

NEW MEXICO OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

NGPA- 27

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

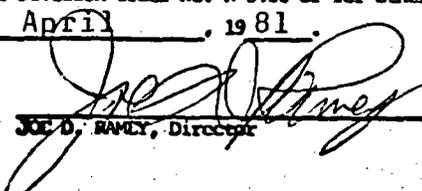
OPERATOR Consolidated Oil & Gas WELL NAME AND NO. Navajo Well No. 2E
 LOCATION: UNIT C SEC. 11 TWP. 25N RANG. 10W COUNTY San Juan

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:
- 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 Consolidated Oil & Gas 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 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.

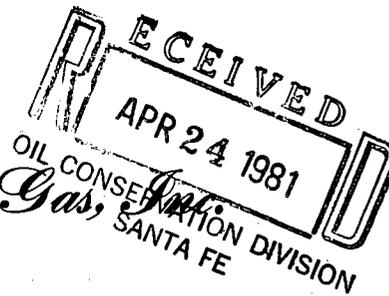
IT IS THEREFORE ORDERED:

- 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 28th day of April, 1981.


 JOE D. RAMSEY, Director



Consolidated Oil & Gas, Inc.



LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80295
(303) 861-5252

April 20, 1981

Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Re: Exemptions from State
Pricing Act pursuant to
Order No. R-5436

Gentlemen:

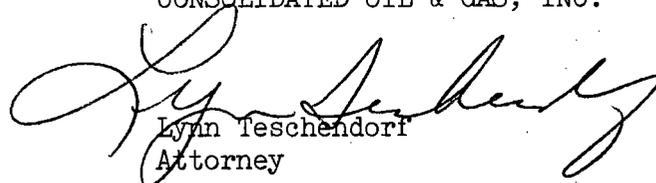
Enclosed please find an application for exemption from the New Mexico Natural Gas Pricing Act for the Navajo 2-E located in Section 11, Township 25 North, Range 10 West, Dakota formation.

This well was drilled as an infill in the Basin-Dakota pool pursuant to Order R-1670-V. The application consists of :

1. location plat, Rule 5
2. certification, Rule 7
3. well completion report, Rule 8.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.


Lynn Teschendorf
Attorney

LT:pb

Enclosures

cc: NMOCD, Aztec, NM

CERTIFICATION

RECEIVED
APR 24 1981
OIL CONSERVATION DIVISION
SANTA FE

I hereby certify that the existing well on the subject proration unit shall not have its ability to produce into the pipeline restricted in any manner.

Floyd E. Ellison, Jr.
Floyd E. Ellison, Jr.
Vice President - Operations

OFFSET OPERATORS PLAT

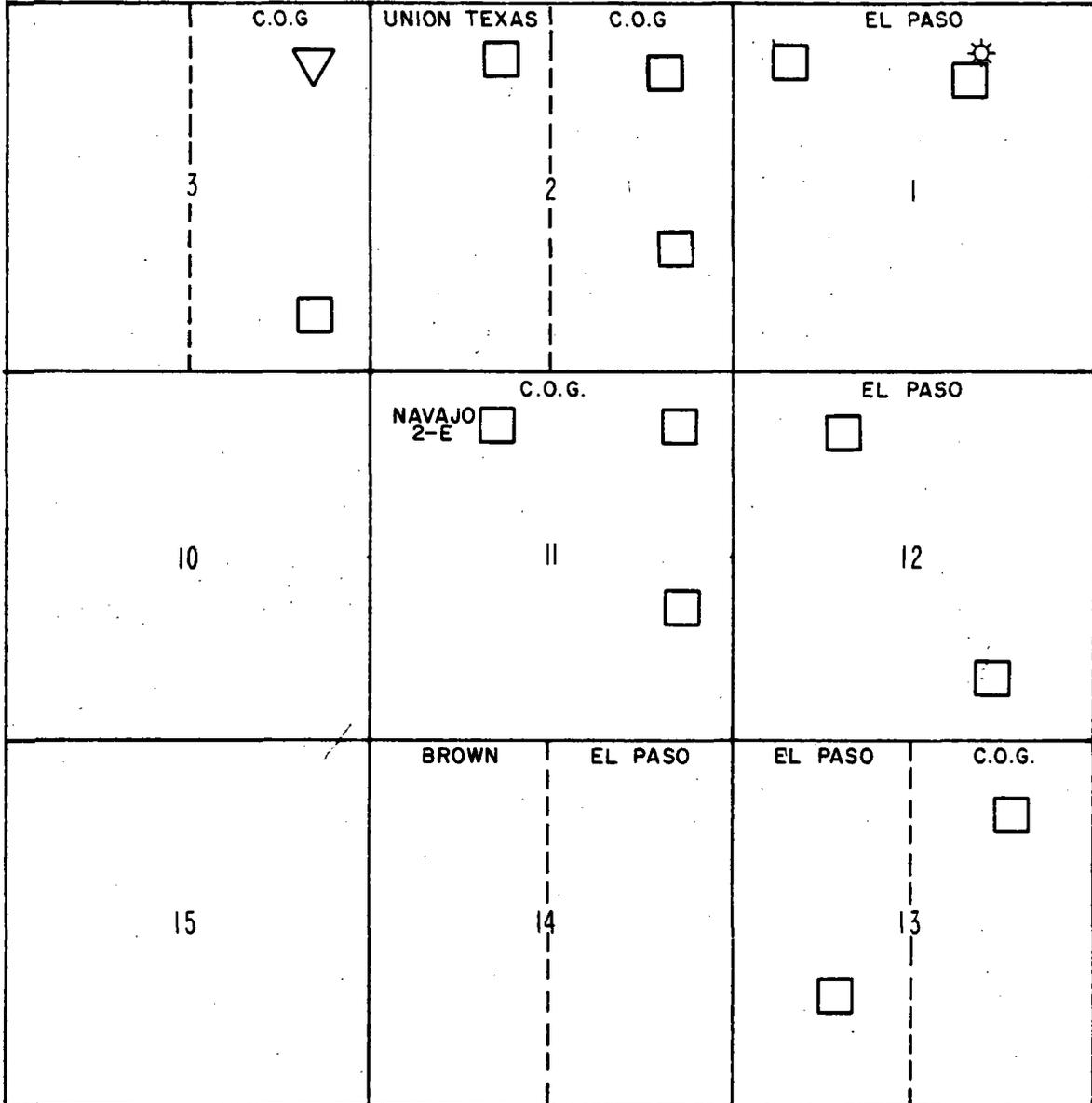
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APR 24 1981
 OIL CONSERVATION DIVISION
 SANTA FE

CONSOLIDATED OIL AND GAS INC.

WELL : NAVAJO 2-E

LOCATION : 790' FNL & 1833' FWL, Sec. II, T25N-R10W
 SAN JUAN COUNTY, NEW MEXICO

R 10 W



T 25 N

- | | |
|---------------------------------|-----------------------------|
| □ DAKOTA | ▽ MESA VERDE - GALLUP DUAL |
| ○ MESA VERDE | ◻ MESA VERDE - DAKOTA DUAL |
| ☼ PICTURE CLIFFS | ☼ DAKOTA - PIC. CLIFFS DUAL |
| ▽ GALLUP | ▽ DAKOTA - GALLUP DUAL |
| ☼ MESA VERDE - PIC. CLIFFS DUAL | ▽ GALLUP - PIC. CLIFFS DUAL |

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN

RECEIVED
See other instructions on reverse side
APR 24 1981

Form approved.
Bureau No. 42-R355.6

WELL COMPLETION OR RECOMPLETION REPORT AND OIL CONSERVATION DIVISION

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
Consolidated Oil & Gas, Inc.

3. ADDRESS OF OPERATOR
P.O. Box 2038, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with State requirements)
At surface 790' FNL & 1833' FNL
At top prod. interval reported below Same
At total depth Same

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APR 02 1981
U.S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

5. LEASE DESIGNATION AND SERIAL NO.
4 19810 603-1328-1371
6. INDIAN TOWNSHIP OR TRIBE NAME
Navajo
7. PERMIT AGREEMENT NAME
8. FARM OR LEASE NAME
9. WELL NO.
2E
10. FIELD AND POOL, OR WILDCAT
Basin Dakota
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec 11 T25N R10W
12. COUNTY OR PARISH
San Juan
13. STATE
N.M.

14. PERMIT NO. FARMINGTON, N. M. DATE ISSUED
API #30-045-24522

15. DATE SPURIED 12-7-80 16. DATE I.D. REACHED 12-19-80 17. DATE COMPL. (Ready to prod.) 2-9-81 18. ELEVATIONS (OF RHB, BT, GR, ETC.) 6780' KB; 6767' GR 19. ELEV. CASING HEAD

20. TOTAL DEPTH, MD & TVD 6700' 21. PLUG, BACK I.D., MD & TVD 6673' 22. IF MULTIPLE COMPL., HOW MANY? 1 gas; 2 oil (comm) 23. INTERVALS DRILLED BY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 6612'-6650'; Dakota (Oil production commingled w/ Greenhorn (45% allocation of oil production to Dakota) 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN CNL/FDC/GR & I/SFL 27. WAS WELL CORED? No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	20.0	222'	12-1/4"	250 sks	6 bbls
5-1/2"	15.5	6692'	7-7/8"	315 sks	66 sks
		DV @ 4811'		375 sks	
		DV @ 2204'		503 sks	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					1-1/2"	6616'	none

31. PERFORATION RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

20 shots @ 1 every 2' - 6612'-6650'

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6612'-6650'	See reverse side for details

33. PRODUCTION

DATE FIRST PRODUCTION 1-31-81 (DK oil) PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing WELL STATUS (Producing or shut-in) Shut-in

DATE OF TEST (IP) 2-9-81 HOURS TESTED 3 CHOKER SIZE - PROD'N. FOR TEST PERIOD - OIL-BBL. 43 N/A GAS-MCF./D CV 4659 WATER-BBL. na GAS-OIL RATIO -

FLOW. TUBING PRESS. 318 psig CASING PRESSURE 1109 psig CALCULATED 24-HOUR RATE - OIL-BBL. 43 N/A GAS-MCF./D AOF 8306 WATER-BBL. 36 OIL GRAVITY-API (COR.) 48.1 @ 60°F

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented TEST WITNESSED BY ACCEPTED FOR RECORD

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 Barbara C. Rex TITLE Prod. & Drlg. Technician DATE APR 6 1981 March 31, 1981 FARMINGTON DISTRICT BY RB

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

OPERATOR

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: "Sacks 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 POROUS 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

38.

GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Dakota	6572'	-	1-19-81: Perfed 20 shots 6612'-6650'. Acidized w/ 500 gal 7½% NE acid. Frac'd w/ 45,000 gal 40# X-link, 20,000# 20/40 sd, 40,000# 10/20 sd, & 368,000 SCF N₂. Fluid cont 1% KCl, 1 gal/1000 gal surf, & 100 PPM nitrates. ISIP 2500#, MIR 32 BPM, AIR 29 BPM, MTP 3000#, ATP 2700#. Total fluid to rec = 1543 bbls.	Ojo Alamo	1110'	same
				PC	2034'	same
				Cliff House	3590'	same
				Pt Lookout	4472'	same
				Greenhorn	6450'	same
				Dakota	6572'	same
				PBTD	6673'	same
TD	6700'	same				