

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO.8566  
Order No. R-7916

APPLICATION OF AMOCO PRODUCTION COMPANY  
FOR NGPA WELLHEAD PRICE CEILING CATEGORY  
DETERMINATION, SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 24, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of May, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearing Division Case No. 8471 was consolidated with this case for the purposes of testimony.

(3) The applicant, Amoco Production Company, seeks a determination by the Division that its Leeper Gas Com "D" Well No. 1-Y located 1500 feet from the South line and 840 feet from the West line of Section 34, Township 32 North, Range 10 West, NMPM, Cedar Hill-Fruitland Basal Coal Gas Pool, San Juan County, New Mexico, meets the N.G.P.A. well category criteria for High Cost, Occluded Natural Gas Produced from Coal Seams, under Section 107 of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission.

(4) Said Leeper Gas Com "D" Well No. 1-Y was completed at an interval from 2608 feet to 2640 feet.

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(5) The combined geological and engineering data presented establishes that said Leeper Gas Com "D" Well No. 1-Y has been completed in a "coal seam" and that the produced natural gas is "occluded natural gas" as defined by the provisions of Section 107 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission.

IT IS THEREFORE ORDERED THAT:

(1) The Amoco Production Company's Leeper Gas Com "D" Well No. 1-Y located 1500 feet from the South line and 840 feet from the West line of Section 34, Township 32 North, Range 10 West, NMPM, Cedar Hill-Fruitland Basal Coal Gas Pool, San Juan County, New Mexico, has been completed in a "coal seam" and the natural gas production is "occluded natural gas" as defined by the provisions of Section 107 of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission.

(2) Jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



R. L. STAMETS  
Director

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