

CASE NO. 5407: PLUGGING CASE
KELLY BELL
(Travelers Indemnity Co.)

CASE No.

5407

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
February 5, 1975

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil
Conservation Commission on its
own motion to permit Kelly Bell,
Travelers Indemnity Company, and
all other interested parties to
appear and show cause why the
Kelly Bell Laroe Well No. 1 should
not be plugged and abandoned in
accordance with a Commission-
approved plugging program.

CASE NO. 5407

BEFORE: Richard L. Stamets, Examiner

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

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STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0286

I N D E X

CARL ULVOG

Direct Examination by Mr. Carr
Cross Examination by Mr. Stamets

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MR. STAMETS: Case 5407.

MR. DERRYBERRY: Case 5407. In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Kelly Bell, Travelers Indemnity Company and all other interested parties to appear and show cause why the Kelly Bell Laroe Well No. 1 should not be plugged and abandoned in accordance with a Commission-approved plugging program.

MR. STAMETS: We call for appearances in this case.

MR. CARR: Mr. Examiner, I am William F. Carr, appearing for the Commission. I have one witness who has previously been sworn.

MR. STAMETS: The record will reflect that the witness has been sworn and is still under oath.

CARL ULVOG

called as a witness, having been previously sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you please state your full name, position and place of residence?

A Yes, sir. Carl Ulvog, Senior Geologist for the

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Oil Conservation Commission located here in Santa Fe.

Q Mr. Ulvog, do your duties with the Commission include serving as District Supervisor for the Commission's District 4?

A Yes, sir.

Q Does District 4 include that part of Colfax County which is involved in this case?

A It does.

Q Do your duties include making recommendations to the Commission and its Examiners as to when wells should be plugged and abandoned?

A Yes, sir, they do.

Q Are you familiar with the subject matter in Case No. 5407?

A Yes, I am.

Q What is the purpose of this case?

A The purpose of this case is, as in the preceding case, to make sure that this well is properly plugged and abandoned in accordance with the Oil Conservation Commission Regulations.

Q Are you familiar with the Kelly Bell Laroe Well No. 1?

A Yes, I am.

Q Have you reviewed all of the reports filed with the Commission concerning this well?

A I have.

Q Do you have the records with you?

A I do.

Q Would you refer to them and give the Examiner a brief history of the well as reflected in the official records?

A Yes, sir. The Bell No. 1 Laroe is located 650 feet from the north line and 650 feet from the west line of Section 19, Township 27 North, Range 22 East in Colfax County, and was, according to the Oil Conservation Commission records, spudded February 21st, 1973. A Notice of Intent to plug and abandon was received on February 26th, 1973. No reports in the interim as to casing or cementing or testing or anything of the sort. Then there were no subsequent reports previous to my inspection of the location on June 24th, 1974. There had been several telephone calls to Mr. Bells office. They were not returned, so I was not able to establish communications. On June 24th when I was at the location, the location was found to be rutted, it was poorly leveled, it was trashy, there were cotton seed hulls, empty sacks, various kinds of chemicals used in

drilling, some pieces of pipe, several pieces of an engine laying on the location and an old 55-gallon drum inverted over a piece of 4 $\frac{1}{2}$ -inch casing which was extending from the well. The casing itself, I think it is about an 8 and 3/4-inch casing approximately, and it stands about one foot above ground level, and then a 4 $\frac{1}{2}$ -inch piece of pipe cemented into that which extends about three feet above the ground level. I took a rod and ran it down into there and I couldn't get it down in very far. I don't know whether it is cemented. I don't know. I couldn't determine that. There is a cave-in approximately 3 feet wide and about five feet deep right close to this casing which I interpreted to be one corner of the cellar.

On October 9th, 1974, I did make contact with Mr. Bell and requested that we do get a final report of the well as to what plugs were set and so on, and this report was received on October 15th, 1974. That report stated simply that the well had been plugged and abandoned, and so on. It does say that it was plugged in accordance with the proposed plugging program which would be acceptable.

On December 6th, 1974, the operator was notified of the deficiencies as I found them, and I requested at that time that they be corrected.

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The next correspondence that we have is a letter dated January 27th, 1975 from Mr. Bell in which he states: (Reading) Reference is made to your letter of January 24, 1975. We paid Mr. Dwayne of Raton, New Mexico to clean up this location which was apparently not done. We have contacted them again for this purpose and will advise. I believe the well was properly plugged and abandoned. (End of reading.)

That is the last correspondence we have had.

Q Mr. Ulvog, what action do you recommend the Commission to take to correct the situation that exists with this well?

A I recommend that the well be plugged and abandoned in accordance with our instructions, and if we are not provided information that this has been done, that we call on the bond company to do it.

MR. CARR: I have no further questions of Mr. Ulvog.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Ulvog, apparently there are a number of reports missing on this well, including the well log and record of operations?

A Yes, there are some reports missing. They did

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not advise us of any of the casing being set, when it was set, and they did not get approval on any of those except in their original application for a permit to drill.

Q I believe that you indicated that if the well was indeed plugged as the operator indicated it was going to be, that that would be acceptable provided the location was cleaned?

A Yes, and the market set, that is correct.

MR. STAMETS: Are there any other questions of this witness?

He may be excused.

(Witness dismissed.)

MR. STAMETS: Is there anything further in this case?

We will take the case under advisement.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5402, heard by me on 2-25, 1975.
Richard L. Hammett, Examiner
New Mexico Oil Conservation Commission

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5407
Order No. R-4964

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT KELLY BELL, TRAVELERS
INDEMNITY CO. AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY THE
KELLY BELL LAROE WELL NO. 1 LOCATED IN UNIT D
OF SECTION 19, TOWNSHIP 27 NORTH, RANGE 22
EAST, COLFAX COUNTY, NEW MEXICO, SHOULD NOT
BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A
COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 5, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of February, 1975, the Commission,
a quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, 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 Kelly Bell is the owner and operator of the Kelly
Bell Laroe Well No. 1, located in Unit D of Section 19, Town-
ship 27 North, Range 22 East, NMPM, Colfax County, New Mexico.
- (3) That although the operator of said Laroe Well No. 1
has filed a report purporting to show that said well has been
properly plugged and abandoned and the location cleared and
leveled as required, an inspection of the site indicates that
the well site has not been cleaned and leveled and that the
plugging of said well cannot be clearly established.
- (4) That in order to prevent waste and protect fresh
waters, the operator of said Laroe Well No. 1 should be required
to furnish acceptable proof that said well was properly plugged
and abandoned and the location cleaned and leveled.

-2-
CASE NO. 5407
Order No. R-4964

(5) That in the absence of such acceptable proof of plugging said Kelly Bell Laroe Well No. 1 should be plugged and abandoned in accordance with a program approved by the Santa Fe District Office of the New Mexico Oil Conservation Commission on or before May 15, 1975.

IT IS THEREFORE ORDERED:

(1) That Kelly Bell and Travelers Indemnity Co. are hereby ordered to plug and abandon the Kelly Bell Laroe Well No. 1, located in Unit D of Section 19, Township 27 North, Range 22 East, NMPM, Colfax County, New Mexico, on or before May 15, 1975, or to furnish proof that said well has been properly plugged and abandoned and the location cleared and leveled in accordance with the plugging report previously filed.

(2) That Kelly Bell and Travelers Indemnity Co., prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Santa Fe Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

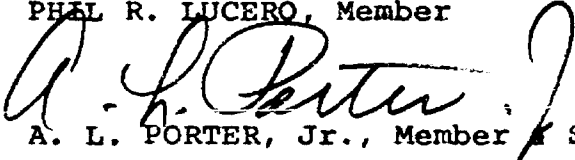
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman


PHIL R. LUCERO, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

jr/

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

January 24, 1975

CERTIFIED - RETURN
RECEIPT REQUESTED

Kelly Bell
511 West Ohio
Midland, Texas 79701

The Travelers
First National Bank Bldg.
1401 Elm
Dallas, Texas 75202

Re. Kelly Bell Baroe Well No. 1,
located in Unit D, Section 19,
Township 27 North, Range 22
East, Colfax County

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, February 5, 1975, at
9:00 a.m. in the Oil Conservation Commission Conference
Room, State Land Office Building, Santa Fe, New Mexico.
Case 5407 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

encl.

Dockets Nos. 5-75 and 6-75 are tentatively set for hearing on February 19 and March 5, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 5, 1975

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5406: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Oil Exploration, Inc., General Casualty Company of America and all other interested parties to appear and show cause why the Irwin Well No. 1, located in Unit D of Section 29, Township 21 North, Range 36 East, Union County, New Mexico, and the Irwin "A" Well located in Unit D of Section 29, Township 21 North, Range 36 East, Union County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5407: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Kelly Bell, Travelers Indemnity Co. and all other interested parties to appear and show cause why the Kelly Bell Laroe Well No. 1 located in Unit D of Section 19, Township 27 North, Range 22 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5408: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. E. Medlock and Reliance Insurance Company and all other interested parties to appear and show cause why the Queen Ridge No. 1 Well located in Unit M of Section 36, Township 10 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5380: (Continued & Readvertised)

Application of Amoco Production Company for a non-standard gas proration unit, an unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard gas proration unit comprising the S/2 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4 of Section 33, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Gillully "B" Well No. 3, located in Unit N, and its Gillully "B" Well No. 15 to be drilled at an unorthodox location 1980 feet from the North line and 660 feet from the East line of said Section 33.

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2086 - SANTA FE
87501

December 6, 1974

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMISTO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Bill - for your information.

Mr. Kelly Bell
511 West Ohio
Midland, Texas 79701

Dear Sir:

Attached is a copy of the Form C-103 for your Fernandez Montoya well in Section 14, Township 23 North, Range 21 East, Colfax County. Although you failed to provide this office with "a signed statement from the landowner" as stipulated by the Affidavit of Responsibility (paragraph 5), Mr. Louis Montoya has confirmed that you did abide by the terms of your agreement. Consequently your transfer of the subject well has been approved and our files relative thereto are now completed and closed.

Your Report of Plug and Abandonment at the Sam Laroe Well No. 1, Section 19, Township 27 North, Range 22 East, Colfax County has not been approved. An inspection of that location indicates that you failed to comply with Oil Conservation Commission regulations. The well location was found to be badly rutted, trashy and poorly leveled. There was no marker identifying the site and a cave-in could conceivably be a hazard to animals. Attached is a copy of a portion of the New Mexico rules pertaining to abandonment of wells.

Please advise this office when the deficiencies discussed above have been remedied so that our files may be closed.

Yours very truly,

CARL ULVOG, Senior Geologist
District IV Supervisor

Copy of Rule 202 (p D-1) attached to original with paragraph CU/og relating to installation and description of marker Attachment underlined in red.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

October 9, 1974

Mr. Kelly Bell
200 Wilkinson-Foster Bldg.
Midland, Texas 79701

Dear Sir:

This will acknowledge receipt of Form C-105 for your Sam Laroe Well No. 1 and the "Affidavit of Responsibility: Conversion to Water-well" for your Fernandez-Montoya Well No. 1, both in Colfax County, New Mexico. On the computer printout which you returned there was a notation that the Sam Laroe well was plugged and abandoned and the Fernandez-Montoya well had been converted to a water well.

Kindly complete and submit to this office the reports required to close our files on these two wells. Needed are Forms C-103 stating final disposition - in the case of the Laroe well, Subsequent Report of Plug and Abandonment; and with respect to the Fernandez-Montoya well, compliance with Paragraph 5 of the "Affidavit of Responsibility."

Attached is a copy of Section D from Oil Conservation Commission Regulations for your guidance. An early reply will be appreciated.

Yours truly,

CARL ULVOG, Senior Geologist
Oil & Gas Inspector
District IV.

CU/og

cc: Mr. W. F. Carr, General Counsel
Oil Conservation Commission
Santa Fe, New Mexico 87501

Fernandez-Montoya well - taken care of 12/5/74
of

Case No. 5407
Order No. R.

in the absence of such acceptable proof
(5) That in ~~order to prevent waste and protect correlative~~
plugging said Kelly Bell Laroe Well No. 1 should be plugged and
abandoned in accordance with a program approved by the Santa Fe
District Office of the New Mexico Oil Conservation Commission
on or before May 15, 1975.

IT IS THEREFORE ORDERED:

(1) That Kelly Bell and Travelers Indemnity Co. are hereby
ordered to plug and abandon the Kelly Bell Laroe Well No. 1,
located in Unit D of Section 19, Township 27 North, Range 22
East, NMPM, Colfax County, New Mexico, on or before May
15, 1975.

*or to furnish proof that said well
has been properly plugged and abandoned
and the location cleared and leveled
in accordance with the plugging report
previously filed.*

(2) That Kelly Bell and Travelers Indemnity Co., prior to
plugging and abandoning the above-described well, shall obtain
from the Santa Fe Office of the Commission, a Commission-approved
program for said plugging and abandoning, and shall notify said
Santa Fe Office of the date and hour said work is to be
commenced whereupon the Commission may, at its option, witness
such work.

(3) That 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.