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CASE NO.

7649

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
1 September 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Southern Union Explor-
ation Company for retroactive exemption, CASE
San Juan and Rio Arriba Counties, New 7649
Mexico.

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	W. Perry Pearce, Esq.
Division:	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: Call next Case 7649.

MR. PEARCE: That is on the application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico.

MR. STAMETS: This case has been previously heard and was readvertised for today's hearing.

Is there any additional testimony?

Any other appearances at this time?

MR. IVES: Mr. Examiner, I'm Andrew Ives of the Rodey Law Firm, appearing on behalf of Southern Union Exploration Company.

MR. STAMETS: If there is nothing further at this time this case will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7649, heard by me on 9/5/82 1982

Richard R. Hunt, Examiner
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

18 August 1982

EXAMINER HEARING

IN THE MATTER OF:

Application of Southern Union Explor-
ation Company for retroactive exemp-
tion. San Juan and Rio Arriba Counties,
New Mexico.

CASE
7649

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
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For the Applicant: Dennis K. Morgan, Esq.
Southern Union Exploration Co.
1217 Main Street
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SUSAN RENO

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2 MR. NUTTER: The hearing will come to
3 order, please.

4 The first case on the docket this after-
5 noon will be Case Number 7649.

6 MR. PEARCE: That is on the application
7 of Southern Union Exploration Company for retroactive exemp-
8 tion, San Juan and Rio Arriba Counties, New Mexico.

9 MR. ADAMS: I'm Mark Adams from Albuquer-
10 que, representing the applicant, Southern Union Exploration
11 Company.

12 I would like to introduce Dennis Morgan,
13 who's a member of the Bars of Texas, Illinois, and Missouri,
14 and house counsel for Southern Union Exploration, who will
15 present the case.

16 MR. MORGAN: By leave of the Division,
17 Mr. Examiner, I have two witnesses which need to be sworn.

18
19 (Witnesses sworn.)
20

21 MR. MORGAN: My first witness will be Mr.
22 Michael Davies.
23
24
25

MICHAEL L. DAVIES

being called as a witness and being duly sworn upon his oath,
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. MORGAN:

Q Mr. Davies, could you state by whom you
are employed and in what capacity?

A I am employed by Southern Union Explora-
tion Company. I am Division Manager, San Juan Division, and
I reside in Farmington, New Mexico.

Q Have you previously testified before this
Division as a witness?

A Yes, I have.

Q And have your credentials as an expert
been accepted by the Commission?

A Yes, they have.

MR. MORGAN: I offer, Mr. Examiner, Mr.
Davies' testimony as an expert.

MR. NUTTER: Mr. Davies is so qualified.

Q Mr. DAVIES, have you participated in your
company's effort to obtain exemptions for four wells from the
New Mexico Natural Gas Pricing Act, retroactively?

A Yes, I have.

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Q

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And in connection with that participation, have you prepared certain exhibits for presentation before the Division?

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A

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I refer you to what has been previously marked as Applicant's Exhibit Number One and ask you if you would please identify that and explain to the Division what is contained thereon.

10

A

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12

This is a brief well history of the various wells that we are requesting exemptions from the Act for, and the primary or first well in the proration units affected.

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14

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MR. NUTTER: Would you go ahead and name the wells so we can get it straight just what we're talking about here today --

16

A

17

18

Sure will.
MR. NUTTER: -- and just what we have to get straightened out later?

19

A

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21

Sure will. The first well would be the Newsom 10-R, and that is a replacement well for the Newsom No. 10.

22

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MR. NUTTER: Okay, that's the one that was not advertised properly. So we're going to have to make the record with respect to that well only -- make the record with respect to that well only -- make the record only with

1
2 respect to that well and have this case re-opened later.

3 So that's a replacement well and it's in
4 the Ballard-Pictured Cliffs, is it not?

5 A That is correct.

6 MR. NUTTER: Okay.

7 MR. MORGAN: Excuse me, Mr. Examiner, may
8 I inject something here?

9 I have a copy of a Notice of Publication --

10 MR. NUTTER: Right, now before you go too
11 far, there's two notices of publication.

12 MR. MORGAN: I see.

13 MR. NUTTER: A different notice was sent
14 to the San Juan paper as was sent to the Santa Fe paper, and
15 if it's included in the notice in the newspaper, it's the one
16 that was in the Farmington newspaper.

17 MR. MORGAN: I see.

18 MR. NUTTER: And it did not appear in the
19 Santa Fe paper. That page had to be retyped when it was sent
20 to the Santa Fe paper and a whole line was left out, which
21 included that well.

22 MR. MORGAN: I see.

23 MR. NUTTER: So the two notices that were
24 sent to the newspaper -- It was no fault of the Santa Fe
25 paper, but the notice that was sent to them had a line left

1
2 out, including that one well. It was properly advertised in
3 San Juan County, though.

4 MR. MORGAN: Excuse me.

5 MR. NUTTER: And I notice it's been left
6 off the docket here, too.

7 MR. MORGAN: Yes.

8 MR. NUTTER: So this docket was prepared
9 from that erroneous notice that was sent to the Santa Fe paper.

10 MR. MORGAN: And the docket would be
11 deficient only in that regard, then, that the Newson 10-R was
12 not included.

13 MR. NUTTER: That's correct. The other
14 wells are correct, except you'll probably get to this, the
15 Hodges 15-E --

16 A That's correct.

17 MR. NUTTER: -- that's included in the
18 notice but I don't think it's one of those subject wells at
19 this hearing, is it?

20 MR. MORGAN: Yes, sir, that's been with-
21 drawn. We --

22 MR. NUTTER: You want to dismiss it?

23 MR. MORGAN: -- applied for that but we
24 withdrew it.

25 MR. NUTTER: So that portion of the case

1
2 will be dismissed relating to the Hodges 15-E.

3 MR. MORGAN: May we nevertheless present
4 evidence with respect to the Newsom 10-R at this hearing?

5 MR. NUTTER: Sure. Sure.

6 A All right, going on to the infill well.
7 The Jicarilla K-15-E is a well that are requesting exemption
8 from the Act for. The Jicarilla K-15 is the primary well in
9 that proration unit.

10 The Jicarilla A-10-E is an infill well
11 for which we are asking exemption and the Jicarilla A-10
12 is the primary well.

13 The Jicarilla A-13-E, the infill well,
14 and the Jicarilla A-13 is the primary well.

15 And all those Jicarilla wells are Dakota.

16 MR. NUTTER: Okay.

17 A And I might add that going across the top
18 of the page there, that I have the type well, primary or
19 first well of the unit, the formation from which it produces,
20 date completed, the date of first sale, and in respect to the
21 Newsom No. 10, it's plug and abandonment date, and its last
22 production date.

23 Q With regard to those dates of first sale,
24 Mr. Davies, it is those dates that you're requesting retro-
25 active exemption from the Act to apply to?

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A That is correct.

MR. MORGAN: Applicant offers Applicant's Exhibit Number One into evidence, Mr. Examiner.

MR. NUTTER: It will be admitted in evidence.

Q Mr. Davies, on what basis do you believe that your company is entitled to an exemption under the Act for these wells?

A I believe that these wells were drilled to tap the additional reserves unavailable to the primary well, and not to avoid the application of this Act.

Q How do you propose to demonstrate that?

A I'll be using standard reservoir engineering and geological technique. I will show that the primary wells will not, or did not, effectively drain the proration units dedicated to those wells.

Q How are these techniques applied?

A Using water saturation and porosity calculations, downhole pressure estimates, and reservoir height, I calculated the gas in place estimate per acre.

From P/Z plots I determined an estimated recoverable reserve for each well. Dividing this figure by the gas in place figures yields an acres drained.

Q Did you apply these techniques to these

four wells?

A Yes, I did.

Q Was the data upon which your calculations in applying this techniques, these techniques, based -- obtained under your direction and control?

A Yes, they were.

Q Have you prepared any exhibits showing your calculations, the data upon which they are based, and the results that you've derived therefrom?

A Yes, I have.

Q I will show you what has been previously marked as Applicant's Exhibits Number Two through Five and ask you if you could please identify them, beginning with Exhibit Number Two?

A Sure thing. Exhibit Number Two is for the Jicarilla A-10 Well, and the first page is the gas in place calculation I mentioned before.

The second page is a water saturation worksheet where I determined water saturations and porosities for the well, and which we used, of course, for the calculations for gas in place.

The third page is an electric log from which those water saturations were taken from, and I'd like to add that I had to use offset wells in all cases here be-

cause of deficient electric logs or poor quality of electric logs on the primary wells.

Q Excuse me, are you referring only to Exhibit Number Two?

A No, that would be on all of them.

Q Thank you.

A Page four is a production history map and a map that shows the productive interval, Dakota, or reservoir height of the Dakota.

Page five is a P/Z plot for the Jicarilla A-10 Well.

Page Six is an addendum to the P/Z plot from which the data was gathered.

Exhibit Number Three is the same sort of procedure for the Jicarilla K-15 Well. The first page is a gas in place tabulation.

Second page, again, is a water saturation tabulation.

Page three is the electric log from which those calculations were taken, and again, this is an offset to the Jicarilla K-15.

Page five is the production history and reservoir height map.

Page six is a P/Z plot and page seven again

1
2 is the data sheet.

3 Q And Exhibit Number Four, is that the same
4 sort of presentation and data for the Jicarilla A-13?

5 A That is correct.

6 Q Going now to Exhibit Number Five, is there
7 any difference between this exhibit and the previous three
8 exhibits that you've just explained?

9 A Yes, there is. This Exhibit Number Five
10 is in reference to the Newsom No. 10 Well. In the process
11 of figuring the ultimate reserves for the Jicarilla wells I
12 had to use P/Z plots, but since the Newsom No. 10 Well was
13 plugged, I know exactly how much it produced, and so it did
14 not require a P/Z plot to determine the ultimate recoverable
15 reserves.

16 Q Were all these exhibits prepared by you?

17 A Yes, they were.

18 MR. NUTTER: While we're on Exhibit Five,
19 Mr. Davies, turning to the map here in the back --

20 A Yes, sir.

21 MR. NUTTER: -- where is this Newsom No.
22 10 Well?

23 A It's in the southwest quarter of Section
24 20. You'll see an N-10-R.

25 MR. NUTTER: Okay.

1
2 A And then the -- that is the replacement
3 well, and then the primary well, the Newsom 10, is the one
4 just to the north of it.

5 MR. NUTTER: Okay, and that No. N-10 has
6 been plugged and abandoned.

7 A Yes, sir.

8 MR. NUTTER: Okay, so this is not a sup-
9 plemental well, it's a complete replacement well.

10 A That is correct.

11 MR. NUTTER: Okay.

12 Q Mr. Davies, referring now back to Exhibit
13 Number One in connection with Mr. Nutter's last question,
14 does Exhibit Number One show the date when the Newsom No. 10
15 Well was plugged and abandoned?

16 A Yes. The last production from the Newsom
17 No. 10 Well was in May of 1968, and it was plugged and aban-
18 doned in November of 1976.

19 MR. MORGAN: Mr. Nutter, Applicant offers
20 into evidence its Exhibits Numbers Two through Five.

21 MR. NUTTER: Exhibits Two through Five
22 will be admitted in evidence.

23 Q Mr. Davies, could you state from your
24 exhibits and from your work in this matter what the results of
25 your calculations were with respect to these four wells?

1
2 A Yes, I can. I've determined from this
3 the acres drained by each of these wells, that will be drained
4 upon -- upon abandonment.

5 The Newsom No. 10 drained approximately
6 10 acres of reservoir.

7 The Jicarilla K-16, approximately 58.3
8 acres of reservoir.

9 The Jicarilla A-10, about 2. -- I mean
10 25.8 acres of reservoir.

11 And the Jicarilla A-13, approximately
12 37.6 acres of reservoir.

13 Q Do any of these wells drain the proration
14 unit to which they are attached?

15 A They do not.

16 Q Based upon the foregoing, Mr. Davies, do
17 you have an opinion as to whether the drilling of the four
18 wells which are the subject matter of this application, will
19 increase recoverable reserves under the proration units at-
20 tached to those wells?

21 A Yes, I do.

22 Q And what is that opinion?

23 A Definitely the drilling of these wells
24 has increased the recoverable reserves from the existing pro-
25 ration units.

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2 Q Mr. Davies, based upon the foregoing, do
3 you have an opinion as to whether the drilling of these wells
4 will result in more efficient use of the reservoir energy?

5 A Yes.

6 Q What is that opinion?

7 A The drilling of these wells definitely
8 resulted in more efficient use of the reservoir energy.

9 Q Based upon the foregoing, Mr. Davies, do
10 you have an opinion as to whether the drilling of these wells
11 will tend to insure greater ultimate recovery of gas from the
12 pools?

13 A Yes.

14 Q What's your opinion?

15 A The drilling of these wells has definitely
16 assured greater ultimate recovery of gas from the pools.

17 Q And finally, Mr. Davies, with respect
18 only to the Newsom 10 and its replacement, the Newsom 10-R,
19 based upon your foregoing analysis, do you have an opinion as
20 to whether the Newsom 10 produced at non-commercial rates be-
21 fore it was plugged?

22 A Yes.

23 Q What's your opinion on that matter?

24 A It definitely did not -- was not commer-
25 cial when it was plugged.

Q And the Newsom 10-R, do you have an opinion as to whether or not it was necessary to be drilled in order to produce additional reserves?

A Yes. From the acres drained figure it's obvious that there were additional reserves to be tapped by a well in that proration unit.

MR. MORGAN: Mr. Examiner, I have nothing further of this witness.

CROSS EXAMINATION

BY MR. NUTTER:

Q Well, Mr. Davies, with all due respect to Exhibits Two through Four, they show that the additional well was necessary; however, we might have an infill finding for the Dakota formation and the Dakota infill wells have been approved.

A That is correct.

Q Now, with respect to Exhibit Five, on the Pictured Cliffs, you're showing that the Newsom 10, whatever the number, 10-E, I guess, 10-R, was necessary, because we haven't had an infill finding, and these calculations indicate that the original well only drained 10 acres.

A That's right. Now then, I -- I should probably qualify that a little bit. The number that I have

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2 the most problem with is my reservoir height number. What I
3 based that on is just a perforated interval.

4 Q Uh-huh.

5 A Now, that does not mean that that whole
6 interval is open to production into the wellbore, but it's
7 the only thing that I have to go on, and of course, if that
8 reservoir number was halved or even quartered, it's still not
9 draining any significant part of the whole proration unit.

10 Q Uh-huh. I don't see the height on here.

11 A Oh, it's --

12 Q Oh, here it is down here, 30 feet, I
13 guess.

14 A Yes, and that -- that's just basically
15 a perforated interval.

16 Now then, in those older wells, in the
17 Newsom No. 10, those were completed as open hole completions,
18 and that may have been what the problem was with the original
19 well as to why it did not produce effectively.

20 Q Well, it's an old well completed back in
21 '55.

22 A Yes, sir.

23 Q And completion techniques weren't as good
24 as they are now.

25 A They were open hole fraced, which, of course,

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2 you don't know where anything is going with that.

3 Q Now, how does any of these exhibits relate
4 to the necessity for the retroactive exemption?

5 A I believe we have another -- well, I'm
6 not sure.

7 MR. MORGAN: Perhaps I could address that,
8 Mr. Nutter.

9 We believe that -- that by reason of pre-
10 senting Mr. Davies' testimony we would demonstrate that the
11 reason for drilling these wells was other than to avoid the
12 Act.

13 MR. NUTTER: Right, and the wells have
14 received an exemption already.

15 MR. MORGAN: Yes, sir.

16 It's our -- it's our position, and we
17 do have one other witness that would -- that will, we hope,
18 demonstrate to the Division that the reason for the failure
19 to file these in a timely manner was due to what we believe
20 were explainable circumstances. Beyond that, we do believe
21 that the Act, when it speaks of exempting a well, it might --
22 would not therefor be unreasonable to exempt that well for
23 its entire history rather than for some period of production
24 prospectively.

25 And in that regard, after we've had oppor-

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tunity to present the next witness' testimony, if the Commission has additional reservations about it, we would certainly seek the Division's leave to file a legal memorandum to that effect in support of our position.

MR. NUTTER: Are there any further questions, then, of Mr. Davies?

MR. MORGAN: No, sir, there are not.

MR. NUTTER: All right, he may be excused.
And your next witness, please?

MR. MORGAN: Our next witness is Mrs.
Susan Reno.

SUSAN RENO

being called as a witness and being duly sworn upon her oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. MORGAN:

Q Mrs. Reno, would you please state your name. You stated your name. Would you please tell us where you're employed and in what capacity?

A I work for Southern Union Exploration Company as Director of Administrative Operations.

Q As Director of Administrative Operations,

1
2 what are your responsibilities?

3 A Under my supervision there are three de-
4 partments: The Marketing Department, which encompasses mar-
5 keting our oil and gas; the Regulatory Section, Contract Ad-
6 ministration, and Regulation Compliance; also the Production
7 Department, which encompasses reporting, administrative re-
8 porting of the wells production to the regulatory agency and
9 general office administration.

10 And then I have the Purchasing Department
11 under my supervision.

12 There are three managers with a combined
13 staff of ten people.

14 Q Now, that constitutes the present make-
15 up of your department, does it not?

16 A Uh-huh.

17 Q Can you tell me whether or not the making
18 of filings for exemptions under the New Mexico Gas Pricing
19 Act would be one of your responsibilities?

20 A Yes, sir, it would be under my supervision.

21 Q Were the filings that were made in this
22 particular matter made under your direction and control?

23 A Yes, they were.

24 Q Could you tell me when they were made?

25 A They were made on June 7th of 1982, the

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2 letter and applications went out from Dallas on June 7th.

3 Q Okay, and that, of course, is not the same
4 time at which -- at which first production was obtained from
5 any of these -- and sale was obtained from any of the four
6 wells which are the subject matter --

7 A That's right.

8 Q -- of this hearing.

9 Could you explain to the Division why these
10 filings were not made on a more timely basis?

11 A In order to respond to this question, I'll
12 have to give you a little bit of history about SX.

13 Q Excuse me, when you say "SX" you mean
14 Southern Union --

15 A Southern Union Exploration.

16 Q -- Exploration Company?

17 A On December 30th, 1980, our company had
18 an interest in approximately 100 wells of which about 50 were
19 in the State of New Mexico, with us operating five in the San
20 Juan Basin. None of the five wells were infill nor replace-
21 ment wells.

22 On December 31st, through a corporate re-
23 organization, we acquired an interest in approximately 700
24 wells, of which we took over operations of 250, with the
25 majority of those wells being in the San Juan Basin.

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2 At that time we copied over a million
3 pieces of paper pertaining to the 700 properties, and took
4 physical possession of about 250 files, being the ones that
5 we were operating.

6 I made a search of these files, looking
7 for information pertaining to regulatory filings and came
8 upon none pertaining to the New Mexico Pricing Act, to which
9 I had very limited exposure.

10 We incorporated that information into our
11 files and still at this time had no references to the New
12 Mexico Pricing Act.

13 It was not until April of '82 that we
14 became aware of the need to make a filing for infill or re-
15 placement wells under the New Mexico Pricing Act, and at that
16 time we proceeded with filing for (inaudible). And that
17 basically was just an oversight on our part and that's why
18 we're asking for retroactive exemption.

19 Q You don't believe that the rights or
20 prerogatives of any individuals or organizations will be
21 prejudiced by the granting of this retroactive exemption, do
22 you?

23 A No, sir, I don't.

24 MR. MORGAN: I have no further questions
25 of this witness, Mr. Examiner.

CROSS EXAMINATION

BY MR. NUTTER:

Q In other words, Mrs. Reno, Southern Union Exploration was not operating these wells at the time they were completed, is that correct?

A The wells in question, at the time they were completed, we were not operating the Newsom 10-R.

Q Now Exhibit One of Mr. Davies gives what, I believe, is the date of first sale from the wells and the dates of completion.

A We were operating the Jicarilla K-15-E and the Jicarilla A-10-E, and the Jicarilla A-13-E. The Newsom 10-R, we were not operating at the time it was completed, and the others, we were.

We had taken over operation of the -- the wells were in the process of being drilled. We did not actually take over operation of those wells until the wells were down.

Q And who was drilling the wells?

A John Hill.

Q Oh, these weren't Southern Union wells or Supron's or anything?

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2 A They were Supron's and it came over in
3 the corporate reorganization from Supron; however, it was a
4 farmout from Supron to John Hill, and John Hill was -- actually
5 drilled the wells; however, at the time the wells were com-
6 pleted and ready to be put on production, then we took over
7 operation.

8 But the application to drill were made in
9 the name of John Hill and Supron Energy.

10 Q I see, and Southern Union Exploration
11 didn't take them over until they were completed.

12 A Yes, sir.

13 Q So what was the date of the transfer of
14 all these properties, the 250 wells?

15 A The property transfer became effective
16 December 31st of 1980.

17 Q But you still didn't take over operation
18 of the wells that --

19 A That's right. You're right.

20 Q -- were drilled by Hill.

21 A You're right. Right, if they were not
22 completed until 5 of '81 we did not take over as operator
23 until 5 of '81.

24 Q Why didn't you file them in 5 of '81?
25 They were your wells then.

1
2 A Yes, sir. It was -- I had had very
3 limited exposure to the New Mexico Pricing Act and although
4 having reviewed it, I was just unaware of the need to file
5 an exemption under the New Mexico Pricing Act for the infill
6 wells and the replacement wells.

7 Q I see.

8 A At the time of the reorganization I went
9 through my staff as it is now but on December the 31st of
10 1980, handling these responsibilities, it was myself and two
11 clerks, and it was the magnitude of the paper work and just
12 not knowing about the need for filing.

13 Q Well, you all were shuffling paper awful
14 fast if you shuffled a million pieces of paper between two
15 clerks.

16 A It took us about six months to copy all
17 of that and I have just recently, within the past six months,
18 filled the positions under my supervision. It went on for
19 about a year and three months before I received any help.

20 Q Have you had any new wells completed as
21 infill wells recently?

22 A We just completed and we have filed.

23 Q You've already filed for it?

24 A We have filed. Yes, sir, we have filed.

25 Q Okay. Are there any further questions

1
2 of Ms. Reno?

3 MR. MORGAN: No, sir, there are not.

4 MR. NUTTER: Does any -- do you have any-
5 thing further to offer?

6 MR. MORGAN: Nothing further.

7 MR. NUTTER: Does anyone have anything
8 they wish to offer in Case Number 7649?

9 We'll take the case under advisement, and
10 Mr. Morgan?

11 MR. MORGAN: Yes, sir.

12 MR. NUTTER: Mr. Morgan, if you would
13 prepare a brief or something describing the legalities of
14 retroactive exemption at any particular date, you say you
15 don't feel that there's any requirement that some particular
16 date must be complied with --

17 MR. MORGAN: Be glad to do that, sir.

18 MR. NUTTER: That it should be to date
19 of first production regardless of when the exemption is made,
20 if you would explain that on paper, I'd appreciate it.

21 MR. MORGAN: I'll do that.

22 MR. NUTTER: Is there anything further
23 from anybody in Case Number 7549?

24 We'll take the case under advisement and
25 the hearing is adjourned.

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing Before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7649, heard by me on 8/18 1982.

[Signature] Examiner
Oil Conservation Division

SALL. BOYD, C.S.R.

Box 193-B
Sallis Pt., New Mexico 87501
Phone (505) 455-7409



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

November 8, 1932

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-8434

Mr. Mark K. Adams
Rodey, Dickason, Sloan,
Akin & Robb
Attorneys at Law
P. O. Box 1888
Albuquerque, New Mexico 87103

Re: CASE NO. 7649
ORDER NO. R-7122

Applicant:

Southern Union Exploration Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD X

Other Dennis K. Morgan

STATE OF NEW MEXICO
ENERGY AND MINERAL DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7649
Order No. R-7122

APPLICATION OF SOUTHERN UNION
EXPLORATION COMPANY FOR
RETROACTIVE EXEMPTION, SAN JUAN
AND RIO ARriba COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 18 and September 1, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of November, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Southern Union Exploration Company, is the owner and operator of certain wells in Rio Arriba County, New Mexico, which are subject to the New Mexico Natural Gas Pricing Act, hereinafter referred to as the "Act", unless exempted therefrom, and has requested retroactive exemption from said Act for such wells, described as follows:

<u>LEASE NAME</u>	<u>NO.</u>	<u>LOCATION</u>	<u>POOL</u>
Jicarilla A	13-E	N-13-26N-4W	Basin-Dakota
Jicarilla A	10-E	G-23-26N-4W	Basin-Dakota
Jicarilla K	15-E	A-01-25N-5W	Basin-Dakota
Hodges	15-E	J-27-26N-8W	Basin-Dakota
Newsom	10-R	M-20-26N-8W	Ballard-P.C.

(3) That the applicant has requested dismissal from further consideration in this case the aforesaid Hodges Well No. 15-E, and such dismissal should be approved.

-2-
Case No. 7649
Order No. R-7122

(4) That the remaining four wells under consideration were completed on the date indicated and made first delivery into the pipeline as shown:

<u>WELL</u>	<u>COMPLETION DATE</u>	<u>FIRST DELIVERY</u>
Jicarilla A 13-E	January 8, 1981	June 15, 1981
Jicarilla A 10-E	June 8, 1981	June 15, 1981
Jicarilla K 15-E	May 15, 1981	Jan. 11, 1982
Newsom 10-R	Sept. 24, 1980	Dec. 24, 1980

(5) That the Act is not applicable to wells the drilling or first intrastate sale of gas of which commenced on or after January 1, 1975, provided however, that said Act shall apply to any well if it is drilled on an established proration unit which was producing gas or capable of producing gas prior to January 1, 1975, from the same reservoir unless the Oil Conservation Division exempts such well upon a finding that such new well was justified for reasons other than avoiding the application of the Act.

(6) That it is incumbent upon the owner and operator of any well subject to the Act to seek exemption from the Act from the Oil Conservation Division if such well qualifies for such exemption.

(7) That each of the wells listed in Finding No. (4) above qualifies for such exemption, the three Jicarilla wells being infill wells in the Basin Dakota Pool drilled pursuant to the Basin Dakota infill drilling Order No. R-1670-V, and the Newsom well being a replacement well in the Ballard-Pictured Cliffs Pool drilled to replace the original well on the proration unit which was plugged and abandoned in 1976.

(8) That the applicant on June 7, 1982, requested exemption from the Act for the aforesaid four wells and such exemption was granted by the Director by Administrative Orders NGPA-29 through NGPA-32, effective July 22, 1982.

(9) That the applicant seeks to have said exemption made retroactive to the date of first delivery into the pipeline by each of the subject wells, said date of first delivery being as indicated in Finding No. (4) above.

(10) That the applicant, through clerical error and as the result of confusion resulting from corporate reorganization, failed to make timely application for the exemption from the Act for the subject wells.

-3-

Case No. 7649

Order No. R-7122

(11) That to not make the exemptions retroactive would impose an undue hardship on the applicant resulting from clerical error, whereas to make the exemption retroactive would not impair correlative rights nor cause waste.

(12) That the application should be approved.

IT IS THEREFORE ORDERED:

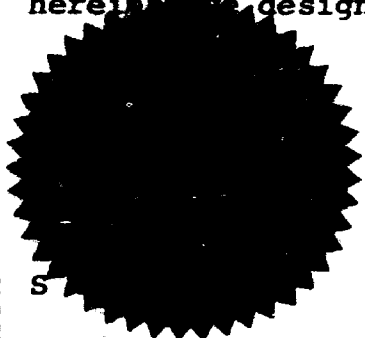
(1) That the following wells, operated by Southern Union Exploration Company, are hereby exempted from the provisions of the New Mexico Natural Gas Pricing Act effective on the dates shown for each well:

<u>LEASE NAME</u>	<u>NO.</u>	<u>LOCATION</u>	<u>EFFECTIVE DATE</u>
Jicarilla A	13-E	N-13-26N-4W	June 15, 1981
Jicarilla A	10-E	G-23-26N-4W	June 15, 1981
Jicarilla K	15-E	A-01-25N-5W	Jan. 11, 1982
Newsom	10-R	M-20-26N-8W	Dec. 24, 1980

(2) That that portion of this case concerning applicant's Hodges Well No. 15-E, located in Unit J of Section 27, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico, is hereby dismissed.

(3) That jurisdiction of this cause is 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 herein designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

WILLIAM A. SLOAN
JACKSON G. AMH
JOHN S. ROBB
CHARLES S. LARRABEE
JAMES C. RITCHIE
JOHN R. EASTMAN
WILLIAM C. SCHAAZ
RAY M. RODEY
ROBERT D. TACHERT
ROBERT H. ST. JOHN
JOSEPH J. RALLINS
DUANE C. DALEY
MARK K. ADAMS
ROBERT G. MCCONKLE
PETER S. PRINA
BRUCE HALL
JOHN P. SALAZAR
WILLIAM S. DIXON
JOHN P. BURTON
REX D. THROCKMORTON
JONATHAN W. HEWES
GENE C. WALTON
RICHARD C. MINNER
W. ROBERT LABATER, JR.

RICHARD K. BARLOW
CHARLES L. SAUBERS
NARR C. WEIDING
VICTOR A. MARSHALL
ROBERT A. JOHNSON
PAUL D. BARBER
JOE L. WELLAUGHERTY
JAMES S. STARETSKY
CATHERINE T. GOLDBERG
KENNETH J. FERGUSON
STANLEY H. HATCH
DAVE FISHER
M. RICHARD BEITLER, JR.
DONALD S. MORRHEIMER
TOMAS R. COLLIER
ROBERT D. PARK
SEN H. ALLER
DANIEL J. WERNANDEZ
JASON A. SEDERQUIST
JO SALTON GRAYER
EDWARD RICO
W. MARK MOWERY
PATRICK M. SHAY

RODEY, DICKASON, SLOAN, AKIN & ROBB, P. A.

COUNSELLORS AND ATTORNEYS AT LAW

20 FIRST PLAZA, SUITE 700

P. O. BOX 1888

ALBUQUERQUE, NEW MEXICO 87103

OF COUNSEL
DON L. DICKASON

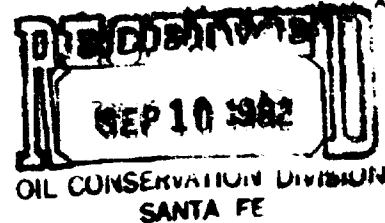
PEARCE C. RODEY
1888-1958

TELECOPIER 765-5903

TELEX 660401

TELEPHONE 765-5900
AREA CODE 505

September 9, 1982



Mr. Daniel S. Nutter
Examiner
Oil Conservation Division
Post Office Drawer 2088
Santa Fe, New Mexico 87501

Re: Case 7649

Dear Mr. Nutter:

Enclosed are the original and two copies of the Memorandum of Law of Southern Union Exploration Company supporting its application to the Oil Conservation Division for retroactive exemption of certain wells in San Juan and Rio Arriba counties from Section 5 of the New Mexico Natural Gas Pricing Act.

Very truly yours,

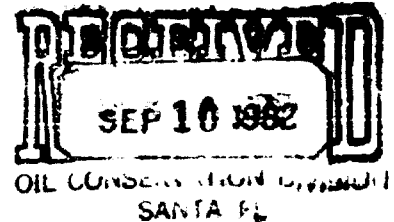
RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

Mark K. Adams
By Mark K. Adams
MKA:pb
Enclosure

cc: Dennis K. Morgan, Esq. (W/ enclosure)
Paul M. Zeis, Esq. (W/ enclosure)



Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051



September 1, 1982

Daniel S. Nutter, Examiner
New Mexico Oil Conservation Division
State Land Office Building
Santa Fe, NM 87501

Re: Case No. 7649, Application of Southern Union Exploration Company ("SX")
for Retroactive Exemption of Certain Wells in San Juan and Rio Arriba
Counties from Section 5 of the New Mexico Natural Gas Pricing Act

Dear Mr. Nutter:

In accordance with your request at the August 18, 1982 hearing on this matter, we submit the following points and authorities in support of SX's position that the New Mexico Oil Conservation Division ("Division") is empowered to grant the relief requested.

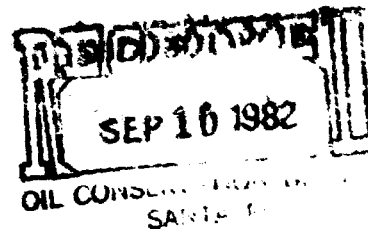
I. Statutory Authority

As pointed out at the August 18 hearing, we believe that the Natural Gas Pricing Act (62-7-1 NMSA 1978, et seq, the "Act") provides for exemption on the basis of an entire well or wells rather than on the basis of certain amounts or periods of production from such a well. The terms of the Act apply to any well covered thereby "unless the oil conservation commission exempts such well upon a finding that such new well was justified for reasons other than avoiding the application of the Natural Gas Pricing Act" (62-7-5 NMSA 1978). Two terms in this statutory provision are significant. First, exemption for a well, not severable amounts of production therefrom, is specifically provided for. Secondly, the use of the term "was justified" rather than "will be justified" contemplates an after-the-fact review by the Commission (now Division) that would require retroactive application when "such well" is exempted.

Even if the statute were not so clear, the authority of a New Mexico administrative agency such as the Division is not limited to powers expressly granted by statute but includes all powers that may fairly be implied from that statute. Wimberly v State Police Board, 83 NM 757, 758-59, 497 P2d 968 (1972); Winston v State Police Board, 90 NM 310, 311, 454 P2d 967 (1969); Brininstool v State Board of Education, 81 NM 319, 322-23, 466 P2d 885 (1979). Accordingly, statutory authority for the relief requested is ample.

II. Administrative Procedure

Pursuant to Section 6 of the Act (a portion of which has been previously quoted), the Commission by Order R-5436 (the "Order") established "an administrative procedure" whereby "gas wells . . . may be exempted from the provisions



of Section 6 of the Natural Gas Pricing Act." Express limitations upon that procedure were set forth in Section D thereof. Only two were established: First, that "(n)o more than any one proration unit may be approved as a justified infill well," and second, "(t)hat jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary."

Other than the first above stated limitation, the Order contains no language that would limit the Commission's authority previously granted it by statute. Significantly, the Order, like the Act, contemplates the exemption of wells rather than certain amounts or periods of production therefrom. Further the Order nowhere requires the filing of an application for a well sought to be justified prior to the drilling of such well. Naturally, an operator would be prudent to file before rather than after the fact if an adverse decision by the Division would cause him to have elected not to have drilled the well in the first place. Nevertheless, the Order contemplates application by an operator who either willingly or unwittingly drills before application and takes the risk of having the entire well declared unjustified. Finally as previously noted, the Order contains no limitations upon the Division's jurisdiction in this matter other than the restriction of one infill well per proration unit. To the contrary, jurisdiction over matters beyond the scope of the Order is retained.

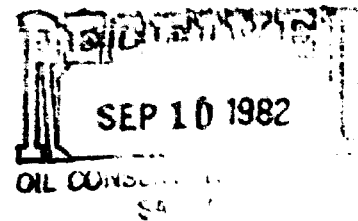
III. Judicial Authority

Assuming, solely for the purpose of argument, that the Order is impliedly limited to prospective exemption of production rather than total exemption by well, the Division is nevertheless empowered to grant the requested relief. The United States Supreme Court has found as a "general principle" that "(i)t is always within the discretion of a court or an administrative agency to relax or modify its procedural rules" American Farm Lines v Black Ball Freight Service, 90 S.Ct. 1288, 1292, 397 U.S. 532, 539 (1970). The Order, by its very terms, is a procedural rule. When the right of the Federal Power Commission to abrogate a formal procedural rule made pursuant to the Natural Gas Act by an ad hoc ruling was challenged, the Fifth Circuit Court of Appeals had this to say:

(A)n administrative agency is not a slave of its rules. National Labor Relations Board v Grace Co., 8 Cir., 1950, 184 F2d 126. Ad hoc changes may be made and, in proper cases, may be applied retroactively. National Labor Relations Board v National Container Corp., 2 Cir., 1954, 217 F2d 525. In a particular case an administrative agency may relax or modify its procedural rules and its action in so doing will not be subjected to judicial interference in the absence of a showing of injury or substantial prejudice. National Labor Relations Board v Monsanto Chemical Co., 8 Cir., 1953, 205 F2d 763.

See also 73 CJS, Public Administrative Bodies and Procedure, §107.

Daniel S. Nutter, Examiner
September 1, 1982
Page 3



There has been no showing of injury or substantial prejudice in the instant case. There has in fact been a total absence of any interest adverse to SX, both at the August 18 hearing and again at the September 1 hearing. To the contrary the only testimony produced on the matter was that no party would be prejudiced by the requested relief. Accordingly, even when assuming an interpretation of the Order most unfavorable to SX's position, the Division would be safely within its discretionary authority to grant the exemption as requested.


IV. The Facts

The facts warrant the requested relief. As brought out in the August 18 hearing, all of the four wells for which exemption under the Act is sought were drilled for reasons other than to avoid the application of the Act. The replacement well could not have been drilled to avoid the Act since the well which it replaced was plugged and abandoned long before the enactment of the Act. The three infill wells are already covered by the Division's Order No. R-1670-V, and further substantial evidence was adduced at the hearing supporting the fact that they too were drilled for reasons previously sanctioned for justification under the Order. Finally, the circumstances surrounding SX's take over of operation of these wells presents a justifiable basis for the exercise of the Division's discretion.

The granting of the relief sought herein would be entirely in harmony with the spirit and letter of the Act. It would not be inconsistent with the Division's own rules. It would be firmly grounded in legal precedent. It would be warranted by the facts. Accordingly, SX respectfully requests that its application for exemption be granted as requested.

Respectfully submitted,


Dennis K. Morgan
Southern Union Exploration Company


Mark K. Adams
Rodey, Dickason, Akin,
Sloan & Robb, P.A.

WELL HISTORY

WELL NAME	TYPE	FORMATION	COMPLETED	FIRST SALE	1st	LAST PROD.
Newson #10	Primary	Pictured Cliffs	5/55	NA	11/76	5/68
Newson #10R	Replacement	Pictured Cliffs	9/80	12/80	--	--
Jicarilla K15	Primary	Dakota	10/71	NA	--	--
Jicarilla K15 E	Infill	Dakota	5/81	1/82	--	--
Jicarilla A 10	Primary	Dakota	9/68	NA	--	--
Jicarilla A 10 E	Infill	Dakota	6/81	6/81	--	--
Jicarilla A 13	Primary	Dakota	10/71	NA	--	--
Jicarilla A 13 E	Infill	Dakota	1/81	6/81	--	--

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 7549

**BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION**

LINE NO

UNSATURATED GAS

EXHIBIT NO. 2
CASE NO. 7549

1 Southern Union Exploration Co.
 2 Jicarilla A #10, Rio Arriba Co., New Mexico
 3

Formation Dakota

4 Gas in Place in
 Cubic feet per Acre foot

$$43,560 \times \frac{P_0}{100} \times \frac{(100 - C_w)}{100} \times \left(\frac{P}{Z} \right) \times \frac{1}{P_b} \times \frac{T}{T_b}$$

$$43,560 \times \frac{9}{100} \times \frac{(100 - 52)}{100} \times \left(\frac{2500}{.816} \right) \times \frac{1}{14.65} \times \frac{520}{616}$$

5 332.21 MCF per Acre ft. Use 332.21 MCF/A ft.

A	B	C	D	E
Symbol	Quantity	Units	Item	Remarks
43,560	43,560	Sq ft	Number of square feet in one acre	
P ₀	9	%	Density in percent of rock volume	
C _w	52	%	Connate Water in percent of pore volume	
P _i	2500	psia	Initial Reservoir Pressure	
Z _i	.816		Deviation Factor for Initial Pressure	
P _b	14.65	psia	Pressure Base	
T _b	520	°R	Temperature base, absolute (°F + 460)	
T _s	616	°R	Reservoir Temperature, absolute (460° + 156 °F)	
L	7785	Feet	Depth to Midpoint of Reservoir	
G	.067		Specific Gravity of Gas (Air = 1.0)	
P _{whi}	1869	psia	Initial Wellhead Shut-in Pressure	
P _c	669	psia	Pseudo Critical Pressure	
T _c	382	°R	Pseudo Critical Temperature	
P _{ri}	3.74		Pseudo Reduced Pressure - Initial	
T _r	1.61		Pseudo Reduced Temperature at 156 °F	

31 Gas in Place in MCF per Acre = MCF/A ft X Thickness in ft. = $332.21 \times 60'$ = 19933 MCF/Acre

32

33 Area Drained (Acres) = $\frac{GIP(MCF)}{MCF/Acre} = \frac{515000}{19933} = 25.8$ Acres

Date - 8/12/82
 By Michael L. Davies

LINE NO

ESTIMATED GAS RESERVES

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISIONEXHIBIT NO. 3CASE NO. 7549

1 Southern Union Exploration Co.
2 Jicarilla K #15, Rio Arriba Co., New Mexico

Formation Dakota

4 Gas in Place in:

Cubic feet per Acre-foot

$$= 43,560 \times \frac{P_o}{100} \times \frac{(100 - C_w)}{100} \times \left(\frac{P}{Z} \right) \times \frac{1}{P_b} \times \frac{T_b}{T_r}$$

$$= 43,560 \times \frac{8.5}{100} \times \frac{(100 - 44)}{100} \times \left(\frac{2500}{.828} \right) \times \frac{1}{14.65} \times \frac{520}{622}$$

$$= 357.26 \text{ MCF per Acre ft. } \boxed{\text{Use } 357.26 \text{ MCF/A. ft.}}$$

A	B	C	D	E
Symbol	Quantity	Units	Item	Remarks
43,560	43,560	Sq. ft.	Number of square feet in one acre	
Po	8.5	%	Porosity in percent of rock volume	
Cw	44	%	Connate Water in percent of pore volume	
Pi	2500	psia	Initial Reservoir Pressure	
Zi	.828		Deviation Factor for Initial Pressure	
Pb	14.65	psia	Pressure Base	
Tb	520	°R	Temperature base, absolute (60°F)	
Tr	622	°R	Reservoir Temperature, absolute (460° + 162 °F)	
L	7488	Feet	Depth to Midpoint of Reservoir	
G	.067		Specific Gravity of Gas (Air = 1.0)	
Pwhi	2196	psia	Initial Wellhead Shut-in Pressure	
Pc	669	psia	Pseudo Critical Pressure	
Tc	382	°R	Pseudo Critical Temperature	
Pri	3.74		Pseudo Reduced Pressure - Initial	
Tr	1.63		Pseudo Reduced Temperature at 162 °F	

31 Gas in Place in MCF per Acre = MCF/A.ft. X Thickness in ft. = 357.26 X 60 = 21435 MCF/Acre

32

33 Area Drained (Acres) = $\frac{GIP(MCF)}{MCF/Acre} = \frac{2150000}{21435} = \underline{58.3}$ Acres

Date - 8 / 12 / 82
By Michael L. Davies

Log Analysis

i of 2

COMPANY Southern Union Exploration Co. WELL Jicarilla "K" 15-E TD. 7614
FIELD Basin Dakota COUNTY Rio Arriba STATE New Mexico Rw=.07 @ 162° Rmf= @ ° BHT= 162°

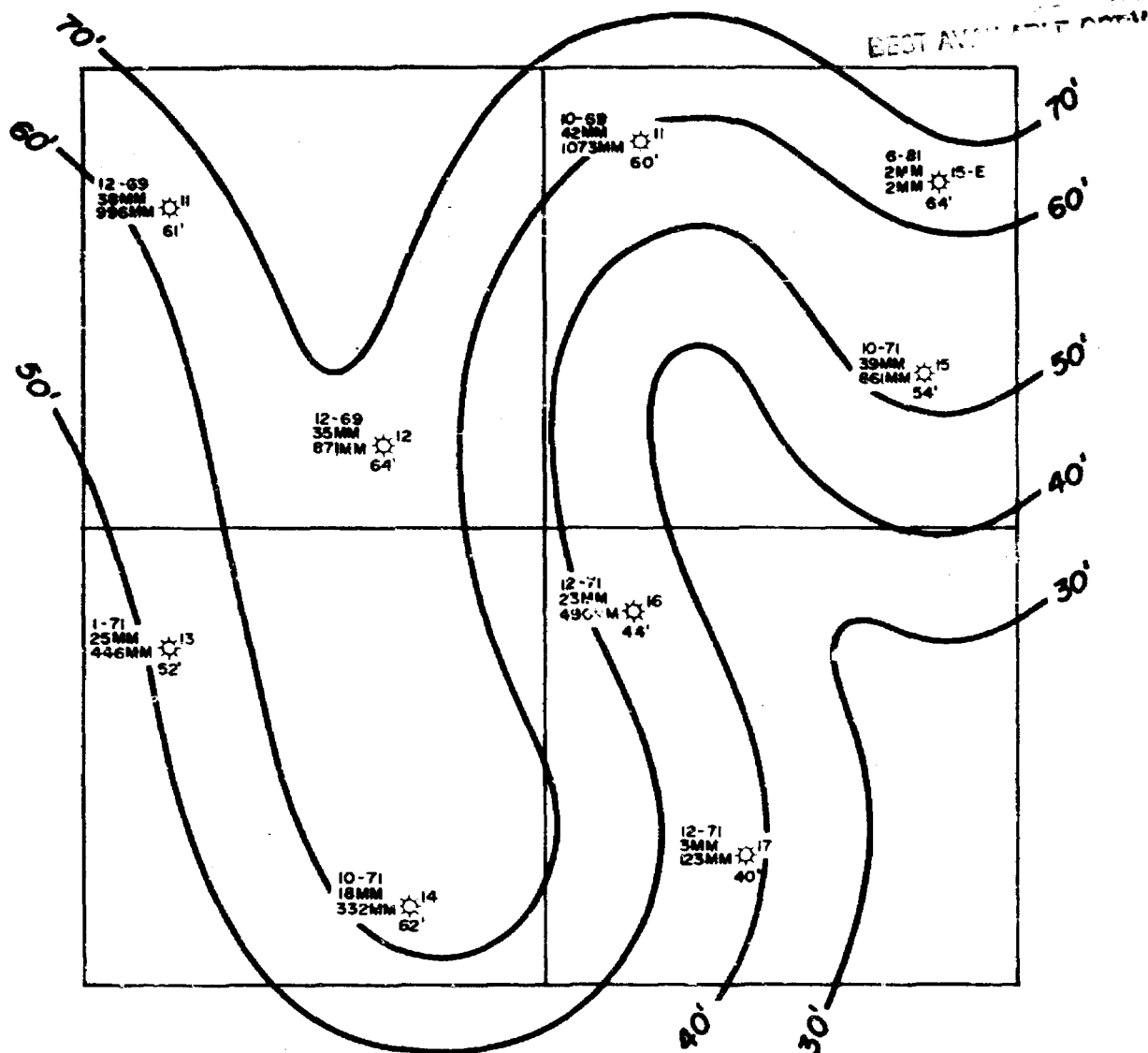
LEVEL	DEPTH					Wt d Ø	Wt d Sw	Wt forlor	BUW			Rt Ω	Rw Ω	POR. %	SW %	REMARKS
	FROM	TO														
	7384	86				14	116	2	.040			35	.07	7	58	
	7386	88				4	100	1	.040			25	.07	4	100	
	7388	90				4	100	1	.040			35	.07	4	100	
	7390	92				5	88	1	.044			36	.07	5	88	
	7392	94				5	84	1	.042			40	.07	5	84	
	7396	98				14	62	2	.022			150	.07	7	31	
	7398	00				63	189	7	.024			120	.07	9	27	
	7400	02				63	189	7	.024			120	.07	9	27	
	7402	04				56	210	7	.024			120	.07	8	30	
	7520	22				77	238	7	.037			50	.07	11	34	
	7522	24				84	217	7	.037			50	.07	12	31	
	7524	26				56	364	7	.042			40	.07	8	52	
	7526	28				12	166	2	.050			28	.07	6	83	
	7528	30				14	154	2	.054			24	.07	7	77	
	7530	32				63	420	7	.054			24	.07	9	60	

Log Analysis

2 of 2

COMPANY Southern Union Exploration Co WELL Jicarilla "k" 15-E TD 7614
FIELD Basin Dakota COUNTY Rio Arriba STATE New Mexico RW=.33 @ 100° Rmf= @ ° BHT=162°

LEVEL	DEPTH					Wt'd Ø	Wt'd Sw	Wt factor	BVW			R _T Ω	R _w Ω	POR. %	SW %	REMARKS
	FROM	TO														
	7532	34				56	483	7	.055			23	.07	8	69	
	7534	36				14	158	2	.055			23	.07	7	79	
	7536	38				4	100	1	.040			21	.07	4	100	
	7538	40				4	100	1	.040			20	.07	4	100	
	7552	54				12	198	2	.059			20	.07	6	99	Weight factor assumes that
	7560	62				5	63	1	.032			70	.07	5	63	70% of prod. comes from > 7% Ø, 20% prod
	7562	64				56	196	7	.022			140	.07	8	28	of prod comes from
	7564	66				70	133	7	.019			280	.07	10	19	7% to 6% Ø and
	7566	68				56	224	7	.025			110	.07	8	32	that 10% prod
	7568	70				56	252	7	.029			85	.07	8	36	comes from < 6% Ø.
	7570	72				63	245	7	.032			70	.07	9	35	
	7572	74				56	280	7	.032			70	.07	8	40	
						986	5129	117						8.5	44	Averages



LEGEND

WELL No.10
 WELL SYMBOLS.....☀
 DATE COMP.....12-71
 1981 PROD.....23MM
 CUM. PROD.....40MM

SOUTHERN UNION EXPLORATION COMPANY

DATE
 8/12/82
 REVISED

**JICARILLA "K" LEASE
 ISOPACH MAP SHOWING
 THE PRODUCTIVE INTERVAL,
 DAKOTA SANDSTONE**

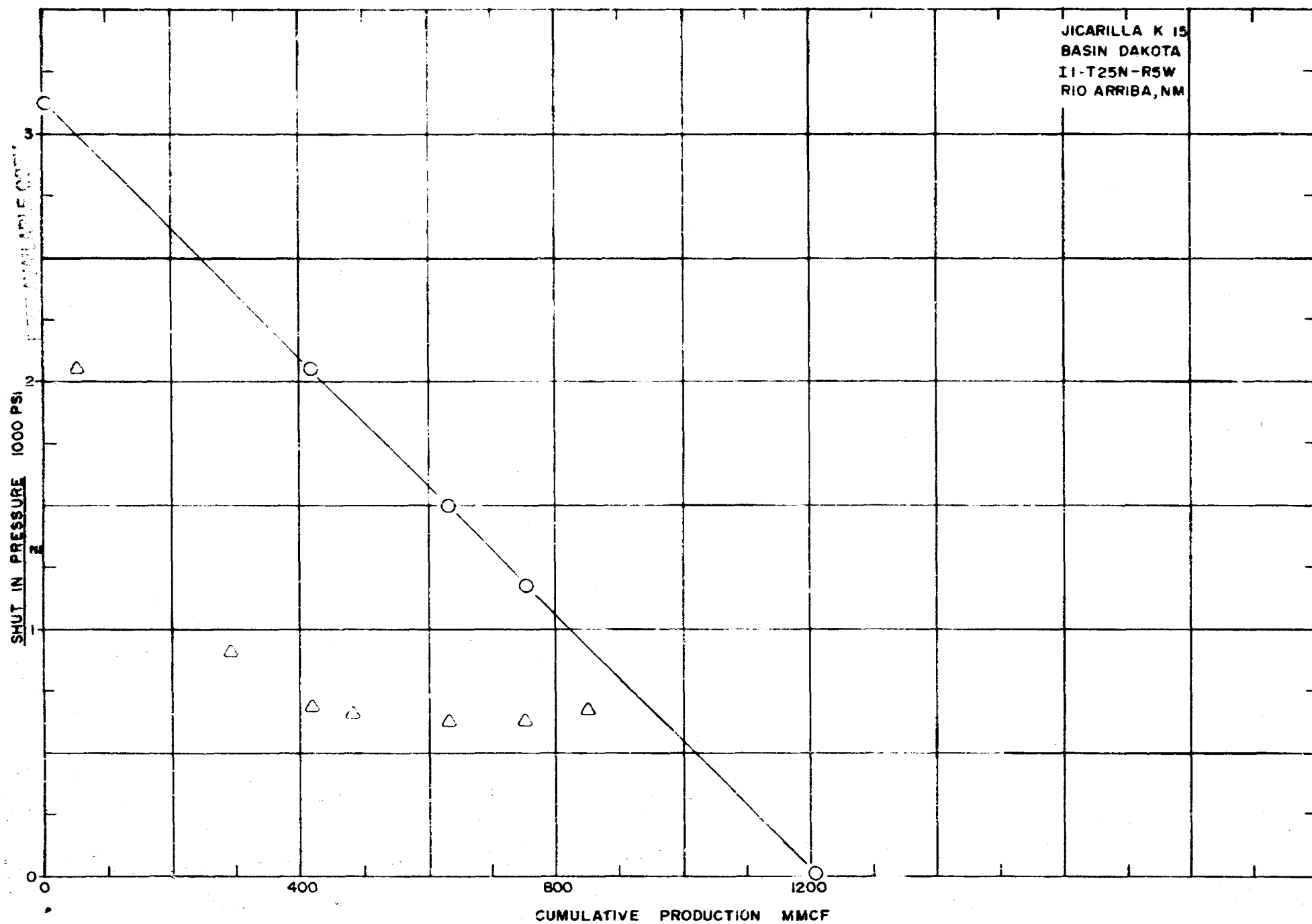
SCALE 1" = 2000'

CL: 10'

GEOLOGY BY MICHAEL L. DAVIES

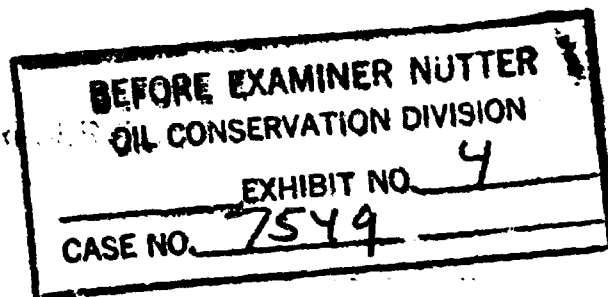
DRAFTING BY TWOFEATHERS

JICARILLA K 15
BASIN DAKOTA
11-T25N-R5W
RIO ARRIBA, NM



JICARILLA K #15
 BASIN DAKOTA
 I-1-T25N-R5W
 RIO ARRIBA CO., NM

<u>TEST DATE</u>	<u>SURFACE SHUT-IN PRESS. PSIA</u>	<u>P/Z</u>	<u>FLOWING PRESS. PSIA</u>	<u>DAILY RATE MCFD</u>	<u>CUM VOL MMCF</u>
Initial	2196	3038	0	0	0
1-72	1553	2059	424	1086	55.0
6-73	781	906	297	400	287.0
8-74	612	686	210	298	418.6
5-75	595	664	181	143	483.9
5-77	568	630	208	181	630.5
6-79	573	637	247	129	755.9
11-81	597	660	295	114	855.8



LINE NO

ESTIMATED GAS IN PLACE

1 Southern Union Exploration Co.

2 Jicarilla A #13

3

Formation Dakota

4 Gas in Place in

Cubic feet per Acre foot

$$= 43,560 \times \frac{P_0}{100} \times \frac{(100 - C_w)}{100} \times \left(\frac{D}{Z} \right) \times \frac{1}{P_0} \times \frac{1}{T_0}$$

5

$$= 43,560 \times \frac{8}{100} \times \frac{(100 - 53)}{100} \times \left(\frac{2550}{0.836} \right) \times \frac{1}{14.55} \times \frac{1}{632}$$

6

$$= 275.09 \text{ MCF per Acre ft. } \left[\text{Use } 275.09 \text{ MCF/A. ft.} \right]$$

A	B	C	D	E
Symbol	Quantity	Units	Item	Remarks
43,560	43,560	Sq. ft.	Number of square feet in one acre	
P_0	8	%	Porosity in percent of rock volume	
C_w	53	%	Connate Water in percent of pore volume	
P_i	2500	psia	Initial Reservoir Pressure	
Z_i	0.836		Deviation Factor for Initial Pressure	
P_b	14.55	psia	Pressure Base	
T_b	520	°R	Temperature base, absolute (60°F)	
T_s	632	°R	Reservoir Temperature, absolute (460° + 172 °F)	
L	8125	Feet	Depth to Midpoint of Reservoir	
G	0.670		Specific Gravity of Gas (Air = 1.0)	
P_{whi}	2083	psia	Initial Wellhead Shut-in Pressure	
P_c	669	psia	Pseudo Critical Pressure	
T_c	382	°R	Pseudo Critical Temperature	
P_{ri}	3.74		Pseudo Reduced Pressure - Initial	
T_r	1.65		Pseudo Reduced Temperature at 172 °F	

31 Gas in Place in MCF per Acre = MCF/A ft. X Thickness in ft. = 275.09 X 65 = 17881 MCF/Acre

32

33 Area Drained (Acres) = $\frac{GIP(MCF)}{MCF/Acre} = \frac{17,881}{17,881} = 1$ Acres

Date - 8/12/82
 By Michael L. Davies

Log Analysis

1 of 3

COMPANY Southern Union Exploration Co. WELL Jincilla 'A' 13E TD 8273
FIELD Basin Dakota COUNTY Rio Arriba STATE New Mexico RW=62 @ 122° Rmf= @ ° BHT= 72°

LEVEL	DEPTH		WT#1	WT#2	WT SOLIDS	BVW	RT	RW	POR %	SW %	REMARKS
	FROM	TO									
	8040	42	12	125	2	.038	40	.07	6	63	Rugose hole & primitive
	8042	44	12	100	2	.030	45	.07	6	50	from offsets
	8044	46	12	96	2	.029	47	.07	6	48	
	8046	48	56	280	7	.032	55	.07	8	40	"
	8048	50	56	294	7	.034	50	.07	8	42	"
	8050	52	70	196	7	.030	65	.07	10	28	"
	8052	54	70	203	7	.029	70	.07	10	29	"
	8054	56	70	224	7	.032	55	.07	10	32	"
	8056	58	70	252	7	.036	45	.07	10	36	"
	8074	76	12	156	2	.048	25	.07	6	78	
	8080	82	12	146	2	.044	30	.07	6	73	
	8082	84	5	87	1	.044	30	.07	5	87	
	8084	86	4	100	1	.040	25	.07	4	100	
	8086	88	4	100	1	.040	27	.07	4	100	
	8088	90	4	100	1	.040	25	.07	4	100	

Log Analysis

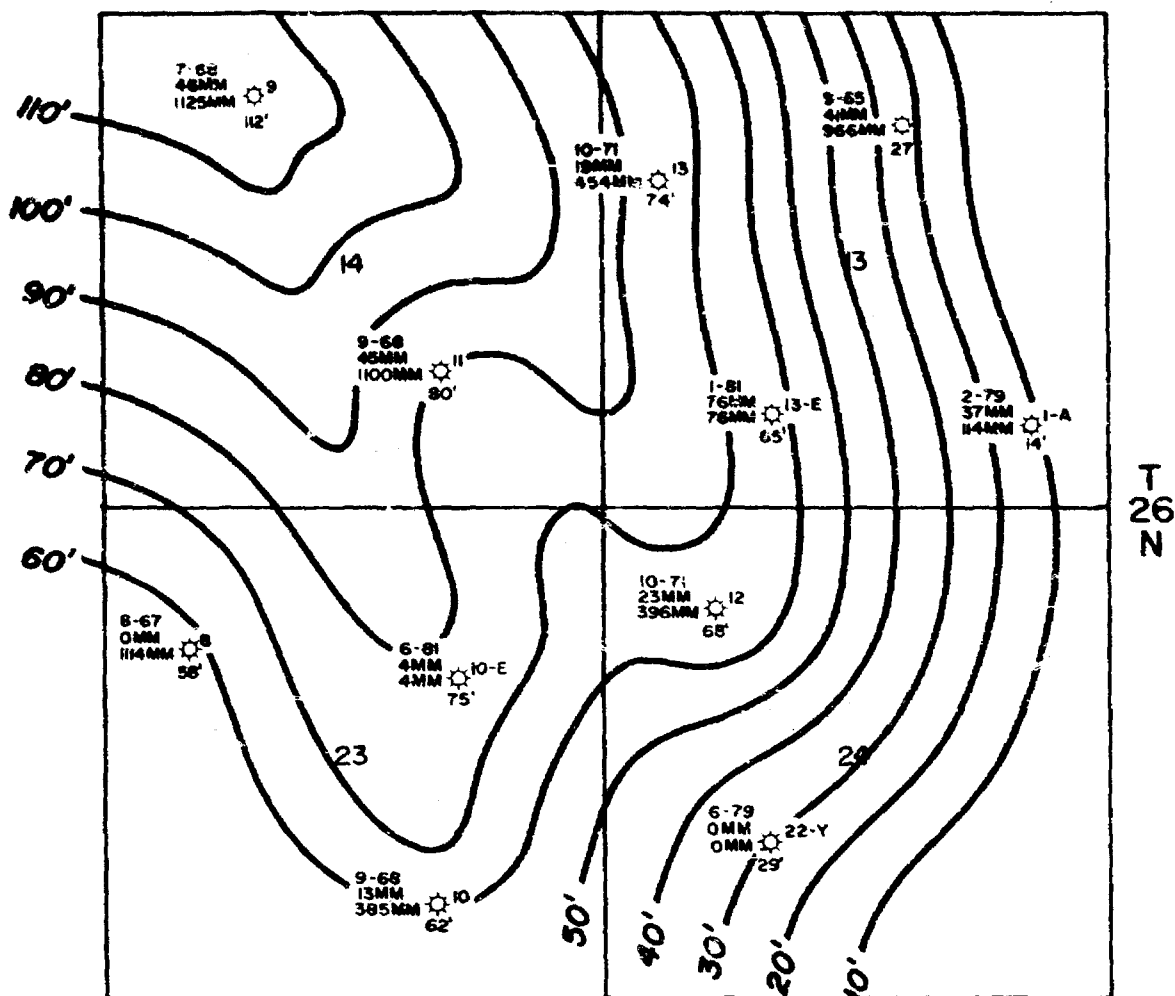
2 of 3

COMPANY										WELL										TO			
Southern Union Exploration Co										Jicarilla 'A' 13 E										8273			
FIELD				COUNTY				STATE				Rw=										BHT=	
Basin Dakota				Rio Arriba				New Mexico				.02 @ 172° Rmf= @ °										172°	
LEVEL	DEPTH					wt g	wt Sw	wt factor	BVW			Rt -2	Rw -2	POR. %	SW %	REMARKS							
	FROM	TO																					
	8104	06				4	100	1	.040			22	.07	4	100								
	8154	56				4	100	1	.040			20	.07	4	100								
	8156	58				4	100	1	.040			22	.07	4	100								
	8158	60				4	100	1	.040			23	.07	4	100								
	8160	62				4	100	1	.040			23	.07	4	100								
	8162	64				4	100	1	.040			23	.07	4	100								
	8164	66				4	100	1	.040			25	.07	4	100								
	8180	82				70	294	7	.042			33	.07	10	42	Purpose hole &							
	8182	84				70	287	7	.040			35	.07	10	41	estimated from offset							
	8184	86				12	160	2	.048			25	.07	6	80	wells							
	8186	88				63	420	7	.054			20	.07	9	60								
	8188	90				12	160	2	.048			25	.07	6	80								
	8190	92				12	146	2	.044			30	.07	6	73								
	8192	94				14	130	2	.045			28	.07	7	65								
	8194	96				12	120	2	.045			23	.07	6	60								

3 of 3

Latent factor
assumes: that
70% of prod.
comes from $> 7\%$
 ϕ , 20% prod.
comes from 7% to
 6% ϕ and that
10% of prod.
comes from $< 6\%$ ϕ .

R-4-W



LEGEND

WELL No.10
 WELL SYMBOLS.....
 DATE COMP.12-71
 1981 PROD.23MM
 CUM. PROD.40MM

SOUTHERN UNION EXPLORATION COMPANY

**JICARILLA "A" LEASE
 ISOPACH MAP SHOWING
 THE PRODUCTIVE INTERVAL,
 DAKOTA SANDSTONE**

SCALE 1"=2000'

C.L. 10'

GEOLOGY BY MICHAEL L. DAVIES

DRAFTING BY TWOFEATHERS

JICARILLA A 13
BASIN DAKOTA
E 13-T26N-R4W
RIO ARRIBA, NM

LAST AVAILABLE DATA

SHUT IN PRESSURE 1000 PSI

0

200

400

600

800

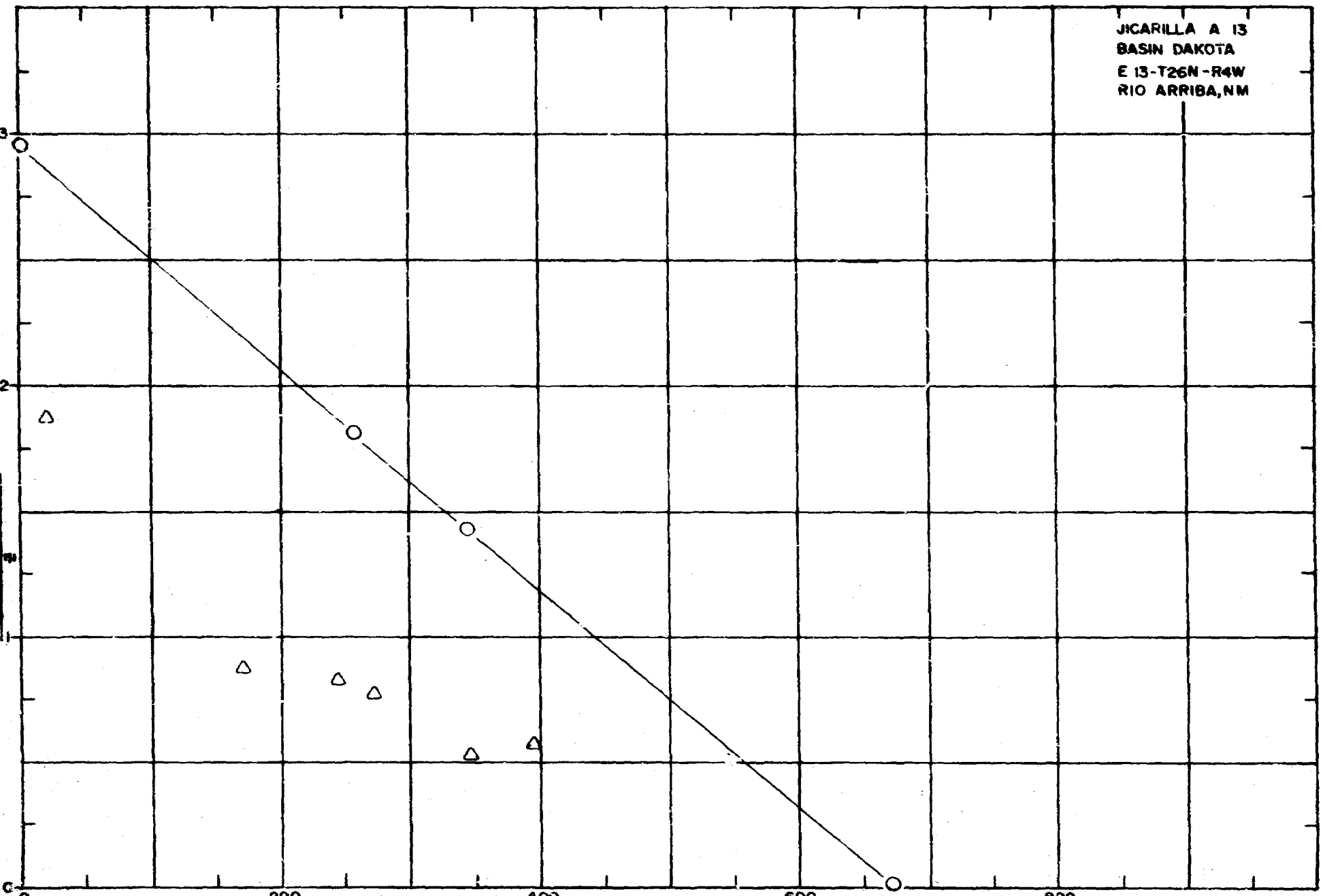
CUMULATIVE PRODUCTION MMCF

3

2

1

0



JICARILLA A #13
 BASIN DAKOTA
 E-13-T26N-R4W
 RIO ARRIBA CO., NM

<u>TEST DATE</u>	<u>SURFACE SHUT-IN PRESS. PSIA</u>	<u>P/Z</u>	<u>FLOWING PRESS. PSIA</u>	<u>DAILY RATE MCFD</u>	<u>CUM VOL MMCF</u>
Initial	2083	2877	0	0	0
1-72	1430	1866	453	757	21.6
5-73	760	876	347	110	171.8
8-74	720	823	216	98	246.4
4-75	679	770	259	177	273.6
5-77	495	540	252	63	345.2
5-79	518	568	282	62	397.9

**BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION**

LINE NO

100-1110 GAS

RECEIVED

EXHIBIT NO. 5CASE NO. 7549

1 Southern Union Exploration Co.
2 Newsom #10, San Juan Co., New Mexico

3

Formation Pictured Cliffs

4 Gas in Place in

Cubic feet per Acre foot

$$= 43,560 \times \frac{P_o}{100} \times \frac{(100 - C_w)}{100} \times \left[\frac{P}{Z} \right] \times \frac{1}{P_b} \times \frac{T}{T_b}$$

5

$$= 43,560 \times \frac{15}{100} \times \frac{(100 - 63)}{100} \times \left[\frac{850}{.862} \right] \times \frac{1}{14.65} \times \frac{553}{553}$$

6

$$= 153.01 \text{ MCF per Acre ft. } \left[\text{Use } 153.01 \text{ MCF/A. ft.} \right]$$

7	A	B	C	D	E
8	Symbol	Quantity	Units	Item	Remarks
9	43,560	43,560	Sq. ft.	Number of square feet in one acre	
10	P _o	15	%	Porosity in percent of rock volume	
11	C _w	63	%	Connate Water in percent of pore volume	
12	P _i	850	psia	Initial Reservoir Pressure	
13					
14	Z _i	.862		Deviation Factor for Initial Pressure	
15					
16	P _b	14.65	psia	Pressure Base	
17	T _b	520	°R	Temperature base, absolute (60°F)	
18	T _s	553	°R	Reservoir Temperature, absolute (460° + 93 °F)	
19					
20	L	2213	Feet	Depth to Midpoint of Reservoir	
21	G	.067		Specific Gravity of Gas (Air = 1.0)	
22	P _{whi}	650	psia	Initial Wellhead Shut-in Pressure	
23					
24	P _c	669	psia	Pseudo Critical Pressure	
25	T _c	382	°R	Pseudo Critical Temperature	
26	P _{ri}	1.27		Pseudo Reduced Pressure - Initial	
27					
28	T _r	1.45		Pseudo Reduced Temperature at 93 °F	
29					
30					

31 Gas in Place in MCF per Acre = MCF/A. ft. × Thickness in ft. = 153.01 × 30' = 4590 MCF/Acre

32

33 Area Drained (Acres) = $\frac{GIP(MCF)}{MCF/Acre} = \frac{45,868}{4,590} = 10$ Acres

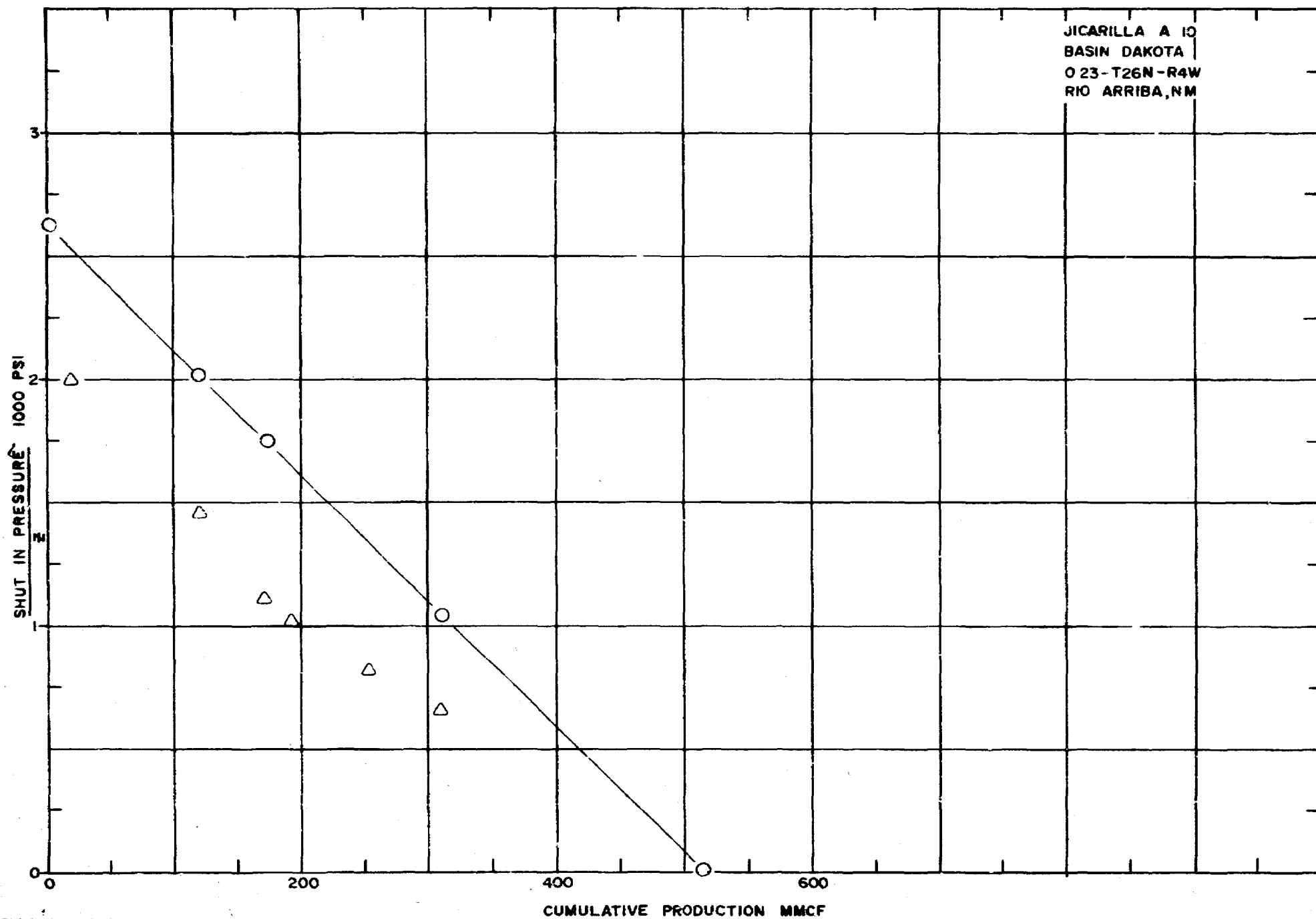
Date - 8/12/82
By Michael L. Davies

Log Analysis

1 of 1

COMPANY <u>Southern Union Exploration Co</u>										WELL <u>Newsum 10 R (Newsum 18)</u>				TO. <u>?</u>		
FIELD <u>Ballard DC</u>				COUNTY <u>San Juan</u>				STATE <u>New Mexico</u>				Rw = <u>.10</u> @ <u>°</u> Rmf = <u>°</u> @ <u>°</u> BHT = <u>°</u>				
LEVEL	DEPTH								BVW			Rw Ω	RT Ω	POR %	SW %	REMARKS
	FROM	TO														
	2190	92							.091			.10	10	14	65	
	2192	94							.091			.10	10	14	65	
	2200	02							.101			.10	8	14	72	
	2202	04							.091			.10	10	14	65	
	2204	06							.101			.10	8	14	72	
	2220	22							.091			.10	10	17	53	
	2222	24							.091			.10	10	17	53	
	2224	26							.091			.10	10	17	53	
	2232	34							.095			.10	9	15	64	
	2234	36							.095			.10	9	15	64	
	2236	38							.095			.10	9	15	64	
														15	63	Averages

JICARILLA A 10
BASIN DAKOTA
O 23-T26N-R4W
RIO ARRIBA, NM



JICARILLA A #10
 BASIN DAKOTA
 O-23-T26N-R4W
 RIO ARriba CO., NM

<u>TEST DATE</u>	<u>SURFACE SHUT-IN PRESS. PSIA</u>	<u>P/Z</u>	<u>FLOWING PRESS. PSIA</u>	<u>DAILY RATE MCFD</u>	<u>CUM VOL MMCF</u>
Initial	1869	2773	0	0	0
1-69	1516	1992	526	307	16.1
6-71	939	1456	442	108	122.7
5-72	924	1100	354	90	170.6
6-73	863	1015	269	50	190.8
5-75	718	821	220	89	255.5
4-77	588	655	207	47	309.4
5-79	758	874	231	50	348.3

HISTORY

33rd Legislature passed the Natural Gas Pricing Act regulating the price producers may charge for gas delivered into intrastate gas pipelines from wells first connected before January 1, 1975.

Specific exclusions to the Act are contained in its Section 6 which reads as follows:

"--The provisions of the Natural Gas Pricing Act shall not apply to the production and sale of natural gas in intrastate commerce from a well the drilling or first intrastate sale of which commenced on or after January 1, 1975. However, the Natural Gas Pricing Act shall apply to such a well if it is drilled within an established proration unit which was producing or capable of producing natural gas prior to January 1, 1975 from the same reservoir unless the oil conservation commission exempts such well upon a finding that such new well was justified for reasons other than avoiding the application of the Natural Gas Pricing Act."

It is this latter exclusion, for wells drilled on existing proration units, that we are considering here today.

There is no state-wide Commission rule or regulation that prohibits the drilling of additional wells on proration units. In oil pools it is not uncommon to have 2 or more wells on

a 40-acre proration unit. In some gas pools, such as the Jalmat and Eumont Pools in Lea County, it is more common to find ~~multiple well~~ standard proration units than units with a single well completed thereon. A few gas pools have rules limiting the location of the well on the proration unit in such a manner as to essentially preclude the drilling of a second well without a hearing before the Commission.

It is recognized that the completion of additional wells on proration units often contributes to better reservoir drainage and increases the potential for contacting discontinuous reservoir segments thereby resulting in greater ultimate recovery.

Ex 1

Primarily the drilling of additional wells on proration units has been a matter of economics. If the operator of the unit believed that additional drilling would bring in enough added production to pay for the well plus return a profit, the well would be drilled. Obviously, if the potential exists for a greater rate of return from the second well on a proration unit then the economics of infill drilling improve.

As the Pricing Act did not include a definition of the word "justified" or the phrase "justified for reasons other than avoiding the application of the Natural Gas Pricing Act" the questions to be addressed at this hearing today are what types of wells drilled on existing gas proration units should the Commission justify and what factors should be considered in making such determinations.

experience in the field and
as a hearing examiner

There appear to me to be two general categories of justifiable wells to be considered, replacement wells and infill wells.

Replacement Well

This would be the situation where the original well on a proration unit is ~~to~~ to be replaced by a well commenced or first connected on or after 1-1-75 because the original well(s) on the proration unit cannot be physically or economically restored to production.

The following are some of the factors which could cause this situation and which could be considered by the Commission in justifying such wells.

- (1) Mechanical failure of the original well. (Casing-tubing-packer-cement or other downhole equipment) Reasonable proof requirements would include at least a presentation of evidence as to the nature of the mechanical failure, how the same was determined, an estimate of the cost of repair, including any ^{already} attempts made, an estimate of the likelihood of the success of any repair, and the cost of drilling and completing a replacement well.

- (2) Damage to the producing formation such as to render the well non-productible or non-commercial.

(Formation damage during completion, workover, drowning or from any other cause) Reasonable

Cement &
mud
workover fluid
clay swelling
clay plate movement

Ex 2

proof requirements would include at least a presentation of evidence as to the nature of any damage to the producing formation and its cause, how the same was determined, steps taken to correct the condition and the results.

Can Idress H
from completion
Technique
or side fire
11/40 Ex 3

- (3) A third condition for replacement could be production at non-commercial rates. (Gulf Cerf Well) Reasonable proof requirements could include a presentation of production and pressure data for the last 24 months of production with a showing of gross revenues, costs of operation, royalties, and profit or loss figures. No replacement well should be justified unless the original well on the proration unit has been plugged and abandoned or will be plugged and abandoned within 60 days following the date of connection of the replacement well.

Ex 3

Infill Well

The infill well represents the situation where the original well on a proration unit is ~~to~~ to be supplemented by the drilling or first connection of an additional well, thereon, on or after 1-1-75.

The following are some of the reasons for infill drilling and some of the factors or evidence which could be considered in justifying such wells:

- (1) A leading reason for infill drilling is to cause a significant increase in the ultimate recovery of gas. Reasonable proof requirements would include the citing of findings by the Commission, after notice and hearing, that infill drilling will substantially increase recoverable reserves under the various proration units in the pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool.
- (2) A second reason for infill drilling would be for the protection of correlative rights. Protection of correlative rights may be simply defined as affording "...to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool,..."

In providing the opportunity to produce the Commission protects the correlative rights of the owners in the pool.

Some possible causes for the drilling of infill wells to protect correlative rights are as follows:

- (1) To increase the rate of production from the proration unit when it is offset by units with higher producing rates. For example, one proration unit might be

producing at a rate of 500 MCFD while the offset tracts produced an average of 1,000 MCFD. The operator here might wish to drill an additional well to prevent the higher producing units from draining gas out from under his tract. Reasonable proof could include a presentation of production and pressure data for the last 24 months of production, and a plat showing direct and diagonal offset proration units in the same pool with the unit classification and average monthly production for the latest 12-month period.

- (2) A second reason for drilling an infill well would be to protect the proration unit from drainage from wells on offsetting proration units draining producing zones not subject to drainage by the existing well or wells on the proration unit in question. Reasonable proof could include a presentation of geologic maps, logs, cross-sections, and pressure data, to demonstrate that the proration unit is being drained by offset wells in zones within the producing formation not producible from any existing well on the proration unit. Ex 4
- (3) A third reason for drilling an infill well would be to permit a well to be drilled at a location

within the proration unit which by its geologic nature would permit more efficient and economic drainage of the proration unit.

*Ex 5 and
perhaps 3*

Reasonable proof could include a presentation of geologic maps, logs, cores, cross-sections, pressure and or other data to demonstrate that existing wells on the proration unit have contacted the producing formation at a location such that the proration unit will not be efficiently or economically drained therethrough.

In the cases of (2)(a), (2)(b), and (2)(c), there should be assurances that the original well(s) on the proration unit will not have its ability to produce restricted in any way. This might take the form of certification by the operator of his intent to produce both wells so long as it is economical to do so.

Dockets Nos. 29-82 and 30-82 are tentatively set for September 15 and September 29, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 26, 1982

**OIL CONSERVATION COMMISSION - 9 A.M.
MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO**

CASE 7656: Application of Citicor Service Company for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, NMSA, 1978 Comp., and Paragraph (5) of Division Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman on lands pooled by said order.

CASE 7657: Application of Harvey E. Yates Company for non-rescission of Order No. R-6873, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the non-rescission of Order No. R-6873, which order pooled certain lands to be dedicated to a proposed Ordovician test well to be drilled thereon, being the W/2 of Section 18, Township 9 South, Range 27 East. Said order provided that should the unit well not be drilled to completion, or abandonment, within 120 days after commencement thereof, operator shall appear and show cause why the pooling order should not be rescinded.

CASE 7658: Application of Harvey E. Yates Company for a dual completion and downhole commingling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Seymour State #1 located in Section 18, Township 9 South, Range 27 East, in such a manner that also perforations from 4912 feet to 4929 feet would be commingled with Upper Atoka perforations from 5926 feet to 5952 feet and the aforesaid intervals dually completed with Lower Atoka perforations from 6008 feet to 6048 feet and produced through parallel strings of tubing.

Docket No. 28-82

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 1, 1982

**OIL CONSERVATION DIVISION - 9 A.M., MORGAN HALL,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Wutter, Alternate Examiner:

CASE 7635: (Continued from August 16, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J, Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7636: (Continued from August 18, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-In-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit 8 of Section 1A, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7659: Application of Sun Exploration and Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian gas well drilled 660 feet from the North and West lines of Section 21, Township 7 South, Range 26 East, the W/2 of said Section 21 to be dedicated to the well.

CASE 7660: Application of Pauls Petroleum, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 3862 feet to 3874 feet in its State Well No. 1 located in Unit 8 of Section 16, Township 7 South, Range 33 East.

CASE 7661: Application of George Sardella and Gary Plemons for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NW/4 NW/4 of Section 33, Township 16 South, Range 33 East.

CASE 7630: (Continued from August 4, 1982, Examiner Hearing)

Application of Ralph Mix for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NE/4 of Section 18, Township 19 South, Range 26 East.

CASE 7662: Application of Carter Foundation Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Blaine-Cade Waterflood Project by converting its Mattix Federal Wells Nos. 2, 5, 6, located in Units C, E, and D, respectively, in Section 3, Township 24 South, Range 37 East, by the injection of water into the Queen formation.

CASE 7639: (Continued from August 18, 1982 Examiner Hearing)

Application of Acuma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wants Abo, Drinkard and Blinshy Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2, located in Unit 2 of Section 26, Township 21 South, Range 37 East.

CASE 7663: Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 18, Township 30 North, Range 14 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7568: (Continued and Readvertised)

Application of Petroleum Corp. of Delaware for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit 8 of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce oil from the Strawn formation through the casing-tubing annulus and gas from the Morrow formation through tubing.

CASE 7651: (Continued from August 18, 1982, Examiner Hearing)

Application of Mortex Gas & Oil Company for the amendment of Order No. R-6903, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.

CASE 7664: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Little Cuevo Unit Area, comprising 13,407 acres, more or less, of State and Fee lands in Township 17 South, Range 18 East.

CASE 7655: (Continued from August 18, 1982 Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the NW/4 of Section 20, Township 7 South, Range 26 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7665: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the S/2 of Section 35, Township 13 South, Range 35 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASES 7666, 7667, 7668, and 7669: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the four following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7666: SW/4 Section 3;

CASE 7667: NW/4 Section 4;

CASE 7668: NW/4 Section 14;

All of the above being in Township 5 South, Range 24 East and

CASE 7669: NW/4 Section 2, Township 9 South, Range 25 East

CASE 7670: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 26, Township 14 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7648: (Continued from August 18, 1982 Examiner Hearing)

Application of Rio Pecos Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation underlying the W/2 of Section 35, Township 18 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7642: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7671: Application of Texas Eastern Developments, Inc. for an exception to Rule 307, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 307 of the Division Rules and Regulations to permit it to draw a vacuum on the Shiprock Gallup Oil Pool reservoir through 16 wells in Sections 16 and 17, Township 29 North, Range 18 West. Applicant further seeks an administrative procedure whereby it could extend the proposed vacuum system to include additional wells in the same reservoir.

CASE 7649: Application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive exemption from Section 5 of the New Mexico Natural Gas Pricing Act of the following Basin Dakota infill wells: Jicarilla A No. 13-E in Unit M of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 West, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 3 West in San Juan County. Also the following Ballard-Pictured Cliffs replacement well in San Juan County: Newsom No. 10-E in Unit M of Section 20, Township 26 North, Range 8 West. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7672: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning discovery allowable, contracting, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Brushy Draw-Brushy Canyon Pool. Further, to assign approximately 25,410 barrels of discovery allowable to the discovery well, the J. C. Williamson OCSHM Federal Well No. 1 located in Unit M of Section 25, Township 26 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 25: SW/4

- (b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for San Andres production and designated as the Hobbs Channel-San Andres Pool. The discovery well is the Bass Enterprises Production Company Humble City Unit Well No. 1 located in Unit D of Section 36, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 36: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Humphreys Mill-Morrow Gas Pool. The discovery well is the Florida Exploration Company Reno Com Well No. 1 located in Unit D of Section 11, Township 25 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NMPM
Section 11: NW/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Justis-Abo Pool. The discovery well is the Santa Fe Energy Company Carlson B-25 Federal Well No. 3 located in Unit O of Section 25, Township 25 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: SE/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the McMillan-Upper Pennsylvanian Gas Pool. The discovery well is the Southland Royalty Company Pecos River Federal 20 Com Well No. 1 located in Unit J of Section 20, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 20: E/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Mosley Canyon-Strawn Gas Pool. The discovery well is W. A. Moncrief, Jr., Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 8: NW/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the West Madine-Tubb Pool. The discovery well is the Tamarack Petroleum Company, Inc. Kornegay A Well No. 1 located in Unit F of Section 9, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 9: NW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Pitchfork Ranch-Morrow Gas Pool. The discovery well is the HNG Oil Company Madera 32 State Com Well No. 1 located in Unit C of Section 32, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 32: NW/2

- (i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yaso production and designated as the Seven Rivers-Yaso Pool. The discovery well is Chama Petroleum Corporation Irami Federal Well No. 1 located in Unit W of Section 34, Township 19 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 34: SW/4

- (j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Skaggs-Abo Pool. The discovery well is the Texaco Inc. C. H. Weir A Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 12: NE/4

- (k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the Teague-Tubb Pool. The discovery well is the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 17: NE/4

- (1) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Townsend-Devonian Pool. The discovery well is the Kimbark Oil and Gas Company New Mexico 1-4 State Com Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NMPN. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPN
Section 4: Lots 11, 12, 13, and 14

- (m) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Welch-Bone Spring Pool. The discovery well is the Quesada Petroleum, Inc. Bay 3 Federal Com Well No. 1 located in Unit K of Section 9, Township 26 South, Range 27 East, NMPN. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPN
Section 9: SW/4

- (n) CONTRACT the horizontal limits of the Buckeye-Abo Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPN
Section 3: W/2 NW/4

- (o) CONTRACT the horizontal limits of the Vacuum-Abo Reef Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPN
Section 3: E/2 NW/4

- (p) EXTEND the Antelope Sink-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPN
Section 13: W/2
Section 14: W/2

- (q) EXTEND the West Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPN
Section 20: NW/4

- (r) EXTEND the Atoka-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPN
Section 26: E/2

- (s) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPN
Section 5: NW/4
Section 6: E/2

- (t) EXTEND the Bunker Hill-Panrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPN
Section 14: W/2 S/2 and NE/4

- (u) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPN
Section 3: S/2
Section 4: All

- (v) EXTEND the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPN
Section 26: NW/4
Section 27: NE/4 and E/2 NW/4

- (w) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, N34W
Section 35: S/2
Section 36: W/2

- (x) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, N34W
Section 36: E/2 NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, N34W
Section 31: NW/4 and S/2 NE/4

- (y) EXTEND the Forty Winer Ridge-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, N34W
Section 16: SE/4

- (z) EXTEND the Hardy-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, N34W
Section 2: Lots 11, 12, 13, 14, and S/2
Section 11: NW/4

- (aa) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, N34W
Section 20: NW/4

- (bb) EXTEND the West Milnesand-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, N34W
Section 19: W/2

- (cc) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, N34W
Section 30: SE/4
Section 31: W/2 NE/4

TOWNSHIP 6 SOUTH, RANGE 33 EAST, N34W
Section 15: S/2

- (dd) EXTEND the Race Track-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, N34W
Section 18: NE/4 and S/2 SE/4

- (ee) EXTEND the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, N34W
Section 23: S/2
Section 26: W/2

- (ff) EXTEND the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, N34W
Section 17: S/2
Section 20: All

- (gg) EXTEND the Saunders Permian-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, N34W
Section 21: NE/4

Dockets Nos. 27-82 and 28-82 are tentatively set for September 1 and September 15, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 18, 1982

9 A.M. - OIL CONSERVATION DIVISION - MORGAN HALL,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Mutter, Examiner, or Richard L. Stancets, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for September, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7635: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-in-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Trigg Well No. 3 located in Unit J, Section 25, Township 15 North, Range 28 East, San Miguel County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7636: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit CO₂-in-Action, Travelers Indemnity and all other interested parties to appear and show cause why the Amistad No. 1 located in Unit E of Section 18, and the Amistad No. 2 located in Unit D of Section 7, both in Township 19 North, Range 36 East, Union County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7637: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R.A.F. Enterprises, Fireman's Fund Insurance Company and all other interested parties to appear and show cause why the Shaw Well No. 1, located in Unit M, Section 18, Township 4 North, Range 8 East, Torrance County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7638: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, Mid-Continent Casualty Company, and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit M, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4, located in Unit M, both in Section 5, all in Township 21 North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7639: Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wantz Abo, Drinkard and Blinbry Pool production in the wellbore of its S. J. Starkeys Lease Well No. 2, located in Unit B of Section 26, Township 21 South, Range 37 East.

CASE 7640: Application of Morris R. Antwell for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through and including the Abo formation in and under the NE/4 NE/4 of Section 12, Township 20 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7641: Application of Reading & Bates Petroleum Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface down through the Devonian formation underlying the NW/4 SE/4 of Section 33, Township 14 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7642: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Jalmat Pool, underlying a previously approved 120-acre non-standard proration unit comprising the S/2 NE/4 and NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a previously approved unorthodox location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 7643:** Application of Texaco, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the W/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-West Knowles Area, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7650:** Application of Texaco Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Drinkard and Strawn formations underlying the E/2 NE/4 of Section 33, Township 16 South, Range 37 East, Casey-West Knowles Area, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7644:** Application of Rault Petroleum Corporation & McKay Petroleum Corporation for compulsory pooling, De Baca County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 of Section 33, Township 3 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7645:** Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to the base of the Abo formation underlying the NE/4 of Section 29, Township 7 South, Range 26 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7652:** Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, Township 20 1/2 South, Range 23 East, underlying a previously approved 688-acre non-standard proration unit, to be dedicated to a well at a previously approved unorthodox location which is to be re-entered. Also to be considered will be the cost of re-entering said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entering said well.
- CASE 7646:** Application of Tenneco Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian gas well to be drilled 1855 feet from the North line and 660 feet from the East line of Section 25, Township 16 South, Range 33 East, the N/2 of said Section 25 to be dedicated to the well.
- CASE 7651:** Application of Mortex Gas & Oil Company for the amendment of Order No. R-6903, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 to provide that non-consenting working interest owners shall have thirty days following final adjudication of title in which to pay their proportionate share of well costs.
- CASE 7647:** Application of Guest Energy Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open hole interval from 4150 feet to 5600 feet in its State A Well No. 2, located in Unit L of Section 26, Township 14 South, Range 33 East.
- CASE 7653:** Application of Rio Pecos Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Chavertea-North Federal Unit Area, comprising 1,920 acres, more or less, of Federal and Fee lands in Township 8 South, Range 31 East.
- CASE 7648:** Application of Rio Pecos Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formation, underlying the W/2 of Section 35, Township 18 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7654: Application of Rault Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for an undesignated Pennsylvanian gas well to be drilled 600 feet from the South line and 660 feet from the West line of Section 13, Township 8 South, Range 27 East, the S/2 of said Section 13 to be dedicated to the well.

CASE 7306: (Reopened)

In the matter of Case 7306 being reopened pursuant to the provisions of Order No. R-6769 which promulgated temporary pool rules for Modern-Lower Penn Gas Pool in Lea County, including provision for 640-acre spacing units. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 7655: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation underlying the NW/4 of Section 20, Township 7 South, Range 26 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASES 7528 and 7529: (Continued from July 7, 1982, Examiner Hearing)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7649: Application of Southern Union Exploration Company for retroactive exemption, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the retroactive exemption from Section 5 of the New Mexico Natural Gas Pricing Act of the following Basin Dakota infill wells: Jicarilla A No. 13-E in Unit N of Section 13 and Jicarilla A No. 10-E in Unit G of Section 23, both in Township 26 North, Range 4 West, and Jicarilla K No. 15-E in Unit A of Section 1, Township 25 North, Range 5 West, all in Rio Arriba County, and the Hodges No. 15-E in Unit J of Section 27, Township 26 North, Range 8 West. Each of the aforesaid wells was subject to the New Mexico Natural Gas Pricing Act until exempted from same by the Division on July 23, 1982, and applicant seeks the retroactive exemption of each of said wells to date of first delivery into the pipeline which ranges from December 24, 1980 to January 11, 1982.

CASE 7594: (Continued from July 21, 1982, Examiner Hearing)

Application of Harvey E. Yates Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purposes of a secondary recovery project, all mineral interests in that portion of the Bone Spring formation described as the Carbonate unit between the first and second Bone Spring Sands underlying the Young Deep Unit, encompassing 560 acres, more or less, of Federal lands underlying portions of Sections 3, 4, 9 and 10, Township 18 South, Range 32 East.

NEW MEXICO OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER
NCPA- 28

EXEMPTION FROM THE NATURAL GAS PRICING ACT
PURSUANT TO SECTION 62-7-5, NMSA 1978, AND
DIVISION ORDER NO. R-5436

*first delivery
8-13-81*

Case 7649

*EXEMPTION
ORDER*

OPERATOR Southern Union Exploration Co WELL NAME AND NO. Hodges Well No. 15-E
SECTION J SEC. 27 TWP. 26N R. 3W COUNTY San Juan

THE DIRECTOR OF THE DIVISION FINDS:

(1) That Section 5 of the Natural Gas Pricing Act (being Secs. 62-7-1 to 62-7-10, NMSA 1978) provides that the Natural Gas Pricing Act shall not apply to the production and sale of natural gas in interstate commerce from a well the drilling of or first interstate sale of which commenced on or after January 1, 1975, provided however, that the Act shall apply to such a well if it is drilled within an established production unit which was producing or capable of producing natural gas prior to January 1, 1975, from the same reservoir unless the Oil Conservation Division exempts such well upon a finding that such new well was justified for reasons other than avoiding the application of the Natural Gas Pricing Act.

(2) That by Order No. R-5436, dated June 8, 1977, the Division established an administrative procedure whereby the Director of the Division is empowered to act for the Division and exempt gas wells from the provisions of Section 5 of the Natural Gas Pricing Act provided said wells were drilled on or after January 1, 1975, within established production units which were producing or capable of producing natural gas from the same reservoir prior to January 1, 1975.

(3) That to qualify for such exemption, under said Order No. R-5436, a well must be classified either as a replacement well or as an infill well.

(4) That pursuant to Order No. R-5436, the Director of the Division may find that a replacement well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:

- (a) The well was necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage; or that
- (b) the well was necessary to replace a well producing at non-commercial rates; or that
- (c) the drilling of the well commenced prior to January 18, 1977.

(5) That pursuant to Order No. R-5436, the Director of the Division may find that an infill well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:

- (a) the well was drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various production units in such pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool; or that
- (b) the well is necessary to protect the production unit from uncompensated drainage or to protect correlative rights; or that
- (c) the drilling of the well commenced prior to January 18, 1977.

(6) That the applicant herein Southern Union Expl. has requested exemption from the provisions of the Natural Gas Pricing Act pursuant to Section 62-7-5, NMSA 1978, and Division Order No. R-5436 for the above-named well.

(7) That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for exemption from the provisions of the Natural Gas Pricing Act inasmuch as said well was not drilled for the purpose of avoiding the application of said act, but was in fact:

() A Replacement Well

- () necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage.
- () necessary to replace a well producing at non-commercial rates.
- () a well the drilling of which commenced prior to January 18, 1977.

(X) An Infill Well

- (X) drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various production units in the pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool, said pool being the Basin Dakota Pool

and the order being Division Order No. R- 1670-V

- () necessary to protect the production unit from uncompensated drainage or to protect correlative rights.
- () a well the drilling of which commenced prior to January 18, 1977.

IT IS THEREFORE ORDERED:

(1) That the above-named well is hereby exempted from Section 5 of the Natural Gas Pricing Act (Secs. 62-7-1 to 62-7-10, NMSA 1978), effective this date

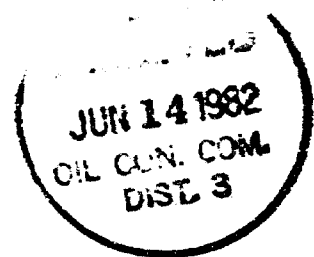
(2) That jurisdiction of this cause is hereby retained, and that this exemption is subject to rescission upon failure to comply with the provisions of Rule 6(d) or Rule 7(c) of Division Order No. R-5436 or for other good cause shown.

DONE at Santa Fe, New Mexico on this 22nd day of July, 19 82.

[Signature]
Joe D. Ramey, Director


Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051

June 7, 1982



State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Hodges #15E
Basin Dakota Field
San Juan County, NM

Gentlemen:

Pursuant to the provisions of the New Mexico Oil Conservation Commission's Order No. R-5436 and pursuant to Section 62-7-5 NMSA 1978, Southern Union Exploration Company respectfully requests an exemption for the above referenced infill gas well from the provisions of the State of New Mexico's Natural Gas Pricing Act.

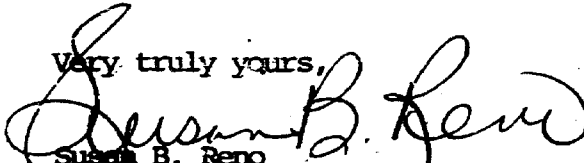
Attached for your consideration is a copy of an area plat showing the referenced proration unit, the location of all wells thereon, and the ownership and location of all wells offsetting it. Also please find enclosed a notarized certification pursuant to Rule 7 (c) contained in Order No. R-5436; and USGA Forms 9-331C and 9-330.

The Oil Conservation Commission had found that infill drilling would substantially increase recoverable reserves, would result in more efficient use of reservoir energy, and would tend to ensure greater ultimate recovery of gas from the Basin Dakota pool in Order No. R-1670-V. The above referenced well is completed and producing from this pool.

Southern Union Exploration Company also respectfully requests that this exemption be approved retroactive to the date of initial deliveries from this well (8/13/81). We had sincerely believed that these exemptions were automatic and no application was required to exempt this well. We apologize for any inconvenience this may have caused.

If you require any additional information, please let us know.

Very truly yours,


Susan B. Reno
Director, Administrative Operations

SBR:tf

Attachment

CERTIFICATION

I hereby certify that the Jicarilla K Well No. 15, being the existing well on the referenced proration unit, shall not have its ability to produce into the pipeline restricted in any manner.

SOUTHERN UNION EXPLORATION COMPANY

By:

Ronald M. Sentz
Ronald M. Sentz
Drilling and Production
Engineer

Subscribed in my presence and duly sworn to before me, this eighth day of June, 1982.

[Signature]
Notary Public in and for
Dallas County, Texas

My Commission Expires

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Structure
Revised

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____

2. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ REPP. CESEV. ☐ Other _____

3. NAME OF OPERATOR
Supron Energy Corp. & John H. Hill, et al

4. ADDRESS OF OPERATOR Suite 020, Kysar Building
300 W. Arrington, Farmington, New Mexico 87401

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1850' FSL & 1570' FEL (NW SE)
At top prod. interval reported below
At total depth

6. LEASE DESIGNATION AND SERIAL NO.
SE - 078432

7. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

8. CRIT AGREEMENT NAME
N/A

9. FARM OR LEASE NAME
Hodges

10. WELL NO.
15-F

11. FIELD AND POOL, OR WILDCAT
Basin Dakota

12. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 27 T26N R8W

14. PERMIT NO. _____ DATE ISSUED _____

16. COUNTY OR PARISH
San Juan

15. STATE
New Mexico

1. DATE SPEDDED 1/9/81 16. DATE T.D. REACHED 1/28/81 17. DATE COMPL. (Ready to prod.) 3/22/81 18. ELEVATIONS (SP, RES, RT, OR, ETC.)* 6951' GR 19. ELEV. CASINGHEAD 6953' GR

2. TOTAL DEPTH, MD & TVD 7507' MD 21. FLOW, BACK T.D., MD & TVD 7462 22. IF MULTIPLE COMPL., HOW MANY? Dual 23. INTERVALS DRILLED BY 7507' 24. ROTARY TOOLS 25. CABLE TOOLS

26. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
7180 - 7270 Basin Dakota

27. WAS DIRECTIONAL SURVEY MADE
No

28. TYPE ELECTRIC AND OTHER LOGS RUN
Gamma Ray & Neutron

29. WAS WELL CORED
No

CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	MOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	23#	309'	12 1/4"	275 sx. Class B	-0-
5 1/2"	17#	7504'	7 7/8"	1496 sx. 50/50 Poz(3 stages)	-0-

LINER RECORD					TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					1 1/2	7172	7135

31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
7180, 83, 86, 88 93 - 7212, 16, 18, 23, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 64, 66, 68, 70. Total 30 holes with .34" Tolson Gun.				DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
				7180 - 7270	1500 gals. 15% HCL Acid
					110,796 gals. Mini Max III-40
					160,000# 20/40, 40,000# 10/20 Sand

33. PRODUCTION

DATE FIRST PRODUCTION _____ PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing

WELL STATUS (Producing or shut-in) Shut-In

DATE OF TEST	HOURS TESTED	CHOKED SIZE	PROD. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
3/22/81	3 hrs.	3/4"		-	628	-	-
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24 HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL CRAFTY-APR (CORR.)	
40	475			634	-		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented

35. TEST WITNESSED BY A.R. Kendrick

36. LIST OF ATTACHMENTS

37. I certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNATURE: [Signature] TITLE: Drilling/Prod. Manager DATE: March 26, 1981

(See Instructions and Spaces for Additional Data on Reverse Side)

SK Comm

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of wells and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on Items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 31.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Rock Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 31 above.)

31. SUMMARY OF MOROCCO'S ZONES:

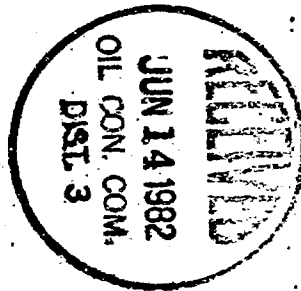
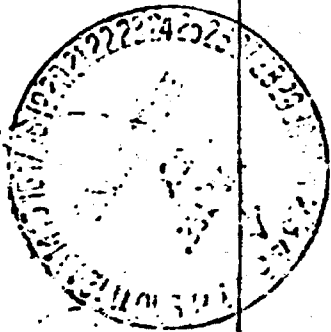
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BUTTON	DESCRIPTION, CONTENTS, ETC.
Ojo Alamo	1750		Water Sand
Kirkland	2070		Water Sand
Pictured Cliffs	2630		Gas Sand
Point Lookout	4230		Gas Sand
Dakota	7100		Gas Sand

38.

GEOLOGIC MARKERS

TOP		
NAME	MEAS. DEPTH	TRUE WEST. DEPTH



**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

(Other instructive
reverse side)

Budget Form No. 42-21023

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**1a. TYPE OF WORK**DRILL ☒DEEPEN ☐PLUG BACK ☐**b. TYPE OF WELL**OIL WELL ☐GAS WELL ☒

OTHER

SINGLE ZONE ☐MULTIPLE ZONE ☒**2. NAME OF OPERATOR**

Supron Energy Corporation c/o Gordon L. Llewellyn

3. ADDRESS OF OPERATORThe Lakes at Bent Tree
17400 Dallas Pkwy, Ste. 210, Dallas, TX 75252**4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)**

At surface

1770' FSL & 1530' FEL (NW SE)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

29.7 miles South of Blanco, NM

13. DISTANCE FROM PROPOSED*LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. 1530'
(Also be nearest dir. unit line, if any.)**15. DISTANCE FROM PROPOSED LOCATION***

TO NEAREST WELL, DRILLING COMPLETED, --

OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

2480

19. PROPOSED DEPTH

7500'

**17. NO. OF ACRES ASSIGNED
TO THIS WELL**

320

20. ROTARY OR CABLE TOOL

Rotary

21. ELEVATIONS (Show whether DF, RT, GS, etc.)

6952' GR

22. APPROX. DATE WORK WILL START*

July 15, 1980

23.**PROPOSED Casing and CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" new	24# K-55 ST&C	300	3 stage-D.V. Tool
6 1/4"	4 1/2" new	10.5 K-55	7500'	to cover Pictured Cliffs
		CW-55 ST&C		and Mesa Verde

1. Drill 12 1/4" hole and set 8 5/8" surface casing to 300' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 6 1/4" hole to 7500'.
3. Run tests if warranted and run 4 1/2" casing if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

- "A" Location and Elevation Plat
- "B" The Ten-Point Compliance Program
- "C" The Blowout Preventer Diagram
- "D" The Multi-Point Requirements for A.P.D.
- "E" & "E₁" Access Road Maps to Location
- "F" Radius Map of Field
- "G" Drill Pad Layout, Production Facilities & Cut-Fill Cross-Section
- "H" Drill Rig Layout

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

[Signature]

TITLE

Engineer Drilling & Production

DATE

July 11, 1980

(This space for Federal or State office use)

PERMIT NO.

JUN 14 1982

APPROVAL DATE

APPROVED BY

OIL CONSERVATION

DIVISION

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

SANTA FE

WELL LOCATION AND ACREAGE DEDICATION PLAT
EXHIBIT "A" - Location & Elevation Plat

All distances must be from the outer boundaries of the Section

Supron Energy Corp.
 11/1/81

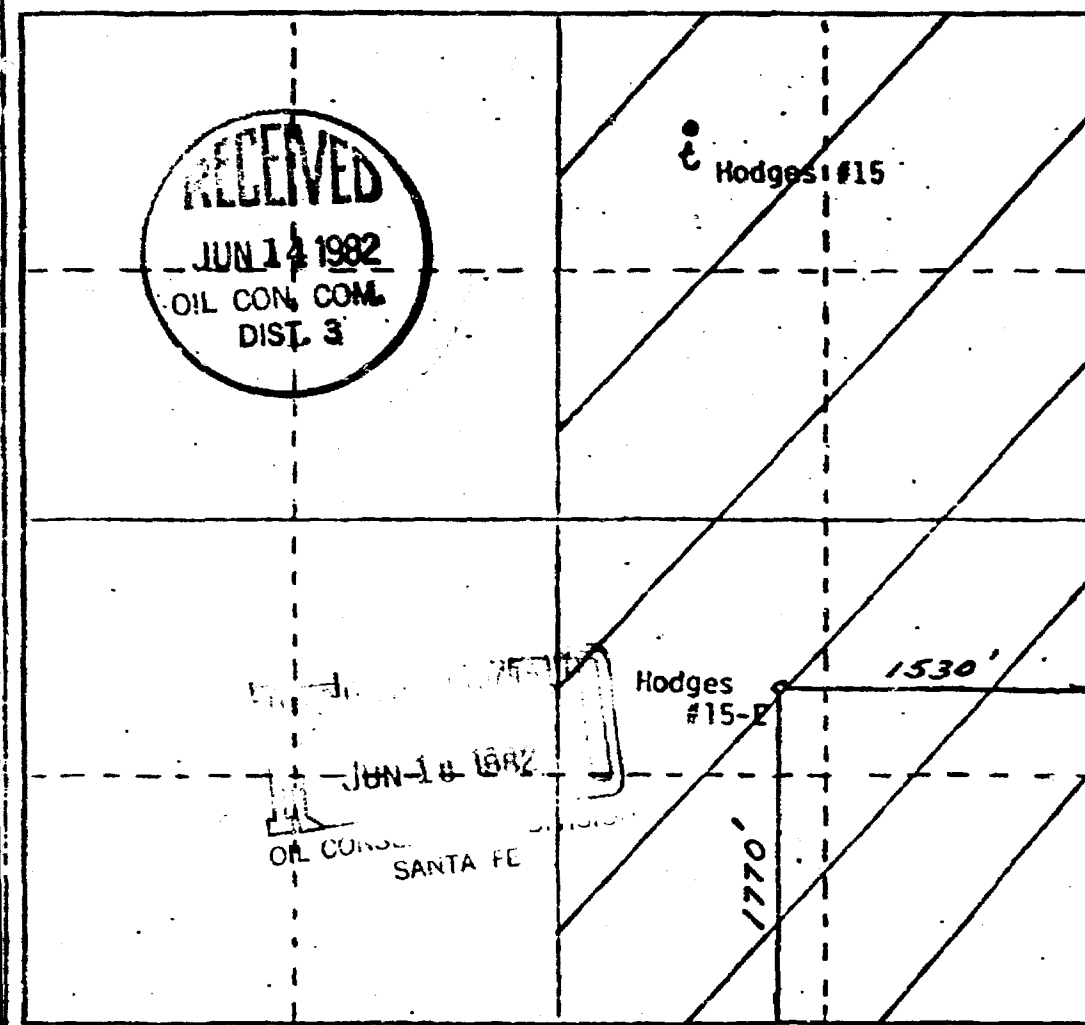
Supron Energy Corporation			Lease SF-078432		Well No. Hodges #15
Section U	Range 27	Township 26 North	Range 8 West	County San Juan	
Actual Elevation Location of Well: 1770 feet from the South line and 1530 feet from the East line Ground Level Elev. 6952' Producing Formation Dakota Pool Basin Dakota Dedicated Acreage 320 Acres					

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

George Lapaseotes
 Name **George Lapaseotes**
 V. President Powers Elevation

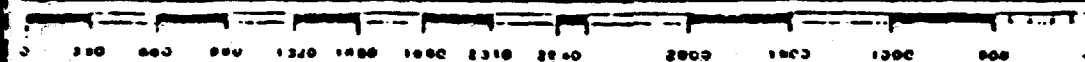
Position
Agent Consultant for
 Company
Supron Energy Corporation

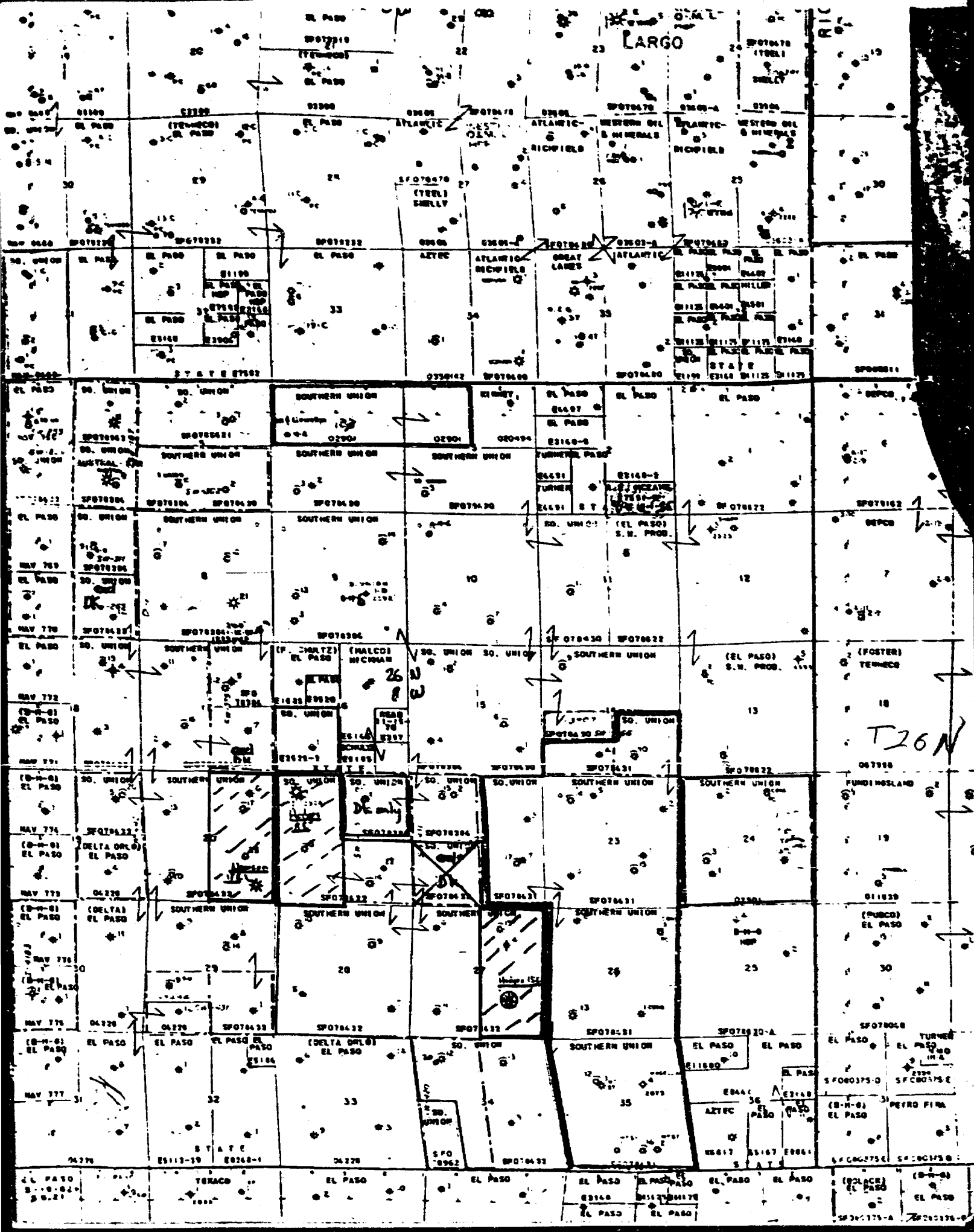
Date
July 11, 1980

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

30 JUL 10 1980

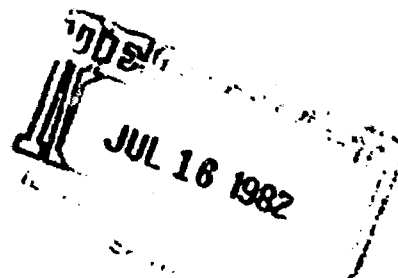
Donald D. Huddleston
 Date Surveyed **July 11, 1980**
 Surveyed by **Donald D. Huddleston**
 and by L. and S. Surveyors
 RECEIVED
 LAND SURVEYOR







Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051



July 12, 1982

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Michael E. Stogner
Petroleum Engineer

Re: Application for Exemption from
the New Mexico Natural Gas
Pricing Act
Hodges #15E

Gentlemen:

As requested by Mr. Stogner's letter dated July 8, 1982, the purchaser for
the above referenced well is as follows:

Gas Company of New Mexico
1800 First International Bldg.
Dallas, Texas 75270

Please advise if you require any additional information.

Very truly yours,

Betsy J. McMahon

Betsy J. McMahon
Regulatory Affairs Coordinator

BJM:tf

cc: Susan Reno
Chuck Wilson
Dennis Morgan

NEW MEXICO OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

NGPA-29

EXEMPTION FROM THE NATURAL GAS PRICING ACT
PURSUANT TO SECTION 62-7-5, NMSA 1978, AND
DIVISION ORDER NO. R-5436

OPERATOR Southern Union Exploration Co. WELL NAME AND NO. Newsom Well No. 10-R
LOCATION: UNIT M SEC. 20 TWP. 26N RGE. 8W COUNTY San Juan

THE DIRECTOR OF THE DIVISION FINDS:

- (1) That Section 5 of the Natural Gas Pricing Act (being Secs. 62-7-1 to 62-7-10, NMSA 1978) provides that the Natural Gas Pricing Act shall not apply to the production and sale of natural gas in intrastate commerce from a well the drilling of or first intrastate sale of which commenced on or after January 1, 1975, provided however, that the Act shall apply to such a well if it is drilled within an established proration unit which was producing or capable of producing natural gas prior to January 1, 1975, from the same reservoir unless the Oil Conservation Division exempts such well upon a finding that such new well was justified for reasons other than avoiding the application to the Natural Gas Pricing Act.
- (2) That by Order No. R-5436, dated June 8, 1977, the Division established an administrative procedure whereby the Director of the Division is empowered to act for the Division and exempt gas wells from the provisions of Section 5 of the Natural Gas Pricing Act provided said wells were drilled on or after January 1, 1975, within established proration units which were producing or capable of producing natural gas from the same reservoir prior to January 1, 1975.
- (3) That to qualify for such exemption, under said Order No. R-5436, a gas well must be classified either as a replacement well or as an infill well.
- (4) That pursuant to Order No. R-5436, the Director of the Division may find that a replacement well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:
- (a) The well was necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage; or that
 - (b) the well was necessary to replace a well producing at non-commercial rates; or that
 - (c) the drilling of the well commenced prior to January 18, 1977.
- (5) That pursuant to Order No. R-5436, the Director of the Division may find that an infill well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:
- (a) the well was drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in such pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool; or that
 - (b) the well is necessary to protect the proration unit from uncompensated drainage or to protect correlative rights; or that
 - (c) the drilling of the well commenced prior to January 18, 1977.
- (6) That the applicant herein Southern Union Expl. has requested exemption from the provisions of the Natural Gas Pricing Act pursuant to Section 62-7-5, NMSA 1978, and Division Order No. R-5436 for the above-named well.
- (7) That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for exemption from the provisions of the Natural Gas Pricing Act inasmuch as said well was not drilled for the purpose of avoiding the application of said act, but was in fact:

☒ A Replacement Well

- ☐ necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage.
- ☒ necessary to replace a well producing at non-commercial rates.
- ☐ a well the drilling of which commenced prior to January 18, 1977.

☐ An Infill Well

- ☐ drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in the pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool, said pool being the _____ Pool and the order being Division Order No. R-_____.
- ☐ necessary to protect the proration unit from uncompensated drainage or to protect correlative rights.
- ☐ a well the drilling of which commenced prior to January 18, 1977.

IT IS THEREFORE ORDERED:

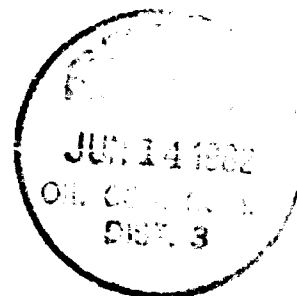
- (1) That the above-named well is hereby exempted from Section 5 of the Natural Gas Pricing Act (Secs. 62-7-1 to 62-7-10) NMSA 1978), effective this date.
 - (2) That jurisdiction of this cause is hereby retained, and that this exemption is subject to rescission upon failure to comply with the provisions of Rule 6(d) or Rule 7(c) of Division Order No. R-5436 or for other good cause shown.
- DONE at Santa Fe, New Mexico on this 22nd day of July, 19 82.


Southern Union Exploration Company

10000 400
10000 Federal Building
10000 Main Street
Dallas, Texas 75202
214-742-6051

June 7, 1982

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501



Re: Newsom #10-R
Ballard Pictured Cliffs
San Juan County, New Mexico

Gentlemen:

Pursuant to the provisions of the New Mexico Oil Conservation Commission's Order No. R-5436 and pursuant to Section 62-7-5 NMSA 1978, Southern Union Exploration Company respectfully requests an exemption for the above referenced replacement well from the provisions of the State of New Mexico's Natural Gas Pricing Act.

Attached for your consideration is a copy of an area plat showing the referenced proration unit, the location of all wells thereon, and the ownership and location of all wells offsetting it. Also please find enclosed a monthly production summary for the last 24 months for the Newsom #10 (the original well on the proration unit), USGS Form 9-331 for abandonment of the Newsom #10, and USGS Forms 9-331C and 9-330 for the Newsom #10-R,

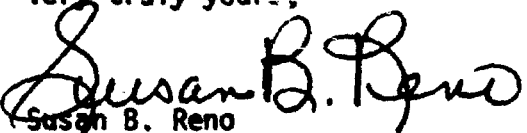
The Newsom #10 last produced in May of 1968, and the Newsom #10-R was spud in June of 1980. Southern Union Exploration Company subsequently acquired this lease and did not assume operations on it until January of 1981. The records received from the original operator were incomplete; therefore, we do not have readily available to us the information contained in Rule 6 (a) and (c) of Order No. R-5436 (Authorization for Expenditure for the #10-R; tabulation of monthly gross revenues, operating expenses, and royalties and taxes paid during the last 24 months of production for the Newsom #10).

Southern Union Exploration Company also respectfully requests that this exemption be approved retroactive to the date of initial deliveries from this well (12/24/80). We had sincerely believed that these exemptions were automatic and no application was required to exempt this well. We apologize for any inconvenience this may have caused.

Newsom #10-R
Page 2

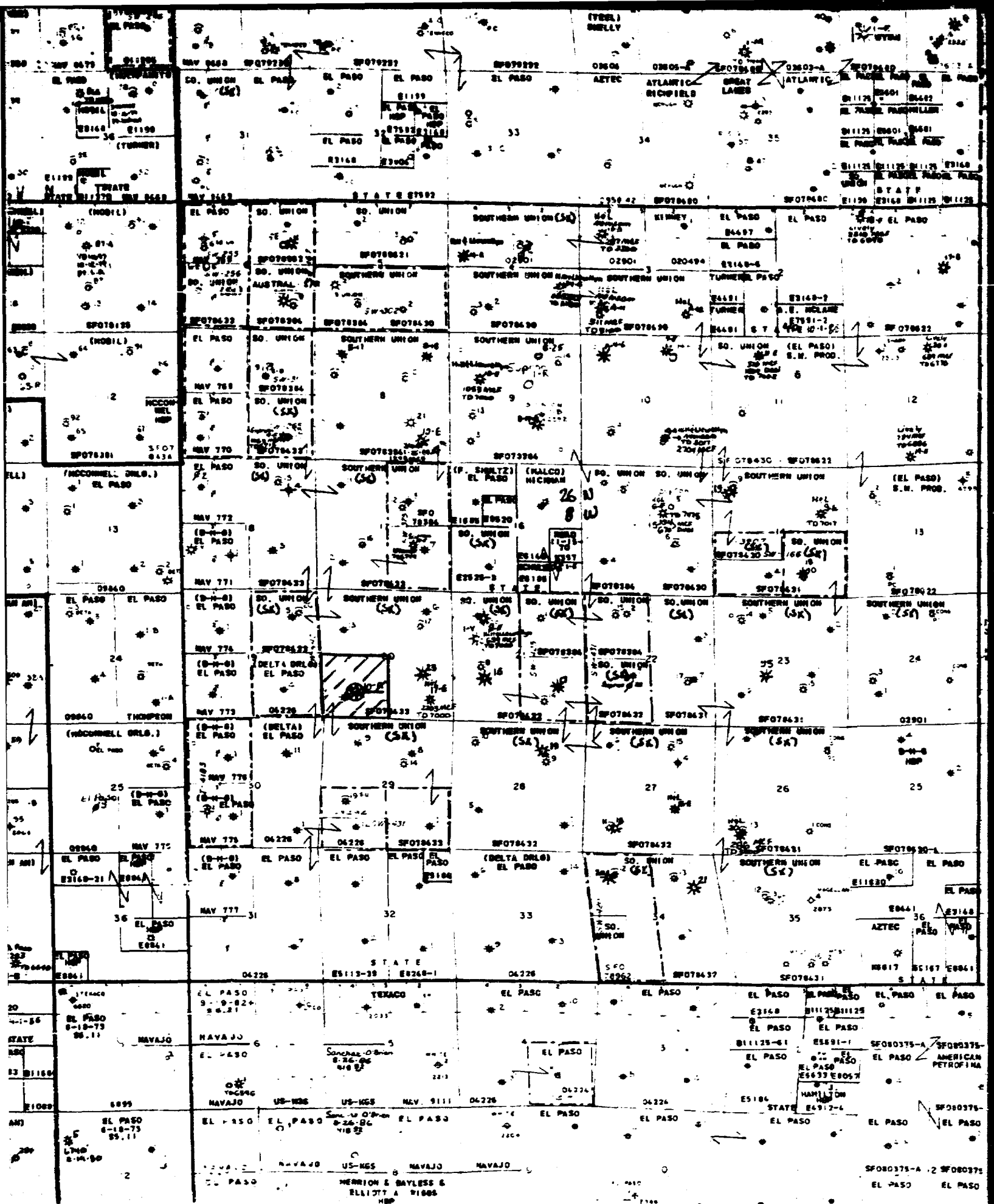
If you require any additional information, or if you have any questions,
please let us know.

Very truly yours,


Susan B. Reno
Director, Administrative Operations


/bjm

Attachments



NEWSOM #10
SAN JUAN COUNTY, NEW MEXICO

<u>MONTH</u>	<u>Mcf</u> <u>15.025 PSIA</u>
June, 1966	109
July	6
August	-0-
September	73
October	134
November	121
December	54
January, 1967	18
February	279
March	222
April	181
May	130
June	65
July	40
August	11
September	16
October	121
November	149
December	113
January, 1968	71
February	27
March	-0-
April	75
May	26



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRI-DATE
(Other instructions on re-verse side)

Form approved
Budget Bureau No. 42-R1424

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF - 078433	
2. NAME OF OPERATOR Southern Union Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P.O. Box 808, Farmington, New Mexico 87401		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 990 Ft. from the South line and 990 ft. from the West line.		8. FARM OR LEASE NAME Newson	
14. PERMIT NO.		9. WELL NO. 10	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6460' DF		10. FIELD AND-POOD, OR WILDCAT Ballard Pictured Cliffs	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 20, T-26N, R-8W N.M.P.M.	
		12. COUNTY OR PARISH San Juan	13. STATE New Mexico

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETION

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON*

SHOOTING OR ACIDIZING

ABANDONMENT*

REPAIR WELL

CHANGE PLANS

(Other)

(Other)

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

1. Rigged up L & H Ventures pulling unit.
2. Pumped 20 sks cement plug 2262', 2100'.
3. Pulled 1" tubing.
4. Shot 4 squeeze holes @ 1600', ran 1" tubing to 1600' and cmt. w/36 sks cement.
5. Pulled 1" tubing, ran 91' - 1" tubing and spotted 6 sks plug 91' to 50'.
6. Spotted 2 sks plug (10') @ surface and set dry hole marker.
7. We will reduce fill slope and resced location in spring of 1977.

RECEIVED
JUN 16 1982
OIL CONSERVATION DIV.
SANTA FE

RECEIVED
JUN 14 1982
OIL CON. COM.
DIST. 3

RECEIVED

DEC 6 1976

P & A

18. I hereby certify that the foregoing is true and correct

SIGNED

JAMES H. DONAVENTURA

(This space for Federal or State office use)

TITLE

Production Superintendent

DATE

12/1/76

APPROVED

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

FEB 21 1978

E. I. McGRATH

DISTRICT ENGINEER

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved
Budget Bureau No. 42-23861

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. SF - 078433																									
2. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> REPAIR <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A																									
3. NAME OF OPERATOR Supron Energy Corporation c/o John H. Hill, et al.		7. UNIT AGREEMENT NAME N/A																									
4. ADDRESS OF OPERATOR Kysar Building, Suite 020 300 W. Arrington, Farmington, New Mexico 87401		8. FARM OR LEASE NAME Newsom																									
9. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1Q45' FSL & 1215' FWL (SW/4) At top prod. interval reported below Same as above At total depth Same as above		9. WELL NO. 10-R																									
10. FIELD AND POOL, OR WILDCAT Ballard Pictured Cliffs		11. SEC. T. R. M. OR BLOCK AND SURVEY OR AREA Sec. 20 T26N R8W N.M.P.M.																									
14. PERMIT NO.		DATE ISSUED																									
12. COUNTY OR PARISH San Juan		13. STATE New Mexico																									
15. DATE SPUDDED 6/29/80	16. DATE T.D. REACHED 7/5/80	17. DATE COMPL. (Ready to prod.) 9/24/80	18. ELEVATIONS (DF, REB, RT, GR, ETC.)* 6416' GR																								
19. ELEV. CASINGHEAD 6418'	20. TOTAL DEPTH, MD & TVD 2356'	21. PLUG BACK T.D., MD & TVD 2320'	22. IF MULTIPLE COMPL., HOW MANY? N/A																								
23. INTERVALS DRILLED BY ROTARY TOOLS 2356'			24. WAS DIRECTIONAL SURVEY MADE No																								
25. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 2190 - 2236 Pictured Cliffs (MD)			26. TYPE ELECTRIC AND OTHER LOGS RUN Gamma Ray and Neutron																								
27. WAS WELL CORED No			28. CASING RECORD (Report all strings set in well)																								
<table border="1"><thead><tr><th>CASING SIZE</th><th>WEIGHT, LB./FT.</th><th>DEPTH SET (MD)</th><th>HOLE SIZE</th><th>CEMENTING RECORD</th><th>AMOUNT PULLED</th></tr></thead><tbody><tr><td>7"</td><td>23# ST&C</td><td>258'</td><td>9 7/8"</td><td>100 sx. Cl.B-circulated</td><td></td></tr><tr><td>2 7/8"</td><td>6.5# 8rd EUE</td><td>2353'</td><td>6 1/4"</td><td>400 sx. Cl.B-circulated</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>150 sx. Cl.B-circulated</td><td></td></tr></tbody></table>				CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED	7"	23# ST&C	258'	9 7/8"	100 sx. Cl.B-circulated		2 7/8"	6.5# 8rd EUE	2353'	6 1/4"	400 sx. Cl.B-circulated						150 sx. Cl.B-circulated	
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N/A																											
31. PERFORATION RECORD (Interval, size and number)																											
14 Perforations- .43 inch ceramic 2190 - 92 - 94 - 2200 - 02 - 04 - 06 - 20 - 22 - 24 - 26 - 32 - 34 - 36.																											
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.																											
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8				239																							
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented																											
35. LIST OF ATTACHMENTS OIL CONVEYANCE																											
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records																											
SIGNED <u>John R. Kendrick</u> TITLE Exploration/Producing Manager DATE 11-13-80																											

*(See Instructions and Space for Additional Data on Reverse Side)

INSTRUCTIONS

- General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.
- 1:** Not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.
- 2:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State Federal office for specific instructions.
- 3:** 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.
- 4:** 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.
- 5:** 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.
- 6:** 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

32. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUBIC FEET USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES				33. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
0 Alamo	492		Water Sand			
Portland	1602		Shale			
Quitland	1871		Coal and Shale			
Pictured Cliffs	2190		Gas			

RECEIVED
JUN 14 1982
OIL CONSERVATION DIVISION
SANTA FE

JUN 16 1982
OIL CONSERVATION DIVISION
SANTA FE

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

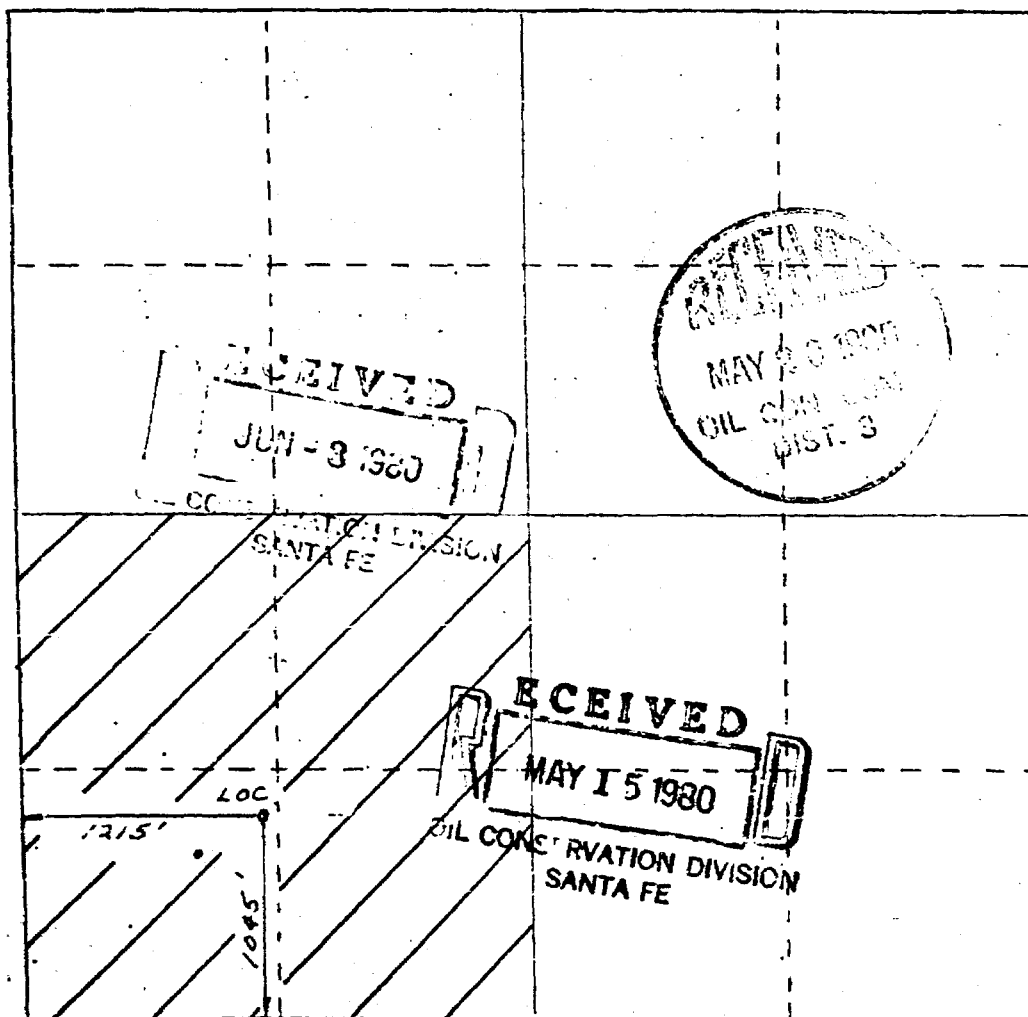
Operator Supron Energy Corporation			Lease No. SF-078433 - Newsom		Well No. Newsom #10R
Well Letter M	Section 20	Township 26 North	Range 8 West	County San Juan	
Actual Footage Location of Well: 1045 feet from the South line and 1215 feet from the West line					
Ground Level Elev. 6931'	Producing Formation Pictured Cliffs	Pool BALLARD PICTURED CLIFFS	Dedicated Acreage 1.60		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name **George Lapaseotes**
V. Pres. Powers Elevation

Position
Agent Consultant for

Company
Supron Energy Corporation

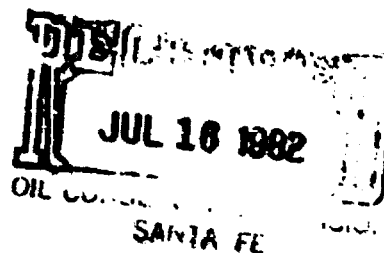
Date
5-12-80

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
5-12-80
Surveyor
George Lapaseotes
Certification No.
68



Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051



July 12, 1982

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Michael E. Stogner
Petroleum Engineer

Re: Application for Exemption
from the New Mexico Natural Gas
Pricing Act
Newsom #10R

Gentlemen:

As requested by Mr. Stogner's letter dated July 8, 1982, the purchaser
for the above referenced well is as follows:

Gas Company of New Mexico
1800 First International Bldg.
Dallas, Texas 75270

Please advise if you require any additional information.

Very truly yours,

Betsy J. McMahon

Betsy J. McMahon
Regulatory Affairs Coordinator

BJM:tf

cc: Susan Reno
Chuck Wilson
Dennis Morgan

NEW MEXICO OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

NCPA-30

EXEMPTION FROM THE NATURAL GAS PRICING ACT
PURSUANT TO SECTION 62-7-5, NMSA 1978, AND
DIVISION ORDER NO. R-5436Case 7649
first delivery
6-15-82
must be wrong

OPERATOR Southern Union Expl. Co. WELL NAME AND NO. Jicarilla "A" Well No. 13-F
 LOCATION: UNIT N SEC. 13 TWP. 26N RANG. 4W COUNTY Rio Arriba

THE DIRECTOR OF THE DIVISION FINDS:

- (1) That Section 5 of the Natural Gas Pricing Act (being Secs. 62-7-1 to 62-7-10, NMSA 1978) provides that the Natural Gas Pricing Act shall not apply to the production and sale of natural gas in intrastate commerce from a well the drilling of or first intrastate sale of which commenced on or after January 1, 1975, provided however, that the Act shall apply to such a well if it is drilled within an established proration unit which was producing or capable of producing natural gas prior to January 1, 1975, from the same reservoir unless the Oil Conservation Division exempts such well upon a finding that such new well was justified for reasons other than avoiding the application to the Natural Gas Pricing Act.
- (2) That by Order No. R-5436, dated June 8, 1977, the Division established an administrative procedure whereby the Director of the Division is empowered to act for the Division and exempt gas wells from the provisions of Section 5 of the Natural Gas Pricing Act provided said wells were drilled on or after January 1, 1975, within established proration units which were producing or capable of producing natural gas from the same reservoir prior to January 1, 1975.
- (3) That to qualify for such exemption, under said Order No. R-5436, a gas well must be classified either as a replacement well or as an infill well.
- (4) That pursuant to Order No. R-5436, the Director of the Division may find that a replacement well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:
- (a) The well was necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage; or that
 - (b) the well was necessary to replace a well producing at non-commercial rates; or that
 - (c) the drilling of the well commenced prior to January 18, 1977.
- (5) That pursuant to Order No. R-5436, the Director of the Division may find that an infill well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:
- (a) the well was drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in such pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool; or that
 - (b) the well is necessary to protect the proration unit from uncompensated drainage or to protect correlative rights; or that
 - (c) the drilling of the well commenced prior to January 18, 1977.
- (6) That the applicant herein Southern Union Expl. has requested exemption from the provisions of the Natural Gas Pricing Act pursuant to Section 62-7-5, NMSA 1978, and Division Order No. R-5436 for the above-named well.
- (7) That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for exemption from the provisions of the Natural Gas Pricing Act inasmuch as said well was not drilled for the purpose of avoiding the application of said act, but was in fact:

() A Replacement Well

- () necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage.
- () necessary to replace a well producing at non-commercial rates.
- () a well the drilling of which commenced prior to January 18, 1977.

(X) An Infill Well

- (X) drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in the pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool, said pool being the Basin Dakota Gas Pool and the order being Division Order No. R-1670-V.
- () necessary to protect the proration unit from uncompensated drainage or to protect correlative rights.
- () a well the drilling of which commenced prior to January 18, 1977.

IT IS THEREFORE ORDERED:

- (1) That the above-named well is hereby exempted from Section 5 of the Natural Gas Pricing Act (Secs. 62-7-1 to 62-7-10, NMSA 1978), effective this date
- (2) That jurisdiction of this cause is hereby retained, and that this exemption is subject to rescission upon failure to comply with the provisions of Rule 6(d) or Rule 7(c) of Division Order No. R-5436 or for other good cause shown.
- DONE at Santa Fe, New Mexico on this 22nd day of July, 19 82.


 Joe D. Ramey, Director



Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051

June 7, 1982

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Jicarilla "A" #13E
Basin Dakota Field
Rio Arriba County, NM

Gentlemen:

Pursuant to the provisions of the New Mexico Oil Conservation Commission's Order No. R-5436 and pursuant to Section 62-7-5 NMSA 1978, Southern Union Exploration Company respectfully requests an exemption for the above referenced infill gas well from the provisions of the State of New Mexico's Natural Gas Pricing Act.

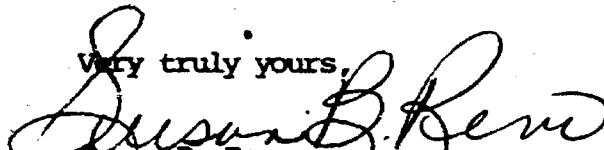
Attached for your consideration is a copy of an area plat showing the referenced proration unit, the location of all wells thereon, and the ownership and location of all wells offsetting it. Also please find enclosed a notarized certification pursuant to Rule 7 (c) contained in Order No. R-5436; and USGS Forms 9-331C and 9-330.

The Oil Conservation Commission had found that infill drilling would substantially increase recoverable reserves, would result in more efficient use of reservoir energy, and would tend to ensure greater ultimate recovery of gas from the Basin Dakota pool in Order No. R-1670-V. The above referenced well is completed and producing from this pool.

Southern Union Exploration Company also respectfully requests that this exemption be approved retroactive to the date of initial deliveries from this well (6/15/82). We had sincerely believed that these exemptions were automatic and no application was required to exempt this well. We apologize for any inconvenience this may have caused.

If you require any additional information, please let us know.

Very truly yours,


Susan B. Reno
Director, Administrative Operations

must be wrong

SBR:tf

Attachment

CERTIFICATION

I hereby certify that the Jicarilla A Well No. 13, being the existing well on the referenced proration unit, shall not have its ability to produce into the pipeline restricted in any manner.

SOUTHERN UNION EXPLORATION COMPANY

By: Ronald M. Sentz 3

Ronald M. Sentz
Drilling and Production
Engineer

Subscribed in my presence and duly sworn to before me, this eighth day of June, '982.

Notary Public in and for
Dallas County, Texas

My Commission Expires

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUBMIT IN DUPLICATE

(See other in-
structions on
reverse side)

Form approved
Budget Bureau No. 42-2331.1

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

2. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESEA. ☐ OTHER ☐

3. NAME OF OPERATOR
Supron Energy Corp. & John H. Hill, et al.

4. ADDRESS OF OPERATOR **Kysar Building, Suite 020
300 W. Arrington, Farmington, New Mexico 87401**

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface **1120' FSL & 1635' FWL' (SE SW)**

At top prod. interval reported below

At total depth

14. PERMIT NO. DATE ISSUED

6. LEASE DESIGNATION AND SERIAL NO.

Tribal #105

7. IF INDIAN, ALLOTTEE OR TRIBE NAME

Jicarilla Apache

8. UNIT ACCESSION NAME

N/A

9. NAME OR LEASE NO.

Jicarilla "A"

10. WELL NO.

13-E

11. FIELD AND POOL, OR WILDCAT

Mesa Verde - Dakota

12. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 13 T26N R4W NMPM

13. COUNTY OR PARISH

Rio Arriba

14. STATE

New Mexico

15. DATE SPUNDED **8/30/80** 16. DATE T.D. REACHED **10/13/80** 17. DATE COMPL. (Ready to prod.) **1-8-81** 18. ELEVATIONS (DP, BHA, RT, CR, ETC.)* **7158' GR** 19. ELEV. CASINGHEAD **7159' 6R**

20. TOTAL DEPTH, MD & TVD **8250' MD** 21. PLUG BACK T.D., MD & TVD **8212' MD** 22. IF MULTIPLE COMPL., HOW MANY **Dual** 23. INTERVALS SKIPPED BY **8250'** 24. INTERVALS SKIPPED BY **8250'** 25. ROTARY TOOLS **8250'** 26. CABLE TOOLS **8250'**

27. PRODUCING INTERVAL(S). OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

8040' - 8197' Dakota

28. WAS DIRECTIONAL SURVEY MADE

Yes

29. TYPE ELECTRIC AND OTHER LOGS RUN

Gamma Ray and Neutron

30. WAS WELL CORED

No

31. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10 3/4"	32.75#	379'	14 3/4"	400 sx. Class B	-0-
7 5/8"	26.40#	4484'	9 7/8"	850 sx. Class B	-0-

32. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
5 1/2"	3787'	8244'	525 sx.		1 1/2" E	8018'	7968'

33. PERFORATION RECORD (Interval, size and number)

**8040, 42, 50, 64, 73, 81, 85, 88 - 8105, 60.
80, 87, 93, 97.
14 holes with .34" Tolson Gun**

34. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
8040' - 8197'	1764 Gals. 15% HCL Acid
	102,522 Gals. 2% KCL Slick Water
	101,250# 20/40 Sand

35. PRODUCTION

DATE FIRST PRODUCTION PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) WELL STATUS (Producing or shut-in) **Flowing SI**

DATE OF TEST	HOURS TESTED	CHOKED SIZE	PROD. FOR TEST PERIOD	OIL—BSL	GAS—MCF	WATER—BSL	GAS-OIL RATIO
1-8-81	3 hrs	3/4					
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED GPM RATE	OIL—BSL	GAS—MCF	WATER—BSL	OIL GRAVITY-API (CORR)	
154	1161			2258			

36. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented

JUN 18 1982

TEST WITNESSED BY

A. Kendrick

37. LIST OF ATTACHMENTS

38. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

[Signature]

SANTA FE

TITLE

**Exploration/
Producing Manager**

DATE

1-16-81

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on Items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see Item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in Item 22, and in Item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in Item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval, to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sucks Cement" - Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for Items 22 and 24 above.)

37. SUMMARY OF FORMER WELLS:

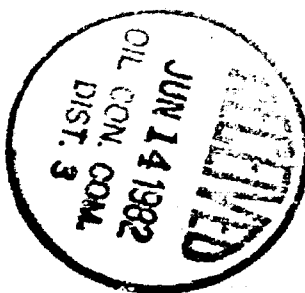
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORES INTERVALS; AND ALL DAILL-STEM TESTS, INCLUDING BOTH INTERVAL TESTS, GUMMERS USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
OJO Alamo	3492		Water
Fruitland	3500		Gas
Pictured Cliffs	3797		Gas
Cliffhouse	5412		Gas
Point Lookout	5988		Gas
Gallup	7211		Gas
Greenhorn	8J10		Sand Stone
Graneros	8039		Gas
Dakota	8114		Gas

38.

GEOLOGIC MARKERS

NAME	TOP	
	NEAR. DEPTH	TRUE VERT. DEPTH



**DEPT. OF THE INTERIOR
GEOLOGICAL SURVEY**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK: **DRILL ☒ DEEPEN ☐ PLUG BACK ☐**

2. TYPE OF WELL: **DRILL ☐ DEEPEN ☒ PLUG BACK ☐**

3. NAME OF OPERATOR: **John H. Hill, individually and Gordon L. Llewellyn, as Trustees for Johannah Hope Hill and John Henry Hill, Jr.**

4. ADDRESS OF OPERATOR: **Suite 140 Campbell Centre, 8350 North Central Expressway, Dallas, Texas 75206**

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.):

1120' ESL & 1635' EWL (SE S-1)

(Dakota-Mesaverde) State

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:
51.3 miles North-Northwest of Cuba, New Mexico

7. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE, FT. (Also to nearest city, town, or village, if any): **1120'**

8. NO. OF ACRES IN LEASE: **2560**

9. NO. OF ACRES ADJACENT TO THIS WELL: **320**

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, INCLUDING COMPLETED OR ABANDONED, ON THIS LEASE, FT. **approx. 2500'**

11. PROPOSED DEPTH: **8300'**

12. DEPTH OF CABLE TOOLS: **Rotary**

13. ELEVATION (Show whether OP, RT, CR, etc.): **7158' GR**

14. APPROX. DATE WHEN WELL WILL BE DRILLED: **January 30, 1980**

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10-3/4" new	40.5# H-40 ST&C	300'	220sx or suff. to circ. to
9-7/8"	7-5/8" new	26.4# K-55 ST&C	4200'	250sx or suff. to cover Ojo
6-3/4"	5 1/2" Liner new	15.5# K-55 ST&C	8300'	500sx or suff. to circ. to Liner

1. Drill 15" hole and set 10-3/4" surface casing to 300' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 9-7/8" hole to 4200', and 6-3/4" hole to 8300'.
3. Run tests if warranted and run 7-5/8" casing and 6-3/4" liner if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

- | | |
|--|--|
| "A" Location & Elevation Plat | "G" & "G ₁ " Drill Pad Layout, Out- |
| "B" The Ten-Point Compliance Program | Cross-Section & Prod |
| "C" The Blowout Preventer Diagram | Facilities |
| "D" The Multi-Point Requirements for A.P.D. | "H" Drill Rig Layout |
| "E" & "E ₁ " Access Road Maps to Location | |
| "F" Radius Map of Field | |

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give brief description of proposed program, if any.

SIGNED: **JOHN H. HILL** TITLE: **GORDON L. LLEWELLYN, Trustee for Johannah Hope Hill and John Henry Hill, Jr.**

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY: _____ TITLE: _____ DATE: _____

SANTA FE

John H. Hill & Gordon L. Llewellyn

Tribal No. 105 - Jicarilla A

Well No. 113E

N

13

26N

4W

Rio Arriba

Actual Postage Location of Well:

1120'

feet from the

South

line and

1635'

feet from the

West

Map

Ground Level Elev.

7153'

Pred. cing Formation

Dakota

Mesaverde

Pool

Blanco Mesaverde

Basin Dakota

Dedicated Acres/secs

1/4 320

Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

George Lapasotes

Name George Lapasotes
Position V. Pres. Powers Elevation

Agent Consultant for
Company John H. Hill &
Gordon L. Llewellyn

Date
November 5, 1979

I hereby certify that the well location shown on this plat was plotted from field work by actual surveying methods and under my supervision, and that the same is true and correct to the best of my knowledge and belief.

October 30, 1977

Date Surveyed
Sheald & Huddleston

Registered Professional Landman
and/or Licensed Surveyor

L.S. 6844

Continuation No.

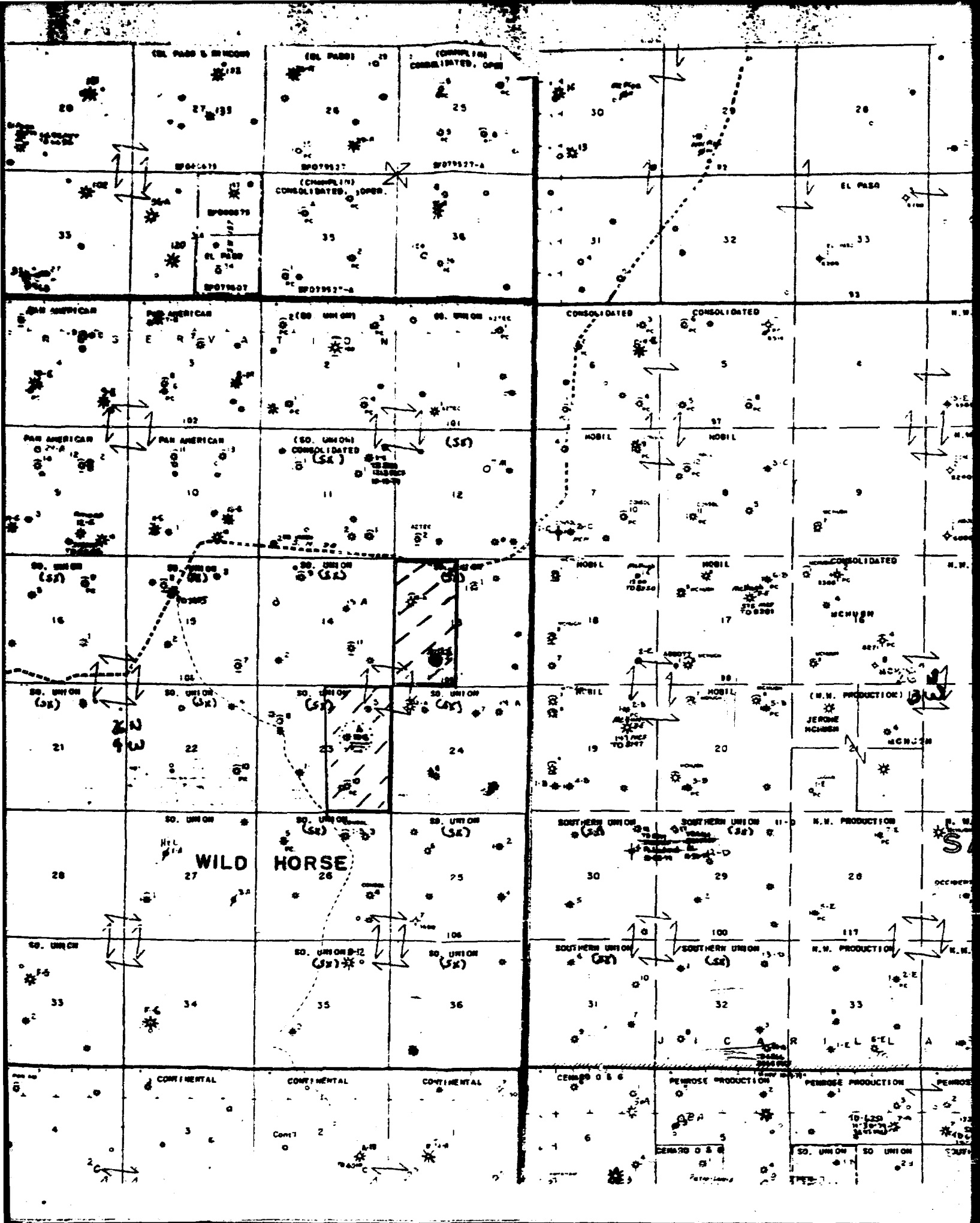
JICARILLA A #13
1830' EWL 730' EWL

JICARILLA A #13E

JUN 14 1980

SANTA FE

210 200 190 180 170 160 150 140 130 120 110 100 90 80 70 60 50 40 30 20 10 0





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

June 29, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-3434

Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202

Attention: Susan B. Reno, Administrative
Operations Director

Re: Applications for Exemption
from the New Mexico Natural
Gas Pricing Act

Dear Ms. Reno:

In regards to a telephone conversation with Ms. Betsy McMahon on Monday, June 28, 1982, I am unable to approve administratively your request to exempt the subject wells from the provisions of the New Mexico Natural Gas Policy Act and that those exemptions be retroactive to the date of initial deliveries for each well. May I suggest that Southern Union Exploration Company set these cases for hearing before a Division Examiner.

Enclosed are your applications for these wells. If I may be of any assistance in this matter please call.

Sincerely,

MICHAEL E. STOGNER
Petroleum Engineer

MES/fd
enc.

cc: W. Perry Pearce, General Counsel
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Ms. Betsy McMahon
Southern Union Exploration Company
Suite 400, Texas Federal Building
1217 Main Street
Dallas, Texas 75202



Southern Union Exploration Company

1000 West 10th Street
Suite 1000
Santa Fe, New Mexico 87501
Tel. 742-6001

July 1, 1982

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Perry Pearce
General Counsel

Re: Applications for Exemption
from the New Mexico Natural
Gas Pricing Act

Dear Mr. Pearce:

Pursuant to our telephone conversation of this morning, I am returning herewith the above referenced applications which were returned to SX by the OCD's Mr. Michael E. Stogner.

Southern Union Exploration Company hereby requests the Oil Conservation Division to set for hearing before the OCD these Applications for Exemption from the New Mexico Natural Gas Pricing Act and the exemptions be approved retroactive to the date of initial deliveries from the wells.

Should you have any questions or need further information, please advise.

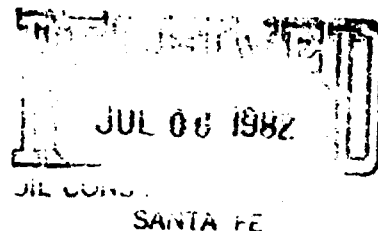
Very truly yours,

Ms. Susan B. Reno
Director-Administrative Operations

SBR:klt

Attachments

cc: Paul Zeis
Marketing





BRUCE KING
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 8, 1982

POST OFFICE BOX 8088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202

Attention: Susan B. Reno, Administrative
Operations Director

Re: Applications for Exemption
from the New Mexico Natural
Gas Pricing Act

Dear Ms. Reno:

Please submit for each application the name and address of the
gas purchaser.

Thank you.

Sincerely,

A handwritten signature in cursive script, reading "Michael E. Stogner".

Michael E. Stogner
Petroleum Engineer

MES/ms



Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051

JUL 16 1982

July 12, 1982

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Michael E. Stogner
Petroleum Engineer

Re: Application for Exemption from
the New Mexico Natural Gas
Pricing Act
Jicarilla "A" #13E

Gentlemen:

As requested by Mr. Stogner's letter dated July 8, 1982, the purchaser for
the above referenced well is as follows:

Gas Company of New Mexico
1800 First International Bldg.
Dallas, Texas 75270

Please advise if you require any additional information.

Very truly yours,

Betsy J. McMahon

Betsy J. McMahon
Regulatory Affairs Coordinator

BJM:tf

cc: Susan Reno
Chuck Wilson
Dennis Morgan

15 E

NEW MEXICO OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

WCPA-31

EXEMPTION FROM THE NATURAL GAS PRICING ACT
PURSUANT TO SECTION 62-7-5, NMSA 1978, AND
DIVISION ORDER NO. R-5436

Case 7649

first delivery
11-82

OPERATOR Southern Union Exploration Co. WELL NAME AND NO. Jicarilla "K" Well No. 15-E
LOCATION: UNIT A SEC. 1 TWP. 25N RGE. 5W COUNTY Rio Arriba

THE DIRECTOR OF THE DIVISION FINDS:

(1) That Section 5 of the Natural Gas Pricing Act (being Secs. 62-7-1 to 62-7-10, NMSA 1978) provides that the Natural Gas Pricing Act shall not apply to the production and sale of natural gas in intrastate commerce from a well the drilling of or first intrastate sale of which commenced on or after January 1, 1975, provided however, that the Act shall apply to such a well if it is drilled within an established proration unit which was producing or capable of producing natural gas prior to January 1, 1975, from the same reservoir unless the Oil Conservation Division exempts such well upon a finding that such new well was justified for reasons other than avoiding the application to the Natural Gas Pricing Act.

(2) That by Order No. R-5436, dated June 8, 1977, the Division established an administrative procedure whereby the Director of the Division is empowered to act for the Division and exempt gas wells from the provisions of Section 5 of the Natural Gas Pricing Act provided said wells were drilled on or after January 1, 1975, within established proration units which were producing or capable of producing natural gas from the same reservoir prior to January 1, 1975.

(3) That to qualify for such exemption, under said Order No. R-5436, a gas well must be classified either as a replacement well or as an infill well.

(4) That pursuant to Order No. R-5436, the Director of the Division may find that a replacement well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:

- (a) The well was necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage; or that
- (b) the well was necessary to replace a well producing at non-commercial rates; or that
- (c) the drilling of the well commenced prior to January 18, 1977.

(5) That pursuant to Order No. R-5436, the Director of the Division may find that an infill well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:

- (a) the well was drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in such pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool; or that
- (b) the well is necessary to protect the proration unit from uncompensated drainage or to protect correlative rights; or that
- (c) the drilling of the well commenced prior to January 18, 1977.

(6) That the applicant herein Southern Union Expl. has requested exemption from the provisions of the Natural Gas Pricing Act pursuant to Section 62-7-5, NMSA 1978, and Division Order No. R-5436 for the above-named well.

(7) That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for exemption from the provisions of the Natural Gas Pricing Act inasmuch as said well was not drilled for the purpose of avoiding the application of said act, but was in fact:

() A Replacement Well

- () necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage.
- () necessary to replace a well producing at non-commercial rates.
- () a well the drilling of which commenced prior to January 18, 1977.

(x) An Infill Well

- (x) drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in the pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool, said pool being the Basin Dakota Gas Pool and the order being Division Order No. R- 1670-V.

- () necessary to protect the proration unit from uncompensated drainage or to protect correlative rights.
- () a well the drilling of which commenced prior to January 18, 1977.

IT IS THEREFORE ORDERED:

(1) That the above-named well is hereby exempted from Section 5 of the Natural Gas Pricing Act (Secs. 62-7-1 to 62-7-10, NMSA 1978), effective this date

(2) That jurisdiction of this cause is hereby retained, and that this exemption is subject to rescission upon failure to comply with the provisions of Rule 6(d) or Rule 7(c) of Division Order No. R-5436 or for other good cause shown.

DONE at Santa Fe, New Mexico on this 22nd day of July, 1982.

Joe D. Ramey
Joe D. Ramey, Director



Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051

June 7, 1982

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Jicarilla "K" #15E
Basin Dakota Field
Rio Arriba County, NM

Gentlemen:

Pursuant to the provisions of the New Mexico Oil Conservation Commission's Order No. R-5436 and pursuant to Section 62-7-5 NMSA 1978, Southern Union Exploration Company respectfully requests an exemption for the above referenced infill gas well from the provisions of the State of New Mexico's Natural Gas Pricing Act.

Attached for your consideration is a copy of an area plat showing the referenced proration unit, the location of all wells thereon, and the ownership and location of all wells offsetting it. Also please find enclosed a notarized certification pursuant to Rule 7 (c) contained in Order No. R-5436; and USGS Forms 9-331C and 9-330.

The Oil Conservation Commission had found that infill drilling would substantially increase recoverable reserves, would result in more efficient use of reservoir energy, and would tend to ensure greater ultimate recovery of gas from the Basin Dakota pool in Order No. R-1670-V. The above referenced well is completed and producing from this pool.

Southern Union Exploration Company also respectfully requests that this exemption be approved retroactive to the date of initial deliveries from this well (1/11/82). We had sincerely believed that these exemptions were automatic and no application was required to exempt this well. We apologize for any inconvenience this may have caused.

If you require any additional information, please let us know.

Very truly yours,


Susan B. Reno

Director, Administrative Operations

SBR:tf

Attachment

CERTIFICATION

I hereby certify that the Hodges Well No. 15, being the existing well on the referenced proration unit, shall not have its ability to produce into the pipeline restricted in any manner.

SOUTHERN UNION EXPLORATION COMPANY

By: Ronald M. Sentz
Ronald M. Sentz
Drilling and Production
Engineer

Subscribed in my presence and duly sworn to before me, this eighth day of June, 1982.

[Signature]
Notary Public in and for
Dallas County, Texas

My Commission Expires

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUBMIT IN DUPLICATE

(See instructions on
reverse side)

Form approved
Budget Bureau No. 42-25344

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐

2. TYPE OF COMPLETION:

PAV. WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DUFF. SERV. ☐ OTHER ☐

3. NAME OF OPERATOR

Southern Union Exploration Company

4. ADDRESS OF OPERATOR

1217 Main Street, Dallas, Texas 75202

5. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements):

At surface 1095' FNL & 790' FEL

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR
PARISH

13. STATE

Rio Arriba

New Mexico

15. DATE SPUN

10/27/80

16. DATE T.B. REACHED

11/2/80

17. DATE COMPL. (Ready to prod.)

5/3/81

18. ELEVATION (SP. SEA. ST. OR SURF.)

6716' GR

19. ELEV. CASSIDIAN

6720'

20. TOTAL DEPTH, MD & TVD

7614'

21. PLUG BACK T.B., MD & TVD

7595'

22. IF MULTIPLE COMPL. SHOW NAME

Two Zones

23. INTERVALS
DRILED BY

XX

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD):

5381-5522' Mesaverde

7385-7575' Basin Dakota

25. WAS DIRECTIONAL
SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

Induction Electric, Densilog

27. WAS WELL Cased

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	SOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24	274'	12 1/4"	200 sks Class "B" w/2% CaCl	
4 1/2"	10.5	7609'	7 7/8"	1st-350 sks 50/50 poz	
THIRD STAGE: 200 sks Halliburton lite, and				2nd-475 sks 50/50 poz + 50	
100 sks Neat cement				sks Class "H" w/2% CaCl	18,000#

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	7341'	7341'

30. PRODUCTION RECORD (Interval, size and number)

MESAVERDE-5381', 85', 88', 91', 97', 5402', 06'
17', 25', 34', 41', 51', 56', 65', 80', 85', 97'
5509', 13', 22', (20-1/2" holes)
DAKOTA-7520'-41', 7553'-55', 7559'-75', 7385'-
94', 7396'-404', 7414'-21', 28' (60-1/2" holes)

31. ACID, SHOT, FRACTURE CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5381-5522'	None
7385-7575'	3500 gals of 15% HCl, 73,836 gelled water & 208,000# sand

32. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—also and type of pump)				WELL STATUS (Producing or shut-in)	
		Flow				Shut-in	
DATE OF TEST	HOURS TESTED	CROSS SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
5/5/81	2 hrs.	3/4"	→	0	1.83	0	---
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED FLOW RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (COR.)	
85	99	4.5	0	22	110	---	

33. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented

34. LIST OF ATTACHMENTS

Choke, Production unit

35. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Pat L. Howell

TITLE

Drilling & Production Engineer

DATE

November 9, 1981

* (See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Back Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF PRODUCTION

SHOW ALL IMPORTANT FORMER POSITIONS AND CONTENTS THEREOF; COSED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL, CEMENT, CEMENT LOG, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND DISCOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Ojo Alamo	2212'	2854'	Sand
Kirtland	2854'	3003'	Shale
Fruitland	3003'	3193'	Shale & Coal
Pictured Cliffs	3198'	3303'	Sand
Lewis	3303'	4077'	Shale
Chacra	4077'	4863'	Sand
Cliffhouse	4863'	4943'	Sand
Menefee	4943'	5378'	Sand, shale, & coal
Point Lookout	5378'	5532'	Sand
Upper Marcos	5532'	6419'	Shale
Gallup	6419'	6917'	Shale & Sand
Lower Marcos	6917'	7298'	Shale
Greenhorn	7298'	7360'	Limey Shale
Graneros	7360'	7382'	Shale
Dakota	7382'	TD	Sand & some shale

38.

GEOLOGIC MARKERS

FANS	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Kirtland	2854'	2804'
Pictured Cliffs	3198'	3151'
Menefee	4943'	4864'
Dakota	7382'	7269'

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		2. LEASE DESIGNATION AND SERIAL NO. Contract No. 145
3. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache
4. NAME OF OPERATOR SUPRON ENERGY CORPORATION		7. UNIT AGREEMENT NAME
5. ADDRESS OF OPERATOR P.O. Box 808, Farmington, New Mexico 87401		8. FARM OR LEASE NAME Jicarilla "K"
6. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1095 ft./North line and 790 ft./East line At proposed prod. zone Same as above		9. WELL NO. 15-E
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 15 miles northeast of Counselors, New Mexico		10. FIELD AND POOL, OR WILDCAT Basin Dakota
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest dril. unit line, if any) 790 ft. 790 ft.		11. SEC., T., R., N., OR S.E. AND SURVEY OR AREA Sec. 1, T-25N, R-5W, N.M.
16. NO. OF ACRES IN LEASE 2560		12. COUNTY OR PARISH Rio Arriba
17. NO. OF ACRES ASSIGNED TO THIS WELL 319.91 E4		13. STATE New Mexico
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 305 ft.		19. PROPOSED DEPTH 7560
20. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 305 ft.		21. PROPOSED DEPTH 7560
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 6716 Gr.		23. ROTARY OR CABLE TOOLS Rotary
24. APPROX. DATE WORK WILL START August 18, 1980		

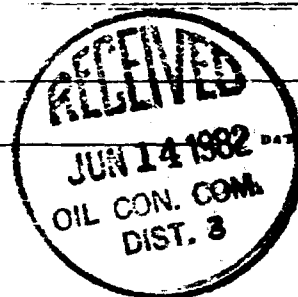
PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24.00	250 ft.	175 sx
7-7/8"	4-1/2"	10.50	7560 ft.	1000 sx

The surface hole will be drilled to +250 ft. Casing will be run and cemented with the cement being circulated back to the surface. The surface casing will be pressure tested. The well will be drilled to T.D. of approx. 7560 ft. using a starch base mud as the circulating medium. Pipe will be run and cemented in three stages as follows: First stage 400 sx of 50-50 POZ mix, Second stage 400 sx of 50-50 POZ mix followed by 50 sx of class "B" cement and the Third stage 100 sx of HONCO Lite followed by 50 sx of class "B" with the estimated cement top to be at 2,300 ft. The pipe will be pressure tested and the Dakota zone will be perforated and fractured to stimulate production. The well will be cleaned up and tubing run and landed above the Dakota zone. The wellhead will be nipped down and the well tested.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED <i>Andy N. Mott</i> RUCB (This space for Federal or State official)	TITLE Area Superintendent	DATE 6-12-80
PERMIT NO. SANTA FE	APPROVAL DATE	
APPROVED BY	TITLE	
CONDITIONS OF APPROVAL, IF ANY:		



All distances must be from the center line of the section

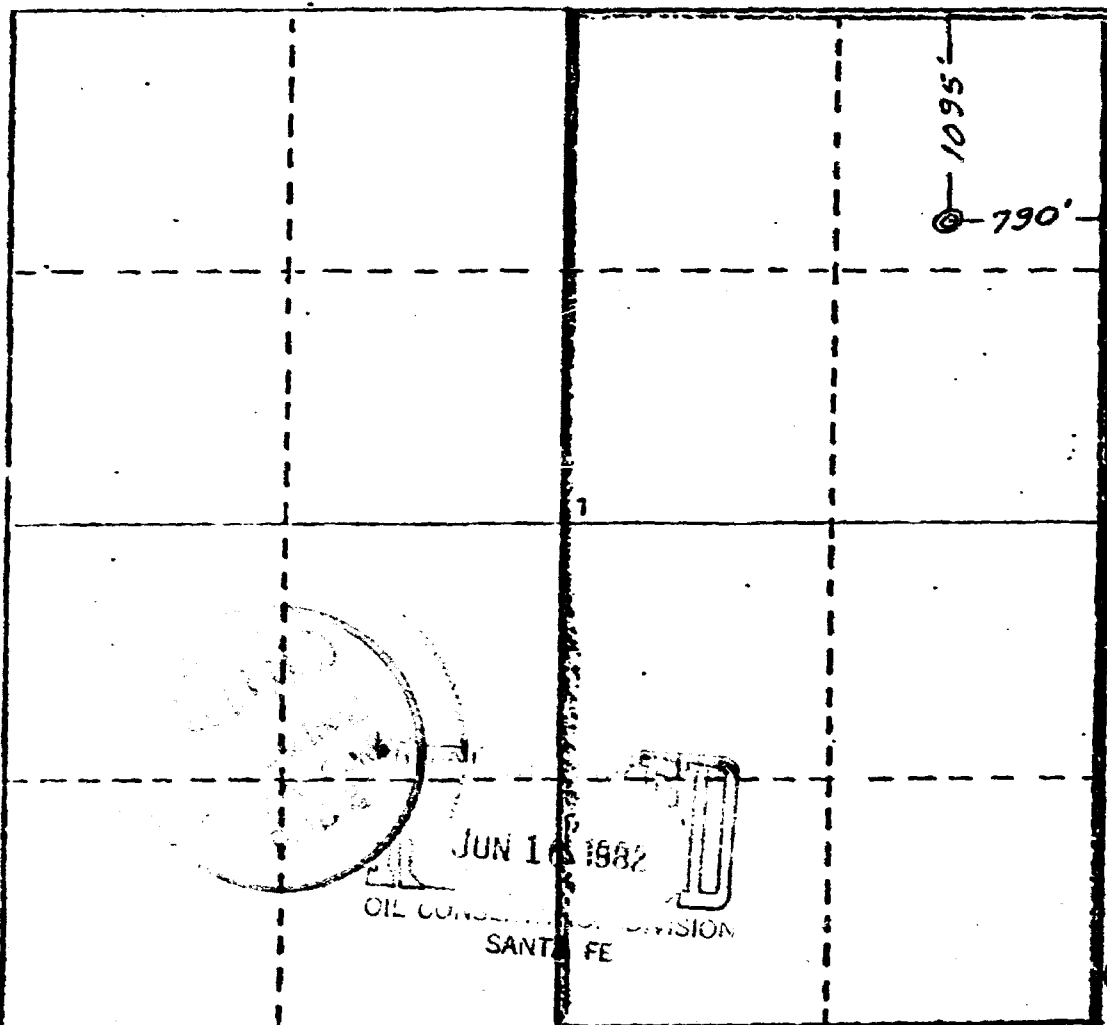
Location SUPRON ENERGY CORPORATION			Lease JICARILLA "K"		Well No. 15-E
Unit Letter A	Section 1	Township 25 NORTH	Range 5 WEST	County RIO ARriba	
Actual Footage Location of well:					
1095 feet from the		NORTH	790 feet from the		EAST
Ground Level Elev. 6716	Underlying Formation DAKOTA		Pool BASIN		Dedicated Acres E 4 319.91

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to work interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Rudy D. Motto
Name

Rudy D. Motto

Position

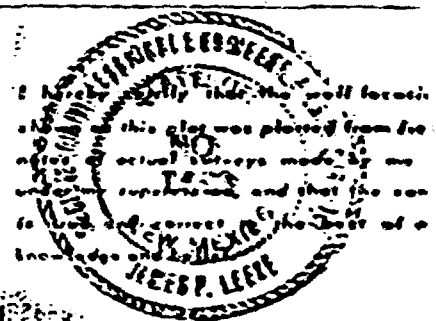
Area Superintendent

Company

SUPRON ENERGY CORPORATION

Date

February 6, 1980



Date Surveyed

February 6, 1980

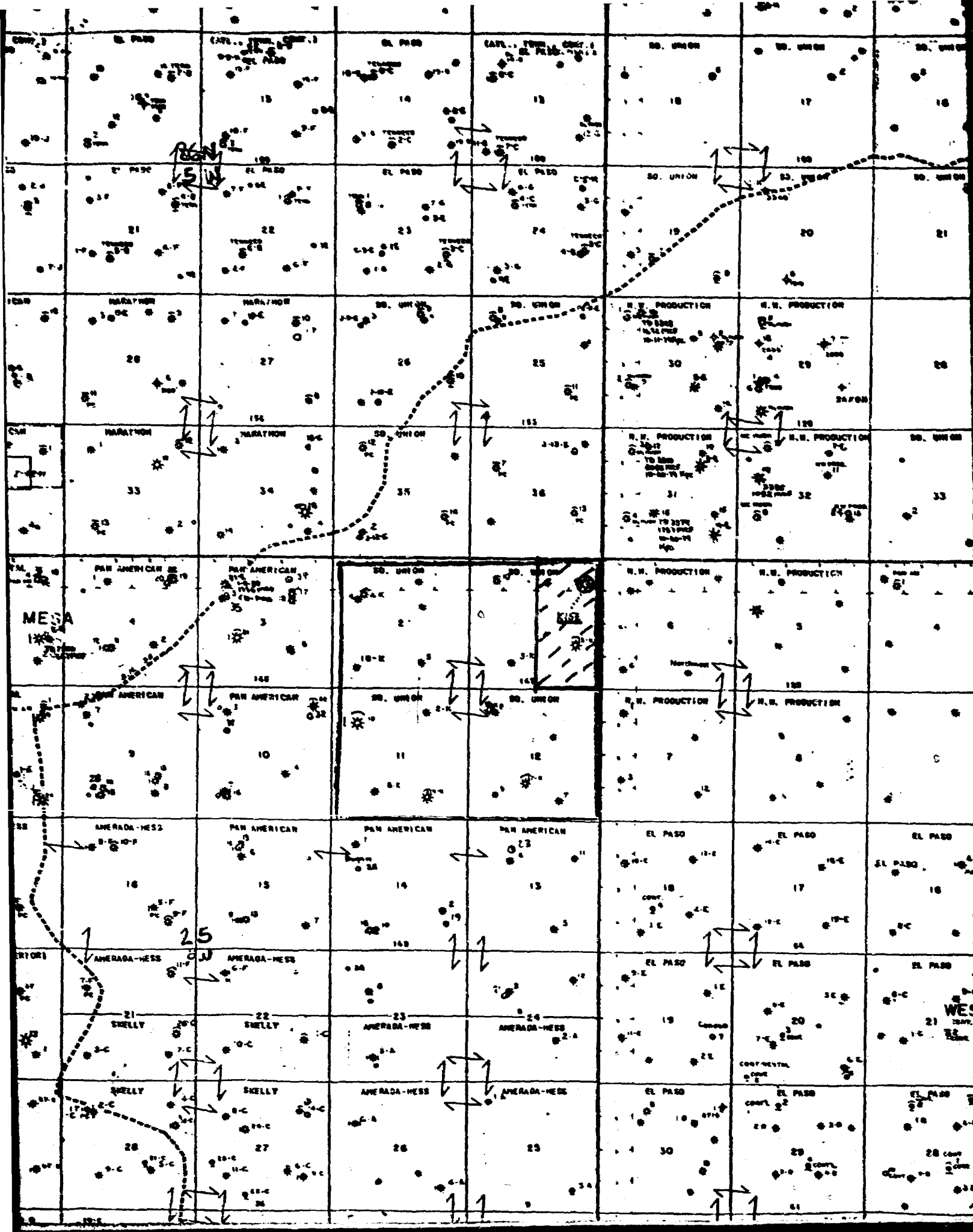
Registered Professional Engineer

and Land Surveyor

James P. Lease
James P. Lease

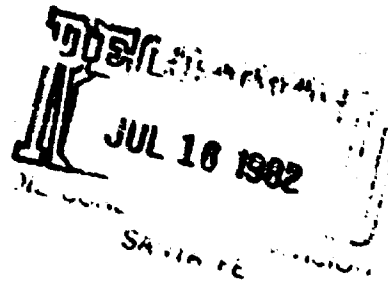
Certificate No.

1463





Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051



July 12, 1982

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Michael E. Stogner
Petroleum Engineer

Re: Application for Exemption from
the New Mexico Natural Gas
Pricing Act
Jicarilla "K" #15E

Gentlemen:

As requested by Mr. Stogner's letter dated July 8, 1982, the purchaser for
the above referenced well is as follows:

Gas Company of New Mexico
1800 First International Bldg.
Dallas, Texas 75270

Please advise if you require any additional information.

Very truly yours,

Betsy J. McMahon

Betsy J. McMahon
Regulatory Affairs Coordinator

BJM:tf

cc: Susan Reno
Chuck Wilson
Dennis Morgan

NEW MEXICO OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

WCPA- 32

EXEMPTION FROM THE NATURAL GAS PRICING ACT
PURSUANT TO SECTION 62-7-5, NMSA 1978, AND
DIVISION ORDER NO. R-5436

ORDER NO. Southern Union Exploration Company WELL NAME AND NO. Jicarilla "A" Well No. 10-F
SECTION: UNIT G SEC. 23 TWP. 26N RANG. 4W COUNTY Rio Arriba

THE DIRECTOR OF THE DIVISION FINDS:

- (1) That Section 5 of the Natural Gas Pricing Act (being Secs. 62-7-1 to 62-7-10, NMSA 1978) provides that the Natural Gas Pricing Act shall not apply to the production and sale of natural gas in intrastate commerce from a well the drilling of or first intrastate sale of which commenced on or after January 1, 1975, provided however, that the Act shall apply to such a well if it is drilled within an established proration unit which was producing or capable of producing natural gas prior to January 1, 1975, from the same reservoir unless the Oil Conservation Division exempts such well upon a finding that such new well was justified for reasons other than avoiding the application to the Natural Gas Pricing Act.
- (2) That by Order No. R-5436, dated June 8, 1977, the Division established an administrative procedure whereby the Director of the Division is empowered to act for the Division and exempt gas wells from the provisions of Section 5 of the Natural Gas Pricing Act provided said wells were drilled on or after January 1, 1975, within established proration units which were producing or capable of producing natural gas from the same reservoir prior to January 1, 1975.
- (3) That to qualify for such exemption, under said Order No. R-5436, a gas well must be classified either as a replacement well or as an infill well.
- (4) That pursuant to Order No. R-5436, the Director of the Division may find that a replacement well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:
- (a) The well was necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage; or that
 - (b) the well was necessary to replace a well producing at non-commercial rates; or that
 - (c) the drilling of the well commenced prior to January 18, 1977.
- (5) That pursuant to Order No. R-5436, the Director of the Division may find that an infill well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:
- (a) the well was drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in such pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool; or that
 - (b) the well is necessary to protect the proration unit from uncompensated drainage or to protect correlative rights; or that
 - (c) the drilling of the well commenced prior to January 18, 1977.
- (6) That the applicant herein Southern Union Expl. has requested exemption from the provisions of the Natural Gas Pricing Act pursuant to Section 62-7-5, NMSA 1978, and Division Order No. R-5436 for the above-named well.
- (7) That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for exemption from the provisions of the Natural Gas Pricing Act inasmuch as said well was not drilled for the purpose of avoiding the application of said act, but was in fact:
- () A Replacement Well
 - () necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage.
 - () necessary to replace a well producing at non-commercial rates.
 - () a well the drilling of which commenced prior to January 18, 1977.
 - (X) An Infill Well
 - (X) drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in the pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool, said pool being the Basin-Dakota Gas Pool and the order being Division Order No. R-1670-V.
 - () necessary to protect the proration unit from uncompensated drainage or to protect correlative rights.
 - () a well the drilling of which commenced prior to January 18, 1977.

IT IS THEREFORE ORDERED:

- (1) That the above-named well is hereby exempted from Section 5 of the Natural Gas Pricing Act (Secs. 62-7-1 to 62-7-10, NMSA 1978), effective this date.
- (2) That jurisdiction of this cause is hereby retained, and that this exemption is subject to rescission upon failure to comply with the provisions of Rule 6(d) or Rule 7(c) of Division Order No. R-5436 or for other good cause shown.
- DONE at Santa Fe, New Mexico on this 23rd day of July, 19 82.

JOE D. REED, Director

CERTIFICATION

I hereby certify that the Jicarilla A Well No. 10, being the existing well on the referenced proration unit, shall not have its ability to produce into the pipeline restricted in any manner.

SOUTHERN UNION EXPLORATION COMPANY

By: Ronald M. Sentz
Ronald M. Sentz
Drilling and Production
Engineer

Subscribed in my presence and duly sworn to before me, this eighth day of June, 1982.

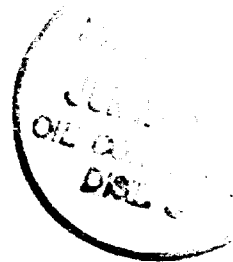
[Signature]
Notary Public in and for
Dallas County, Texas

[Signature]
My Commission Expires



Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-8051

June 7, 1982



State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Jicarilla "A" #10E
Basin Dakota Field
Rio Arriba County, NM

Gentlemen:

Pursuant to the provisions of the New Mexico Oil Conservation Commission's Order No. R-5436 and pursuant to Section 62-7-5 NMSA 1978, Southern Union Exploration Company respectfully requests an exemption for the above referenced infill gas well from the provisions of the State of New Mexico's Natural Gas Pricing Act.

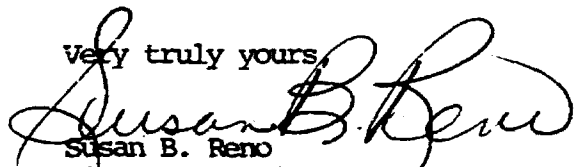
Attached for your consideration is a copy of an area plat showing the referenced proration unit, the location of all wells thereon, and the ownership and location of all wells offsetting it. Also please find enclosed a notarized certification pursuant to Rule 7 (c) contained in Order No. R-5436; and USGS Forms 9-331C and 9-330.

The Oil Conservation Commission had found that infill drilling would substantially increase recoverable reserves, would result in more efficient use of reservoir energy, and would tend to ensure greater ultimate recovery of gas from the Basin Dakota pool in Order No. R-1670-V. The above referenced well is completed and producing from this pool.

Southern Union Exploration Company also respectfully requests that this exemption be approved retroactive to the date of initial deliveries from this well (6/15/81). We had sincerely believed that these exemptions were automatic and no application was required to exempt this well. We apologize for any inconvenience this may have caused.

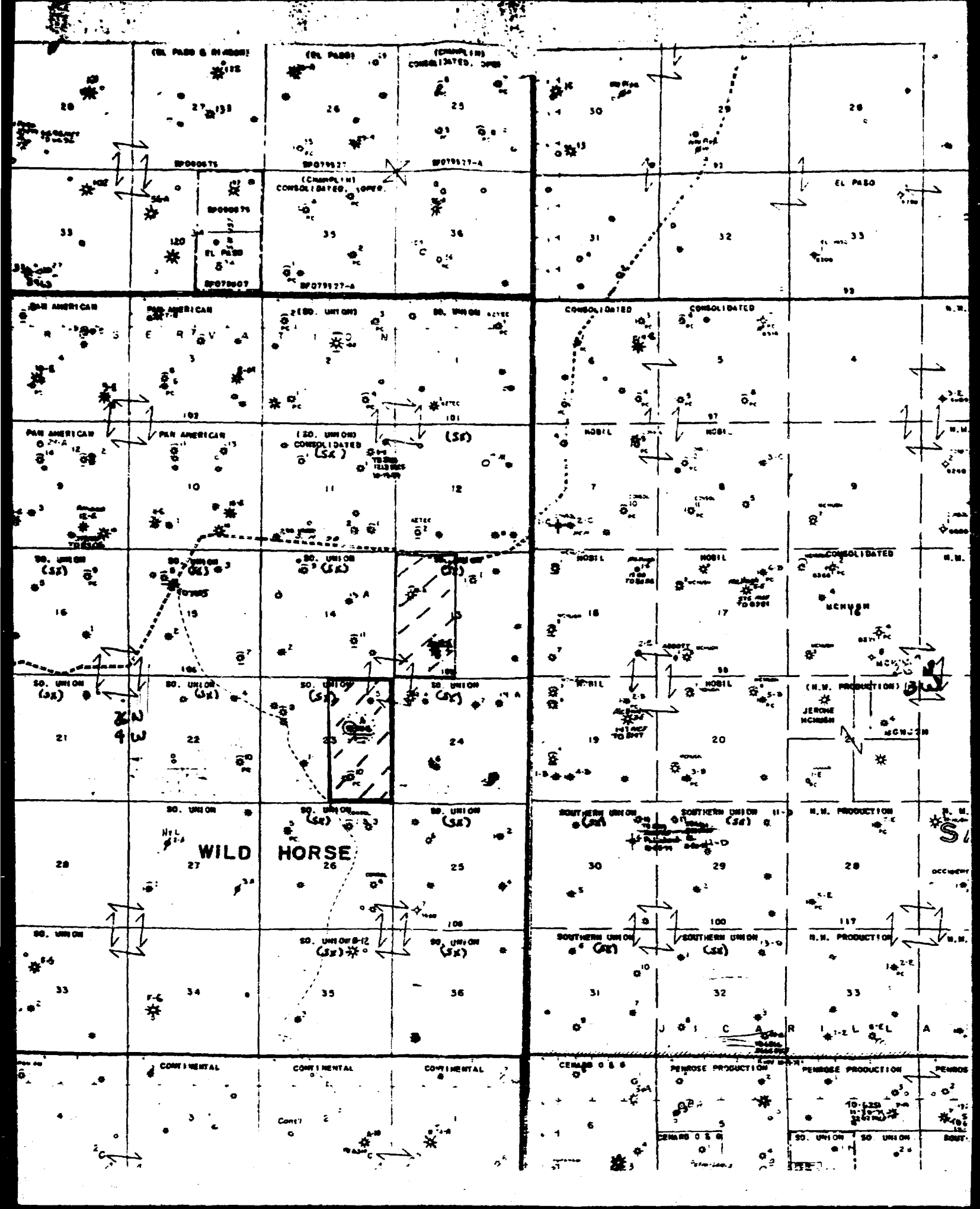
If you require any additional information, please let us know.

Very truly yours,


Susan B. Reno
Director, Administrative Operations

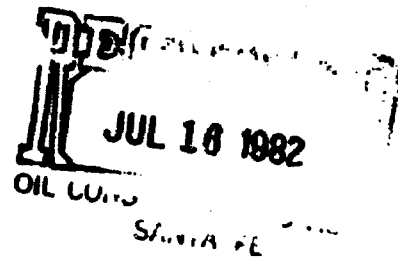
SBR:tf

Attachment





Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051



July 12, 1982

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Michael E. Stogner
Petroleum Engineer

Re: Application for Exemption from
the New Mexico Natural Gas
Pricing Act
Jicarilla "A" #10E

Gentlemen:

As requested by Mr. Stogner's letter dated July 8, 1982, the purchaser for
the above referenced well is as follows:

Gas Company of New Mexico
1800 First International Bldg.
Dallas, Texas 75270

Please advise if you require any additional information.

Very truly yours,

Betsy J. McMahon

Betsy J. McMahon
Regulatory Affairs Coordinator

BJM:tf

cc: Susan Reno
Chuck Wilson
Dennis Morgan

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUBMIT IN DUPLICATE

Form approved
Budget Bureau No. 42-R233.8

WELL COMPLETION OR RECOMPLETION REPORT

1. TYPE OF WELL: OIL WELL ☐ MIN. WELL ☒ HOT ☐ OTHER ☐

2. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. DESIGN ☐ OTHER ☐

3. NAME OF OPERATOR
Supron Energy Corporation & John H. Hill, et al

4. ADDRESS OF OPERATOR
Kyser Building, Suite 020
300 W. Arrington, Farmington, New Mexico 87401

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1690 FNL, 1680 FEL (SW NE)

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

Rio Arriba

13. STATE

New Mexico

15. DATE SPECDED

8/11/80

16. DATE T.D. REACHED

8/29/80

17. DATE COMPL. (Ready to prod.)

6-8-81

18. ELEVATION (DP, RSB, ST, GR, ETC.)*

7140' GR

19. ELEV. CASINGHEAD

7141'

20. TOTAL DEPTH, MD & TWD

8300' MD

21. PLUG BACK T.D., MD & TWD

8258' MD

22. IF MULTIPLE COMPL., HOW MANY*

Dual

23. INTERVALS DRILLED BY

ROTARY TOOLS

8300'

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (NO AND TWD)*

7998 - 8190 Dakota

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Gamma Ray and Neutron

27. WAS WELL CORRED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10-3/4"	32.75#	403'	14-3/4"	400 Sx Class B	-0-
7-5/8"	26.40#	4083'	9-7/8"	770 Sx 50/50 Poz	-0-

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
5 1/2"	3100'	8300'	525	

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
1 1/2" EUE	7942'	7889' MD

31. PERFORATION RECORD (Interval, size and number)

7998, 8004, 10, 16, 21, 27, 33, 39, 45, 50,
8106, 12, 18, 24, 45, 51, 57, 63, 78, 84,
90

21 Holes .44 Tolson Gun

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
7998-8190	2100 Gal 15% HCL Acid
	84,000 Gal Gel Water
	160,000# 20/40 Sand

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)					WELL STATUS (Producing or shut-in)	
		Flowing					Shut-In	
DATE OF TEST	HOURS TESTED	CRANE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO	
6-8-81	3 Hours	3/4	→	-	651	-	-	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)		
43	1134	→	662		-	-		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented JUN 16 1982

TEST WITNESSED BY

A. R. Kendricks

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE Drilling/Producing Manager

DATE 6-17-81

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 23, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see Item 31.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in Item 22, and in Item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in Item 23. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

item 29: "Necks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF FOREIGN ZONES

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THICKNESS; CORED INTERVALS; AND ALL DRILL-STEM TEXTS, INCLUDING DEPTH INTERVAL TESTED, CEMENTION USED, TIME TWO, OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERY

34. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	MEAN. DEPTH	TRUE VERT. DEPTH
Ojo Base	3478		Water				
Kirtland	3478		Shale				
Fruitland	3694		Water				
Pictured Cliffs	3778		Gas				
Cliff House	5448		Shale				
Point Lookout	5961		Gas				
Gallup	7512		Sand and Shale				
Greenhorn	7909		Sandstone				
Dakota	8099		Gas				

GENERAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
 DRILL ☒ DEEPEN ☐ PLUG BACK ☐
 2. TYPE OF WELL
 OIL ☐ GAS ☒ OTHER ☐ DOUBLE ☐ MULTIPLE ☒
 3. NAME OF OPERATOR John H. Hill, Individually and Gordon L. Llewellyn,
 as Trustee for Johannah Hope Hill and John Henry Hill, Jr.
 4. ADDRESS OF OPERATOR Suite 140 Campbell Centre, 8350 North Central
 Expressway, Dallas, Texas 75206
 5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface

Tribal No. 105
 6. IN TAPED, PLANNED OR TOWN PLAN
 Jicarilla Apache
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME
 Jicarilla "A"
 9. WELL NO.
 10-E
 10. FIELD AND TOWN OR TOWNSHIP
 Blanco Mesaverte
 Basin Dakota
 11. SEC. T. R. N. OR S.E.
 AND SECTION OR AREA
 R/2 Section 23,
 T-26-N, R-4-W, NMDN
 12. COUNTY OR PARISH
 Rio Arriba
 13. STATE
 New Mex

At proposed prod. incr
 (Dakota and Mesaverte) Same
 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

51.1 miles North-Northwest of Cuba, New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY ON LEASE LINE, FT.
 (Also to nearest drg. com. line, if any)
 1650'
 1120'
 16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR ABANDONED, ON THIS LEASE, FT.
 approx. 2500'
 17. NO. OF ACRES IN LEASE
 2560
 18. NO. OF ACRES ABANDONED TO THIS WELL
 320
 19. PROPOSED DEPTH
 -8300' 8500'
 20. ENTRY OR CABLE TOOL
 Rotary
 21. ELEVATION (Show whether SF, RT, CR, etc.)
 7140' GR
 22. APPROX. DATE WHEN WELL WILL BE DRILLED
 January 30, 1980

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10-3/4" new	40.5# H-40 ST&C	300'	220sx or suff. to circ. to s
9-7/8"	7-5/8" new	26.4# K-55 ST&C	4200'	250sx or suff. to cover Ojo
6-3/4"	5 1/2" Liner new	15.5# K-55 ST&C	8300'	500sx or suff. to circ. to Liner

1. Drill 15" hole and set 10-3/4" surface casing to 300' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 9-7/8" hole to 4200', and 6-3/4" hole to 8300'.
3. Run tests if warranted and run 7-5/8" casing and 6-3/4" liner if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

- "A" Location & Elevation Plat
 "B" The Ten-Point Compliance Program
 "C" The Blowout Preventer Diagram
 "D" The Multi-Point Requirements for A.P.D.
 "E" & "E₁" Access Road Maps to Location
 "F" Radius Map of Field
 "G" Drill Pad Layout, Cut-Fill Cross-Section & Production Facilities
 "H" Drill Rig Layout

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED: John H. Hill TITLE: GORDON L. LLEWELLYN, as Trustee for
 (This space for Federal or State office use)
Johannah Hope Hill & John Henry Hill, Jr.

PERMIT NO. 105 APPROVAL DATE JUN 14 1982
 OIL CONSERVATION DIVISION
 APPROVED BY SANTA FE TITLE DATE
 COMMISSIONER OF APPEALS, IF ANY.

*See Instructions On Reverse Side

JUN 14 1982
 OIL CON. COM.
 DIST 3

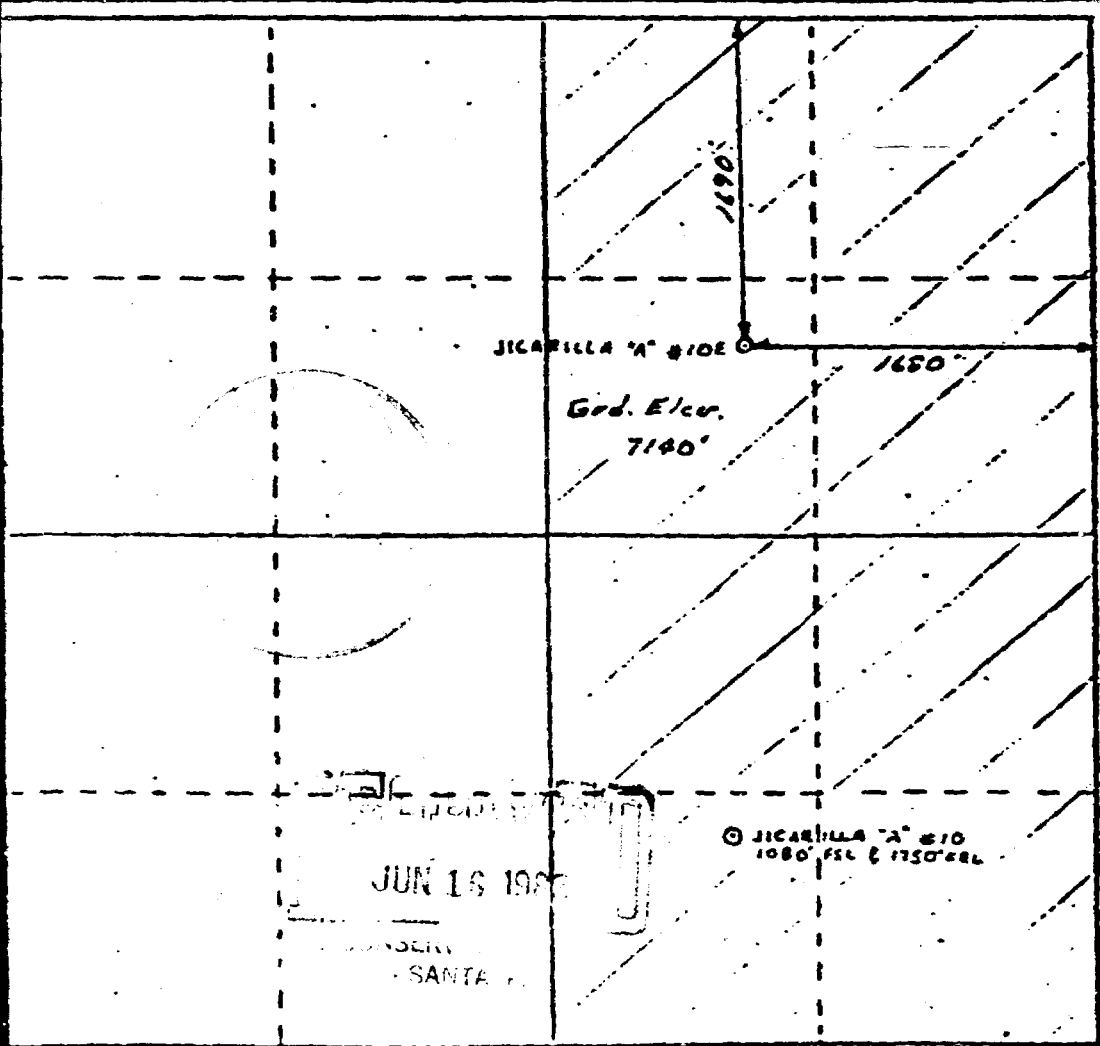
John H. Hill & Gordon Llewellyn			Tribal No. 105 - Jicarilla A		Well No. #10E
Section	Range	Township	County	State	
G	23	26N.	4W.	Rio Arriba	
Well Location (Location of Well)					
1690'		North		1680'	
7190'		Mesaverde Dakota		Blanco Mesaverde Basin Dakota	
Dedicated Acreage		320 Acres			

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<u>George Lapasotes</u>	
Name	George Lapasotes
V. Pres.	Powers Elevation
Position	Agent Consultant for
Company	John H. Hill & Gordon L. Llewellyn
Date	November 5, 1979
<p>I hereby certify that the location shown on this plat is the location of the well as shown on the survey made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.</p> <p>WILLIAM C. EDWARDS REGISTERED LAND SURVEYOR</p> <p>29 October 79</p>	
Date Surveyed	Will C. Edwards
<p>6857...</p>	

DAN.

STATE OF NEW MEXICO
ENERGY AND MINERAL DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7649

Order No. R-7/22

APPLICATION OF SOUTHERN UNION
EXPLORATION COMPANY FOR
RETROACTIVE EXEMPTION, SAN JUAN
AND RIO ARriba COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 18 and September 1, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of November, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Southern Union Exploration Company, is the owner and operator of certain wells in Rio Arriba County, New Mexico, which are subject to the New Mexico Natural Gas Pricing Act, hereinafter referred to as the "Act", unless exempted therefrom, and has requested retroactive exemption from said Act for such wells, described as follows:

<u>LEASE NAME</u>	<u>NO.</u>	<u>LOCATION</u>	<u>POOL</u>
Jicarilla A	13-E	N-13-26N-4W	Basin-Dakota
Jicarilla A	10-E	G-23-26N-4W	Basin-Dakota
Jicarilla K	15-E	A-01-25N-5W	Basin-Dakota
Hodges	15-E	J-27-26N-8W	Basin-Dakota
Newsom	10-R	M-20-26N-8W	Ballard-P.C.

(3) That the applicant has requested dismissal from further consideration in this case the aforesaid Hodges Well No. 15-E, and such dismissal should be approved.

(4) That the remaining four wells under consideration were completed on the date indicated and made first delivery into the pipeline as shown:

<u>WELL</u>	<u>COMPLETION DATE</u>	<u>FIRST DELIVERY</u>
Jicarilla A 13-E	January 8, 1981	June 15, 1981
Jicarilla A 10-E	June 8, 1981	June 15, 1981
Jicarilla K 15-E	May 15, 1981	Jan. 11, 1982
Newsom 10-R	Sept. 24, 1980	Dec. 24, 1980

(5) That the Act is not applicable to wells the drilling or first intrastate sale of gas of which commenced on or after January 1, 1975, provided however, that said Act shall apply to any well if it is drilled on an established proration unit which was producing gas or capable of producing gas prior to January 1, 1975, from the same reservoir unless the Oil Conservation Division exempts such well upon a finding that such new well was justified for reasons other than avoiding the application of the Act.

(6) That it is incumbent upon the owner and operator of any well subject to the Act to seek exemption from the Act from the Oil Conservation Division if such well qualifies for such exemption.

(7) That each of the wells listed in Finding No. (4) above qualifies for such exemption, the three Jicarilla wells being infill wells in the Basin Dakota Pool drilled pursuant to the Basin Dakota infill drilling Order No. R-1670-V, and the Newsom well being a replacement well in the Ballard-Pictured Cliffs Pool drilled to replace the original well on the proration unit which was plugged and abandoned in 1976.

(8) That the applicant on June 7, 1982, requested exemption from the Act for the aforesaid four wells and such exemption was granted by the Director by Administrative Orders NGPA-29 through NGPA-32, effective July 22, 1982.

(9) That the applicant seeks to have said exemption made retroactive to the date of first delivery into the pipeline by each of the subject wells, said date of first delivery being as indicated in Finding No. (4) above.

(10) That the applicant, through clerical error and as the result of confusion resulting from corporate reorganization, failed to make timely application for the exemption from the Act for the subject wells.

(11) That to not make the exemptions retroactive would impose an undue hardship on the applicant resulting from clerical error, whereas to make the exemption retroactive would not impair correlative rights nor cause waste.

(12) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the following wells, operated by Southern Union Exploration Company, are hereby exempted from the provisions of the New Mexico Natural Gas Pricing Act effective on the dates shown for each well:

<u>LEASE NAME</u>	<u>NO.</u>	<u>LOCATION</u>	<u>EFFECTIVE DATE</u>
Jicarilla A	13-E	N-13-26N-4W	June 15, 1981
Jicarilla A	10-E	G-23-26N-4W	June 15, 1981
Jicarilla K	15-E	A-01-25N-5W	Jan. 11, 1982
Newsom	10-R	M-20-26N-8W	Dec. 24, 1980

(3) (2) That jurisdiction of this cause is 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

(2) That that portion of this case concerning applicant's Hoeges well No 15-E, located in Unit J of Section 27, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico, is hereby dismissed.