

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 8109
ORDER NO. R-7706

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR EXEMPTION FROM THE
NEW MEXICO NATURAL GAS PRICING ACT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on March 7, 1984, and was reopened and heard on May 15, 1984, and on September 12, 1984, all at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of October, 1984, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Amoco Production Company, is the operator of 26 wells located in San Juan and Rio Arriba Counties, New Mexico, described in Exhibit "A" attached hereto and made a part hereof, which are subject to the New Mexico Natural Gas Pricing Act, hereinafter referred to as the "Act" and on February 17, 1984, filed applications seeking exemptions from the pricing provisions of the Act for said wells.

(3) Said Act applies to any well drilled after January 1, 1975, if it was drilled on an established proration unit which was producing gas or was capable of producing gas from the same reservoir prior to January 1, 1975, unless the Oil Conservation Division exempts such well upon a finding that the drilling of the well was justified for reasons other than avoiding the application of the Act.

(4) Commission Order No. R-1670-T and R-1670-V authorized a second well on an established gas proration and drilling unit

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in the Blanco Mesaverde and Basin-Dakota Pools, respectively, with findings that infill wells were necessary to recover additional gas from those pools.

(5) The wells described in Exhibit "A" were drilled to either increase the recovery of gas from the Basin-Dakota Pool or the Blanco-Mesaverde Pool.

(6) Since the drilling of the second well on each proration unit, the applicant has done nothing to restrict the ability of the original well on each of the gas proration and drilling units to produce into the pipeline.

(7) Granting a prospective exemption from the date of application for the subject wells would not impair correlative rights nor cause waste.

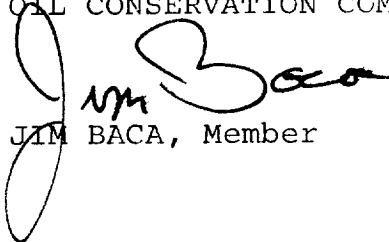
IT IS THEREFORE ORDERED THAT:

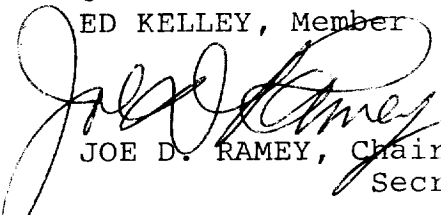
(1) Commencing on February 17, 1984, a prospective exemption from the Provisions of the New Mexico Natural Gas Pricing Act is hereby granted to the 26 producing wells operated by Amoco Production Company and described in Exhibit "A" attached hereto and made a part hereof.

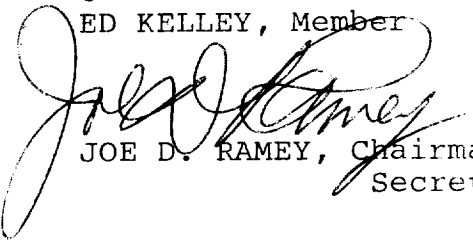
(2) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JIM BACA, Member


ED KELLEY, Member


JOE D. RAMEY, Chairman and
Secretary

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EXHIBIT "A"
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<u>WELL NAME AND NO.</u>	<u>LOCATION-FOOTAGE UNIT-SEC.-TWN-SHP-RANGE</u>	<u>POOL COUNTY</u>
Davidson Gas Com "F" Well No. 1-E	1520' FNL & 1520' FWL F-28-28N-10W	Basin-Dakota San Juan
Davidson Gas Com "G" Well No. 1-E	900' FSL & 1845' FEL O-21-28N-10W	Basin-Dakota San Juan
Davidson Gas Com "H" Well No. 1-E	790' FNL & 1520' FWL C-22-28N-10W	Basin-Dakota San Juan
J. F. Day "D" Well No. 1-E	910' FSL & 830' FEL P-20-28N-10W	Basin-Dakota San Juan
Fred Feasel "G" Well No. 1-E	850' FSL & 1710' FEL O 2-27N-10W	Basin-Dakota San Juan
Fred Feasel "H" Well No. 1-E	970' FSL & 1625' FEL O-33-28N-10W	Basin-Dakota San Juan
Fred Feasel "J" Well No. 1-E	810' FSL & 1760' FEL O-34-28N-10W	Basin-Dakota San Juan
Fred Feasel "L" Well No. 1-E	1520' FSL & 790' FEL I-32-28N-10W	Basin-Dakota San Juan
Medellaine N. Galt "H" Well No. 1-E	1740' FNL & 790' FWL E- 1-27N-10W	Basin-Dakota San Juan
R. P. Hargrave "J" Well No. 1-E	1540' FNL & 1520' FWL F- 3-27N-10W	Basin-Dakota San Juan
R. P. Hargrave "K" Well No. 1-E	920' FNL & 1850' FWL C-16-27N-10W	Basin-Dakota San Juan
R. P. Hargrave "L" Well No. 1-E	1100' FNL & 960' FWL D- 4-27N-10W	Basin-Dakota San Juan
Jicarilla Apache 102 Well No. 16-A	1070' FSL & 1150' FWL M-10-26N- 4W	Blanco- Mesaverde Rio Arriba
Jicarilla Apache 102 Well No. 29-A	910' FNL & 1740' FWL C- 9-26N- 4W	Blanco- Mesaverde Rio Arriba
Jicarilla Apache Tribal 151 Well No. 1-E	830' FSL & 1120' FEL P-10-26N- 5W	Basin-Dakota Rio Arriba

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Jicarilla Apache Tribal 151 Well No. 5	1795' FNL & 795' FWL E- 9-26N- 5W	Basin-Dakota Rio Arriba
Jicarilla Apache Tribal 151 Well No. 6-E	855' FSL & 1570' FEL O- 9-26N- 5W	Basin-Dakota Rio Arriba
Jicarilla Apache Tribal 151 Well No. 7-E	1030' FNL & 1050' FWL D- 4-26N-5W	Basin-Dakota Rio Arriba
Jicarilla Apache Tribal 151 Well No. 8-E	810' FNL & 1850' FEL B- 3-26N-5W	Basin-Dakota Rio Arriba
Jicarilla Contract 147 Well No. 1-E	1560' FSL & 1710' FEL J- 8-25N-5W	Basin-Dakota Rio Arriba
Jicarilla Contract 147 Well No. 2-E	1450' FSL & 1190' FEL I- 5-25N-5W	Basin-Dakota Rio Arriba
Jicarilla Contract 147 Well No. 3-E	970' FSL & 1140' FEL P- 6-25N-5W	Basin-Dakota Rio Arriba
Jicarilla Contract 147 Well No. 4-E	1650' FNL & 1120' FWL E- 5-25N-5W	Basin-Dakota Rio Arriba
Jicarilla Contract 147 Well No. 6-E	790' FSL & 1580' FWL N- 6-25N-5W	Basin-Dakota Rio Arriba
Jicarilla Contract 147 Well No. 7-E	800' FNL & 1670' FWL C- 8-25N-5W	Basin-Dakota Rio Arriba
Kutz Deep Gas Com "D" Well No. 1-E	1670' FSL & 800' FEL I-27-28N-10W	Basin-Dakota San Juan