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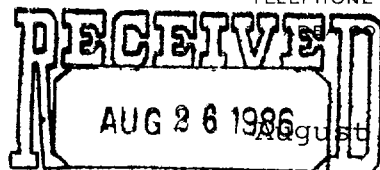
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Mr. R.L. Stamets, Director
Oil Conservation Division
Energy & Minerals Department
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 8890 - Application of Northwest Pipeline
Corporation for Hardship Gas Well Classification,
Rio Arriba County, New Mexico

Dear Mr. Stamets:

Pursuant to the oral announcement of the Commission following
the August 7, 1986 hearing, and pursuant to your request,
enclosed is the writer's draft of the proposed Order of the
Commission granting Northwest Pipeline Corporation's application
for a hardship gas well classification for its San Juan 29-5
Unit Well No. 91.

Very truly yours,

Rodey, Dickason, Sloan, Akin & Robb, P.A.

Paul A. Cooter
Paul A. Cooter

PAC:pg

Enclosure

cc: Mr. Paul C. Thompson

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

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

CASE NO. 8890
Order No.

APPLICATION OF NORTHWEST
PIPELINE CORPORATION FOR
HARDSHIP GAS WELL CLASSIFICATION,
RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:15 a.m. on August 7, 1986, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this day of September 1986, the Commission, having considered the testimony, the record, and being fully advised in the premises,

FINDS THAT:

1. Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter hereof.

2. The applicant, Northwest Pipeline Corporation, seeks a determination that its San Juan 29-5 Unit Well No. 91 located 1,140 feet from the North line and 1,840 feet from the East line (Unit B) of Section 35, Township 29 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

3. The San Juan 29-5 Unit Well No. 91 was completed in July 1980 in the Basin-Dakota Pool and produced thereafter through the perforated interval from 8,726 to 8,736 feet until shut-in for overproduction on September 19, 1984.

4. When efforts were made to return the well to production, it was discovered that the well was logged. After extensive swabbing, the well was returned to production on December 3, 1985.

5. Evidence at the hearing indicates the remaining recoverable gas reserves in the well to be 190.32 MMCF, and that 129.05 MMCF of gas reserves were lost while the well was shut-in from September 1984 to December 1985.

6. Additional reserves may be lost if said well is further shut-in or if the well be killed for further workover.

7. In addition, the economic condition of the well is such that any mechanical attempt to alleviate the water loading problem is cost prohibitive at this time.

8. Production history indicates that the San Juan 29-5 Unit Well No. 91 should be produced at a rate of 28 MCFD in order to lift the water from the formation and prevent the well from further logging.

9. To prevent waste, Applicant's San Juan 29-5 Unit Well No. 91 should be designated a hardship gas well and be given priority access to the available market for gas.

10. Such classification should be subject to the limitations described in Rule 412 of the Division's Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

1. The San Juan 29-5 Unit Well No. 91 located 1,140 feet from the North line and 1,840 feet from the East line (Unit B) of Section 35, Township 29 North, Range 5 West, NMPM, Basin-Dakota Pool, Rio Arriba County, New Mexico, is hereby designated as a hardship gas well subject to the following terms and conditions:

(a) The well will be given priority access to the available gas market;

(b) The minimum approved flow rate for the well shall be 28 MCFD;

(c) The hardship classification shall be retained only through September 1, 1987, unless the operator obtains an extension thereof under the terms of Division Rule 412A; and,

(d) The well shall be subject to all terms and provisions of Division Rule 412.

2. Jurisdiction of this cause is retained for the entry of

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Case No. 8890

Order No.

such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. L. STAMETS, Chairman and Secretary

ED KELLY, Member

JIM BACA, Member



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

September 5, 1986

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Mr. Paul Cooter
Rodey, Dickason, Sloan,
Akin, & Robb
Attorneys at Law
Post Office Box 1357
Santa Fe, New Mexico 87501

Re: CASE NO. 9990
ORDER NO. R-3236-A

Applicant:
Northwest Pipeline Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other Richard Wilson
