OF COUNSEL DON L. DICKASON WILLIAM A. SLOAN RAY H. RODEY

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RODEY, DICKASON, SLOAN, AKIN & ROBB, P. A.

COUNSELLORS AND ATTORNEYS AT LAW

MARCY PLAZA, SUITE 101

123 EAST MARCY STREET

P. O. BOX 1357

SANTA FE, NEW MEXICO 87504-1357

TELEPHONE 984-0100

AREA CODE 505

July 29, 1986

ALBUQUERQUE OFFICE: 20 FIRST PLAZA, SUITE 700 P. O. BOX 1888 ALBUQUERQUE, NM 87103 TELEPHONE 765-5900 AREA CODE 505

RIO RANCHO OFFICE: JEMEZ PROFESSIONAL BLDG. 3615 RIO RANCHO BLVD. SUITE 2C3 A P 0.80X (5423) RIO RANCHO, NM 87174-0423 TELEPHONE 765-5900 AREA CODE 505

RECEIVED

JUL (1990)

OIL CONSERVATION DIVISION

Mr. R. L. Stamets, Director Oil Conservation Division Energy & Minerals Department Post Office Box 2088 Santa Fe, New Mexico 87501

Case 8985

Application of Northwest Pipeline Corporation for Compulsory Pooling of All Mineral Interests from the Base of the Pictured Cliffs Formation to the Base of the Dakota Formation Underlying the S/2 Section 24, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico.

Dear Mr. Stamets:

Northwest Pipeline Corporation ("Northwest") hereby seeks compulsory pooling of all mineral interests from the base of the Pictured Cliffs Formation to the base of the Dakota Formation underlying the S/2 Section 24, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico.

Northwest heretofore drilled its Rucker Lake No. 2 Well at a lawful location in the SW/4 of said Section 24 and completed the same to the Gallup Formation, with a total depth of approximately 8,155 feet on August 25, 1983. At that time, 160 acres was dedicated as the spacing or proration unit for that well. Subsequent thereto, this Commission entered its Order No. R-7407 establishing the Gavilan-Mancos Oil Pool and the Special Rules and Regulations therefor effective March 1, 1984. Pursuant to those Special Rules and Regulations, the standard spacing or proration unit was established to be 320 acres.

Acting pursuant thereto, Northwest proposed the S/2 of said Section 24 as a standard spacing or proration unit for its Rucker Lake No. 2 Well, and prepared the appropriate Communitization Agreement and Operating Agreement. The same have been duly executed by all owners of interests in that proposed 320 acre unit, except the following:

Mr. R. L. Stamets, Director July 29, 1986 Page 2

> Mountain States Natural Gas Corporation Post Office Box 35426 Tulsa, Oklahoma 74135

and

Hooper, Kimball and Williams, Inc. 125 High Street, 10th Floor Boston, Massachusetts 02110

To the best of Northwest's information and belief, Mountain States Natural Gas Corporation is the record owner of a 50% interest in Federal Lease NM-03742 covering the SW/4SE/4 of said Section 24, and Hooper, Kimball and Williams, Inc., is the record owner of a 33-1/3% interest in Federal Lease SF-081296 covering the SE/4SE/4 of said Section 24. All of the other owners of interests have joined in such agreements; the Communitization Agreement has been submitted to the Bureau of Land Management.

The nonconsenting parties heretofore named were given the same opportunities as all other working interest owners, that is, they could elect to receive their appropriate shares of revenues from the effective date of Commission Order No. R-7407 provided they paid their share of the actual drilling and completion costs of the well, or in the alternative, they could elect to receive their appropriate shares of revenues from the date the well was completed provided they paid 150% of their shares of such costs, as provided for in the Operating Agreement.

The costs of drilling and completing the Rucker Lake No. 2 Well were \$725,467.

Neither Mountain States Natural Gas Corporation nor Hooper, Kimball and Williams, Inc., chose either alternative. That option so given said nonconsenting working interest owners is revoked with the filing of this application for compulsory pooling.

On August 17, 1984, Northwest entered into a Purchase and Sale Agreement with Mesa Grande Resources, Inc. ("Mesa Grande"), whereby Northwest sold and Mesa Grande purchased the Rucker Lake No. 2 Well with other properties effective March 1, 1984, at 7:00 a.m. Pursuant to that agreement, it remains Northwest's obligation to file this application and seek compulsory pooling of the interests heretofore described.

Mr. R. L. Stamets, Director July 29, 1986 Page 3

Northwest hereby requests that after due notice and hearing, the Commission enter its Order (1) pooling the S/2 of said Section 24 for the Rucker Lake No. 2 Well effective March 1, 1984, (2) designating Mesa Grande as the operator, (3) establishing reasonable drilling and completion costs to be \$725,467 and the sum of \$475 per month as reasonable overhead charges for that well, and (4) authorizing the operator to withhold all drilling and completion costs attributable to the aforementioned nonconsenting working interest owners commencing March 1, 1984, the effective date of Commission Order No. R-7407, as well as their shares of all costs of operations and overhead charges since that date.

Would you please place this application on the next docket for hearing. Appreciating your courtesy, we are

Very truly yours,

Rodey, Dickason, Sloan, Akin & Robb, P.A.

Paul A. Cooter

PAC:pg

cc: Northwest Pipeline Corporation, Salt Lake City, Utah Mesa Grande Resources, Inc., Tulsa, Oklahoma Mountain States Natural Gas Corporation, Tulsa, Oklahoma Hooper, Kimball and Williams, Inc., Boston, Massachusetts George W. Owens, Esq., Tulsa, Oklahoma

SUBMIT TRIPLICATE.

(Other outructions on reverse side)

Form approved, Budget Bureau No. 42-R142

UNITED STATES
DEPARTMENT OF THE INTERIOR

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-AmiliAMES F. Simis DISTRICT ENGINEER

OIL CONSERVATION DIV JON

BTATE OF NEW MEXICO CHERGY AND MINERALS DEPARTMENT

P. O. BOX 2088 SANTA FC, NEW MEXICO 87501

Form C-1. kevised i

All distances must be from the cuter loundaries of the Section.

}-^-erator			Lease		· · · · · · · · · · · · · · · · · · ·		Well No.
ORTHWEST	PIPELINE CORPO	ORATION	RUCI	KER LAKE			2
Unit Letter	Section	Township	Range	01.	County		
K Actual Footage La	24	25N			Rio	Arriba	
1450	feet from the	South line one	1520) (2.	et from the	West	line
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7382	Gallu	ıp	Gavila	n Gallup	Extensi	on :	160 Acres
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*(See Instructions and Spaces for Additional Data on Reverse Side) FARMINGTUM REDUCACE AREA

20

or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions. It is not see this summary record is submittee, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and directional surveys, should be attached hereto, to the extent required, by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35. General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency.

1fthem 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State Items 22 and 24: If this well is completed for separate production from nore than one futerval zone (multiple completion), so state in item 22, and in item 2 is show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in Item 33. Submit a separate report (page) on this form, adequately identified, item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in the spaces on this form and in any attachments. or Pederal office for specific instructions.

"Nacks Conent": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool. Submit a separate completion report on this form for each interval to be separately produced. (See Instruction for items 22 and 21 above.) Item 29: 1

for each additional interval to be separately produced, showing the additional data pertinent to such interval.

37. SUMMARY OF POROUS ZONES OF SHOW ALL INPERFOR TOOSES OF BEPTH INPERFOR TESTED, CUST	US ZONES:	MARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; depth interval pested, cushion (sed, fine tool open, plowing	IS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING	38. GEOLOG	GEOLOGIC MARKERS	
FURNATION	Tor	воттом	DESCRIPTION, CONTENTS, ETC.		101	
Ojo Alamo	3132' est	3294		NAN E	MEAS. DEPTR	TRUE VERT, DEPTH
Kirtland-	_			Ojo Alamo	3132	Same
Fruitland				Kirtland-		Same
Pictured Cliffs	3418' est	3492		Fruitland		1
Lewis	3492' est			Pictured Cliffs	3418'	Same
Cliff House	5130' est			Lewis		Same
Menefee	5253' est			Cliff House	5130	Same
Point Lookout	5560' est			Menefee	5253	Same
Mancos	5878' est			Point Lookout	5560	Same
Gallup				Mancos	5878	Same
Greenhorn	7635' EL	7762		Gallup	6694	Same
Graneros		7873'		Greenhorn	7685	Same
Dakota		3100	-	Graneros	7762	Same
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was ar corici acci	0341					
DISTRIBUTION						
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SANTA FE	•	DASERVATION COMM	10N Form C-104
FILE	. KEQUEST	FOR ALLOWABLE AND	Superseder Old C-104 and C. Ellocity 1-1-65
U.S.G.S.	AUTHORIZATION TO TR		JURAL CAS
LAND OFFICE			
I RANSPORTER OIL	4		. /
GAS	4		•
OPERATOR PRORATION OFFICE	-		
Operator			
Northwest Pipel	ine Corporation		·
Address P (1 Roy 90 Fa	rmington, N.M. 87499		HURTHWEST PIPELINE CORRECTION
		11.5 (111	
Reason(s) for filing (Check proper box	Change in Transporter of:	Uther illease ex	
Recompletion	OII Dry G	25	SEP 1 5 1983
Change in Ownership	Casinghead Gas Conde	nsate	and the property of the proper
If the second se		u. Ni	PRODUCTION AND SHELLIS
If change of ownership give name and address of previous owner		WELL	Fire-
d becoming an unit	17165	- ("LE
II. DESCRIPTION OF WELL AND	Men No.; Fool Name, Including F	formation K	and of Lease No.
Rucker Lake	#2 Gavilan Gallu	ip E xtensio n X	XXXF scenal XXXXX SF 079333
Location		· .	
Unit Letter K : 1450	Feet From The South	ne and	Feet From The West
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Line of Section 24 To-	whiship ZDN Range	ZW . NMPM,	Rio Arriba County
II. DESIGNATION OF TRANSPORT	TER OF OIL AND NATURAL G	48	
Name of Authorized Transporter of Oth	or Consensate 🛣	Audines (Give address to u	unich approved copy of this form is to be sent)
Petro Source Inc. Name of Authorized Transporter of Car	singness Gas or Dry Gau	19/9 So /UU Wes	t, Salt Lake City, Utah 84104
El Paso Natural Gas Co			armington, N.M. 87499
If well produces oil or liquids,	Unit Sec. Twn. Rige.	is gas detraily connected?	
give location of tanks.	K 24 25N 2W	i NO	
If this production is commingled wi	th that from any other lease or pool,	give commingling order no	ımber:
IV. COMPLETION DATA	Cii Weil Gas Weil	New Well - Worksver	Deepen Plug Book - Same Resty, Diff. Rest
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Date Spudded	Date Comp., Reday to Pred.	Tota, Depth	F.3.T.D.
7-12-83	8-25-83	8750'	7650'
Elevations (DF, RKB, RT, GR, etc., 7396' KB	Name of Producing Formation	Top Cil. Jas Phy	Tubing Depth
Perforations	Gallup	6825	7196' Depth Casing Shoe
6825' - 7484'			8155'
	TUBING, CASING, AN	D CEMENTING RECORD	
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
13-3/4"	9-5/8"	522'	536 cu. ft C1 B
6-1/4"	4-1/2"	8155'	864 cu ft 50/50 poz
	2-3/8"	7196'	1538 cu_ft_65/35 poz
V. TEST DATA AND REQUEST F			of load oil and must be equal to or exceed top allo
OIL WELL	able for this de	epth or be for full 24 hours)	
Date First New Cil Run To Tanks 8-25-83	Date of Test	Producing Method (Flow, p	
6-20-03 Length of Test	8-26-83 Tubing Pressure	Gas lift with	booster Choke Size
24 hrs	425 (Flowing)	425 (flowing) 2"
Actual Pred. During Test	Oli-Bols.	Water - 35.6.	Gam-MCF
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C 16 WEI I			GOR=1200
GAS WELL Actual Prod. Test-MCF/D	Length of Test	Bbls. Candensate/MMCF	Gravity of Condensate
Testing Method (pisot, back pr.)	Tubing Pressure (Shuk-in)	Coming Pressure (Shut-1:	Choxe Size
VI. CERTIFICATE OF COMPLIAN	CE	9-1-83 OIL CO	NSERVATION COMMISSION
I havely martifus that the sules and a	regulations of the Oil Conservation	APPROVED S	<u>EP/1 - 1983</u>
Commission have been complied w	vish and that the information given	4 12	(4)
above is true and complete to the	best of my knowledge and belief.	ay	PERVISOR DISTRICT # 3
\wedge		TITLE	FRAISOK DISTINGS #
.()	7 K	This form is to be	filed in compliance with RULE 1104.
Nonna 1	Offace D	If this is a reques	it for allowable for a newly drilled or deepen
Donna J. Brace Signa	niwey	well, this form must be taken on the we	e accompanied by a tabulation of the deviati Il in accordance with RULE 111.
Production (Till	 	All sections of th	la form must be filled out completely for allo
August 2	•	able on new and recor	mpleted wells. ctions I, II, III, and VI for changes of own
100	10)	well name or number, o	r transporter, or other such change of condition
//MJT/djb	· · · · · · · · · · · · · · · · · · ·	Marie Contract of State of	Tiens with the dead for each and in multi-
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