

NEW MEXICO OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

NGPA- 33

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 WELL NAME AND NO. Jicarilla "E" Well No. 10-E
LOCATION: UNIT B SEC. 22 TWP. 26N RGE. 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).
- (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 9th day of November, 19 82.


J. D. RONEY, Director

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

Received 8/5/82
Suspense Date: None.

ADMINISTRATIVE ORDER

NGPA- 33

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. Sicarilla "E" Well No. 10-E
LOCATION: UNIT B SEC. 22 TWP. 26 N RNG. 4 W COUNTY Alb. 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 Exploration 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).
- (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.

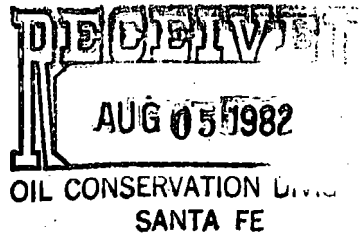
DONE at Santa Fe, New Mexico on this day of , 19 .

JOE D. RAMEY, Director



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

August 2, 1982



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

Re: Jicarilla "E" #10-E
Basin Dakota Field
Rio Arriba County, New Mexico

Gentlemen:

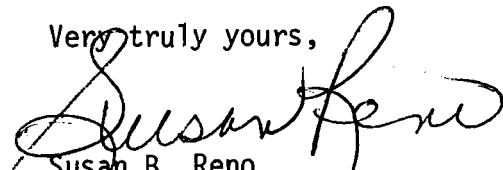
Pursuant to the provisions of the New Mexico Oil Conservation Commission's Order No. R-5436 and pursuant to Section 62-7-5 NMSA 1978, Southern Union Exploration Company respectfully requests an exemption for the above referenced infill gas well from the provisions of the State of New Mexico's Natural 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 Form 9-331C.

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 will be completed in this pool.

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

Very truly yours,


Susan B. Reno,
Director, Administrative Operations

SBR/bm

Attachments

CERTIFICATION

I hereby certify that the Jicarilla E 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

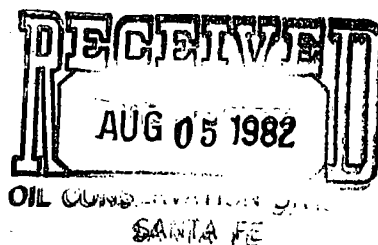
By: 

Susan B. Reno
Director, Administrative
Operations

Subscribed in my presence and duly sworn to before me, this 2 day of August, 1982.


Notary Public in and for
Dallas, County, Texas

June 24, 1984
My Commission Expires



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

Southern Union Exploration

3. ADDRESS OF OPERATOR

314 N. Auburn, Drawer "F" Farmington, New Mexico

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

At surface

NE $\frac{1}{4}$ Sec. 22-T26N-R4W

At proposed prod. zone 1000' FNL & 1850' FEL

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

51.3 miles north-northwest of Cuba, New Mexico

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1000

18. DISTANCE FROM PROPOSED LOCATION*

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

1000

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

6805 GR.

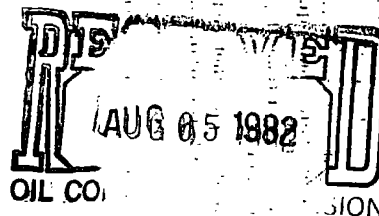
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4	10 3/4 K55 ST&C	40.5 New	350	220 Sks or suff to circ to surf
9 7/8	7 5/8 K55 ST&C	26.4 New	4200	250 Sks or suff to cover Ojo Alamo
6 3/4	5 1/2 K55 ST&C	15.5 New	7900	500 Sks or suff to circ top of liner.

1. Drill 14 3/4 hole and set 10 3/4 surface casing to 350' with good returns.
2. Log BOP checks in daily drill reports and drill 9 7/8 hole to 4200 & 6 3/4 hole to 7900.
3. Run tests if warranted and run 7 5/8 csg & 5 1/2 liner if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED

- A. Location & elevation plat.
- B. Access, roadmap to location & radius map of field.
- C. The blowout preventer diagram.
- D. The multi-point requirements for APD.
- E. Ten point compliance program.
- F. Production facilities layout.
- G. Drill pad layout, cut fill & cross section.
- H. Drill Rig layout.



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

Lee Bunker

TITLE

Drilling Supervisor

DATE

May 7, 1982

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS.

his action is subject to administrative
appeal pursuant to 30 CFR 290.

OPERATOR

APPROVED
AS AMENDED

DATE

MAY 20 1982

James F. Shivers
JAMES F. SHIVERS
DISTRICT ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☐ gas ☒ other ☐
well well

2. NAME OF OPERATOR
Southern Union Exploration

3. ADDRESS OF OPERATOR

314 N. Auburn, Drawer "F" Farmington, NM

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: 1000' FNL & 1850' FEL

AT TOP PROD. INTERVAL: Same

AT TOTAL DEPTH: Same

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
CHANGE ZONES ☐
ABANDON* ☐
(other) ☐

SUBSEQUENT REPORT OF:

☐
☐
☐
☐
☐
☐
☐
☐
☐

RECEIVED

MAY 17 1982

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

U.S. GEOLOGICAL SURVEY
FARMINGTON, N.M.

Correction of improperly named well

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

(Changed To)

Well named Jicarilla E #16. Should be Jicarilla E-10-E.

RECEIVED
AUG 05 1982

OIL CONSERVATION DIV.
SANTA FE

SX

Subsurface Safety Valve: Manu. and Type

Set @ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED *Les Burton*

TITLE *Drilling Supervisor* DATE *May 11, 1982*

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE DATE

OPERATOR

*See Instructions on Reverse Side

APPROVED

MAY 20 1982

Elliott
DISTRICT ENGINEER

All distances must be from the outer boundaries of the Section.

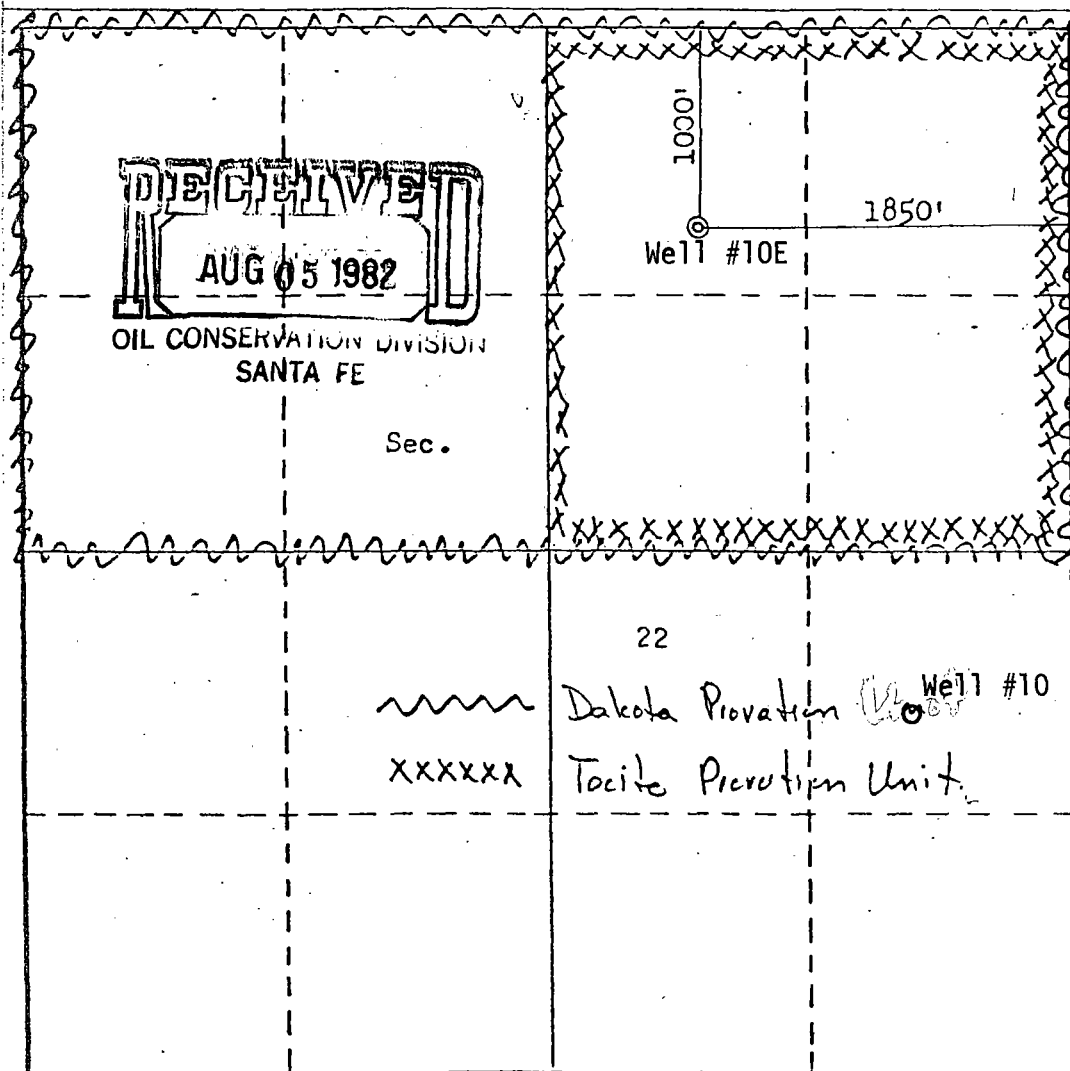
Operator SOUTHERN UNION EXPLORATION COMPANY			Lease JICARILLA "E"		Well No. 16
Unit Letter B	Section 22	Township 26N	Range 4W	County Rio Arriba	
Actual Footage Location of Well: 1000 feet from the North line and 1850 feet from the East line					
Ground Level Elev. 6805	Producing Formation Tapacitoes-Dakota		Pool Basin Dakota-Tapacito PC		Dedicated Acreage: 320 Acres

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.

Name Michael L. Davis
Position Division Mgr.
Company Southern Union Expl.
Date April 30, 1982

I hereby certify that the well location shown on this plat was plotted 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.

Date Surveyed April 22, 1982
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
Certificate No. 3950

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator

SOUTHERN UNION PRODUCTION COMPANY

JICAMILLA

E

Well No.

10

Unit Letter

I

22

16 NORTH

4 WEST

RIO ARRIBA

Acres Forfeited

1720

SOUTH

790

EAST

Ground Level

Dakota

Basin Dakota

Acres

6955.0

Pictured Cliffs

Tapacito Pictured Cliffs

E/2 320
SE/4 160

Outline the area on the plat below.

2. If more than one owner, the ownership thereof (both as to working interest and royalty).

3. If more than one owner, the interests of all owners been consolidated by community.

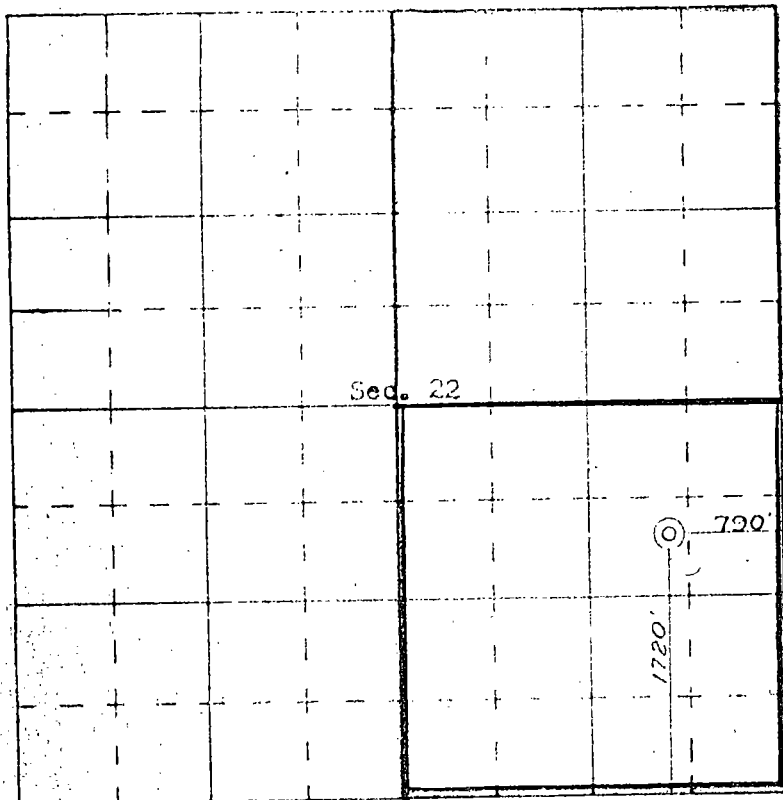
4. Yes Community

If answer is "Yes", the interests of all owners been consolidated (Use reverse side of this form if necessary).

No allowable well, or other interest, has been approved by the Commission.

Dedicated Dakota Acreage

Dedicated Pictured Cliffs Acreage



SCALE—4 INCHES EQUALS 1 MILE

CERTIFICATION

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

Original signed by
GILBERT D. NOLAND, JR.

Name

Gilbert D. Noland, Jr.

Position

Drilling Superintendent

Company

Southern Union Production Co.

Date

May 23, 1968

I hereby certify that the well location shown on this plat was plotted 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.

22 May, 1968

Date Surveyed

James P. Leese
Professional Engineer
and Land Surveyor

JAMES P. LEESE

1463

Certificate No.

