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State of New Mexico Energy, Minerals & Netucal Resources Department Form C-136

Originated 12/23/91

## DISTRICT II P.O. Drawer DO, Artesia, NM 98211-9719

DISTRICT III 1000 Rio Brasos Road, Amer, NM 87418

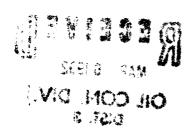
DISTRICT!
P.O. Box 1990, Hotols, MM 2001-1990

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)		
•	rator Name: Dugan Production Corp.	Operator No325-1821
•	rator Address: P.O. Box 420, Farmington, NM 87499  e Name: Lucky Billy Charlie #2 (Ls. #NOO-C- Type	:: State Federal Fce
	tion: Unit M, Section 22, T27N, R13W,	Navajo X
_	San Juan County, NM Gallegos Gallup Ext	
	•	Ending indefinite
	APPROVAL PROCEDURE: RULE 403.B.(1) Please attach a separate shoet with the following inform	
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 informs  A separate application is required for each Central Point Delive  Working interest, reyalty and everyiding royalty eventship must be common for all wells	HY (CPD) OIL CON. DIV.
1)	An ownership plat showing a description of the lease and all of the wells to be 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.	produced through this CPD.
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 filling 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.	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.	
$\Omega$	Approved Until:	
Signature: Laure	By: Original Signed by FRANK T. CHAVEZ	
Printed Name & Title: Jim L. Jacobs, V.P.	Title: SUPERVISOR DISTRICT # 3	



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## 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.

Lucky Billy Charlie #2
Unit M, Section 22, T27N, R13W, San Juan County, NM
API# 30-045-26454

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

1990 Annual Production - 5059 MCF 1990 Avg. Daily Production - 14.88 MCFD

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

12.24 MCFD (Agreed Volume Daily Rate)
Beginning approx. 3–1–92, Ending – indefinite

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

Lucky Billy Charlie #2

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

El Paso Natural Gas Company