



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

June 20, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501-2088
(505) 827-5800

Mr. Gary Epler
Assistant Attorney General
Office of the Attorney General
Bataan Memorial Building
Santa Fe, New Mexico 87503

Dear Mr. Epler:

On February 29, 1984, the Division received requests for retroactive exceptions to the State Natural Gas Pricing Act for eleven Amoco Production Company Wells. These wells are identified as follows:

<u>Lease Name</u>	<u>Well No.</u>	<u>Unit Letter</u>	<u>Sec.-Twp.-Rge.</u>
Morris Gas Com "B"	1E	M	10-27N-10W
Roberts Gas Com "B"	1E	P	14-29N-13W
White Gas Com	1E	G	22-29N-13W
Gallegos Canyon Unit	96E	B	18-29N-12W
" " "	108E	N	13-29N-13W
" " "	110E	I	19-29N-12W
" " "	111E	I	20-29N-12W
" " "	133E	C	17-29N-12W
" " "	134E	I	17-29N-12W
" " "	263E	H	20-29N-12W
" " "	94E	A	23-29N-13W

Each of these wells was completed as an infill well in the Basin-Dakota Gas Pool in San Juan County in 1981. Complete applications for administrative approval for exception to the Pricing Act have been filed for the above-listed wells under the provisions of our Order No. R-5436, and each well qualifies for such exception.

No action has been taken to date on these applications, because at the time of filing, retroactivity was the subject of court action and the Division had received directions from the Attorney General to issue prospective approvals only. Further, these applications were simply overlooked following the change in Division directors in November, 1984.

Based upon the results of the District Court case, it is my intention to administratively approve these requested exemptions to the Pricing Act retroactive to the date of connection unless I receive objections and a request for hearing from your office by July 21, 1986. The applications are on file and available for your inspection. If you wish to review the

Page 2

applications or have questions, please contact me or the Division Attorney,
Jeff Taylor.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Stamets", with a long horizontal flourish extending to the right.

R. L. STAMETS
Director

RLS:dp

cc: Paul Biderman
Jeff Taylor

7



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

June 20, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501-2088
(505) 827-5800

Mr. Jim Martin
Chief Staff Counsel
Public Service Commission
224 E. Palace Avenue
Santa Fe, New Mexico 87503

Dear Mr. Martin:

On February 29, 1984, the Division received requests for retroactive exceptions to the State Natural Gas Pricing Act for eleven Amoco Production Company Wells. These wells are identified as follows:

<u>Lease Name</u>	<u>Well No.</u>	<u>Unit Letter</u>	<u>Sec.-Twp.-Rge.</u>
Morris Gas Com "B"	1E	M ✓	10-27N-10W
Roberts Gas Com "B"	1E	P ✓	14-29N-13W
White Gas Com	1E	G ✓	22-29N-13W
Gallegos Canyon Unit	96E	B ✓	18-29N-12W
" " "	108E	N ✓	13-29N-13W
" " "	110E	I ✓	19-29N-12W
" " "	111E	I ✓	20-29N-12W
" " "	133E	C ✓	17-29N-12W
" " "	134E	I ✓	17-29N-12W
" " "	263E	H	20-29N-12W
" " "	94E	A	23-29N-13W

Each of these wells was completed as an infill well in the Basin-Dakota Gas Pool in San Juan County in 1981. Complete applications for administrative approval for exception to the Pricing Act have been filed for the above-listed wells under the provisions of our Order No. R-5436, and each well qualifies for such exception.

No action has been taken to date on these applications because, at the time of filing, retroactivity was the subject of court action and the Division had received directions from the Attorney General to issue prospective approvals only. Further, these applications were simply overlooked following the change in Division directors in November, 1984.

Based upon the results of the District Court case, it is my intention to administratively approve these requested exemptions to the Pricing Act retroactive to the date of connection unless I receive objections and a request for hearing from your office by July 21, 1986. The applications are on file and available for your inspection. If you wish to review the

Page 2

applications or have questions, please contact me or the Division Attorney,
Jeff Taylor.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Stamets", with a long horizontal flourish extending to the right.

R. L. STAMETS
Director

RLS:dp

cc: Paul Biderman
Marilyn O'Leary, PSC
Steven Asher, PSC
Jeff Taylor

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 11, 1986

RECEIVED

JUN 12 1986

OIL CONSERVATION DIVISION

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Re: Applications of Amoco Production Company for Exemption
from the New Mexico Natural Gas Pricing Act.

Dear Mr. Stamets:

On February 29, 1984, Amoco Production Company filed applications with the Division seeking exemptions from the New Mexico Natural Gas Pricing Act for the following wells:

Morris Gas Com "B" No. 1E ✓
Roberts Gas Com "B" No. 1E ✓
White Gas Com No. 1E ✓
Gallegos Canyon Unit No. 96E ✓
Gallegos Canyon Unit No. 108E ✓
Gallegos Canyon Unit No. 110E ✓
Gallegos Canyon Unit No. 111E ✓
Gallegos Canyon Unit No. 133E ✓
Gallegos Canyon Unit No. 134E ✓
Gallegos Canyon Unit No. 263E ✓
Gallegos Canyon Unit Com No. 94E ✓

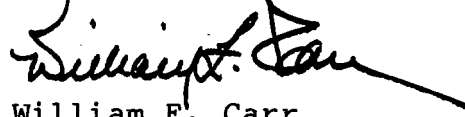
The exemptions sought for these wells are retroactive only. Our records show that no action has been taken on these applications.

Amoco submits these applications meet all the requirements of Oil Conservation Commission No. Order R-5436 and requests that the Commission therefore grant these applications administrative-ly. Copies of the applications are enclosed for your reference.

R. L. Stamets
June 11, 1986
Page Two

If the Commission needs anything further from Amoco Production Company concerning these applications, please advise.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a long horizontal flourish extending to the right.

William F. Carr

WFC/cv
enclosures

cc: Stephen D. Ring
Amoco Production Company
Post Office Box 800
Denver, Colorado 80201
(w/o enclosures)

CAMPBELL, BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
KEMP W. GORTHEY
J. SCOTT HALL
PETER N. IVES

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

February 29, 1984

HAND DELIVERED

Mr. Joe D. Ramey, Director
New Mexico Oil Conservation
Division
Post Office Box 2088
Santa Fe, New Mexico 87501

FEB 29 1984

RECEIVED

Dear Mr. Ramey:

Enclosed herewith please find eleven (11) applications for retroactive exemption and twelve (12) applications for prospective exemption of Amoco Production Company for exemption from the New Mexico Natural Gas Pricing Act for the wells set forth on Exhibit A attached to this letter and incorporated herein by reference.

This application is made pursuant to the Commission's Order No. R-5436 subject, however, to the special stipulation and condition that such application and the filing hereof is not intended and shall not be construed as an admission by Amoco Production Company that such filing or application is required under the provisions of Order No. R-5436 and other applicable law and regulation. As you are aware, there is pending certain litigation to which both you and Amoco Production Company are parties in which the scope, applicability and interpretation of Order No. R-5436 and other related statutes, regulations and Commission Orders are, or may be, in dispute. It is (or will be) Amoco's position in that litigation that the filing of such applications for exemption on infill wells was not and is not necessary.

However, in view of the current controversy, Amoco deems it prudent to file the enclosed applications as protective measures. Such filings and any subsequent filings do not constitute a waiver or alteration of Amoco's position with respect to infill wells drilled in the past.

By copy of this letter, a duplicate set of applications is being sent to the Aztec District Office of the Division.

Mr. Joe D. Ramey
February 29, 1984
Page Two

Should you have comments or questions concerning Amoco's position in this matter or concerning the enclosed applications, do not hesitate to contact me.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William F. Carr

WFC:ndb

Enclosures

cc: Steven Ring, Esq.

E X H I B I T A

<u>Well Name</u>	<u>Exemptions Filed</u>	
	<u>Retroactive</u>	<u>Prospective</u>
Day Gas Com/True No. 1E		X
Jicarilla Apache 102 No. 4A		X
Jicarilla Apache 102 No. 5A		X
Jicarilla Apache 102 No. 6A		X
Jicarilla Apache 102 No. 8A		X
Jicarilla Apache 102 No. 15A		X
Jicarilla Apache 102 No. 30A		X
Jicarilla Apache Tribal 151 No. 2E		X
Jicarilla Apache Tribal 151 No. 3E		X
Jicarilla Apache Tribal 151 No. 4E		X
Jicarilla Contract 147 No. 5E		X
Jicarilla Contract 147 No. 9E		X
Morris Gas Com "B" No. 1E	X	
Roberts Gas Com "B" No. 1E	X	
White Gas Com No. 1E	X	
Gallegos Canyon Unit No. 96E	X	
Gallegos Canyon Unit No. 108E	X	
Gallegos Canyon Unit No. 110E	X	
Gallegos Canyon Unit No. 111E	X	
Gallegos Canyon Unit No. 133E	X	
Gallegos Canyon Unit No. 134E	X	
Gallegos Canyon Unit No. 263E	X	
Gallegos Canyon Unit Com No. 94E	X	

Please note that all retroactive exemptions included here were those wells originally dedicated to Amoco Gas Company but are now being sold to El Paso Natural Gas Company.

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

OPERATOR Amoco Production CompanyWELL NAME AND NO. Morris Gas Com B No. 1ELOCATION: UNIT M SEC. 10 TWP. 27 North RGE. 10 West COUNTY San JuanTHE 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 Amoco Production Company 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). Retroactive to the date of first sale.
- (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 23 day of July, 1986.

 R.L. STAMETS, DIRECTOR

NEW MEXICO OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER

NGPA- 36

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

OPERATOR Rimco Production Co. WELL NAME AND NO. Morris Gas Gm B No 1E
 LOCATION: UNIT M SEC. 10 TWP. 27 N RNG. 10 W COUNTY San Juan

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 Rimco Prod. Co. 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.

☒ 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 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 De Hoya Gas Pool and the order being Division Order No. R-1670 U.
- () 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). Retroactive to the date of first sale.

(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____.

 _____, Director



Amoco Production Company

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

Stephen D. Ring
Attorney

VIA FEDERAL EXPRESS

May 30, 1986

Mr. Bill Carr
Campbell and Black
Jefferson Place, Suite 1
110 North Guadalupe
Santa Fe, New Mexico 87501

2/29/84
Re: Morris Gas Com "B" No. 1E Gallegos Canyon Unit No. 111E
Roberts Gas Com "B" No. 1E Gallegos Canyon Unit No. 133E
White Gas Com No. 1E Gallegos Canyon Unit No. 134E
Gallegos Canyon Unit No. 96E Gallegos Canyon Unit No. 263E
Gallegos Canyon Unit No. 108E Gallegos Canyon Unit Com No.
Gallegos Canyon Unit No. 110E 94E


Dear Bill:

In late February or early March of 1984, your firm submitted applications to the New Mexico Oil Conservation Division requesting exemption of the captioned infill wells from the New Mexico Natural Gas Pricing Act. The OCD has never acted upon those applications; the chief reason for this inaction is, I believe, the fact that the exemption sought by each of the applications was retroactive only.

Attached to this letter is a copy of each of the eleven applications. In accordance with our phone conversation today, I would ask that you seek the OCD's approval of the applications. It would be quite helpful if the approval could be given "administratively" rather than through a hearing. Death and retirement have removed from the scene the persons who would have been the most competent Amoco witnesses if a hearing were to be held on these applications.

Thank you very much for your assistance in this matter.

Very truly yours,


Stephen D. Ring

SDR/ae
enclosures

cc: C.T. Krol
J.H. Goble

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

AMOCO PRODUCTION COMPANY'S)
APPLICATION TO HAVE THE)
FOLLOWING WELL EXEMPTED)
FROM THE NEW MEXICO NATURAL)
GAS PRICING ACT: WELL)
NAME: Morris Gas Com "B" #1E)
(THE EXEMPTION SOUGHT IS:)
☐ PROSPECTIVE)
☒ RETROACTIVE)

Docket No. _____

FEB 29 1984

APPLICATION FOR EXEMPTION

RECEIVED

I. Introduction

In this application, Amoco Production Company ("Amoco") is requesting that the captioned well be exempted from the New Mexico Natural Gas Pricing Act ("the Act"), Sections 62-7-1 to 62-7-10, NMSA 1978. The application is made pursuant to Section 62-7-5 of that Act, and to the Oil Conservation Commission's Order No. R-5436.

II. Facts

1. Amoco is the operator of the captioned well.
2. The captioned well is an infill well, being the second well to be drilled on a proration unit comprising the W/2 of Section 10, Township 27N, Range 10W, in San Juan County, New Mexico. That proration unit and the location of the captioned well thereon is shown on the Form C-102 Plat attached hereto as Exhibit "A," submitted pursuant to Rule 5 of Order R-5436.
3. The first well to be drilled on the proration unit described in Paragraph 2 was the Morris Gas Com "B" #1 well (the "First Well"); that well was producing or capable of producing natural gas prior to January 1, 1975.
4. The drilling of the captioned well was commenced on 1/13/81; that well is completed for production in the Basin Dakota Pool, as is indicated by the completion report attached hereto as Exhibit "B."

5. Pursuant to Rule 7(a) of Order R-5436, Amoco states that the drilling of the captioned well as an infill well in the Pool named in Paragraph 4 was permitted by Order No. R-1670-V of the Oil Conservation Commission (or of the Division). That infill order contains findings of the sort called for by Rule 7(a).

III. Certification

Pursuant to Rule 7(c) of Order R-5436 the undersigned, speaking on behalf of Amoco, certifies that the ability of the First Well to produce into the pipeline has not been and will not be restricted by Amoco in any manner for the purpose of avoiding the application of the Act to sales of natural gas from that well.

IV. Request

Amoco requests the Division to enter an order (i) finding that the captioned well was justified for reasons other than avoiding the application of the Act and (ii) exempting that well from the Act. Amoco further requests that the exemption have effect prospectively or retroactively, as is indicated immediately below:

- ☐ prospectively, from the date this application is received by the Division;
- ☒ retroactively, from the date of first production of natural gas from the captioned well up to and including the day before the date this application is received by the Division.

V. Conclusion

By its submission of this application Amoco in no way surrenders its right to argue (i) that promulgation of the infill order cited above in Paragraph II.5 was sufficient, under Section 62-7-5 of the Act, to exempt the captioned well from the Act; or (ii) that the Division's determination that the captioned well qualifies as a New Onshore Production Well under Section 103 of the Natural Gas Policy Act of 1978 (if, in fact, such a determination has been made) was sufficient,

under Section 62-7-5 of the Act, to exempt that well from the Act; or (iii) that Order R-5436 is unenforceable.

Respectfully submitted,
AMOCO PRODUCTION COMPANY

By A. P. Payne

Typed name A.P. Payne

Title Regional Gas Sales Manager

Date: 2/21/84

CERTIFICATE OF MAILING

I certify that on the 29th day February, 1984, a copy of the foregoing Application for Exemption was mailed to the following persons at the indicated addresses:

District Office
Oil Conservation Division

Purchaser: Amoco Gas Company
Box 3092
Houston, TX 77253

Working Interest Owners:

El Paso Natural Gas Company
P.O. Box 1492
El Paso, TX 79978

Tenneco Oil Company
P.O. Box 2511
Houston, TX 7701

Conoco, Inc.
P.O. Box 460
Hobbs, NM 88240

Mobil Producing Texas and New Mexico
P.O. Box 100275
Houston, TX 77212

Signature: Stephen D. Ring

Typed name: Stephen D. Ring

Capacity: Attorney
(Acting for Amoco Production
Company)

SDR/mgb
011084
DATA863

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other in-
structions on
reverse side)Form approved.
Budget Bureau No. 42-R355.6.

5. LEASE DESIGNATION AND SERIAL NO.

SF 077329

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Morris Gas Com "B"

9. WELL NO.

1E

10. FIELD AND POOL, OR WILDCAT

Basin Dakota

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA SW/4, SW/4

Section 10, T27N, R10W

12. COUNTY OR
PARISH

San Juan

13. STATE

New Mexico

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. CESVR. ☐ Other _____

2. NAME OF OPERATOR

Amoco Production Company

3. ADDRESS OF OPERATOR

501 Airport Drive, Farmington, NM 87401

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

At surface 1110' FSL x 820' FWL

At top prod. interval reported below Same

At total depth Same

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED

1/13/81

16. DATE T.D. REACHED

1/27/81

17. DATE COMPL. (Ready to prod.)

4/7/81

18. ELEVATIONS (DF, RKB, RT, OR, ETC.)*

6307' GL

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

6859'

21. PLUG BACK T.D., MD & TVD

6819'

22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BY

ROTARY TOOLS

0-TD

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

6706-6721, 6642-6689, 6556-6572, and 6591-6600 Dakota

25. WAS DIRECTIONAL
SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Comp Density-Comp Neutron-GR - Dual Induction-Laterolog-GR

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
8 5/8"	24	297'	12 1/4"	300 Sx	
4 1/2"	10.5	6859'	7 7/8"	2000 Sx	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	6727	None

31. PERFORATION RECORD (Interval, size and number)

6706-6721, 6642-6689, 6556-6572, and
6591-6600 with 2 SPF, a total of 150, .38"
holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6556-6721	148,000 gallons of frac fluid x 453,000# of 20-40 sand.

33.* PRODUCTION

DATE FIRST PRODUCTION

PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)

WELL STATUS (Producing or
shut-in)

Flowing

SI

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
4/20/81	3 hrs.	.75"			348		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
225 PSIG	675 PSIG			2787			

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

To be sold

TEST WITNESSED BY

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 E. E. SVOBODA

TITLE Dist. Admin. Supvr.

DATE 5/6/81

*(See Instructions and Spaces for Additional Data on Reverse Side)

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

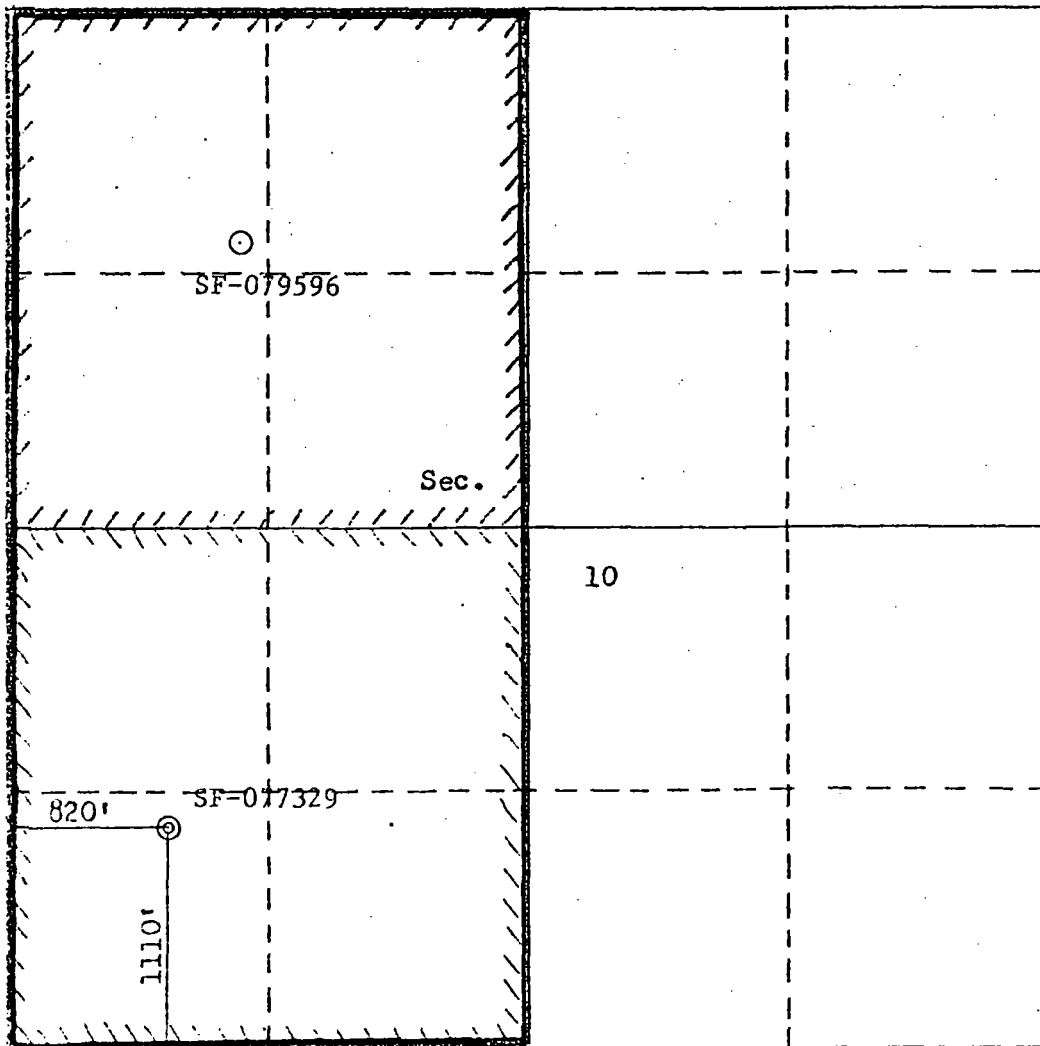
Operator AMOCO PRODUCTION COMPANY			Lease MORRIS GAS COM "B"		Well No. 1E
Unit Letter M	Section 10	Township 27N	Range 10W	County San Juan	
Actual Footage Location of Well: 1110' feet from the South line and 820 feet from the West line					
Ground Level Elev. 6307	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 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?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

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.

B.E. Fackrell

Name

B.E. FACKRELL

Position

DISTRICT ENGINEER

Company

AMOCO PRODUCTION COMPANY

Date

MAY 21, 1980

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

May 12, 1980

Registered Professional Engineer and/or Land Surveyor

Fred B. Kerr Jr.
Fred B. Kerr Jr.

Certificate No.

3950

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0