1 BLM

1 EPNG-Fmn

1 EPNG-EP

Form C-136 Originated 12/23/91

DETENCT F.O. Box 1980, Hobbs, NM 86341-1988

MINCIL P.O. Drawer DO, Americ, N.M. 90211-0719

DISTRICT III 1000 Rio Brazos Road, Assec, NM \$7410 OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

State of New Mexico

Eastry, Minerals & Natural Resources Department

Submit original and 4 copies to the appropriate district office.

APPLICATION FOR APPROVA	L TO USE AN ALTERNATE GAS MEASUREMENT METHOD Rule 403.B(1) or (2)
Operator Name: Dugan Productio Operator Address: P.O. Box 420, F	n Corp. Operator No. 325-1821
Operator Address:P.O. BOX 420, P.O. BO	#SF-078110)
Pool: Basin Dakota Requested Effective Time Period: Beginning	
Pleast att	ROVAL PROCEDURE: RULE 403.B.(1) ach a separate sheet with the following information:
2) A one year production history of each w	number, ULSTR location, and API No.) included in this application. vell included in this application (showing the annual and daily volumes). oducing rate for each well and the effective time period. low device (required for wells capable of process of the cryanger of the capable of the c
Please at	PROVAL PROCEDURE: RULE 403.B.(2) tach a separate sheet with the following information. Ucation is required for each Central Point Delivery (CPD). DIST. 3 royalty ewaership must be common for all wells to be connected to the subject CPD.
An ownership plat showing a descriptio a) List the wells which will be metered b) List the wells which will not be me	a of the lease and all of the wells to be produced through this CPD. It is desparately, including API No. Extered separately, including API No.
Describe the proposed method of allocating production from non-metered wells.	
3) A one year production history of the w	ells which will not be metered showing the annual and daily voluntes.
4) The gas transporter(s) connected to this	
Applicant will be	responsible for filing OCD Form C-111 for the CPD.

OPERATOR	
t same world, that the rules and	regulations of the Oil Conser
Division have been complied with	and that the information give
Divition mare occur combare	becomed and helief.

retion in above is true and complete to the best of my knowledge and belief.

Signature:

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

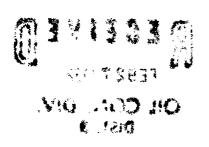
OIL CONSERVATION DIVISION

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:

Original Signed by FRANK T. CHAVEZ By:

SUPERVISOR DISTRICT #3 Title: _



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

APPROVAL PROCEDURE: RULE 403.B(1)

1.) A list of the wells (including well name, number, ULSTR location, and API No.) included in this application.

Federal I #2 Unit A, Section 1, T29N, R14W, San Juan County, NM API# 30-045-08867

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

1990 Annual Production - 3438 MCF 1990 Avg. Daily Production -- 10.29 MCFD

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

12.72 MCFD (Agreed Volume Daily Rate)
Beginning approx. 2-1-92, Ending - indefinite

4.) Designate wells to be equipped with a flow device (required for wells capable of producing 5 MCF per day or more).

Federal I #2

5.) The gas transporter(s) connected to each well.

El Paso Natural Gas Company