



BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION NWP EXHIBIT NO. <u>1</u> CASE NO. <u>8182, 8183</u> SUBMITTED BY <u>M. Duffin, NWP</u> HEARING DATE <u>6/6/84</u>
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EXHIBITS
OF NORTHWEST PIPELINE CORPORATION
BEFORE THE NEW MEXICO ENERGY
AND MINERALS
DEPARTMENT,
OIL CONSERVATION DIVISION

June 6, 1984

Case Nos. 8182, 8183

NORTHWEST ENERGY COMPANY

PO BOX 1526
SALT LAKE CITY, UTAH 84110-1526
801-583-8800

July 22, 1983

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

RE: Request for Further Determination of Eligibility for
Section 108 Pricing, State Com AI No. 33 Well

Gentlemen:

This letter shall serve to provide the Oil Conservation Commission ("Commission") with formal notice of the protest of Northwest Pipeline Corporation ("Northwest") with respect to the above-referenced Request filed with the Commission on July 8, 1983, by Mesa Petroleum Co. ("Mesa").

In its Request, Mesa took the position that the increase in production recorded for the ninety (90) day period ending December 1982 on the State Com AI No. 33 well is attributable to a "recognized enhanced recovery technique" as defined in 18 C.F.R. §271.803(a). Mesa is seeking review by the Commission of its application for §108 pricing pursuant to 18 C.F.R. §271.806(a). It is Northwest's position that the increase in production evidenced during the ninety (90) day period ending December 8, 1982, was due to temporary pressure buildup and not to the utilization of any recognized enhanced recovery technique on this well. The Regulations are clear that a "recognized enhanced recovery technique" refers to a process or the utilization of equipment which, when performed or installed by the producer, increases the rate of production of gas from a well. The producer, in this case, Mesa, did not control and in no way initiated the shut-in of the State Com AI No. 33 well. The well was shut-in by Northwest due to a decrease in the demand for gas on Northwest's system which caused widespread shut-ins, affecting this well and others. Neither Northwest or Mesa have truly engaged in attempts to enhance recovery from this well. EPN 6

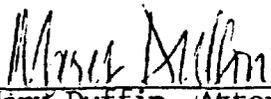
It is Northwest's position that to claim that enhanced recovery techniques have been applied to this well, Mesa would have to prove that the increase in the rate of production did not result from the fact that the well was shut-in due to a lack of demand. Mesa would further have to prove that it had initiated some process or had installed some equipment on the well which had served to increase production rates. Mesa's application supports neither of these points.

Northwest urges the Commission to reject Mesa's application for \$108 pricing on this well due to enhanced recovery. If necessary, Northwest will participate in any hearing scheduled on this matter and will provide technical testimony indicative of the fact that production rate increases demonstrated by this well are related to and caused by the shut-in of pipeline connected to the well and are not the result of any enhanced recovery technique.

Thank you for consideration of this protest. Any questions may be addressed to the undersigned at Northwest Pipeline Corporation, P.O. Box 1526, Salt Lake City, Utah 84110-1526, (801) 584-7051

Very truly yours,

NORTHWEST PIPELINE CORPORATION



Mary Duffin, Attorney

xc: Mesa Petroleum Company
Bob Glenn
Bob Guttery
Brent Hale
Jan Wayman

MD/src

CERTIFICATE OF MAILING

STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)

MARY DUFFIN, being first duly sworn, on oath, says that she is an attorney for Northwest Pipeline Corporation; that she has read the foregoing protest of Northwest Pipeline Corporation and that, as such attorney, she has executed the same for and on behalf of said Corporation with full power and authority to do so; and that the matters set forth therein are true to the best of her knowledge, information and belief. She further swears that on this 22nd day of July, 1983 a true and correct copy of the foregoing Protest was served upon Mesa Petroleum Co. by placing a copy of said Protest in the United States Mail, First Class--Postage Prepaid, and addressed as follows:

Mesa Petroleum Co.
P.O. Box 2009
Amarilla, Texas 79189
Attention: Legal Dept.



Mary Duffin
Northwest Pipeline Corporation
295 Chipeta Way
Salt Lake City, Utah 84110-1526

NORTHWEST PIPELINE CORPORATION

P.O. BOX 1526
SALT LAKE CITY, UTAH 84110, 1526
801 583 8800

August 8, 1983

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

RE: Request for Further Determination of Eligibility for
Section 108 Pricing, State Com AJ No. 34 Well

Gentlemen:

This letter shall serve to provide the Oil Conservation Commission ("Commission") with formal notice of the protest of Northwest Pipeline Corporation ("Northwest") with respect to the above-referenced Request filed with the Commission on March 24, 1983, by Mesa Petroleum Co. ("Mesa").

In its Request, Mesa took the position that the increase in production recorded for the ninety (90) day period ending November 1982 on the State Com AJ No. 34 well is attributable to a "recognized enhanced recovery technique" as defined in 18 C.F.R. §271.803(a). Mesa is seeking review by the Commission of its application for §108 pricing pursuant to 18 C.F.R. §271.806(a). It is Northwest's position that the increase in production evidenced during the ninety (90) day period ending in November, 1982, was due to temporary pressure buildup and not to the utilization of any recognized enhanced recovery technique on this well.

The Regulations are clear that a "recognized enhanced recovery technique" refers to a process or the utilization of equipment which, when performed or installed by the producer, increases the rate of production of gas from a well. The producer, in this case, Mesa, did not control and in no way initiated the shut-in of the State Com AJ No. 34 well. The well was shut-in by Northwest due to a decrease in the demand for gas on Northwest's system which caused widespread shut-ins, affecting this well and others. Neither Northwest or Mesa have truly engaged in attempts to enhance recovery from this well. EPNG

It is Northwest's position that to claim that enhanced recovery techniques have been applied to this well, Mesa would have to prove that the increase in the rate of production did not result from the fact that the well was shut-in due to a lack of demand. Mesa would further have to prove that it had initiated some process or had installed some equipment on the well which had served to increase production rates. Mesa's application supports neither of these points.

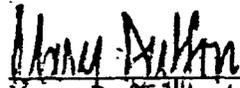
New Mexico Oil Conservation Division
Energy & Minerals Department
August 8, 1983
page two

Northwest urges the Commission to reject Mesa's application for \$108 pricing on this well due to enhanced recovery. If necessary, Northwest will participate in any hearing scheduled on this matter and will provide technical testimony indicative of the fact that production rate increases demonstrated by this well are related to and caused by the shut-in of pipeline connected to the well and are not the result of any enhanced recovery technique.

Thank you for consideration of this protest. Any questions may be addressed to the undersigned at Northwest Pipeline Corporation, P.O. Box 1526, Salt Lake City, Utah 84110-1526, (801) 584-7051.

Very truly yours,

NORTHWEST PIPELINE CORPORATION


.....
Mary Duffin, Attorney

xc: Mesa Petroleum Company
Bob Glenn
Bob Guttery
Brent Hale
Jan Wayman

MD/src

CERTIFICATE OF MAILING

STATE OF UTAH)
):
COUNTY OF SALT LAKE

MARY DUFFIN, being first duly sworn, on oath, says that she is an attorney for Northwest Pipeline Corporation; that she has read the foregoing Protest of Northwest Pipeline Corporation and that, as such attorney, she has executed the same for and on behalf of said Corporation with full power and authority to do so; and that the matters set forth therein are true to the best of her knowledge, information and belief. She further swears that on this 8th day of August, 1983, a true and correct copy of the foregoing Protest was served upon Mesa Petroleum Co. by placing a copy of said Protest in the United States Mail, first class postage prepaid, and addressed as follows:

Mesa Petroleum Co.
P.O. Box 2009
Amarillo, Texas 79189
Attention: Legal Department

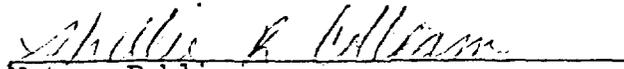


Mary Duffin
Northwest Pipeline Corporation
295 Chipeta Way
Salt Lake City, Utah 84110-1526

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

Before me, the undersigned, a Notary Public in and for said county and state, on this 8th day of August, 1983, personally appeared MARY DUFFIN, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

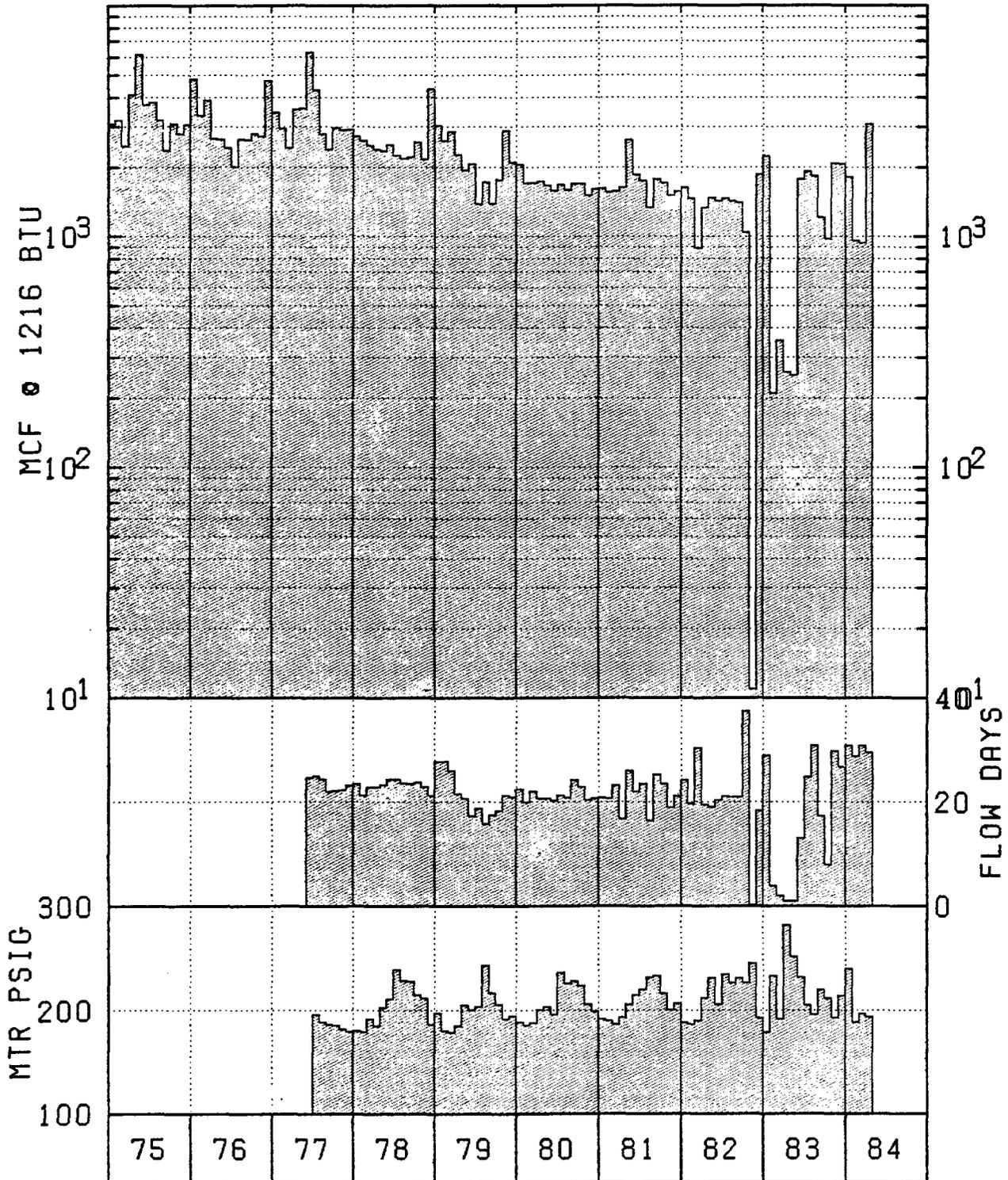
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.


Notary Public
Residing at: S.L.C. ut.

My Commission Expires:

11-19-83

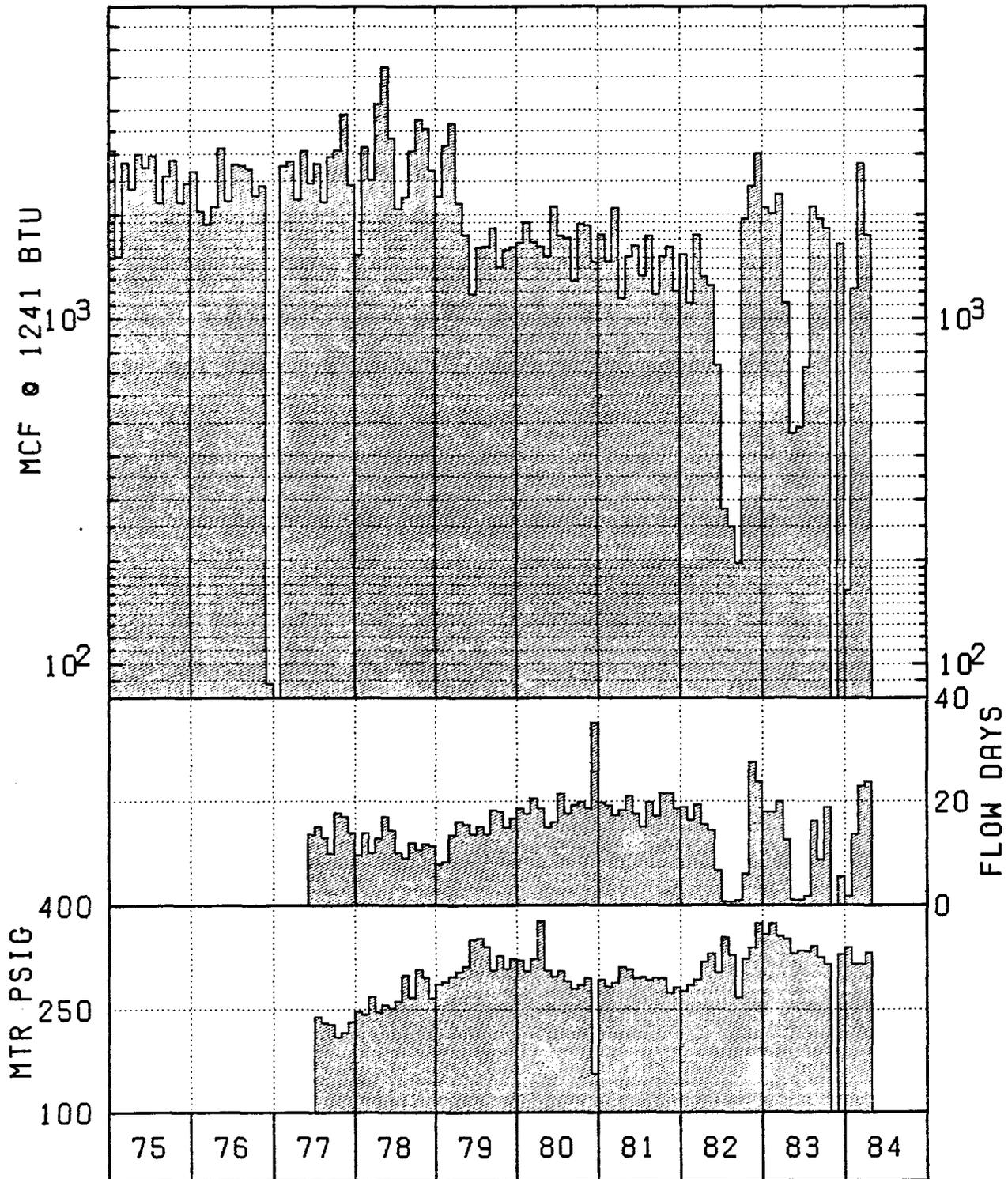
STATE COM A1 #33



METER: 75053 T27N R9W 32N

N MEXICO
BASIN FIELD
DAKOTA FORMATION

STATE COM AJ #34



METER:75620 T32N R12W 36D
N MEXICO
BASIN FIELD
DAKOTA FORMATION

STATE COM AI #33
WELL DOWNTIME RECORD

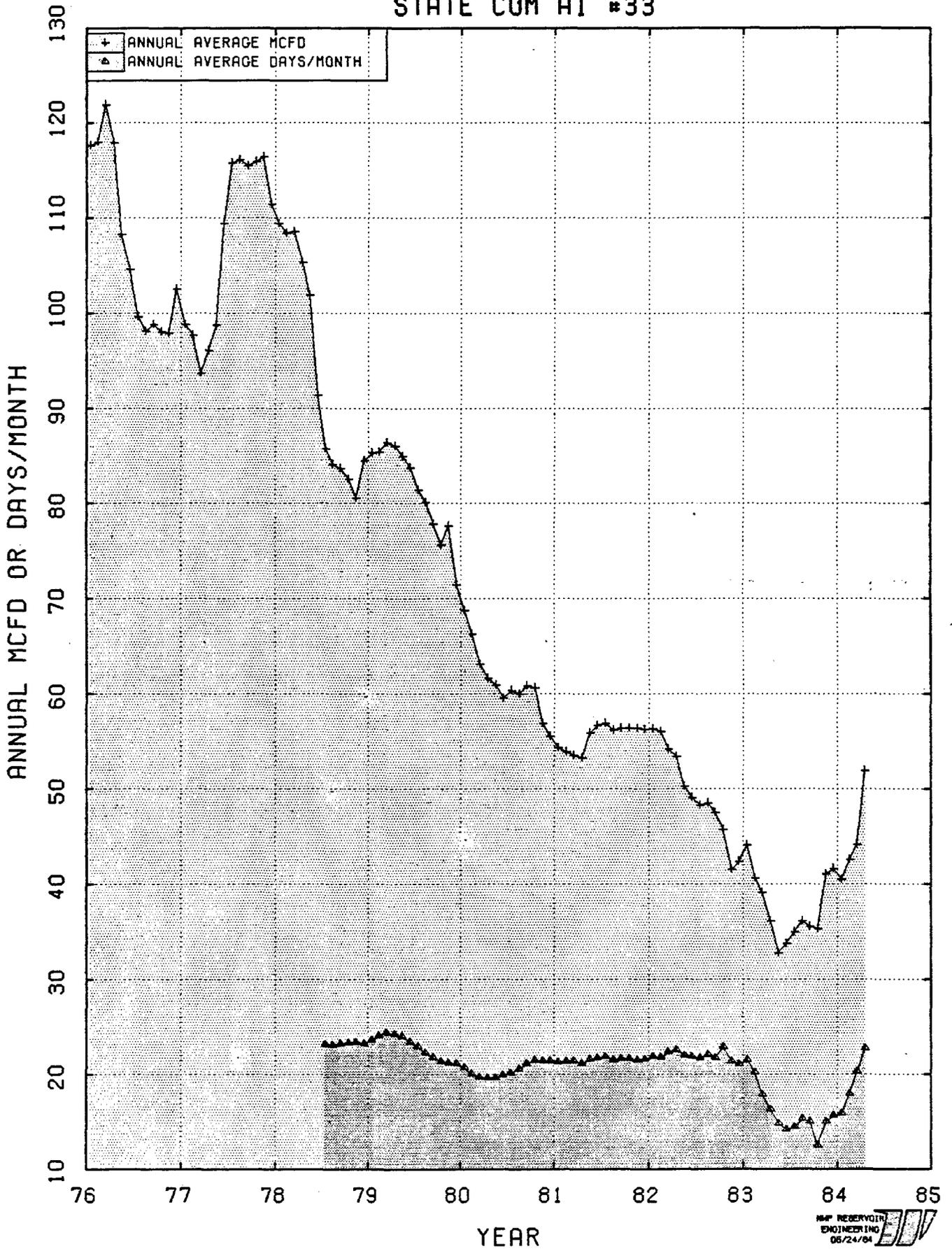
<u>Month</u>	<u>Year</u>	<u>Days of No Demand</u>	<u>Days Flowing</u>	<u>Days of Other Downtime</u>
10	82	7.0	24.0	0.0
11	82	29.0	0.3	0.7
12	82	11.0	18.4	1.6
1	83	2.0	29.0	0.0
2	83	23.0	3.9	0.1
3	83	28.0	2.1	0.9
4	83	28.0	1.0	1.0
5	83	29.0	1.0	1.0
6	83	17.0	13.0	0.0
7	83	0.0	24.9	6.1
8	83	0.0	30.9	0.1
9	83	0.0	17.4	12.6
10	83	23.0	8.0	0.0
11	83	0.0	29.9	0.1
12	83	0.0	26.8	4.2
1	84	0.0	31.0	0.0
2	84	0.0	28.9	0.1
3	84	0.0	30.9	0.1
<u>4</u>	<u>84</u>	<u>0.0</u>	<u>29.7</u>	<u>0.3</u>
Average		10.37	18.48	1.52

STATE COM AJ #34

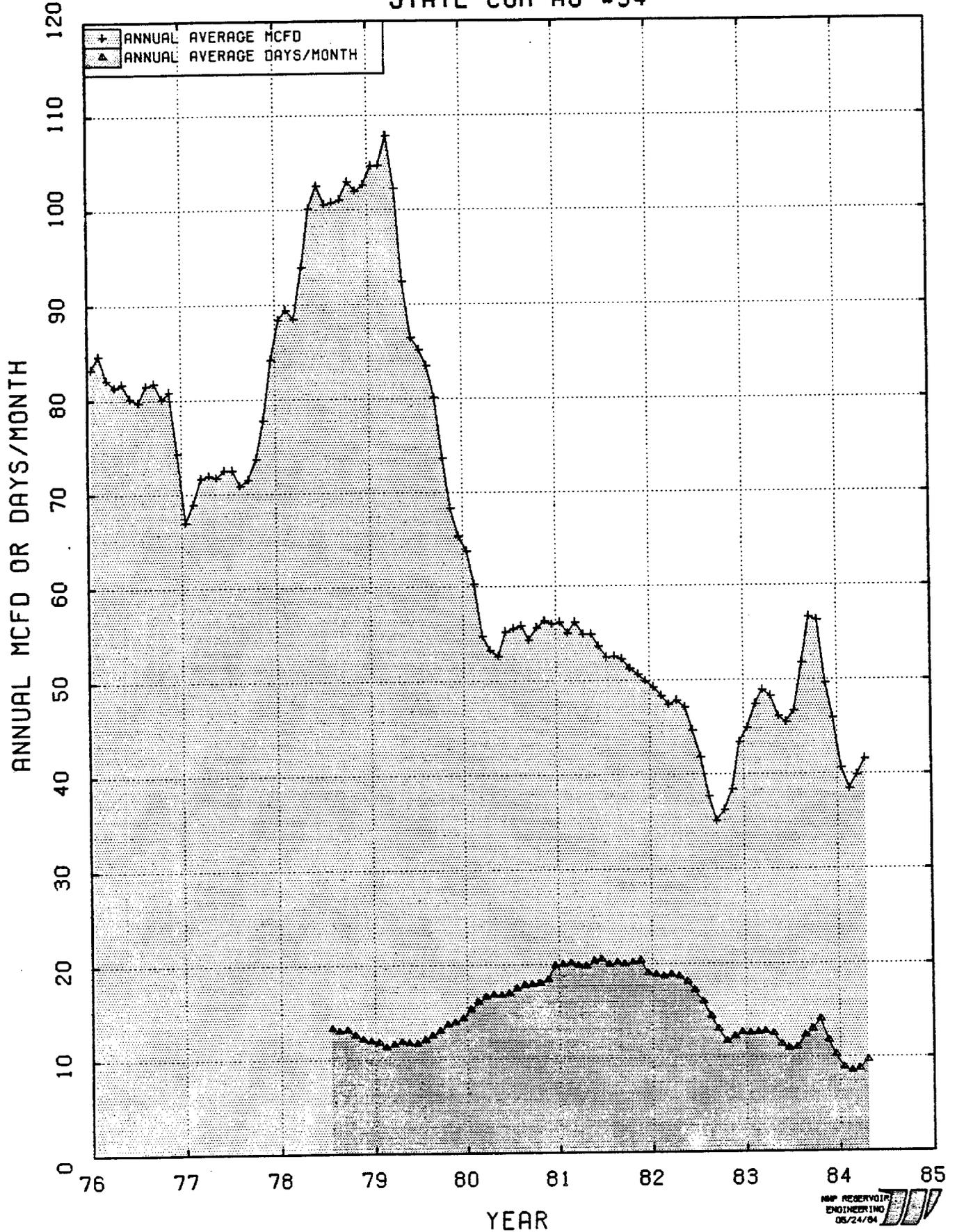
WELL DOWNTIME RECORD

<u>Month</u>	<u>Year</u>	<u>Days of No Demand</u>	<u>Days Flowing</u>	<u>Days of Other Downtime</u>
1	83	0.0	18.0	13.0
2	83	0.0	18.1	9.9
3	83	11.0	20.0	0.0
4	83	12.7	12.6	4.7
4	83	30.0	1.1	0.0
6	83	28.9	1.1	0.0
7	83	29.2	1.8	0.0
8	83	10.2	16.3	4.5
9	83	20.7	8.8	0.5
10	83	10.1	19.0	1.9
11	83	23.8	0.0	6.2
12	83	17.4	5.6	8.0
1	84	14.2	1.8	15.0
2	84	12.2	13.7	3.1
3	84	0.0	22.9	8.1
<u>4</u>	<u>84</u>	<u>0.0</u>	<u>23.9</u>	<u>6.1</u>
Average		13.8	11.5	5.1

STATE COM AI #33

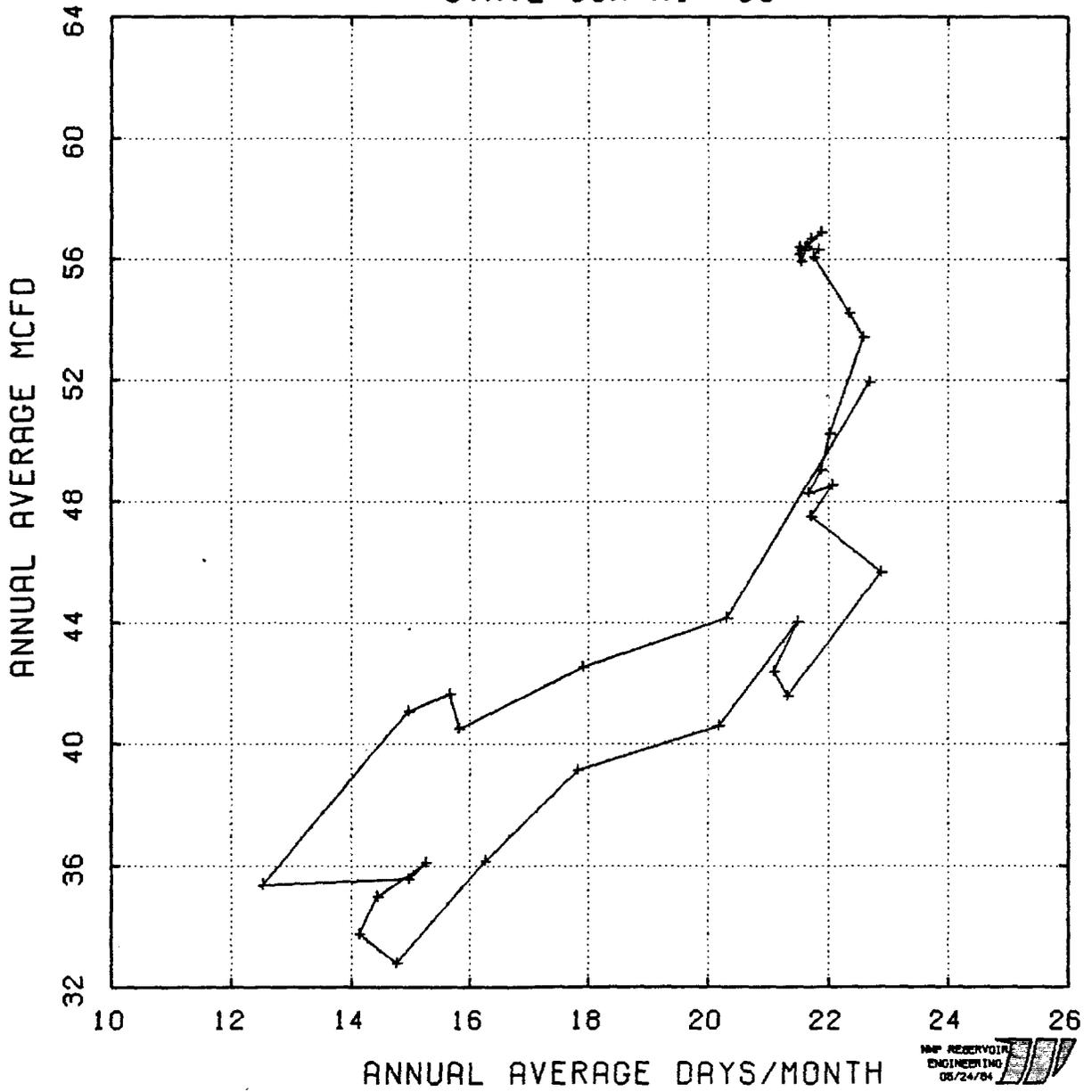


STATE COM AJ #34



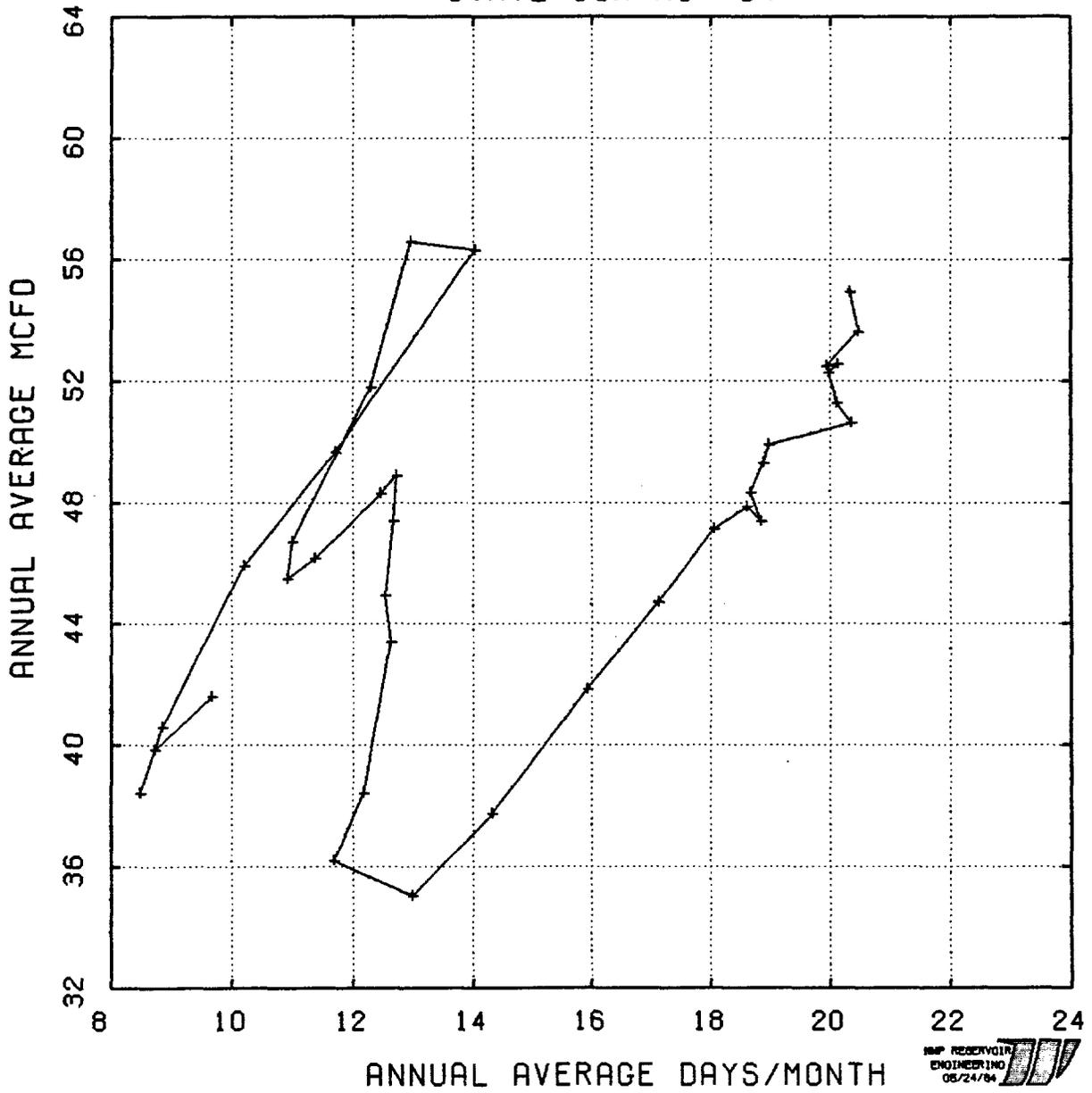
4-84 back
30 month

STATE COM AI #33



NWP RESERVOIR
ENGINEERING
08/24/84

STATE COM AJ #34



NWP RESERVOIR
ENGINEERING
06/24/84

