

DISTRICT I
P.O. Box 1908, Hobbs, NM 88240-1908

DISTRICT II
P.O. Drawer 602, Artesia, NM 88211-6719

DISTRICT III
1000 Rio Grande Blvd., Artesia, NM 87410

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RECEIVED
MAY 29 1992
OIL CON. DIV.
DIST. 3

Form C-136

Originated 12/23/91

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: Marathon Oil Company Operator No. 5860
Operator Address: P. O. Box 552, Midland, TX 79702
Lease Name: Schwerdtfeger 10 Type: State Federal X Fee
Location: C 16, 27-N, 11-W
Pool: Kutz PC West (Gas)
Requested Effective Time Period: Beginning 7/1/92 Ending 7/1/97

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.

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 subject 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: T. M. Price

Printed Name & Title: T. M. Price
Advanced Eng. Tech.

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.

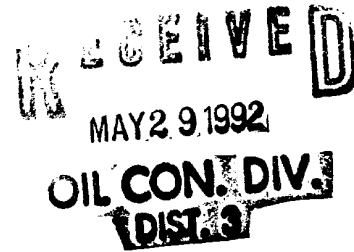
Approved Until: 7-1-97

By: Original Signed by FRANK T. CHAVEZ

Title: SUPERVISOR DISTRICT # 3

DATE : 1-22-92Page 1 of 1REV DATE: 2-11-92ATTACHMENT
ALTERNATIVE METHOD

LOW FLOW WELL LISTING

Operator Code 5860
Operator Name Marathon Oil Co.

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
71-691	Jicarilla Apache #5	NM-31	Chaco	3635	6427.5	0.56	13.44	TC
72-883	Ohio Govt #2	NM-31	Chaco	1579	3830.5	0.41	9.84	TC
90-979	JIC Apache 20 CH	NM-31	Chaco	2998	8486.1	0.35	8.4	TC
74-007	Alice Bolack #2	NM-31	Chaco	574	3127.1	0.18	4.32	AV
90-465	Jicarilla Apache #20	NM-31	Chaco	3792	7942.9	0.47	11.28	TC
74-010	Schwerdtfeger NO. 10	NM-31	Chaco	621	2569.2	0.24	5.76	TC
74-016	Schwerdtfeger No. 14	NM-31	Chaco	2457	5799.7	0.42	10.08	TC
74-048	Alice Bolack #8	NM-31	Chaco	3207	7170.1	0.44	10.56	TC
89-153	Ohio B Mccord #1 Ft	NM-31	Chaco	2209	4429.3	0.49	11.76	TC
89-950	Jicarilla Apache #19 CH	NM-31	Chaco	1701	7897.6	0.21	5.04	TC

TC = Time Calculated Volume (Hourly)

AV = Agreed Upon Volume (Daily)

ACCEPTED BY : _____

MARATHON OIL CO WELLS BEING SUBMITTED
FOR ALTERNATE MEASUREMENT METHODS

	UNIT	SEC	TWP	RANGE	API #	POOL	GAS TRANSPORTER
							LTR
JICARILLA APACHE # 5	D	28	26-N	5-W	3003906339	BLANCO PC SOUTH	EL PASO NATURAL GAS
OHIO GOVT # 2	P	15	28-N	11-W	3004507411	BASIN DAKOTA	EL PASO NATURAL GAS
JICARILLA APACHE # 20 CH	M	27	26-N	5-W	3003921819	OTERO (CHACRA)	EL PASO NATURAL GAS
ALICE BOLACK # 2	N	15	27-N	11-W	3004506447	KUTZ PC WEST (GAS)	EL PASO NATURAL GAS
JICARILLA APACHE # 20	M	27	26-N	5-W	3003921819	BLANCO PC SOUTH	EL PASO NATURAL GAS
SCHWEDTPEGER # 10	C	16	27-N	11-W	3004506583	KUTZ PC WEST (GAS)	EL PASO NATURAL GAS
SCHWEDTPEGER # 14	I	5	27-N	11-W	3004506827	KUTZ PC WEST (GAS)	EL PASO NATURAL GAS
ALICE BOLACK # 8	C	9	27-N	11-W	3004506745	KUTZ PC WEST (GAS)	EL PASO NATURAL GAS
OHIO B MCCORD # 1 FT	O	23	28-N	11-W	3004521517	KUTZ FRUITLAND (GAS)	EL PASO NATURAL GAS
JICARILLA APACHE # 19 CH	B	28	26-N	5-W	3003921502	OTERO (CHACRA)	EL PASO NATURAL GAS