



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

March 4, 1988

GARREY CARRUTHERS
GOVERNORPOST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800Jerome P. McHugh & Associates
P.O. Box 809
Farmington, New Mexico 87499-0809

Attention: James S. Hazen

Re: Administrative
Order OLM-9

Dear Sir:

Reference is made to your letter dated February 3, 1988, whereby you requested authorization from the Division to meter the gas produced from the Emerald City Well No. 1 located 1850 feet from the North and West lines (Unit F) of Section 15, Township 31 North, Range 13 West, NMPN, Basin Dakota Gas Pool, San Juan County, New Mexico, at the location where the well ties into El Paso Natural Gas Company's system located in Unit M of Section 14, Township 31 North, Range 13 West.

The metering of this measurement would constitute complete metering. You are hereby authorized to meter the gas produced from the Emerald City Well No. 1 off lease at the point described above subject to the following conditions:

1. All flow lines shall be maintained in a safe and adequate condition and any leaks or failures must be reported to the Division.
2. All separation and liquids storage facilities shall be located on the originating lease.
3. The meter shall be read and maintained by the gas purchaser.
4. Federal or State approval required where applicable.

In addition, all production, storage, transportation, sales, and other operations shall comply with Division Rules and Regulations. It is the responsibility of the operator to notify the transporter of this approval.

ILLEGIBLE

Sincerely,


William J. LeMay
Director

xc: OCD-Aztec

Jerome P. McHugh & Associates
P O Box 809, Farmington, New Mexico 87499-0809
(505) 326-7793

February 3, 1988

New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410

ATTN: Ernie Busch

RE: OFF-LEASE MEASUREMENT
JEROME P. McHUGH'S Emerald City #1

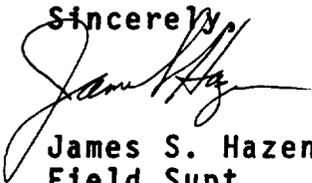
Gentlemen:

Jerome P. McHugh's Emerald City #1 well, located in SE NW of Sec. 15, T31N, R13W, is tied into El Paso Natural Gas Company's system via McHugh's pipeline.

The actual physical location of the El Paso meter is in SW SW of Sec. 14, T31N, R13W - thus off lease. (Map attached.) This meter measures only the gas production from this one well and is being reported as such. El Paso's contract required that we deliver to this point.

Please let us know if additional action needs to be taken.

Sincerely,



James S. Hazen
Field Supt.

JSH:fp

Attachment

Main Office
Jerome P. McHugh & Associates
Operating Affiliate: Nassau Resources, Inc.
650 South Cherry, Suite 1225
Denver, Colorado 80222
(303) 321-2111

RECEIVED
FEB 04 1988
OIL CON. DIV.
DIST. 3

