

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

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: Robert L. Bayless Operator No. (505)326-2659
Operator Address: PO Box 168, Farmington, NM 87499
Lease Name: N00-C-14-20-7470 Type: State Allotted XX Fee
Location: NW1/4, Section 34, T26N, R12W
Pool: WAW Fruitland Sand Pictured Cliffs (Gas) & Basin Fruitland Coal (Gas)
Requested Effective Time Period: Beginning 3/4/92 Ending 3/4/93

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. (A)
- 2) A one year production history of each well included in this application (showing the annual and daily volumes). (A)
- 3) The established or agreed-upon daily producing rate for each well and the effective time period. (B)
- 4) Designate wells to be equipped with a flow device (required for wells capable of producing 5 MCF per day or more). (A)
- 5) The gas transporter(s) connected to each well. (A)

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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 CPD.

MAR 6 1992
OIL CON. DIV.
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: Kevin H. McCord

Printed Name & Title: Kevin H. McCord
Petroleum Engineer

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: Original Signed by FRANK T. CHAVEZ

Title: SUPERVISOR DISTRICT # 3

ATTACHMENT A

ROBERT L. BAYLESS - LOW VOLUME WELL INFORMATION

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WELL: RUBY #1
 LOCATION: T26N R12W SEC 34 UNIT C
 API NUMBER: 30-045-23839
 LEASE NUMBER: N00-C-14-20-7470
 METER NUMBER: 14-378
 POOL: WAW FRUITLAND SAND PICTURED CLIFFS (GAS)
 & BASIN FRUITLAND COAL (GAS)

MEASUREMENT METHOD: AGREED VOLUME

ESTABLISHED OR AGREED
 DAILY PRODUCING RATE: 2.34 MCFD

EFFECTIVE TIME PERIOD: 1 YEAR (FROM 3/4/92 TO 3/4/93)

GAS TRANSPORTER: EL PASO NATURAL GAS

1991 C115 PRODUCTION HISTORY:

| | OIL (BBLS) | GAS (MCF) | WATER (BBLS) | PRODUCTION DAYS | DAILY (MCFD) |
|------------|---------------|--------------|-----------------|--------------------|-----------------|
| JANUARY | 0 | 0 | 0 | 31 | 0.0 |
| FEBRUARY | 0 | 0 | 0 | 0 | 0.0 |
| MARCH | 0 | 0 | 1 | 20 | 0.0 |
| APRIL | 0 | 8 | 1 | 17 | 0.5 |
| MAY | 0 | 2 | 1 | 31 | 0.1 |
| JUNE | 0 | 0 | 1 | 5 | 0.0 |
| JULY | 0 | 9 | 1 | 10 | 0.9 |
| AUGUST | 0 | 3 | 1 | 8 | 0.4 |
| SEPTEMBER | 0 | 98 | 2 | 27 | 3.6 |
| OCTOBER | 0 | 124 | 1 | 31 | 4.0 |
| NOVEMBER | 0 | 22 | 1 | 10 | 2.2 |
| DECEMBER | 0 | 31 | 1 | 16 | 1.9 |
| 1991 TOTAL | 0 | 297 | 11 | 206 | |

DATE: 1-2-92Page 1 of 1REV DATE: 2-10-92ATTACHMENT
ALTERNATIVE METHOD

LOW FLOW WELL LISTING

Operator Code 0538Operator Name R. L. Bayless

| METER NO. | WELL NAME | STATE | AREA LOCATION | TEST PERIOD MCF | TEST PERIOD FLOW HRS | TIME CALC. HOURLY RATE MCF | AGREED VOLUME DAILY RATE MCF | WELL VOLUME CLOSED CONDITIONS |
|-----------|--------------------|-------|---------------|-----------------|----------------------|-------------------------------------|------------------------------|-------------------------------|
| 94-878 | AXI D #6 | NM-31 | Chaco | 327 | 598.3 | 0.54 -0.49 | 13.1 | TC (1991) |
| 95-179 | JICARILLA 362 B #1 | NM-31 | Chaco | 3016 | 5413.9 | 0.55 | 13.2 | TC |
| 95-500 | JICARILLA 398 B #1 | NM-31 | Chaco | 2498 | 7563.8 | 0.33 | 7.92 | (Has Hr. Meter) TC |
| 14-378 | Ruby #1 PC FRC | NM-31 | Chaco | 131 | 1338.7 | 0.097 | 2.34 | AV (1991) |
| 90-014 | AXI Apache D #5 | NM-31 | Chaco | 2224 | 7288.9 | 0.305 | 7.32 | TC (1991) |
| 74-511 | Empire #1 | NM-31 | Chaco | 3091 | 6013.9 | 0.51 | 12.3 | TC (1991) |
| 14-372 | Inez #1 PC FRT | NM-31 | Chaco | 1170 | 6690.3 | 0.174 | 4.19 | AV (1991) |
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TC = Time Calculated Volume (Hourly)

AV = Agreed Upon Volume (Daily)

ACCEPTED BY: Kevin H. McLeod3/4/92