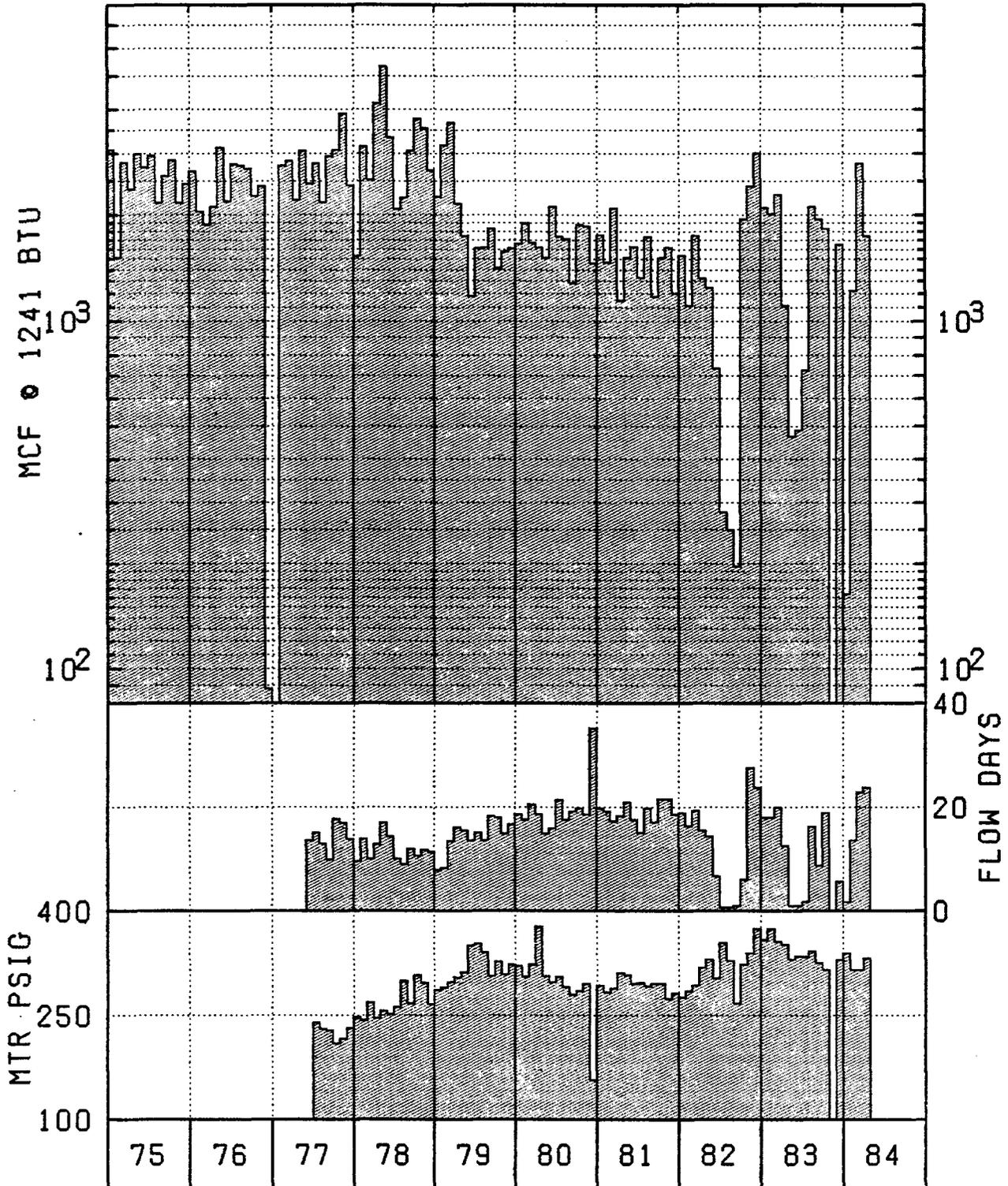


# STATE COM AJ #34



METER: 75620 T32N R12W 36D

N MEXICO  
BASIN FIELD  
DAKOTA FORMATION

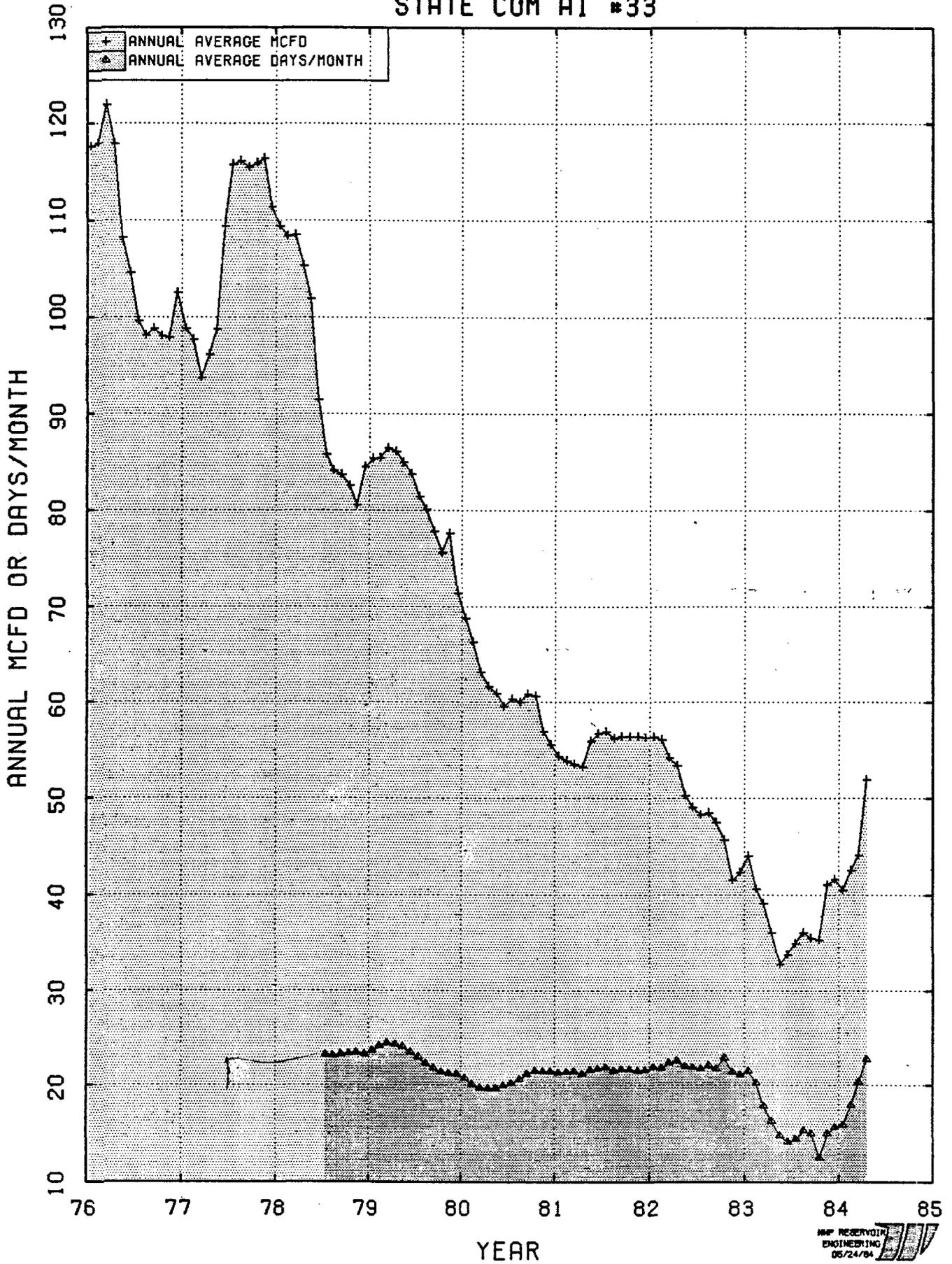
STATE COM AI #33  
WELL DOWNTIME RECORD

<u>Month</u>	<u>Year</u>	<u>Days of No Demand</u>	<u>Days Flowing</u>	<u>Days of Other Downtime</u>
10	82	7.0	24.0	0.0
11	82	29.0	0.3	0.7
12	82	11.0	18.4	1.6
1	83	2.0	29.0	0.0
2	83	23.0	3.9	0.1
3	83	28.0	2.1	0.9
4	83	28.0	1.0	1.0
5	83	29.0	1.0	1.0
6	83	17.0	13.0	0.0
7	83	0.0	24.9	6.1
8	83	0.0	30.9	0.1
9	83	0.0	17.4	12.6
10	83	23.0	8.0	0.0
11	83	0.0	29.9	0.1
12	83	0.0	26.8	4.2
1	84	0.0	31.0	0.0
2	84	0.0	28.9	0.1
3	84	0.0	30.9	0.1
4	84	0.0	29.7	0.3
Average		10.37	18.48	1.52

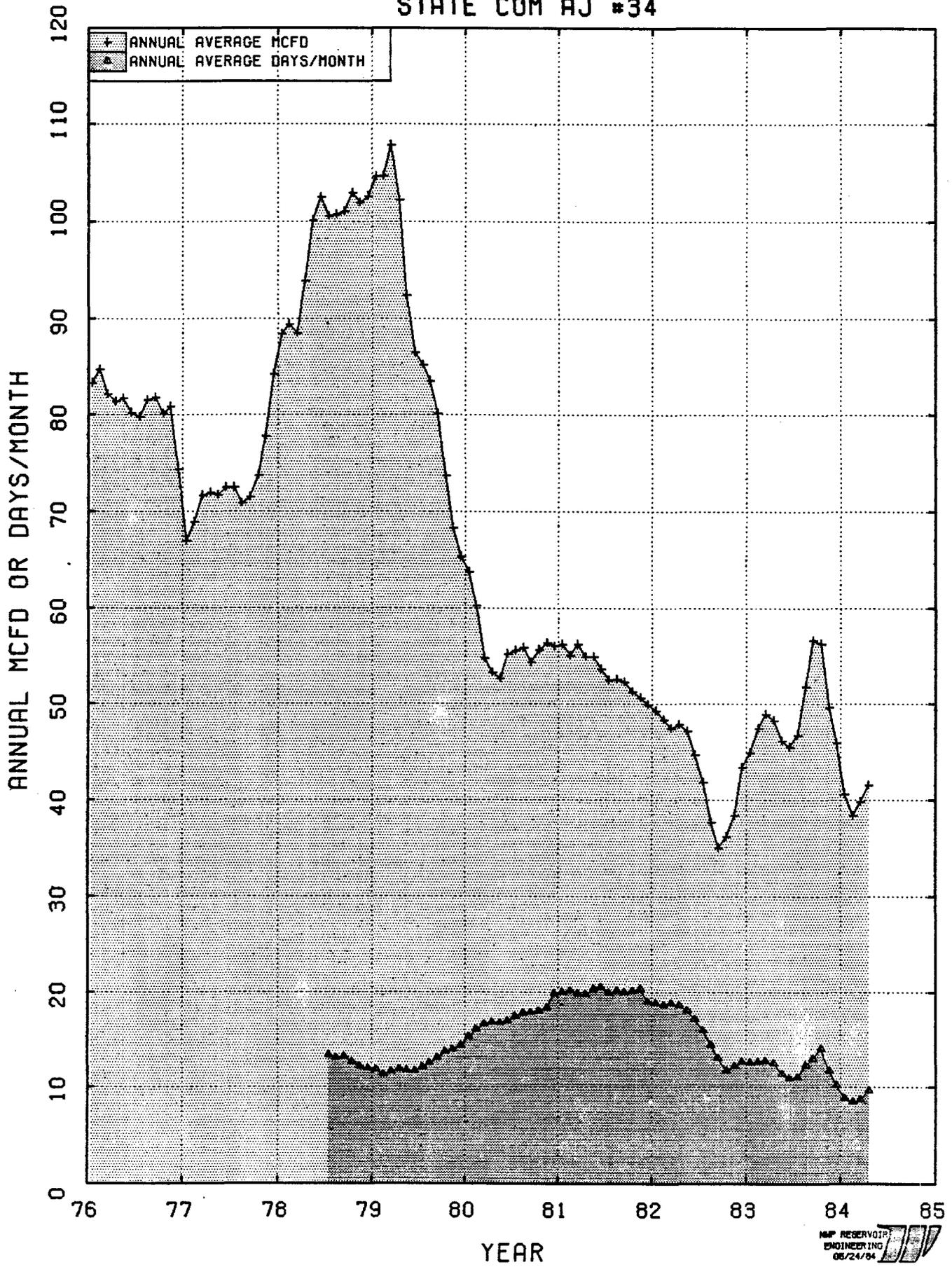
STATE COM AJ #34  
WELL DOWNTIME RECORD

<u>Month</u>	<u>Year</u>	<u>Days of No Demand</u>	<u>Days Flowing</u>	<u>Days of Other Downtime</u>
1	83	0.0	18.0	13.0
2	83	0.0	18.1	9.9
3	83	11.0	20.0	0.0
4	83	12.7	12.6	4.7
4	83	30.0	1.1	0.0
6	83	28.9	1.1	0.0
7	83	29.2	1.8	0.0
8	83	10.2	16.3	4.5
9	83	20.7	8.8	0.5
10	83	10.1	19.0	1.9
11	83	23.8	0.0	6.2
12	83	17.4	5.6	8.0
1	84	14.2	1.8	15.0
2	84	12.2	13.7	3.1
3	84	0.0	22.9	8.1
<u>4</u>	<u>84</u>	<u>0.0</u>	<u>23.9</u>	<u>6.1</u>
Average		13.8	11.5	5.1

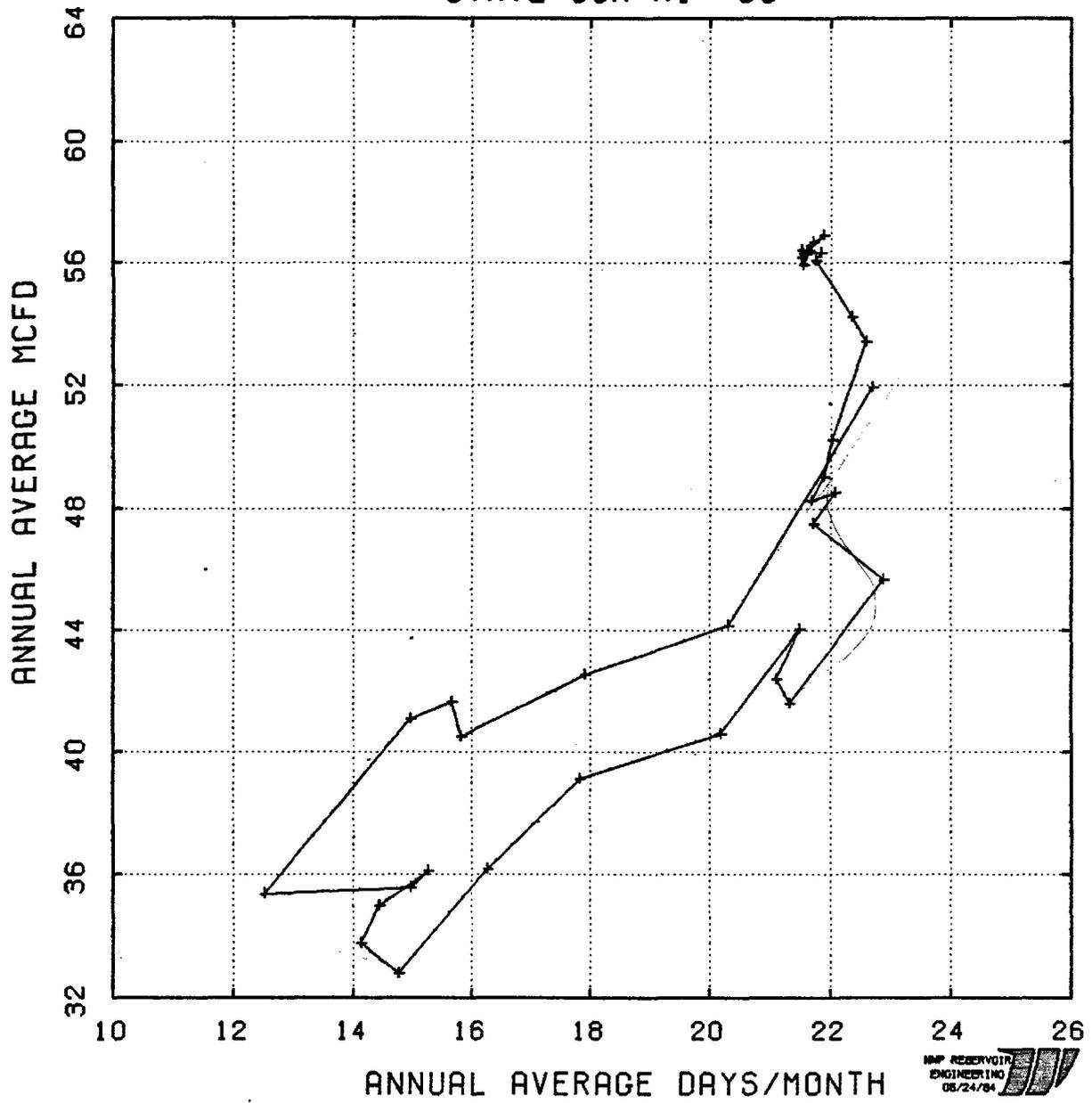
STATE COM AI #33



### STATE COM AJ #34

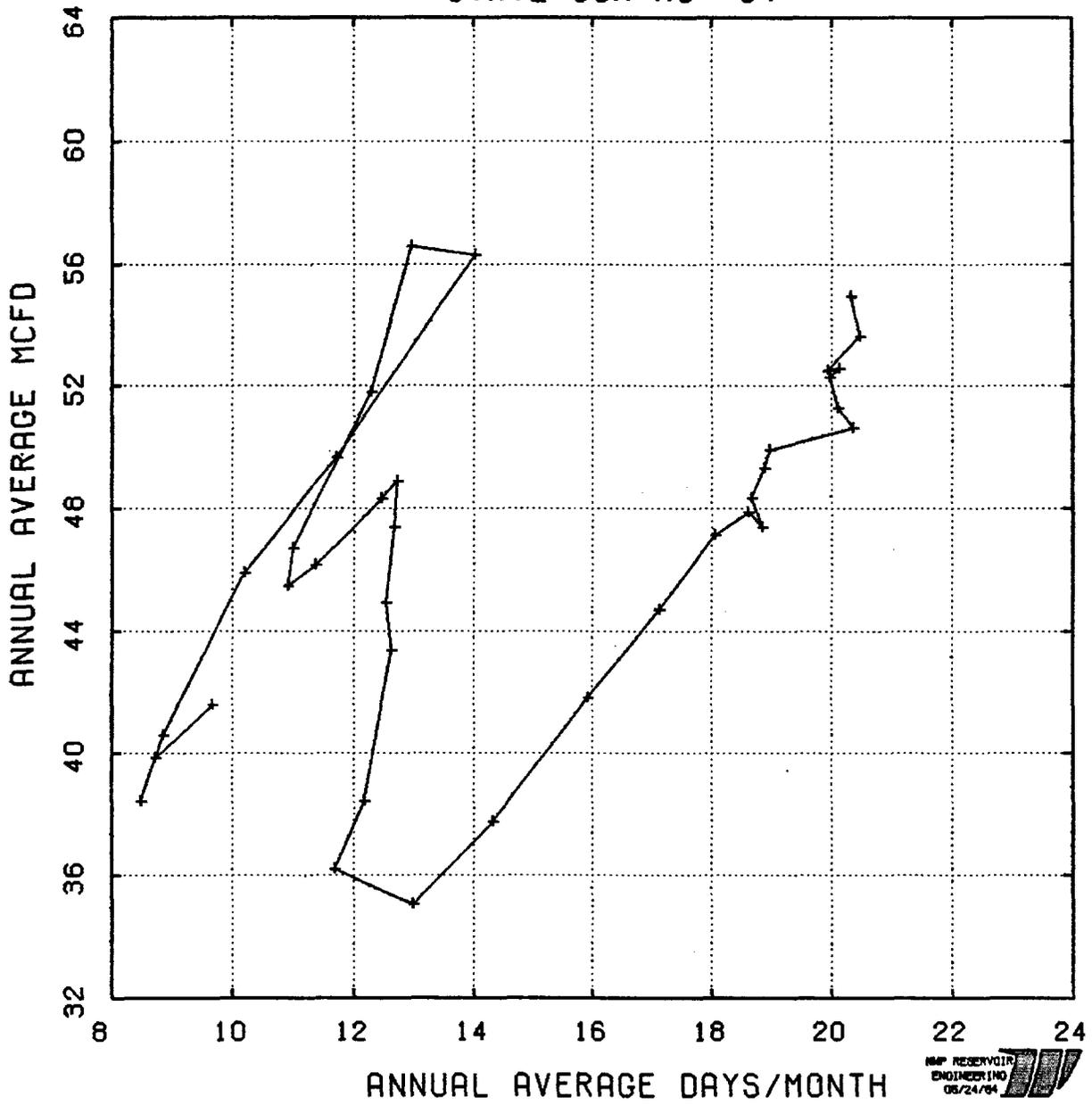


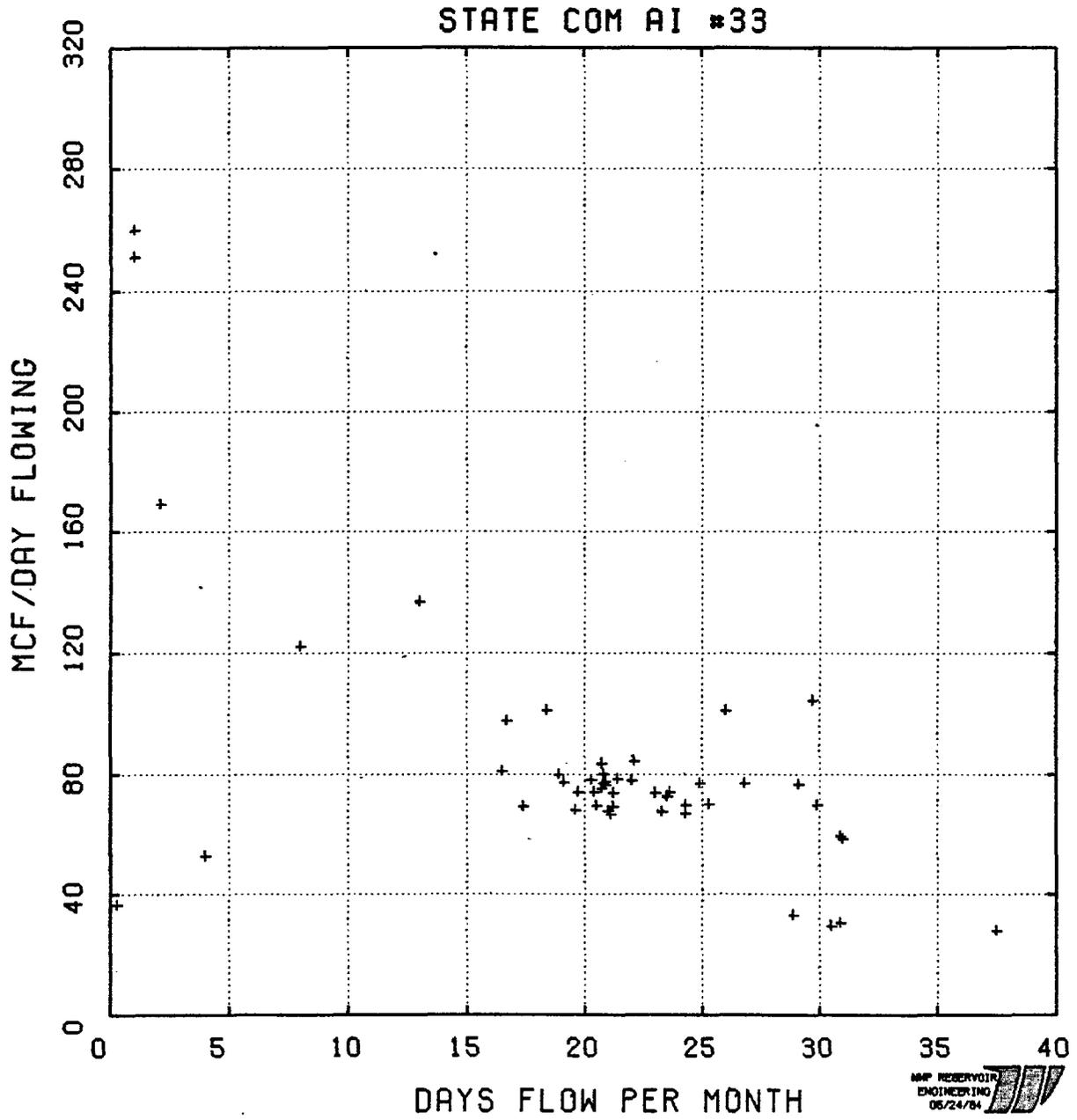
STATE COM AI #33

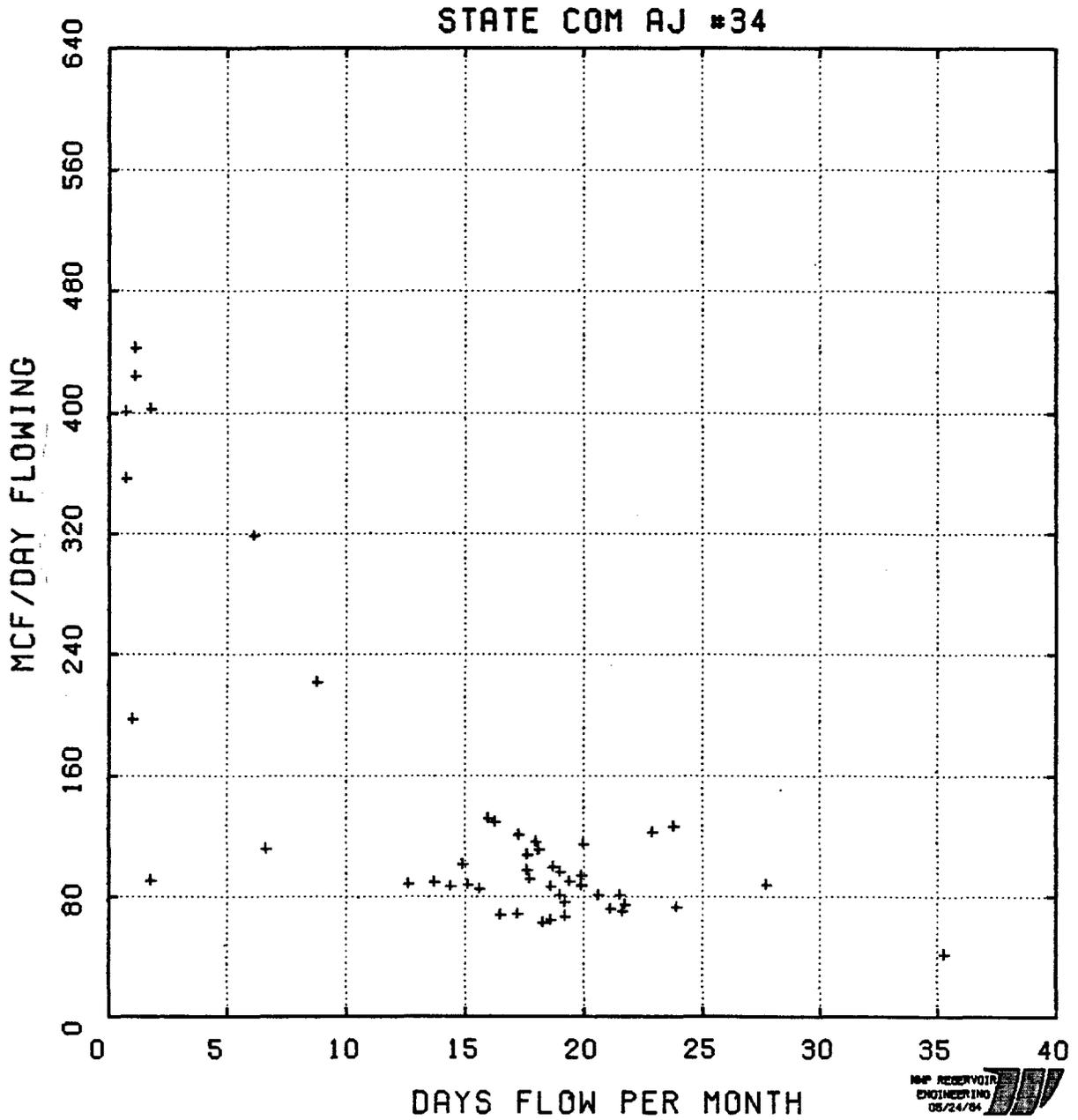


NWP RESERVOIR  
ENGINEERING  
08/24/84

STATE COM AJ #34







NWP RESERVOIR  
ENGINEERING  
08/24/84

§108(b)(2) of the Natural Gas Policy Act of 1978 ("NGPA") states that the Federal Energy Regulatory Commission "shall, by rule, provide that, if nonassociated natural gas produced from a well which previously qualified as a stripper well under paragraph (1) exceeds an average of 60 Mcf per production day during any 90-day production period, such natural gas may continue to qualify as stripper well natural gas if the increase in nonassociated natural gas produced from such well was a result of the application of recognized enhanced recovery techniques." Congress, in the Joint Explanatory Statement of the Committee on Conference accompanying the issuance of the NGPA, stated, "The objective of this section is to insure that the producer does not have a built-in incentive to limit the production from a given well to an average of 60 Mcf per day."

In 18 CFR §271.803(a) the Federal Energy Regulatory Commission defined recognized enhanced recovery techniques as meaning "processes or equipment, or both, which when performed or installed by the producer, increase the rate of production of gas from a well. Processes qualifying as recognized enhanced recovery techniques include mechanical as well as chemical stimulation of the reservoir formation. Equipment may include items installed in the well bore or on the surface." When discussing this final regulation in 44 FR 49656 (August 24, 1979) the Federal Energy Regulatory Commission stated, "A number of comments asked that the Commission provide examples of processes or equipment that constitute recognized enhanced recovery techniques." They went on to say, "In this respect, we believe it is clear from our revised definition that any technique shall qualify if it increases the rate of production from the well." Emphasis added.

Case 8182 addresses a request by Mesa Petroleum Co. ("Mesa") for a further determination under 18 CFR §271.806 that the increase in the rate of production of gas from Mesa's State Com. AJ #34 well is due to the use by Mesa of a recognized enhanced recovery technique as defined in 18 CFR §271.803(a). This well is located on state lands in the W/2 of Section 36, Township 32 North, Range 12 West in San Juan County, New Mexico. It produces from the Dakota formation. Mesa operates the well and is the owner of 100% of the working interest in this well. On or about January 20, 1981, Mesa submitted a §108 application for this well which was approved on or about February 16, 1981 and became final on or about April 6, 1981. By letter dated March 10, 1983 Northwest Pipeline Corporation filed a Notice of Increased Production for the State Com. AJ #34 well in accordance with 18 CFR 271.805(a). By letter dated March 24, 1983 Mesa similarly filed its notice of increased production and its request for a further determination under 18 CFR §271.806 that the increase in the rate of production of gas from this well is due to the use by Mesa of a recognized enhanced recovery technique as defined in 18 CFR §271.803(a).

Case 8183 addresses a request by Mesa for a further determination under 18 CFR §271.806 that the increase in the rate of production of gas from Mesa's State Com. AI #33 well is due to the use by Mesa of a recognized enhanced recovery technique as defined in 18 CFR §271.803(a). This well is located on state lands in the W/2 of Section 32, Township 27 North, Range 9 West in San Juan County, New Mexico. It produces from the Dakota formation. Mesa Petroleum Co. is the operator of the well and the owner of 25% of the working interest in this well. Superior Oil Company owns 25% of the working interest, El Paso Natural Gas owns 12.5% of the working interest and Getty Oil Company (recently acquired by Texaco Inc.) owns the other 37.5% of the working interest.

On or about December 8, 1981 Mesa submitted a \$108 application for this well which was approved on or about January 12, 1981 and became final on or about March 29, 1981. By letter dated March 29, 1983 Northwest Pipeline Corporation submitted a Notice of Increased Production for the referenced well in accordance with 18 CFR Section 271.805(a). By letter dated July 8, 1983 Mesa also submitted its notice of increased production and its request for a further determination under 18 CFR Section 271.806 that the increase in the rate of production of gas from this well is due to the use by Mesa of a recognized enhanced recovery technique as defined in 18 CFR Section 271.803(a).

Beginning in mid to late 1982 both of these wells were alternately shut-in and produced by Mesa for a various number of days each month. The shut-ins and commencements of production are accomplished by Mesa personnel manually controlling the surface valves that allow the gas from these wells to produce into their respective pipelines. This process mechanically stimulates the reservoir by allowing a greater than normal reservoir pressure to build. The shut-in and production times when so manually regulated allow the wells to produce on any given production day in excess of 60 Mcf per day. Mesa's enhancement technique has also successfully increased the total volumes produced monthly from each well. The increase is due solely to the above-described method implemented by Mesa personnel. Had Mesa not employed this recovery technique, the monthly production rate would not have increased and the wells would have continued to produce at a rate below 60 Mcf per day. Mesa intends to continue to experiment with the regulated shut-in/production technique to determine the application of the technique that results in the highest increase in the rate of production of gas from these wells.

The Federal Energy Regulatory Commission has consistently stated its policy of encouraging increased production from stripper wells in accordance with the express intent of Congress in enacting the NGPA. Pennzoil Producing Company, 18 FERC ¶62,468 (1982), Dugan Production Corp. 14 FERC ¶61,269 (1981). The enhancement of recovery from the two wells involved here by Mesa is within the intent of Congress.

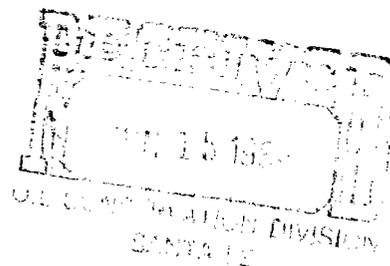
It is clear from the testimony given in Cases 8182 and 8183 that the State Com. AJ #34 and the State Com. AI #33 wells continue to qualify as stripper wells in accordance with the Natural Gas Policy Act of 1978. The effect of this continuing qualification as stripper wells will allow Mesa, as the operator of both wells, to continue to collect the \$108 NGPA price for these two wells.

Respectfully submitted,

  
Steven C. James  
Attorney for Applicant,  
Mesa Petroleum Co.



June 13, 1984



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

Dear Mr. Stamets:

Subject: Case Nos. 8182 and 8183  
Supplemental Information

At the June 6, 1984 hearing in Case Nos. 8182 and 8183, you requested certain supplemental information. In response to that request I am enclosing proposed Orders to be entered in each case approving the applications filed therein by Mesa Petroleum Co. Pursuant to Mr. Stogner's request at that same hearing, I am enclosing copies of Memorandums written by Mesa's Mr. George Dixon, Division Production Superintendent for the Onshore Operations Division, with regard to the use of intermitters on the State Com. AI #33 and State Com. AJ #34 wells.

As you know, I have previously furnished to you a Memorandum of Law with regard to the law which is applicable to the facts of these two cases. You have requested similar legal briefs from opposing counsel in these cases and stated that I may supplement my Memorandum if I so desire. I believe that my Memorandum addresses the facts as demonstrated by the relevant evidence presented in the Cases and the law applicable thereto. Therefore, I do not intend to submit a supplemental brief.

If I can be of further assistance to the Division in making its determination in these Cases, please advise.

Very truly yours,

A handwritten signature in cursive script that reads 'Steven C. James'. Below the signature, the name 'Steven C. James' is printed in a simple, sans-serif font.

dkm

c.c. Northwest Pipeline Corporation  
El Paso Natural Gas Company

RECEIVED

JUN 12 1984

LEGAL DEPT.



MEMORANDUM

To: Steven James

Date: June 12, 1984

Subject: State Com A1 #33  
Section 32-T27N-R9W  
San Juan Co., New Mexico

The captioned well was completed on 10-9-64 from the Dakota reservoir (perforated 6686-6812') and has produced a cumulative total of 1086.6 MMCF and 19,801 B0 to 4-1-84. Some time in 1965 this well was equipped with a surface intermitter (time clock control) and was produced from 6-8 hours off and from 4-6 hours on with the use of the intermitter. In 1981 the intermitter was taken out of service and the well was produced without the aid of same as long as the line pressure was below 240 psi. Pressures in excess of 240 psi require intermitten type flow. Presently this well is only produced a limited amount of time each month.

A handwritten signature in cursive script, appearing to read "George S. Dixon".

George S. Dixon  
Division Production Superintendent  
Onshore Operations Division

gf



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

TONY ANAYA  
 GOVERNOR

July 20, 1984

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

Mr. Steven C. James  
 Attorney  
 Mesa Petroleum Co.  
 Vaughn Building, Suite 1000  
 400 W. Texas Avenue  
 Midland, Texas 79701-4493

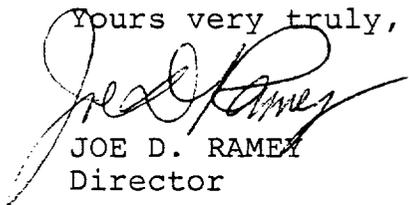
Re: CASE NO. 8183  
 ORDER NO. R-7595

Applicant:  
Mesa Petroleum Co.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

  
 JOE D. RAMEY  
 Director

JDR/fd

Copy of order also sent to:

Hobbs OCD           X            
 Artesia OCD           X            
 Aztec OCD           X          

Other Mary Duffin, Thomas S. Jensen



March 14, 1985

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

Dear Mr. Stogner:

Subject: Case Nos. 8182 and 8183  
Order Nos. R-7594-A and R-7595-A

On February 25, 1985, you and I discussed the two above-referenced orders by telephone. You were going to file negative determinations with the Federal Energy Regulatory Commission denying Mesa's applications for the recognition of Mesa's use of enhanced recovery techniques in the State Com AI #33 and AJ #34 stripper wells located in San Juan County, New Mexico. You were going to send a copy of the negative determinations to me. I never received those copies. I would appreciate it if you would review your file and send a copy of those negative determinations to me at the address set out below.

Thank you for your attention to this request.

Very truly yours,

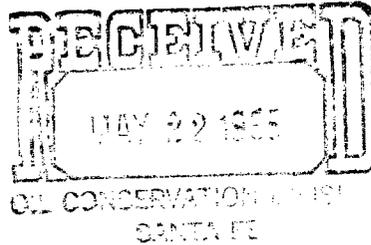
  
Steven C. James

pn

c.c. Kyle Stanley

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  
LOURDES A. MARTINEZ



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

May 21, 1985

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

RE: OCD Case Nos. 8182 and 8183

Dear Mike:

Our client, Mesa Petroleum Company, has asked us to inquire as to the status of the above-referenced pending applications. The applications were submitted by Mesa in January of this year and concerned jurisdictional approval of enhanced recovery techniques for stripper wells under the FERC regulations.

It is my understanding that you have already advised Mesa that the projects will be given negative determinations. Hence it seems that all that remains to be done is to go through the formality of issuing the paperwork on these applications. In this regard, I would appreciate being advised as to when we might expect the determinations to be finalized.

If there is anything I can do to speed this process along, please feel free to call on me.

Thank you for your consideration.

Very truly yours,

J. Scott Hall

JSH/ba

cc: Steven C. James, Esq.  
Mesa Petroleum Company  
Post Office Box 2009  
Amarillo, Texas 79189-2009

**NORTHWEST PIPELINE CORPORATION**   
ONE OF THE WILLIAMS COMPANIES

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

June 28, 1984  
VIA FEDERAL EXPRESS

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

RE: Memorandum of Points and Authorities, Northwest Pipeline Corporation  
Case Nos. 8182 and 8183

Dear Mr. Stamets:

Enclosed is Northwest Pipeline Corporation's Memorandum of Points and Authorities in the above-referenced cases, provided pursuant to your direction given at the hearing on these matters held June 6, 1984. Copies of the Memorandum have been provided to counsel for El Paso Natural Gas and Mesa Petroleum Company.

If you require any additional information from Northwest in the course of making your determination in these cases, please feel free to contact me directly at (801) 584-7051.

Sincerely,

  
Mary Duffin  
Attorney

enclosure  
xc: (w/enclosure):

Steven C. James, Esq.  
Mesa Petroleum Company  
P.O. Box 2009  
Amarillo, Texas 79189-2009

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

W.O. Curtis  
B.W. Hale  
B.E. Potts, Esq.  
J.S. Wayman

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

---

NORTHWEST PIPELINE CORPORATION,	)	MEMORANDUM OF POINTS
	)	AND AUTHORITIES
Intervenor	)	Case Nos. 8182, 8183

---

I.  
INTRODUCTION

Northwest Pipeline Corporation ("Northwest"), a Delaware corporation with its principal place of business at 295 Chipeta Way, Salt Lake City, Utah, purchases eighty-seven and one-half percent (87.5%) of the production from the State Com #33 well, which is the subject of Case number 8183. Northwest purchases one hundred percent (100%) of the production from the State AJ #34 well, which is the subject of case number 8182. As such, Northwest is an interested party and intervenor in these proceedings in which Mesa Petroleum Company ("Applicant") seeks a determination that increased production from the State Com #33 and the State AJ #34 ("the Wells") is the result of the application of an "enhanced recovery technique", as defined in 18 C.F.R. §271.803(a).

Northwest participated in the Oil Conservation Division's hearing in these matters held June 6, 1984. This Memorandum of Points and Authorities is filed pursuant to the request of Hearing Examiner Richard Stamets. Mr. Stamets asked for a written statement of Northwest's position that the manual shutting-in of the Wells does not constitute an enhanced recovery technique.

II.  
ARGUMENT

For the reasons discussed below it is Northwest's position that Applicant's procedure of alternately producing and shutting-in the Wells pursuant to the direction of El Paso Natural Gas Company ("El Paso") does not constitute a "recognized enhanced recovery technique".

1. Applicant has itself originated no process nor installed any equipment which has increased the rate of production from the Wells.

A "recognized enhanced recovery technique" is defined in 18 C.F.R. §271.803(a) as a process or equipment, or both, "which when performed or installed by the producer, increase the rate of production of gas from a well". (Emphasis added). Northwest acknowledges Applicant's assertion that its personnel have manually made various adjustments to valves located at the surface of the Wells in order to control the flow of gas into El Paso's gathering pipeline. The fact that Mesa personnel physically turned the valves, however, does not alter the reality that the direction for and the timing of those adjustments did not originate with Mesa, but with El Paso, as a result of El Paso's depressed pipeline market demand situation. Mesa did not devise the idea of alternately producing and shutting-in the Wells. The procedure was literally forced upon it by market exigencies. Mesa has not voluntarily engaged in well shut-ins at any time, and has only engaged in the practice of shutting in the wells when required to by El Paso. (See Northwest's Exhibits E and F, presented to the Division during testimony on 6/6/84.)

To say that by simply complying with directions to shut in the Wells due to market conditions totally beyond Applicant's control, Applicant has done something to enhance recovery from the Wells, is to stretch the language of the definition given in §271.803(a) beyond reason. Applicant has responded to direction from another party, but has initiated nothing on its own and has engaged in no creative activity designed to enhance recovery from the Wells.

2. Neither the alternate production and shutting-in of the Wells, nor the operation of an intermitter thereon constitutes "mechanical stimulation" of the Wells, and therefore neither is "recognized enhanced recovery technique".

The definition of "recognized enhanced recovery technique" provided in the Regulations refers to mechanical and chemical stimulation of the reservoir, and the installation of equipment on the surface, or in the wellbore. Applicant has not argued that its installation of intermitters on the Wells constitutes an enhanced recovery technique. Clearly, the subsequent adjustment of intermitters installed for normal production operations cannot be considered a "process" per se. Similarly, the alternate production and shutting-in of the Wells is neither a "process" and is clearly not "equipment" in any sense. No chemical stimulation of the Wells has occurred. Applicant is therefore forced to argue that the alternate production and shutting-in of the subject wells constitutes "mechanical stimulation" of same.

The Federal Energy Regulatory Commission ("F.E.R.C.") declined to explicitly define the term "recognized enhanced recovery technique" when it promulgated its interim regulations on stripper well gas. The F.E.R.C. indicated a desire to make a case-by-case determination of what qualifies as "enhanced recovery" and to rely on the expertise of both the jurisdictional agencies and the Commission in making such a determination. (See: Preamble to Interim Rule, "Subpart H, Stripper Well Natural Gas", Fed. Reg. 12/1/78.) To date, the F.E.R.C. has not elaborated on whether pipeline shut-in for no demand constitutes mechanical stimulation of a well. Northwest is unaware of any case where the New Mexico Oil Conservation Division has made any such determination, and believes that this is a case of first impression for the Division.

In view of the lack of definitive guidance in the Regulations, and in order to make the case-by-case determination called for by the F.E.R.C., it is Northwest's position that the Division must look to gas industry practice to determine whether the alternate production and shut-in of wells constitutes "mechanical stimulation", such that it may be deemed a recognized enhanced recovery technique.

Primary recovery is defined as the "production of oil or gas through the use of the natural energy available in the reservoir". <sup>1/</sup> Some of the common methods of primary recovery are natural flow, sucker rod pumping, electrical submersible pumping, hydraulic pumping, jet pumping, plunger lift, and gas lift. The use of intermittent lift is essentially the crudest form of gas lift. Gas lift is considerably more complex than intermittent lift caused by closing surface valves and involves the installation of down hole valves as well as surface equipment. The more involved process of gas lift is only considered to be primary recovery. It is, therefore, not logical to consider the process of occasionally closing a surface valve to be anything more than a primary recovery method, especially when it is initiated early in the life of the well, as was the case with the Wells.

1/ Introduction to Oil and Gas Technology, Energy Consulting Associates, Denver, Colorado, 1979, at 159.

The next step beyond primary recovery is secondary or tertiary recovery which are often grouped together under the term "enhanced recovery" in industry parlance. Some examples of recognized enhanced recovery techniques are waterflooding, steam injection, introduction of polymers, explosive fracturing, massive hydraulic fracturing, carbon dioxide injection, and injection of caustics. No matter which method of enhanced recovery is used, it entails the introduction of energy into a reservoir in order to force out the oil or gas or to otherwise increase the ultimate recovery. 2/

An intermitter uses the energy inherent in the reservoir, it does not introduce energy into the reservoir or increase the ultimate recovery. The well is shut-in intermittently to allow reservoir pressure to build up enough to lift the liquids which accumulate in the well bore. This process does not stimulate the reservoir and cannot be construed to be "mechanical stimulation." The process does not satisfy the definition of "recognized enhanced recovery technique" provided in 18 C.F.R. §271.803(a).

3. The alternate shutting-in and production of the Wells has only increased the rate of flow from the Wells, not the rate of production therefrom, as required by 18 C.F.R. §271.803(a).

18 C.F.R. §271.803(a) requires that in order to be deemed a "recognized enhanced recovery technique", any equipment or process must actually increase the rate of production from the well(s) to which it is applied. The Applicant's adjustment of surface valves on the Wells has served only to increase the rate of flow from these wells, not the rate of production.

The rate of flow of a well is that rate at which gas can be produced, and is measured only while the Well is producing. The rate of production of a

2/ Primer of Oil and Gas Production, American Petroleum Institute, Dallas, Texas, 1973, at 50.

well refers to total production and to total time. As testimony from Mr. Brent Hale, Manager, Reservoir Engineering for Northwest, indicated, the down times experienced by the Wells did not serve to increase the rate of production from the Wells. The number of producing days per month, per well, is the factor which controls any increase or decrease in the production rate from these wells. (See Northwest's Exhibits I and J, presented to the Division during testimony on 6/6/84.) Adjustment of valves on the wells in order to effect a shut-in pursuant to the direction of the pipeline connected to the wells merely had the effect of causing a flush of production in the wells. (See Northwest's Exhibits K and L, presented to the Division during testimony on 6/6/84.) No net increase in production rate has been observed, and the shut-in procedure therefore does not qualify as a "recognized enhanced recovery technique" under the N.G.P.A. Regulations.

### III.

#### CONCLUSION

For the reasons set forth herein, Northwest urges the Division to recognize that the practice of shutting in wells pursuant to the direction of a pipeline due to its market demand conditions does not qualify as a "recognized enhanced recovery technique." In enacting §108 of the N.G.P.A., and in making special provision for the application of enhanced recovery techniques with respect to §108 wells, the Congress and F.E.R.C. intended to provide an incentive to increase the production of natural gas and a mechanism by which the significant investment required to apply extraordinary production techniques could be recovered by producers who had made the expenditure.

In this case Applicant has merely responded to directions from El Paso, which directions are related solely to market demand and have no relation to the goal of increasing production of natural gas. Applicant did not represent that it has voluntarily acted to shut in the Wells in order to enhance production therefrom. Applicant presented no production program scheduling alternate producing and shut-in days and has not represented that it has a coherent plan to use this technique on an ongoing basis in order to enhance production.

Further, in industry practice, and under the prior rulings of both the New Mexico Oil Conservation Division and the F.E.R.C., the alternate production and shut-in of wells has never been considered to be a "recognized enhanced recovery technique". The only possible basis upon which it could be argued that the procedure is a enhanced recovery technique is that it constitutes "mechanical stimulation" of a well. The alternate production and shut-in of Wells adds no energy to the reservoir drained by a Well, and on these Wells has not increased the production rate. The flush flow rate which occurred on the Wells following shut-in was entirely predictable, but it does not indicate any increase in production. The enhanced recovery technique provisions of the N.G.P.A. Regulations are designed to allow continued collection of higher-than-average gas prices, due to the fact that production is increased with a net benefit to the natural gas consumer. In this case no increase in production has occurred and it would be inappropriate to allow the continuation of collection of the \$108 price based on an "enhanced recovery technique" theory.

Northwest respectfully urges the Division to deny the applications in these cases.



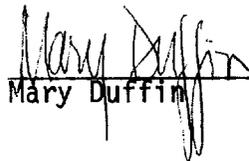
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Mary Duffin  
Senior Attorney  
Northwest Pipeline Corporation  
295 Chipeta Way  
Salt Lake City, Utah 84108

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Memorandum of Points and Authorities on each of the persons listed below by placing such document in the United States Mail, postage prepaid.

Dated at Salt Lake City, Utah, this 28th day of June, 1984.

  
Mary Duffin

Service List:

Mesa Petroleum Company  
One Mesa Square  
P.O. Box 2009  
Amarillo, Texas 79189  
Attn.: Steven C. James, Esq.

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



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

25% WI  
SUP 25  
EIB 12.5  
G. H. 37.5

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 EXAMINER STAVETS OIL CONSERVATION DIVISION Mesa	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 8800

Received

APR 04 1983

March 29, 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  
Certificates Coordinator

JSW:kyn  
Enclosures

cc: Federal Energy Regulatory Commission  
Mesa Petroleum Company

*XC: Gas Cont (FERC), Prod Rcds (file), AROB 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;

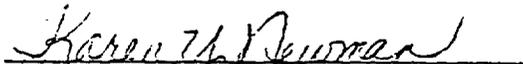
ii) that all the information contained in this notice is true to the best of my information, knowledge and belief; and

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.

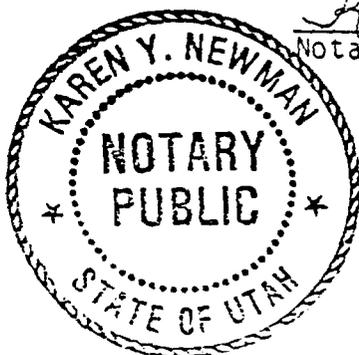
  
R. E. Guttery  
Director, Certificates  
Northwest Pipeline Corporation  
P. O. Box 1526  
Salt Lake City, Utah 84110-1526

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

  
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 ETC

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 Wildcat

Basin Dakota

12. County

San Juan

Name of Operator

USA Petroleum Co.

Address of Operator

P.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 SEC. 9 NEPA

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.

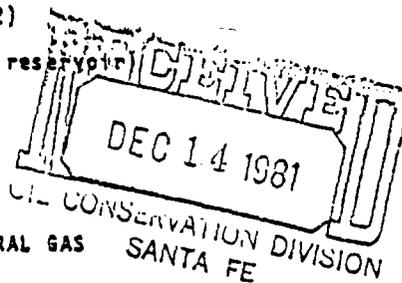
1. Category(ies) Sought (By NGPA Section No.) 108

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



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

USA Petroleum Co.

NAME OF APPLICANT (Type or Print)

SIGNATURE OF APPLICANT

Title Manager Gas Sales & Contracts

Date 12-8-81

**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.

EXAMINER

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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

APPLICATION FOR CONTINUED  
STRIPPER CLASSIFICATION

FOR DIVISION USE ONLY:

DATE COMPLETE APPLICATION FILED \_\_\_\_\_

DATE DETERMINATION MADE \_\_\_\_\_

WAS APPLICATION CONTESTED? YES \_\_\_\_\_ NO \_\_\_\_\_

NAME(S) OF INTERVENOR(S), IF ANY: \_\_\_\_\_

5A. Indicate Type of Lease  
STATE  FEDERAL

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 Jaun

1. Name of Operator  
Mesa Petroleum Co.

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

1. 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

1. Check appropriate box for category sought and information submitted.
2. 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. Increased production resulting from recognized enhanced recovery techniques  
 All items required by Rule 19
  - B. Well is seasonally affected  
 All items required by Rule 20
  - C. 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.

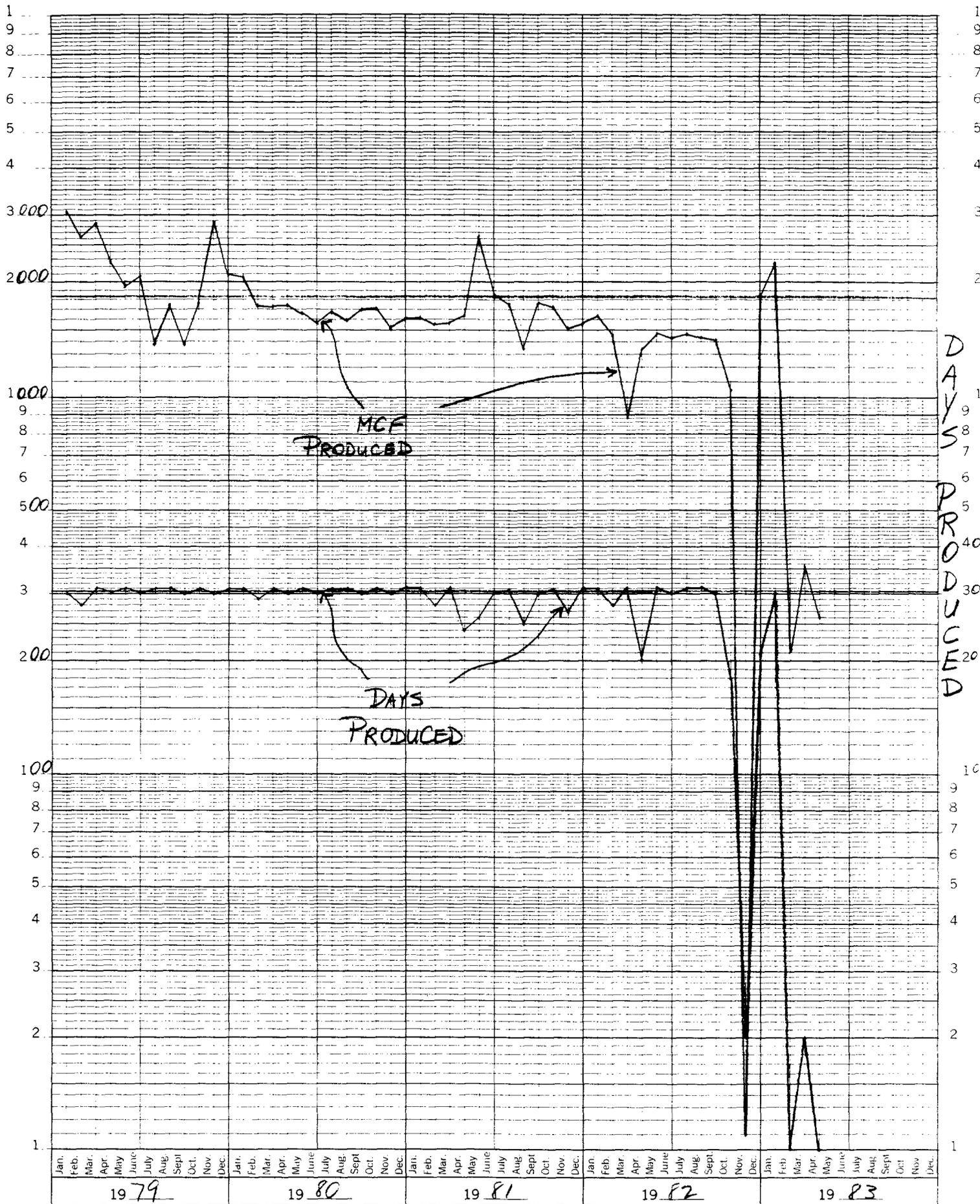
To the best of our knowledge had we not employed this production method, the monthly production rate would not have increased and the well would have remained a stripper well based on the 60 MCFD rate definition. We estimate that by continuing to mechanically stimulate the reservoir in the manner described,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

TIN M 46 6690

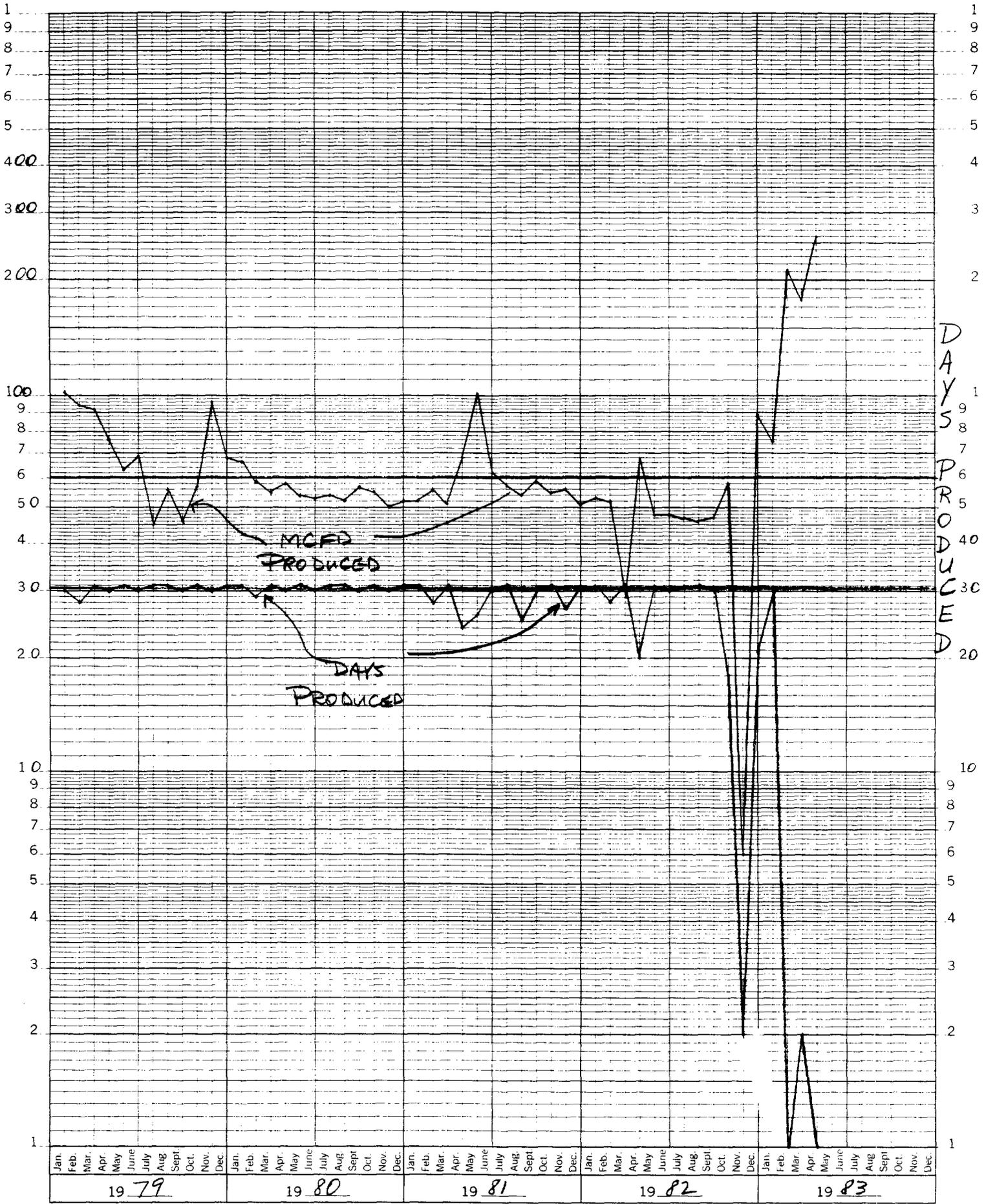
K+E 5 YEARS BY MONTHS x 3 LOG CYCLES  
KEUFFEL & ESSER CO. MADE IN U.S.A



# STATE COMAI #33

UTUM 46 6690

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



DAYS PRODUCED

DAYS PRODUCED

GAS AND CONDENSATE PRODUCTION STATISTICS

DECEMBER 1982 MESA PETROLEUM CO-SAN JUAN

COMP PROD DATE: 10-09-82  
12 PERE INTERVAL: 64686-6,812  
ONAS GRAVITY: 53.705  
BTU : 1,213

GAS GATHERER: PERMIAN (TEXACO)  
LEV INT OIL: 21,875.00 EFFECTIVE 73-05  
WORKING INT: 21,875.00 EFFECTIVE 73-05  
TYPE INT: W.I.  
METHOD PROD: FLOWING  
STATUS: PRODUCING

LEASE NAME: MESA PETROLEUM CO  
PROPERTY: 01-06-NM-0827-0001-001-0  
STATE: NM  
COUNTY: SAN JUAN  
RESERVOIR: 0000 BASIN DAKOTA  
FSL: 10900 FWL  
LOC LINES1: SEC 32-27N-9W  
LOC LINES2:  
LOC LINES3:

TEST DATA

DATE DAY	MESA MCF	GROSS MCF	GROSS MCF	CUM MCF	MESA BBL	GROSS BBL	CUM BBL
1975	9,355	42,771	15025	880.3	77	350	16,932
1976	8,826	40,309	1473	880.6	128	385	17,317
1977	8,722	39,868		881.4	106	219	17,536
1978	6,614	30,241		987.5	102	468	18,004
1979	5,594	25,560	1,013	1,013.1	84	406	18,410
1980	4,351	19,880	1,013	1,013.1		200	18,610
01-01	349	1,592	1,622	1,034.7			19,644
01-02	335	1,562	1,562	1,036.2			19,980
01-03	330	1,576	1,576	1,037.3			20,317
01-04	365	1,634	1,634	1,041.9			20,682
01-05	400	1,754	1,754	1,045.7	49	226	20,908
01-06	376	1,720	1,720	1,045.7			21,134
01-07	381	1,754	1,754	1,046.4			21,415
01-08	387	1,777	1,777	1,048.4			21,802
01-09	367	1,740	1,740	1,050.1			22,169
01-10	324	1,670	1,713	1,051.6			22,493
01-11	336	1,680	1,570	1,051.6			22,829
01-12		1,538	1,569	1,053.1			23,362
02-01	354	1,607	1,634	1,054.7	4	21	23,573
02-02	312	1,466	1,466	1,056.7	4	16	23,733
02-03	128	804	804	1,057.0	4	14	23,877
02-04	317	1,341	1,341	1,059.7	4	20	24,077
02-05	307	1,478	1,478	1,061.1	2	12	24,299
02-06	315	1,432	1,432	1,061.1	3	12	24,519
02-07	307	1,430	1,430	1,063.3	3	11	24,726
02-08	302	1,409	1,409	1,065.3	2	7	24,933
02-09	224	1,386	1,047	1,066.3	2	7	25,160
02-10	22	11	11	1,066.3			25,171
02-11	399	1,824	1,861	1,068.1	4	17	25,568
02-12		15,168					25,675

REMARKS:  
 81-05 EQUIP: MALFUNCTION.  
 81-08 DAYS OPER EQUIP MALFUNCTION-STOP CLOCK.  
 81-11 CLOCK STOPPED.  
 82-04 DAYS STALENTING.  
 82-10 SUPPLY BALANCING.  
 82-11 SUPPLY BALANCING.  
 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

LEASE NAME: STATE OIL CO. 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:

REG PER GAS LIQ BTU  
 103-09-  
 03-18-  
 6,6860  
 7,705  
 53.6  
 1,214

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

DATE DAY	MESA MCF	GROSS MCF /5025	GROSS MCF	CUM MCF	MESA BBL	GROSS BBL	CUM BBL
1975	9,355	42,771	1,824	840.6	77	359	16,930
1976	8,022	40,394	1,824	880.6	128	385	17,315
1977	8,722	36,868	1,824	957.2	106	219	17,534
1978	6,614	39,241	1,824	987.5	102	484	18,018
1979	5,594	30,569	1,824	1,013.1	89	468	18,486
1980	4,351	19,880	1,824	1,033.1	44	406	18,892
1981	4,407	20,152	1,824	1,053.1	49	226	19,118
82-02-30	350	1,824	1,824	1,056.7	43	24	19,142
82-03-10	312	1,824	1,824	1,057.0	43	16	19,158
82-05-05	317	1,824	1,824	1,058.3	42	12	19,170
82-07-31	357	1,824	1,824	1,061.5	33	11	19,181
82-08-31	302	1,824	1,824	1,062.9	33	11	19,192
82-09-30	324	1,824	1,824	1,063.5	22	7	19,199
82-10-31	326	1,824	1,824	1,066.3	22	17	19,216
82-11-21	399	1,824	1,824	1,066.8	4	152	19,368
83-01-30	483	2,197	2,197	1,070.3	4	16	19,384
83-03-12	76	348	348	1,070.8	4	16	19,400
83-04-11	56	255	255	1,071.1	4	16	19,416

REMARKS:  
 7 DAYS STATE TEST-3 DAYS SUPPLY BALANCING.  
 82-04-10 SUPPLY BALANCING.  
 82-05-11 DELIVERY BALANCING.  
 82-05-12 SUPPLY BALANCING.  
 83-03-03 SUPPLY BALANCING.  
 83-04-04 SUPPLY BALANCING.

-IFST  
 -SITP



REPORT OF DRILLING AND SPECIAL TESTS

If drill-stem 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 Dalman barrels of  
 liquid Hydrocarbon. Shut in Pressure 2015 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. Anhy	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>
F. 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. Glorieta	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
Sur face	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 3, 1964

Company or Operator Amoco Petroleum Corporation

Address P. O. Box 1419

Name Wendell Hale

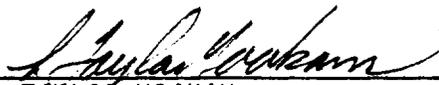
Position or Title Area Geologist

ENHANCED RECOVERY  
STRIPPER WELL

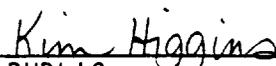
STATE OF TEXAS    X  
                          X    ss:  
COUNTY OF POTTER X

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.



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

September 13, 1985

**TONEY ANAYA**  
GOVERNOR

POST OFFICE BOX 2089  
STATELAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

U. S. Department of Energy  
Federal Energy Regulatory Commission  
825 North Capitol  
Washington, D.C. 70426

Attention: Howard Kilchrist, Director  
Division of Producter Audits  
& Pricing

Re: NGPA Section 102 Determinations  
Mesa Petroleum Company  
State Com. AJ Well No. 33  
FERC Control No. JD 84-50600  
  
State Com. AJ Well No. 34  
FERC Control No. JD-84-50602

Dear Mr. Kilchrist

Per your letter dated October 31, 1984, attached please find copies of Commission Orders Nos. R-7594-A and R-7595-A issued pursuant to the de Novo hearings to reconsider the negative determinations on the two subject NGPA filings. Said Orders affirmed the previous Orders issued by the Division (Orders Nos. R-7594 and R-7595) which resulted in the negative determinations; therefore, these NGPA filings are considered by the New Mexico Oil Conservation Division as being disapproved and that is our final decision.

If copies of the transcripts and/or exhibits from the de novo hearings are required please contact me.

Sincerely,

MICHAEL E. STOGNER  
Petroleum Engineering Specialist

MES/et

cc: Mesa Petroleum Company  
ATTN: Steven C. James, Attorney  
P.O. Box 2009  
Amarillo, Texas 79189-2009

Northwest Pipeline Corporation  
P.O. Box 1526  
Salt Lake City, Utah 74110-1526

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

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 8182 DE NOVO  
Order No. R-7594-A

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 12, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 10th day of January, 1985, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Mesa Petroleum Co., seeks a determination that production from its State Com A1 Well No. 34 located in the NW/4 NW/4 of Section 31, Township 32 North, Range 12 West, is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).

(3) The matter originally came on for hearing at 8 a.m. on June 6, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets and, pursuant to his hearing, Order No. R-7594 was issued on July 20, 1984, which denied the application.

(4) On August 13, 1984, application for Hearing De Novo was made by Mesa Petroleum Co. and the matter was set for hearing before the Commission.

Case No. 8182 De Novo  
Order No. R-7594-A

(5) The matter came on for hearing de novo on December 12, 1984.

(6) At the time of the De Novo hearing, all parties to the case stipulated to a decision by the Commission based upon the record established at the examiner hearing on June 6, 1984.

(7) The Commission accepted such stipulation and incorporated the record of the June 6, 1984, examiner hearing in this case.

(8) No new evidence was presented in this case.

(9) The record of the June 6, 1984, examiner hearing supports the findings of the examiner in said Order No. R-7594.

(10) The Commission should affirm said findings and adopt said order as its own.

IT IS THEREFORE ORDERED THAT:

(1) Order No. R-7594 entered July 20, 1984, is hereby affirmed and adopted by the Commission.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

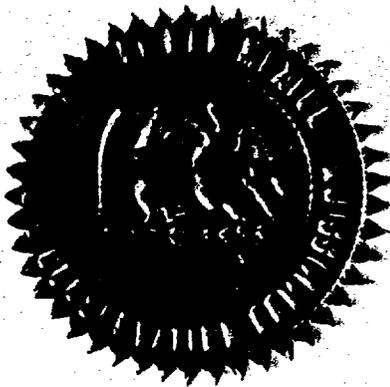
JIM BACA, Member



ED KELLEY, Member



R. L. STAMETS, Chairman and  
Secretary



SEAL  
fd/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 8183 DE NOVO  
Order No. R-7595-A

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 12, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 10th day of January, 1985, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Mesa Petroleum Co., seeks a determination that production from its State Com AI Well No. 33 located in the NW/4 NW/4 of Section 32, Township 27 North, Range 9 West, is above normal NGPA stripper well levels as a result of the recognized enhanced recovery techniques as defined by 18 CFR 271.803 (a).

(3) The matter originally came on for hearing at 8 a.m. on June 6, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets and, pursuant to his hearing, Order No. R-7595 was issued on July 20, 1984, which denied the application.

(4) On August 13, 1984, application for Hearing De Novo was made by Mesa Petroleum Co. and the matter was set for hearing before the Commission.

(5) The matter came on for hearing de novo on December 12, 1984.

(6) At the time of the De Novo hearing, all parties to the case stipulated to a determination by the Commission based upon the record established at the examiner hearing on June 6, 1984.

(7) The Commission accepted such stipulation and incorporated the record of the June 6, 1984, examiner hearing in this case.

(8) No new evidence was presented in this case.

(9) The record of the June 6, 1984, examiner hearing supports the findings of the examiner in said Order No. R-7595.

(10) The Commission should affirm said findings and adopt said order as its own.

IT IS THEREFORE ORDERED THAT:

(1) Order No. R-7595 entered July 20, 1984, is hereby affirmed and adopted by the Commission.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

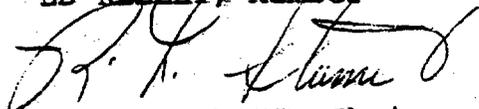
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

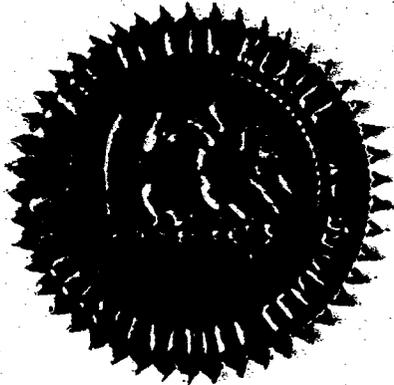
JIM BACA, Member



ED KELLEY, Member



R. L. STAMETS, Chairman and  
Secretary

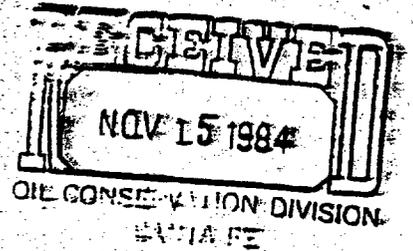


S E A L

fd/

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426



OCT 31 1984

In Reply Refer To:  
OPPR/N830-A

Joe Ramey, Director  
Department of Energy and Minerals  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: FERC Docket No. GP85-2-000  
Protest to Negative Notices  
of Determination under NGPA  
Section 108  
Mesa Petroleum Company  
State Com AL #33  
FERC Control No. JD84-50600  
  
State Com AL #34  
FERC Control No. JD84-50602

Dear Mr. Ramey:

The above referenced negative notices of determination were received by this Commission on September 17, 1984, and a notice of receipt was issued on October 4, 1984. On October 23, 1984, the applicant, Mesa Petroleum Company (Mesa), filed a timely protest to the negative determinations. In their protest, Mesa indicated that they filed for a hearing de novo before the Oil Conservation Division and that the two cases had been set for hearing on November 7, 1984.

The 45-day period for Commission review ends on November 1, 1984 - prior to the hearing date - unless the Commission takes action on either the notices or applications are withdrawn.

After discussing the matter with Mr. Michael Stogner of your staff, it was determined that the notices of determination should be withdrawn pursuant to Section 275.202(c) of the Commission's regulations, in order that you may reconsider the applications in light of the facts presented at the November 7 hearing. This letter confirms that the notices are withdrawn.

Very truly yours,

*Howard Kilchrist*  
Howard Kilchrist, Director  
Division of Producer Audits and Pricing

-2-

cc: Mesa Petroleum Company  
Attn: Steven C. James, Attorney  
P.O. Box 2009  
Amarillo, Texas 79189-2009

Northwest Pipeline Corporation  
P.O. Box 1526  
Salt Lake City, Utah 84110-1526

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

OIL CONSERVATION DIVISION

Form C-132-A  
Revised 5-10-82

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

SANTAFE, NEW MEXICO 87501

APPLICATION FOR CONTINUED  
STREPPER CLASSIFICATION

FOR DIVISION USE ONLY

DATE COMPLETE APPLICATION FILED August 15, 1983

DATE DETERMINATION MADE September 6, 1984

WAS APPLICATION CONTESTED? YES NO

NAME(S) OF INTERVENOR(S), IF ANY:  
Northwest Pipeline Corporation Et Pass Natural Gas Co.

Normal Operator:

Mesa Petroleum Co.

Address of Operator:

P. O. Box 2009, Amarillo, Texas 79189

Location of well:

UNOPLATED NE LOCATED EE90 FEET FROM THE South LINE  
1650 FEET FROM THE West LINE OF SEC. 32 TWP. 27N SEC. 9

Name and Address of Purchaser(s):

Northwest Pipeline Corporation, 315 East 200 South, Salt Lake City, Utah 84111

RECEIVED  
JUL 15 1983  
OIL CONSERVATION DIVISION  
SANTA FE

5A. Indicate Type of Lease: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/>
6. State Oil & Gas Lease No. <u>E-1010-1</u>
7. Lease Agreement Name
8. Form of Lease Name <u>State Com AI</u>
9. Well No. <u>33</u>
10. Field and Pool, or Wildcat Basin <u>Dakota</u>
11. County <u>San Juan</u>

CLASSIFICATION

1. Check appropriate box for category sought and information submitted.

2. 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. Increased production resulting from recognized enhanced recovery techniques

All items required by Rule 19

B. Well is seasonally affected

All items required by Rule 20

C. 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]  
SIGNATURE OF APPLICANT

Title Manager, Gas Sales & Contracts

Date 7/8/83

FOR DIVISION USE ONLY	
<input type="checkbox"/> Approved	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.
<input checked="" type="checkbox"/> Disapproved	
<u>[Signature]</u> EXAMINER	

OIL CONSERVATION DIVISION

Form C-112-A  
Revised: 5-10-81

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT SANTA FE, NEW MEXICO 87501

APPLICATION FOR CONTINUED  
STREPPER CLASSIFICATION

3A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEDERAL <input type="checkbox"/>
3. State Oil & Gas Lease No. E-3151-1
7. Unit Agreement Name
8. Form of Lease Name State Com AJ
9. Well No. 34
10. Field and Pool, or Wildcat Basin Dakota
12. County San Juan

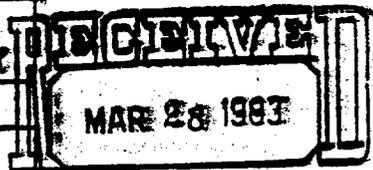
FOR DIVISION USE ONLY

DATE COMPLETE APPLICATION FILED March 28, 1983

DATE DETERMINATION MADE September 6, 1984

WAS APPLICATION CONTESTED? YES  NO

NAME(S) OF INTERVENOR(S), IF ANY:  
Northwest Pipeline Corporation & El Paso Natural Gas Co.



Name of Operator  
MESA PETROLEUM CO.

Address of Operator  
P. O. Box 2009, Amarillo, TX 79189

Location of well  
UNPLEATED  LOCATED: 790 FEET FROM THE North LINE  
NO. 790 FEET FROM THE West LINE OF SEC. 31 TWP. 32N RGE. 12W MAP 44

Name and Address of Purchaser(s)  
Northwest Pipeline Company P. O. Box 1526, Salt Lake City, UT 84110

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:
  - A. Increased production resulting from recognized enhanced recovery techniques.
    - ALL items required by Rule 19
  - B. Well is seasonally affected.
    - ALL items required by Rule 20
  - C. Increased production resulting from temporary pressure buildup.
    - ALL items required by Rule 21

*The procedure described in application does not qualify as E.R.*

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

MESA PETROLEUM CO.  
NAME OF APPLICANT (Type or Print)  
[Signature]  
SIGNATURE OF APPLICANT

Title Manager, Gas Sales & Contracts

Date 3-25-83

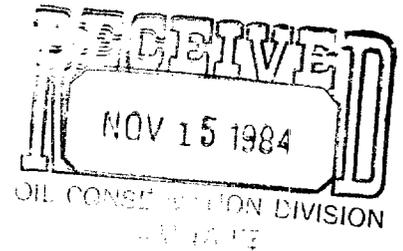
FOR DIVISION USE ONLY

Approved  
 Disapproved

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

[Signature]  
EXAMINER

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426



OCT 31 1984

In Reply Refer To:  
OPPR/N830-A

Joe Ramey, Director  
Department of Energy and Minerals  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 17501

Re: FERC Docket No. GP85-2-000  
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of Determination under NGPA  
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Mesa Petroleum Company  
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FERC Control No. JD84-50600

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Very truly yours,

*Howard Kilchrist*  
Howard Kilchrist, Director  
Division of Producer Audits and Pricing

cc: Mesa Petroleum Company  
Attn: Steven C. James, Attorney  
P.O. Box 2009  
Amarillo, Texas 79189-2009

Northwest Pipeline Corporation  
P.O. Box 1526  
Salt Lake City, Utah 84110-1526

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