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

ADMINISTRATIVE ORDER

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

Diffection of the Entrain Cas Principal Act (being Secs. 62-7-1 to 62-7-10, 200A 1978) provides that the Section of the Section of the Principal Act (being Secs. 62-7-1 to 62-7-10, 200A 1978) provides that the Section of Principal Act Section of Section	DETON: U	B B	_ SE.	22	26N	1862. 4W		Rio Arriba
is Pricing act shell not apply to the production and sale of natural gas in increated conserver from a vall the drill of or filter intersects sale of which commends on or after James 7, 1975, provided however, that the Act shall apple such a well if it is drilled which as established procession units which was producing or capable of producing strends gas price to James 7, 1975, from the same scenarios, the old to the producing content of the first of the same of the first of the same of the first of the same scenarios. It is drilled from the same scenarios of the first of the same scenarios of the first of the same scenarios. It is drilled from the same scenarios of the first of the same scenarios of the first same of the first of the same scenarios. It is not to the same scenarios of the first same of the same scenarios. It is not same scenarios of the same same same same same same same sam	NE DIRECT	OR OF THE	DIAISION	PINDS:				
That by Order No. R-1415, dated June 5, 1977, the Division established on education procedure whereby the section of the Division is empowered to ent for the Division and exampt gas walls from the provisions of Section 5 or Stotest Gas Pricing Act provided each well were drilled on or after January 1, 1975 thin established provention the which were producing or capable of producing natural gas from the same reservoir prior to January 1, 1975.  That to qualify for such escaption, under said Order No. R-5435, ages wall must be classified either as a <u>revolue</u> to ce as an <u>initil</u> wall.  That pursuant to Order No. R-5435, the Director of the Division may find that a replacement wall is justified for man other than sociding the pricing provisions of the Natural Gas Pricing Act upon a shoring by the operator that:  (a) The wall was necessary to replace a wall lost due to economically irreparable dose-hole mechanical failure or formation desspar on that  (b) the wall was necessary to replace a wall producing at mon-consecuting irreparable dose-hole mechanical failure or formation desspars on that  (c) the drilling of the wall commenced prior to January 18, 1977.  That pursuant to Order No. R-5436, the Director of the Division may find that an <u>indill</u> well is justified for reset than well was drilled in a pool where the Division, after indice and hearing, has insect an order finding that indill drilling in such pool, will result in more efficient use of measured accounting to the vectors promotion units in much pool, will result in more efficient use of measured accounts from the provision of the limit in such pool, will bend to ensure greater ultimes necessary of gas from the producing the pricing Act upon the provision of the break Gas fricing the upon the provision of the provision of the break Gas fricing the provision of the break Gas fricing the provision of the break Gas fricing the scale of the provision of the break Gas fricing Act provision Oread for the provision of the break of which commenced prior to Ja	as Pricin E or firs n such a : stural ga pop a fin	g Act shell t intracta well if it s prior to ding that	l mot ap to sale ( is dril January	ply to the prod of which comes led within an o l, 1975, from	inction and sale used: on, or, after established, prov the, same reserv	of natural gas in January 1, 1975, stick unit which w mix unless the Oil	intrastate of provided howers producing Conservation	commerce from a well the drill over, that the Act shall apply or capable of producing a Division examps such well.
invertor of the Division is exposered to act for the Division and exampt gas wells from the provisions of Section 7 of a Natural Case Princing Act provided each well with each window case of a first annuary 1, 1975.  That to qualify for such exemption, under said Order Bo. B-5436, a gas well must be classified either as a <u>resolute</u> to a sain infill well.  That pursuant to Quier No. R-5436, the Director of the Division may find that a replacement well is justified for some other than avoiding the princing provisions of the Natural Gas Princing Act upon a showing by the operator that:  (a) The well was necessary to replace a well lost due to exceedically irreparable describe mechanical failure or floration describes 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.  That pursuant to Order No. R-5436, the Director of the Division may find that an infill well is justified for res than avoiding the princip provisions of the Natural Gas Princip 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 full limits in such pools will increase the recoverable reserves under the various provision units in successary to protect the provisions of the Natural Gas Princip Act upon a showing by the operator that:  (b) the well is necessary to protect the provisions will find uncompanied drainage or to protect correlative rightness or that:  (c) the drilling of the well commenced prior to January 18, 1977.  (d) the drilling of the well commenced prior to January 18, 1977.  (b) the tree applicant herein Southern Union Expl.  (e) the drilling of the well commenced prior to January 18, 1977.  (f) a Replacement well  (g) a replacement well  (h) the union of the second of the Natural Gas Princips Act insends a said well was not drilled for the purpose of faint to the provisions of the Natural Gas Princips Act insends a sai	•							
That pursuent to Order No. N-5436, the Director of the Division may find that a replacement well is justified for some 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 justified for the representation of the Maintain days of that.  (b) the well was necessary to replace a well producing at non-consecutal return or that.  (c) the drilling of the well commond prior to Jenuary 15, 1977.  That pursuant to Order No. N-5436, the Director of the Division may find that an infill well is justified for reset than avoiding the pricing provisions of the Maintain 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 promotion units in such pool, will result use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pools or that.  (a) the well is necessary to protect the provisions unit from uncompanies of which the necessary to protect the provisions unit from uncompanies of which the applicant hearts. Southern Union Expl.  (b) the well is necessary to replace a believe to Jenuary 18, 1977, and Division Order for the provisions of the beautil Gas Pricing Act pursuant to Section 62-7-3, MSA 1978, and Division Order for the provisions of the Beautil Gas Pricing Act instead as each well as post-well as justified for suption from the provisions of the Beautil Gas Pricing Act instead as each well as justified for the purpose of an explanation of said each, but was in factor  () a Replacement Well.  () necessary to replace a well loss due to expressionally irrepeable described content of the purpose of function of which common prior to Jenuary 18, 1977.  (2) he infilt well  (3) a well the drilling of which common prior to Jenuary 18, 1977.  (4) he maint well  (5) a well the drilling of which comm	izector of he Natural	E the Divid L'Ges Pric	ion is (	espowered to ec provided said w	nt for the Divis Hello were drill	ion and exempt gas of on or after Jac	wells from to	the provisions of Section 5 of within established provation
can other than avoiding the pricing provisions of the Natural Case Pricing Act upon a stancing by the operator that:  (a) The wall was necessary to replace a wall jurishing at man-commercial rates; or that.  (b) the wall was necessary to replace a wall producing at man-commercial rates; or that.  (c) the drilling of the wall commend prior to January 16, 1977.  That pursuant to Order No. R-5436, the Director of the Natural Case Pricing Act upon a showing by the operator that:  (a) the wall 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 resoverable reserves under the various provisions of the Natural Case Pricing Act upon a showing by the operator that:  (a) the wall 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 resoverable reserves under the various provision units in such pool, will result in some efficient use of reservoir energy, and will tend to ensure greater ultimate resource of que from the provision protect the provision unit from uncompaniented drainage or to protect correlative rights; or that:  (d) the drilling of the wall commend prior to January 18, 1977.  ) That the applicant heavin Southern Union Expl.  but the applicant heavin Southern Union Expl.  but the requirements of said Order No. R-5436 have been complied with, and that said wall is justified for special from the provisions of the Natural Case Pricing Act insumed as said wall was not drilled for the purpose of adding the application of said act, but was in facts:  () A Replacement Wall  () A recessary to replace a wall lost due to encountedly irrepended described more provision units in the power of a wall the drilling of which commends prior to January 18, 1977.  (i) An Arvit Wall  (ii) A research to provision of which commends prior to January 19, 1977.  (ii) A research to provision of which commends prior to January 19, 1977.	ly that t Lice as a	o qualify a <u>infill</u> w	for such ell.	exaption, un	ier said Order N	b. 3-5436, a gas v	ell must be	classified either as a <u>replac</u>
(c) the well was necessary to replace a well producing at non-consential rates; or that (c) the drilling of the well command prior to January 18, 1977.  That pursuant to Order No. R-4456, the Director of the Division may find that an infill well is justified for res or 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 pools or that  (b) the well is necessary to protect the provisions unit from uncompanied drainage or to protect convolutive rights; or that  (c) the drilling of the well command prior to January 18, 1977.  That the applicant herein. Southern Union Expl.  That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for mation from the provisions of the Natural Gas Pricing Act immuch as said well was not drilled for the purpose of miding the application of said act, but was in facts  () A Replacement Well  () necessary to replace a well lost due to commandally irrepeable described an order finding that infill  A Policement Well  () a well the drilling of which commands prior to January 18, 1977.  () A Policement Well  (4) drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill  A Policement well  (5) a well the drilling of which commands prior to January 18, 1977.  (6) A Replicement well  (7) a well the drilling of which commands the BASIII Dakota Gas.  (8) an energy to protect the Division order No. R-1670-V  (9) an energy to protect the provestion unit from uncompanied drainage or to protect correlative rights.  (1) a well the drilling of which commands prior to January 18, 1977.	in That purchase other	ursuant to e than avo	Order Niding th	o. R-5436, the pricing provi	Director of the islam of the Na	Division may find tornal Gas Pricing	that a <u>repl</u> Act upon a si	pomient well is justified for moving by the operator that:
(c) the drilling of the well command prior to January 18, 1977.  That pursuant to Order No. N-5436, the Director of the Division may find that an infill well is justified for rear than avoiding the pricing provisions of the Nebural Cas 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 promition 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 pools or that.  (b) the well is necessary to protect the provision unit from uncompaniented drainage or to protect correlative rightse or that:  (d) the drilling of the well commands prior to January 18, 1977.  ) That the applicant herein SOUTHERT Union Excl.  That all the requirements of said Order No. N-5436 have been complied with, and that said well is justified for spiten from the provisions of the Narral Cas Pricing Act insumed as said well was not drilled for the purpose of adding the application of said act, but was in facts:  () a seals we be replace a well lost due to expensionally irrepending draw-hole mechanical failure or forestion damps.  () a well the drilling of which commands prior to January 18, 1977.  (**) & Infill Well**  (**) 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 provation units in the power will result in more efficient use of reservoir energy, and will one to ensure greater ultimate recovery of gas from the pool, said pool being the BBS111 Daktota Gas.  **Recovery to protect the provation unit from uncompensated drainage or to protect correlative rights.  (**) a seals the drilling of which commands prior to January 18, 1977.					s will lost due.	to economically in	reperable do	m-hole mechanical failure
That pursuant to Order No. R-5436, the Director of the Division may find that an infill well is justified for reset then avoiding the printing provisions of the Natural Gas Printing At upon a shoring 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 result in suce efficient use of reservoir enemy, and will tend to ensure greater ultimate resowary of gas from the pools or that.  (b) the well is necessary to protect the provision unit from uncompanional drainage or to protect correlative rights; or that:  (c) the drilling of the well command prior to Jamesy 19, 1977.  ) that the applicant herein. Southern Union Expl. has requested exemption from the provisions of the terral Gas Pricing Act pursuant to Section 62-7-3, MRS 1978, and Division Order No. R-5436 for the show-mand well.  That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for margin from the provisions of the Natural Gas Pricing Act insumch as said well was not drilled for the purpose of miding the application of said act, but was in facts:  () a Replacement Well  () necessary to replace a well lost due to excentically irrepending describel machanical failure or formation describ to replace a well producing at non-commercial rates.  () as well the drilling of which commenced prior to Jamesy 18, 1977.  (**) An Infill Mell  (**) drillad in a pool where the Division, after notice and hearing, has issued an order finding that infill dealling in such pool will increase the recoverable reserves under the various provation units in the power of gas from the pool, said pool being the BESIN DalkOta Gas.  (**) a season to protect the provation unit from uncompanional drainage or to protect correlative rights.  (**) a well the drilling of which commenced prior to Jamesy 18, 1977.	(b) th	e well was	Decesta	en to malyace o	e well becqueing	at no-conscial	. zates; ce ti	Mathematical Company of the Company
(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 union the various promotion units in such pool, will result in suce efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pools or that.  (b) the well is necessary to protect the protection unit from uncompanied drainage or to protect correlative rightes on that:  (c) the drilling of the well command prior to James, 15, 1977.  ) that the applicant herein Southern Union Expl. has requested examption from the provisions of the terail Gas Pricing Act parameter to . 2-445 for the show-used well.  That all the requirements of said Order No. R-5436 have been complical with, and that said well is justified for application of said act, but was in facts.  () A Replacement Well:  () a necessary to replace a well lost due to encountedly irrepended deen-hole mechanical failure or formation desage.  () a well the drilling of which commands prior to James, 18, 1977.  (**A Infill Well:								
that infill drilling in such pool, will result in sure efficient use of reservoir energy, and will tend to ensure greater ultimate in such pool, will result in sure efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gase from the protect the protection unit from uncompaniented drainage or to protect correlative rights; or that  (d) the drilling of the well commenced prior to James, 18, 1977.  ) That the applicant herein Southern Union Expl. has requested examption from the provisions of the terest Ges Pricing Act pursuant to Section 62-7-5, MEGA 1978, and Division Order No. R-5436 for the above-mand well that all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for emption from the provisions of the Matural Gas Pricing Act insumed as said well was not drilled for the purpose of midding the application of said act, but was in facts:  () A Replacement Well:  () A Replacement Well:  () A necessary to replace a well lost due to economically irrependile described machinal failure or formation desage.  () a well the drilling of which commenced prior to James, 18, 1977.  (**) An Infill Well:  (**) 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 provation units in the pout of gas from the pool, said pool being the BASIN Dakotta GAS.  (**) Accessary to protect the provation unit from uncompanient drainage or to protect correlative rights.  (**) A well the drilling of which commenced prior to James, 18, 1977.	that p	ursuant to voiding th	Order N pricin	o. R-5436, the g provisions of	Director of the f the Natural Ga	Division may find a Pricing Act upon	that an <u>infi</u> a showing by	ill well is justified for res the operator that:
(d) the drilling of the well commenced prior to James, 18, 1977.  That the applicant herein. Southern Union Expl. has requested exemption from the provisions of the teral Gas Pricing Act pursuants to Section. 62-7-3, HESA 1876, and Division Order No. R-5436 for the shown-massed well. That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for applicant the provisions of the Natural Gas Pricing Act insumed as said well was not drilled for the purpose of miding the application of said oct, but was in facts:  () A Replacement Well  () A Replacement Well  () A Replacement Well  () A swell the drilling of which commenced prior to James, 18, 1977.  (** An Infill Well  (**) 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 powerly are found to ensure greater ultimate recovery of gas from the pool, said pool being the BRSIN Dakotta Gas.  (**) assumesty to protect the presented unit from uncompensated drainage or to protect correlative rights.  (**) a well the drilling of which commenced prior to James 18, 1977.  **EIS THEREFORE ORDERED:	抽	et infill : : such pool	drilling will r	in such pool (	all incress th efficient use of	e recoverable rese	eves under ti	ne various prometion units
That the applicant hereis Southern Union Expl. has requested examption from the provisions of the teral Gas Pricing Act pursuant to Settion 62-7-3, MSA 1976, and Division Order No. 2-3436 for the shows-named well that all the requirements of said Order No. 2-3436 have been complied with, and that said well is justified for application of said order No. 2-3436 have been complied with, and that said well is justified for application of said order No. 2-3436 have been complied with, and that said well is justified for application of said order, but was in facts  () A Replacement Well  () A Rep				y to protect ti	e prestica uni	t from uncompensed	ed drainage o	or to protect convolative
That all the requirements of said Order No. R-5436 have been complied with, and that said well is justified for suption from the provisions of the Natural Gas Pricing Act insumable as said well was not drilled for the purpose of miding the application of said act, but was in facts  () A Replacement Well  () A Replacement Well  () A Replacement Well  () A Replacement well producing at non-communically irrepensible down-hole mechanical failure or formation damage.  () a well the drilling of which commands prior to January 18, 1977.  () An Infill Well  (*) 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 provation units in the power face from the pool, said pool being the BASIN DAKOTA GAS.  Roometer being Division Order No. R-1670 V  () Recessary to protect the provation unit from uncompensated drainage or to protect correlative rights.  () a well the drilling of which commands prior to January 18, 1977.  Fig THEREFORE ORDERED:					. <del></del>	- , , , ,		
seption from the provisions of the Natural Gas Pricing Act inseranch as said well was not drilled for the purpose of miding the application of said act, but was in facts  () A Replacement Well.  () necessary to replace a well lost due to encouncially irrepenable down-hole machanical failure or formation damage.  () a well the drilling of which commenced prior to January 18, 1977.  (3) An Infill Well  (4) 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 provation units in the powell result in more efficient use of reservoir enemy, and will tend to ensure greater ultimate recovery of gas from the pool, said pool being the BASLIN Dakota Gas  Roo and the order being Division Order No. R- 1670 V  () necessary to protect the provation unit from uncompensated drainage or to protect correlative rights.  () a well the drilling of which commenced prior to January 18, 1977.  FIS THERMFORE ORDERED:	) That t	he applica Pricing A	at herei et purou	Southern	1 Union Exp. 62-7-3, MSA 1	la has requested 978, and Division	exemption f	rom the provisions of the 5436 for the shove-named well
() necessary to replace a wall lost due to engenically irrependie describel mechanical failure or formation desage.  () necessary to replace a wall producing at non-communial rates.  () a well the drilling of which commands prior to January 18, 1977.  (**) An Infill Well  (**) drilled in a pool where the Division, after notice and bearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various promation units in the powerful 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 promation unit from uncompressated drainage or to protect correlative rights.  () a well the drilling of which commands prior to January 18, 1977.	usption £	ros the pr	ovisions	of the Natural	l Gas Pricing Ac	e been complied vi t insernch as said	th, and that well was not	said well is justified for t drilled for the purpose of
formation decays.  (1) necessary to replace a well producing at non-commercial rates.  (2) as well the drilling of which commends prior to Jensey 18, 1977.  (3) Are Infill Well  (4) drilled in a pool where the Division, after notice and bearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various provation units in the powerly of gas from the pool, said pool being the Basin Dakota Gas.  Roo and the order being Division Order No. R-1670 (1) necessary to protect the provation unit from uncompensated drainage or to protect correlative rights.  (3) a well the drilling of which commenced prior to Jensey 18, 1977.  FIS THEREFORE ORDERED:	() <u>a</u>	Replaceme	nt Well					
() a well the drilling of which commands prior to January 18, 1977.  (**) Am Infill Well  (**) 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 promation units in the powerly of gas from the pool, said pool being the BASIN Dakota Gas.  Pool and the order being Division Order No. R-1670 (**) accessary to protect the promation unit from uncompensated drainage or to protect correlative rights.  ( ) a well the drilling of which commands prior to January 18, 1977.		formeti	on damag	<b>6.</b>			e don-hole s	techenical failure or
(*) drilled in a pool where the Division, after notice and bearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various promation units in the powers 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 promation unit from uncompressed drainage or to protect correlative rights.  ( ) a well the drilling of which commands prior to January 18, 1977.	i Č	ller a (	the dril	·			<b>7.</b>	
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 protection unit from uncompensated drainage or to protect correlative rights. () a well the drilling of which commenced prior to January 18, 1977.  FIS THEREFORE ORDERED:		drilled drillin	in a po	te pool will in:	Tease the recov	erable reserves un	der the vario	ous proration units in the pop
( ) necessary to protect the protect on unit from uncompensated drainage or to protect correlative rights. ( ) a well the drilling of which commenced prior to Jenuary 18, 1977.  FIS THEREFORE ORDERED:		of gas	from the	pool, said por	al being the B	asin Dakota	Gas	re greater ultimate recovery Rool
() a well the drilling of which commenced prior to Jenuary 18, 1977. FIS THEREFORE ORDERED:				• •				
<del>하면 하면 하면 하면 하는</del> 보면 있는 것이다. 그는 사람들이 하면 함께 하면 하는 것이다. 그는 사람들이 되었다. 그는 사람들이 되었다면 하는 것이다. 그는 사람들이 되었다면 하는 것이다. 그는 사람들이 되었다면 하는 것이다면 하는 것이다.								correct contratative rights.
1) That the above-names well is hereby excepted from Section 5 of the Natural Gas Printer Act (Secs. 42-7-1 so								
	i) ther	the above	named ve	il is bereby s	parted from Sec	tion 5 of the Bets	ral Gae Prici	ing Act. (Secs. A2=7=1 to
	77 That	invisticei	on of the	is cause is been	rates varainat. a			ect to rescission upon failur

Acceived 8/5/82 Suspence Date: And.

## 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.	South	hern b	Inion	Explo	ratio	n Co.	_ weel kin	me and n	o. <i></i>	arilla "	· Well	No. 10-	E
ICCATION:	UNIT	В	SEC.	22	DO.	26N	RN	G. 4	IW	COUNTY	Aio A	rriba	
			VISION P		-					<del></del>			
Ges Prices of or for to such natural upon a Pricing	cing Act irst int a well gas pri finding Act.	trastage if it i ior to J that su	not appl sale of s.drille anuary l ch new w	y to the which ( d within , 1975, wall was	a produc commence a an est from th justifi	tion and d on or a ablished e same re ad for re	sale of marker Janua proration provation provate un pasons other	stural g ary 1, 1 unit wh aless the ar then	as in int 975, prov ich was p e Oil Con avoiding	rastate co vided howev producing o aservation the applic	merce from that to the capable Division eation for the capable	les that the ma a well the the Act shall of producing exempts such the Natural (	drilling apply well ass
Director the Nati	r of the	Divisi Pricin	on is em g Act pr	povered ovided o	to act said wel	for the D le ware d	ivision au Tilled on	or after	t gas wel r January	ls from th	e provisio within est	ure whereby ms of Section ablished property ary 1, 1975.	n 5 of ration
(3) The				xeibtra	n, under	said Orc	der No. R-	5436, a	gas well	must be cl	assified (	either as a	replacement
												l is justific ne operator	
(a)			ecessar) lamage; (		lace a w	all lost	obve to ec	onanical	ly irrep	arable down	-hole med	nanical fail	ire
<b>(b)</b>	the we	ll was n	ecessary	to rep	lace a w	ell produ	ucing at n	07-come	rcial ra	bes: or tha	it ,		
,			-		•		munty 18,			13.5			
										at an <u>infil</u> showing by		justified for that:	or reasons
(a)	that is and	nfill dr a pool,	illing :	in such ; sult in :	pool wil	l increas icient us	so the rec	overable	reserve	s under the	various (	order finding proration un greater ul	its
<b>(b)</b>		Ulis no cortha		to prot	ect the	prezation	n unit fro	e vnouv	ensaced (	irainage or	to protes	et correlativ	Ve.
(c)	the dr	illing o	of the so	il comm	erces br	ior to Ja	muczy 18,	1977.			٠		
(6) The Natural	it the a Gas Pri	pplicant	t herein	Southe at to Se	ction (	100 Exp 52-7-5, N	/acetion MSA 1978,	has requ	ested ex sion Ord	emption fro er Nc. R-54	a the pro	visions of t e above;name	he d well.
exemptic	n from	the prov	risions (	of the N	atural G		ng Act ima				drilled fo	is justified or the purpo	
( )		lecement					٠.				•	- :	* 4,
			to rep. damage.		ell lost	: due to e	economical	ly irrep	arable d	own-hole me	chanical i		•
****	() 22	scessary	to repi	lace a w			non-come rior to Ja					ara tah sen	
W	An Da	fill Wel	<u>u</u> .		e .		y 12						ŗ
	ď	rilling	in such	pool wi	ll incre	eas the i	recoverabl	e reserv	es voder will te	the various	is proratio	nding that is In write in vitinate re	the pool,
						ier No. R	e Basin		ota G	15			Pool
	( ) n	ecessary	to pro	tect the	prorati	ion unit i				e os <b>to p</b> ec	ntect corre	elativo righ	<b>.</b>
IT IS 1		E ORDERE		UE W		шенов р	Ш 00	necesy 49	rg edile	•			. •
62-7-10	D, NMSA	1978).				•						ecs: 62-7-1	
comply	with th	e provis	sions of	Rule 6	d) or R	zie 7(c) o	of Divisio	ar Outer.	No. R-54.	n is subjector of	ther good	ission upon : cause shown	railure to
		,	Mexico (			്യൂ വ			, 19		-		

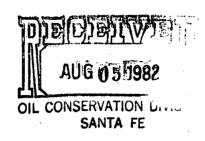


Southern Union Exploration Company

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 purusuant 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.

Veryotruly yours,

Susah 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

Susan B. Reno

Director, Administrative

**Operations** 

Subscribed in my presence and duly sworn to before me, this \_\_\_\_\_ day of dugust, 1982.

Notary Public in and for Dallas, County, Texas

My/Commission Expires



#### SUBMIT IN TRIPLICATE.

Form approved. Budget Bureau No. 42-R1425

	(Other instructions)
UNITED STATES	reverse side)
THE STREET	

DEPARTMENT OF I		auk		5. LEASE DESIGNATION AND SERIAL NO.
GEOLOGICAL S	SURVEY			Tribal - #104
APPLICATION FOR PERMIT TO DRI	II DEEPI	N. OR PLUG B	ACK	G. IF INDIAN, ALLOTTER OR TRIBE NAME
1a. TIPE OF WORK	<u> </u>			<u> Jicarilla - Apache</u>
DRILL X DEE	PEN 🗆	PLUG BAC	_K □	7. UNIT AGBEEMENT NAME
b. TYPE OF WELL	<b>S1</b>	NGLE MULTIPE		<u>東京東京 第一名 (金田県) (1987</u>
GAE WELL OTHER		ONE ZONE	<u>" LJ =</u>	36. FARM OR LEASE NAME
2. NAME OF OPERATOR			3	Licarilla F
Southern Union Exploration 3. ADDRESS OF OPERATOR	<u></u>			9. WELL NO.
	} i	Warristo I MS	<u>a</u>	F-16 10. FIELD AND POOL, OB WILDCABASIN
314 N. Auburn, Drawer "F" Fa	rming bon.	tile requirements.	1	la a di
At Surface Sec. 22-T26N-R4W		117 1002	,	Wildhorse Tapacito-Dakota 11. sec. z. B. M., OB BLK.
At proposed prod zone 1000 FNI & 1850 FFI		MAY U7 1982	- <u>- 1</u>	_AND SURVEY OR AREA
	1	al	URVEY.	NE Sec 22-T26N-R4W
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN 51 3 miles north-porthwest of	OR POST OFFICE	U. S. BEDEOGION, N.	M.	12. COUNTY OR PARISH 18. STATE
	Cuba, Ne	W MEXICO	<del>-</del>	Rio Arriba New Mexico
10. DISTANCE FROM PROPOSED® LOCATION TO NEAREST	16. We	TOF ACRES IN LEASE	17. NO. C	OF ACRES ASSIGNED.
PROPERTY OR LEASE LINE, FT. (Also to pearest drig, unit line, if any)	žą.	2560	32	20. 항목 - 홈 / 홈 / 함위
18. DISTANCE PROM PROPOSED LOCATIONS TO NEAREST WELL, DRILLING, COMPLETED,	₩9. PB	ROPOSED DEPTH	1	BY OB CABLE TOOLS
OR APPLIED FOR, ON THIS LEASE, PT. 1000		7900	i Ro	otany 🚊 🧎 🖟 🖟 🗸
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6805 GR.				22. APPROX. DATE WORK WILL START
23.	<del></del>		<del></del>	July 1982
PROPOSEI	CASING ANI	O CEMENTING PROGRA	M.	<b>司门第二百里副 经表现</b>
SIZE OF BOLE SIZE OF CASING WEIGH	TOOT	SETTING DEPTH	<u> </u>	QUANTITY OF CEMENT.
	).5 New	350	220 Sk	s or suff to circ to surf
	. 4 New	4200		s or suff to cover Ojo Alamo
6 3/4   5½ K55 ST&C   15	5.5 New	7900	500 Sk	s or suff to circ top of
1		2521	· · · ·	liner.
1. Drill 14 3/4 hole and set 10 3/4				
<ol> <li>Log BOP checks in daily drill rep</li> <li>Run tests if warranted and run 7</li> </ol>				
4. Run logs, as needed, and perforat		<del>-</del>		Ve. : 한 취임 : : :
EXHIBITS ATTACHED	ים ביות ביי	murate as need	: u .	夏月,直流到海南部
A. Location & elevation plat.		₹.	• •	중 되죠? 최 결剌 / 문제한 / 사
B. Access, roadmap to location & rad	lius map c	of field.	-	
C. The blowout preventer diagram.			יפורות	The state of the s
D. The multi-point requirements for	APD.	g i	15	
E. Ten point compliance program.			III (AI)	A 45 1000- 1111
<ul><li>F. Production facilities layout.</li><li>G. Drill pad layout, cut fill &amp; cros</li></ul>	er coction	. 44	Il me	9 0 3 1302       .
H. Drill Rig layout.	S SECTION		L CO	
in billi kig lajout.			<b>-</b> . <del>-</del> - :	JUN - JUN
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal in	s to deenen or	nlug back, give data on p	resent prod	ductive zone and proposed new productive
zone. If proposal is to drill or deepen directionally, give 1				
preventer program, if any,	<del></del>			
-1 - R +	j	in Marie C	•	720 - 100 612
SIGNED CL HUM 47	_ TITLE	- 11 lung - ). y	ريد وين	DATE 1/19/1/19/2
(This space for Federal or State office use)	<del></del>			
			<u> </u>	APPROVED
PERMIT NO.	····	APPROVAL DATE		AS AMENDED
API'ROVED BY	TITLE		1	AD AMENGED
RILLING OPERATIONS AUTHORIZED ARE				MAY 2 Q 1982
UBJECT TO COMPLIANCE WITH ATTACHED No Le				Illi d
GENERAL REQUIREMENTS" AREISE			· ·	FAJAMES F. Slivio
his action is subject to administrative	. O.D.	ED ATOB	1	DISTRICT ENGINEER

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

OPERATOR.

UNITED STATES	5. LEASE
DEPARTMENT OF THE INTERIOR	Jicarilla "E"lo-È
DEPARTMENT OF SURVEY	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
GEOLOGICAL SURVEY.	Jicarilla Apache
	7. UNIT AGREEMENT NAME
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.)	8. FARM OR LEASE NAME # 488
	Contract #104 25 2 335
other	9. WELL NO.
Weil	E #10 E 2000 0 823 A
2. NAME OF OPERATOR	10. FIELD OR WILDCAT NAME
3. ADDRESS OF OPERATOR	Wildhorse Gallup/Basin Dakota
	11. SEC., T., R., M., OR BLK. AND SURVEY OR
314 N. Aubutn, Drawer "F" Farmington, NM	AREA AREA
4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17	Sec. 22 T26N-R4W
below.)  AT SURFACE: 1000'FNL & 1850'FEL	12. COUNTY OR PARISH 13. STATE
AL IUT THUD, INTENTACE NAME	Rio Arriba New Mexico
AT TOTAL DEPTH: Same	14. API NO.
16. CHECK APPROPRIATE BOX TO INDICATE NATURES OF NOTICE,	
REPORT, OR OTHER DATA	15. ELEVATIONS (SHOW_UF, KDB, AND WD)
	13: ELEVATIONS (SHOW UP, KDB, AND WD)
REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT OF:	L
TEST WATER SHUT-OFF	CEIVED
	- クロマウロ 語言 語 経過点
SHOOT OR ACIDIZE	MV 1 M 1000 EME PERSON
REPAIR WELL	(NOTE: Report results of multiple completion or zone change on Form 9–330.)
<del></del>	DEPURDE CAL SURVEYED TO THE STATE OF THE STA
	MARGTOR N.M. TH
ABANDON•	
(other)	
Correction of in	mproperly named well
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state including estimated date of starting any proposed work. If well is determined to the complete of	e all pertinent details, and give pertinent dates, lirectionally drilled, give subsurface locations and
measured and true vertical depths for all markers and zones pertiner	nt to this work.)*
(Changed	
Well named Jicarilla E #16 Should be Jicaril	]a E-]o-E。 音音響景樹 (2 全多年)
	- 一直要素の変化の変化を含む物の
the contract of the contract o	



Subsurface Safety Valve: Manu. and Type.

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

Deputition DATE MA

(This space for Federal or State office use)

APPROVED BY CONDITIONS OF APPROVAL IF ANY:

OPERATOR

\*See Instructions on Reverse Side

MAY 20198Z

FODISTRIC. ENGINEER

#### OIL COMSERVATION DIVISION

P. O. UOX 2088

SANTA FE. NEW MEXICO 87501

Form CHOZIED Revised 10-1-7

All distances must be from the cuter houndaries of the Section. Operator Well No. JICARILLA "E" SOUTHERN UNION EXPLORATION COMPANY 16 Range County Unit Letter Section 26N LW Rio Arriba В Actual Footage Location of Well: 1850 East North line and feet from the Producing Formation Pool Ground Level Elev. Dedicated Acreage: Tapacitoes-Dakota 6805 Basin Dakota-Tapacito PC. 320 Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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? If answer is "yes," type of consolidation Yes 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. 18501 Well #10E OIL CONSERVATION SANTA FE Sec. I hereby certify that the well location shown on this plat was plotted from field ~ Dakota Provation ( Well #10 notes of actual surveys made by me or under my supervision, and that the same XXXXXX Tocite Prevotion Unit. is true and correct to the best of my knowledge and belief. Date Surveyed Aoril 660 1320 1650 1980 2310 2640 1 500

### NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

)perator				Well No.
SOUTHERN To Suit S	UNION PRODUCI	TON COMPANY	JICALILLA	E 10
I Total Footega (Contrary)		216 HOLTH	4 WEST	RIO ARRIBA
1720 m		Dakota	790 Basin Dakota Tapacito Picture	
Outline to more		· ;		c. the plat below.
2. If more than 6 interest and royalty.		· «		cwpership thereof (both as to working
3. If more than the by communitation		the second of th	Control the well of scientific	riderests of all awners bean consolidated
Con Yes Control			Commu	nitization
if answer is a life to he				shorted (Use reverse side of this form if
No allowable will be	and the		the contract of large	thy communitization, unitization, forced-
	•	ed Dakota Acre	_	CERTIFICATION  I hereby certify that the information contained
	- Razeas			herein is true and complete to the best of my knowledge and belief.  Original signed by  GILBERT D. NOLAND, JR.
<b> +-</b>			<del>-</del> + <del>-</del>	Nome ( )
. 1		İ		Gilbert D. Noland, Jr.
		}		Position  Drilling Superintendent  Company
				Position  Drilling Superintendent
	Sec	22	720' N	Position  Drilling Superintendent  Company  Southern Union Production Co.  Date

FARMINGTON, N. M.

BAN JUAN ENGINEERING COMPANY.

Certificate No.

