

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

Form C-136  
Originated 12/23/91

Submit original and 4 copies to the  
appropriate district office.

*f-18-2601-12w*  
*Chaco #1*

**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, NM 87499  
Lease Name: See attachment Type: State      Federal X Fee       
Location: See attachment  
Pool: See attachment  
Requested Effective Time Period: Beginning 2-1-93 Ending Indefinitely

**RECEIVED**

**APPROVAL PROCEDURE: RULE 403.B.(1)**  
Please attach a separate sheet with the following information.

**OIL CON. DIV. 1**  
**DIST. 3**

- 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**

**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 same CPD.

JAN - 5 1993

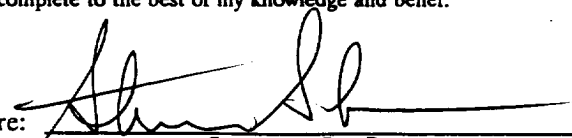
**OIL CON. DIV. 1**  
**DIST. 3**

- 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: Steven S. Dunn  
Operations Manager  
12-16-92 1-4-93

**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 TO C-136**

**CHACO No. 1**  
NM-22046  
(N) Section 7, T26N, R12W  
San Juan County, New Mexico  
Basin Fruitland Coal

API: 30-045-22310

**CHACO No. 2**  
NM-22046  
(F) Section 18, T26N, R12W  
San Juan County, New Mexico  
WAW Fruitland Sand Pictured Cliffs

API: 30-045-22309

Gas Transporter: EPNG

## **PRODUCTION HISTORY**

### **CHACO No. 1**

GAS  
MCF

January - September, 1992

-0-

### **CHACO No. 2**

GAS  
MCF

January - September, 1992

-0-

DATE : Ref Agreement dated 1-22-92Page 1 of 1REV DATE: 9-8-92ATTACHMENT  
ALTERNATIVE METHOD

## LOW FLOW WELL LISTING

Operator Code 5997  
Operator Name Merrion Oil & Gas Corp.

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
02-625	Chaco Plant 1 & 2 CPD	NM-31	Aztec	1068	2618.5	0.4	9.6	TC
75-864	Rock House Canyon #1	NM-31	Chaco	20	39.2	0.51	12.24	TC
90-282	Jicarilla 428 # 7	NM-31	Chaco	1302	2761.9	0.47	11.28	TC
90-739	Hanlad Fed #2 FR PC CMGLD	NM-31	Chaco	53	568.5	0.09	0.72	Code 29 off 33% AV
93-106	Hi-Roll #2R	NM-31	Aztec	2354	4107.2	0.57	13.68	TC
93-288	East Lindrith #3	NM-31	Chaco	678	1195.9	0.56	13.44	TC
93-791	Bonanza #5	NM-31	Chaco	1438	2429.1	0.59	14.16	TC
94-052	Bonanza #6	NM-31	Chaco	1422	2326.7	0.61	14.64	TC
94-180	Salazar G-34 #1	NM-31	Chaco	200	354.9	0.56	13.44	TC
94-303	Dome Federal 18-27-13 #2	NM-31	Aztec	761	1837.1	0.41	9.84	TC
94-566	Rita Com #1	NM-31	Chaco	510	2086.1	0.24	5.76	TC
94-722	Salazar G Com 26 #1	NM-31	Chaco	594	1002.4	0.59	14.16	TC

TC = Time Calculated Volume (Hourly)

AV = Agreed Upon Volume (Daily)

ACCEPTED BY : \_\_\_\_\_