

DEPT. OF
P.O. Box 1980 Hobbs, NM 88240-1980

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DEPT. OF
1000 N. BRIDGE ROAD, AZEEZ, NM 87413

State of New Mexico
Energy, Minerals & Natural Resources Department

Form OCM-
(Original) 12/1/90

OIL CONSERVATION DIVISION
P.O. Box 1088
Santa Fe, New Mexico 87504-0108

With Original and Copy of
Nomenclature and/or Map

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

Operator Name: J. K. EDWARDS ASSOCIATES, INC.
Operator Address: 401-17th ST, SUITE 1400, DENVER, CO 80202
Lease Name: BENGAL #2 / NM 6471
Location: UNIT K, SECTION 1, T12N-R12W
Pool: BLUESOFT, FRUITLAND, SAND, PS
Requested Effective Time Period: Beginning: IMMEDIATELY Ending: INDEFINITE

ATTACHMENT A

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 APN) to be produced through this application.
2. A one year production history of each well included in this application (including the annual and daily volume).
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 producing through a MCH or a similar device).
5. The gas transporter(s) connected to each well.

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 APN.
 - b) List the wells which will not be metered separately, including APN.
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 volume.
4. The gas transporter(s) connected to this CPD.

Applicant will be responsible for filing OCM Form OCM-1 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

J. K. Edwards

Printed Name & Title: J. K. EDWARDS, PRES.

OIL CONSERVATION DIVISION

This approval may be cancelled at any time that operator does not indicate that requests may be necessary to determine a well's production compliance.

Approved by:

B

Title:

ATTACHMENT A
FORM C-136
APPLICATION FOR APPROVAL TO USE AN ALTERNATE GAS MEASUREMENT METHOD

J.K. EDWARDS ASSOCIATES, INC. - LOW VOLUME WELL INFORMATION

1) WELL: **BENGAL A #2**
LOCATION: **K 1-26N-12W**
API NUMBER: **30-045-21183**
LEASE NUMBER: **NM-16470**
METER NUMBER: **02455**

2) ONE YEAR PRODUCTION HISTORY - ANNUAL AND DAILY VOLUMES:

	<u>GAS</u> <u>(MCF@15.025#)</u>	<u>PRODUCTION</u> <u>DAYS</u>	<u>DAILY</u> <u>(MCFD)</u>
JUL 1993	60	17	3.5
AUG	42	31	1.4
SEP	66	30	2.2
OCT	65	31	2.1
NOV	35	30	1.2
DEC	61	31	2.0
JAN 1994	44	31	1.4
FEB	88	28	3.1
MAR	69	31	2.2
APR	39	30	1.3
MAY	143	31	4.6
JUN	61	30	2.0

3) ESTABLISHED OR AGREED-UPON DAILY PRODUCING RATE: **2.4 MCFD**

4) DESIGNATED WELL TO BE EQUIPPED WITH LOW FLOW DEVICE:
(wells capable of producing 5 MCFD or more)

NOT APPLICABLE

5) GAS TRANSPORTER: **EL PASO NATURAL GAS**

6) EFFECTIVE TIME PERIOD: **INDEFINITELY**

DATE 11-10-93Page 1 of 1REV DATE: 06-23-94ATTACHMENT
ALTERNATIVE METHOD

LOW FLOW WELL LISTING

Operator Code 0475
Operator Name J. K. Edwards Associates Inc.

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
02-455	Chaco #1 #12 FT & PC	NM-31	Aztec	592	1969.4	0.3	7.2	TC
83-159	Bengal A #2	NM-31	Aztec	205	2033.5	0.1	2.4	AV
90-183	Designated Hitter #2	NM-31	Aztec	220	1634.9	0.13	3.12	AV
97-129	Gass #3	NM-31	Aztec	153	652.2	0.345	8.27	TC
90-015	Designated Hitter #1	NM-31	Chaco	3349	7455.3	0.44	10.55	TC
93-803	Hard Deal #2 J	NM-31	Chaco	131	1392	0.09	2.16	AV
94-934	Pete #1 R	NM-31	Chaco	209	1788.2	0.11	2.64	AV
14-372	Inez #1 PC FRT	NM-31	Canco	1170	6690.3	0.173	4.9	AV (1991 Vol.)

TC = Time Calculated Volume (Hourly)

AV = Agreed Upon Volume (Daily)

ACCEPTED BY: J. Keith Edwards

J. KEITH EDWARDS, PRESIDENT

J.K. EDWARDS ASSOCIATES, INC.

1401 17TH STREET / SUITE 1400
DENVER, COLORADO 80202