

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-136
Originated 12/23/91

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit original and 4 copies to the
appropriate district office.

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410

APPLICATION FOR APPROVAL TO USE AN ALTERNATE GAS MEASUREMENT METHOD
Rule 403.B(1) or (2)

Operator Name: MERRION OIL & GAS CORPORATION Operator No. 5997
Operator Address: P. O. Box 840, Farmington, New Mexico 87499
Lease Name: Yarborough Federal 1 Type: State NM-28733 Federal X Fee
Location: (J) Section 3, T23N, R6W, Rio Arriba, NM API: 30-039-05161
Pool: Counselors Gallup-Dakota
Requested Effective Time Period: Beginning Ending

APPROVAL PROCEDURE: RULE 403.B.(1)

Please attach a separate sheet with the following information.

- 1) A list of the wells (including well name, number, ULSTR location, and API No.) included in this application.
- 2) A one year production history of each well included in this application (showing the annual and daily volumes).
- 3) The established or agreed-upon daily producing rate for each well and the effective time period.
- 4) Designate wells to be equipped with a flow device (required for wells capable of producing 5 MCF per day or more).
- 5) The gas transporter(s) connected to each well.

RECEIVED
FEB 27 1992

APPROVAL PROCEDURE: RULE 403.B.(2)

Please attach a separate sheet with the following information.

A separate application is required for each Central Point Delivery (CPD).

Working interest, royalty and overriding royalty ownership must be common for all wells to be connected to the subject CPD.

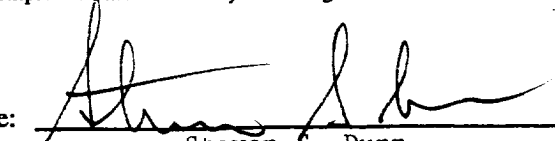
- 1) An ownership plat showing a description of the lease and all of the wells to be produced through this CPD.
 - a) List the wells which will be metered separately, including API No.
 - b) List the wells which will not be metered separately, including API No.
- 2) Describe the proposed method of allocating production from non-metered wells.
- 3) A one year production history of the wells which will not be metered showing the annual and daily volumes.
- 4) The gas transporter(s) connected to this CPD.

OIL CON. DIV
DIST. 3

Applicant will be responsible for filing OCD Form C-111 for the CPD.

OPERATOR

I hereby certify that the rules and regulations 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 & Title: Steven S. Dunn
Operations Manager
2/26/92

OIL CONSERVATION DIVISION

This approval may be cancelled at anytime that operating conditions indicate that re-tests may be necessary to prevent waste and protect correlative rights.

Approved Until: Further Notice
By: Original Signed by FRANK T. CHAVEZ
Title: SUPERVISOR DISTRICT # 3

DATE: 1-3-92

REV DATE: _____

ATTACHMENT
ALTERNATIVE METHOD

LOW FLOW WELL LISTING

Operator Code 5997
Operator Name Mernon Oil & Gas Corp.

METER NO.	WELL NAME	STATE	AREA LOCATION	TEST PERIOD MCF	TEST PERIOD FLOW HRS	TIME CALC. HOURLY RATE MCF	AGREED VOLUME DAILY RATE MCF	WELL VOLUME CLOSED CONDITIONS
74-680	John F Brown #	NM-31	Chaco	452	1538	0.29	6.96	TC
89-623	Jicanilla Contract 429	NM-31	Chaco	1903	3218.9	0.59	14.16	TC
89-974	Choco Meter Run #5	NM-31	Chaco	1209	3939	0.3	7.2	TC
90-044	Chaco #4	NM-31	Chaco	2525	2901	0.35	8.4	TC
* 90-219	Bartelsville #1	NM-31	Chaco	381	3161	0.12	2.88	* Code 08 AV
90-846	Frew Federal #15	NM-31	Chaco	2462	6069.1	0.4	9.6	TC
92-027	Rocky Mountain #1	NM-31	Chaco	915	3771.2	0.24	5.76	TC
92-048	Megabyte Com #1 DK	NM-31	Chaco	3983	6366.9	0.62	14.88	TC
93-017	Chaco Limited 2 J	NM-31	Chaco	989	4165.7	0.23	5.52	TC
93-107	Hi-Roller #1R	NM-31	Chaco	166	1367.8	0.12	2.88	AV
93-426	Badland Flats #2 PC	NM-31	Chaco	4119	5068	0.61	14.64	TC
93-472	Badland Flats #1	NM-31	Chaco	1971	5079.8	0.38	9.12	TC
93-922	East Lindrith #6	NM-31	Chaco	3408	5686.7	0.59	14.16	TC
94-064	Federal 25-26-13 #1	NM-31	Chaco	1941	5397.3	0.35	8.4	TC
94-461	Yarborough Federal #1	NM-31	Chaco	2465	7296	0.33	7.92	TC
94-465	Yarborough Federal B #1	NM-31	Chaco	1417	6109.4	0.23	5.52	TC

AV = Agreed Upon Volume (Daily)

TC = Time Calculated Volume (Hourly)

ACCEPTED BY: _____