

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

OPERATOR Amoco Production Company WELL NAME AND NO. Roberts Gas Com B No. 1E
LOCATION: UNIT P SEC. 14 TWP. 29 North RANG. 13 West 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 Amoco Production Company 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), Retroactive to the date of first sale.
- (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 23 day of July, 1976.


R.L. STAMETS, DIRECTOR

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

OPERATOR Amoco Production Co. WELL NAME AND NO. Roberts Gas Com B No 10
LOCATION: UNIT P SEC. 14 TWP. 29 N RING. 13 W 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 Amoco Prod Co 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 Basil - De Arta 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). Retrospective to the date of first sale
- (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 _____ day of _____, 19 _____.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

AMOCO PRODUCTION COMPANY'S) Docket No. _____
APPLICATION TO HAVE THE)
FOLLOWING WELL EXEMPTED)
FROM THE NEW MEXICO NATURAL)
GAS PRICING ACT: WELL)
NAME: Roberts Gas Com "B" #1E)
(THE EXEMPTION SOUGHT IS:)
 PROSPECTIVE)
 RETROACTIVE)

FEB 29 1984

APPLICATION FOR EXEMPTION

RECEIVED

I. Introduction

In this application, Amoco Production Company ("Amoco") is requesting that the captioned well be exempted from the New Mexico Natural Gas Pricing Act ("the Act"), Sections 62-7-1 to 62-7-10, NMSA 1978. The application is made pursuant to Section 62-7-5 of that Act, and to the Oil Conservation Commission's Order No. R-5436.

II. Facts

1. Amoco is the operator of the captioned well.
2. The captioned well is an infill well, being the second well to be drilled on a proration unit comprising the E/2 of Section 14, Township 29N, Range 13W, in San Juan County, New Mexico. That proration unit and the location of the captioned well thereon is shown on the Form C-102 Plat attached hereto as Exhibit "A," submitted pursuant to Rule 5 of Order R-5436.
3. The first well to be drilled on the proration unit described in Paragraph 2 was the Roberts Gas "B" #1E well (the "First Well"); that well was producing or capable of producing natural gas prior to January 1, 1975.
4. The drilling of the captioned well was commenced on 2/18/81; that well is completed for production in the Basin Dakota Pool, as is indicated by the completion report attached hereto as Exhibit "B."

5. Pursuant to Rule 7(a) of Order R-5436, Amoco states that the drilling of the captioned well as an infill well in the Pool named in Paragraph 4 was permitted by Order No. R-1670-V of the Oil Conservation Commission (or of the Division). That infill order contains findings of the sort called for by Rule 7(a).

III. Certification

Pursuant to Rule 7(c) of Order R-5436 the undersigned, speaking on behalf of Amoco, certifies that the ability of the First Well to produce into the pipeline has not been and will not be restricted by Amoco in any manner for the purpose of avoiding the application of the Act to sales of natural gas from that well.

IV. Request

Amoco requests the Division to enter an order (i) finding that the captioned well was justified for reasons other than avoiding the application of the Act and (ii) exempting that well from the Act. Amoco further requests that the exemption have effect prospectively or retroactively, as is indicated immediately below:

- prospectively, from the date this application is received by the Division;
- retroactively, from the date of first production of natural gas from the captioned well up to and including the day before the date this application is received by the Division.

V. Conclusion

By its submission of this application Amoco in no way surrenders its right to argue (i) that promulgation of the infill order cited above in Paragraph II.5 was sufficient, under Section 62-7-5 of the Act, to exempt the captioned well from the Act; or (ii) that the Division's determination that the captioned well qualifies as a New Onshore Production Well under Section 103 of the Natural Gas Policy Act of 1978 (if, in fact, such a determination has been made) was sufficient,

under Section 62-7-5 of the Act, to exempt that well from the Act; or (iii) that Order R-5436 is unenforceable.

Respectfully submitted,
AMOCO PRODUCTION COMPANY

By *A. P. Payne*

Typed name A.P. Payne

Title Regional Gas Sales Manager

Date: 2/21/84

CERTIFICATE OF MAILING

I certify that on the 29th day February, 1984 a copy of the foregoing Application for Exemption was mailed to the following persons at the indicated addresses:

District Office
Oil Conservation Division

Purchaser: Amoco Gas Company
P.O. Box 3092
Houston, TX 77253

Working Interest Owners:

Pioneer Production Corp.
P.O. Box 2542
Amarillo, TX 79189

Texaco, Inc.
P.O. Box 2100
Denver, CO 80201

National Drilling Company, Inc.
4810 North Kenneth Ave.
Chicago, Illinois 60630

Signature: Stephen D. Ring

Typed name: Stephen D. Ring

Capacity: Attorney
(Acting for Amoco Production
Company)

SDR/mgb
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LAND OFFICE	
OPERATOR	

Form C-105
Revised 10-66

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

6. Wellbore Type of Lease	State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	
7. Unit Agreement Name	
8. Form or Lease Name	Roberts Gas Com "B"
9. Well No.	1E
10. Field and Pool, or Wildcat	Basin Dakota
11. County	San Juan

1. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER _____

2. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESV. OTHER _____

3. Name of Operator: Amoco Production Company

4. Address of Operator: 501 Airport Drive, Farmington, NM 87401

1. Location of Well: EAST LETTER P LOCATED 1190 FEET FROM THE South LINE AND 1080 FEET FROM East LINE OF SEC. 14 TWP. 29N RGE. 13W NMPM

11. Date Spudded: 2-18-81 12. Date T.D. Reached: 3-7-81 13. Date Compl. (Ready to Prod.): 4-18-81 14. Elevations (DF, RKB, RT, GR, etc.): 5342' CL 15. Elev. Casinghead: _____

16. Total Depth: 6000' 17. Plug Back T.D.: 5961' 18. If Multiple Compl., How Many: _____ 19. Intervals Drilled By: Rotary Tools Cable Tools _____

20. Producing Interval(s) of this completion - Top, Bottom, Name: 5768-5794, 5842-5880, and 5894-5910 - Basin Dakota 21. Was Directional Survey Made: No

22. Type Electric and Other Logs Run: SP, Induction, GR, FDC-CNL 23. Was Well Cored: No

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

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	308'	12 1/4"	400 sx	
4 1/2"	10.5#	6000'	7 7/8"	1420 sx	

25. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

26. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8"	5918'	

27. Production Record (Interval, size and number): 5768-5794, 5842-5880, and 5894-5910, with 2 spf, a total of 160, .38" holes.

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

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
5768-5910	136,000 gallons of frac fluid and 297,000 pounds of 20-40 sand.

29. PRODUCTION

Date First Production: _____ Production Method (Flowing, gas lift, pumping - size and type pump): Flowing Well Status (Prod. or Shut-in): Shut-In

Date of Test	Hours Tested	Choke Size	Pressure Per Test Period	Oil - BBL	Gas - MCF	Water - BBL	Gas-Oil Ratio

Flow Test Log Pressure: _____ Casing Pressure: _____ Calculated 24-Hour Rate: _____ Oil Gravity - API (Corr.): _____

30. Disposition of Log (Sold, used for fact, vented, etc.): To be sold. Test Witnessed By: _____

31. List of Attachments: **NOTE: Well has not been tested due to houses in the area. The well will be tested down the sales line when the pipeline connection is made.**

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED: E. E. SANCHEZ TITLE: Dist. Admin. Serv. DATE: JUL 30 1981

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radioactivity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 36 through 38 shall be reported for each zone. The form is to be filed in quadruplicate except on state land, where six copies are required. See Rule 1195.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland 903 ER	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs 1170	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House 2751	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee 2869	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout 3644	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos 3997	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup 5155	T. Ignacio Qtzite _____
T. Glorieta _____	T. McKee _____	Base Greenhorn 5720	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota 5768	T. _____
T. Blinberry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Toddlito _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from 5768 to 5913 No. 4, from _____ to _____
 No. 2, from _____ to _____ No. 5, from _____ to _____
 No. 3, from _____ to _____ No. 6, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet
 No. 2, from _____ to _____ feet
 No. 3, from _____ to _____ feet
 No. 4, from _____ to _____ feet

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
903	1170	267	Fruitland				
1170	1330	160	Pictured Cliffs				
1330	2751	1421	Lewis Shale				
2751	3997	1246	Mesa Verde				
3997	5155	1158	Mancos				
5155	5229	74	Gallup				
5229	5720	491	Mancos				
5720	5768	48	Greenhorn				
5768	5950TD	182	Dakota				

All distances must be from the outer boundaries of the Section.

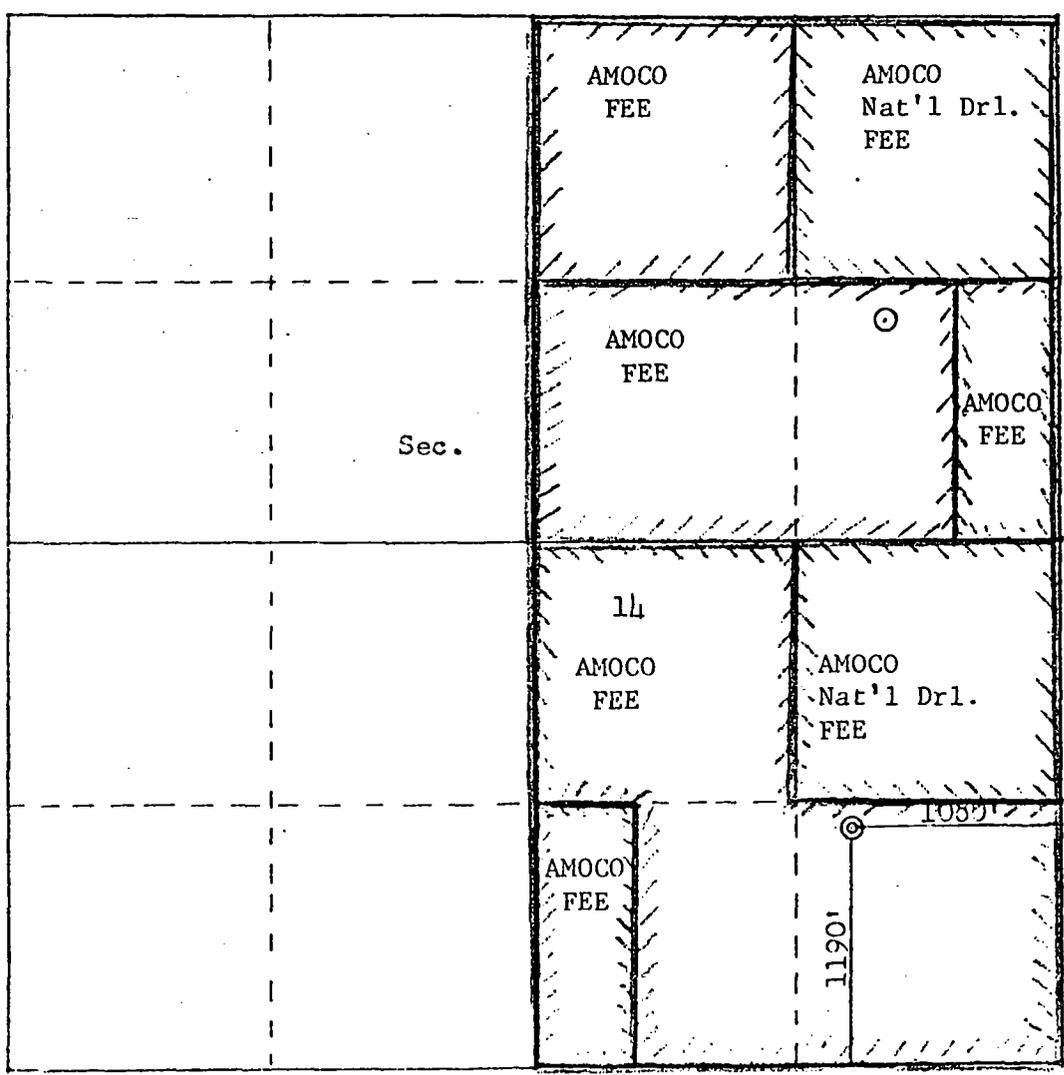
Operator AMOCO PRODUCTION COMPANY			Lease ROBERT GAS COM "B"		Well No. 1E
Unit Letter P	Section 14	Township 29N	Range 13W	County San Juan	
Actual Footage Location of Well: 1190 feet from the South line and 1080 feet from the East line					
Ground Level Elev. 5342	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 Communitization

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.



Scale: 1"=1000'

CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<i>W. L. Peterson</i>
Position	W.L. PETERSON DISTRICT ENGINEER
Company	AMOCO PRODUCTION COMPANY
Date	1-21-81
original non-standare 163 acre unit (Order No. R-2167) signed by R.M. Bauer 12-21-61	
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.	
Ref. GLO plat dated April 19, 1881	
Date Surveyed	January 20, 1981
Registered Professional Engineer and Land Surveyor	
<i>Fred B. Nery Jr.</i> Fred B. Nery Jr.	
Certificate No.	3950