



dugan production corp.

December 20, 1993

RECEIVED  
APR 14 1994  
OIL CON. DIV.  
DIST. 3

Mr. John Keller  
Bureau of Land Management  
1235 La Plata Hwy.  
Farmington, NM 87401

Re: Application for Approval to Use  
An Alternate Gas Measurement Method  
Abo #2  
Federal Lease #NM 17018  
WAW Fruitland Sand PC Pool  
Unit M, Sec. 28, T26N, R12W, NMPM  
San Juan County, NM

Dear Mr. Keller:


Attached please find the application filed with the New Mexico Oil Conservation Division (Form C-136) for approval to use an alternate gas measurement method for the subject well. This application should contain all pertinent information required by the Bureau of Land Management. The daily production rate will be updated by an annual production test.

The pipeline operator has concluded that wells producing less than 15 MCFD do not produce sufficient volumes to support continued maintenance of meter equipment. This well falls into this category and is uneconomical to produce using conventional methods. Therefore, Dugan Production Corp. respectfully requests that the BLM approve this application to use the alternate gas measurement method described in the attached application.

Sincerely,

  
Jim L. Jacobs  
Vice-President

cg

APPROVED  
APR 11 1994  
  
DISTRICT MANAGER

5 NMOC D 1 File 4 BLM 1 EPNG-Frm 1 EPNG-EP  
DISTRICT I  
P.O. Box 1508, Hobbs, NM 88241-1508  
DISTRICT II  
P.O. Drawer DD, Aramark, NM 88211-4719  
DISTRICT III  
1000 Rio Blanco Road, Aztec, NM 87410

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-136  
Originated 12/23/91

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

Submit original and 4 copies to the  
appropriate district office.

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

Operator Name: Dugan Production Corp. Operator No. 325-1821  
Operator Address: P.O. Box 420, Farmington, NM 87499  
Lease Name: Abo #2 Type: State      Federal X Fee       
Location: Unit M, Sec. 28, T26N, R12W, NMPM San Juan County, NM  
Pool: WAW Fruitland Sand PC  
Requested Effective Time Period: Beginning      approx. 1/1/94 Ending indefinite

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.

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.

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: Jim L. Jacobs

Printed Name & Title: Jim L. Jacobs, V.P.

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:     

By: Steve Brandy

Title:

**APPLICATION FOR APPROVAL TO USE AN ALTERNATE GAS MEASUREMENT METHOD**  
**ATTACHMENT NO. 1**

**APPROVAL PROCEDURE: RULE 403.B(1)**

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Abo #2  
Unit M, Sec. 28, T26N, R12W, NMPM, San Juan County, NM  
API# 30-045-21896

- 2.) A one year production history of each well included in this application (showing the annual and daily volumes).

Annual Production 10/92 thru 9/93 = 77 MCF  
Avg. Daily Production 10/92 thru 9/93 = 1.05 MCFD

- 3.) The established or agreed upon daily producing rate for each well and the effective time period.

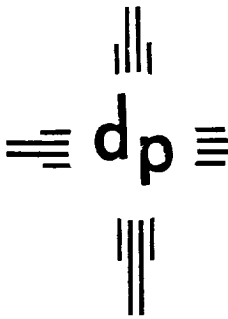
1.92 MCFD (Agreed Volume Daily Rate)  
Beginning approx. 1-1-94, Ending - indefinite

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Abo #2

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El Paso Natural Gas Company



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December 20, 1993

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Bureau of Land Management  
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Farmington, NM 87401

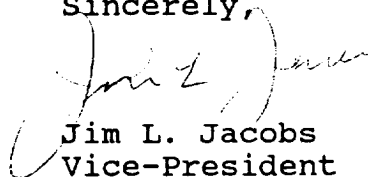
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P.O. Drawer 60, Artesia, NM 88211-6729

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**OIL CON. DIV.**  
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