

## NEW MEXICO OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

NGPA- 22

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

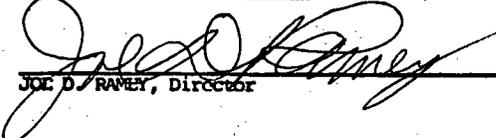
OPERATOR Supron Energy Corp. WELL NAME AND NO. Jicarilla G Well No. 9-A  
 LOCATION: UNIT 0 SEC. 1 TWP. 26N RNG. 5W COUNTY Rio Arriba

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:
- The well was necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage; or that
  - the well was necessary to replace a well producing at non-commercial rates; or that
  - 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:
- 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
  - the well is necessary to protect the proration unit from uncompensated drainage or to protect correlative rights; or that
  - the drilling of the well commenced prior to January 18, 1977.
- (6) That the applicant herein Supron Energy Corp. 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 Blanco-Mesaverde Gas Pool and the order being Division Order No. R- 1670-I.
    - 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:

- 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).
  - 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 2nd day of February, 19 81.

  
 JOE D. RAMEY, Director

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DIVISION ORDER NO. R-5436

OPERATOR Supron Energy Corp. WELL NAME AND NO. Jicarilla G No 9-A  
 LOCATION: UNIT 0 SEC. 1 TWP. 26 N RANG. 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:
- The well was necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage; or that
  - the well was necessary to replace a well producing at non-commercial rates; or that
  - 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:
- 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
  - the well is necessary to protect the proration unit from uncompensated drainage or to protect correlative rights; or that
  - the drilling of the well commenced prior to January 18, 1977.
- (6) That the applicant herein Supron Energy Corp. 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 Blanco-Mesaverte Gas Pool and the order being Division Order No. R-1670-T.
    - 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:

- 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).
  - 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 \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

JOE D. RAMEY, Director

**SUPRON ENERGY CORPORATION**

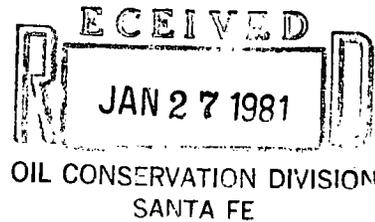
BLDG. V, FIFTH FLOOR  
10300 NORTH CENTRAL EXPRESSWAY  
DALLAS, TEXAS 75231

**WILLIAM S. JAMESON**  
SENIOR VICE PRESIDENT  
GENERAL COUNSEL & SECRETARY

TELEPHONE (214) 691-9141  
TWX: (910) 861-9117  
SUPCO-DAL.

January 22, 1981

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



Re: Application for Exemption from the Provisions  
of Section 6 of the Natural Gas Pricing Act -  
Supron Energy Corporation's Jicarilla "G" 9-A Well (Mesaverde)

Dear Sir:

Pursuant to the provisions of the New Mexico Oil Conservation Division Order No. R-5436, Supron Energy Corporation hereby submits its application for a determination under Section 6 of the New Mexico Gas Pricing Act that the captioned well was justified for reasons other than avoiding the application of the New Mexico Gas Pricing Act.

The above captioned well was located and drilled as an "infill" well in a particular gas pool pursuant to an Oil Conservation Division order finding that such wells will increase the recoverable reserves under the applicable proration unit and will result in more efficient use of reservoir energy and will tend to ensure greater ultimate recovery of gas from the pool. The applicable Division Order Number is R 1670-T applicable to the Mesaverde Formation.

Transmitted herewith in support of the application is a plat of the area showing the proration unit in question, the location of all wells thereon and the ownership and location of all wells on direct or diagonally offsetting proration units.

Submitted herewith are copies of the following data showing the date on which the drilling of the captioned wells was commenced:

1. Application for Permit to Drill; and
2. Well Completion Report.

**SUPRON ENERGY CORPORATION**

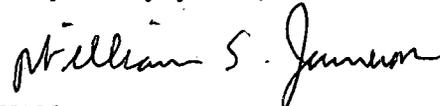
Director  
New Mexico Oil Conservation Division  
January 22, 1981

Page Two

Supron Energy Corporation hereby certifies that the pre-existing Mesaverde well on the proration unit applicable to the captioned Mesaverde well will not have its ability to produce into the pipeline restricted in any manner.

A copy of this application and the related material submitted in support thereof has this day been forwarded to the District Office of the New Mexico Oil Conservation Division for District III at Aztec, New Mexico.

Very truly yours,



William S. Jameson  
Senior Vice President, General  
Counsel & Secretary

klc  
encls/as stated

cc: New Mexico Oil Conservation Division  
District III  
1000 Rio Brazos Road  
Aztec, New Mexico 87410  
(w/copy of encls)

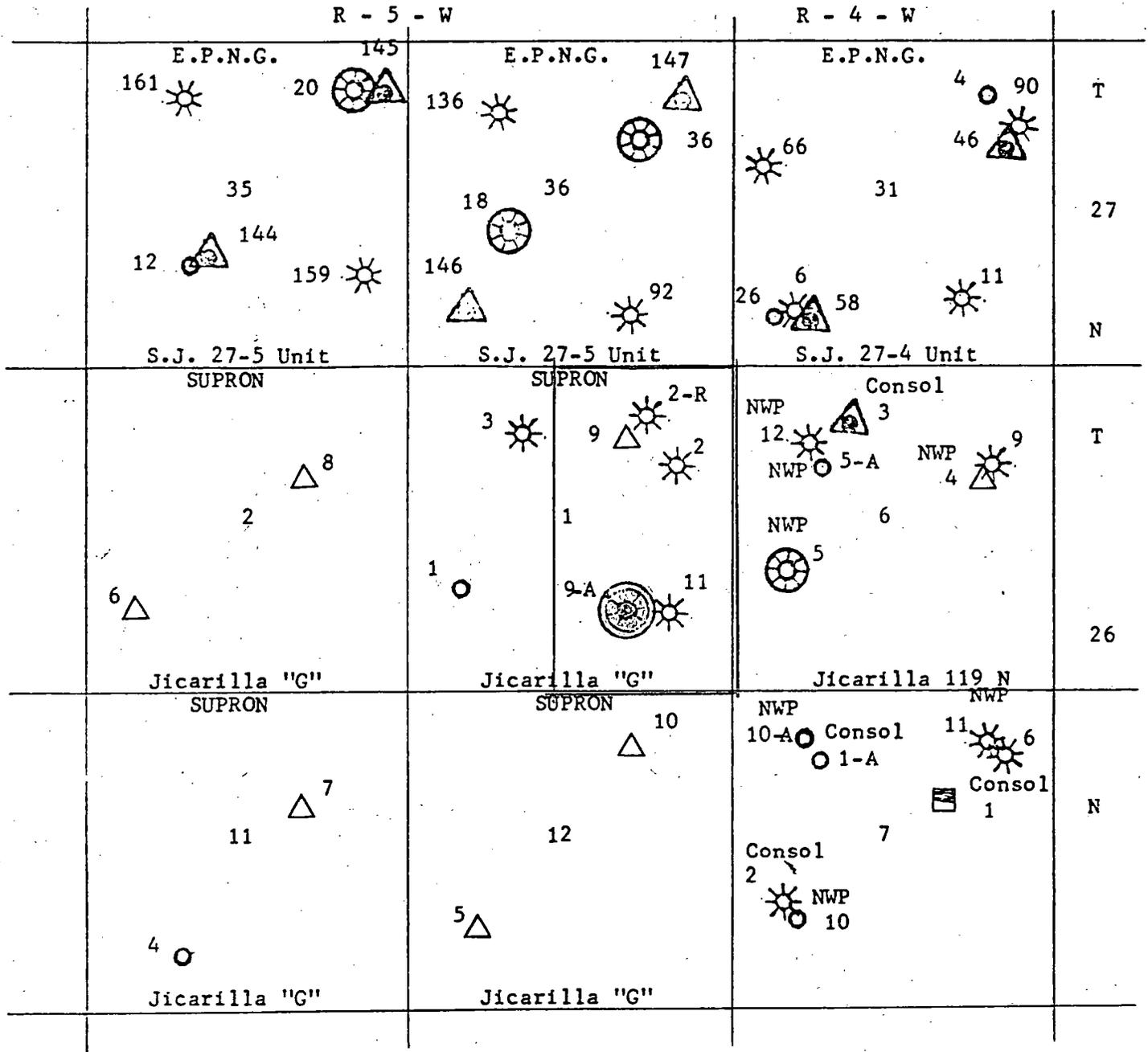
Southland Royalty Company  
1000 Fort Worth Club Tower  
Fort Worth, Texas 76102  
(w/copy of encls)

OFFSET OPERATOR'S PLAT

SUPRON ( ERGY CORPORATION

WELL: JICARILLA "G" NO. 9-A

LOCATION: 1160 Feet from the South line and 1810 feet from the East line of Sec. 1, Twp. 26 North, Rge. 5 West, Rio Arriba County, New Mexico.



Proposed Dual Blanco Mesaverde and BS Mesa Gallup



Mesaverde



Pictured Cliffs



Dakota



Pictured Cliffs - Mesaverde



Mesaverde - Gallup



Mesaverde - Dakota

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

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

3. ADDRESS OF OPERATOR  
 P. O. Box 808, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
 1160 feet from the South line and 1810 feet from the East line.  
 At proposed prod. zone Same as above.

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

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1160' /Drlg. Unit  
 1810' /Lease Line

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. line  
 Approx. 2600 ft.

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 7309 Gr.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-3/4"	10-3/4"	32.75	250 feet	180 Sx.
9-5/8"	7-5/8"	26.40	4300 feet	250 sx.
6-3/4"	5-1/2"	15.50	8500 feet	550 sx.

This well will be drilled to intermediate casing point using mud as a circulating medium. After intermediate casing is set and cemented, the well will be drilled to total depth using gas or air as a circulating medium. The well will have liner run, hung off and cemented. The well will be perforated in the Dakota formation and sand water fraced to stimulate production. A bridge plug will be set above the Dakota formation. The Mesaverde zone will be perforated then sand water fraced to stimulate production. The well will be cleaned up, the Bridge plug drilled out and a Baker production packer will be set at approximately 7600 feet. Tubing will be run and landed in the production packer and a second string of tubing will be run and set at approximately 5,100 feet. The well will then be nipped down and a packer test will be run to assure zone separation.

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 Ludy D. Motto TITLE Area Superintendent DATE May 1, 1979  
 (This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

5. LEASE DESIGNATION AND SERIAL NO.  
 Contract No. 150  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 Jicarilla Apache  
 7. UNIT AGREEMENT NAME  
 Jicarilla "G"  
 8. FARM OR LEASE NAME  
 Jicarilla "G"  
 9. WELL NO.  
 9-A  
 10. FIELD AND POOL, OR WILDCAT  
 Blanco Mesaverde  
 Basin Dakota  
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 1, T-26N, R-5W  
 N.M.P.M.  
 12. COUNTY OR PARISH  
 Rio Arriba  
 13. STATE  
 New Mexico

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

SUBMIT IN DUPLICATE\*

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 42-R355.5.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG \***

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
**Supron Energy Corporation**

3. ADDRESS OF OPERATOR  
**P.O. Box 808, Farmington, New Mexico 87401**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
**At surface 1160 Ft./S; 1810 Ft./E line**

**At top prod. interval reported below Same as above**

**At total depth Same as above**

14. PERMIT NO. \_\_\_\_\_ DATE ISSUED \_\_\_\_\_

5. LEASE DESIGNATION AND SERIAL NO.

**Contract No. 150**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

**Jicarilla Apache**

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

**Jicarilla "G"**

9. WELL NO.

**9-A**

10. FIELD AND POOL, OR WILDCAT

**Blanco Mesaverde**

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

**Sec. 1, T-26N, R-5W  
N.M.P.M.**

12. COUNTY OR PARISH

**Rio Arriba**

13. STATE

**New Mexico**

15. DATE SPUDDED <b>9-13-79</b>	16. DATE T.D. REACHED <b>9-26-79</b>	17. DATE COMPL. (Ready to prod.) <b>3-27-80</b>	18. ELEVATIONS (DF, REB, BT, GR, ETC.)* <b>7321 R.K.B.</b>	19. ELEV. CASINGHEAD <b>7309</b>
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20. TOTAL DEPTH, MD & TVD <b>8227 MD &amp; TVD</b>	21. PLUG, BACK T.D., MD & TVD <b>7860 MD &amp; TVD</b>	22. IF MULTIPLE COMPL., HOW MANY* <b>2</b>	23. INTERVALS DRILLED BY <b>0 - 8227</b>	ROTARY TOOLS <b>---</b>	CABLE TOOLS <b>---</b>
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24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
**5659 - 6209 Mesaverde MD & TVD**

25. WAS DIRECTIONAL SURVEY MADE  
**No**

26. TYPE ELECTRIC AND OTHER LOGS RUN  
**Induction Laterolog and Compensated Neutron Density**

27. WAS WELL COBED  
**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	257	13-3/4"	275 Sx.	
7-5/8"	26.40	4329	9-7/8"	200 Sx.	
4-1/2"	11.60	5023-7967	6-3/4"	425 Sx. (2-Stage)	
4-1/2"	10.50	0 - 5023	6-3/4"		

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
4-1/2"	Surface	7967	425	

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
NO TUBING RUN		

31. PERFORATION RECORD (Interval, size and number)

**1 - 0.42" hole at each of the following depths:  
5659, 5661, 5744, 5746, 5748, 5749, 5773,  
5775, 5779, 5781, 6182, 6185, 6188, 6191,  
6194, 6196, 6200, 6203, 6206, 6209.  
(Total of 20 holes)**

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
<b>5659 - 6209</b>	<b>2000 Gal. 15% HCL, 51,000 gal. 1% KCL water, 50,000 lb. 20-40 sand.</b>

33.\* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
		<b>Flowing</b>				<b>Producing</b>	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
<b>3-20-80</b>	<b>3</b>	<b>3/4"</b>	<b>→</b>		<b>336</b>		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
<b>- - -</b>	<b>208</b>	<b>→</b>		<b>2687</b>			

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

TEST WITNESSED BY  
**Leroy Tafuya**

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 Kenneth E. Roddy TITLE Production Superintendent DATE 3-28-80  
Kenneth E. Roddy

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

