

District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-136
Revised June 10, 2003

Submit Original
Plus 4 Copies
to appropriate
District Office

APPLICATION FOR APPROVAL TO USE AN ALTERNATE GAS MEASUREMENT METHOD

Rule 403.B(1) or (2)

30-025-09026

Operator Name: McCasland Management, Inc

Operator No. 005727

Operator Address: PO Box 1414, Eunice, NM 88231

Lease Name: Christmas B Type: State _____ Federal _____ Fee X

Location: L-25-22S-36E

Pool: Jalmat T-Y-SR (Pro.Gas) (Pool #79240)

Requested Effective Time Period: Beginning March 2006 Ending Indefinite

RECEIVED

APR 25 2008

HOBBS OCD

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: _____

Robert Mc Casland

Printed Name & Title: Robert McCasland, Vice President

E-mail Address: lpearsonmmi@leaco.net

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: _____

3/15/2009

By: _____

Chris Williams

Title: _____

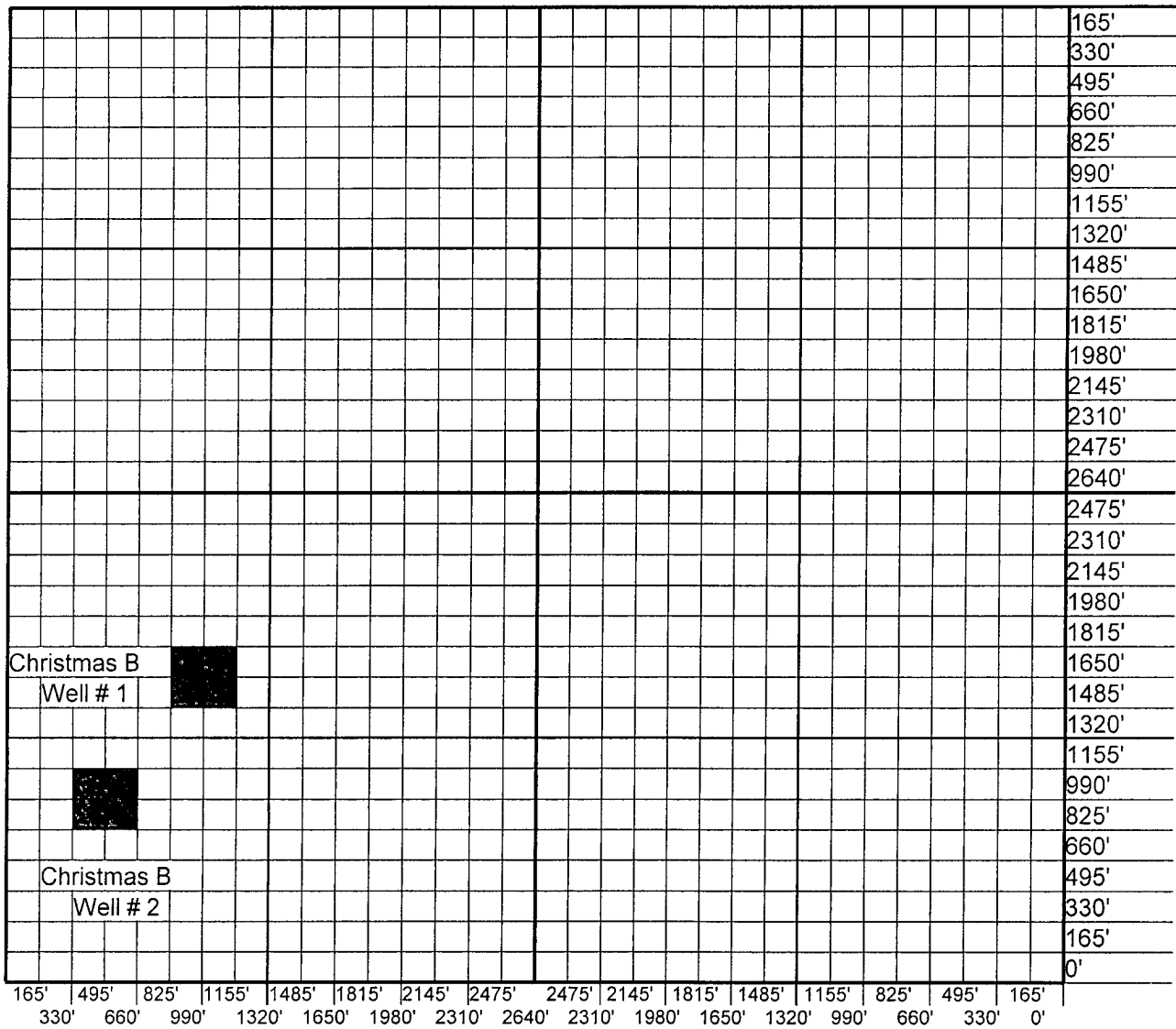
Dist. Supervisor

*Re-test Christmas B#2 by 3/1/2009
w/a portable unit or through meter.*

Rule 403.B. (2)

- 1) See Attachment A for ownership plat
 - a) No wells metered separately
 - b) See Attachments B & C for wells not metered separately
- 2) Production from non-metered wells will be allocated using historical data and applied as a percentage to total production.
- 3) See Attachment D for production history
- 4) Southern Union Gas Services is the gas transporter connected to this CPD.

CHRISTMAS B LEASE



Christmas "B" Lease

Section 25 - Township 22 South - Range 36 East

Well #1

Unit L - 1651' from the South - 992' from the West

Well #2

Unit M - 990' from the South - 660' from the West

Attachment A

CHRISTMAS B LEASE
Well #001
Private Lease

Additional Identifying #s:

API #30-025-09026

This well will not be metered separately

Legal Description

Lease

SW/4 Section 235, T22S-R36E, Lea County, NMPPM
Save and except all rights in and to the Queen
formation within the interval between 3500' beneath
the surface down to 350' below sea level.

Well

Unit L – 1651' from the South, 992' from the West

Gas Purchaser: Southern Union

Oil Purchaser: N/A

Division of Interest:

See attached list

Attachment B

CHRISTMAS B LEASE

Well #002

Private Lease

Additional Identifying #s:

API #30-025-32696

This well will not be metered separately.

Legal Description

Lease

SW/4 Section 235, T22S-R36E, Lea County, NMPM
Save and except all rights in and to the Queen
formation within the interval between 3500' beneath
the surface down to 350' below sea level.

Well

Unit M – 990' from the South, 660' from the West

Gas Purchaser: Southern Union

Oil Purchaser: N/A

Division of Interest:

See attached list

Attachment C

Production History
03/2005 thru 02/2006

	<u>Christmas B #1</u>	<u>Christmas B #2</u>
Annual Volume	405 MCFs	23,158 MCFs
Average Daily Volume	1.11 MCFs	63.45 MCFs

Attachment D