------|---------------|
| Ul or lot no. M | Section 31 | Township 21S | Range 36E | Lot.Idn | Feet from the 660 FT | North/South Line SOUTH | Feet from the 660 FT | East/West line WEST | County 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 |
| ¹² Lse Code F | 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 | ¹⁹ Transporter Name and Address | ²⁰ POD | ²¹ O/G | ²² POD ULSTR Location and Description |
| 215019 | BLACK HAWK GATHERING P.O. BOX 10815 MIDLAND, TX 79702 432-631-2260 | 2809181 | O | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

IV. Produced Water

| | |
|-------------------|--|
| ²³ POD | ²⁴ POD ULSTR Location and Description |
|-------------------|--|

V. Well Completion Data

| | | | | | |
|-------------------------|------------------------------------|-------------------------|----------------------------|----------------------------|-----------------------|
| ²⁵ Spud Date | ²⁶ Ready Date | ²⁷ TD | ²⁸ PBTd | ²⁹ Perforations | ³⁰ DHC, MC |
| ³¹ Hole Size | ³² Casing & Tubing Size | ³³ Depth Set | ³⁴ Sacks Cement | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

VI. Well Test Data

| | | | | | |
|---|---------------------------------|-------------------------|-------------------------------|-----------------------------|-----------------------------|
| ³⁵ Date New Oil | ³⁶ Gas Delivery Date | ³⁷ Test Date | ³⁸ Test Length | ³⁹ Tbg. Pressure | ⁴⁰ Csg. Pressure |
| ⁴¹ Choke Size | ⁴² Oil | ⁴³ Water | ⁴⁴ Gas | ⁴⁵ AOF | ⁴⁶ Test Method |
| ⁴⁷ 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: Rhonda Paschal | | | OIL CONSERVATION DIVISION | | |
| Printed name: RHONDA PASCHAL | | | Approved by: [Signature] | | |
| Title: Clerk | | | Title: PETROLEUM ENGINEER | | |
| DATE: 01/06/2009 | | | Approval Date: JAN 13 2009 | | |
| Phone: (505)394-2586 | | | | | |

Yard 407

BLACK HAWK GATHERING, LLC

P.O. Box 10815
Midland, TX 79702
(432) 631-2260

This ticket covers all claims for allowance

The Oil represented by this ticket was received & run as property of Black Hawk Gathering, LLC.

STORAGE TORO-HOBBS RUN TICKET NO. 110101

DATE 01-06-09 UNIT NO. TR 795 TRL 663

| |
|---------------------------|
| OPERATOR <u>KEY</u> |
| LEASE NAME <u>ATHA</u> |

| | | | | |
|-----------|-----------|----------|----------|-------------------------------|
| LEASE NO. | 1ST GAUGE | FEET | INCHES | BBLS. |
| | | <u>6</u> | <u>3</u> | <u>3</u> <u>196</u> <u>95</u> |
| TANK NO. | 2ND GAUGE | | | BBLS. |
| <u>1</u> | | <u>1</u> | <u>5</u> | <u>0</u> <u>44</u> <u>20</u> |

PLEASE COMPLETE ALL BLANKS

| | | | | | |
|------------------|-------------|--------------|------------|-----------------------|--------|
| THIEVING | | B.S. | FREE WATER | TOTAL B.S. & W | FACTOR |
| FEET | INCHES | <u>1/10%</u> | <u>Ø</u> | <u>0.1</u> <u>10%</u> | |
| TANK SIZE | TANK HEIGHT | | | | NET |
| <u>250</u> | <u>8'</u> | | | | |
| OBSERVED GRAVITY | TEMP | TRUE | | | PRICE |
| <u>43</u> | <u>54</u> | | | | |
| OFF | SEAL | NUMBER | ON | AMOUNT | |
| | | | | | |

Estimated Barrels

152.75

REJECT: _____ REMARKS: _____

- ☐ SHORT LOAD
☐ EXCESS BOTTOM
☐ HIGH BS & W

TANK NO. _____

TOP GAUGE _____

BOTTOM GAUGE _____

FLAMMABLE LIQUID
PETROLEUM CRUDE OIL, 3, UN1267, PGII
EMERGENCY #1-432-631-2260

| | |
|-------------|-------------------|
| TIME ON | GAUGER |
| <u>6 PM</u> | <u>GARY MAYER</u> |
| TIME OFF | GAUGER WITNESS |
| | |