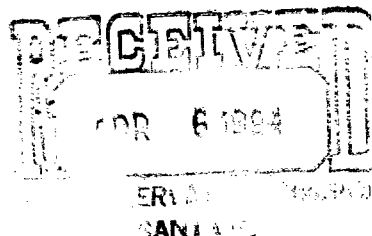




April 3, 1984



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Michael E. Stogner
Examiner

Case 8183

Dear Examiner Stogner:

Subject: July 8, 1983
Request for Further Determination
State Com. AI #33

As you know, on July 8, 1983 Mesa Petroleum Co. filed a letter requesting a further determination under 18 CFR Section 271.806 that the increase in production from the State Com. AI #33 well is the result of a Recognized Enhanced Recovery Technique as defined by 18 CFR Section 271.803(a). By letter dated July 22, 1983 Northwest Pipeline Corporation, the purchaser of gas production from that well, protested Mesa's request.

The basis for Mesa's request is detailed in the attachments to Mesa's letter. I will not repeat it here. I will only state that Northwest's letter sets up a very weak protest. They seem to want you to ignore the actual fact that the method of alternately producing and shutting in the well does indeed increase the rate of production of gas from the well. Rather, Northwest asserts that since Mesa did not discover this technique voluntarily (i.e., without forced shut-ins) then Mesa cannot now qualify it as a recognized enhanced recovery technique.

While Mesa takes no credit for being forced by the market to discover that this process of intermittent production would enhance the recovery of gas from this well, it is a fact that this process does achieve that effect. Even if market conditions improve in the future, Mesa intends to continue alternately producing and shutting in this well in order to increase its rate of production. This is precisely

April 3, 1984

the sort of technique addressed by 18 CFR Section 271.803(a) and Mesa would, therefore, request approval by the Oil Conservation Division of Mesa's July 8, 1983 Application for Continued Stripper Classification of the State Com. AI #33 well.

Very truly yours,


Steven C. James

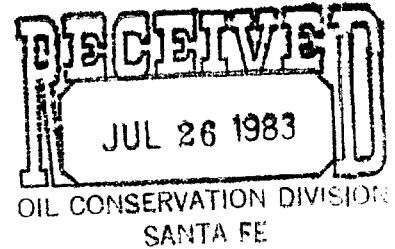
bt

c.c. Northwest Pipeline Corporation
Federal Energy Regulatory Commission
Working Interest Partners

NORTHWEST ENERGY COMPANY

P O BOX 1526
SALT LAKE CITY, UTAH 84110-1526
801-583-8800

July 22, 1983



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

Case 8183

RE: Request for Further Determination of Eligibility for
Section 108 Pricing, State Com AI No. 33 Well

Gentlemen:

This letter shall serve to provide the Oil Conservation Commission ("Commission") with formal notice of the protest of Northwest Pipeline Corporation ("Northwest") with respect to the above-referenced Request filed with the Commission on July 8, 1983, by Mesa Petroleum Co. ("Mesa").

In its Request, Mesa took the position that the increase in production recorded for the ninety (90) day period ending December 1982 on the State Com AI No. 33 well is attributable to a "recognized enhanced recovery technique" as defined in 18 C.F.R. §271.803(a). Mesa is seeking review by the Commission of its application for §108 pricing pursuant to 18 C.F.R. §271.806(a). It is Northwest's position that the increase in production evidenced during the ninety (90) day period ending December 8, 1982, was due to temporary pressure buildup and not to the utilization of any recognized enhanced recovery technique on this well. The Regulations are clear that a "recognized enhanced recovery technique" refers to a process or the utilization of equipment which, when performed or installed by the producer, increases the rate of production of gas from a well. The producer, in this case, Mesa, did not control and in no way initiated the shut-in of the State Com AI No. 33 well. The well was shut-in by Northwest due to a decrease in the demand for gas on Northwest's system which caused widespread shut-ins, affecting this well and others. Neither Northwest or Mesa have truly engaged in attempts to enhance recovery from this well.

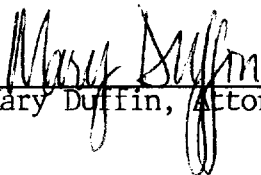
It is Northwest's position that to claim that enhanced recovery techniques have been applied to this well, Mesa would have to prove that the increase in the rate of production did not result from the fact that the well was shut-in due to a lack of demand. Mesa would further have to prove that it had initiated some process or had installed some equipment on the well which had served to increase production rates. Mesa's application supports neither of these points.

Northwest urges the Commission to reject Mesa's application for \$108 pricing on this well due to enhanced recovery. If necessary, Northwest will participate in any hearing scheduled on this matter and will provide technical testimony indicative of the fact that production rate increases demonstrated by this well are related to and caused by the shut-in of pipeline connected to the well and are not the result of any enhanced recovery technique.

Thank you for consideration of this protest. Any questions may be addressed to the undersigned at Northwest Pipeline Corporation, P.O. Box 1526, Salt Lake City, Utah 84110-1526, (801) 584-7051

Very truly yours,

NORTHWEST PIPELINE CORPORATION



Mary Duffin, Attorney

xc: Mesa Petroleum Company
Bob Glenn
Bob Guttery
Brent Hale
Jan Wayman


MD/src

CERTIFICATE OF MAILING

STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)

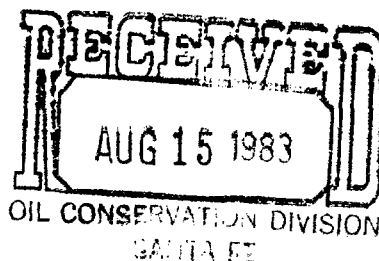
MARY DUFFIN, being first duly sworn, on oath, says that she is an attorney for Northwest Pipeline Corporation; that she has read the foregoing protest of Northwest Pipeline Corporation and that, as such attorney, she has executed the same for and on behalf of said Corporation with full power and authority to do so; and that the matters set forth therein are true to the best of her knowledge, information and belief. She further swears that on this 22nd day of July, 1983 a true and correct copy of the foregoing Protest was served upon Mesa Petroleum Co. by placing a copy of said Protest in the United States Mail, First Class--Postage Prepaid, and addressed as follows:

Mesa Petroleum Co.
P.O. Box 2009
Amarilla, Texas 79189
Attention: Legal Dept.



Mary Duffin
Northwest Pipeline Corporation
295 Chipeta Way
Salt Lake City, Utah 84110-1526

El Paso
Natural Gas Company



P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

August 9, 1983

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Mesa Petroleum Company;
State Com AI No. 33, San Juan
County, N.M.; Request for
Determination of Recognized
Enhanced Recovery Technique

Gentlemen:

By letter dated July 8, 1983, Mesa Petroleum Company ("Mesa") requested that the Oil Conservation Division ("OCD") determine that the increase in production from the referenced well above 60 Mcf per day for the 90-day production period ending December, 1982, was the result of a "recognized enhanced recovery technique," as defined in 18 CFR § 271.803(a), employed by Mesa. Specifically, Mesa alleged that it has "mechanically stimulate[d]" the reservoir in which the referenced well is completed by shutting such well in for a number of days each month. This letter shall serve as El Paso Natural Gas Company's ("El Paso") notice of its objection and formal protest to the request of Mesa.

El Paso owns a leasehold interest in the referenced well and is connected thereto by means of its gathering system. Pursuant to an exchange arrangement, El Paso receives for its own system supply the gas attributable to Mesa's interest in the well which Mesa sells to Northwest Pipeline Corporation ("Northwest"). During the current conditions of low market demand, in order to apportion its market among all gas sources (including purchased gas, company-owned production and gas received in exchange arrangements), in accordance with valid legal and contractual requirements, El Paso must maintain a production schedule which requires periodic shutting-in of wells.

The activity which Mesa has alleged constitutes a "recognized enhanced recovery technique" is really nothing more than the shutting-in of wells by Mesa upon El Paso's instructions under its production scheduling system. As is revealed in the "Notice of Increased Production," dated

March 29, 1983, filed by Northwest, and El Paso's "Notice of Increased Production," dated March 8, 1983, the referenced well was shut-in on 47 days during the 90-day production period ending December, 1982. The attached corrected production record for the referenced well for the period ending December, 1982, shows that the reason for the shutting-in of the referenced well was lack of market demand for each of the 47 days. None of the 47 shut-in days involved the voluntary action of Mesa to mechanically stimulate the reservoir.

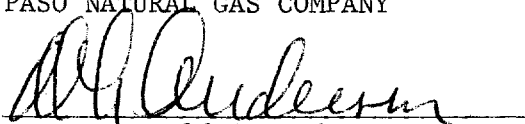
It is El Paso's position that an activity such as the shutting-in of a well to limit production is not a "recognized enhanced recovery technique" within the contemplation of Congress in enacting section 108 of the Natural Gas Policy Act of 1978 or of the Federal Energy Regulatory Commission ("Commission") in promulgating 18 CFR § 271.803(a). The shutting-in of the well by Mesa was done pursuant to El Paso's instructions under prudent purchasing and pipeline operating practices, not pursuant to any plan devised by Mesa with the intent to stimulate the reservoir. Moreover, nowhere in the Commission's definition of "recognized enhanced recovery techniques" or in any of the decisions thereunder does there appear any contemplation that routine production and pipeline operating activities, such as the shutting-in of a well to limit production because of low market demand, should be classified as an enhanced recovery technique.

For the foregoing reasons, El Paso respectfully requests that the OCD decline Mesa's request to issue a determination that the shutting-in of wells for reasons of low market demand or for other "force majeure" events constitutes a "recognized enhanced recovery technique." Furthermore, El Paso requests a hearing for the purposes of opposing Mesa's application.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By



Donald L. Anderson

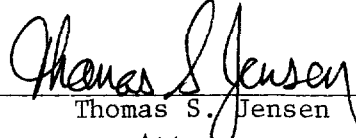
Manager, NGPA Compliance
Gas Control and Administration Department

Donald J. MacIver, Jr.
Vice President and General Counsel
Thomas S. Jensen
Attorneys for
El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas 79978
(915) 541-2600

Certificate of Service

I hereby certify that I have this day served the foregoing document upon each of the persons listed below by placing such document in the United States mail, postage prepaid.

Dated at El Paso, Texas this 10th day of August, 1983.



Thomas S. Jensen
Attorney

Service List:

Mesa Petroleum Company
One Mesa Square
Post Office Box 2009
Amarillo, Texas 79189
Attention: C. Taylor Yoakum

Northwest Pipeline Corporation
Post Office Box 1526
Salt Lake City, Utah 84110
Attention: J. S. Wayman

Federal Energy Regulatory Commission
825 North Capitol Street, N.E.
Washington, D. C. 20426
Attention: Kenneth Plumb
Secretary

RUN DATE: 83/07/20 API NO: 30-045-06118-0000
 WELL NAME: STATE COM AI #33 SITE WELL: 75053 01
 LOCATION: UL N SECTION 32 TSP 27N RGE 9W
 STATE: NEW MEXICO COUNTY: SAN JUAN
 FIELD/RESERVOIR: BASIN DAKOTA
 OPERATOR: MESA PETROLEUM CO

| | GAS VOLUME | | OIL | GAS VOLUME | | OIL | PRO- |
|--------|-----------------|----------|-------|----------------|----------|-------|------|
| | MCF @ 15.025 PB | | | MCF @ 14.73 PB | | | |
| | PRODUCING | | | PRODUCING | | | DAYS |
| | MONTH | RATE/DAY | MONTH | MONTH | RATE/DAY | MONTH | |
| JAN 82 | 1602 | 52 | | 1634 | 53 | | 31.0 |
| FEB 82 | 1437 | 51 | | 1466 | 52 | | 28.0 |
| MAR 82 | 876 | 28 | | 894 | 29 | | 31.0 |
| APR 82 | 1315 | 44 | | 1341 | 45 | | 30.0 |
| MAY 82 | 1449 | 50 | | 1478 | 51 | | 29.0 |
| JUN 82 | 1404 | 47 | | 1432 | 48 | | 30.0 |
| JUL 82 | 1441 | 46 | | 1470 | 47 | | 31.0 |
| AUG 82 | 1402 | 45 | | 1430 | 46 | | 31.0 |
| SEP 82 | 1381 | 46 | | 1409 | 47 | | 30.0 |
| OCT 82 | 1026 | 43 | | 1047 | 44 | | 24.0 |
| NOV 82 | 11 | 11 | | 11 | 11 | | 1.0 |
| DEC 82 | 1824 | 91 | | 1860 | 93 | | 20.0 |

PRODUCING RATE-MCF/DAY @ 14.73 PB: LATEST 3 MO AVG= 65, LATEST 12 MO AVG= 49

NO CRUDE OIL PRODUCTION

1. INCLUDED AS PRODUCTION DAYS UNDER THE COLUMN "PRODUC'G DAYS" ABOVE ARE THOSE DAYS DURING WHICH THERE WAS MEASURABLE PRODUCTION OF NATURAL GAS FROM THE WELL AND THOSE DAYS ON WHICH THE WELL WAS OPEN TO THE LINE BUT WAS UNABLE TO PRODUCE MEASURABLE QUANTITIES OF GAS.

2. ALSO INCLUDED AS PRODUCTION DAYS UNDER THE COLUMN "PRODUC'G DAYS" ABOVE ARE THOSE DAYS DURING WHICH NATURAL GAS WAS NOT PRODUCED WHEN PRODUCTION DURING SUCH DAYS WAS PROHIBITED BY A REQUIREMENT OF STATE LAW OR A RECOGNIZED OR APPROVED CONSERVATION PRACTICE. THOSE DAYS ARE AS FOLLOWS:

OCT 82 DAYS= NONE
 NOV 82 DAYS= NONE
 DEC 82 DAYS= NONE

3. NOT INCLUDED AS PRODUCTION DAYS UNDER THE COLUMN "PRODUC'G DAYS" ABOVE ARE NON PRODUCTION DAYS (SHUT-IN DAYS). THOSE DAYS ARE AS FOLLOWS:

OCT 82 DAYS= 7.0 SHUT-IN - MARKET REQUIREMENTS
 NOV 82 DAYS= 29.0 SHUT-IN - MARKET REQUIREMENTS
 DEC 82 DAYS= 11.0 SHUT-IN - MARKET REQUIREMENTS



July 8, 1983

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe NM 87501

Gentlemen:

Notice of Increased Production
and Request for Further Determination
State Com AI #33

On December 8, 1981, Mesa Petroleum Co. ("Mesa") submitted a Section 108 application for the subject well located in San Juan County, New Mexico. The application was approved on January 12 and became final on March 29, 1981.

The purchaser, Northwest Pipeline Company, has notified Mesa that production has exceeded 60 Mcfd for the 90-day period ending December 1982. This letter then shall serve as Mesa's request for a further determination under 18 CFR Section 271.806 that the increase in production is the result of a Recognized Enhanced Recovery Technique as defined by 18 CFR Section 271.803(a).

Very truly yours,


C. Taylor Yoakam

HKW/dh

enclosures

Copies to Northwest Pipeline Company
Federal Energy Regulatory Commission

| |
|----------------------------------|
| BEFORE ENGINEERS REGISTERED |
| OIL CONSERVATION DIVISION |
| EXHIBIT NO. <u>1</u> |
| CASE NO. <u>8183</u> |
| Submitted by <u>Mike Houston</u> |
| Hearing Date <u>6-6-84</u> |

NORTHWEST PIPELINE CORPORATION

P.O. BOX 1526
SALT LAKE CITY, UTAH 84110-1526
801 583 8600

March 29, 1983

Received

APR 04 1983

Regulatory

RFM

New Mexico Oil & Gas Conservation Commission
Department of Energy & Minerals
Oil Conservation Division
310 Old Santa Fe Road
State Land Building Room 206
P. O. Box 7088
Santa Fe, New Mexico 87501

Re: Well No. State Com AI #33
Docket No. N/A

Gentlemen:

Northwest Pipeline Corporation (Northwest) submits herewith for filing its Notice of Increased Production for the referenced well in accordance with Section 271.805(a) of the Federal Energy Regulatory Commission's Regulations implementing the Natural Gas Policy Act of 1978.

Please accept this notice for filing and acknowledge its receipt by stamping the attached additional copy and returning it to the undersigned. Any questions may be addressed to the undersigned at Northwest Pipeline Corporation, Certificates-10466, P. O. Box 1526, Salt Lake City, Utah 84110-1526, (801) 584-7111.

Very truly yours,

NORTHWEST PIPELINE CORPORATION

J. S. Wayman

J. S. Wayman
Certificates Coordinator

JSW:kyn
Enclosures

cc: Federal Energy Regulatory Commission
Mesa Petroleum Company

XC: Gas Cont (FERC), Prod Rcds (file), PROD 4-5-83

NOTICE OF INCREASED PRODUCTION
PURSUANT TO SECTION 271.805 OF THE FEDERAL
ENERGY REGULATORY COMMISSION'S REGULATIONS

Form 121 Dated: 12-08-81 Meter No.: 75053
 Date Received by Jurisdictional Agency: 12-14-81 Docket No.: *
 Date Approved by Jurisdictional Agency: 1-12-82
 Date Received by Commission: N/A Docket No.:

Well Name: State Com AI #33 API Number: 30-045-06118
 Location: Sec 32 T27N R9W Field/Reservoir: Basin DK
 County: San Juan State: NM
 Operator: Mesa Petroleum Company Purchaser: Northwest Pipeline Corp.
 Address: P. O. Box 2009 Address: P.O. Box 1526
 Amarillo, TX 79189 Salt Lake City, UT 84110

90-Day Production

| <u>Month</u> | <u>Year</u> | <u>Days Flow</u> | <u>Vol. @ 14.73 psia in Mcf</u> | <u>Oil Production</u> |
|--------------|-------------|------------------|---------------------------------|-----------------------|
| OCT | 1982 | 24 | 1047 | ---- |
| NOV | 1982 | 1 | 11 | ---- |
| DEC | 1982 | 20 | 1860 | ---- |
| | TOTAL | <u>45</u> | <u>2918</u> | <u>----</u> |

Average Production for the 90-day period: 65 Mcf/day

Total producing days in production period: 45

Total volume: 2918 Mcf

Downtime

* State of New Mexico

Oct 7 Days shut-in No Demand
 Nov 29 Days shut-in No Demand
 Dec 11 Days shut-in Plant Repairs or shutdowns "Force Majeure"

STATE OF UTAH)
)
) :ss.
CITY AND COUNTY OF SALT LAKE)

I, R. E. GUTTERY, having first been duly sworn, states that I am a responsible official of Northwest Pipeline Corporation ("Northwest") and further states:

i) that the production summary included with this notice accurately reflects the production volume for the well and the number of producing days as defined in Section 271.803(d) of the Regulations of the Federal Energy Regulatory Commission;

ii) that all the information contained in this notice is true to the best of my information, knowledge and belief; and

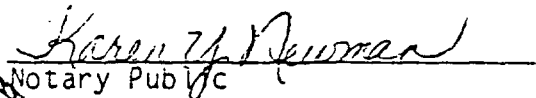
iii) that Northwest has served a copy of this notice on the interested jurisdictional agencies, the designated operators, and other purchasers.

Dated this 29th day of March, 1983.



R. E. Guttery
Director, Certificates
Northwest Pipeline Corporation
P. O. Box 1526
Salt Lake City, Utah 84110-1526

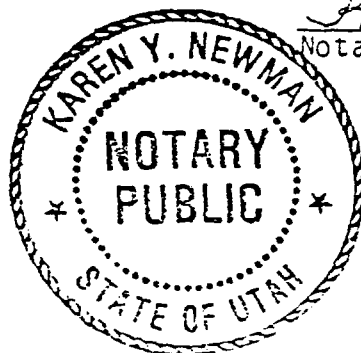
SUBSCRIBED AND SWORN to before me, a Notary Public, in and for the State and County aforesaid, on this 29th day of March, 1983.



Karen Y. Newman
Notary Public

My Commission Expires:

6-9-86



PRICE CEILING CATEGORY DETERMINATION

FOR DIVISION USE ONLY:
 DATE COMPLETE APPLICATION FILED 12/14/81
 DATE DETERMINATION MADE 1/12/82
 WAS APPLICATION CONTESTED? YES _____ NO
 NAME(S) OF INTERVENOR(S), IF ANY: _____

RECEIVED CTY
 JAN 18 1982

5. State Oil & Gas Lease No.
E-1010-1

7. Unit Agreement Name

8. Farm or Lease Name
State Com AI

9. Well No.
33

10. Field and Pool, or Wellcat
Basin Dakota

12. County
San Juan

Name of Operator
esa Petroleum Co.

Address of Operator
O. Box 2009, Amarillo, Texas 79189

Location of Well
 UNIT LETTER N LOCATED 1190 FEET FROM THE South LINE
1650 FEET FROM THE West LINE OF SEC. 32 TWP. 27 RGE. 9 NMPM

Name and Address of Purchaser(s)
Northwest Pipeline Corporation, 315 East 200 South, Salt Lake City, Utah 84111

WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

1. Category(ies) Sought (By NGPA Section No.) 108
2. All Applications must contain:
 - a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK
 - b. C-105 WELL COMPLETION OR RECOMPLETION REPORT
 - c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111
 - d. AFFIDAVITS OF MAILING OR DELIVERY
3. In addition to the above, all applications must contain the items required by the applicable rule of the Division's "Special Rules for Applications For Wellhead Price Ceiling Category Determinations" as follows:
 - A. NEW NATURAL GAS UNDER SEC. 102(c)(1)(B) (using 2.5 Mile or 1000 Feet Deeper Test)
 - All items required by Rule 14(1) and/or Rule 14(2)
 - B. NEW NATURAL GAS UNDER SEC. 102(c)(1)(C) (new onshore reservoir)
 - All items required by Rule 15
 - C. NEW ONSHORE PRODUCTION WELL
 - All items required by Rule 16A or Rule 16B
 - D. DEEP, HIGH-COST NATURAL GAS and TIGHT FORMATION NATURAL GAS
 - All items required by Rule 17(1) or Rule 17(2)
 - E. STRIPPER WELL NATURAL GAS
 - All items required by Rule 18

RECEIVED
 DEC 14 1981
 OIL CONSERVATION DIVISION
 SANTA FE

HEREBY CERTIFY THAT THE INFORMATION CONTAINED
 HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY
 KNOWLEDGE AND BELIEF.

esa Petroleum Co.
 NAME OF APPLICANT (Type or Print)
[Signature]
 SIGNATURE OF APPLICANT
General Manager Gas Sales & Contracts
 Title
12-8-81
 Date

FOR DIVISION USE ONLY

Approved
 Disapproved

The information contained herein includes all
 of the information required to be filed by the
 applicant under Subpart B of Part 274 of the
 FERC regulations.

[Signature]
 EXAMINER

OIL CONSERVATION DIVISION

P. O. BOX 2088

Form C-132-A
Revised 5-10-81

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 87501

APPLICATION FOR CONTINUED
STRIPPER CLASSIFICATION

| |
|--|
| 5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 5. State Oil & Gas Lease No. E-1010-1 |
| |
| 7. Unit Agreement Name |
| 8. Farm or Lease Name State Com AI |
| 9. Well No. 33 |
| 10. Field and Pool, or Wildcat Basin Dakota |
| 12. County San Juan |

FOR DIVISION USE ONLY:

DATE COMPLETE APPLICATION FILED _____

DATE DETERMINATION MADE _____

WAS APPLICATION CONTESTED? YES _____ NO _____

NAME(S) OF INTERVENOR(S), IF ANY: _____

3. Name of Operator
Mesa Petroleum Co.

4. Address of Operator
P. O. Box 2009, Amarillo, Texas 79189

6. Location of well
UNIT LETTER N LOCATED 1190 FEET FROM THE South LINE
1650 FEET FROM THE West LINE OF SEC. 32 TWP. 27 RGE. 9 NMPM

11. Name and Address of Purchaser(s)
Northwest Pipeline Corporation, 315 East 200 South, Salt Lake City, Utah 84111

CLASSIFICATION

- Check appropriate box for category sought and information submitted.
- All applications must contain the items required by the applicable rule of the Division's "Special Rules For Applications For Wellhead Price Ceiling Category Determinations" as follows:
 - Increased production resulting from recognized enhanced recovery techniques
 All items required by Rule 19
 - Well is seasonally affected
 All items required by Rule 20
 - Increased production resulting from temporary pressure buildup
 All items required by Rule 21

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

C. Taylor Yoakam

NAME OF APPLICANT (Type or Print)

SIGNATURE OF APPLICANT

Title Manager, Gas Sales & Contracts

Date 7/8/83

FOR DIVISION USE ONLY

Approved
 Disapproved

The information contained herein includes all of the information required to be filed by the applicant under Subpart 8 of Part 274 of the FERC regulations.

EXAMINER _____

STATE COM AI #33

The State Com AI #33 well was completed in the Basin Dakota formation in October , 1964, and has produced from that formation since that date. Beginning with 1980, the production rate had declined to a rate averaging less than 60 MCFD for several 90-day periods.

During 1979 and 1980, production steadily declined to rates at or below 60 MCFD. The number of producing days remained at or close to the maximum for both years.

On December 8, 1981, Mesa filed for and received a stripper well category determination for the well based on production for the 90-day period ending October 31, 1981. The well continued to produce below the 60 MCFD average through 1981 and 1982 until December of 1982.

Beginning in December of 1982, the State Com AI #33 was shut-in for a various number of days each month. This shut-in time mechanically stimulates the reservoir by allowing a greater than normal reservoir pressure to build, and when the well is brought back on-line allows it to produce at rates in excess of 60 MCFD. For the last four to five months, this technique has successfully increased the total monthly production volumes above the stripper rate by as much as 100 MCFD and 800 MCFD per month. This increase is solely due to the above described method of alternately producing and shutting-in the well as described.

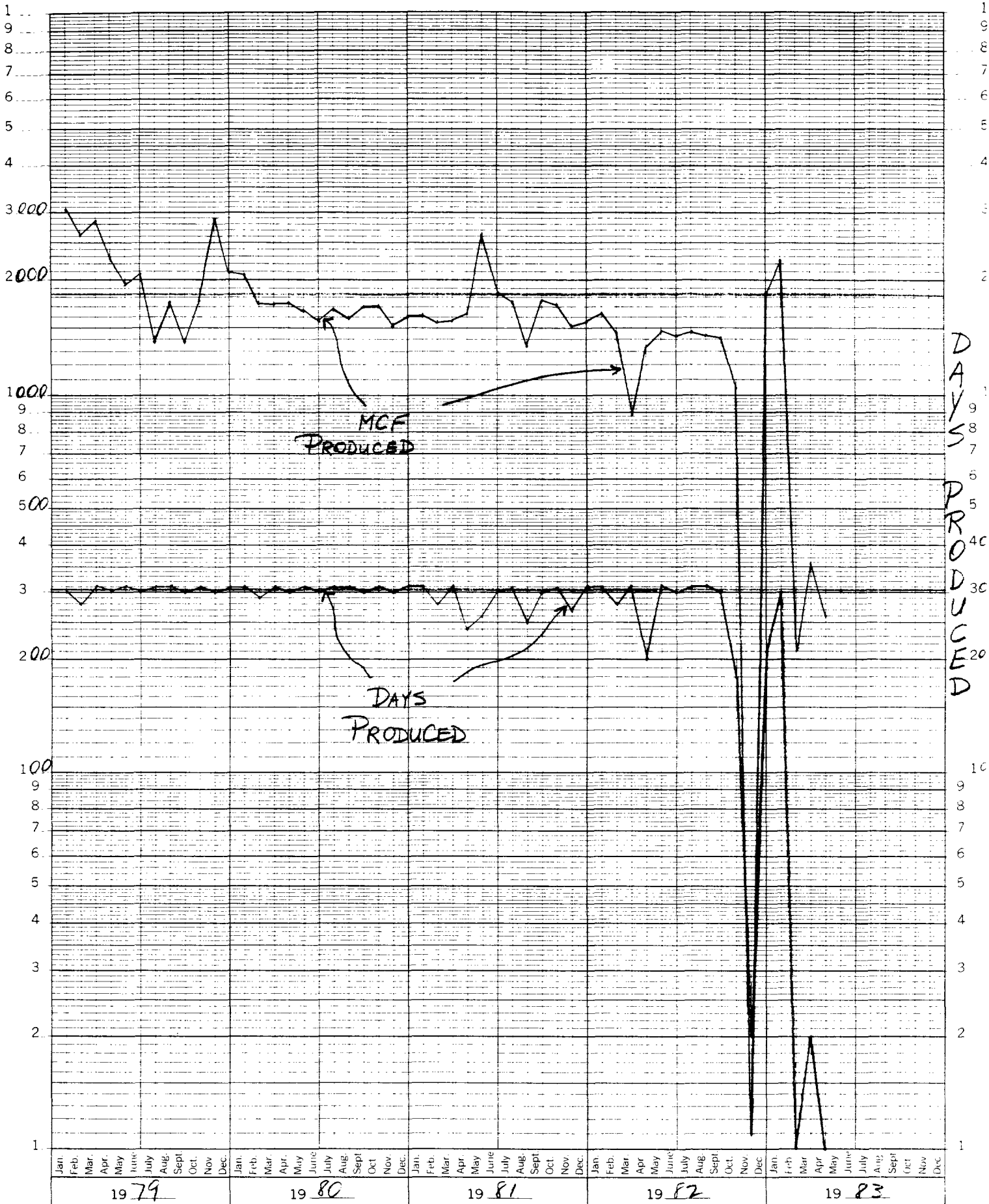
To the best of our knowledge had we not employed this production method, the monthly production rate would not have increased and the well would have remained a stripper well based on the 60 MCFD rate definition. We estimate that by continuing to mechanically stimulate the reservoir in the manner described, we can continue to increase production from the well by 400-600 MCF per month.

Please note the attached graphs which illustrate the above mentioned points.

STATE COM HI #33

TUM 46 6690

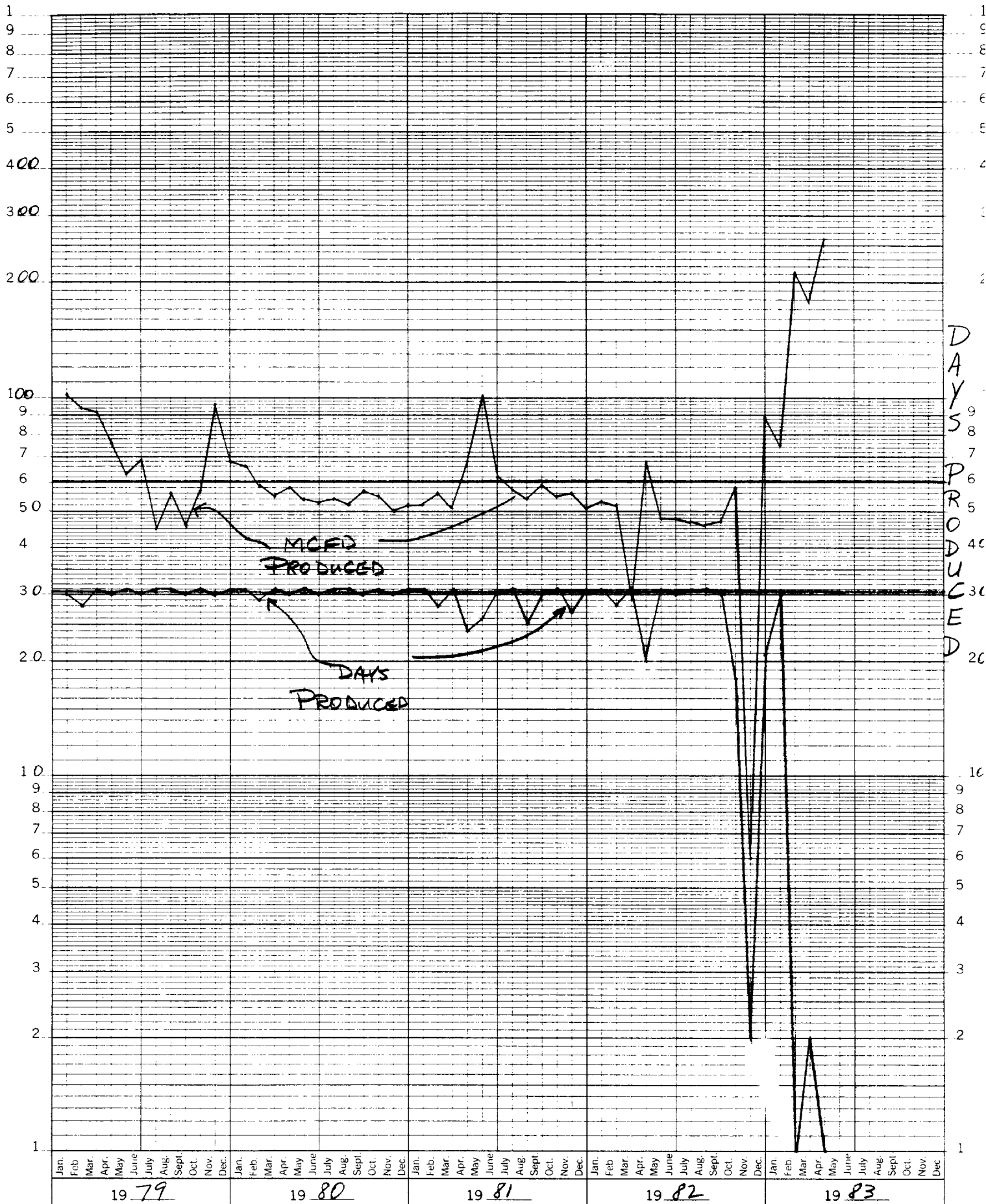
K+E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.



STATE COMAI #33

WTDZ 46 6690

K+E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.



GAS AND CONDENSATE PRODUCTION STATISTICS

DECEMBER 1982 MESA PETROLEUM CO-SAN JUAN

COMP DATE DATE: 10-09-83
SYSTEM INTERVAL: 63-18-83
PERCENTAGE: 69.86-6.812
ORIG GRAVITY: 53.705
LTU GRAVITY: 1.2113

GAS GATHERER: PERMIAN (TEXACO) 73-05
LEV INT OIL: 21.87500 EFFECTIVE 73-05
WORKING INT: 25.00000 EFFECTIVE 73-05
TYPE INT: W.I.
METHOD PROD: FLOWING

NET BALANCE

LEASE NAME: STATE PETROLEUM CO 33
PROPERTY #: 01-06-NM-0827-0001-001-0
STATE: NM
BASIN: DAKOTA
WELL: 1900 FSL & 16900 RWL
SEC: 32-27N-9W
LOC LINES 1
DATE DAY

| DATE DAY | MESA MCF | GROSS MCF | MCF | MESA BBL | GROSS BBL | CUM MCF | CUM BBL |
|----------|----------|-----------|--------|----------|-----------|---------|---------|
| 1975 | 356 | 42,771 | 15.015 | 77 | 350 | 890.6 | 16,932 |
| 1976 | 8,835 | 40,361 | 14.73 | 128 | 385 | 880.6 | 17,317 |
| 1977 | 8,022 | 39,895 | | 106 | 219 | 917.5 | 18,536 |
| 1978 | 6,614 | 39,241 | | 102 | 468 | 987.5 | 19,004 |
| 1979 | 5,594 | 25,569 | 1.013 | 89 | 406 | 1,013.1 | 19,410 |
| 1980 | 4,351 | 19,880 | 1.013 | 44 | 200 | 1,013.1 | 19,610 |
| 81-01 | 348 | 1,592 | 1.622 | | | 1,034.7 | 19,644 |
| 81-02 | 338 | 1,562 | 1.562 | | | 1,036.3 | 19,680 |
| 81-03 | 330 | 1,576 | 1.576 | | | 1,037.9 | 19,716 |
| 81-04 | 365 | 1,634 | 1.634 | | | 1,041.7 | 19,752 |
| 81-05 | 400 | 1,633 | 1.633 | | | 1,043.4 | 19,789 |
| 81-06 | 376 | 1,866 | 1.866 | 49 | 226 | 1,045.7 | 19,835 |
| 81-07 | 387 | 1,754 | 1.754 | | | 1,046.4 | 19,872 |
| 81-08 | 367 | 1,340 | 1.340 | | | 1,048.7 | 19,918 |
| 81-09 | 367 | 1,777 | 1.777 | | | 1,050.1 | 19,964 |
| 81-10 | 367 | 1,713 | 1.713 | | | 1,051.6 | 19,981 |
| 81-11 | 324 | 1,679 | 1.679 | | | 1,053.1 | 19,998 |
| 81-12 | 336 | 1,538 | 1.538 | | | 1,053.1 | 19,998 |
| 82-01 | 314 | 607 | 1.634 | 43 | 24 | 1,054.7 | 19,998 |
| 82-02 | 192 | 476 | 1.466 | 43 | 16 | 1,056.0 | 19,998 |
| 82-03 | 288 | 894 | 1.894 | 43 | 14 | 1,058.3 | 19,998 |
| 82-04 | 317 | 1,341 | 1.341 | 42 | 20 | 1,059.7 | 19,998 |
| 82-05 | 315 | 1,478 | 1.478 | 33 | 11 | 1,061.5 | 19,998 |
| 82-06 | 307 | 1,432 | 1.432 | 33 | 11 | 1,063.9 | 19,998 |
| 82-07 | 302 | 1,430 | 1.430 | 22 | 9 | 1,065.3 | 19,998 |
| 82-08 | 224 | 1,409 | 1.409 | 22 | 7 | 1,066.3 | 19,998 |
| 82-09 | 224 | 1,047 | 1.047 | 4 | 17 | 1,066.3 | 19,998 |
| 82-10 | 399 | 1,111 | 1.111 | | | 1,068.1 | 19,998 |
| 82-11 | | 1,024 | 1.861 | | | 1,068.1 | 19,998 |
| 82-12 | | 15,168 | | | | 1,068.1 | 19,998 |

REMARKS:
81-05 EQUIP MALFUNCTION.
81-08 DAYS OPERED EQUIP MALFUNCTION-STOP CLOCK.
81-11 CLOCKS STOPPED.
82-04 7 DAYS SUPPLY BALANCING.
82-10 SUPPLY BALANCING.
82-11 SUPPLY BALANCING TEST.
82-12 DELIVERABILITY TEST 4/19, 42 MCF/D. SICP-717, SITP-712.

APRIL 1983

MESA PETROLEUM CO-SAN JUAN

GAS AND CONDENSATE PRODUCTION STATISTICS

PA

LEASE NAME : STATE COM AI 33
 OPERATOR : MESA PETROLEUM CO.
 PROPERTY # : 01-06-NM-0827-0001-001-0
 COUNTY : 0800 SAN JUAN
 STATE : NM
 FIELD : 0000 BASIN DAKOTA
 RESERVOIR : 0000 DAKOTA
 LOC LINE1 : 1190 FSL & 1650' FWL
 LOC LINE2 : SEC 32-27N-9W
 LOC LINE3 :

GAS GATHERER : PERMIAN (TEXACO)
 REV INT OIL : 21.87500 EFFECTIVE 73-05
 WORKING INT : 25.00000 EFFECTIVE 73-05
 TYPE INT : W.I.
 METHOD PROD : FLOWING
 STATUS : PRODUCING

REG COMP DATE : 10-09-
 LIST INTERVAL : 03-18-
 PERIS IN(AOE) : 67-6860
 GAS GRAVITY : 53.214
 LIQ GRAVITY : 1.214
 BTU

-IFST
-SIIP

| DATE DAY | MESA MCF | GROSS MCF | GROSS MCF / 502.5 | CUM MCF | MESA BBL | GROSS BBL | CUM BBL |
|----------|----------|-----------|-------------------|---------|----------|-----------|---------|
| 1975 | 9,355 | 42,771 | 84.0 | 84.0 | 77 | 350 | 16,932 |
| 1976 | 8,026 | 40,394 | 88.0 | 172.0 | 48 | 385 | 17,317 |
| 1977 | 8,722 | 36,688 | 95.7 | 267.7 | 106 | 484 | 18,223 |
| 1978 | 6,614 | 30,241 | 98.7 | 366.4 | 189 | 458 | 18,691 |
| 1979 | 5,594 | 25,569 | 1,013 | 367.4 | 44 | 406 | 19,097 |
| 1980 | 4,351 | 19,880 | 1,053 | 368.4 | 49 | 200 | 19,297 |
| 1981 | 4,407 | 12,152 | 1,053 | 368.4 | 49 | 226 | 19,523 |
| 82-02-30 | 350 | 1,807 | 1,056 | 369.4 | 43 | 204 | 19,557 |
| 82-03-10 | 1928 | 1,876 | 1,058 | 370.4 | 43 | 164 | 19,573 |
| 82-05-10 | 317 | 1,449 | 1,059 | 371.4 | 43 | 120 | 19,587 |
| 82-06-10 | 3075 | 1,440 | 1,061 | 372.4 | 23 | 112 | 19,601 |
| 82-08-10 | 307 | 1,402 | 1,063 | 373.4 | 22 | 112 | 19,615 |
| 82-09-10 | 302 | 1,381 | 1,065 | 374.4 | 22 | 7 | 19,631 |
| 82-10-10 | 224 | 1,026 | 1,066 | 375.4 | 4 | 17 | 19,648 |
| 82-11-21 | 399 | 1,824 | 1,068 | 376.4 | 34 | 152 | 19,665 |
| 83-01-30 | 481 | 2,197 | 2,140 | 1,070.3 | 4 | 16 | 19,681 |
| 83-02-10 | 76 | 207 | 211 | 1,070.8 | 4 | 16 | 19,697 |
| 83-03-04 | 56 | 348 | 354 | 1,071.1 | 4 | 16 | 19,697 |
| | | 255 | 260 | | 760* | | |

REMARKS:
 82-04 7 DAYS STATE BALANCING.
 82-10 SUPPLY BALANCING.
 82-11 SUPPLY BALANCING.
 82-12 DELIVER BALANCING TEST 4/19,42 MCF/D. SICP-717, SIIP-712.
 83-03 SUPPLY BALANCING

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

WELL RECORD

Grid for well location marking with columns and rows, some cells containing '0'.

AREA 640 ACRES
LOCATE WELL CORRECTLY

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPPLICATE. If State Land submit 6 Copies

Pubco Petroleum Corporation
(Company or Operator)

State 33
(Lease)

Well No. 33, in SE 1/4 of SW 1/4, of Sec 32, T 27N, R 9W, NMPM.

Basin Dakota Pool, San Juan County.

Well is 1190 feet from South line and 1650 feet from West line

of Section 32. If State Land the Oil and Gas Lease No. is E-1010-1

Drilling Commenced 9-16 1964 Drilling was Completed 10-1 1964

Name of Drilling Contractor Circle "A" Drilling Company

Address 340 Denver Hilton Building, Denver, Colorado 80202

Elevation above sea level at Top of Tubing Head 6575 GR; 6524 LF The information given is to be kept confidential until 19

OIL SANDS OR ZONES

Table with 6 columns: No., from, to, (Gas), No., from, to. Rows 1-6.

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

Table with 4 columns: No., from, to, feet. Rows 1-4.

CASING RECORD

Table with 8 columns: SIZE, WEIGHT PER FOOT, NEW OR USED, AMOUNT, KIND OF HOSE, CUT AND PULLED FROM, PERFORATIONS, PURPOSE. Rows for 8 5/8" and 4 1/2" casing.

MUDDING AND CEMENTING RECORD

Table with 7 columns: SIZE OF HOLE, SIZE OF CASING, WHEEL SET, NO. BAGS OF CEMENT, METHOD USED, MUD GRAVITY, AMOUNT OF MUD USED. Rows for 12 1/4" and 7 7/8" casing.

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qt. or Gals. used, interval treated or shot.)

Stage #1: Perforated Dakota formation v/4 jets per foot from 6783-6812 & fraced v/60,000 gals treated water & 40,000# sand spearheaded v/250 gals HCL; Dropped 90 sealer balls.
Stage #2: Perforated v/4 jets per foot from 6686-6710 & 6724-6730 & fraced v/60,000 gals treated water & 40,000# sand spearheaded v/250 gals HCL.

Result of Production Stimulation Completion gauge (both zones) 5797 MCF 3/4" ck, 7260 MCF, CAIF.

REPORT OF DRILLING AND SPECIAL TESTS

If well-logs or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used from Surface feet to 6942 feet, and from _____ feet to _____ feet.
 Cable tools were used from _____ feet to _____ feet, and from _____ feet to _____ feet.

PRODUCTION

Put to Producing: Waiting on connection 19_____

OIL WELL: The production during the first 24 hours was _____ barrels of liquid of which _____% was
 was oil; _____% was emulsion; _____% water; and _____% was sediment. A.P.I.
 Gravity _____

GAS WELL: The production during the first 24 hours was 5797 M.C.F. plus Balance barrels of
 liquid Hydrocarbon. Shut in Pressure 2035 lbs.

Length of Time Shut in 7 days

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

| | | |
|---------------------|----------------------|-----------------------------------|
| T. Anby _____ | T. Devonian _____ | T. Ojo Alamo _____ |
| T. Salt _____ | T. Silurian _____ | T. Kirtland-Fruitland <u>1500</u> |
| B. Salt _____ | T. Montoya _____ | T. Farmington _____ |
| T. Yates _____ | T. Simpson _____ | T. Pictured Cliffs <u>2308</u> |
| T. 7 Rivers _____ | T. McKee _____ | T. Menefee <u>3935</u> |
| T. Queen _____ | T. Ellenburger _____ | T. Point Lookout <u>4630</u> |
| T. Grayburg _____ | T. Gr. Wash _____ | T. Mancos <u>4905</u> |
| T. San Andres _____ | T. Granite _____ | T. Dakota <u>6783</u> |
| T. Glorietta _____ | T. _____ | T. Morrison <u>6920</u> |
| T. Drinkard _____ | T. _____ | T. Penn _____ |
| T. Tubbs _____ | T. _____ | T. _____ |
| T. Abo _____ | T. _____ | T. _____ |
| T. Penn _____ | T. _____ | T. _____ |
| T. Miss _____ | T. _____ | T. _____ |

FORMATION RECORD

| From | To | Thickness in Feet | Formation | From | To | Thickness in Feet | Formation |
|---------|------|----------------------|---------------------------|------|----|----------------------|-----------|
| Surface | 1500 | 1500 | Tertiary-undifferentiated | | | | |
| 1500 | 2308 | 808 | Kirtland-Fruitland | | | | |
| 2308 | 2316 | 8 | Pictured Cliffs | | | | |
| 2316 | 3828 | 1512 | Lewis Shale | | | | |
| 3828 | 4905 | 1077 | Mancos-undifferentiated | | | | |
| 4905 | 6612 | 1707 | Mancos | | | | |
| 6612 | 6660 | 48 | Greenhorn | | | | |
| 6660 | 6783 | 123 | Graneros | | | | |
| 6783 | 6920 | 137 | Dakota | | | | |
| 6920 | TD | 22 | Morrison | | | | |

ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

November 4, 1964

Company Operator Pibco Petroleum Corporation
 Name Wendell Cole

Address P.O. Box 1310
 Position or Title Area Geologist

ENHANCED RECOVERY
STRIPPER WELL

STATE OF TEXAS X
 X ss:
COUNTY OF POTTER X

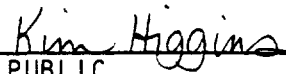
C. TAYLOR YOAKAM, being first duly sworn, on oath deposes and says:

That he has made or has caused to be made, pursuant to his instructions, a diligent search, where necessary, of all records which are reasonably available and contain information relevant to the determination of eligibility; that he reviewed or caused to be reviewed where available all company production records as to the well; that on the basis of the information obtained from this search, examination, and review he has concluded that to the best of his information, knowledge and belief, the well qualifies as a stripper well; that production substantially increased as a sole result of an enhanced recovery method which was implemented more than two years after the initial completion date; that he has no knowledge of any other information not described in the application which is inconsistent with his conclusions. He further states that he has caused notification of this request to be mailed to the purchaser(s), co-lessees, the Commission and the applicable Jurisdictional Agency.



C. TAYLOR YOAKAM
Attorney-in-Fact

SUBSCRIBED AND SWORN to before me this 8th day of July,
1983.



NOTARY PUBLIC

My Commission/Appointment Expires:
September 3, 1984.

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF MESA PETROLEUM CO. FOR NGPA
DETERMINATION, SAN JUAN COUNTY,
NEW MEXICO.

Case 8183

ENTRY OF APPEARANCE


RECEIVED
RECEIVED
JUN 1 1984
JUN 6 1984
OIL CONSERVATION DIVISION
OIL CONSERVATION DIVISION

Comes now, CAMPBELL, BYRD & BLACK, P.A., and hereby enters
its appearance in the above-referenced cause for Mesa Petroleum
Company.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

ATTORNEYS FOR MESA PETROLEUM
COMPANY

El Paso
Natural Gas Company

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

June 20, 1984

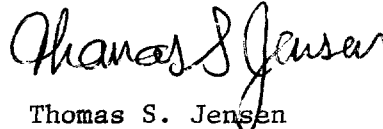
Mr. Richard L. Stamets
State of New Mexico
Energy and Mineral Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Re: Case Nos. 8182 and 8183

Dear Mr. Stamets:

Enclosed is El Paso Natural Gas Company's Brief in the referenced cases, which I have caused to be mailed to Mesa Petroleum Company, the applicant in such cases, and to Northwest Pipeline Corporation. Attached to the Brief are proposed orders of the Division in each of the two cases, which proposed orders are submitted at your request.

Very truly yours,



Thomas S. Jensen
Attorney

TSJ:ibc

Enclosure

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
OF THE
ENERGY AND MINERALS DEPARTMENT

MESA PETROLEUM COMPANY)
)
)
)
)

Case Nos. 8182 and 8183

BRIEF OF EL PASO
NATURAL GAS COMPANY

To: Richard L. Stamets, Examiner

COMES NOW, El Paso Natural Gas Company ("El Paso") and respectfully submits this brief pursuant to the request of the Hon. Richard L. Stamets, Examiner, in the above-referenced Cases.

Background

The instant Cases involve two wells in San Juan County, New Mexico, operated by Mesa Petroleum Company ("Mesa"), the applicant herein, which the Oil Conservation Division ("the Division") had previously determined were "stripper wells" under § 108(b) of the Natural Gas Policy Act of 1978 ("NGPA"), but which were disqualified in late 1982 by Notices of Increased Production under § 271.805(d) of the Federal Energy Regulatory Commission's ("FERC") Regulations, filed in early 1983 by Northwest Pipeline Company ("Northwest"), the purchaser of Mesa's gas production from such wells. By letters dated March 24, 1983 and July 8, 1983, Mesa requested a further determination by the Division under § 271.806 of the FERC's Regulations that the increased production from the subject wells was the result of the application by Mesa of a recognized enhanced recovery technique, as defined in § 271.803(a) of the FERC's Regulations. Northwest filed protests as to both wells. El Paso protested Mesa's application as to the State Com. AI No. 33 well.

El Paso's Interest

El Paso is physically connected, by means of its pipeline gathering system, to both of the subject wells and owns a working interest in the State Com. AI No. 33 well. Though El Paso purchases no gas from either of the subject wells (other than its own working interest gas), it is a major purchaser of natural gas in New Mexico. Furthermore, many hundreds of wells from which it purchases natural gas are or could be classified as stripper wells under § 108 of the NGPA. A decision by the Division in Mesa's favor in these Cases, because of the potential precedential effect, could have considerable impact upon El Paso and its cost of gas. Therefore, El Paso asserts that it has a substantial interest in both Case No. 8182 and Case No. 8183, which interest cannot be adequately represented by any other party.

El Paso's Position

El Paso strongly believes that the application of Mesa in the instant Cases should be denied, and, in support thereof, offers the following reasons:

(1) No Action Taken "By the Producer"

The actions which Mesa alleges constitute a "recognized enhanced recovery technique" were not "performed . . . by the producer" (i.e., Mesa) within the contemplation of Congress in enacting § 108(b)(2) of the NGPA, or of the FERC in promulgating § 271.803(a) of its Regulations, because such actions were undertaken solely at the request of El Paso. Testimony to this effect was given both by Mr. H. L. Kendrick of El Paso and Mr. Mike Houston of Mesa. In a sense, Mesa was simply acting as El Paso's agent in controlling production into its line so as to meet its fluctuating market demand.

(2) The Intermittent Production Was Not Undertaken to Enhance Recovery

Testimony was given by El Paso's witness, Mr. H. L. Kendrick, that the periodic shutting in and turning on of the subject wells by Mesa was done upon El Paso's request and was undertaken to control production so as to meet El Paso's fluctuating market demand. Mr. Kendrick testified that, in determining whether or not Mesa's wells should be flowing or not, El Paso gave no consideration to any factors affecting the enhancement of production from such wells. While the FERC's Regulations do not explicitly impose a requirement that "recognized enhanced recovery techniques" be undertaken with an intent to enhance recovery, such requirement is clearly implied. In any event, the FERC has left it to the jurisdictional agencies to determine, in the first instance, whether an activity constitutes a recognized enhanced recovery technique. In this regard, testimony was heard from Mr. Houston of Mesa that the subject activity is not, in his opinion, an enhanced recovery technique. Such testimony was corroborated by testimony of Northwest's witness, Mr. Brent Hale, and testimony of Mr. Kendrick of El Paso.

In any event, as the testimony of Mr. Houston of Mesa showed, Mesa had installed intermitters on both wells some time prior to the occurrence of the increased production in question. Such equipment has been previously recognized as an enhanced recovery technique. The lack of intent to enhance recovery becomes more clear by the fact that these intermitters have been unused since El Paso began occasionally requesting Mesa to shut its wells in.

By letter to the Division dated April 3, 1984, Mesa stated that "[e]ven if market conditions improve in the future, Mesa intends to continue alternately producing and shutting in [the wells] in order to increase [their] rate of production." This intent is belied, however, by the evidence reflected in pages NWP-E and NWP-F of Northwest's Exhibit No. 1, showing that there have been extended periods of consecutive

flowing days for both wells in the past eighteen (18) months and that, in most instances, such extended periods correlate neatly with extended periods in which El Paso did not request the wells to be shut in. In other words, when El Paso did not order the wells to be shut in, Mesa almost always left them on and did not alternately produce and shut them in so as to increase production, as its April 3rd letter asserted.

(3) The Actions Did Not Enhance Recovery

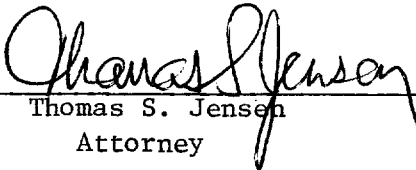
Extensive testimony by Mr. Hale of Northwest demonstrated that the alternate production and shut-in of the subject wells resulted only in an increased rate of flow, also known as "flush production," and not in an increased rate of production. The FERC has specifically provided an exception to its disqualification requirements for instances in which increased production is the result of a temporary pressure buildup. In these Cases, Mesa has ignored the clearly applicable regulations and sought to bring its wells within the scope of the recognized enhanced recovery technique exception which, though nonapplicable, would give Mesa relief from the necessity to monitor the well's production.

Conclusion

El Paso believes that both the law and the evidence clearly shows that the "recognized enhanced recovery technique" allegedly undertaken by Mesa should not receive an affirmative determination by the Division. Accordingly, El Paso respectfully requests that the Division deny Mesa's application in the instant Cases. At the request of the Examiner, El Paso has attached hereto as Exhibit A a proposed order for the Examiner's consideration.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By 
Thomas S. Jensen
Attorney

Donald J. MacIver, Jr.
Vice President and General Counsel
Thomas S. Jensen
El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas 79978
(915)541-2600

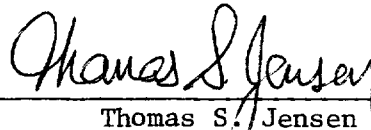
Dated: June 20, 1984

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing Brief of El Paso Natural Gas Company was mailed, postage prepaid, this 20th day of June, 1984, to the following persons and parties:

Mesa Petroleum Company
P.O. Box 2009
Amarillo, Texas 79189
Attention: Mr. Steven James, Esq.

Northwest Pipeline Corporation
295 Chipeta Way
Salt Lake City, Utah 84110
Attention: Ms. Mary Duffin, Esq.

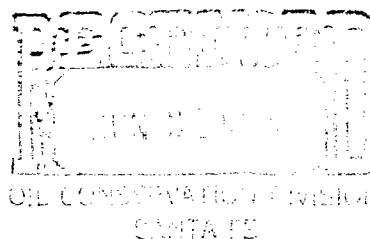


Thomas S. Jensen
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

NORTHWEST PIPELINE CORPORATION
ONE OF THE WILLIAMS COMPANIES

P.O. BOX 1526
SALT LAKE CITY, UTAH 84110-1526
801-583-8800

June 15, 1984



Mr. Richard Stametz
Hearing Examiner
Oil Conservation Division
New Mexico Energy & Minerals Dept.
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

RE: Request for Legal Briefs, Case Nos. 8182, 8183

Dear Mr. Stametz:

This letter will confirm our telephone conversation of yesterday in which you granted an extension of time in which Northwest Pipeline Corporation ("Northwest") may file its legal brief in the above-referenced cases. In the hearing held relative to these cases on June 6, 1984, you asked for legal briefs within two (2) weeks of the hearing date. You have now been kind enough to grant me an extension for the filing of my brief on behalf of Northwest until June 29, 1984. I understand that this same courtesy is being extended by your office to El Paso Natural Gas Company, assuming they can use the additional time period.

I am providing a copy of this confirmatory letter to counsel for both Mesa Petroleum and El Paso Natural Gas. Thank you for your consideration in this matter.

Best Regards,

Mary Duffin
Mary Duffin
Attorney

xc: Mr. Steven C. James, Atty
Mesa Petroleum Company
P.O. Box 2009
Amarillo, Texas 79189-2009

Thomas S. Jensen, Atty
El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas 79978

B.E. Potts
Brent Hale
Jan Wayman

MD/src

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

NWP EXHIBIT NO. 1

CASE NO. 8182, 8183

Submitted by M. Duffin, NWP

Hearing Date 6/6/84

EXHIBITS
OF NORTHWEST PIPELINE CORPORATION
BEFORE THE NEW MEXICO ENERGY
AND MINERALS
DEPARTMENT,
OIL CONSERVATION DIVISION

June 6, 1984

Case Nos. 8182, 8183

NORTHWEST ENERGY COMPANY

P.O. BOX 1526
SALT LAKE CITY, UTAH 84110-1526
801-583-8800

July 22, 1983

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

RE: Request for Further Determination of Eligibility for
Section 108 Pricing, State Com AI No. 33 Well

Gentlemen:

This letter shall serve to provide the Oil Conservation Commission ("Commission") with formal notice of the protest of Northwest Pipeline Corporation ("Northwest") with respect to the above-referenced Request filed with the Commission on July 8, 1983, by Mesa Petroleum Co. ("Mesa").

In its Request, Mesa took the position that the increase in production recorded for the ninety (90) day period ending December 1982 on the State Com AI No. 33 well is attributable to a "recognized enhanced recovery technique" as defined in 18 C.F.R. §271.803(a). Mesa is seeking review by the Commission of its application for §108 pricing pursuant to 18 C.F.R. §271.806(a). It is Northwest's position that the increase in production evidenced during the ninety (90) day period ending December 8, 1982, was due to temporary pressure buildup and not to the utilization of any recognized enhanced recovery technique on this well. The Regulations are clear that a "recognized enhanced recovery technique" refers to a process or the utilization of equipment which, when performed or installed by the producer, increases the rate of production of gas from a well. The producer, in this case, Mesa, did not control and in no way initiated the shut-in of the State Com AI No. 33 well. ~~The well was shut-in by Northwest due to a decrease in the demand for gas on Northwest's system which caused widespread shut-ins, affecting this well and others.~~ Neither Northwest or Mesa have truly engaged in attempts to enhance recovery from this well.

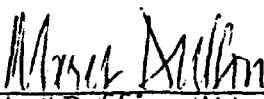
It is Northwest's position that to claim that enhanced recovery techniques have been applied to this well, Mesa would have to prove that the increase in the rate of production did not result from the fact that the well was shut-in due to a lack of demand. Mesa would further have to prove that it had initiated some process or had installed some equipment on the well which had served to increase production rates. Mesa's application supports neither of these points.

Northwest urges the Commission to reject Mesa's application for \$108 pricing on this well due to enhanced recovery. If necessary, Northwest will participate in any hearing scheduled on this matter and will provide technical testimony indicative of the fact that production rate increases demonstrated by this well are related to and caused by the shut-in of pipeline connected to the well and are not the result of any enhanced recovery technique.

Thank you for consideration of this protest. Any questions may be addressed to the undersigned at Northwest Pipeline Corporation, P.O. Box 1526, Salt Lake City, Utah 84110-1526, (801) 584-7051

Very truly yours,

NORTHWEST PIPELINE CORPORATION



Mary Duffin, Attorney

xc: Mesa Petroleum Company
Bob Glenn
Bob Guttery
Brent Hale
Jan Wayman

MD/src

CERTIFICATE OF MAILING

STATE OF UTAH)
 :SS.
COUNTY OF SALT LAKE)

MARY DUFFIN, being first duly sworn, on oath, says that she is an attorney for Northwest Pipeline Corporation; that she has read the foregoing protest of Northwest Pipeline Corporation and that, as such attorney, she has executed the same for and on behalf of said Corporation with full power and authority to do so; and that the matters set forth therein are true to the best of her knowledge, information and belief. She further swears that on this 22nd day of July, 1983 a true and correct copy of the foregoing Protest was served upon Mesa Petroleum Co. by placing a copy of said Protest in the United States Mail, First Class--Postage Prepaid, and addressed as follows:

Mesa Petroleum Co.
P.O. Box 2009
Amarilla, Texas 79189
Attention: Legal Dept.



Mary Duffin
Northwest Pipeline Corporation
295 Chipeta Way
Salt Lake City, Utah 84110-1526

NORTHWEST PIPELINE CORPORATION

P.O. BOX 1526
SALT LAKE CITY, UTAH 84110 1526
801 583 8800

August 8, 1983

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

RE: Request for Further Determination of Eligibility for
Section 108 Pricing, State Com AJ No. 34 Well

Gentlemen:

This letter shall serve to provide the Oil Conservation Commission ("Commission") with formal notice of the protest of Northwest Pipeline Corporation ("Northwest") with respect to the above-referenced Request filed with the Commission on March 24, 1983, by Mesa Petroleum Co. ("Mesa").

In its Request, Mesa took the position that the increase in production recorded for the ninety (90) day period ending November 1982 on the State Com AJ No. 34 well is attributable to a "recognized enhanced recovery technique" as defined in 18 C.F.R. §271.803(a). Mesa is seeking review by the Commission of its application for §108 pricing pursuant to 18 C.F.R. §271.806(a). It is Northwest's position that the increase in production evidenced during the ninety (90) day period ending in November, 1982, was due to temporary pressure buildup and not to the utilization of any recognized enhanced recovery technique on this well.

The Regulations are clear that a "recognized enhanced recovery technique" refers to a process or the utilization of equipment which, when performed or installed by the producer, increases the rate of production of gas from a well. The producer, in this case, Mesa, did not control and in no way initiated the shut-in of the State Com AJ No. 34 well. The well was shut-in by Northwest due to a decrease in the demand for gas on Northwest's system which caused widespread shut-ins, affecting this well and others. Neither Northwest or Mesa have truly engaged in attempts to enhance recovery from this well.

It is Northwest's position that to claim that enhanced recovery techniques have been applied to this well, Mesa would have to prove that the increase in the rate of production did not result from the fact that the well was shut-in due to a lack of demand. Mesa would further have to prove that it had initiated some process or had installed some equipment on the well which had served to increase production rates. Mesa's application supports neither of these points.

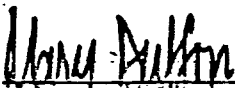
New Mexico Oil Conservation Division
Energy & Minerals Department
August 8, 1983
page two

Northwest urges the Commission to reject Mesa's application for \$108 pricing on this well due to enhanced recovery. If necessary, Northwest will participate in any hearing scheduled on this matter and will provide technical testimony indicative of the fact that production rate increases demonstrated by this well are related to and caused by the shut-in of pipeline connected to the well and are not the result of any enhanced recovery technique.

Thank you for consideration of this protest. Any questions may be addressed to the undersigned at Northwest Pipeline Corporation, P.O. Box 1526, Salt Lake City, Utah 84110-1526, (801) 584-7051.

Very truly yours,

NORTHWEST PIPELINE CORPORATION



Mary Duffin, Attorney

xc: Mesa Petroleum Company
Bob Glenn
Bob Guttery
Brent Hale
Jan Wayman

MD/src

CERTIFICATE OF MAILING

STATE OF UTAH)
):
COUNTY OF SALT LAKE

MARY DUFFIN, being first duly sworn, on oath, says that she is an attorney for Northwest Pipeline Corporation; that she has read the foregoing Protest of Northwest Pipeline Corporation and that, as such attorney, she has executed the same for and on behalf of said Corporation with full power and authority to do so; and that the matters set forth therein are true to the best of her knowledge, information and belief. She further swears that on this 8th day of August, 1983, a true and correct copy of the foregoing Protest was served upon Mesa Petroleum Co. by placing a copy of said Protest in the United States Mail, first class postage prepaid, and addressed as follows:

Mesa Petroleum Co.
P.O. Box 2009
Amarillo, Texas 79189
Attention: Legal Department

Mary Duffin
Mary Duffin
Northwest Pipeline Corporation
295 Chipeta Way
Salt Lake City, Utah 84110-1526

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

Before me, the undersigned, a Notary Public in and for said county and state, on this 8th day of August, 1983, personally appeared MARY DUFFIN, to me known to be the identical person described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Shelley R. Williams
Notary Public
Residing at: S.L.C. ut.

My Commission Expires:

10-19-83