

ADMINISTRATIVE ORDER NCPA- 12

EXEMPTION FROM THE NATURAL GAS PRICING ACT
PURSUANT TO SECTION 6, CHAPTER 73,
LAWS OF 1977, AND DIVISION ORDER NO. R-5436

OPERATOR Consolidated Oil & Gas, Inc. WELL NAME AND NO. Huron Well No. 2-E

LOCATION: UNIT M SEC. 2 TWP. 26 North RNG. 4 West COUNTY Rio Arriba

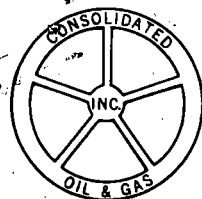
THE DIRECTOR OF THE DIVISION FINDS:

- (1) That Section 6 of the Natural Gas Pricing Act (being Laws of 1977, Chapter 73) 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 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 6 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 Consolidated Oil & Gas, Inc. has requested exemption from the provisions of the Natural Gas Pricing Act pursuant to Section 6, Chapter 73, Laws of 1977, 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 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 6 of the Natural Gas Pricing Act (laws of 1977, Chapter 73).
 - (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 29th day of February, 19 80.


JOE D. RAMEY, Director



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

Consolidated Oil & Gas, Inc.

NGPA - 12

State NGPA
OK Rule 3(a) R5436
No waiting

February 26, 1980

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

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

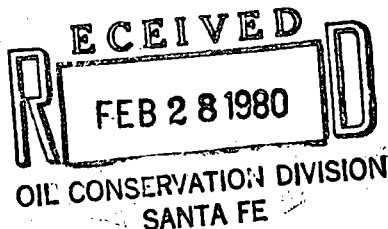
Gentlemen:

Enclosed please find an application for exemption from the
New Mexico Natural Gas Pricing Act for the following well:

1. Huron 2-E, "M" Section 2, T26N, R4W, Dakota.

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.



Very truly yours,

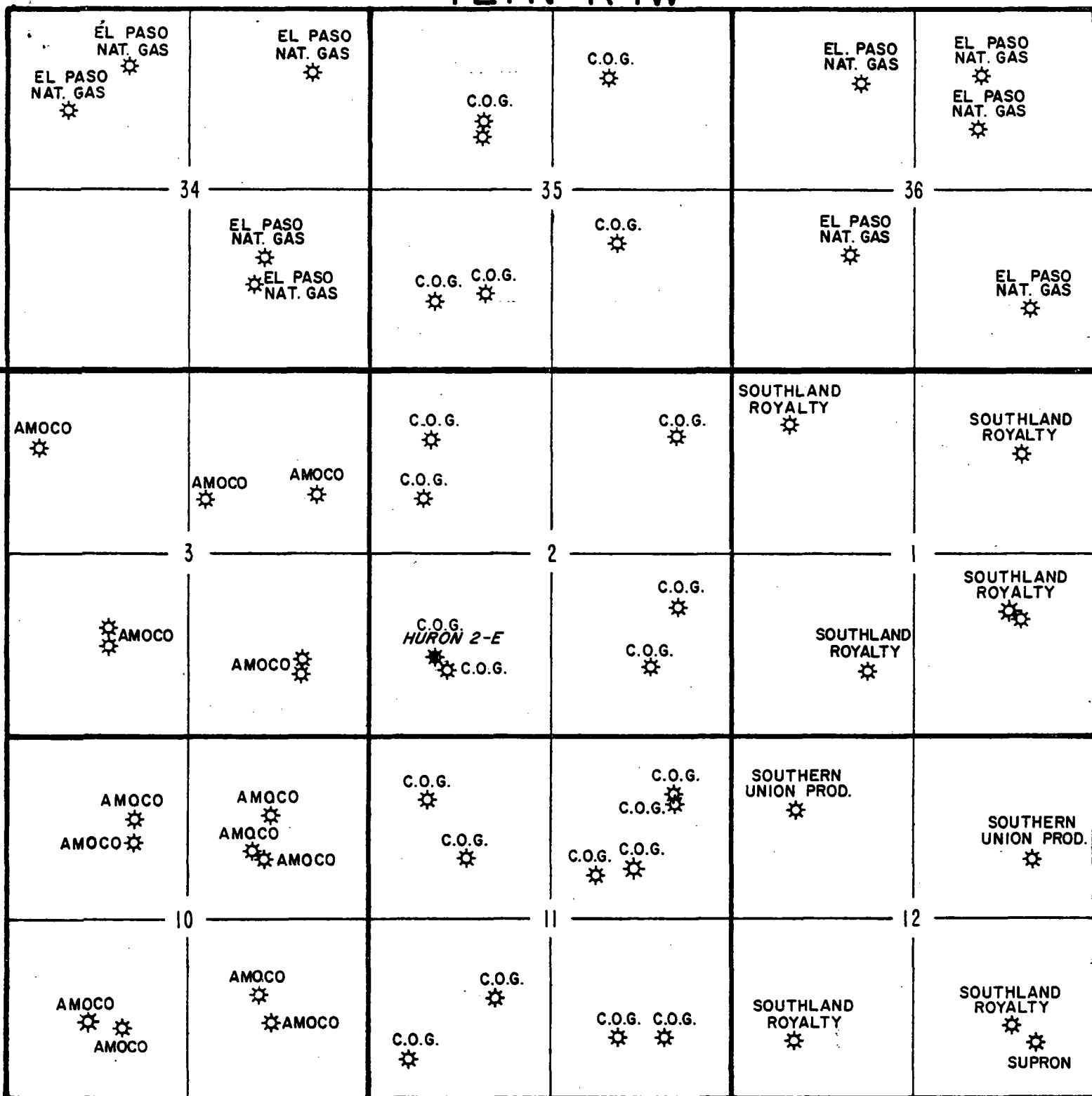
CONSOLIDATED OIL & GAS, INC.

Lynn Teschendorf
Lynn Teschendorf
Attorney

LT:pb

Enclosures

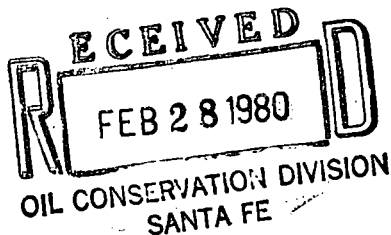
T27N-R4W



LEGEND

- LOCATION
- ◇ DRY HOLE
- OIL WELL
- ◆ ABND. OIL WELL
- ✱ GAS WELL
- ✱ ABND. GAS WELL
- ✱ OIL & GAS WELL
- ✱ ABND. OIL & GAS WELL

- ✱ GAS INJECTION
- ✱ WTR. INJECTION
- NT NOT TESTED
- NP NOT PENETRATED
- NS NO SHOW



T26N-R4W

*Consolidated
Oil & Gas, Inc.*

PROSPECT:

COUNTY: RIO ARriba STATE: N. MEXICO

CONTOURED ON:

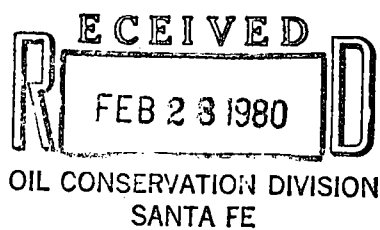
CONTOUR INTERVAL:

SCALE: 1" = 2,000' DATE:

CERTIFICATION

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



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other in-
structions on
reverse side)Form approved.
Budget Bureau No. 42-R355.5.

L.T.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL:		OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	DRY <input type="checkbox"/>	Other _____		
b. TYPE OF COMPLETION:		NEW WELL <input checked="" type="checkbox"/>	WORK OVER <input type="checkbox"/>	DEEP-EN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>	DIFF. RESVR. <input type="checkbox"/>	Other _____
2. NAME OF OPERATOR Consolidated Oil & Gas, Inc.							
3. ADDRESS OF OPERATOR 1860 Lincoln Street, Denver, Colorado 80295							
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1120' FSL & 980' FWL, Sec. 2, T26N, R4W At top prod. interval reported below Same At total depth Same							
14. PERMIT NO.				DATE ISSUED 8/9/79			
15. DATE SPUDDED 8/25/79		16. DATE T.D. REACHED 9/9/79		17. DATE COMPL. (Ready to prod.) 10/12/79		18. ELEVATIONS (DF, REB, RT, GR, ETC.)* 7162 KB 7149 GR	
20. TOTAL DEPTH, MD & TVD 8359		21. PLUG, BACK T.D., MD & TVD		22. IF MULTIPLE COMPL., HOW MANY* 2		23. INTERVALS DRILLED BY 8359	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 8056-8254 Dakota						25. WAS DIRECTIONAL SURVEY MADE No	
26. TYPE ELECTRIC AND OTHER LOGS RUN IND/GR CNL/CDL						27. WAS WELL CORED No	
28. CASING RECORD (Report all strings set in well)							
CASING SIZE		WEIGHT, LB./FT.		DEPTH SET (MD)		HOLE SIZE	
10-3/4		40.5		292 KB		14-3/4	
7-5/8		26.4		4199 KB		9-7/8	
29. LINER RECORD							
SIZE		TOP (MD)		BOTTOM (MD)		SACKS CEMENT*	
5-1/2		3811		8111		350 sx.	
3-1/2		8106		8359		8195-8254	
30. TUBING RECORD							
SIZE		DEPTH SET (MD)		PACKER SET (MD)			
1-1/2		8084		8012			
31. PERFORATION RECORD (Interval, size and number)							
8056-97 0.31" 10 holes 8195-8254 slotted liner							
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.							
DEPTH INTERVAL (MD)				AMOUNT AND KIND OF MATERIAL USED			
8056-8254				500 gals. 7-1/2% NE acid,			
				750 gals. 15% NE acid,			
				80,000 gals. gelled acid			
				& 95,000# sand			
33. PRODUCTION							
DATE FIRST PRODUCTION 10/18/79		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing				WELL STATUS (Producing or shut-in) SI, WO pipeline	
DATE OF TEST 10/18/79		HOURS TESTED 3		CHOKE SIZE 3/4"		PROD'N. FOR TEST PERIOD →	
FLOW. TUBING PRESS. 94		CASING PRESSURE under pkr.		CALCULATED 24-HOUR RATE →		OIL—BBL. 1462	
						GAS—MCF. 183	
						WATER—BBL. -	
						OIL GRAVITY-API (CORR.) -	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented for test							
35. LIST OF ATTACHMENTS Open hole logs sent by Dresser Atlas							
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records							
SIGNED <u>W. J. Sams</u> OIL CONSERVATION DIVISION Senior Production Engr. DATE Feb. 12, 1980							

*(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: "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

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Gallup	7565	7700	Dry Gas
Dakota	8052	8359	Dry Gas

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Pt. Lookout	6059	6059

RECEIVED
 FEB 28 1980
 OIL CONSERVATION DIVISION
 SANTA FE