

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

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

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410

State of New Mexico
Energy, Minerals & Natural Resources Department

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

SEP - 6 1994

Form C-136

Originated 12/23/91

OIL CON. DIV.
DIST. 3
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: J.K. EDWARDS ASSOCIATES, INC. Operator No. OGRID # 011307
Operator Address: 1401-17TH ST, SUITE 1400, DENVER CO 80202
Lease Name: CHACO PLANT 12 CPD / NM-622 Type: State Federal X Fee
Location: UNIT I, UNIT B, SECTION 22 - T26N-R12W
Pool: WAW FRUITLAND SAND PC / BASIN FRUITLAND COAL
Requested Effective Time Period: Beginning IMMEDIATELY Ending INDEFINITELY

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.

ATTACHMENT A

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).

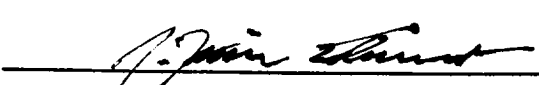
Working interest, royalty and overriding royalty ownership must be common for all wells to be connected to the subject CPD.

- 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: 

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

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

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: COWSAROUND 22 #2 NON-METERED WELL
LOCATION: B 22-26N-12W
API NUMBER: 30-045-27948
LEASE NUMBER: NM-622
METER NUMBER: 02455
- WELL: CHACO PLANT 12
LOCATION: I 22-26N-12W
API NUMBER: 30-045-22067
LEASE NUMBER: NM-622
METER NUMBER: 02455
- 2) PROPOSED METHOD OF ALLOCATING PRODUCTION FROM NON-METERED WELL: fixed allocation based on past performance
- 3) ONE YEAR PRODUCTION HISTORY OF NON-METERED/METERED WELL - ANNUAL AND DAILY VOLUMES

| | <u>GAS</u> <u>(MCF@15.025#)</u> | <u>PRODUCTION</u> <u>DAYS</u> | <u>DAILY</u> <u>(MCFD)</u> |
|----------|------------------------------------|----------------------------------|-------------------------------|
| | 22-2/CP12 | | 22-2/CP12 |
| JUL 1993 | /36 | 31 | /1.2 |
| AUG | /40 | 31 | /1.3 |
| SEP | /27 | 30 | /0.9 |
| OCT | /42 | 31 | /1.4 |
| NOV | /26 | 30 | /0.9 |
| DEC | 200/64 | 31 | 6.5/2.1 |
| JAN 1994 | 196/62 | 31 | 6.3/2.0 |
| FEB | 100/54 | 28 | 3.6/1.9 |
| MAR | 108/61 | 31 | 3.5/2.0 |
| APR | 52/64 | 30 | 1.7/2.1 |
| MAY | 123/66 | 31 | 4.0/2.1 |
| JUN | 83/41 | 30 | 2.8/1.4 |

- 4) GAS TRANSPORTER: EL PASO NATURAL GAS
- 5) EFFECTIVE TIME PERIOD: INDEFINITELY
- 6) PLAT OF CPD: ATTACHED
- 7) ESTABLISHED OR AGREED-UPON DAILY PRODUCING RATE FOR CPD:
7.2 MCFD

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

| | | | | | |
|---|---|-----------------------------|-----------------------------|---------------------------|--|
| Operator Jerome P. McHugh | | | Lease Chaco Plant | | Well No. 12 |
| Unit Letter I | Section 22 | Township 26 North | Range 12 West | County San Juan | |
| Actual Footage Location of Well: 1850 feet from the South line and 990 feet from the East line | | | | | |
| Ground Level Elev. 6151 | Producing Formation Pictured Cliffs | | Pool Undesignated | | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

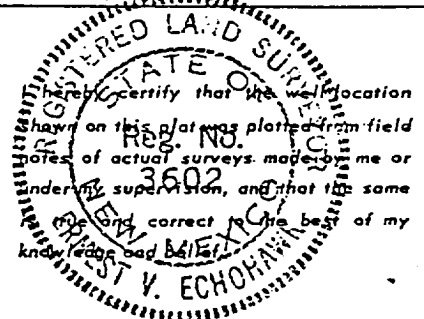
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Thomas A. Dugan
Name
Thomas A. Dugan

Position
Engineer

Company
Jerome P. McHugh

Date
5-19-76



Date Surveyed
May 5, 1976

Registered Professional Engineer
and/or Land Surveyor

E.V. Echobawk

Certificate No. **3602**
E.V. Echobawk L.S.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

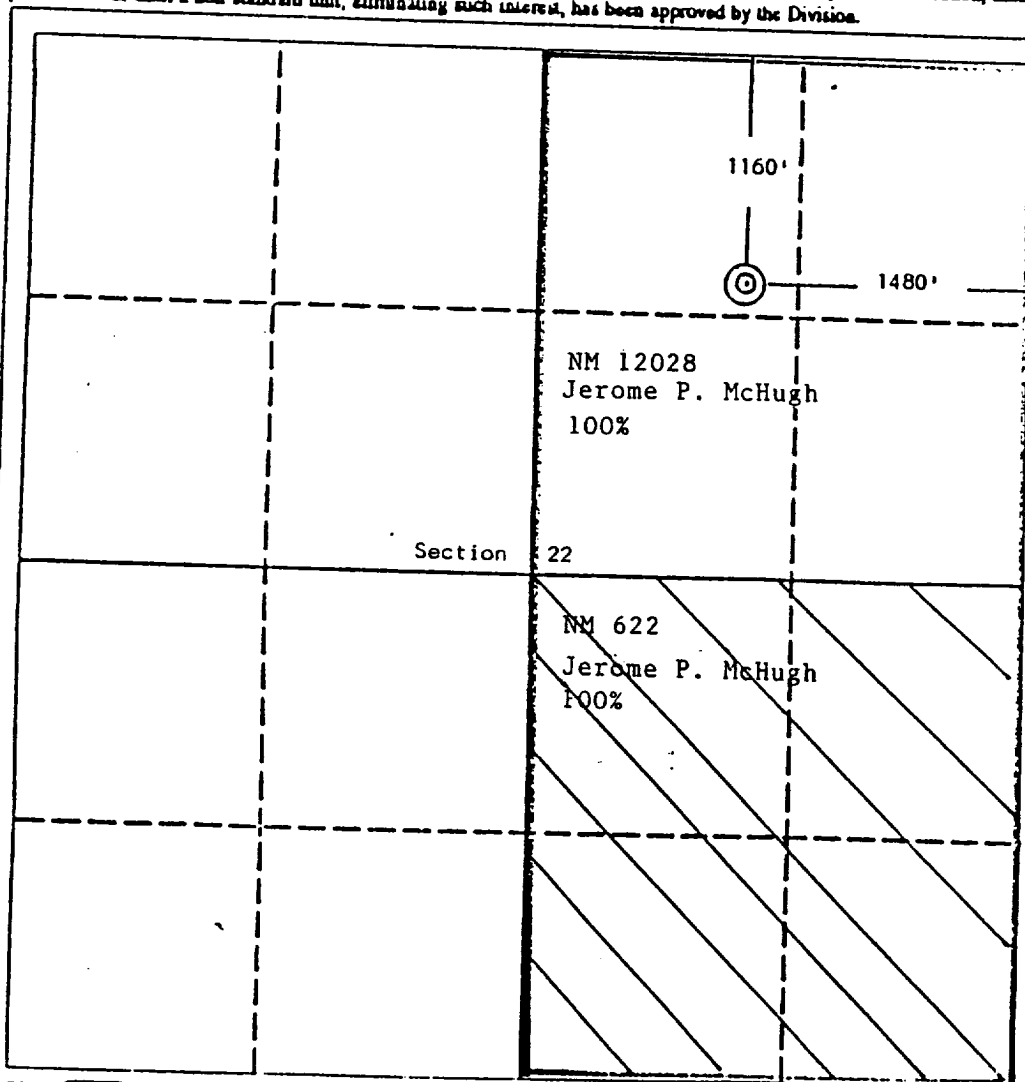
DISTRICT III
1000 Rio Brazos Rd., Alamogordo, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|--|---------------------------------------|----------------------|------------------------------|-----------------------------------|---------------|
| Operator Nassau Resources, Inc. | | | Lease Cowsaround 22 | | Well No. 2 |
| Unit Letter B | Section 22 | Township 26 North | Range 12 West | County San Juan | |
| Actual Footage Location of Well: 1160 feet from the North line and 1480 feet from the East line | | | | | |
| Ground level Elev. 6166 | Producing Formation Fruitland Coal | | Pool Basin Fruitland Coal | Dedicated Acreage: 320.0 Acres | |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation Will be communitized
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Fran Perrin

Printed Name

Fran Perrin

Position

Admin. Asst.

Company

Nassau Resources, Inc.

Date

5/25/90

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

March 7, 1990

Signature & Seal of
Professional Surveyor

EDGAR L. RISENHOOVER
NEW MEXICO
5979
Certified by
Edgar L. Risenhoover

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 Pit #12 FT & PC | NM-31 | Aztac | 592 | 1969.4 | 0.3 | 7.2 | TC |
| 83-159 | Bengal A #2 | NM-31 | Aztac | 205 | 2033.5 | 0.1 | 2.4 | AV |
| 90-183 | Designated Hitter #2 | NM-31 | Aztac | 220 | 1634.9 | 0.13 | 3.12 | AV |
| 97-129 | Gass #3 | NM-31 | Aztac | 153 | 652.2 | 0.345 | 8.27 | TC |
| 90-015 | Designated Hitter #1 | NM-31 | Chaco | 3349 | 7455.3 | 0.44 | 10.55 | TC |
| 93-609 | 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 (1991Vol.) |
| | | | | | | | | |
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| | | | | | | | | |

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