

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

RECEIVED

Form C-104  
Reformatted July 20, 2001

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

JUL 13 2009

HOBBSOCD

Submit to Appropriate District Office

5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

|                                                                                             |                                                   |                                                                                          |
|---------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------------|
| <sup>1</sup> Operator name and Address<br>Yale E. Key, Inc. dba Key Energy Services, Inc. ✓ |                                                   | <sup>2</sup> OGRID Number 19797 ✓                                                        |
|                                                                                             |                                                   | <sup>3</sup> Reason for Filing Code/ Effective Date<br>Sale Skim Oil 07/08/2009 144 BBLS |
| <sup>4</sup> API Number<br>30 - 025-10500 ✓                                                 | <sup>5</sup> Pool Name<br>SWD San Andres ✓        | <sup>6</sup> Pool Code<br>96121 ✓                                                        |
| <sup>7</sup> Property Code<br>28410 ✓                                                       | <sup>8</sup> Property Name<br>Christmas SWD-606 ✓ | <sup>9</sup> Well Number<br>3 ✓                                                          |

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

|                    |               |                 |              |         |                          |                           |                       |                        |                 |
|--------------------|---------------|-----------------|--------------|---------|--------------------------|---------------------------|-----------------------|------------------------|-----------------|
| UL or lot no.<br>B | Section<br>28 | Township<br>22S | Range<br>37E | Lot.Idn | Feet from the<br>330 ft. | North/South Line<br>North | Feet from the<br>2310 | East/West line<br>East | 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 | <sup>19</sup> Transporter Name and Address | <sup>20</sup> POD | <sup>21</sup> O/G | <sup>22</sup> POD ULSTR Location and Description |
| 215019                          | BLACK HAWK GATHERING, LLC                  | 2816488           |                   |                                                  |
|                                 | P.O. BOX 10815<br>MIDLAND TX 79702         |                   |                   |                                                  |
|                                 | 432-631-2260                               |                   |                   |                                                  |
|                                 |                                            |                   |                   |                                                  |
|                                 |                                            |                   |                   |                                                  |
|                                 |                                            |                   |                   |                                                  |
|                                 |                                            |                   |                   |                                                  |

IV. Produced Water

|                   |                                                  |
|-------------------|--------------------------------------------------|
| <sup>23</sup> POD | <sup>24</sup> POD ULSTR Location and Description |
|-------------------|--------------------------------------------------|

V. Well Completion Data

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

VI. Well Test Data

|                            |                                 |                         |                           |                             |                             |
|----------------------------|---------------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|
| <sup>35</sup> Date New Oil | <sup>36</sup> Gas Delivery Date | <sup>37</sup> Test Date | <sup>38</sup> Test Length | <sup>39</sup> Tbg. Pressure | <sup>40</sup> Csg. Pressure |
| <sup>41</sup> Choke Size   | <sup>42</sup> Oil               | <sup>43</sup> Water     | <sup>44</sup> Gas         | <sup>45</sup> AOF           | <sup>46</sup> Test Method   |

|                                                                                                                                                                                                                                       |  |                               |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------|--|
| <sup>47</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.<br>Signature: Rhonda Paschal |  | OIL CONSERVATION DIVISION     |  |
| Printed name:<br>RHONDA PASCHAL                                                                                                                                                                                                       |  | Approved by: [Signature]      |  |
| Title:<br>Clerk                                                                                                                                                                                                                       |  | Title:<br>PETROLEUM ENGINEER  |  |
| Date<br>07/08/2009                                                                                                                                                                                                                    |  | Approval Date:<br>JUL 14 2009 |  |
| Phone:<br>(575) 394-2586                                                                                                                                                                                                              |  |                               |  |

# 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 Hobbs RUN TICKET NO. 100626

DATE 7/8/09 UNIT NO. 960-362

|                                              |
|----------------------------------------------|
| OPERATOR<br><u>Key Energy Services</u>       |
| LEASE NAME<br><u>Christmas #3 SWD Unit B</u> |

|           |           |          |          |                     |       |
|-----------|-----------|----------|----------|---------------------|-------|
| LEASE NO. | 1ST GAUGE | FEET     | INCHES   |                     | BBLS  |
|           |           | <u>8</u> | <u>6</u> | <u>2</u> / <u>4</u> |       |
| TANK NO.  | 2ND GAUGE |          |          |                     | BBLS. |
| <u>1</u>  |           | <u>1</u> | <u>4</u> | <u>1</u> / <u>4</u> |       |

PLEASE COMPLETE ALL BLANKS

|                  |             |            |                         |        |
|------------------|-------------|------------|-------------------------|--------|
| THIEVING         | B S.        | FREE WATER | TOTAL B S. & W          | FACTOR |
| FEET             | INCHES      |            | <u>0.4</u> / <u>10%</u> |        |
| TANK SIZE        | TANK HEIGHT |            |                         | NET    |
| <u>400</u>       | <u>20'</u>  |            |                         |        |
| OBSERVED GRAVITY | TEMP.       |            | TRUE                    | PRICE  |
| <u>36.2</u>      | <u>100°</u> |            |                         |        |
| OFF              | SEAL        | NUMBER     | ON                      | AMOUNT |
|                  |             |            |                         |        |

Estimated Barrels

144

REJECT: \_\_\_\_\_ REMARKS \_\_\_\_\_

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

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

TANK NO. \_\_\_\_\_

TOP GAUGE \_\_\_\_\_

BOTTOM GAUGE \_\_\_\_\_

|                 |                  |
|-----------------|------------------|
| TIME ON         | GAUGER           |
| <u>12:15 PM</u> | <u>Tim Byrum</u> |
| TIME OFF        | GAUGER WITNESS   |
|                 |                  |