NEW ME XICO OC D: 4-24-85:

AMOCC'S EXHIBIT'S TO QUALIFY CERTAIN GAS AS "COAL" SEAM" GAS

illoc	OD GAS COM A #1 (CASE No	. 8471)	LEE	PER GAS COM D" + 1R (CASE N	1c.8566)
EXH.			4.	EXHIBIT NAME	
1 A 2 A 3 A 4 A 5 A 5 A 6 A 7 A 8 A 10 A 13 A 12 A 13 A 15 A 16 A 17 A 16 A 17 A 18	FORM C-132 FORM C-132 FORM C-101 FORM C-102 FORM C-105 NGPA LOCATION Plat NMOCD ORDER R-7588 LOG: Compensated Newton AREA PLAT Certificate of mailing		1 2 3 4 5 6 B B B B B B B B B B B B B B B B B B	EXHIBIT NAME 3-18-85 Cover Letter FORM C-132 FORM C-101 FORM C-102	ac. 8566)



Stephen D. Ring

Amoco Production Company

Denver Region 1670 Broadway P.O. Box 800 Denver, Colorado 80201 303 - 830-4040

March 25, 1985

Michael Stogner, Esq. State of New Mexico Oil Conservation Division P. O. Box 2088 State Land Office Building Santa Fe, NM 87501

Case 8566

Re: NGPA Section 107
(coal seam) application
for Leeper Gas Com.
D #1R

Dear Mike:

By a letter dated March 18, 1985, Amoco submitted an application for a determination that gas from the captioned well qualifies as "coal seam gas" for purposes of Section 107 of the NGPA. Understanding that at the present time the Division prefers not to handle such applications administratively, Amoco requests that you set the application to be heard by an examiner on April 24, 1985. (Amoco's Section 107 "coal seam" application for another well, namely the Woods Gas Com. A No. 1 Well, is already set to be heard on that date.)

By copy of this letter to Mr. Bill Carr I am asking him to enter an appearance on behalf of Amoco in the proceedings concerning the captioned well, and to permit my "association" with him in order that I may conduct the examination of Amoco's witness at the April 24 hearing.

Please acknowledge receipt of this letter by time-stamping the enclosed duplicate and returning it to me in the enclosed envelope. Thanks very much.

Very truly yours,

Stephen D. Ring

SDR/gmm

cc: Bill Carr

Please accept this Application for filing and acknowledge its receipt by stamping the enclosed copy of this letter and returning it in the envelope provided. Thank you.

Yours very truly, ORIGINAL SIGNED BY STEPHEN D. RING

Stephen D. Ring

SDR/mat Encls.

cc w/att: Department of Energy and Minerals - District Office

El Paso Natural Gas Company (Purchaser)

bcc: B.A. Golke R.T. Taylor

 Category(ies) Sought (By NGPA Section 	No.1 107 (coal seam gas) *Please note that
Z. All Applications must contain:	the information
✓ 4. C-101 APPLICATION FOR PERMIT TO DE	RILL. DEEPEN OR PLUG BACK contained in thi
₩ b. C-105 WELL COMPLETION OR RECOMPLET	application is
C. DIRECTIONAL DRILLING SURVEY, IF RE	
☑ d. AFFIDAVITS OF MAILING OR DELIVERY	
	tions must contain the items required by the ectal Rules for Applications For Wellhead 'as follows:
A. NEW NATURAL GAS UNDER SEC. 102(c)(1)(8) (using 2.5 Mile or 1000 Feet Deeper Test)
All items required by Rule 14(1) and/or Rule 14(2)
B. NEW NATURAL GAS UNDER SEC. 102(6)(1)(C) (new onshore reservoir)
All items required by Rule 15	
C. 'NEW ONSHORE PRODUCTION WELL	
All items required by Rule 16A	cor Rule 168
D. DEEP. HIGH-COST NATURAL GAS and TI	CHT FORMATION NATURAL CAS (Coal Seam Gas)
	1) or Rule 17(2)
E. STRIPPER WELL MATURAL GAS	
All items required by Rule 18	
I HEREBY CERJIFY THAT THE INFORMATION CONTAINED	FOR DIVISION USE ONLY
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY	T Assessed

EXAMINER

KNOWLEDGE AND BELIEF. J. H. Goble NAME OF APPLICANT (Type or Print) SIGNATURE OF APPLICANT Title Regional Natural Gas Marketing Manager Dete

Approved
Disapproved
The information contained herein includes all of the information required to be filed by the applicant under Subpart B of Part 274 of the FERC regulations.

U.S. DEPARTMENT OF ENERGY Federal Energy Regulatory Commission Washington, D.C. 2042fl

Form Approved
OMB No. 1902-0033
(Expires 12/31/84)

APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA) (Sections 102, 103, 107 and 108)

GENERAL INSTRUCTIONS

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA.

Complete each appropriate item on the reverse side of this page. The code numbers used in items 4 and 6 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Also enter any additional remarks in the space below. The data reported on this form are not considered to be confidential and will not be treated as such.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 274.501. If there are any questions, call (202) 357-8585.

SPECIFIC INSTRUCTIONS

Section of NGPA	Category Code	. Description
(0)	(6)	(c)
102	1	New OCS lease
102	2	New onshore well (2,5 mile test)
102	3	New onshore well (1000 feet deeper test)
102	4	New onshore reservoir
102	5	New reservoir on old OCS lease
103	-	New onshore production well
107	0	Deep (more than 15,000 feet) high-cost ges
107	1	Gas produced from geopressured brine
107	2	Gas produced from coal seams
107	3	Gas produced from Devonian shale
107	5	Production enhancement gas
107	5	New tight formation gas
107	7	Recompletion tight formation gas
108	0	Stripper well
108	1	Stripper well — seasonally affected
108	2	Stripper well — enhanced recovery
108	3	Stripper well — temporary pressure buildup
108	4	Stripper well — protest procedure

Er	nter the appropriate infor	mation regarding other Purchasers/Contracts.	
Line No.	Contract Date (Mo, De, Yr) (a)	Purcheser (b)	Buryer Code
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Amoco Contract No. 96,176 Spud Date 12-14-83 *Price to be redetermined.

APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)

1.0 API well number: (If not assigned, leave blank, 14 digits.)	İ	30:	- 045 - 25	5820 -		
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ETALE OF LIEW MEXICO CHEHGY MO MINERALS DEPARTMENT

OI CONSERVATION DIVISION

P. O. UOX 2014 SANTA FE, NEW MEXICO 07501

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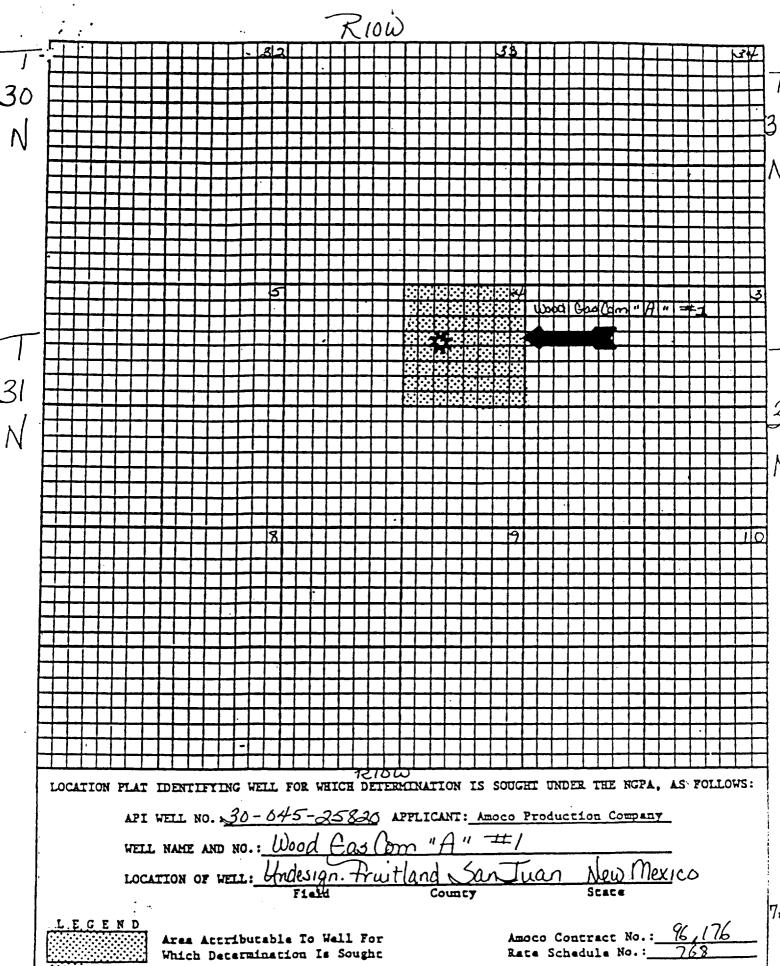
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Area Attributable To Well For Which Determination Is Sought

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 8014 Order No. R-7588

APPLICATION OF AMOCO PRODUCTION COMPANY FOR POOL CREATION AND SPECIAL POOL RULES, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on <u>January 18, 1984</u>, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of July, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Amoco Production Company, seeks an order creating a new gas pool, the vertical limits to be the Basal Coal Zone of the Fruitland formation, with special pool rules including a provision for well location and a provision for 320-acre spacing, San Juan County, New Mexico.
- (3) That the applicant is the owner and operator of the Cahn Gas Com Well No. 1, located 1030 feet from the North line and 1600 feet from the West line of Section 33, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.
- (4) That although said Cahn Gas Com Well No. I is located within the Mount Nebo-Fruitland Pool (created by Division Order No. R-4690, dated December 6, 1973, as amended by Division Order Nos. R-5843 and R-7046, dated November 2, 1978, and August 6, 1982, respectively), the

DOC1-11-00

geological evidence presented at the hearing demonstrates that said well, which is producing from an open hole interval from 2795 feet to 2812 feet, has discovered a separate common source of supply within the Basal Coal member of the Fruitland formation and should be designated the Cedar Hill-Fruitland Basal Coal Pool.

- (5) That the well log for the discovery well, as described above, does not fully penetrate the Basal Coal member of the Fruitland formation and as such should not be used as the type log for the proposed pool.
- (6) That the vertical limits of said proposed pool should then be based upon the Basal Coal member of the Fruitland formation from approximately 2838 feet to 2878 feet as found on the type log from the applicant's Schneider Gas Com "B" Well No. 1 located 1110 feet from the South line and 1185 feet from the West line of Section 28, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.
- (7) That the well log from said Schneider Gas Com "B" Well No. 1 penetrates the entire Basal Coal member of the Fruitland formation and said well is approximately 2200 feet north of the discovery well, as described in Finding Paragraph No. (3) above.
- (8) That the horizontal limits of said proposed pool should be as follows:

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM Sections 3 through 6: All

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM Sections 19 through 22: All Sections 27 through 34: All

comprising 10,240 acres, more or less, all in San Juan County; New Mexico.

- (9) That the currently available information indicates that one well in the proposed pool should be capable of effectively and efficiently draining 320 acres.
- (10) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to encourage the orderly development of the proposed pool, and to otherwise prevent waste and protect correlative rights, the Cedar Hill-Fruitland Basal Coal Pool should be created with Temporary Special Rules

and Regulations providing for 320-acre spacing units comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision of the United States Public Land Surveys.

- (11) That the Temporary Special Rules and Regulations should provide for limited well locations in order to assure orderly development of the pool and to protect correlative rights.
- (12) That said Temporary Special Rules and Regulations should be effective February 1, 1984, and should also be established for a two-year period in order to allow the operators in the Cedar Hill-Fruitland Basal Coal Pool to gather reservoir information to establish whether the temporary rules should be made permanent.
- (13) That special provisions for a non-standard gas well location should be made for any well drilling to or completed in the Basal Coal member of the Fruitland formation within the proposed Cedar Hill-Fruitland Basal Coal Pool or within one mile of said pool on or before February 1, 1984, that does not comply with any special well location requirements promulgated in this order.
- (14) That the vertical limits of the Mount Nebo-Fruitland Pool should be redefined to include the Fruitland formation with the exception of the Basal Coal member as designated on the type log of said Amoco Production Company's Schneider Gas Com "B" Well No. 1, as described in Finding Paragraph No. (6) above.
- (15) That this case should be reopened at an examiner hearing in February, 1986, at which time the operators in the subject pool should be prepared to appear and show cause why the Cedar Hill-Fruitland Basal Coal Pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That effective February 1, 1984, a new pool in San Juan County, New Mexico, classified as a gas pool for production from the Basal Coal member of the Fruitland formation, is hereby created and designated the Cedar Hill-Fruitland Sasal Coal Pool, with the vertical limits comprising the Basal Coal member of the Fruitland formation as found from approximately 2795 feet to 2878 feet on the type log of the Amoco Production Company Schneider Gas Com "B" Well No. 1,

located 1110 feet from the South line and 1185 feet from the West line of Section 28, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico; and horizontal limits consisting of the following described area:

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM Sections 3 through 6: All

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM Sections 19 through 22: All Sections 27 through 34: All

comprised of 10,240 acres, more or less, all in San Juan County, New Mexico.

(2) That Temporary Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE CEDAR HILL-FRUITLAND BASAL COAL POOL SAN JUAN COUNTY, NEW MEXICO

- RULE 1. Each well completed or recompleted in the Cedar Hill-Fruitland Basal Coal Pool or in the Basal Coal member of the Fruitland formation within one mile of the Cedar Hill-Fruitland Basal Coal Pool, and not nearer to or within the limits of another designated Fruitland Basal Coal Pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.
- RULE 2. Each well shall be located on a standard unit containing 320 acres, more or less, comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision of the United States Public Land Surveys.
- RULE 3. Non-standard spacing or proration units shall be authorized only after notice and hearing.
- RULE 4. The first well drilled or recompleted on every standard or non-standard unit in the Cedar Hill-Fruitland Basal Coal Pool shall be located in the NE/4 or SW/4 of a single governmental section and shall be located not closer than 790 feet to any outer boundary of the tract nor closer than 130 feet to any quarter-quarter section or subdivision inner boundary.

- RULE 5. The Division Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.
- RULE 6. That any subsequent well drilled or recompleted in an existing Cedar Hill-Fruitland Basal Coal standard or non-standard unit shall be authorized only after notice and hearing.

IT IS FURTHER ORDERED:

- (3) That an exception is hereby granted to the Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool to permit Amoco Production Company to locate its Cahn Gas Com Well No. 1, located 1030 feet from the North line and 1600 feet from the West line of Section 33, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico, at an unorthodox gas well location in the NW/4 of said Section 33.
- (4) That any well drilling to or completed in the Basal Coal member of the Fruitland formation within the Cedar Hill-Fruitland Basal Coal Pool or within one mile of said pool either on or before August 1, 1984, that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator of any such well shall notify the Aztec District Office of the Division, in writing, of the name and location of any such well on or before November 1, 1984.
- (5) That the vertical limits of the Mount Nebo-Fruitland Pool (created by Division Order No. R-4690, dated December 6, 1973, as amended by Division Order Nos. R-5843 and R-7046, dated November 2, 1978, and August 6, 1982, respectively) are hereby redefined to include the Fruitland formation with the exception of the Basal Coal member as designated on the type log of the Amoco Production Company Schneider Gas Com "B" Well No. 1, as described in Ordering Paragraph No. (1) above.

- (6) That this case shall be reopened at an examiner hearing in February, 1986, at which time the operators in the subject pool may appear and show cause why the Cedar Hill-Fruitland Basal Coal Pool should not be developed on 160-acre spacing and proration units.
- (7) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

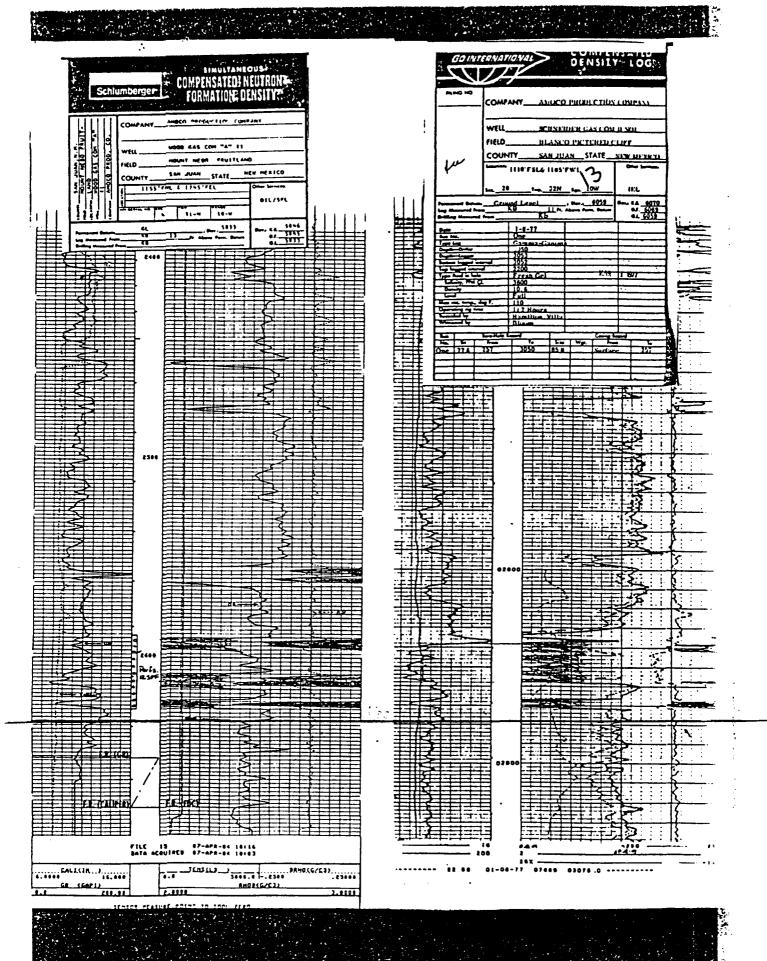
STATE OF NEW MEXICO

OIL CONSERVATION BIVISION

JOE D. RAMEY

Director

SEAL



R 10 W T 32 N 24 25 Woods

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the New Mexico Oil Conservation Division's Form C-132 and the Form FERC-121 for the Wood Gas Com. "A" No. 1 well was mailed, postage prepaid, to each working interest owner and each party to the gas purchase contract, as listed below.

PURCHASER:

El Paso Natural Gas Company

P.O. Box 1492

El Paso, TX 79978

WORKING INTEREST OWNER: NONE

AMOCO PRODUCTION COMPANY

ORIGINAL SIGNED BY STEPHEN D. RING

Stephen D. Ring, Attorney Amoco Building Denver, Colorado 80202

STATE OF COLORADO) SS
COUNTY OF DENVER)
states that he is a responsible official of the Applicant, Amoco Production
Company, and further states:
l. That the gas from the $\underline{\hspace{0.1cm}\text{Wood Gas Com. "A" No. 1}}$ is being
produced from a coal seam.
2. That there is no further information of which Applicant has
knowledge inconsistent with the conclusions stated herein.
DATED this May of August 1984.
AMOCO PRODUCTION COMPANY, Applicant
BY: John C Bunden
TITLE: Division Production Manager
ADDRESS: Amoco Production Company
Amoco Building
Denver, CO 80202
SUBSCRIBED, SWORN TO, AND ACKNOWLEDGED before me this 17th day of
1987.
May amount
Notary Public

AMOCO BUILDING 1670 BROADWAY DENVER, CO 80202

My Commission expires:

My Commission Expires Sept. 12, 1984

CORE LABORATORIES, INC. ANALYTICAL REPORT

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PAGE 1 OF

ANALYSIS #:

AMOCO PROBUCTION CO.

A50004-1

LOCATION: CASPER, WYO.

WELL: WOODS A-1

FIELD:

COUNTY: SAN JUAN

STATE: NEW MEXICO

DATE SAMPLED: 12-28-84

SAMPLE TEMP: DEG. F. SAMPLE PRESSURE: 270 PSIA REMARKS: #RC3555 SAMPLING POINT: FRUITLAND FORMATION

CHROMATOGRAPHIC ANALYSIS

	0.823	100.00	TOTAL
COMPRESSIBILITY FACTOR: .997866	-0.000	0.00	HEPTANES PLUS
	0.000	0.00	HEXANES
(AIR: = 1.00)	0.000	0.00	NORMAL PENTANE
CALCULATED SPECIFIC GRAVITY:0.6021	0.000	0.00	ISO-PENTANE
	0.035	0.11	NORMAL BUTANE
WET BASIS: 994	0.055	0.17	ISO-BUTANE
DRY BASIS: 1012	0.176	0.64	PROPANE
CALCULATED BTU/CU.FT.@14.696 PSIA	0.557	2.09	ETHANE
		94.04	METHANE
WET BASIS: 996		0.13	NITROGEN
DRY BASIS: 1014		2.82	CARBON DIOXIDE
CALCULATED BTU/CU.FT.@ 14.730 PSIA			
	GFH *	PERCENT	
	:	#OL : :	

GPM CALCULATED AT 14.696 PSIA

