

District I
1625 N French Dr., Hobbs, NM 88201
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
Oil Conservation Division
220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised Feb. 26, 2007

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 |
| ⁴ API Number 30 - 0 2534197 | | ³ Reason for Filing Code/ Effective Date Skim Oil Sales 1174 Bbls. |
| 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. N | Section 6 | Township 16S | Range 36E | Lot Idn 14 | Feet from the 2857 | North/South Line SOUTH | Feet from the 1417 | East/West line WEST | County LEA |
|--------------------|--------------|-----------------|--------------|---------------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

¹¹ Bottom Hole Location

| | | | | | | | | | |
|------------------------|--|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|----------------|
| UL or lot no. SAME | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County 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


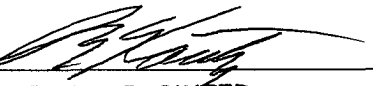
| | | |
|---|---|--|
| ¹⁸ Transporter OGRID 243484 | ¹⁹ Transporter Name and Address TransOil Marketing, Inc. P. O. Box 6697 Abilene, TX 79608 | ²⁰ O/G/W 6-16-36 Skim Oil Watson "6" #1 |
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IV. Well Completion Data

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|-------------------------|------------------------------------|-------------------------|----------------------------|----------------------------|-----------------------|
| ²¹ Spud Date | ²² Ready Date | ²³ TD | ²⁴ PBTD | ²⁵ Perforations | ²⁶ DHC, MC |
| ²⁷ Hole Size | ²⁸ Casing & Tubing Size | ²⁹ Depth Set | ³⁰ Sacks Cement | | |
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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. Signature:  Printed name: Danny R. Watson Title: President E-mail Address: Date: 3-25-09 Phone: 575-398-3490 | | OIL CONSERVATION DIVISION Approved by:  Title: PETROLEUM ENGINEER Approval Date: MAR 30 2009 | |
|---|--|---|--|