

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: Curtis J. Little Operator No. 5493
Operator Address: P.O. Box 1258, Farmington, NM 87499-1258
Lease Name: Salazar #3 Type: State Federal X Fee
Location: C - 26 - 25N - 6W
Pool: Blanco PC South
Requested Effective Time Period: Beginning August 1, 1995 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.

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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.

OIL CON. DIV.
DIST. III

- 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: Sylvia F. Little

Printed Name & Title: Sylvia F. Little

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 ERNIE BUSCH

Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3

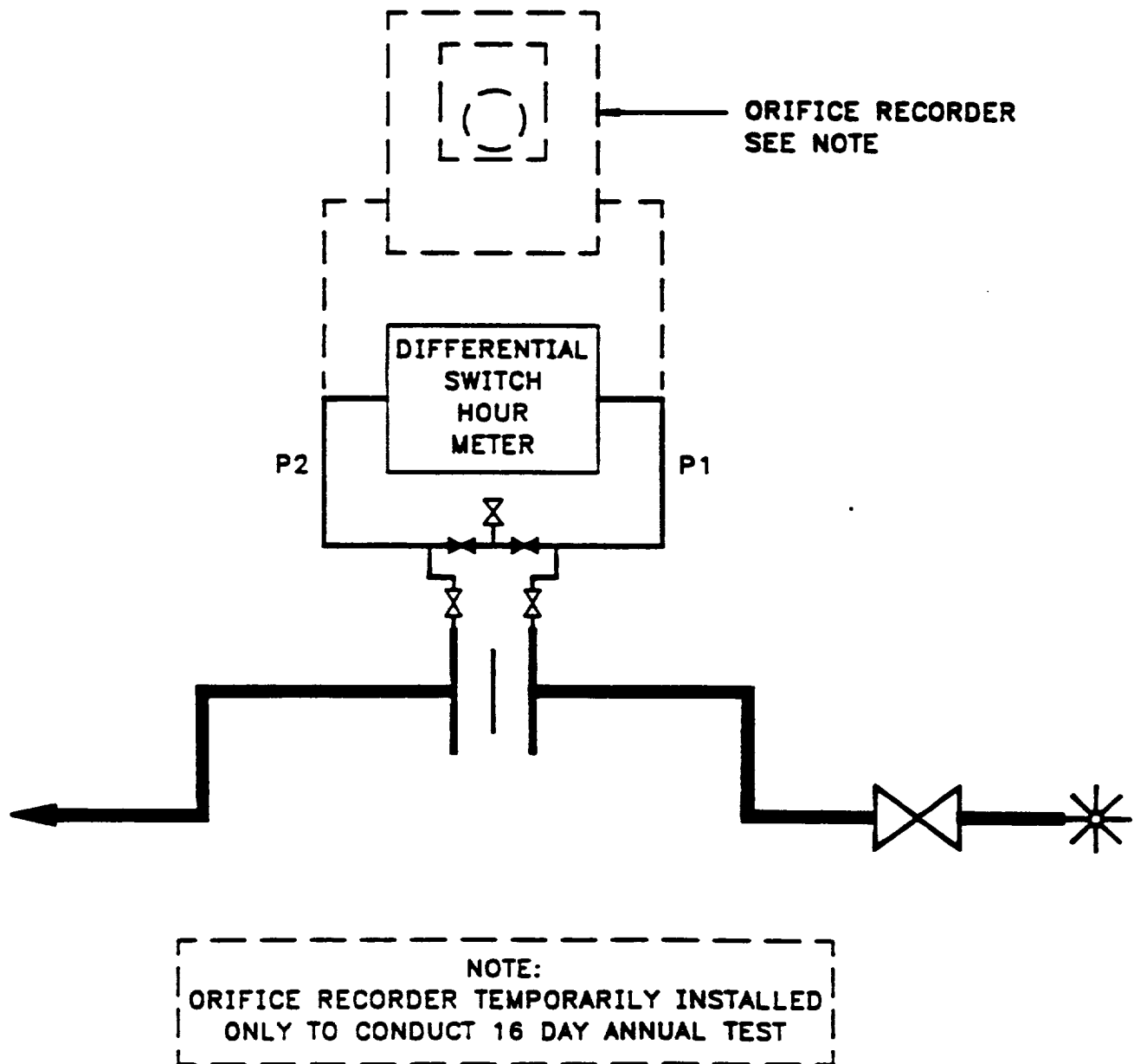
EPNG Meter # 94266
 Well Salazar
 No. 3
 API # 30-039-22861
 Location C 26 25N 6W
 Pool Name Blanco PC South
 Type of Lease Federal
 Transporter El Paso Natural Gas Co.

| Meter | Runs Date | Well Name | Prod. MCF @ 15.025 | Days Produced | Avg Daily MCF |
|-------|-----------|------------|-----------------------|------------------|---------------------|
| 94266 | Jul-94 | Salazar #3 | 446 | 31 | 14 |
| 94266 | Aug-94 | Salazar #3 | 421 | 31 | 14 |
| 94266 | Sep-94 | Salazar #3 | 395 | 30 | 13 |
| 94266 | Oct-94 | Salazar #3 | 440 | 31 | 14 |
| 94266 | Nov-94 | Salazar #3 | 363 | 30 | 12 |
| 94266 | Dec-94 | Salazar #3 | 405 | 31 | 13 |
| 94266 | Jan-95 | Salazar #3 | 431 | 31 | 14 |
| 94266 | Feb-94 | Salazar #3 | 413 | 28 | 15 |
| 94266 | Mar-94 | Salazar #3 | 394 | 31 | 13 |
| 94266 | Apr-94 | Salazar #3 | 378 | 30 | 13 |
| 94266 | May-94 | Salazar #3 | 359 | 31 | 12 |
| 94266 | Jun-95 | Salazar #3 | 366 | 30 | 12 |

TIME CALCULATED VOLUME

ALTERNATIVE METHOD SCHEMATIC

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



"Time Calculated Volume" Formula

- a. Flow Meter Hours X Average MCF Hourly Flow Rate = Volume (MCF)
Volume (MCF) X BTU Factor = MMBTU (dth) for Period Indicated
- b. Example: 1971 (Hours) X .31 (MCF) = 611 MCF
611 MCF X 1097 BTU = 670 MMBTU (dth) for the Period Indicated

DATE : 5-8-95Page 1 of 1REF DATE: 11-10-93**EXHIBIT A
ALTERNATIVE METHOD****LOW FLOW WELL LISTING**Operator Code 5646
Operator Name Little, Curtis J.

| 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 |
|-----------|---------------|-------|---------------|-----------------|------------------------|----------------------------|------------------------------|-------------------------------|
| 94-266 | Salazar #3 PC | NM-31 | Chaco | 1265 | 2096.5 | 0.60 | 14.40 | TC |
| 94-300 | Foster #2 | NM-31 | Chaco | 1249 | 2153.8 | 0.57 | 13.68 | TC |
| 94-499 | Turner #2 PC | NM-31 | Chaco | 1315 | 2116.7 | 0.62 | 14.88 | TC |
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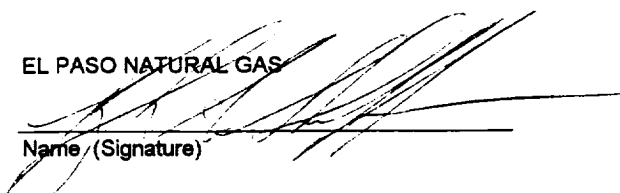
TC = Time Calculated Volume (Hourly)

AV = Agreed Upon Volume (Daily)

ACCEPTED BY:

Name (Signature)_____
Name (Type or Print)_____
Title (Type or Print)_____
Date

EL PASO NATURAL GAS



Name (Signature)

H. A. Shaffer

Name (Type or Print)

Attorney-in-fact

Vice President Field Services

Title (Type or Print)

21-Jun-95

Date

All distances must be from the outer boundaries of the Section.

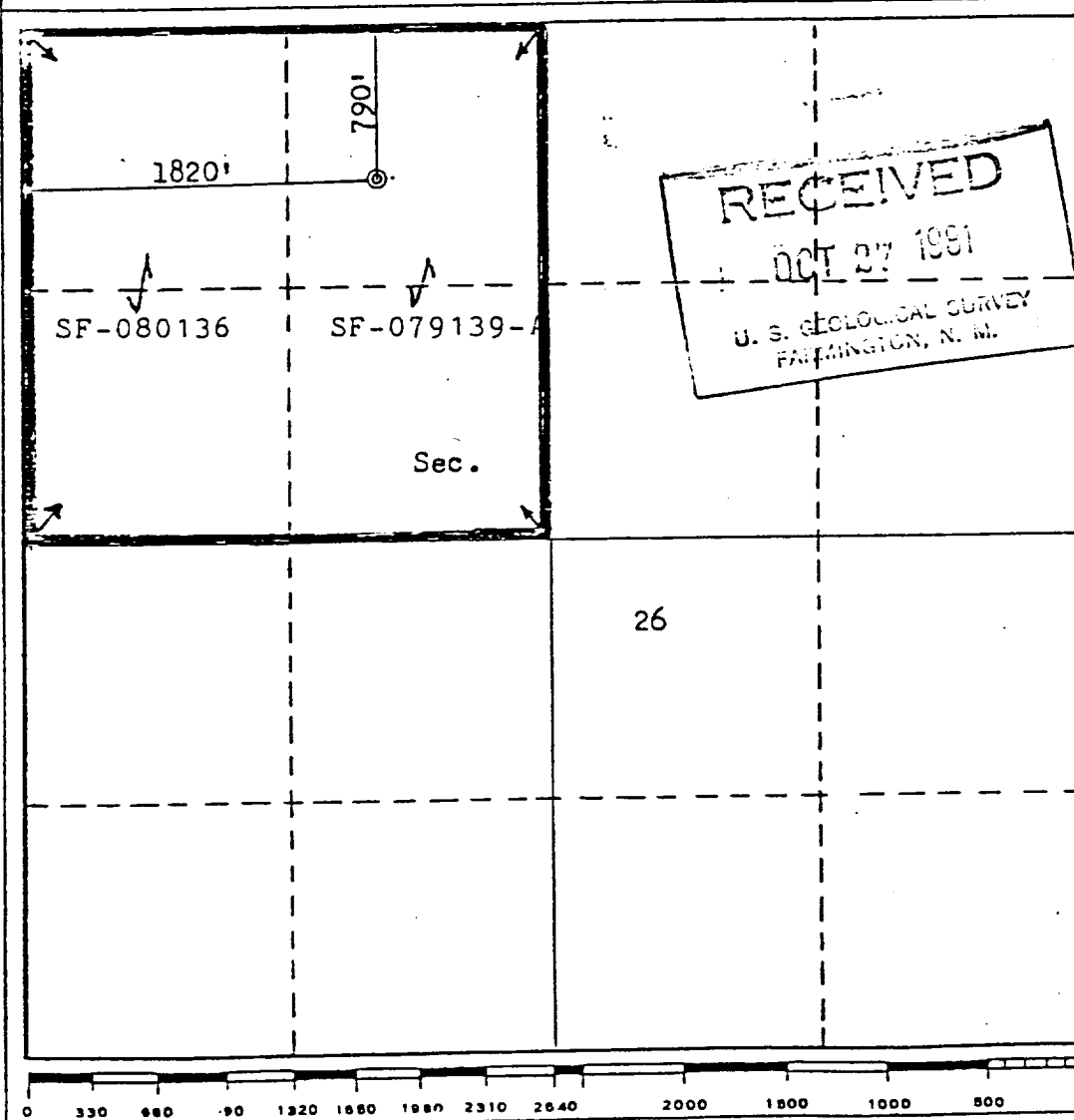
| | | | | | |
|---|--------------------------------------|-------------------------|----------------------|-----------------------------|--|
| Operator CURTIS J. LITTLE | | Lease SALAZAR | | Well No. 3 | |
| Unit Letter C | Section 26 | Township 25N | Range 6W | County Rio Arriba | |
| Actual Footage Location of Well: 790 feet from the North line and 1820 feet from the West line | | | | | |
| Ground Level Elev. 6670 | Producing Formation Chacra | | Pool Otera | | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name Curtis J. Little
Position Operator
Company Curtis J. Little
Date 10-26-81

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed October 23, 1981
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
Certificate No. 3950