

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 87418

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.

APPLICATION FOR APPROVAL TO USE AN ALTERNATE GAS MEASUREMENT METHOD
Rule 403.B(1) or (2)

Operator Name: JEROME P. McHUGH Operator No. _____
Operator Address: P O BOX 809, Farmington, N.M. 87499
Lease Name: Hill #1 Type: State _____ Federal X Fee _____
Location: Unit A, Sec. 16, T25N, R2W, Rio Arriba County
Pool: Gavilan Pictured Cliffs
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.

RECEIVED

AUG 12 1992

OIL CON. DIV.

DIST. 3

N/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 this 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: Fran Perrin

Printed Name & Title: Fran Perrin Regulatory

Liaison

Date: 8/11/92

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: Frank J. [Signature]

Title: SUPERVISOR DISTRICT # 3

JEROME P. MCHUGH/NASSAU RESOURCES, INC.
P O BOX 809
FARMINGTON, N.M. 87499-0809
505 326-7793
FAX NUMBER 505 327-0859

1. Hill #1 Unit A, Sec. 16, T25N, R2W
 Rio Arriba County, New Mexico
 API #3003922962
2. Production History: See El Paso's Worksheet for 1990
 Production (most recent available
 figures).
3. Time calculated hourly rate: See El Paso's Worksheet for 1990
 Production (most recent
 available figures).
4. This well will be equipped with a flow device as shown on
 attached sketch.
5. The gas transporter is El Paso Natural Gas.

DATE : 1-22-92

REV DATE: _____

ATTACHMENT
ALTERNATIVE METHOD

LOW FLOW WELL LISTING

Operator Code 5954
Operator Name Mc Hugh, Jerome P.

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
94-661	Hill #1	NM-31	Chaco	2305	6663.5	0.34	8.16	TC

TC = Time Calculated Volume (Hourly)

AV = Agreed Upon Volume (Daily)

ACCEPTED BY :

DATA PREPARED BY EL PASO NATURAL GAS COMPANY BASED UPON 1990 PRODUCTION
(MOST RECENT FIGURES AVAILABLE).

JEROME P. MCHUGH
HILL #1

LOW FLOW WELL -- ALT MEASUREMENT METHOD

TIME CALCULATED VOLUME

ALTERNATIVE METHOD SCHEMATIC

PRIMARY ELEMENT AND DIFFERENTIAL SWITCH/HOUR METER
USED FOR FLOW TIME DETECTION AND ANNUAL TEST

