



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

TONY ANAYA  
 GOVERNOR

August 24, 1984

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

Mr. William F. Carr  
 10000, 2nd Floor  
 10000 at La  
 Post Office Box 2220  
 Santa Fe, New Mexico

Re: CASE NO.           7015            
 ORDER NO.           7735          

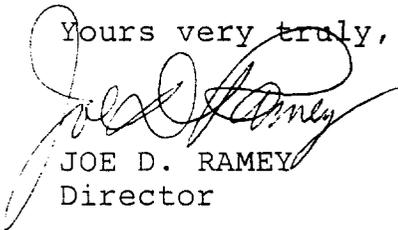
Applicant:

          Sociedad Agraria          

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission 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 James Martin, Charles Noble, Gary Taylor, Glenn Miller,  
Donald Horn



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

TONY ANAYA  
 GOVERNOR

October 30, 1984

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

Mr. William F. Carr  
 Campbell & Black  
 Attorneys at Law  
 Post Office Box 2208  
 Santa Fe, New Mexico

Re: CASE NO. 8265  
 ORDER NO. R-7635-A

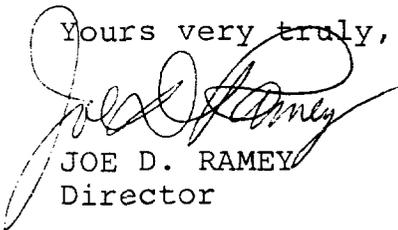
Applicant:

Southland Royalty Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission 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 Charles F. Noble, Richard Alvidrez

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION COMMISSION

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

CASE NO. 8265  
Order No. R-7635

APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR EXEMPTION FROM THE NEW MEXICO  
NATURAL GAS PRICING ACT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on July 17, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 23rd day of August, 1984, 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:

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

(2) That the applicant, Southland Royalty Company, is the operator of the following wells located in San Juan and Rio Arriba Counties, New Mexico, which are subject to the New Mexico Natural Gas Pricing Act, hereinafter referred to as the "Act" and on the dates indicated filed applications seeking exemptions from the pricing provisions of the Act for these wells:

<u>LEASE NAME</u> <u>AND DATE</u>	<u>WELL NO.</u>	<u>LOCATION</u> <u>UNIT - SECTION</u> <u>TOWNSHIP-RANGE</u>	<u>POOL</u>
Cain 3-28-84	16E	I 30-29N-9W San Juan	Basin Dakota
Jicarilla 101 3-28-84	1A	I 1-26N-4W Rio Arriba	Blanco Mesaverde

Case No. 8265  
Order No. R-7635

(3) That said Act applies to any well drilled after January 1, 1975, if it was drilled on an established proration unit which was producing gas or was capable of producing gas from the same reservoir prior to January 1, 1975, unless the Oil Conservation Division exempts such well upon a finding that the drilling of the well was justified for reasons other than avoiding the application of the Act.

(4) That Commission Order No. R-1670-T and R-1670-V authorized a second well on an established gas proration and drilling unit in the Blanco Mesaverde and Basin Dakota Pools, with findings that infill wells were necessary to recover additional gas from these pools.

(5) That the above wells were drilled to increase the recovery of gas from the Blanco Mesaverde and Basin Dakota Pools.

(6) That since the drilling of the second well on each proration unit, the applicant has done nothing to restrict the ability of the original well on each of the gas proration and drilling units to produce into the pipeline.

(7) That granting a prospective exemption from the date of application for the above wells would not impair correlative rights nor cause waste.

IT IS THEREFORE ORDERED:

(1) That commencing on the dates indicated, a prospective exemption is hereby granted to the following wells:

<u>LEASE NAME</u> <u>AND DATE</u>	<u>WELL NO.</u>	<u>LOCATION</u> <u>UNIT - SECTION</u> <u>TOWNSHIP-RANGE</u>	<u>POOL</u>
Cain 3-28-84	16E	I 30-29N-9W San Juan	Basin Dakota
Jicarilla 101 5-28-84	1A	I 1-26N-4W Rio Arriba	Blanco Mesaverde

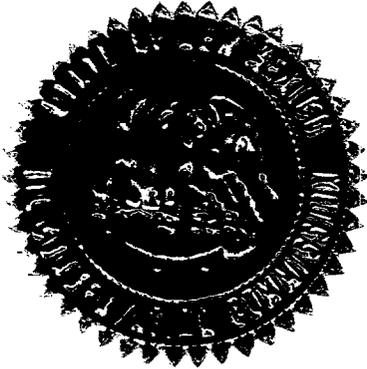
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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Case No. 8265  
Order No. R-7635

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*

ED KELLEY, Member

*Joe D. Ramey*

JOE D. RAMEY, Chairman and  
Secretary

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION COMMISSION

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

CASE NO. 8265  
Order No. R-7635-A

APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR EXEMPTION FROM THE NEW MEXICO  
NATURAL GAS PRICING ACT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on September 12, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of October, 1984, 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) Case No. 8265 was originally heard before the Commission on July 17, 1984, and, pursuant to that hearing, Order No. R-7635 was issued on August 23, 1984.

(3) Said Case No. 8265 is being reopened at this time at the request of the applicant, Southland Royalty Company, to further consider an exemption to the pricing provisions of the New Mexico Natural Gas Pricing Act, hereinafter referred to as the "Act" for the following described wells:

<u>WELL NAME AND NO.</u>	<u>FOOTAGE LOCATION UNIT-SEC.-TWN-SHP-RANGE</u>	<u>POOL COUNTY</u>
Arizona Jicarilla "B" Well No. 4-A	1450' FNL & 1030' FWL E- 4-26N-5W	Blanco-Mesaverde Rio Arriba
Arizona Jicarilla "B" Well No. 5-A	1450' FNL & 790' FWL E-10-26N-5W	Blanco-Mesaverde Rio Arriba

Case No. 8265  
Order No. R-7635-A

Jernigan Well                      1500' FSL & 975' FEL              Blanco-Mesaverde  
No. 3-A                                      I-24-27N-9W                      San Juan

(4) On March 28, 1984, the applicant filed applications seeking exemptions from the pricing provisions of the Act for said wells.

(5) Said Act applies to any well drilled after January 1, 1975, if it was drilled on an established proration unit which was producing gas or was capable of producing gas from the same reservoir prior to January 1, 1975, unless the Oil Conservation Division exempts such well upon a finding that the drilling of the well was justified for reasons other than avoiding the application of the Act.

(6) Commission Order No. R-1670-T authorized a second well on an established gas proration and drilling unit in the Blanco-Mesaverde Pool, with findings that infill wells were necessary to recover additional gas from the pool.

(7) The above-described wells were drilled to increase the recovery of gas from the Blanco-Mesaverde Pool.

(8) Since the drilling of the second well on each proration unit, the applicant has done nothing to restrict the ability of the original well on each of the gas proration and drilling units to produce into the pipeline.

(9) Granting a prospective exemption from the date of application for the subject wells would not impair correlative rights nor cause waste.

IT IS THEREFORE ORDERED THAT:

(1) Commencing on March 28, 1984, a prospective exemption to the provisions of the New Mexico Natural Gas Pricing Act is hereby granted to the following described wells operated by Southland Royalty Company:

<u>WELL NAME AND NO.</u>	<u>FOOTAGE LOCATION UNIT-SEC.-TWNSHIP-RANGE</u>	<u>POOL COUNTY</u>
Arizona Jicarilla "B" Well No. 4-A	1450' FNL & 1030' FWL E- 4-26N-5W	Blanco-Mesaverde Rio Arriba
Arizona Jicarilla "B" Well No. 5-A	1450' FNL & 790' FWL E-10-26N-5W	Blanco-Mesaverde Rio Arriba
Jernigan Well No. 3-A	1500' FSL & 975' FEL I-24-27N-9W	Blanco-Mesaverde San Juan

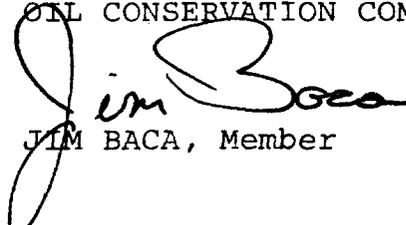
-3-  
Case No. 8265  
Order No. R-7635-A

(2) All provisions of Division Order No. R-7635, dated August 23, 1984, shall remain in full force and effect.

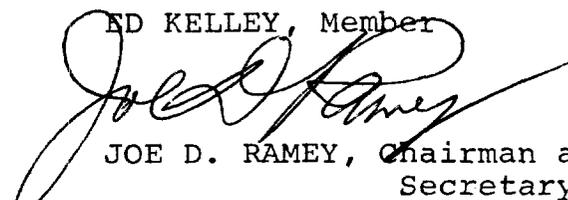
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

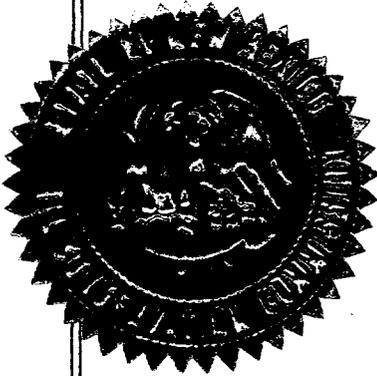


JIM BACA, Member



ED KELLEY, Member

JOE D. RAMEY, Chairman and  
Secretary



S E A L