

NEW MEXICO OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

NGPA-21

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

OPERATOR Supron Energy Corporation WELL NAME AND NO. Jicarilla G Well No. 4-A
 LOCATION: UNIT D SEC. 11 TWP. 26N RNG. 5W 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 Supron Energy Corp. 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

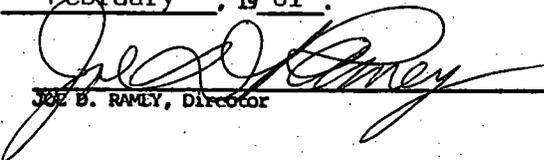
- (X) drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in the pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool, said pool being the Blanco-Mesaverde Pool and the order being Division Order No. R-1670-I.
- () 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).

(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 2nd day of February, 19 81.


 JOE B. RAMSEY, Director

NEW MEXICO OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

NGPA- 21

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

OPERATOR Supron Energy Corp WELL NAME AND NO. J. Carilla Gr No 4-17
 LOCATION: UNIT D SEC. 11 TWP. 26 N RANG. 5W 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 Supron Energy Corp 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 Blanco-Mesaverde Pool and the order being Division Order No. R-1670-T.
- () 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).

(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 _____ day of _____, 19 ____.

JOE D. RAMLEY, Director

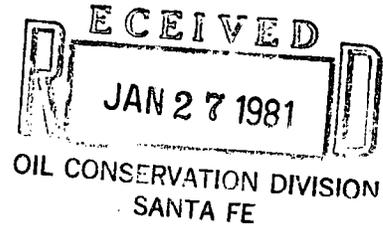
SUPRON ENERGY CORPORATION

BLDG. V, FIFTH FLOOR
10300 NORTH CENTRAL EXPRESSWAY
DALLAS, TEXAS 75231

WILLIAM S. JAMESON
SENIOR VICE PRESIDENT
GENERAL COUNSEL & SECRETARY

TELEPHONE (214) 691-9141
TWX: (910) 861-9117
SUPCO-DAL.

January 22, 1981



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

Re: Application for Exemption from the Provisions
of Section 6 of the Natural Gas Pricing Act -
Supron Energy Corporation's Jicarilla "G" 4-A Well (Mesaverde)

Dear Sir:

Pursuant to the provisions of the New Mexico Oil Conservation Division Order No. R-5436, Supron Energy Corporation hereby submits its application for a determination under Section 6 of the New Mexico Gas Pricing Act that the captioned well was justified for reasons other than avoiding the application of the New Mexico Gas Pricing Act.

The above captioned well was located and drilled as an "infill" well in a particular gas pool pursuant to an Oil Conservation Division order finding that such wells will increase the recoverable reserves under the applicable proration unit and will result in more efficient use of reservoir energy and will tend to ensure greater ultimate recovery of gas from the pool. The applicable Division Order Number is R 1670-T applicable to the Mesaverde Formation.

Transmitted herewith in support of the application is a plat of the area showing the proration unit in question, the location of all wells thereon and the ownership and location of all wells on direct or diagonally offsetting proration units.

Submitted herewith are copies of the following data showing the date on which the drilling of the captioned wells was commenced:

1. Application for Permit to Drill; and
2. Well Completion Report.

SUPRON ENERGY CORPORATION

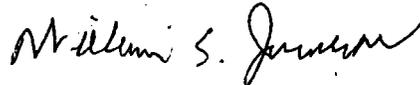
Director
New Mexico Oil Conservation Division
January 22, 1981

Page Two

Supron Energy Corporation hereby certifies that the pre-existing Mesaverde well on the proration unit applicable to the captioned Mesaverde well will not have its ability to produce into the pipeline restricted in any manner.

A copy of this application and the related material submitted in support thereof has this day been forwarded to the District Office of the New Mexico Oil Conservation Division for District III at Aztec, New Mexico.

Very truly yours,

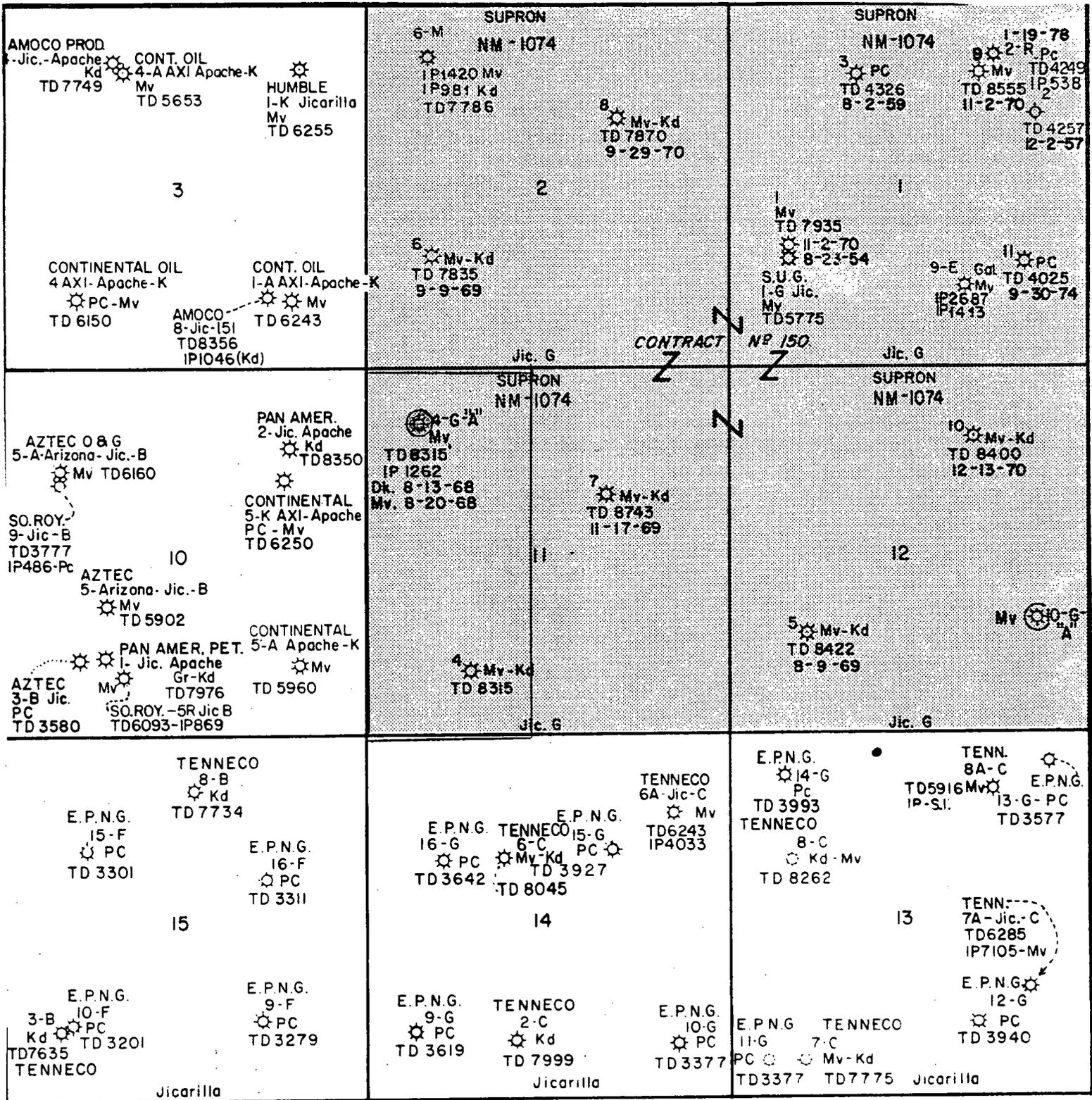


William S. Jameson
Senior Vice President, General
Counsel & Secretary

klc
encls/as stated

cc: New Mexico Oil Conservation Division
District III
1000 Rio Brazos Road
Aztec, New Mexico 87410
(w/copy of encls)

Southland Royalty Company
1000 Fort Worth Club Tower
Fort Worth, Texas 76102
(w/copy of encls)



OFFSET OPERATOR PLAT
Supron Energy Corporation
Jicarilla G-4A
NW/4 Section 11, T26N, R5W
Rio Arriba County, New Mexico

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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
Sunron Energy Corporation

3. ADDRESS OF OPERATOR
P. O. Box 808, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
790feet from the North line and 790 feet from the West line.
At proposed prod. zone Same as above.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
20 miles Northwest of Ojito, New Mexico.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
790' / Property & Lease line. 790' / Drlg Unit line

16. NO. OF ACRES IN LEASE
2560

17. NO. OF ACRES ASSIGNED TO THIS WELL
W 1/2 320 Acres

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1005 Ft.

19. PROPOSED DEPTH
6150 Ft.

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
7238 Gr.

22. APPROX. DATE WORK WILL START*
June 1, 1978

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13-3/4"	10-3/4"	32.75	300	300 cu. ft.
8-3/4"	7"	23.00	4050	300 cu. ft.
6-1/8"	4-1/2"	10.50	3900 to 6150	280 cu. ft.

It is proposed to drill and complete a well in the Mesaverde formation. This well will be mud drilled through the Pictured Cliffs formation and air drilled through the Mesaverde formation to a total depth of approximately 6150 Ft. The Mesaverde formation will be fraced in order to stimulate production. It is then proposed to run 1-1/2" tubing which will then be set at approximately 5800 feet.

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

24. SIGNED Rudy D. Motto TITLE Area Superintendent DATE April 24, 1978

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

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. RESVR. Other _____

2. NAME OF OPERATOR
Supron Energy Corporation

3. ADDRESS OF OPERATOR
P. O. Box 808, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface
At top prod. interval reported below
At total depth

14. PERMIT NO. _____ DATE ISSUED _____

3. LEASE DESIGNATION AND SERIAL NO.

Contract No. 150
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Jicarilla "G"

9. WELL NO.
4-A

10. FIELD AND POOL, OR WILDCAT
Blanco Mesaverde

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 11, T-26N, R-5W, N.M.P.M.

12. COUNTY OR PARISH
Rio Arriba

13. STATE
New Mexico

15. DATE SPUNDED 9/13/78 16. DATE T.D. REACHED 9/24/78 17. DATE COMPL. (Ready to prod.) 12/13/78 18. ELEVATIONS (DF, REB, RT, GR, ETC.)* 7283 Gr. 19. ELEV. CASINGHEAD ~~7283~~ 7283

20. TOTAL DEPTH, MD & TVD 6315 21. PLUG, BACK T.D., MD & TVD 6263 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS 0 - 6315 Ft. CABLE TOOLS -0-

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
~~5572~~ Blanco Mesaverde 5572 ft. to 6253 ft.

25. WAS DIRECTIONAL SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN
Compensated Density, Induction Gamma Ray, Mollar & Bond

27. WAS WELL CORED
NO

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10-3/4"	32.75	233	13-3/4	150 SX	None
7	23.00	4143	8-3/4	200 SX	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
4-1/2	3997	6304	350	

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8	6102	None

31. PERFORATION RECORD (Interval, size and number)

1 size 0.44" Perf at 5572, 5592, 5596, 5629, 5636, 5640, 5644, 5654, 5663, 5679, 5890, 5894, 5904, 6081, 6114, 6118, 6133, 6136, 6139, 6146, 6149, 6147, 6172, 6176, 6196, 6223, 6240 & 6223.

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5572 - 6263	95,634 gals of water, 80,000# 20-40 sand, 1000 gals of 15% HCL Acid

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
		Shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
12/13/78	3	3/4"	→	-0-	158		

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
95	550	→	-0-	1262	-0-	-0-

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

TEST WITNESSED BY
Ken Roddy

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

Original Signed By
SIGNED Rudy D. Motto TITLE Area Superintendent DATE December 14, 1978

*(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.
Ojo Alamo		3500'	Water
Pictured Cliff	3812		Gas
Cliff House	5550		
Menefee	5748		
Point Lookout	5864		

38.

GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH



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SEAPORT IMAGING

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