Form 3160-5
(November 1983)
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.
CONTRACT 412

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
JICARILLA APACHE

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

7. UNIT AGREEMENT NAME

OIL WELL — GAS WELL XX OTHER

2. NAME OF OPERATOR
DAVE M. THOMAS, JR.

8. FARM OR LEASE NAME
CHACON JICARILLA

3. ADDRESS OF OPERATOR
P. O. BOX 2026, FARMINGTON, NM 87499-2026

9. WELL NO.
11

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface

1850' FNL; 1850' FEL

10. FIELD AND POOL, OR WILDCAT
BALLARD PICTURED CLIFFS

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 16, T23N, R3W, N.M.I

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
7363' GR.

12. COUNTY OR PARISH
RIO ARRIBA

13. STATE
NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF ___	PULL OR ALTER CASING ___	WATER SHUT-OFF ___	REPAIRING WELL ___
FRACTURE TREAT ___	MULTIPLE COMPLETE ___	FRACTURE TREATMENT ___	ALTERING CASING ___
SHOOT OR ACIDIZE ___	ABANDON* ___	SHOOTING OR ACIDIZING ___	ABANDONMENT* ___
REPAIR WELL ___	CHANGE PLANS ___	(Other) ___	
(Other) CONVERSION TO ALTERNATIVE MEASUREMENT METHOD ___		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

DAVE M. THOMAS, JR, WITH THE CONSENT OF EL PASO NATURAL GAS COMPANY, PROPOSES TO CONVERT THE ORIFICE METERING EQUIPMENT ON THIS WELL TO USE THE TIME CALCULATED VOLUME METHOD OF GAS VOLUME DETERMINIATION. THE VOLUME PRODUCED BY THIS WELL NO LONGER ECONOMICALLY JUSTIFIES MAINTENANCE OF THE NORMAL MEASUREMENT METHOD. CONVERSION TO THIS ALTERNATIVE METHOD WILL ADEQUATELY DETERMINE THE VOLUME OF GAS PRODUCED BY THIS WELL, AND WILL ALLOW GAS VOLUME ALLOCATION TO THE WELL VERSUS DISCONTINUANCE OF SERVICE BY THE GAS PURCHASER WITH SUBSEQUENT LOSS OF REVENUE AND ROYALTY. THE HOURLY VOLUME MULTIPLIER TO BE USED IS ,26MCF PER HOUR AS SHOWN ON ATTACHMENT NO. 1. A SECTION OF EL PASO NATURAL GAS COMPANY'S PIPELINE MAP SHOWING THE PROPOSED FACILITY TO BE CONVERTED IS ATTACHMENT NO. 2. ATTACHMENT NO. 3 IS A DESCRIPTION OF THE EQUIPMENT AND PROCEDURES TO BE USED. ATTACHMENT NO. 4 IS A TABULATION OF THE PRIOR FIVE YEARS PRODUCTION FROM THE WELL.

RECEIVED
APR 14 1993
OIL CON. DIV
DIST. 3

18. I hereby certify that the foregoing is true and correct

SIGNED Joyce Roudy TITLE OFFICE MANAGER DATE 11/02/92

(This space for Federal or State office use)

APPROVED BY SHIRLEY MONDY TITLE Acting AREA MANAGER RESOURCE AREA DATE APR 12 1993

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

NMOCD

DATE : Ref Agreement dated 7-21-92 Page 1 of 1

REV DATE: 9-8-92

ATTACHMENT
ALTERNATIVE METHOD

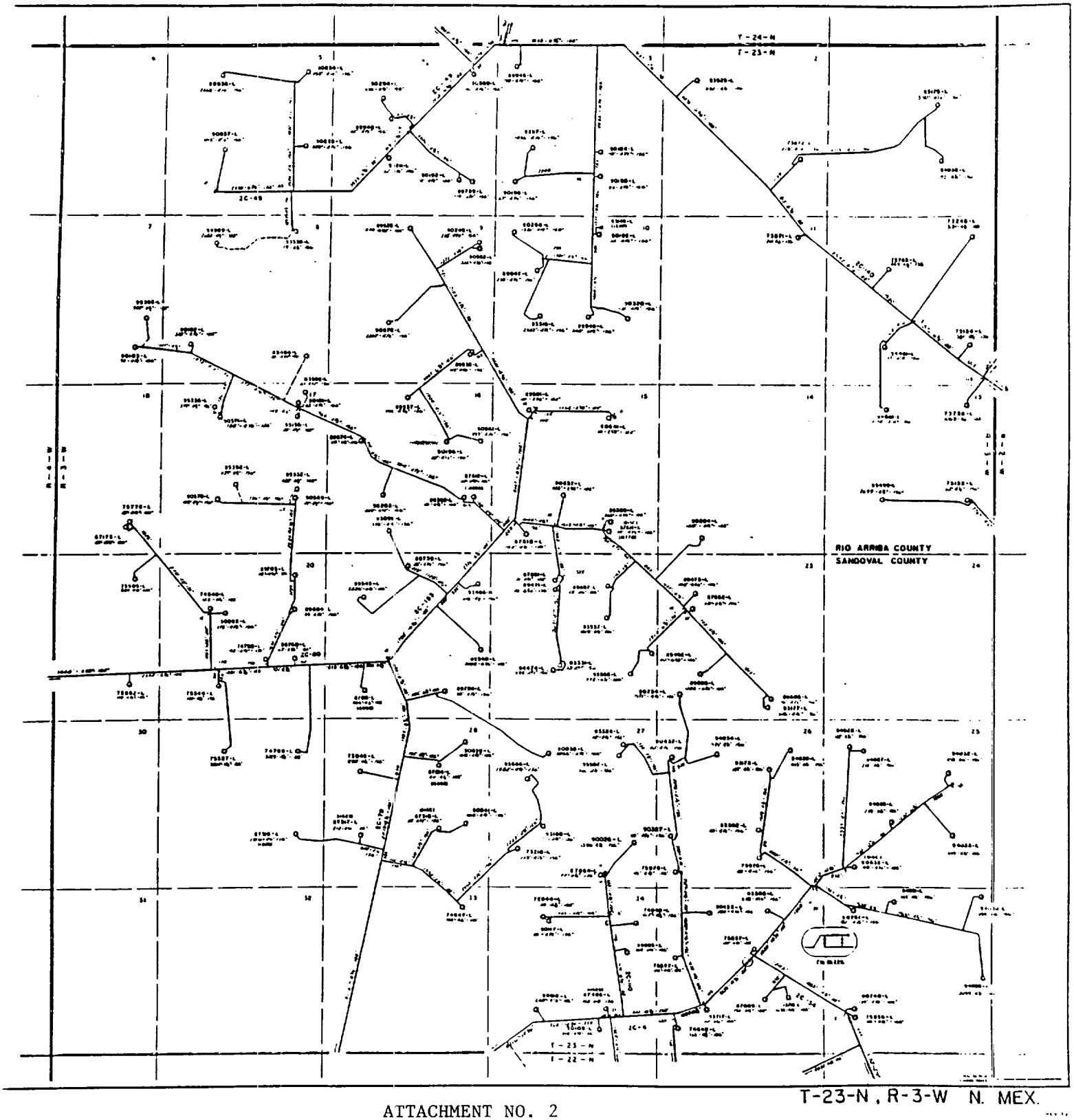
LOW FLOW WELL LISTING

Operator Code 8903
Operator Name Thomas Dave M. Jr.

METER NO.	WELL NAME	STATE	AREA LOCATION	TEST PERIOD MCF	TEST PERIOD FLOW HOURS	TIME CALC. HOURLY RATE MCF	AGREED VOLUME DAILY RATE MCF	WELL VOLUME CLOSED CONDITIONS
90-196	Chacon Jicarilla # 11	NM-31	Chaco	1072	4006.6	0.26	6.24	TC

TC = Time Calculated Volume (Hourly) **AV = Agreed Upon Volume (Daily)**

ACCEPTED BY :



ATTACHMENT NO. 2

CHACON JICARILLA NO. 11
.26 MCF PER HOUR

"TIME CALCULATED VOLUME" ALTERNATIVE MEASUREMENT METHOD

1. Recommended Flow Rate Range - 5 to 15 dth/D

2. Determine Daily/Hourly Average Flow Rate for Low Volume Well
   a. Use the 1990 Annual (Latest) Measured Production Volume and Flow Hours to Establish an "Average Hourly" Volume of Low Rate.
   b. Formula:
      Annual Measured Flow Volume = "Average Hourly" Volume Flow Rate
      Annual Flow Hours

3. Pipeline and Well Operator Execute Letter Agreement to Use Alternative Methods (Well(s) Listed by Appropriate Meter Number, Meter Name, and Average Hourly Flow Rate From Last Test Period).

4. Meter Station Equipment

   a. Leave Primary Measurement Elements on Location for Annual Production Test.
   b. Install Smallest Recognized Orifice Plate Beta Ratio to Ensure Reliable Pressure Drop Detection (i.e. 4.026 I.D. and 0.250 Orifice Plate Bore).
   c. Remove Orifice Recorder and Recording Thermometer and Thermowell.
   D. Install Differential Switch with Hour Meter
      (1) Hour Meter must not have an external hour reset button.
      (2) Differential Switch "ON" setpoint to be at or near 0.5 inches W.C. but not more than 0.9 inches W.C.
      (3) Hour Meter must have external flow status indicator to indicate when hour meter is counting (i.e. flashing decimal point).
      (4) Report equipment change to appropriate Volume Calculation Dept.

5. Periodic Hour Meter Reports (Quarterly)
   a. Establish Hour Meter "READ" Schedule
   b. Report Start and Stop Hourly Meter Readings and Flow Hours Difference on Appropriate Form to the Volume Calculation Division at Least Every Three (3) Months.
   c. Monitor Switch/Hour Meter Serviceability

6. Volume Calculation Department
   a. Code Volume Calculation Method as "Time Calculated Volume".
   b. Verify and Enter Reported Flow Hours Into the Volume Calculation Routine.
   c. Use 60°F As the Flowing Temperature Base Value (Factor 1.0) For Volume Calculation.
   d. Use the Most Recent Gas Analysis For Specific Gravity and BTU Calculation Factors.
   e. Enter the Most Recent "Average Hourly" Flow Rate Volume Into the Volume Calculation Routine.
   f. Calculate Settlement Volume and MMBTU (dth) Formula.
      Flow Meter Hours X Average MCF Hourly Flow Rate = Volume (MCF)
      Volume (MCF) X BTU Factor = MMBTU (dth) for the Period Indicated.
      Example: 1971 (Hours) X .31 (MCF) = 611 MCF
      611 MCF X 1097 BTU = 670 MMBTU (dth) for the Period.
   g. Identify and report "Time Calculated Volume" MMBTU(dth) on the Appropriate Volume Statement(s).

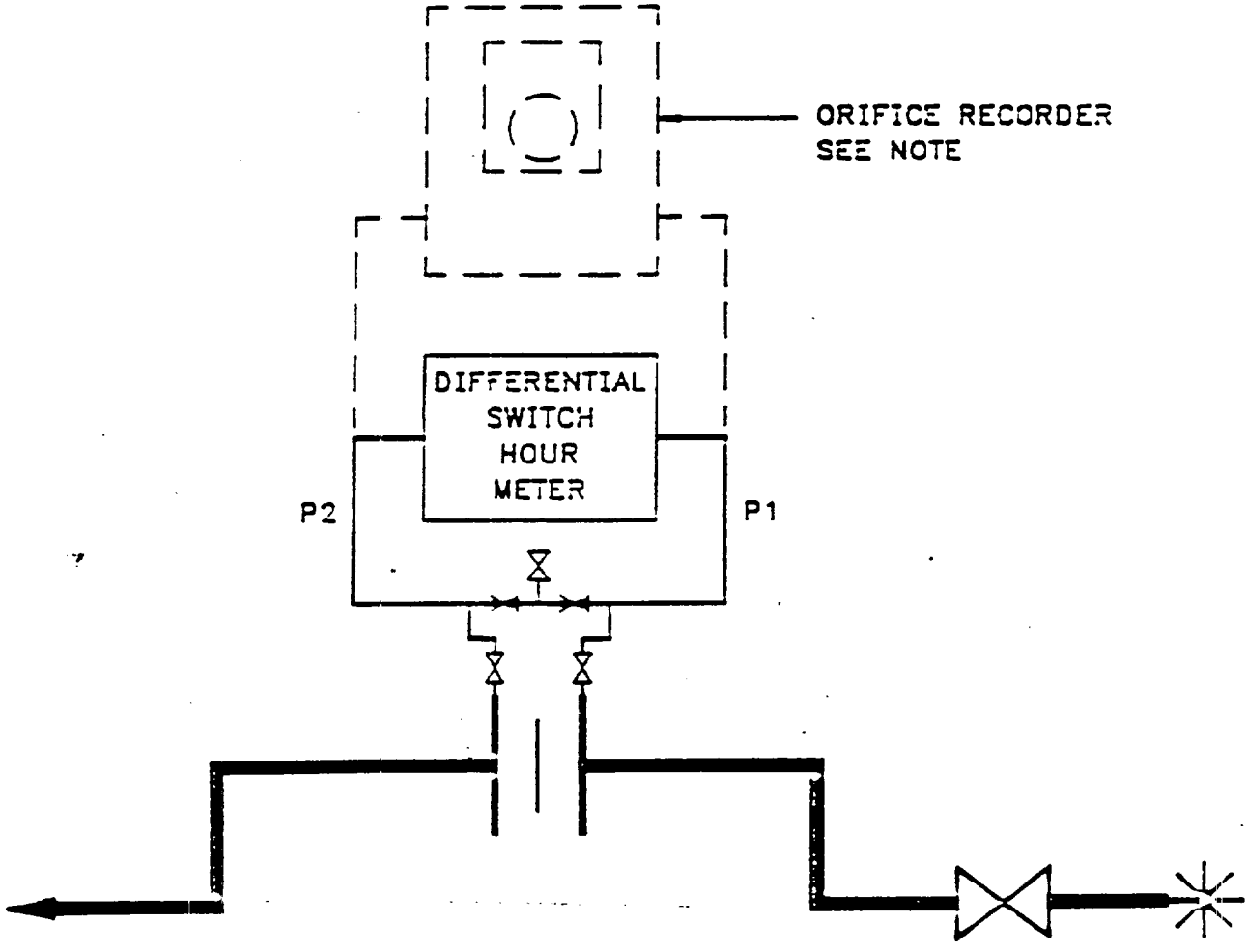
7. Perform Annual Production Measurement Test to Update Hourly Flow Rates
   a. Schedule Annual Production Measurement Test
   b. Conduct 16 Day Test Period
      (1) Install and calibrate test orifice recorder
      (2) Note Test Hour Meter start reading
      (3) Inspect orifice plate and meter tube for serviceability
      (4) Procure and process representative gas sample
      (5) Complete test and remove test orifice recorder
      (6) Compare test Hour Meter Start and Stop reading difference with orifice chart recording
      (7) Check Differential Switch/Hour Meter for serviceability
      (8) Forward test charts and equipment inspection reports to the Volume Calculation Department

   c. Volume Calculation Department makes Re-Determination of New Average Hourly Flow Rate for Use During the Subsequent Year and Notifies Well Operator of New MCF or dth Values.

TIME CALCULATED VOLUME

ALTERNATIVE METHOD SCHEMATIC

PRIMARY ELEMENT AND DIFFERENTIAL SWITCH/HOUR METER
USED FOR FLOW TIME DETECTION AND ANNUAL TEST



NOTE:
ORIFICE RECORDER TEMPORARILY INSTALLED
ONLY TO CONDUCT 16 DAY ANNUAL TEST

DAVE M. THOMAS, JR.

PROPOSED ALTERNATIVE MEASUREMENT METHOD WELL

WELL	1991 PROD. MCFD	1990 PROD. MCFD	1989 PROD. MCFD	1988 PROD. MCFD	1987 PROD. MCFD	FIVE YEAR AVG. PROD. MCFD
CHACON JIC. NC. 11	9	6	11	10	18	9

ATTACHMENT NO. 4