

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 87410

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: Kerns Oil & Gas, Inc. Operator No. _____
Operator Address: 2600 N. Fernbrook Lane, Suite 138, Plymouth, MN 55447
Lease Name: Jicarilla H 163 1 Type: State _____ Federal _____ Fee _____
Location: A Sec 24 23N 2W Sandoval County, New Mexico
Pool: Blanco P. C. South
Requested Effective Time Period: Beginning January 11, 1993 Ending 1/10/98; then month-to-month

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 1 Mcf per day or more).
- 5) The gas transporter(s) connected to each well.

RECEIVED

FEB 8 1993

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.

OIL CON. DIV.
DIST. 3

- 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: _____

Printed Name & Title: Kerry A. Johnston
Vice President

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: 1-10-98

By: Original Signed by FRANK T. CHAVEZ

Title: SUPERVISOR DISTRICT # 3

KERNS OIL & GAS, INC.

WELLNAME	WELL NO.	LOCATION	API NO.	EPNG METER NO.	Jan-92	Feb-92	Mar-92	Apr-92	May-92	Jun-92	Jul-92	Aug-92	Sep-92	Oct-92	Nov-92	Dec-92	1/92-12/92 AVG		(A) ACTUAL MCFD AVG (12 Mos)		(B) EPNG METHOD VARIANCE (B)-(A)	
H. B. BROWNING	1C	SEC 33 24N 1W	38-839-85238	732781	0	0	1	0	0	0	18	0	0	4	0	0	98	9	8.3	6.88	5.71	8.32
HARINGTON FEDERAL	1F	SEC 28 24N 1W	38-839-85386	732581	184	248	211	138	122	185	88	168	168	164	164	221	278	172	5.7	6.88	0.27	6.88
BUFF A GOVERNMENT	1W	SEC 22 24N 1W	38-839-82318	732681	236	218	218	183	66	72	275	312	245	229	229	276	248	216	7.2	7.92	0.73	7.92
WERTZ FEDERAL	2F	SEC 21 24N 1W	38-839-85391	732681	516	468	459	452	415	469	461	459	418	439	441	426	451	451	15.8	15.36	0.32	15.36
ABRAHAM FEDERAL	30	SEC 24 24N 2W	38-839-85356	732781	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0.8	8.48	0.38	8.38
GARDNER FEDERAL	1D	SEC 5 23N 1W	38-839-85185	732781	318	465	438	367	298	287	368	311	371	228	178	482	335	335	11.2	15.12	3.97	15.12
DUFF FEDERAL	20	SEC 27 24N 1W	38-839-85278	732881	392	298	351	384	328	385	374	378	488	312	288	334	348	348	11.3	11.52	0.19	11.52
HARINGTON FEDERAL	5J	SEC 33 24N 1W	38-839-85228	732981	0	0	0	0	122	27	36	26	139	13	24	157	45	45	1.5	7.68	6.17	6.17
EDWARDS FEDERAL	1D	SEC 27 24N 1W	38-839-82319	734281	349	373	334	353	288	358	361	382	344	283	329	423	348	348	11.6	12.24	0.64	12.24
JICARILLA A	1A	SEC 1 23N 2W	38-839-85188	734381	199	141	192	155	144	178	178	176	168	153	212	232	175	175	5.8	6.88	0.16	6.88
1P	SEC 22 24N 1W	38-839-85358	735781	158	285	285	145	148	147	179	195	222	215	126	115	122	165	165	5.5	12.72	7.23	12.72
EMMA MC DANIEL	3C	SEC 4 23N 1W	38-839-85188	735881	183	377	318	139	237	7	0	11	282	46	41	118	133	133	4.4	9.68	5.18	9.68
H. B. BROWNING	2L	SEC 4 23N 1W	38-839-85182	735881	0	0	0	0	0	0	0	0	1	2	0	0	0	0	8.8	5.28	5.27	5.28
BOOTHIT BROWNING	1A	SEC 12 23N 2W	38-839-85122	735881	228	193	215	192	161	225	245	224	268	239	228	287	225	225	7.5	7.28	-0.29	7.28
JICARILLA E	20	SEC 7 23N 1W	38-839-85117	735881	471	456	483	418	445	468	419	411	398	489	389	473	429	429	14.3	14.88	0.59	14.88
HALL FEDERAL	2B	SEC 7 23N 1W	38-839-85125	735981	339	342	345	315	275	322	291	381	323	294	212	269	382	382	18.1	11.28	1.28	11.28
HALL FEDERAL	1C	SEC 6 23N 1W	38-839-85198	735981	287	312	298	319	218	332	269	299	216	238	249	281	276	276	9.2	9.84	0.65	9.84
MORELOCK COM	1L	SEC 7 23N 1W	38-839-85898	736081	263	348	328	286	266	266	323	328	328	258	261	299	294	294	9.8	18.56	0.78	18.56
JICARILLA A	3K	SEC 1 23N 2W	38-839-82311	736281	141	257	168	142	135	91	88	79	188	195	189	197	148	148	4.9	6.88	1.87	6.88
JICARILLA A	2P	SEC 1 23N 2W	38-839-85144	736281	385	498	377	313	292	382	298	311	265	36	7	267	273	273	9.1	11.52	2.43	11.52
JICARILLA B	3M	SEC 2 23N 2W	38-839-85132	736381	337	321	323	277	276	237	225	248	251	243	322	284	279	279	9.3	9.12	-0.17	9.12
JICARILLA C	1C	SEC 3 23N 2W	38-839-85164	736381	274	337	118	0	0	0	0	0	0	0	0	12	61	61	2.8	13.44	11.48	13.44
JICARILLA D	4D	SEC 11 23N 2W	38-839-85112	736381	386	298	284	284	261	237	298	281	282	258	271	275	276	276	9.2	9.12	-0.88	9.12
JICARILLA F	4F	SEC 13 23N 2W	38-839-82314	736381	348	348	348	316	9	341	397	437	428	331	239	324	321	321	18.7	12.72	2.83	12.72
JICARILLA H	1A	SEC 24 23N 2W	38-843-85852	736381	296	68	349	338	282	363	389	438	334	281	147	282	282	282	9.4	11.52	2.12	11.52
DUFF B FEDERAL	1D	SEC 19 23N 1W	38-843-85288	736481	394	357	395	285	483	383	383	349	327	326	321	345	348	348	11.6	12.24	0.63	12.24
JICARILLA C	20	SEC 3 23N 2W	38-839-85129	736481	313	336	291	287	318	211	287	296	412	429	388	447	334	334	11.1	18.56	-0.57	18.56
BUZZY FEDERAL	20	SEC 33 24N 2W	38-839-85281	736481	214	295	188	183	351	237	169	147	288	338	255	254	243	243	8.1	7.92	-0.19	7.92
JICARILLA D	2J	SEC 11 23N 2W	38-839-85891	736581	389	295	375	476	348	331	336	432	416	341	388	274	359	359	12.8	12.72	0.74	12.72
JICARILLA C	4D	SEC 14 23N 2W	38-839-85871	736581	338	289	388	297	368	323	358	332	321	323	381	382	328	328	18.7	18.56	-0.12	18.56
JICARILLA C	3K	SEC 3 23N 2W	38-839-85142	736581	373	321	365	278	348	292	243	324	268	283	189	251	282	282	9.4	15.12	5.71	15.12
JICARILLA F	1C	SEC 13 23N 2W	38-839-85866	736581	228	229	231	178	114	114	181	174	166	31	11	123	139	139	4.6	6.48	1.85	6.48
JICARILLA F	3K	SEC 18 23N 2W	38-839-85894	736581	338	251	278	329	331	358	361	293	238	247	236	242	242	242	9.7	18.88	0.42	18.88
JICARILLA C	4E	SEC 3 23N 2W	38-839-85165	736681	228	199	285	289	228	287	162	288	185	168	162	285	197	197	6.6	6.48	-0.87	6.48
JICARILLA B	1C	SEC 2 23N 2W	38-839-85166	736681	15	1	2	4	1	0	19	3	0	0	0	0	4	4	0.1	8.48	8.28	8.48
JICARILLA B	4E	SEC 2 23N 2W	38-839-85167	736681	119	151	159	159	175	139	145	172	135	146	243	235	165	165	5.5	5.28	-0.21	5.28
JICARILLA J	20	SEC 18 23N 2W	38-839-85885	736681	376	431	388	246	583	598	267	363	296	276	296	388	367	367	12.2	13.28	0.98	13.28
JICARILLA M	1C	SEC 8 23N 2W	38-839-85182	736681	344	278	332	246	274	278	344	341	263	275	244	256	286	286	9.5	9.84	0.38	9.84
EVANS FEDERAL	1M	SEC 18 23N 1W	38-839-85856	736781	72	99	121	88	189	133	111	131	122	19	59	61	94	94	3.1	5.84	1.92	5.84
JICARILLA M	2J	SEC 8 23N 2W	38-839-85887	738581	0	0	0	0	0	11	28	0	0	0	1	0	3	3	0.1	5.28	5.19	5.28
BUFF GOVERNMENT	4K	SEC 35 24N 1W	38-839-85216	758981	158	143	72	123	183	158	152	161	152	145	117	158	143	143	4.8	5.52	0.76	5.52
GONSALES FEDERAL	10	SEC 34 24N 2W	38-839-85284	751881	141	49	86	111	184	257	111	124	288	267	48	376	156	156	5.2	11.84	5.86	11.84
BUZZY FEDERAL	1M	SEC 34 24N 2W	38-839-85283	751881	37	11	24	53	121	99	155	99	239	154	46	152	99	99	3.3	5.28	1.97	5.28
JICARILLA I	21	SEC 23 23N 2W	38-843-85187	751881	358	471	432	386	438	362	385	418	374	333	345	355	387	387	12.9	14.64	1.73	14.64
JICARILLA L	20	SEC 15 23N 2W	38-839-82273	752981	345	441	444	362	363	388	331	368	411	467	354	384	382	382	12.7	12.72	0.88	12.72
JICARILLA L	4D	SEC 15 23N 2W	38-839-82238	753481	523	792	448	426	282	387	468	431	274	284	448	573	444	444	14.8	15.12	0.32	15.12
TOTALS					11,281	11,978	11,861	18,133	18,177	18,519	18,492	18,936	18,915	9,454	8,986	11,285	18,594	18,594	353.1	454.6	181.4	454.6