

NEW MEXICO OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER
NGPA- 32

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

OPERATOR Southern Union Exploration Co. WELL NAME AND NO. Jicarilla "A" Well No. 10-F
LOCATION: UNIT G SEC. 23 TWP. 26N RANG. 4W 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:
- (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 Southern Union Expl. 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). effective this date
- (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 23rd day of July, 19 82.


JOE D. RAMEY, Director

NEW MEXICO OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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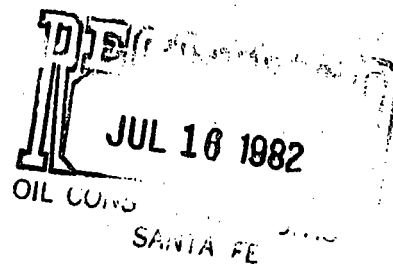
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- DONE at Santa Fe, New Mexico on this 23rd day of July, 19 82.

JOE D. RWEY, Director



Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051



July 12, 1982

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

Attention: Michael E. Stogner
Petroleum Engineer

Re: Application for Exemption from
the New Mexico Natural Gas
Pricing Act
Jicarilla "A" #10E

Gentlemen:

As requested by Mr. Stogner's letter dated July 8, 1982, the purchaser for
the above referenced well is as follows:

Gas Company of New Mexico
1800 First International Bldg.
Dallas, Texas 75270

Please advise if you require any additional information.

Very truly yours,

Betsy J. McMahon

Betsy J. McMahon
Regulatory Affairs Coordinator

BJM:tf

cc: Susan Reno
Chuck Wilson
Dennis Morgan



BRUCE KING
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 8, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202

Attention: Susan B. Reno, Administrative
Operations Director

Re: Applications for Exemption
from the New Mexico Natural
Gas Pricing Act

Dear Ms. Reno:

Please submit for each application the name and address of the
gas purchaser.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Michael E. Stogner".

Michael E. Stogner
Petroleum Engineer

MES/ms



Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051

July 1, 1982

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Perry Pearce
General Counsel

Re: Applications for Exemption
from the New Mexico Natural
Gas Pricing Act

Dear Mr. Pearce:

Pursuant to our telephone conversation of this morning, I am returning herewith the above referenced applications which were returned to SX by the OCD's Mr. Michael E. Stogner.

Southern Union Exploration Company hereby requests the Oil Conservation Division to set for hearing before the OCD these Applications for Exemption from the New Mexico Natural Gas Pricing Act and the exemptions be approved retroactive to the date of initial deliveries from the wells.

Should you have any questions or need further information, please advise.

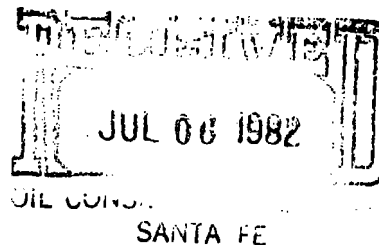
Very truly yours,

Ms. Susan B. Reno
Director-Administrative Operations

SBR:klt

Attachments

cc: Paul Zeis
Marketing





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

June 29, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202

Attention: Susan B. Reno, Administrative
Operations Director

Re: Applications for Exemption
from the New Mexico Natural
Gas Pricing Act

Dear Ms. Reno:

In regards to a telephone conversation with Ms. Betsy McMahon on Monday, June 28, 1982, I am unable to approve administratively your request to exempt the subject wells from the provisions of the New Mexico Natural Gas Policy Act and that those exemptions be retroactive to the date of initial deliveries for each well. May I suggest that Southern Union Exploration Company set these cases for hearing before a Division Examiner.

Enclosed are your applications for these wells. If I may be of any assistance in this matter please call.

Sincerely,

MICHAEL E. STOGNER
Petroleum Engineer

MES/fd
enc.

cc: W. Perry Pearce, General Counsel
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Ms. Betsy McMahon
Southern Union Exploration Company
Suite 400, Texas Federal Building
1217 Main Street
Dallas, Texas 75202

John H. Hill & Gordon Llewellyn		Tribal No. 105 - Jicarilla A		Well No. #10E
Section	23	Township	26N.	County
Range	4W.	Rio Arriba		

Actual Contiguous Location of Wells:

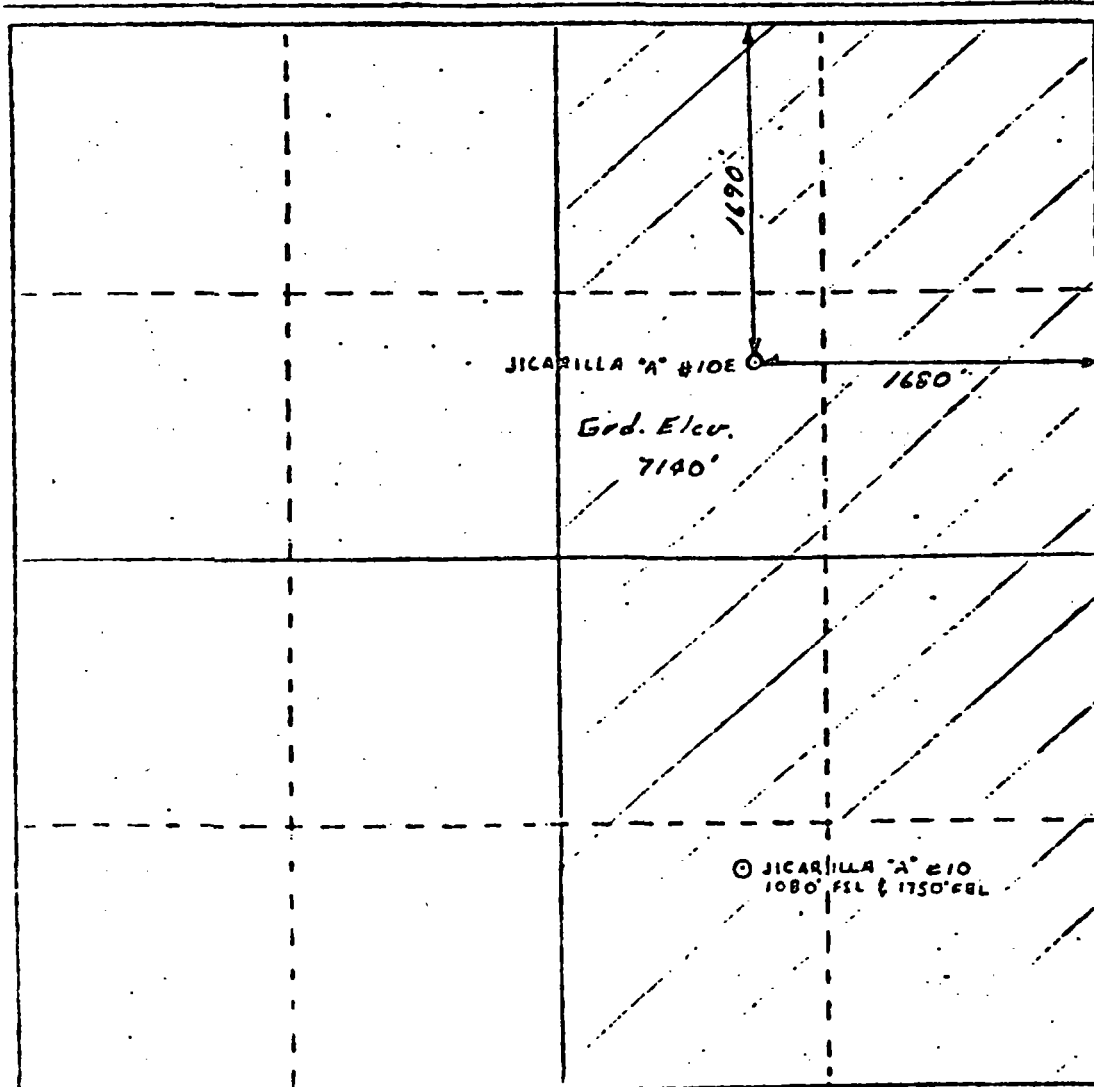
1690'	feet from the North line and	1680'	feet from the East line
Ground Level Elev. 7140'	Producing Formation Mesaverde Dakota	Peril Blanco Mesaverde Basin Dakota	Dedicated Acres 320

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 _____

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.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

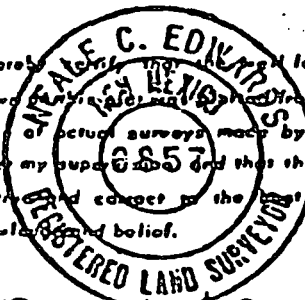
George Lapaseotes
Name: George Lapaseotes
V. Pres. Powers Elevation

Position: Agent Consultant for

Company: John H. Hill & Gordon L. Llewellyn

Date: November 5, 1979

I hereby certify that the location shown on this plat is 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.



29 October 79

Date Surveyed: C. Edgar Edwards
Registered Professional Engineer and a Land Surveyor

6857

Certification No.

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 John H. Hill, individually and Gordon L. Llewellyn, as Trustee for Johannah Hope Hill and John Henry Hill, Jr.

3. ADDRESS OF OPERATOR Suite 140 Campbell Centre, 8350 North Central Expressway, Dallas, Texas 75206

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

At proposed prod. zone

(Dakota and Mesaverde) Same

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

51.1 miles North-Northwest of Cuba, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to deepest drg. unit line, if any)

1650'

1120'

16. NO. OF ACRES IN LEASE

2560

18. DISTANCE FROM PROPOSED LINATION*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

approx. 2500'

19. PROPOSED DEPTH

-8300' 8500'

21. ELEVATIONS (Show whether DF, RT, CR, etc.)

7140' GR

22. APPROX. DATE WORK WILL START

January 30, 1980

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10-3/4" new	40.5# H-40 ST&C	300'	220sx or suff. to circl. to su
9-7/8"	7-5/8" new	26.4# K-55 ST&C	4200'	250sx or suff. to cover Ojo
6-3/4"	5 1/2" Liner new	15.5# K-55 ST&C	8300'	500sx or suff. to circl. to t liner

1. Drill 15" hole and set 10-3/4" surface casing to 300' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 9-7/8" hole to 4200', and 6-3/4" hole to 8300'.
3. Run tests if warranted and run 7-5/8" casing and 6-3/4" liner if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

- "A" Location & Elevation Plat "H" Drill Rig Layout
- "B" The Ten-Point Compliance Program
- "C" The Blowout Preventer Diagram
- "D" The Multi-Point Requirements for A.P.D.
- "E" & "E₁" Access Road Maps to Location
- "F" Radius Map of Field
- "G" Drill Pad Layout, Cut-Fill Cross-Section & Production Facilities

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new produc zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blow preventer program, if any.

24.

SIGNED

JOHN H. HILL

TITLE

GORDON L. LLEWELLYN, as Trustee for

(This space for Federal or State office use)

Johannah Hope Hill & John Henry Hill, Jr.

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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.
Ojo Base	3478		Water
Kirtland	3478		Shale
Fruitland	3694		Water
Pictured Cliffs	3778		Gas
Cliff House	5448		Shale
Point Lookout	5961		Gas
Gallup	7512		Sand and Shale
Greenhorn	7909		Sandstone
Dakota	8099		Gas

38.

GEOLOGIC MARKERS

NAME	TOP	
	MEAN. DEPTH	TRUE VERT. DEPTH

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

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.6.

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. REVR. ☐ Other _____

2. NAME OF OPERATOR
Supron Energy Corporation % John H. Hill, et al

3. ADDRESS OF OPERATOR
Kyser Building, Suite 020
300 W. Arrington, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1690 FNL, 1680 FEL (SW NE)

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH
Rio Arriba

13. STATE
New Mexico

15. DATE SPUDDED 8/11/80 16. DATE T.D. REACHED 8/29/80 17. DATE COMPL. (Ready to prod.) 6-8-81 18. ELEVATIONS (DF, REB, RT, GR, ETC.)* 7140' GR 19. ELEV. CASINGHEAD 7141'

20. TOTAL DEPTH, MD & TVD 8300' MD 21. PLUG BACK T.D., MD & TVD 8258' MD 22. IF MULTIPLE COMPL., HOW MANY* Dual 23. INTERVALS DRILLED BY → 24. ROTARY TOOLS 8300' 25. CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

7998 - 8190 Dakota

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Gamma Ray and Neutron

27. WAS WELL CORED

No

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

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10-3/4"	32.75#	403'	14-3/4"	400 Sx Class B	-0-
7-5/8"	26.40#	4083'	9-7/8"	770 Sx 50/50 Poz	-0-

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACER SET (MD)
5 1/2"	3100'	8300'	525		1 1/2" EUE	7942'	7889' MD

31. PERFORATION RECORD (Interval, size and number)

7998, 8004, 10, 16, 21, 27, 33, 39, 45, 50, 8106, 12, 18, 24, 45, 51, 57, 63, 78, 84, 90

21 Holes .44 Tolson Gun

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
7998-8190	2100 Gal 15% HCL Acid
	84,000 Gal Gel Water
	160,000# 20/40 Sand

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
		Flowing				Shut-In	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
6-8-81	3 Hours	3/4	→	-	651	-	-
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
43	1134	→	-	662	-	-	

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

Vented

TEST WITNESSED BY

A. R. Kendricks

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

TITLE Drilling/Producing Manager

DATE 6-17-81

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

CERTIFICATION

I hereby certify that the Jicarilla A Well No. 10, being the existing well on the referenced proration unit, shall not have its ability to produce into the pipeline restricted in any manner.

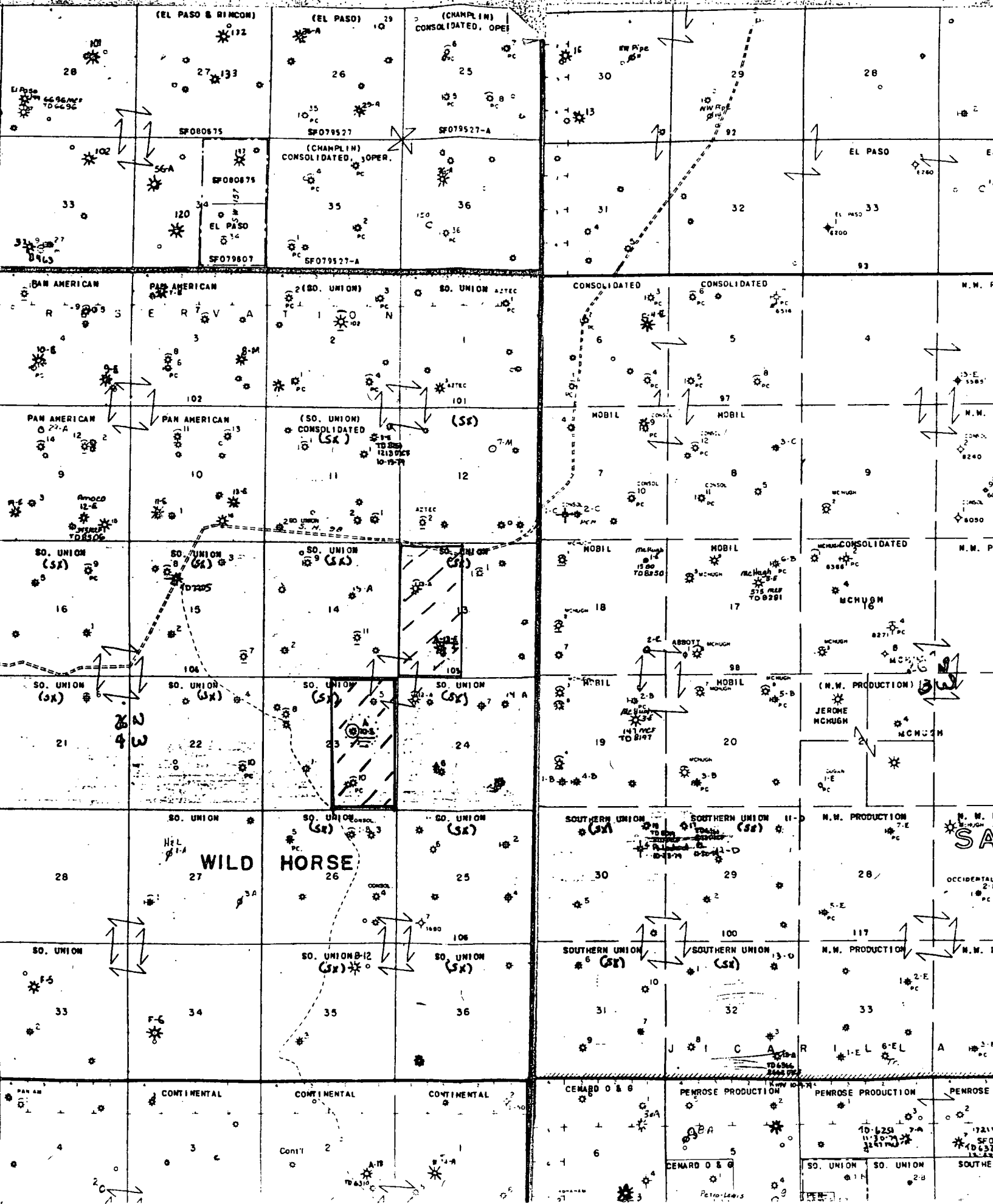
SOUTHERN UNION EXPLORATION COMPANY

By: Ronald M. Sentz 3
Ronald M. Sentz
Drilling and Production
Engineer

Subscribed in my presence and duly sworn to before me, this eighth day of June, 1982.

Robin Ann McBurnick
Notary Public in and for
Dallas County, Texas

September 3, 1984
My Commission Expires

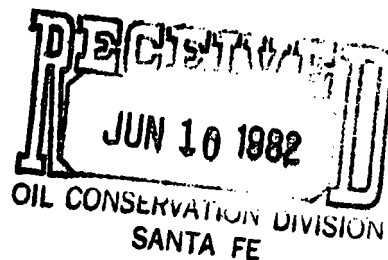




Southern Union Exploration Company
Suite 400
Texas Federal Building
1217 Main Street
Dallas, Texas 75202
214/742-6051

June 7, 1982

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



Re: Jicarilla "A" #10E
Basin Dakota Field
Rio Arriba County, NM

Gentlemen:

Pursuant to the provisions of the New Mexico Oil Conservation Commission's Order No. R-5436 and pursuant to Section 62-7-5 NMSA 1978, Southern Union Exploration Company respectfully requests an exemption for the above referenced infill gas well from the provisions of the State of New Mexico's Natural Gas Pricing Act.

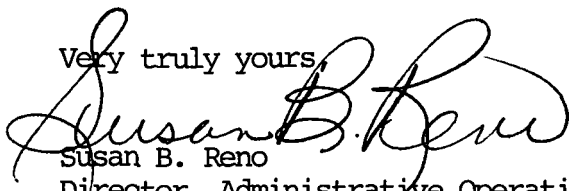
Attached for your consideration is a copy of an area plat showing the referenced proration unit, the location of all wells thereon, and the ownership and location of all wells offsetting it. Also please find enclosed a notarized certification pursuant to Rule 7 (c) contained in Order No. R-5436; and USGS Forms 9-331C and 9-330.

The Oil Conservation Commission had found that infill drilling would substantially increase recoverable reserves, would result in more efficient use of reservoir energy, and would tend to ensure greater ultimate recovery of gas from the Basin Dakota pool in Order No. R-1670-V. The above referenced well is completed and producing from this pool.

Southern Union Exploration Company also respectfully requests that this exemption be approved retroactive to the date of initial deliveries from this well (6/15/81). We had sincerely believed that these exemptions were automatic and no application was required to exempt this well. We apologize for any inconvenience this may have caused.

If you require any additional information, please let us know.

Very truly yours,


Susan B. Reno
Director, Administrative Operations

SBR:tf

Attachment