CASENO.

7627

APIC STION, FAUSCIPTS, FAIL Exhibits,

ETC.

	EXAMINER HEARING	
	SANTA FE , MEST NEXT CO	t man
Hearing Pate	AUGUST 4, 1982	P:: 9:00 A.M.
	REPRESENTING	LOCATION
Gut L. Padela	Doyle Hartman	SF
MARY HAIVE	MESA PRINCELLU CO.	MINEAND.
Steven C. Jan		Milland
William R. Wristerh	MESA PETROLEUM CO.	MIDLIND, TEX
Wm. P. Aycosk	Doyle Hartman	Midland
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	MEXICO	OIL	COMSERVATION	COMMISSION
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EXAMINER HEARING

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STATE OF NEW MEXICO
EMERGY AND MIXTURALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE MING.
SANTA PE, NEW MEXICO
A August 1982

EXAMENER REARING

IN THE MATTER OF:

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The hearing called by the Oil Conservation Division on its own motion to permit Sandi Production, Inc., et al, to appear and show cause why the El Pozo Hell No. 1, and the Pound Banch C Hell, Bio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved pingging program.

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

Por the Oil Conservation Pivision:

Thomas C. H. Mills, Bsq., for W. Perry Pearrs, Bsq.
Legal Comment to the Division State Land Office Bldg.
Santa Bs. New Mexico 87501

For the Applicant:

Signatura Antonio	
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MR. STANDER: No 11 call next Case 7627, being in the matter of the hearing called by the Oil Conservation Division on its own motion to permit Sandi Production, Inc., united States Fidelity and Guaranty Company, and other interested parties, to appear and show carse why the El Poso Nell No. 1, Rio Assiba County, should not be plugged and about doned in accordance with a Division-approved plugging program.

Call for appearances in this case.

MR. MILLS: Thomas Mills, General Counsel for the New Mexico Energy and Minerals Department, appearing on behalf of the Oil Conservation Division.

MR. STANKETS: Are there any other appear-

(Mitness sworm.)

CHARLES GHOLSON

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. MILLS:

noes today?

Will you please state your name, position

T		en e
2	and place of resi	dence for the record, please?
3	à.	Charles Gholson, New Mexico Oil Conserva-
4	tion Division. 1	'm a Field Ropresentative, Aztec.
5	Ø.	Mr. Gholson, how long have you held this
6	position?	
7	L	Nine years.
	Q.	Eave you previously testified before the
9	Commission and an	re your credentials a matter of record?
18		They are, and I have.
11	Q	Does District III include that part of
12	Rio Arriba County	that's involved in this case?
13		It does.
**	Q	Do your duties as a Deputy Inspector in-
15	clude making reco	examendations to the Commission as to when
**	wells should be p	olugged and abandoned?
17	A.	They do.
•		Are you familiar with the subject matter
8	of Case 7627?	
20		I am.
3	Q	What is the purpose of this case?
22		To protect hydrocarbon-bearing and fresh
23	water somes.	
34	3	Have you reviewed all the reports filed
35	with the Commiss	ion concerning these wells?

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- Do you have those records with you?
- A Yes, sir.
 - Mould you please refer to the records, and if they're marked as exhibits, refer specifically to the exhibit, which pertain to El Pozo Well No. 1 in Unit L, Section 26, and summarize its history, please?
 - A Okay. the exhibits are --

I have.

- Mr. Gholson, before you start, why don't you let us have a complete set of the exhibits up here which we can refer to?
 - A How many copies do you need?
 - Q One will be fine to get started.
- Exhibit One is simply a copy of a topo map showing the location of the El Pozo Well No. 1.

Exhibit Two is simply a picture of that well showing a surface pipe spool with 5-1/2 intermediate casing cutoff.

have not received electric logs or sundry showing where the intermediate casing and surface ripe is set, we will require these records before we devise a plugging program. If they are not available, we'll go by nearby logs, perhaps run a collar counter to see how deep they will need to be set.

well.

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And I visited -- we received an APD in August of last year and I made a routine inspection to see if they'd spudded the hole. This was on September 2nd, 1981, and the hole had been completed at a depth of 380 feet. The driller said it had been logged and they were laying down drill pipe. Casing was not ran.

We have received no records on this -- this

I checked this depth on the driller's log in the dochouse and . also put some cutting sacks on location So 3083 would be pretty close.

Should I continue with the Pound Ranch Well at this time also?

Not at this time. Let's take that after this one.

Okay. I returned to this location on 6-15-02 and it was exactly the same. The rig has been moved off and all equipment had been moved off.

On what date was the last official form filed with the Commission, Mr. Ghalson, do you know?

Yes, that was on -- all we ever received on this well was a APD, C-101 and C-102, and that was 7-30-81 We've received nothing since then.

Are there any other communications or in-

formation about tis well which should be brought to the Division's attention?

No, I've not been -- I've never been able to get any communication with Sandi Production.

In your opinion could a failure to plug
 this well cause waste?

Yes, definitely. There are at least three fresh water zones above -- the well was drilled to the Entrada.

Ordinarily Entrada water is pretty oad. It could contaminate Morrison, Dakota, Gallup, Mesaverde water.

Q. Are there any other causes of waste that we should know about?

a. I don't really -- there's a possibility of hydrocarbons in this area. One well nearby did have a show of oil but this is hearsay.

Are you prepared to recommend a plugging program at this time or would you prefer to describe the program at the actual time of plugging?

I would rather wait until we can get some records of the well, define formation tops and whether this intermediate pipe is set and how much cement was used on it.

All right. Would you now refer to the records on Pound Ranch C Well No. 14, please, and summarize its history by describing the exhibits you have, and would

you provide a copy of those exhibits to the Hearing Officer that you have now, please?

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The Pound Ranch Well, Pound Ranch C-14, was drilled by a company known as Tamanaco Oil Company, and the small was drilled in 1961. We received -- it was actually plugged in '61. We received a P&A report 9-24-63.

When I made this routine inspection, I found a cable tool rig ower this tole; it was Randall Drillin Company, and the rig owner told me he had been hired by Sandi Production to re-enter and deepen this well, and he had drilled out a top plug, gone to what he thought was bottom at about 1460 feet, or: five more feet of hole, and he shut down waiting on orders.

However, he was not on bottom; he lacked about 400 feet of being to bottom. He was drilling with cable; he thought he was at bottom but actually he was not.

And I put a shut-in notice on the rig and Sandi does not have a plugging bond for this well. And Mr. Randall called me in about two weeks and wanted to know if he could more his rig, he had another contract, and I let him move the rig off; put the shut-in notice on the wellhead, and they have not returned to this location.

When was the last official form filed with the Commission?

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A The well was appeal 5-1-32 by Tamanaco Oil
Company. Pak was approved 9-4-63. He have received no docu-

§ Since 1963?

A That's the last document we received, 1963 from Tamanaco Oil Company.

P Is there any other information or communecations about this case that you would like to call to the Commission's attention?

A. Well, yes. I had a telephone convernation with a Mr. Ken Smith with Sandi Production, and he admitted entering -- re-entering the hole; however, he was under the impression that the well he had re-entered was in Section 11 of 28 Morth, 1 Bast. I believe that was the Tamanaco 26 No. 1 Actually, this well is in Section 14 of

28 North, 1 East.

There's a possibility that Sandi does not have this section leased. I don't know.

Could a failure to plug this well cause waste?

Definitely could; just the same as the Bl Pozo Well, They're very close together.

6 Would you just repeat, please, again,
specifically what kind of waste that would sause, for the

recent?

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A Yes. It should be plugged in order to protect hydrecarbon-beering and fresh water zones. This well is not as deep as the El Pozo Well. It was drilled to the Dakota, through the Dakota; however, there are some fresh water nones above it, and I'm not familiar — I really don't know if the Dakota water there is good or bad. There's a possibility it's bad. There is a possibility it would be bad water; it may be fresh water; I don't know.

9. Mr. Gholson, are you prepared to recommend a plugging program at:this time?

A. Yes, I have a plugging program and that is Exhibit Six.

Are the exhibits that you've presented here today, Eumbers One through Six, true and correct copies of Commission records?

A. They are.

MR. MILLS: Mr. Hearing Examiner, I'd like to offer those exhibits into evidence, Exhibits One through Six.

MR. STAMETS: These exhibits will be admitted.

Are there any questions of this witness? He may be excused.

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Is there anything further in this came?

MR. MILLS: I name nothing further to add.

MR. SIMMIS: The case will be taken under

adus comunic

(Meering concluded.)

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CERTIFICATE

I, SALLY W. BOYD, C.S.R., NO HEMINY CETTIFY that
the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript
is a full, true, and correct record of the bearing, prepared
by me to the best of my ability.

Soly w. Boyd Coz

do hereway certain that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7637 heard by me on

Oil Conservation Division

Is these anything further in this case?

MR. MILLS: I name nothing further to add.

MR. STANKIS: The case will be taken under

ederi gement.

(Meering concluded.)

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OR CONSERVATION DIVISION

August 11, 1982

Sandi Production, Inc. Box 1633	Re: CASE NO. 7627 ORDER NO. R-7052
Huntoville, Texas 77348	Applicant:
	OCD (Sandi Production, Inc
Dear Sir:	•
Enclosed herewith are two cop Division order recently enter	pies of the above-referenced red in the subject case.
John Do Barry	
Director	
•	
JDR/fd	
Copy of order also sent to:	
Robbie OCD X	
Other Holted States Fidelit	v & Guaranty

STATE OF NEW MEXICO EMERGY AND MINERALS DEPARTMENT OIL COMSERVATION DIVISION

CASE NO. 7627 Order No. R-7052

IN THE NATTER OF THE HEARING CALLED BY THE OIL COMSERVATION DIVISION ON 175 OWN MOTION TO PERMIT SANDI PRODUCTION, INC., UNITED STATES FIDELITY AND GUARANTY COMPANY AND OTHER INTERESTED PARTIES TO APPRAR AND SHOW CAUSE WHY THE EL POTO WELL NO. 1 LOCATED IN UNIT L, SECTION 26, AND THE POUND RANCH C WELL NO. 14 LOCATED IN UNIT C, SECTION 14, BOTH IN TOWNSHIP 28 NORTH, RANGE 1 HAST, RIO ARRIBA COUNTY, SHOULD NOT BE PLUGGED AND ABANDOMED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 4, 1982 at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

MOW, on this <u>lith</u> day of August, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

PINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That Sandi Production, Inc. is the owner and operator of the El Pozo Well No. 1, located in Unit L of Section 26, and the Pound Ranch C Well No. 14 located in Unit C, Section 14, both in Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.
- (3) That United States Fidelity and Guaranty Company is the surety on the Oil Conservation Division plugging bond on which Sandi Production, Inc. is principal and which bond applies to said El Pozo Well No. 1.
- (4) That the purpose of said bond is to assure the state that the covered well will be properly plugged and abandoned when not capable of commercial production.
- (5) That is order to prevent aste and protect correlative rights said wells should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Maxico Oil Conservation Division on or before October 1, 1982, or the wells should be returned to active drilling status or placed on production.

-2-Case Yo. 7627 Order No. R-7052

IT IS THEREFOED ORDERED:

- (1) That Sanii Production, Inc. and United States Fidelity and Guaranty Company are hereby ordered to plug and abandon the El Poso Well-No. 1, located in Unit L of Section 26, Township 28 North, Range 1 Bast, NMPM, Rio Arriba County, New Mexico.
- (2) That Sandi Production, Inc. is hereby ordered to plug and abandon the Pound Ranch C Well No. 14 located in Unit C of Section 14, Township 28 North, Range 1 Bast, NNPM, Rio Arriba County, New Mexico.
- (3) That in the alternative either or both of said wells may be returned to approved active drilling status or be placed on production.
- (4) That said wells shall be plugged and abandoned, returned to drilling, or placed on production on or before October 1, 1982.
- (5) That Sandi Production, Inc. and/or United States Fidelity and Guaranty Company, prior to plugging and abandoning the above-described wells, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.
- (6) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary

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

STATE OF NEW MEXICO
OTL CONSERVATION DIVISION

JOE D. RAMEY, Di. ector

NEW MEXICO ENERGY & MINERALS DEPT. **** OFFICIAL RECEIPT ****

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ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

April 24, 1984

TONEY NAYA

POST OFFICE BOX 2025 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87301 (500) 827-5800

United States Fidelity and Guaranty Co. 115% East Main St. Farmington, New Mexico 87401

Attention: James A. Hassell, Jr.

Re: Claim on Bond 29-0130-10525-81, Sandi Production Company

Dear Mr. Hassell:

Thank you for your assistance with the abovereferenced bond and for your warrant in the amount of \$5,000 which fulfils United States Pidelity and Guaranty Company obligation under this bond.

I have enclosed the Receipt, Release and Assignment which you enclosed with the warrant which has been completed by Mr. Joe D. Ramey as Director of the New Mexico Oil Conservation Division.

Sincerely,

W. PERRY PEARCE, General Counsel

WPP/dr enc.

cc: Frank Chavez



UNITED STATES FIDELITY AND GUARANTY COMPANY. FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.

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RECEIPT, RELEASE & ASSIGNMENT

LAIM NUMBER	BOND NUMBER	SANTA FE
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RINCIPAL	OBLIGEE	
SANDI PRODUCTION	STATE OF NE	M MEXICO
ESCRIPTION OF PROJECT		
EL POZO WELL NO. 1		
In consideration of the payment ofFIVE_TUOUS	AND 00/100	Dollars
(\$ 5000.00) and all sums heretofore hereby acknowledged. Undersigned does hereby release, all acts, suits, claims, damages and liabilities whatsoes services furnished for use in the performance of the above-identified bond(s).	, acquit, exonerate and dis ver on account of the clai	charge USF&G Insurance from miled for labor, material or
Undersigned hereby acknowledges that USF&G Insural against all persons, firms or corporations who have be use in the performance of the above-described project; assigns and transfers to USF&G Insurance all rights of Signed, sealed and delivered this	enefited from the labor, mand, to secure said subroga	aterial or services furnished for tion rights, Undersigned hereby
OIL CONSERVATION DIVISION OF TH	IF FNFDCV AND MYND	DATC DEDADMINE
		RALS DEPARTMENT
(Name of	Corporation)	
ATTE	10 mg/s 1	•
Its Director	its	President
(Trade Name of Partr	ership or Proprietorship)	<u> </u>
WITNESS:		
Diana Richardon		(SEAL)
NOTARY PUBLIC	Partr Expires: Oct. 28,	ner or Owner

NOTE: Claimant must write its corporate or trade name in the appropriate space and attach a copy of the Statement of Account which is being settled and which Claimant warrants is a complete statement of all amounts allegedly due from USF&G Insurance under the bond(s).

Memo

Grom

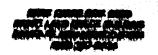
Call Thenh Aztic Charles, s.

Called Land of SI



BYATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

August 3, 1981



Noited States Fidelity & Guaranty 2201 San Pedro, N.E. Albuquerque, New Mexico 87110

> Re: \$5,880 Cne-Well Plugging Bond Sandi Production, Inc., Principal, United States Fidelity and Guaranty Company, Surety El Poso Ranch Well No. 1, Rio Arriba County Depth: 4,900 feet Bond No. 26-8130-10525-81

Gentlemen:

The Oil Conservation Division hersby approves the above-referenced one-well plugging bond effective July 31, 1981.

The Oil Conservation Division requires all one-well bonds give the exact well location by the footage description, example: 660 feet from the South line and 660 feet from the West line. Therefore please issue a rider to this bond with the well description including section, township and range.

Sincerely.

Jac D. RAMEY, Director

dr/

cc: Ail Conservation Division Aztec, New Mexico

Aleke is an abditional set of Eshibits on the Sandi plugging case which to harlie left for you.





BEFORE EXA	MINER STAMETS
OIL CONSERV	MOIZIVIO MOITAY
EXH	IBIT NO. 2
CASE NO.	7627

Submitted by Global
Henring Date 84-82

Division Approved Plugging Progrem

Sandi Production, Inc.

El Pozo #1 L-26-28N-1E

We have not received copies of electric logs, or Sundry Notices showing where and how intermediate casing and surface pipe were set.

A plugging program will not be devised until these are received.

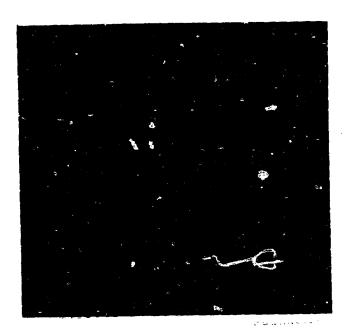
	BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION EXHIBIT NO
	CASE NO. 7627
	Submitted by GMLSON Hearing Date 8-4-82
- 1	







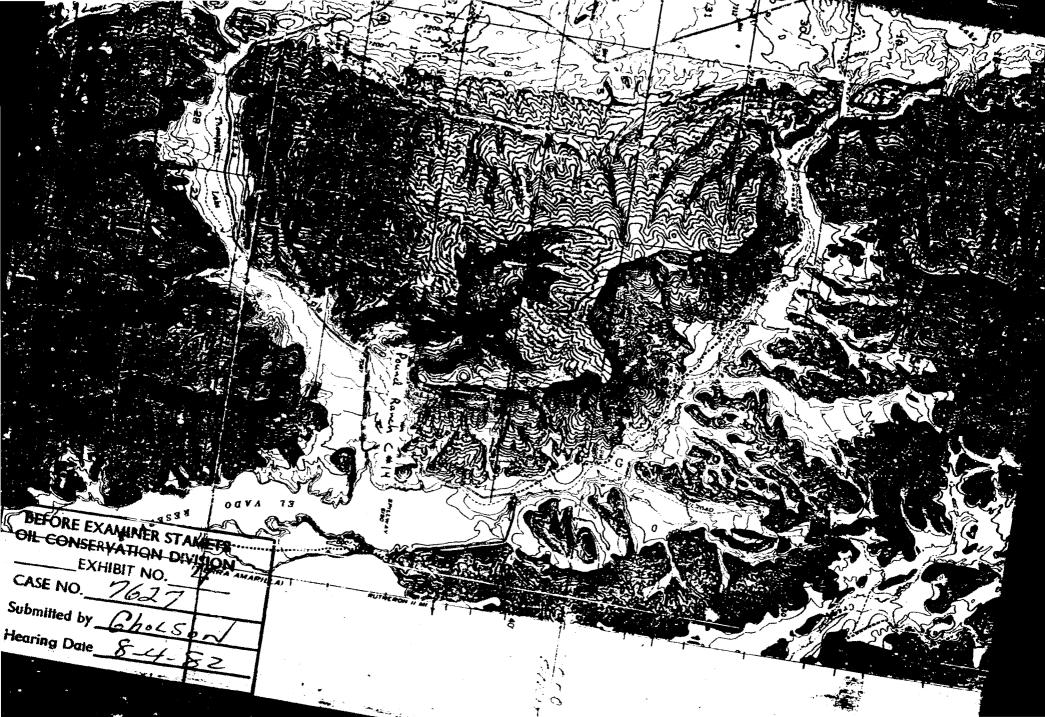
Sandi Production El Vozo#1



Sandi Froduction
Tamanaco Dillo. Pound Ranch # 14







SAND I PRODUCTION
TERRALES CIL CO





STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

July 26, 1982

POST CEPTCE BOX 2016 STATE LAND GPPCE ANTIBASE SAMPLIES (SEW ANDIGES STATE CERT GET-BASE

Sandi Production, Inc. Box 1633 Huntaville, Texas 77340

> Re: Pound Ranch C Well No. 14, located in Unit C of Section 14, Township 28 North, Range 1 East, Rio Arriba County Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, August 4, 1982, at 9:00 s.m. in Morgan Hall, State Land Office Building, Santa Fe, New Mexico. Case 7627 concerns the above captioned subject matter.

Yours very truly,

JOE D. RAMEY Director

JDR/fd enc.

P 33i 614 753 RECEIPT FOR CERTIFIED MAIL

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- E. Save this receipt and present it if you make inquiry.

≠GPO: 1980 331-003



ENERGY AND MINERALS DEPARTMENT

OIL COMMENMATION ORNEONS AFTER BURNET GIFFICE

MATERIA OF STRAINS FOR STRAINS (STRAINS)

ACTUSE: AGENT AND MATERIALS (STRAINS)

ACTUSE: STRAINS (STRAINS)

DIVISION APPROVED PLUGGING PROGRAM

Sandi Production Inc. Tamasaco Oil Company Pound Sanch C \$14 C-14-288-1E

- 1. Chean out hole to a total depth of 1689'
- 2. Establish circulation and set a cement plug 1680'-1480'. If good circulation is maintained and fluid level does not drop significantly after one hour, go to Step 3. If not, wait a minimum of six bours and tag plug. If plug is above 1520' go to Step 3. If not, fill to 1480'
- 3. Set a cement plug 1400'-1250' using same procedure as Step 2
- 4. Set a cement plug 600'-450' using same procedure as Steps 2 and 3
- 5. Set a cement plug 250'-100'
- 6. Set a top plug and dry hole marker with at least ten sacks of cement
- 7. Fill pits, clean and level location

Note: All plugs will be with Class A, B, or C cement with or without an accelator.

P 331 614 754

RECEIPT FOR CERTIFIED MAIL

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#GPO: 1980 331-003



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

July 26, 1982

POST GIFTCE SON 2008 STATE LAND CIFTCE SUILDING SANTA PE, NEW MERICO 6780 1908 887-3434

CERTIFIED - RETURN RECEIPT REQUESTED

Sandi Production, Inc. 80x 1633 Huntavilla, Texas 77340

United States Fidelity & Guaranty 2201 San Pedro. N.E. Albuquerque, New Mexico 87110

> Re: El Pozo Well No. 1, located in Unit L of Section 26, Township 28 North, Range 1 East, Rio Arriba County Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, August 4, 1982, at 9:00 a.m. in Morgan Hall, State Land Office Building, Santa Fe, New Mexico. Case 7627 concerns the above captioned subject matter.

Yours vary truly,

JOE D. RAMEY Director

JDR/fd enc. Dockets Nos. 26-82 and 27-82 are tentatively set for August 18 and September 1, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINE MEASURG - WEDNESDAY - AUGUST 4, 1962 9 A.H. - ROBERT BALL, OIL COMMENTATION DIVISION STATE LAND OFFICE SUILDING, SANTA FE, MIN MEXICO

- The following cases will be heard before hickers L. Stamets, Examiner, or Deniel S. Butter, Alternate Examiner:
- The 7627: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Sandi Production, Inc., United States Pidelity and Gusranty Company and other interested parties to appear and show cause why the El Poso Well No. 1 located in Unit L, Section 26, and the Pound Reach C Well No. 14 located in Unit C, Section 14; both in Township 28 North, Range 1 East, Nio Arriba County, should should not be plugged and abandomed in accordance with a Division-approved plugging program.
- CASE 7638: Application of Miser Oil Company for an uncrthodox well location, Les County, New Mexico. Applicant, in the above-styled cames, sacks approved for the unorthodox location of a Penrose-Shelly oil well to be drilled 1345 feet from the South line and 660 feet from the West line of Section 32, Tournship 21 Souts, Reage 37 East, the MM/4 SM/4 of said Section 32 to be dedicated to the well.
- CASE 7629: Application of Gulf Oil Corporation for salt water disposal, Les County, New Mexico.

 Applicant, in the above-styled cause, seeks suthority to dispose of produced selt water into the

 Yates and Saven Rivers formation in the open hole interval from 3169 feet to 3385 feet in its Armote
 Ramsey (NCT-E) Hell No. 3, located in Unit E, Section 16, Township 25 South, Range 37 East, Jelmet

 Pool.
- CASE 7630: Application of Relph Mix for an oil resating plant permit, Eddy Courty, New Mexico.

 Applicant, in the above-styled cause, Joshs authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SM/4 ME/4 of Section 18, Township 19 South, Range 26 East.
- CASE 7631: Application of Marrion Oil & Gas Corporation for a non-standard provation unit, Nio Arriba County, Hew Marico. Applicant, in the above-styled cause, seeks approval of a 150-acre non-standard provation unit comprising the N/2 8E/4 and SN/4 SE/4 of Section 5 and the NN/4 NE/4 of Section 8, Township 23 North, Range 6 Nest, Nagosai-Gallup Area.
- CASE 7632: Application of Astec Emergy Corporation for a non-etanderd provation unit, Rio Arribe County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-etanderd provation unit comprising the SE/4 SE/4 of Section 5, and the E/2 NE/4 and SI/4 NE/4 of Section 8, Township 23 North, Range 6 Nest, Hagseni-Gallup Area.
- CASE 7458: (Continued from June 23, 1982, Exeminer Hearing)

Application of Marks & Garmer Production Company for salt water disposel, Lee County, New Mexico. Applicant, in the above-styled cames, seeks sutherity to dispose of sale water into the Bough C formation in the perforated interval from 9596 feet to 9616 feet in its Betenbough Well Ec. 2, located in Unit M of Section 12, Township 9 South, Range 33 East.

CASE 7620: (Continued from July 21, 1992, Exeminer Hearing)

Application of Mesa Petroleum Company for compulsory pooling, Cheves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface through the best of the Abo formation underlying the SH/4 of Section 8, Township 5 South, Runge 25 East, to be delicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 7633: Application of Y. H. HcElwein, Jr. for compelsory pooling, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the base of the Abo formation underlying the SW/4 of Section 8, Towaship 5 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7634: In the matter of the hearing called by the Oil Conservation Division on its own notion for an order creating, abeliahing, and extending certain pools in Chavel, Eddy, Lea, and Roosevelt Counties, New Mexico.
 - (a) CHEATE a new poof in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the West Indian Flats-Atoka Gas Pool. The discovery well is the Perry R. Base Big Eddy Unit Well No. 797 located in Unit J of Section 21; Township 21 South, Range 28 East, MMPH. Said pool would comprise:

(b) CREATE a new pool in Rosewelt County. New Mexico, classified as an oil pool for San Andres production and designated as the South Bluitt-San Andres Pool. The discovery well is the Res Lornledy, Inc. Lignon Hell No. 1 located in Unit A of Section 35, Township 8 South, Renge 37 East, MEMA. Faid pool would comprise:

TORRIGHT 8 SOUTH, MANGE 37 EAST, MEM. Section 35: 82/4

(c) CHAIR a new pool in Rédy County, New Muzico, classified as a gas pool for Permo-Pennsylvanian production and designated as the Repd Permo-Pennsylvanian Cas Pool. The discovery well is Yates Petroleum Corporation Rio Penasco MF Federal Can Hell No. 1 located in Unit F of Section 11, Township 19 South, Range I' East, Mark. Said pool would comprise:

ROMBOUT 19 SOUTH, BANGE 25 EAST, BOTH Section 2: 8/2 Section 3: 8/2 Section 11: 8/2

(d) CREATE a new pool in Chaves County, New Maxico, classified as a gas pool for Pre-Permian production and designates as the Foor Enach Pre-Permian Gas Pool. The discovery well is Plains Radio Proadcasting Camel Well No. 1 located in Unit F of Section 7, Township 9 South, Amage 27 East, NASM. Said pool would comprise:

Section 1: 2/2
Section 12: E/2
Section 13: All

TOWNSHIP 9 SOUTH, RANGE 27 EAST, MEM Section 7: W/2 Section 18: W/2

(e) CREATE a new pool in Lee County, New Merico, classified as a gas pool for Yates and Seven Rivers production and designated as the House Yates-Seven Rivers Cas Pool. The discovery well is the MGF Gil Corporation J. Wright Well Hr. 1 located in Unit D of Section 5, Township 20 South, Range 39 East, MMFH. Said pool would comprise:

ROBBERTP 19 SOUTH, MANCE 39 MAST, IMPH Section 31: 52/6 Section 32: 5K/4

TORREST 20 SOUTH, RANGE 39 EAST, MAPH Section 5: WW/4

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil poul for Wolfcrap production and designated as the Pollock-Wolfcrap Pool. Further, to assign approximately 46,910 barrels of discovery allowable to the discovery well, the Reading and Bates Coupeny Dickinson Cattle Company 32 Well No. 1 located in Unit W of Section 33, Township 14 South, Range 38 East, NRPM. Said pool would comprise:

TOMORREP 14 SCUTE, RANGE 38 ZAST, METH Section 33: \$87/4

(g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the West Red Hills-Wolfcamp Gas Pool. The discovery well is the BTA Oil Producers Mesa 8105 JV-P Well No. 1 located in Unit I of Section 1, Township 26 South, Range 32 East, Maria. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 32 HAST, MAPM Section 1: E/2

(h) CHEATE a new pool in Les County, New Mexico, classified as an oil pool for Abo production and designated as the Toursend-Abo Pool. The discovery well is the Charles B. Gillespie, Jr. Exxon Townsend Well No. 1 located in Unit B of Section 9, Tourship 16 South, Range 35 Last, MRM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANCE 35 EAST, MAPH Section 9: ME/4

O

(i) ABOLISH the East Tenneyhill-Cisco Pool in Ecosevelt County, New Mexico, as heretofore classified, defined, and described:

POWERTP 6 SOUTH, RANGE 34 EAST, WINN Section 8: \$2/4

(j) EXTERD the Bluitt-Sen Andres Associated Fool in Bosesvelt County, New Mexico, to include therein:

THROUGH 3 SOUTH, MANCE 37 EAST, MENU Section 23: 2/2

(k) EXTERD the Careon-Morrow Gas Pool in Chaves County, Hew Mexico, to include therein:

TORRESTE 9 SOUTH, BANCE 31 EAST, MARK Section 3: 8/2

(1) EXTERD the Grow Flats-Horrow Gas Pool in Eddy County, New Mexico, to include therein:

TORREST 16 SOUTH, BANCE 28 BAST, HAPM Section 31: W/2

(m) EXTEMD the Empire-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TORREST 18 SOUTH, MANGE 28 BAST, MARY Section 3: 8/2

(a) EXECUTO the High Lonesons-Queen Pool in Eddy County, New Mexico, to include therein:

TORNJETP 16 SOUTH, PANCE 29 EAST, MMFM Section 19: 92/4 WE/4

(c) EXTERS the Borth Loving-Morrow Ges Pool in Eddy County, New Mexico, to include therein:

TOTAL 23 SOUTH, RANGE 28 EAST, MACH Section 7: W/2 Section 18: All Section 19: W/2 Section 30: W/2

(p) EXTERD the West Medine-Blimsbry Poul in Les County, New Mexico, to include therein:

EXPRESEL 20 SOUTH, RANCE 38 EAST, MARK Section 5: MM/4 Section 8: SW/4

(q) EXTERN the Pecos Slope-Abo Ges Fool in Chaves County, New Mexico, to include therein:

POHNSEIP 4 SCUTE, BANCE 24 EAST, MICH Section 26: W/2

TORREST 5 SOUTH, RANGE 24 HAST, IMPH Section 0: E/2

TEMMENTER 6 NOUTE, BANCE 24 EAST, MICH Section 15: All

Section 16: All Section 17: All

Section 18: E/2

TORRESTEP 7 SOUTH, RANGE 26 EAST, MARY

Coction 27: All Section 33: All Section 34: All

TORRESILD 8 SOCIA, RANGE 25 EAST, MAPH Section 13: 3/2

TOWESHIP 8 SOUTH, RANGE 26 EAST, WIFM

Section 3: All

Section 4: **A11** Section 5: All

Section 6: E/2

(r) EXTERN the South Peterron-Penssylvenian Associated Pool in Rossevelt County, New Marrico, to

TOURSELP 6 SOUTE, PARCE 35 EAST, MANY Section 7: 8/2 Section 8: 8/2

(a) hilles the Mast Sawyer-Sam Andres Pool in Los County, New Marrico, to include therein:

Section 32: M/4

(t) EXTERN the Square Lake Grayburg-Sen Andres Pool in Eddy County, New Mexico, to include Cheroin:

Section 11: 1/2

(u) EXTERN the Tomoberk-Sen Anime Pool in Chaves County, Her Me .co, to include therein:

Section 36: 14/4

Section 1: 8/2

(v) EXTEND the Turkey Track-Horrow Gas Pool in Eddy County, New Mexico, to include therain:

PORTER 19 SOUTH, PARCE 29 EAST, MANY Special 3: 8/2

(w) EXTERN the Twin Lebes-Sen Andres Associated Pool in Chaves County, New Mexico, to include

Comments 9 sours, BANCE 28 EAST, MARK Section 12: 62/4

THE PROPERTY 9 ACCUSED, PARCE 29 BAST, MAPK.

(x) Evino the Willow Lebos-Rome Spring Poul in Ridy County, New Mexico, to include therein:

Man Box Marian Maria

STATE OF MEN MEGOD

ENERGY AND MINERALS DEPARTMENT

JUN 21 1982
OIL CONSCIENT FE

AZYRC, JANA MINION STAND AZYRC, JANA MINION STAND CONTROL CAND

Case 7627

June 17, 1982

Mr. Perry Pearce Oil Conservation Division P. O. Box 2088 Santa Fe NM 87501

Re: Sandi Production, Incorporated

El Pozo #1 L-26-28N-1E Pound Ranch C #14 C-14-28N-1E

Dear Perry:

Please docket a case calling Sandi Production, Incorporated, United States Fidelity and Guaranty Company, and other interested parties to appear and show cause why the referenced wells should not be pluggeed and abandoned in accordance with a Division-approved plugging program.

If you have any questions please call this office.

Yours truly,

Frank T. Chave? District Supervisor

FTC: gc

cc: Reading file

10 MBE

STATE OF MEM MEXICO

EMERGY AND MINERALS DEPARTMENT

OIL COMSERVATION DIVISION

JAR

CASE MO. 7627

Order Mo. R- 7052

an an

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMSERVATION DIVISION ON ITS OWN MOTION TO PERMIT SANDI PRODUCTION, INC., UNITED STATES FIDELITY AND GUARANTY COMPANY AND OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE EL POZO WELL NG. 1 LOCATED IN UNITE, SECTION 26, AND THE POUND RANCH C WELL NO. 14 LOCATED IN UNITE, SECTION 14, BOTH IN TOWNSHIP 28 MORTH, RANGE 1 EAST, RIO ARRIBA COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

M.S.

OPDER OF THE DIVISION

do

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 4, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

MGW, on this _____ day of August, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the presises,

FINDS:

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

- (2) That Sandi Production, Inc. is the owner and operator of the El Pozo Well No. 1, located in Unit L of Section 26, and the Pound Ranch C Well No. 14 located in Unit C, Section 14, both in Downship 28 North, Range 1 East, NMPH, Rio Arriba County, New Mexico.
- (3) That United States Fidelity and Guaranty Company is the surety on the Oil Conservation Division plugging bond on which Sendi Production, Inc. is principal. and which land applies to said 81 Page 2011 No. 1.
- (4) That the purpose of said bond is to assure the state count to a source the state that the subject walls will be properly plugged and abandoned when not capable of commercial production.
- rights, said wells should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Newico Oil Conservation Division on or before

 October | 1982, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Sandi Production, Inc. and United States Fidelity and Guaranty Company are hereby ordered to plug and abandon the El Pozo Well No. 1, located in Unit L of Section 26, and the Pound Ranch C Well No. 14 located in Unit C, Section 14, both in Township 28 North, Range 1 East, MMPM, Rio Arriba County, New Mexico, or in the olternative, to return the well to active drilling status of place the well on production on or before

^{(2!} That sond; Production, Inc is tracky ordered to
Plug and about on the Pound Ranch C 2011 No
14 10 cated in Unit - of Section M, Tronship 28 North
Range 1 East, NMPM Res Arriba County, New
Marico.

- That Sandi Production, Inc. and United States Fidelity and Guaranty Company, prior to plugging and abandoning the above-described wells, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.
- (b) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director