<u>DISTRICT I</u> 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 87410 State of New Mexico DECEIVE DE

Form C-136 Originated 12/23/91

OIL CONSERVATION DIVISION

2040 South Pache (1) (1) (2) (1) (2) (3) (4) original and 4 copies to the appropriate district office.

Santa Fe, New Mexico 87504-2088 [1] (3) (2)

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

	3.B(1) or (2)				
Derator Name: James L. Ludwick	Operator No011633				
Decrator Address: Box 70, Farmington, New Me	exico 87499-0070				
ease Name: Gem#/ / Foothills C	Type: State Federal Fee XX				
ocation: NE/4 ^A 14-30N-13W					
ool: Fulcher Kutz-Pictured Cliffs / Wil	ldcat:Foothills Fruitland Sand				
Requested Effective Time Period: Beginning March, 19	Ending At plugging				
	DURE: RULE 403.B.(1) set with the following information.				
1) A list of the wells (including well name, number, ULST	TR 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	r each well and the effective time period.				
4) Designate wells to be equipped with a flow device (requ	uired for wells capable of producing 5 MCF per day or more).				
5) The gas transporter(s) connected to each well.					
Please attach a separate shee A separate application is required l	cluding API No.				
2) Describe the proposed method of allocating production					
3) A one year production history of the wells which will no					
4) The gas transporter(s) connected to this CPD.	of the inetered showing the annual and daily volumes.				
	filing OCD Form C-111 for the CPD.				
OPERATOR I hereby certify that the rules and regulations of the Oil Conservation	OIL CONSERVATION DIVISION This approval may be cancelled at anytime that operating conditions				
Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.	· · · · · · · · · · · · · · · · · · ·				
	Approved Until Lease Godoctlor 7200 mc				
Signature: OK Saudick	By: ORIGINAL SIGNED BY ERNIE BUSCH				
Printed Name & Title: A. R. Kendrick, Agent	Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3				

ATTACHMENT TO FORM C-136 Application for Approval to Use Alternate Gas Measurement Method Rule 403.B.(2)

1. See attached plat

a. Wells which will be metered separately:

Operator: (011633) James L. Ludwick

Well: (22312) Gem #1, API No. 30-045-26160

Location: 1070' FNL, 987' FEL, A-14-T30N-R13W, San Juan County

Pool: (77200) Fulcher Kutz-Pictured Cliffs

POD Gas: 2820661

b. Wells which will not be metered separately:

Operator: (011633) James L. Ludwick

Well: (14979) Foothills C #1, API No. 30-045-29515

Location: 1070' FNL 945' FEL, A-14-30N-13W, San Juan County

Pool: (96170) Wildcat:Foothills-Fruitland Sand

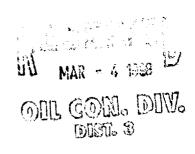
POD Gas: 649530

2. The method of allocating production from non-metered wells:

Subtract the volume of the metered well from the value of the CPD meter which will measure the total lease production from both wells.

- 3. The wells are new low-volume completions with similar shut-in pressures and capacities: SIP's 525 p.s.i.g. vs 450 p.s.i.g.; and IP's 222 AOF vs 194 AOF respectively. Anticipated production rates after the first 60 days are not expected to exceed 25% to 30% of the AOF values or less than 100 Mcfpd for either formation.
- 4. The gas transporter is:

El Paso Natural Gas Company (007057) Box 4990 Farmington, New Mexico 87499-4990



ATTACHMENT TO FORM C-136 Application for Approval to Use Alternate Gas Measurement Method Rule 403.B.(2)

Plat showing the NE/4 of 14-T30N-R13W

The ownerships of Fruitland Sand and Pictured Cliffs formations are common

