

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
Reformatted July 20, 2001

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

HOBBS OGD Submit to Appropriate District Office

5 Copies

APR 28 2011

☐ 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 Oil Number 19797 |
| | | ³ Reason for Filing Code/ Effective Date Sale Skim Oil 04/20/2011 169 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 | BLACKHAWK GATHERING, LLC P.O. BOX 10815 MIDLAND, TX. 79702 | 2809181 | O | |
| | 432-631-2260 | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

IV. Produced Water

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

V. Well Completion Data

| | | | | | |
|-------------------------|------------------------------------|-------------------------|----------------------------|----------------------------|-----------------------|
| ²⁵ Spud Date | ²⁶ Ready Date | ²⁷ TD | ²⁸ PBDT | 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: <i>Teresa Boone</i> | | OIL CONSERVATION DIVISION Approved by: <i>[Signature]</i> | |
| Printed name: Teresa Boone | | Title: <i>State Manager</i> | |
| Title: Clerk | | Approval Date: 4-28-2011 | |
| Date: 4/20/2011 | Phone: (505)394-2581 | | |

BLACK HAWK GATHERING, LLC

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

The Oil represented by this ticket was received & run as property of Black Hawk Gathering, LLC.
This ticket covers all claims for allowance.

STORAGE TORO-HOBBS RUN TICKET NO. **111238**

DATE 04-20-11 UNIT NO. TK 419 TRC 689

OPERATOR KEY-ENERGY

LEASE NAME ATHA SWD

| LEASE NO. | 1ST GAUGE | FEET | INCHES | BLS. |
|-----------|-----------|----------|-----------|-----------------|
| | | <u>6</u> | <u>10</u> | <u>0 213 20</u> |
| TANK NO. | 2ND GAUGE | | | BLS. |
| <u>1</u> | | <u>1</u> | <u>5</u> | <u>0 44 20</u> |

PLEASE COMPLETE ALL BLANKS

| THEFTING | B.S. | FREE WATER | TOTAL B.S. & W. | FACTOR |
|------------------|--------------|------------|-----------------|--------|
| FEET | INCHES | | | |
| <u>250</u> | <u>8</u> | <u>10%</u> | <u>0.1</u> | |
| TANK SIZE | TANK HEIGHT | | | NET |
| <u>45</u> | <u>86</u> | | | |
| OBSERVED GRAVITY | TEMP | | TRUE | PRICE |
| <u>45</u> | <u>86</u> | | | |
| OFF | SEAL | NUMBER | ON | AMOUNT |
| | <u>33803</u> | | | |

Estimated Barrels 169.00

REJECT: _____ REMARKS: _____

☐ SHORT LOAD 2.60 B/LIN TANK NO. _____

☐ EXCESS BOTTOM

☐ HIGH BS & W

FLAMMABLE LIQUID

PETROLEUM CRUDE OIL, 3, UN1267, PGI

EMERGENCY #1-432-631-2260

TOP GAUGE _____

BOTTOM GAUGE _____

TIME ON 3:40 GAUGER GALE M

TIME OFF _____ GAUGER WITNESS _____