

CASE 5429: PLUGGING CASE:  
CHARLES M. GOAD AND UNITED STATED  
FIDELITY & GUARANTY CO.

Count to 1000

CASE No.

5429

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Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
14 May 1975

EXAMINER HEARING

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IN THE MATTER OF: )

(Continued from the March 5, 1975 )  
Examiner Hearing) )

In the matter of the hearing called )  
by the Oil Conservation Commission )  
on its own motion to permit Charles )  
M. Goad and United States Fidelity )  
& Guaranty Company and all other )  
interested parties to appear and )  
show cause why the Charles M. Goad )  
State No. 1 Well located in Unit M )  
of Section 28, Township 2 South, )  
Range 26 East, De Baca County, )  
New Mexico, should not be plugged )  
and abandoned in accordance with a )  
Commission-approved plugging pro- )  
gram. )  
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NO. 5429

BEFORE: Daniel S. Nutter, Examiner.

For the New Mexico Oil  
Conservation Commission:

William F. Carr, Esq.  
Legal Counsel for the Com-  
mission  
State Land Office Building  
Santa Fe, New Mexico 87501

Charles M. Goad, Pro se.

I N D E X

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MR. NUTTER: The hearing will come to order, please. The first case this afternoon will be 5429, which is in the matter of a hearing called by the Oil Conservation Commission on its own motion to permit Charles M. Goad and United States Fidelity & Guaranty Company and all other interested parties to appear and show cause why the Charles M. Goad State No. 1 Well located in Unit M of Section 28, Township 2 South, Range 26 East, DeBaca County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

I'll ask for appearances in this case.

MR. CARR: I'm appearing for the Commission. I have one witness.

MR. GOAD: Charles M. Goad, Oil Operator.

MR. NUTTER: Are there other appearances?

(No response.)

MR. NUTTER: Would you proceed, Mr. Carr?

MR. CARR: Mr. Examiner, the witness should be sworn.  
(Witnesses sworn.)

R. L. STAMETS,

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

DIRECT EXAMINATION

BY MR. CARR:

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

A R. L. Stamets, Technical Support Chief for the Oil Conservation Commission in Santa Fe, New Mexico.

Q Mr. Stamets, are you familiar with the part of DeBaca County involved in this case?

A I am.

Q Do your duties with the Commission include making recommendations to the Commission as to when a well should be plugged and abandoned?

A They do.

Q Are you familiar with the subject matter of case Number 5429?

A I am.

Q What is the purpose of this case?

A This case was called to allow all parties to appear and show cause why the Charles M. Goad State No. 1 Well located in the --- in Unit letter N of Section 28,

THE NYE REPORTING SERVICE  
STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

Township 2 South, Range 26 East, should not be plugged and abandoned in accordance with the Commission-approved plugging program.

Q Are you familiar with this well?

A Yes, I am.

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

A Yes, I have reviewed those reports.

Q Do you have them with you?

A I do.

Q Will you please give the Examiner a history of the well as reflected in the official reports filed with the Commission?

A The well file shows that the initial notice of intention to drill was approved in July, 1968. The well was originally filed as the W. C. Welch State Well Number 1 N, 28, 2 South, 26 East. From the records in the file it appears that the well was commenced about July of 1968. No reports were filed until December of 1968. Subsequent to that time there was a change of ownership to Luttrell Oil Company about February 2 of 1971 and at that time the well had a total depth of approximately 800 feet. The well became the subject of

Case Number 4637, which was heard January 19, 1972.

MR. NUTTER: What was the number of that case?

A 4637.

MR. NUTTER: Thank you.

A And then was later the subject of Order Number R-4252, which was issued on February 8th, 1972. This well was one of, I believe, three wells that Mr. Luttrell was operating at that time which had been shut down for a period of time and no activity, and in that order the Commission found that to prevent the waste of oil and gas and to protect fresh waters, I believe they even found that to protect animals, livestock, that the well should be plugged and abandoned in accordance with the Commission-approved plugging program. Except that the subject well had a proviso in there where if the operator went in there and was actually drilling on the well, if he went ahead and completed it, he would not have to plug and abandon it. Following that time Mr. Goad took the well in February, 1972, the very same month that the order came out and apparently went ahead and did do some drilling operations on the well. I believe the file will show that the well was drilled to a depth of about 1308 feet; 8 and 5/8ths inch casing was set at about 1008 feet with

175 sacks of cement and water was then reported by Mr. Goad at 1185 feet with the water increasing as he drilled deeper. The last report that we have in here is of May 4th, 1973, which indicates that no work had been done on the well since April 20th of 1972. We do have a few pieces of correspondence back and forth between Mr. Goad and the District Supervisor that indicate the status of the well and his intentions and so on. The last piece of correspondence is from Mr. <sup>Gressett</sup> Dresser to Mr. Goad in February of this year where he indicated that the drilling operations had been suspended since April 20, 1972 and that he, Mr. Dresser, was recommending that the Commission set this hearing.

Q Is there any other information relative to this well that you think should be called to the attention of the Examiner?

A I believe that this represents the bulk of the pertinent information.

Q In your opinion could failure to plug this well result in waste?

A It certainly could, especially considering that there is water in this hole of indeterminate quality, and apparently from what we are able to discern, the cement

on the long string did not circulate back to the surface. There is an opportunity for waste as well as the opportunity for injury to fresh water in this area.

Q Is it your recommendation that the well be plugged?

A At the present time with the fact that the operations have been shut down for so long, considering the history of this well, it would certainly appear to me that at the present time that would be the best action the Commission could take.

Q What type of a plugging program would you recommend?

A I would recommend that the plugging program be in accordance with the wishes of the District Supervisor of the Artesia District Office, a Commission-approved plugging program.

MR. CARR: I have no further questions of the witness.

QUESTIONS BY MR. NUTTER:

Q Mr. Stamets, you mentioned that that 8 and 5/8ths casing at 1008 was with a 175 sacks, is that the only string of casing that's in the well?

A I believe that that is the only string that is

in there at this time. There had been some other strings of casing. The indications are that those were pulled. One of the forms submitted in May of 1973 indicates that the operator had intentions of setting some seven inch casing but that this was never done.

Q What I had particular reference to was any shallower string of surface casing than the 1008 feet. Any casing larger than 8 and 5/8ths.

A There was some ten inch casing that had been set at 150 feet, but that was pulled, and here I see back in 1968 the operator, Mr. Welch, reported fifty feet of 14 inch casing had been mudded in and that casing may or may not have been pulled by this time. I don't believe that that's significantly effects the status of the well.

Q Do you know what the diameter of the hole was when this 8 and 5/8ths inch casing was run?

A I don't believe we have anything that clearly points out the hole size below this 8 and 5/8ths inch casing. Here's an unofficial report talking about hole size varying from ten inches to fourteen inches when the 8 and 5/8ths was set, and looks like the well depth at that time was about 1125 feet, but that is not an official Commission form.

Q So we don't know what the top of the cement is on the 1008 foot string and we have no way of calculating what the cement top might be, is that correct?

A No, in discussing this with the District Supervisor, it was his feeling that in all likelihood the cement came back to the shallow fresh water zone.

Q And to your knowledge what was the last date that any work was done on this well?

A The report that we have here filed by the operator in May of 1973 says, "There has been no further work done on the hole site since the last report, 4/20/72."

Q 4/20/72.

A Yes.

Q That would be April the 20th, 1972.

A Right.

MR. NUTTER: Are there any further questions of the witness?

(No response)

MR. NUTTER: He may be excused. Do you have anything further, Mr. Carr?

MR. CARR: Nothing further.

MR. NUTTER: Mr. Goad?

CHARLES M. GOAD,  
testifying on his own behalf, testified as follows,  
to-wit:

QUESTIONS BY MR. NUTTER:

Q Mr. Goad, would you state your name for the record, please?

A Charles M. Goad.

Q And are you the owner of the subject well, Mr. Goad?

A I'm the operator of it. I own one-eighth interest in it. I took over one-eighth just for the courtesy of putting the bond on it.

Q I see, and who is the owner or --

A The owner is a fellow by the name of James Kirk, an attorney, who resides in Albuquerque. His intentions were to be here today but he is over in London and has been over there for the last sixty days and he's scheduled to return Friday, although he was trying to get here today.

Q But you are a part owner of the well?

A Yes, I'm the operator of it.

Q Did you have any statement you wished to make concerning the well, Mr. Goad?

A Yes. The hole is in much better shape now than

when I took it over. We did do our cementing. We had the State Inspector on the site when we cemented. He returned again to the site when we broke through the cement at the bottom and drilled down about forty to fifty feet, and we left it stand; there was no water running into the hole from the upper -- from the upper layers. So the cement did hold the upper waters, and the water that's in the hole now has come in in the last thirty-five to forty feet, so there's no waste on the water; the water is coming in and just standing there, and I've cleaned up the surface and moved most of all the large junk and things that were on the site at this time.

Q Well, now Mr. Stamets mentioned that the last report that he had showed the depth of the well was approximately 1308 feet, is that correct?

A Yes, that's correct.

Q That's the current depth?

A Yes.

Q Now, Mr. Stamets also in his testimony indicated that the last work that had been done on the well was in April of 1972, is this correct?

A That was probably right.

Q What are your plans for the well insofar as --

A Well, I was told at a certain point there to address all further communication to Mr. Carr, which I've done, and I'd send him records; I've put together 10,000 acres surrounding the hole with a program for three additional holes to be drilled, of which one of them would go to the basement and two would go to the San Andres around 1800 feet. Hopefully they would use this hole to go the San Andres as one of the holes, and I sent him copies of the contracts and the only thing that I haven't sent him was an extension which was in writing, extended to the 28th of last month, and we have now given, or Mr. Kirk has, I called him in London night before last to see what he wanted to do here, and he stated to me, told me that he'd given them a six-month extension, which the letter I have here indicates that he would give them a further extension if they need it. They have roughly \$30,000 invested in this, so they will drill the three holes and the only sorry part about it is that they haven't commenced at the time that they were supposed to. Now the hole is in good shape, it's not hurting anybody with it being there. Another -- well, before I'm through here I'd like to make one comment on another subject in

this. There's no contamination; I've shut off the upper waters. When I took the hole over the fresh water was being contaminated by the salt layer and I cemented that off and that's been taken care of, and I'd like to request a one year extension on the hole and leave it just like it is, and the fellows to drill the three holes have six monthes extension from me or from the group, and I'd just as soon -- I'd like to see them drill it and it's all on State land and the State has something to benefit.

Q Well, Mr. Goad, this case came on for hearing originally on the 5th of March of 1975 and at that time the case was continued until this date, being approximately two months, a little more than that, and at that time in informal discussions with members of the Commission staff you indicated that something concrete would be done by the time of this hearing; that work would be in progress on the well or that it would be plugged and abandoned.

A No, sir, I did not make that statement.

Q I see, that was the impression that --

A Yes, you may have obtained that impression, but that is not what I said.

Q But you requested that the case be continued

for two months and apparently we're here today two months later and the condition of the well is still the same as it was in April of 1972.

A Yes, I asked for the extension because their extension dated to the January 14th, 1975, gave them 120 day extension, and that extension expired on the 28th of last month.

Q Of April?

A Yes. We have now given them another six months at their request. Like I say, they have money invested in it and I sincerely believe that they will drill them, so all I'm asking is that I be allowed to keep a hole that's in good shape and that if they want to take it to San Andres, it's there, and they have assured me that they would do this as one of the San Andres tests.

Q Are you talking about three wells besides this one? Or two wells in addition to this one?

A Either three or two, depending if they use this hole, it would be one of the three. If they don't use it, then I will have this hole available to take to the San Andres after they've tested two holes to the San Andres.

Q What depth is the San Andres in this area?

A I'll say 1800 for talking purposes; it's 1700 and

something, but say 1800. And the bottom is only 4500 feet, so they don't have, you know, any real expensive wells there or holes to drill.

Q Do you have any idea as to what the top of the cement is on this string of 8 and 5/8ths inch casing?

A Well, with the pressure on the site and so forth and the air that was pushed out of there, we have assumed that it was somewhere around 100 feet from the surface. This is from experienced people being there at the time the mud was pumped in, or cement.

Q But no temperature survey was made or other means taken to --

A No, I haven't logged it or anything.

Q Do you have anything further you wish to say?

A Well, yes, if I may, what I want to put down here, I'm not putting it down as a purpose for bragging or anything, but I would like to make something actually real clear here. My bonding company received a letter in regards to this from Mr. Carr and in my opinion, Mr. Carr, you were way off base in sending this letter because I have a financial statement here that I'll leave you and you can put in your file. It says my net worth is pretty near a million and one-half dollars. We're talking

about a Five Thousand Dollar bond. Now, I have the -- I've been told by Dun and Bradstreet I have the best Dun and Bradstreet rating in the City of Albuquerque, one other fellow and myself. Now, for my bonding company to get a letter like you what you sent out, indicating a claim against my bond, now I could overlook that, Mr. Carr, except that yesterday I came through Albuquerque to pick up two bonds to bring up here, one for drilling and one for the mineral. Now they wouldn't issue me those bonds because they stated there was a claim against this bond here. There was not a claim against this bond and no matter what is resolved in this hearing today, I'm not going to leave with a claim against this bond.

MR. CARR: If you'll let me see the letter that you're talking about that I wrote to you, it's not in the file.

A Well, it's the standard notice, you know, that you sent, and --

MR. CARR: Let me see what that is.

A And, let's see, I would assume that it's a copy of the letter -- I'll give you a copy of my file for your file.

MR. NUTTER: I think for the sake of the record --

MR. CARR: I think the record should reflect that it doesn't state there's a claim against the bond but there's a hearing pending concerning the well, which is not a claim against the bond until an order is issued and at that time then a claim might arise, depending upon the outcome of this hearing, and I would suggest that any company that would construe this as anything else is -- is also off base because I don't think that on its face it indicates anything of the kind.

MR. GOAD: I would like to have, Mr. Carr, a letter from you signed when I leave so that I can bring this drilling bond up tomorrow for a hole over in Sandoval County. I have to drill it by May 1st and, you know, that it's urgent that I get it up here and proceed.

MR. NUTTER: I think for the sake of the record, since the contents of the letter has been mentioned here, that the letter should be read into the record and it's a letter on Oil Conservation Commission stationery signed by William F. Carr, General Counsel, dated May 2nd, 1975, certified, return receipt requested, addressed to Charles M. Goad, Blanco, New Mexico, and the United States Fidelity and Guaranty Company, % of Western Assurance and Realty Corporation, in Albuquerque," Re: Charles M.

Goad State No. 1 Well, located in Unit M of Section 28, Township 2 South, Range 26 East, DeBaca County, New Mexico, Plugging Bond. Gentlemen: Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, May 14th, 1975, at 9:00 a.m. in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico.

Case 5429 concerns the subject matter.

Very truly yours, Carr, General Counsel."

With that I don't think we'll need to keep ~~this record~~ <sup>letter</sup> as far as this ~~letter~~ <sup>record</sup>, Mr. Goad. Now is that the copy that the insurance company received or is that the copy that you received?

A That's the copy I received. I would assume that they received --

Q (By Mr. Nutter) That they received an identical copy of the original.

A All right, now I have one other thing that I'd like to bring up. It was very confidential and important to me a few years ago, but right now I'm involved in a placer gold operation in Colorado, so this mineral that I'm speaking of is of no interest to me at this time. But I want to bring it up because I want to -- I want all

the evidence I can get on my side to try to keep this hole open. All right, in 1969 when we were working in that hole, we came up with a mineral. That mineral was cesium. And I had it checked out and it's the only spot in the State of New Mexico cesium is located, and this is of benefit to the state and therefore it's another reason why this hole ought to stay open. Now the process of extracting cesium would be a circulating system through the salt. Now, I came into the State here and I asked Mr. Jack Pierce at that time and I have a letter from him October 16th, 1969, with the letterhead of the State of New Mexico, Commission of Public Lands; this is what he wrote to me. "Dear Mr. Goad, I have checked into the proper lease for mining two minerals you mentioned in your letter of September 29th, 1969, and find that a general mining lease will give you the best protection. Would be very interested in looking over your operation if you decide to go ahead and apply for these leases and start mining." All right, that letter was dated in 1969, October. Within a forty-five day period this information leaked out from the office of the Commissioner of Public Lands. There commenced immediately exploration work up there in DeBaca County looking for cesium. There were thirteen holes

drilled out there. Those holes are still open. As far as I know there's never been anybody requested permission to drill those holes and no effort has ever been made to plug them, and those holes, they're small drill holes, maybe two and one-half, three inch holes.

Q What depth are they, do you know?

A I talked to one of the drillers at one time and they're at 920 feet in one hole. They drilled thirteen holes out there. At that time I had 22,000 acres surrounding this hole and the leases were in my name and so they drilled - my leases were oil and gas - so they came in and filed on mineral leases, which they had the right to, but they drilled on every lease I had out there, which roughly included thirteen leases. The reason they didn't drill where this hole was, because this hole property that we're speaking of here is not in my name so they weren't aware of my association with the hole. So you have thirteen holes out there that need to be *plugged* drilled, plus I'd like to know why the information slipped out from the Commissioner of Public Lands. Cesium is worth \$8000 a pound, which is a lot more valuable than gold, a lot more valuable than oil. The only other place in the United States cesium is located right now is in

South Dakota and it's processed in Michigan, and I have a copy of the -- what cesium is and I'll leave that for your file. It has an atomic weight of 55. Now I think for the exploration of cesium, if we -- if I need to have a mineral hole or a hole left for mineral exploration, I need this mineral bond that I was going to bring up with me yesterday, which is a very small amount, Two Thousand Dollars for one. That one was refused to me yesterday, also, Mr. Carr, along with the drilling one I need for Sandoval County, and I'll go ahead, if there is a procedure to put this hole into a mineral exploration hole, I'll go through that procedure if that's necessary to save the hole, but I'd rather the hole be left standing like it is for one year and allow us to proceed and drill the three adjoining holes or two and that one deeper.

That's about all I have to say.

MR. NUTTER: Of course the Commission has no jurisdiction over mining or drilling for cesium and the bond wasn't issued for cesium well and it wasn't drilled purportedly as a cesium hole. It was drilled as a potential oil and gas well, and that's the only jurisdiction the Commission has. We have to regard it as an oil and gas prospect rather than as a cesium well at this time.

A Well, what could you gain by plugging the hole at this time when there's so much to gain -- to be gained by the State of New Mexico by leaving it open?

MR. NUTTER: I don't know what would be gained by plugging it or what would be gained by leaving it open.

MR. GOAD: A lot could be gained by leaving it open; nothing could be gained by plugging it. The hole can be plugged at any time that you so desire it, you know you have that within your power to do it. All I'm asking is that we have several good reasons for leaving it open and in good faith, we haven't abandoned the site or the area; we're working with it. It just happens that dates that people pick, they just can't perform by those dates, and this is the way life is nowadays. The old days they used to meet dates and that was all different; not any more.

MR. NUTTER: Well, the Commission never docketed one of these cases unless there's been a period of extended inactivity on the well and I think you testified that the last work done was back in 1972. Do you have anything further, Mr. Goad?

A No, nothing.

MR. NUTTER: Does anyone have anything further to

offer in Case Number 5429?

(There followed a discussion off the record.)

MR. NUTTER: Back on the record. Does anyone have anything further they wish to offer in Case 5429? If not, we'll take the case under advisement.

(Hearing concluded.)

STATE OF NEW MEXICO )  
 ) ss REPORTER'S CERTIFICATE  
COUNTY OF SANTA FE )

I, Sally Walton Boyd, Notary Public and General Court Reporter, Santa Fe, New Mexico, DO HEREBY CERTIFY that the facts stated in the caption hereto are true and correct; that I reported the captioned proceedings and that the foregoing 24 pages of typewritten matter is a full, true and correct transcript of my notes taken during the course of the hearing.

WITNESS my hand, this 24th day of May, 1975, at Santa Fe, New Mexico.

Sally Walton Boyd  
Sally Walton Boyd  
Notary Public and General Court Reporter

My Commission expires:  
10 September 1975

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5429, heard by me on 5/14, 1975.

[Signature] Examiner  
THE NYS REPORTERS' ASSOCIATION  
STATEWIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 5, 1975

EXAMINER HEARING

IN THE MATTER OF :

The hearing called by the Oil Conservation Commission on its own motion to permit Charles M. Goad and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Charles M. Goad, State No. 1 Well, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Case No.  
5429

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

William Carr, Esq.  
Legal Counsel for the  
Commission  
State Land Office Bldg.  
Santa Fe, New Mexico

MR. STAMETS: We call the next case, 5429.

MR. CARR: Case 5429. In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Charles M. Goad and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Charles M. Goad, State No. 1 Well, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Mr. Examiner, we have received a request that this Case be continued to the April 2nd Examiner Hearing.

MR. STAMETS: Case 5429 will be continued until that date.

(Whereupon, a recess was held.)

MR. CARR: Mr. Examiner, Case 5429 should be reopened at this time.

MR. STAMETS: We will reopen Case 5429.

MR. CARR: Mr. Examiner, members of the Commission staff have been in contact with various parties involved in this case and have concluded that the matter can best be resolved to the satisfaction of all if this Case is continued to the Examiner Hearing of May the 14th as opposed to the Examiner Hearing of April the 2nd.

MR. STAMETS: Case 5429 will be continued to the Examiner Hearing on May 14, 1975, rather than the April

CASE 5429  
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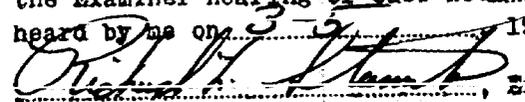
2nd Hearing.

If there is nothing further, the Hearing is  
adjourned.

STATE OF NEW MEXICO )  
                          )    SS.  
COUNTY OF SANTA FE  )

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.

  
\_\_\_\_\_  
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5429 heard by me on 3-9 1972.  
  
\_\_\_\_\_  
Richard L. Nye, Examiner,  
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 8, 1978

United States Fidelity and  
Guaranty Company  
2201 San Pedro, N.E.  
San Pedro Park, Suite 102  
Albuquerque, New Mexico 87110

Re: Case No. 5429,  
\$5,000 One-Well Bond  
Charles M. Goad, Principal  
Bond No. 7556  
File Ref.: 01-0130-217-72

Gentlemen:

The above-referenced well was ordered to be plugged and abandoned prior to October 28, 1975, by Commission Order No. R-5031. Your principal has not complied with the terms of that Order, and the bond is therefore forfeited according to the provisions of Section 65-3-11.2, N.M.S.A. 1953 Comp. (laws 1977). The statute directs the Attorney General to collect said forfeiture without delay.

Please forward the face amount of the bond to this office without delay.

Very truly yours,

(Ms.) LYNN TESCHENDORF  
General Counsel

LT/dr

cc: Mr. Bill Gressett

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P  
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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. 5429  
Order No. R-5031

IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION COMMISSION ON ITS  
OWN MOTION TO PERMIT CHARLES M. GOAD AND  
UNITED STATES FIDELITY & GUARANTY COMPANY  
AND ALL OTHER INTERESTED PARTIES TO APPEAR  
AND SHOW CAUSE WHY THE CHARLES M. GOAD,  
STATE NO. 1 WELL LOCATED IN UNIT M OF  
SECTION 28, TOWNSHIP 2 SOUTH, RANGE 26  
EAST, DE BACA 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 May 14, 1975,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of May, 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 Charles M. Goad is the owner and operator of the  
State No. 1 Well, located in Unit M of Section 28, Township 2  
South, Range 26 East, NMPM, De Baca County, New Mexico.
- (3) That said well was commenced on July 24, 1968,  
and during 1968 was drilled to a total depth of some 800  
feet.
- (4) That no additional work of serious consequence was  
done on said well and it was, with another well, ordered to  
be plugged by Commission Order No. R-4252, dated February 8,  
1972.

-2-

Case No. 5429  
Order No. R-5031

(5) That subsequent to issuance of said Order No. R-4252, ownership of the well was transferred and the Commission authorized additional work to be done on said well.

(6) That said well was deepened to a total depth of 1308 feet, and no work has been performed on the well since April 20, 1972.

(7) That the well may constitute a hazard and a threat to the inviolability of ground waters in the area.

(8) That in order to prevent waste, to protect correlative rights and to confine any oil, gas, or water in the strata in which they are found, said State No. 1 Well should be shown capable of commercial production of hydrocarbons or should be plugged and abandoned in accordance with a program approved by the Artesia District Office of the New Mexico Oil Conservation Commission on or before October 28, 1975.

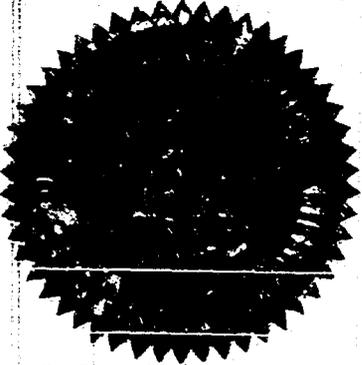
IT IS THEREFORE ORDERED:

(1) That Charles M. Goad and United States Fidelity & Guaranty Company are hereby ordered to plug and abandon the State No. 1 Well located in Unit M of Section 28, Township 2 South, Range 26 East, NMPM, De Baca County, New Mexico, on or before October 28, 1975, unless it has been shown that said well is capable of producing hydrocarbons in paying quantities.

(2) That Charles M. Goad and United States Fidelity & Guaranty Company, prior to plugging and abandoning the above-described well, shall obtain from said Artesia Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify the Artesia 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*  
I. R. TRUJILLO, Chairman

*Phil R. Lucero*  
PHIL R. LUCERO, Member

*A. L. Porter, Jr.*  
A. L. PORTER, JR., Member Secretary

S E A L  
jr/

LEWIS J. BICKING, JR., P.E.  
Petroleum Consultant  
9516 Liptonshire  
Dallas, Texas 75238  
214/348-1563

December 12, 1975

Case 5429

Mr. William F. Carr  
Oil Conservation Commission  
State of New Mexico  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Carr:

Your courtesy of giving me an opportunity to delay the plugging of Charles M. Goad State No. 1, DeBaca County, is appreciated. However, the company which expressed the most interest in completing the well informed me today that they have decided to pass up this opportunity for the present. Two other companies have expressed interest, but are not willing to commit themselves to plug the well without more time to cross-check the area geology.

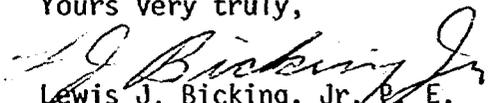
During the last year, one of my clients who had invested in some leases in this area attracted my attention and I have been gathering information on the area since that time. The presence of a well with surface casing already set, but undrilled, is a greater incentive to drill than to re-open a plugged well for deepening. Also, there is a waste of effort and expense in plugging a well only to drill it out again.

Your letter indicates the Commission has already heard the arguments for and against plugging and will defer action only if the well has a new owner. I regret being unable to arrange for the purchase of this property in the allotted time. If such an arrangement can be made in the near future, I will again inquire of the well's status and prepare the required documents.

My intention is to interest a client in the deepening of this well through the San Andres formation with either cable tools or rotary rig. Rig availability and weather will be determining factors.

Should the Commission choose to press action on the closing of this well, it is suggested the Commission approve a thirty-foot cement plug at the surface of the casing, leaving the surface casing full of fluid and in place.

Yours very truly,

  
Lewis J. Bicking, Jr., P. E.  
Consultant

LJB:jb  
cc: John Worrell James E. Kirk

RAY GRAHAM

See 28-25-265

N<sup>2</sup>

LG-935 dated 11-29-72

E. W. HALL + JAMES F. KIRK

Ste 250-605 SAN MATEO

ALB, N.M.

UP FOR CANCELLATION FOR  
NON-PAYMENT RENTAL

S<sup>2</sup>

LG-933 dated 11-22-72

MARGARET C. HAMILTON

127-A JEFFERSON NE

ALB, N.M.

no mail transfer

call

Mr.

Kennedy

5378

*File of W&S 5129*  
**FINANCIAL STATEMENT**

FORM DESIGNED, PRINTED, AND DISTRIBUTED BY  
BANK MANAGEMENT COMMISSION  
AMERICAN BANKERS ASSOCIATION  
(REVIEWED AND APPROVED 1961)

NAME Charles M. Goad May 9, 1975

BUSINESS OR OCCUPATION Gen. Contractor & Mining ADDRESS P.O. Box 7, Glencoe, N.M. 88324

WIFE'S NAME Laura B. Goad (FIRST NAME IN FULL)

TO Chaves County Savings & Loan Assoc. (NAME OF BANK)

FOR THE PURPOSE OF OBTAINING ADVANCES FROM TIME TO TIME ON BILLS, NOTES AND OTHER COMMERCIAL PAPER SIGNED OR INDORSED BY THE UNDERSIGNED, AND OF OBTAINING CREDIT GENERALLY, THE UNDERSIGNED MAKES THE FOLLOWING STATEMENT OF his FINANCIAL CONDITION AS OF THE CLOSE OF BUSINESS ON THE 9 DAY OF May, 1975, AND CERTIFIES TO THE ABOVE NAMED BANK THAT THE INFORMATION HEREINAFTER SET FORTH IS IN ALL RESPECTS TRUE, ACCURATE AND COMPLETE AND CORRECTLY REFLECTS THE FINANCIAL CONDITION OF THE UNDERSIGNED ON THE DATE AFOREMENTIONED.

(FILL ALL IN SPACES, WRITING "NO" OR "NONE" WHERE NECESSARY TO COMPLETE INFORMATION.)

ASSETS				LIABILITIES			
CASH, ON HAND AND IN BANKS	\$	38	950	00	NOTES PAYABLE TO BANKS (DETAIL IN SCHEDULE)	\$	
NOTES AND ACCOUNTS DUE ME (COLLECTIBLE)		---	---	---	NOTES AND ACCOUNTS DUE OTHERS (DETAIL IN SCHEDULE)	5	000
MERCHANDISE AND FARM PRODUCTS		4	500	00	TAXES DUE		
LISTED STOCKS AND BONDS (DETAIL IN SCHEDULE)		4	171	00	RENT DUE		
					CHattel MORTGAGES		
<b>QUICK ASSETS</b>	\$	47	721	00			
REAL ESTATE (DETAIL IN SCHEDULE)		20	38	000	00	REAL ESTATE MORTGAGES (DETAIL IN SCHEDULE)	760
MACHINERY AND FIXTURES (USED IN BUSINESS)		3	950	00			
UNLISTED STOCKS AND BONDS (DETAIL IN SCHEDULE)		---	---	---			
<del>X</del> <del>DO NOT</del> <del>REMOVE</del> Real estate contracts		58	000	00			
AUTOMOBILE 71 Mercury Monterey		2	500	00			
64 Ford Econoline Van			900	00	TOTAL LIABILITIES	765	000
74 Ford 3/4 ton pickup		4	800	00	NET WORTH	1,370	871
TOTAL	\$2,135	871	00		TOTAL	2,135	871

I CARRY \$518,000 LIFE INSURANCE IN THE Lincoln Natl. Life Ins. Co. See attached sheet  
TO Laura B. Goad THE PRESENT CASH VALUE OF WHICH IS \$2,300.00 AND ON WHICH I HAVE BORROWED \$ None  
I also carry \$100,000. accidental death policy  
MY TOTAL CONTINGENT LIABILITY AS ENDORSER, SURETY, BONDSMAN AND OTHERWISE DOES NOT EXCEED \$ 5,000.00  
THE MAKE OF MY AUTOMOBILE IS Mercury AND THE YEAR OF MANUFACTURE 1971  
COMPANY PAYABLE

MY INCOME FOR YEAR ENDING <u>1-1-75 to 5-8-</u> 19 <u>75</u> WAS:				TO BE FILLED OUT ONLY BY BORROWERS EMPLOYED BY OTHERS	
EARNED (SALARY, COMMISSIONS, FEES, ETC.)	\$	None			I WORK FOR _____
INTEREST AND DIVIDENDS RECEIVED					
RENTS RECEIVED					
OTHER INCOME FROM <u>Contracts</u>		1	600	00	AS _____
GROSS INCOME	\$	1	600	00	HAVE BEEN THERE FOR _____ YEARS.
DEDUCT: TAXES PAID DURING YEAR	\$				MY PREVIOUS JOB WAS WITH _____
INTEREST PAID					
REPAIRS TO BUILDINGS					
OTHER BUSINESS EXPENSES					AS _____
NET INCOME	\$	1	600	00	I HELD THAT FOR _____ YEARS.

(BE SURE ALL SCHEDULES ON OTHER SIDE ARE FILLED OUT)

## SCHEDULES

BE SURE TO INCLUDE EVERY ITEM UNDER EACH SCHEDULE

### REAL ESTATE

TITLE TO ALL REAL ESTATE LISTED IS IN MY NAME SOLELY AND UNENCUMBERED, EXCEPT AS SHOWN HEREON.

LOCATION AND SITE (INCLUDING DESCRIPTION OF LAND AND TYPE OF BUILDING)	TITLE HELD IN NAME OF	DATE ACQUIRED	PURCHASE PRICE	ASSESSED VALUATION	AMOUNT OF MORTGAGES	WHEN DUE
Residence Home & Farm in Glencoe, N.M.	Charles M.	12-70	25000	38000	None	pd. in full
	And					
800 acres Alma Placer Properties, Alma, Col.	Laura B.	9-73	1,160,000	2,000,000	plus	
	Goad				760,000	annually
						See attached sheet

### STOCKS AND BONDS

ALL SECURITIES LISTED ARE MINE SOLELY, AND ARE IN MY POSSESSION EXCEPT AS SHOWN HEREON.

NAME OF ISSUING CORPORATION AND TYPE OF SECURITY	NO. OF SHARES (IF STOCK) FACE VALUE (IF BOND)	ANNUAL INTEREST OR DIVIDEND	MARKET VALUE	REGISTERED IN NAME OF
I. B. M.	12		2,496.	Charles M. &
Series E Bonds	48		1,675.	Laura B.
				Goad
			4,171.	

### TO BANKS (Rebate)

### DEBTS

NAME OF BANK	COLLATERAL	WHEN DUE	AMOUNT
			\$
			\$
			\$
TOTAL DUE TO BANKS			\$

### TO OTHERS (Rebate every debt over \$100)

NAME OF CREDITOR	ORIGIN OF DEBT	WHEN DUE	AMOUNT
U. S. F. & G.	\$5,000. drilling & Plugging bond	Never	\$ 5,000.00
			\$
TOTAL DUE TO OTHERS			\$
ALL MY OTHER DEBTS, NOT SHOWN ABOVE, DO NOT EXCEED			
TOTAL NOTES AND ACCOUNTS DUE TO BANKS AND TO OTHERS			
			\$ 5,000.00

IN SUBMITTING THE FOREGOING STATEMENT THE UNDERSIGNED GUARANTEES ITS ACCURACY WITH THE INTENT THAT IT BE RELIED UPON BY THE AFORESAID BANK IN EXTENDING CREDIT TO THE UNDERSIGNED AND WARRANTS THAT he HAS NOT KNOWINGLY WITHHELD ANY INFORMATION THAT MIGHT AFFECT his CREDIT RISK; AND THE UNDERSIGNED EXPRESSLY AGREES TO NOTIFY IMMEDIATELY SAID BANK IN WRITING OF ANY MATERIAL CHANGE IN his FINANCIAL CONDITION WHETHER APPLICATION FOR FURTHER CREDIT IS MADE OR NOT AND IN THE ABSENCE OF SUCH WRITTEN NOTICE IT IS EXPRESSLY AGREED THAT SAID BANK IN GRANTING NEW OR CONTINUING CREDIT MAY RELY ON THIS STATEMENT AS HAVING THE SAME FORCE AND EFFECT AS IF DELIVERED UPON THE DATE ADDITIONAL CREDIT IS REQUESTED OR EXISTING CREDIT EXTENDED OR CONTINUED.

SIGNED AT \_\_\_\_\_

THIS 9 DAY OF May 1975 SIGNATURE Charles M. Goad

BMC 112-11-1968

Attached Sheet to Financial Statement of Charles M. Goad  
dated May 9, 1975.

The 800 acres being bought by me located in Alma, Colorado is at this time being appraised by Charles F. Johnson a member of the (ASA) American Society of Appraisers along with his associate, Mr. Al Hach. The appraisal will take another 2 to 3 weeks to complete and all I know at this time is the appraisal will be well over two million dollars. This property consists of 90 units of water rights worth from \$5,000.00 to \$10,000.00 per unit. The property has 3 1/2 miles of frontage on the South Platte River and 1 1/4 mile frontage on the highway. We have 80 subdivided lots that can be sold. There are estimated to be 500 million cubic tons of gold bearing placer gravel with an estimated value of 4 to 6 billion dollars in gold.

My gold placer operation results in the discharge of washed graded gravel of which I am in the process of negotiating a contract with the state of Colorado for purchase of the gravel.

I have just taken out a half million dollar depreciating term insurance with Lincoln National Life but have not received the policy as of yet.

Cash on hand	1,670.00
Albuquerque National Bank	
Personal savings	44.00
Personal checking	6,012.00
Ruidoso State Bank	
checking	6,224.00
Chaves Co. Savings & Loan	
	<u>25,000.00</u>
	\$ 38,950.00

Charles M. Goad  
Charles M. Goad

OIL CONSERVATION COMMISSION  
P. O. BOX 2088  
SANTA FE NEW MEXICO 87501

May 14, 1975

United States Fidelity & Guaranty Co.  
c/o Western Assurance & Realty Corp.  
2001 Carlisle, N.E.  
Albuquerque, New Mexico

Gentlemen:

Mr. Charles M. Goad expressed concern to the Commission today about a letter sent to you on May 2, 1975, a copy of which is enclosed. This letter was sent to notify you and Mr. Goad of a plugging hearing to be held this date concerning the Charles M. Goad State Well No. 1, located in Unit M of Section 28, Township 2 South, Range 26 East, De Baca County, New Mexico. Mr. Goad is the operator of this well and United States Fidelity & Guaranty Co. is the surety.

The letter of May 2 was sent to you to comply with the notice provisions of the New Mexico Oil and Gas Statutes and in no way should be construed as a reference to the financial position of Mr. Goad or anyone else. The Commission is neither empowered to nor has made it its policy to ever make any determination on the financial status of any individual engaged in the oil and gas business in the State of New Mexico. Such matters are left to institutions such as yourself.

I trust this letter will clear up any confusion which may exist concerning my letter of May 2, 1975. If there are further questions, feel free to call.

Very truly yours,

WILLIAM F. CARR  
General Counsel

WFC/dr  
enc.

OIL CONSERVATION COMMISSION  
P. O. BOX 2088  
SANTA FE NEW MEXICO 87501

May 2, 1975

CERTIFIED - RETURN  
RECEIPT REQUESTED

C  
Charles M. Goad  
P. O. Box 7  
Glencoe, New Mexico 88324

O  
United States Fidelity & Guaranty Co.  
c/o Western Assurance & Realty Corp.  
2001 Carlisle, N.E.  
Albuquerque, New Mexico

D  
Re: Charles M. Goad State No. 1  
Well, located in Unit M of  
Section 28, Township 2 South,  
Range 26 East, De Baca County,  
New Mexico  
Plugging Bond

I  
Gentlemen:

Y  
Enclosed is a copy of the docket of the Examiner  
Hearing to be held on Wednesday, May 14, 1975, at 9:00  
a.m. in the Oil Conservation Commission Conference Room,  
State Land Office Building, Santa Fe, New Mexico. Case  
5429 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR  
General Counsel

WFC/gr  
enc.

Docket No. 6-75

Dockets Nos. 7-75 and 8-75 are tentatively set for hearing on March 19 and April 2, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 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 5425: (Continued and Readvertised)

Application of Continental Oil Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a non-standard 480-acre gas proration unit, comprising the W/2 of Section 13 and the E/2 E/2 of Section 14, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its Lockhart B Wells Nos. 4 and 8, located at unorthodox locations in Units H and P, respectively, of Section 14, and to its Lockhart B Well No. 7, at an unorthodox location in Unit D of said Section 13.

CASE 5408: (Continued from the February 5, 1975, Examiner Hearing)

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 5414: (Continued and Readvertised)

Application of Continental Oil Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 360-acre gas proration unit comprising the SE/4 and E/2 SW/4 of Section 28 and the N/2 NE/4 and NE/4 NW/4 of Section 33, both in Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Meyer B-28 A Com Acct. 2 Wells Nos. 2 and 3, located, respectively, in Unit O of said Section 28 and in Unit C of said Section 33.

CASE 5429: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Charles M. Goad and United States Fidelity & Guaranty Company and all other interested parties to appear and show cause why the Charles M. Goad, State No. 1 Well located in Unit M of Section 28, Township 2 South, Range 26 East, De Baca County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

- CASE 5431: Application of David C. Collier for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Kersey Well No. 1-Y, to be drilled 1980 feet from the South line and 2330 feet from the West line of Section 33, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.
- CASE 5432: Application of American Quasar Petroleum Co. of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Robinia Draw Unit Area, comprising 4,739 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Ranges 23 and 24 East, Eddy County, New Mexico.
- CASE 5433: Application of Southern Union Gas Company for suspension and amendment of certain provisions of Rules 14(A), 15(A), and 15(B), of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico as applied to the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks suspension for a period of one year from April 1, 1975, of those provisions of Rules 14(A), 15(A), and 15(B), of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide for the cancellation of underproduction and the shutting-in of overproduced wells as applied to the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.
- CASE 5434: Application of Amoco Production Company for a pilot pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot pressure maintenance project by the injection of gas through its Navajo Tribal "U" Wells Nos. 3 and/or 8, located, respectively, in Units M and F of Section 16, Township 26 North, Range 18 West, Tocito Dome-Pennsylvanian "D" Oil Pool, San Juan County, New Mexico.
- CASE 5435: Application of Mesa Petroleum Co. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Nash Unit Well No. 1, located in Unit H of Section 13, Township 23 South, Range 29 East, Eddy County, New Mexico, in such a manner as to produce gas from the Strawn formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.
- CASE 5436: Application of William G. Ross for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in formations of Pennsylvanian age or older underlying the E/2 of Section 3, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines, or in the alternative 990 feet from the South line and 660 feet from the East line of said Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of the applicant as the operator of the well and a charge for the risk involved in drilling said well.

Examiner Hearing - Wednesday - March 5, 1975

Docket No. 6-75

-3-

CASE 5437: Application of Atlantic Richfield Company for two unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a standard 640-acre gas proration unit comprising all of Section 14, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to its McDonald State WN Wells Nos. 11 and 27, located, respectively, in Units D and O of said Section 14.

CASE 5430: Southeastern New Mexico nomenclature case calling for the creation, abolishment, extension and contraction of certain pools in Eddy, Lea and Roosevelt Counties, New Mexico:

(a) CREATE A new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Avalon-Atoka Gas Pool. The discovery well is the Atlantic Richfield Company State BR Well No. 1, located in Unit K of Section 16, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
SECTION 16: S/2

(b) CREATE A new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Southeast Bagley-Wolfcamp Pool. The discovery well is the Anderson Oil & Gas Company, Inc. Hess State Well No. 1 located in Unit L of Section 34, Township 11 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
SECTION 34: SW/4

(c) CREATE A new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the South Flying "M"-Atoka Gas Pool. The discovery well is the Phillips Petroleum Company Marg "A" Com Well No. 1 located in Unit K of Section 25, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM  
SECTION 25: S/2

(d) CREATE A new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Pearl-Morrow Gas Pool. The discovery well is the Dorchester Exploration, Inc. Henry Record Well No. 1, located in Unit I of Section 26, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
SECTION 26: S/2

(e) ABOLISH the Arrowhead-Drinkard Pool in Lea County, New Mexico, described as:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
SECTION 36: SW/4

(f) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
SECTION 36: SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
SECTION 31: SW/4

(g) CONTRACT the vertical limits of the South Flying "M"-Pennsylvanian Pool in Lea County, New Mexico, to include only the Bough formations and redesignate said South Flying "M"-Pennsylvanian Pool as the South Flying "M"-Bough Pool.

(h) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
SECTION 1: E/2  
SECTION 12: E/2

(i) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
SECTION 36: SE/4

(j) EXTEND the Bluitt-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM  
SECTION 34: SW/4

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM  
SECTION 3: W/2  
SECTION 10: NW/4

(k) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
SECTION 15: A11  
SECTION 28: A11

(l) EXTEND the Cemetary-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
SECTION 7: E/2  
SECTION 21: W/2

(m) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
SECTION 31: N/2

(n) EXTEND the Forty Niner Ridge-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM  
SECTION 21: N/2

(o) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
SECTION 27: N/2

(p) EXTEND the La Rica-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
SECTION 33: All

(q) EXTEND the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
SECTION 18: S/2

(r) EXTEND the Todd Wolfcamp Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM  
SECTION 27: NE/4

(s) EXTEND the Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
SECTION 2: SE/4

Docket No. 11-75

Dockets Nos. 12-75 and 13-75 are tentatively set for hearing on May 28 and June 11, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 14, 1975

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

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

- ALLOWABLE:
- (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico, for June, 1975.
  - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for June, 1975.

CASE 5429: (Continued from the March 5, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Charles M. Goad and United States Fidelity & Guaranty Company and all other interested parties to appear and show cause why the Charles M. Goad, State No. 1 Well located in Unit M of Section 28, Township 2 South, Range 26 East, De Baca County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5408: (Continued from the April 2, 1975 Examiner Hearing)

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 5469: Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 990 feet from the South and East line of Section 7, Township 15 South, Range 28 East, Chaves County, New Mexico, in exception to the Buffalo Valley-Pennsylvanian Gas Pool Rules.

CASE 5470: Application of Maralo, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Butler Springs Unit Area comprising 3841 acres, more or less, of state and federal lands in Townships 14 and 15 South, Range 28 East, Chaves County, New Mexico.

- CASE 5471: Application of Union Texas Petroleum for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Justis Blinebry and Justis Tubb-Drinkard production in the wellbore of its Carlson "B" Wells Nos. 1 and 2 located in Unit P of Section 23 and Unit H of Section 26, respectively, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 5472: Application of Mesa Petroleum Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 660 feet from the North and East line of Section 6, Township 26 South, Range 33 East, Red Hills Field, Lea County, New Mexico.
- CASE 5473: Application of Mesa Petroleum Co. for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Drinkard production for its West Knowles Well No. 1 located in Unit P of Section 34, Township 16 South, Range 37 East, Lea County, New Mexico, and for the promulgation of special rules therefore, including a provision for 80-acre spacing units.
- CASE 5474: Application of Gulf Oil Company for two non-standard locations and the amendment of Order Nos. R-2904 and R-2909, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Central Drinkard Unit Wells Nos. 101 and 401 located, respectively, 554 feet from the North line and 766 feet from the East line, and 660 feet from the North and East lines of Section 28, Township 21 South, Range 37 East, Drinkard Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2904 which order approved the Central Drinkard Unit Agreement to provide that the vertical limits of the unitized formation shall include the entire Drinkard formation; application further seeks the amendment of Order No. R-4909 which approved the Central Drinkard Unit Waterflood Project to provide an administrative procedure for the approval of additional unorthodox well locations.
- CASE 5475: Application of Mobil Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower Siluro-Devonian formation in the open-hole interval from 12,188 feet to 12,525 feet in its Santa Fe Pacific Well No. 9, located in Unit E of Section 35, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico.
- CASE 5476: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the NE/4 of Section 30, Township 22 South, Range 27 East, and in the Pennsylvanian formation underlying the E/2 of said Section 30, to be dedicated to a proposed gas well to be drilled at an orthodox location for both formations. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the well and a charge for the risk involved in drilling said well.

Examiner Hearing - Wednesday - May 14, 1975

Docket No. 11-75  
-3-

CASE 5477: Application of Cities Service Oil Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location for said unit 1650 feet from the South line and 1980 feet from the West line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the application as operator of the well and a charge for the risk involved in drilling said well.

CASE 5478: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Warren Unit Well No. 31 located in Unit O of Section 27, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Blinebry Oil and Gas Pool and oil from the Warren-Tubb Gas Pool through parallel strings of tubing.

CASE 5479: Application of Continental Oil Company for two non-standard gas proration units, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard gas proration unit comprising Lots 1, 2, and 3 and Lots 6 through 11 of Section 4, Township 11 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Meyer B-4 Well No. 14 located in Unit G of said Section 4. Applicant further seeks approval of a 360-acre Eumont Gas proration unit comprising Lots 14, 15, and 16 and the SE/4 and E/2 SW/4 of said Section 4 to be simultaneously dedicated to its Meyer B-4 Well No. 4 and 29 at unorthodox locations in Units S and P, respectively, of said Section 4.

CASE 5480: Application of Continental Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Pennsylvanian formation through the perforated interval 7648 to 7690 feet in its SEMU Well No. 7 located in Unit F of Section 23, Township 20 South, Range 37 East, Cass-Pennsylvanian Gas Pool, Lea County, New Mexico.

CASE 5481: Application of Phillips Petroleum Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Carlsbad-Atoka and South Carlsbad-Morrow gas production in the wellbore of its Tidwell-A "COM" Well No. 1 located in Unit E of Section 8, Township 23 South, Range 27 East, Eddy County, New Mexico.

CASE 5482: Application of Phillips Petroleum Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Lusk Deep Unit "A" Well No. 1 located in Unit A of Section 19, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, Lea County, New Mexico, and the simultaneous dedication of said Section 19 to the above well and to applicant's Lusk Deep Unit "A" Well No. 5 located in Unit J of said Section 19.

CASE 5483: Application of Phillips Petroleum Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to dually complete its Lusk Deep Unit "A" Well No. 12 located in Unit G of Section 20, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico, in such a manner as to produce oil from the Wolfcamp formation through the casing-tubing annulus and gas from the Lusk-Morrow Gas Pool through tubing.

CASE 5484: Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico and for the assignment of certain oil well discovery allowables.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the East Carlsbad-Wolfcamp Gas Pool. The discovery well is the Champlin Petroleum Co. Nix-Yates Well No. 1, located in Unit G of Section 2, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 36: SW/4

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 1: NW/4  
Section 2: NE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Cemetary-Wolfcamp Gas Pool. The discovery well is the Read & Stevens, Inc. Allirish Well No. 1, located in Unit P of Section 30, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 30: SE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Crooked Creek-Strawn Gas Pool. The discovery well is the C & K Petroleum Inc. Lowe State Well No. 1, located in Unit C of Section 16, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM  
Section 16: N/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Dickenson-San Andres Pool. The discovery well is the Hanson Oil Corporation Santa Fe Well No. 1, located in Unit F of Section 35, Township 10 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM  
Section 35: NW/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Golden Lane-Atoka Gas Pool. The discovery well is the Meadco Properties Ltd. Harris 6 Well No. 1, located in Unit I of Section 6, Township 21 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM

Section 6: Lots 1, 2, 7, 8, 9, 10, 15, and 16

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Grayburg-Atoka Gas Pool. The discovery well is the Horizon Oil & Gas Co. of Texas State 28 Com Well No. 2, located in Unit K of Section 28, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 28: S/2

Section 29: E/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Premier production and designated as the High Nitro-Premier Gas Pool. The discovery well is the McClellan Oil Corporation Hinkle Federal Well No. 1, located in Unit A of Section 9, Township 16 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM

Section 3: SW/4

Section 4: SE/4

Section 9: NE/4

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Hoag Tank-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Allison CQ Federal Well No. 1, located in Unit P of Section 22, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 22: E/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the N. W. Indian Basin-Morrow Gas Pool. The discovery well is the Charles A. Dean Northwest Indian Basin Well No. 1Y, located in Unit K of Section 28, Township 20 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM

Section 28: W/2

(j) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Lonesome-San Andres Pool. The discovery well is the Phillips Petroleum Company Luther A Well No. 1 located in Unit N of Section 18, Township 8 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM

Section 18: SW/4

(k) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the South Rocky Arroyo-Wolfcamp Gas Pool. The discovery well is the El Paso Natural Gas Co. Patterson A Well No. 1, located in Unit N of Section 20, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM  
Section 20: SW/4

(l) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Sheep Draw-Atoka Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1, located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Section 11: E/2

(m) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Sheep Draw-Morrow Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1 located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Section 11: E/2  
Section 12: W/2

(n) CREATE a new pool in Lea County, New Mexico, classified as an oil pool and designated as the Shipp-Drinkard Pool and assign 41,650 barrels of discovery allowable to the discovery well, the Mesa Petroleum Company West Knowles Well No. 1, located in Unit P of Section 34, Township 16 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 34: SE/4

(o) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 2: All

(p) EXTEND the North Benson Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
Section 32: N/2 NE/4

Examiner Hearing - Wednesday - May 14, 1975

Docket No. 11-75  
-7-

(q) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 27: SE/4

(r) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 3: N/2

(s) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 18: N/2

(t) EXTEND the South Carlsbad-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 3: W/2  
Section 11: All

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 8: All  
Section 17: N/2

(u) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 16: S/2

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 1: W/2

(v) ESTABLISH a discovery allowable in the Casey-Strawn Pool in Lea County, New Mexico, and assign 56,630 barrels of discovery allowable to the discovery well, the C & K Petroleum, Inc. Shipp "27" Well No. 1, located in Unit 0 of Section 27, Township 16 South, Range 37 East, NMPM.

(w) EXTEND the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM  
Section 27: S/2 and NE/4

(x) EXTEND the East Chisum San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM  
Section 16: NE/4 NE/4

(y) EXTEND the Double L Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM  
Section 23: NE/4

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM  
Section 32: N/2 and SW/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM  
Section 17: N/2

(z) EXTEND the Double X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM  
Section 27: NE/4

(aa) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 36: SW/4

(bb) EXTEND the East Empire Yates Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 34: W/2 NE/4

(cc) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 22: E/2

(dd) EXTEND the Penasco Draw-San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 30: NW/4 SW/4

(ee) EXTEND the Ranger Lake-Bough Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM  
Section 23: SW/4

(ff) EXTEND the Rock Tank-Lower Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Section 18: All

(gg) EXTEND the Round Tank San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM  
Section 31: NW/4 NW/4

(hh) EXTEND the vertical limits of the Sand Hills-San Andres Pool in Lea County, New Mexico, to include the Grayburg formation.

(ii) EXTEND the Sulimar Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM  
Section 18: SW/4 SW/4

(jj) EXTEND the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM  
Section 5: SW/4

(kk) EXTEND the Turkey Track Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 32: NE/4 NE/4

OIL CONSERVATION COMMISSION  
P. O. BOX 2082  
SANTA FE NEW MEXICO 87501

February 20, 1975

CERTIFIED - RETURN  
RECEIPT REQUESTED

C  
O  
P  
Y  
Charles M. Goad  
P. O. Box 7  
Glencoe, New Mexico 88324

United States Fidelity & Guaranty Co.  
c/o Western Assurance & Realty Corp.  
2001 Carlisle, N. E.  
Albuquerque, New Mexico

Re: Charles M. Goad State No. 1  
Well, located in Unit M of  
Section 28, Township 2 South,  
Range 26 East, De Baca County,  
New Mexico.  
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing  
to be held on Wednesday, March 5, 1975, at 9:00 a.m. in the  
Oil Conservation Commission Conference Room, State Land Office  
Building, Santa Fe, New Mexico. Case 5429 concerns the  
subject matter.

Very truly yours,

WILLIAM F. CARR  
General Counsel

WFC/jr

encl.

Case 5429

CASE 5429 In the matter of the hearing called by the Oil  
Conservation Commission on its own motion to permit CHARLES  
M. GOAD and UNITED STATES FIDELITY +  
GUARANTY Co.

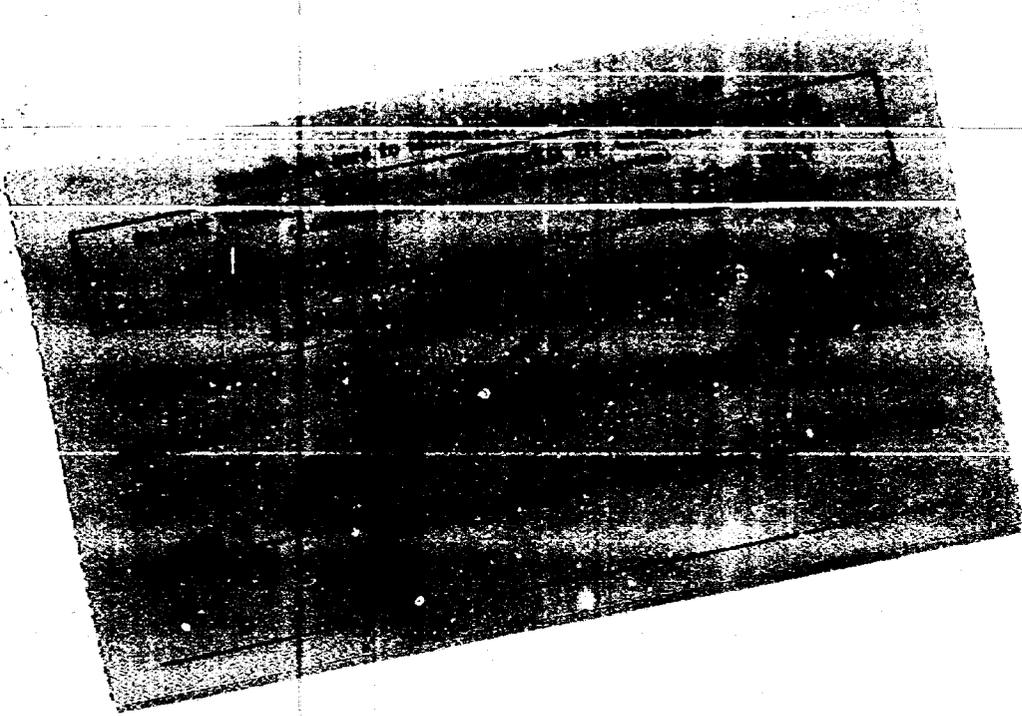
and all other interested parties to appear and show cause why the  
~~well~~ CHARLES M. GOAD, STATE #1 WELL

located in Unit M of Section 28, Township 2  
~~North~~, South, Range 26 East, ~~West~~ DE BACA  
County, New Mexico, should not be plugged and abandoned in accordance  
with a Commission-approved plugging program.

CHARLES M. GOAD

P.O. Box 17  
GLENCOE, NEW MEXICO  
88324

UNITED STATES FIDELITY + GUARANTY CO.  
% WESTERN ASSURANCE + REALTY CORP.  
2001 Carlisle, NE.  
ALBUQUERQUE, NEW MEXICO



SENT TO  
U.S. Fidelity & Guaranty Co.  
STREET AND NO.  
2001 Carlisle, N.E.  
ALBUQUERQUE, N.M.

OPTIONAL SERVICES FOR ADDITIONAL FEES

1. Shows to whom and date delivered .....	15¢
With delivery to addressee only .....	65¢
2. Shows to whom, date and where delivered .....	35¢
With delivery to addressee only .....	25¢
50¢	

RETURN RECEIPT  
SERVICES TO ADDRESSEE ONLY  
DELIVER TO ADDRESSEE ONLY  
SPECIAL DELIVERY (extra fee required)  
PS Form 3800  
Apr. 1971  
Case 5429

NO INSURANCE COVERAGE PROVIDED—  
(See other side) \* GPO: 1970-337-488

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)  
POSTMARK OR DATE

No. 50015

OIL CONSERVATION COMMISSION  
P. O. BOX 2088  
SANTA FE NEW MEXICO 87501

CASE  
5429

November 17, 1975

C  
O  
P  
Y

Mr. Lewis J. Bicking, Jr.  
Petroleum Consultant  
9516 Liptonshire  
Dallas, Texas 75238

Dear Mr. Bicking:

Your letter of October 30, 1975, has been referred to me for reply. On May 14, 1975, the Commission heard Case 5429 and by Order No. R-5031 ordered the Charles M. Goad State No. 1 Well plugged and abandoned in accordance with a Commission-approved plugging program on or before October 28, 1975.

As of this date, the well has not been plugged. The Commission would be willing to defer action on the plugging of this well until December 15, 1975, if, in the meantime, you supply the Commission with a new bond; file a copy of Commission Form C-103 changing the ownership of said well to you; and file a letter indicating in detail your plans for reworking the well.

If you have any questions, please advise.

Very truly yours,

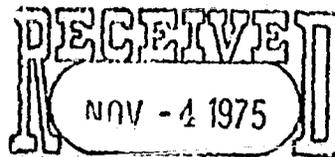
WILLIAM F. CARR  
General Counsel

WFC/dr

LEWIS J. BICKING, JR., P.E.

*Petroleum Consultant*

9516 Liptonshire  
Dallas, Texas 75238  
214/348-1563



OIL CONSERVATION COMM.

Santa Fe

October 30, 1975

CASE 5429 5-14-75  
ORDER R-5031

New Mexico Oil & Gas Commission  
New Mexico Land Office  
Santa Fe, New Mexico

*WJK*

Gentlemen:

There is a lease in Section 28, Township 2 South, Range 26 East in DeBaca County, New Mexico, on which a well was started, but not drilled to it's intended total depth. I understand the Commission wants the hole permanently abandoned.

I have recently become interested in this area and believe it is possible to get support for the completion of a test through the San Andres formation. Due to the distance from other San Andres production, existence of a partially drilled well is a cost incentive to get a test drilled here.

Therefore, I request the Commission grant a stay of the plugging order until next spring, when drilling rigs have completed their year-end contracts. Your consideration of this request is appreciated.

Yours very truly,

*L. J. Bicking, Jr.*  
Lewis J. Bicking, Jr.

LJB:jb

cc: James E. Kirk  
2607 Wyoming Blvd  
Albuquerque, N.M.

PROPOSE: CHANGE OF OWNERSHIP C-103  
NEW BOND  
LETTER INDICATING PLANS FOR  
WELL IN DETAIL

**PLEASE PRINT OR TYPE CLEARLY ON OTHER SIDE**

**PLEASE PRINT NAME(S) INDICATED BY CHECKED BLOCK(S)**  
(Additional charges may apply for these services)

**Deliver ONLY to addressee**

**Deliver ONLY where indicated**

No. 003714

**RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)**

SENT TO <b>United States &amp; Guaranty Co.</b>		POSTMARK OR DATE
STREET AND NO. <b>2001 Carlisle, NE.</b>		<b>2-20-75</b>
P.O., STATE AND ZIP CODE <b>Albuquerque, New Mexico</b>		
<b>OPTIONAL SERVICES FOR ADDITIONAL FEES</b>		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered .....	15¢
	With delivery to addressee only .....	65¢
DELIVER TO ADDRESSEE ONLY	2. Shows to whom, date and where delivered .....	35¢
	With delivery to addressee only .....	85¢
SPECIAL DELIVERY (extra fee required) .....		50¢

PS Form 3800 Apr. 1971 **NO INSURANCE COVERAGE PROVIDED—** (See other side)  
**NOT FOR INTERNATIONAL MAIL** GPO : 1972 O - 460-743

*Correct Order  
sent 6-2-75  
jr*

James E. Kirk  
Attorney at Law  
2607 Wyoming Boulevard, N.E.  
Albuquerque, New Mexico 87109  
Telephone 505-296-5690

RECEIVED  
JUN - 2 1975

May 28, 1975 OIL CONSERVATION COMM.  
Santa Fe

State of New Mexico  
Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

My client, Mr. Charles M. Goad, received the attached Order from your office this week. This Order was apparently sent to Mr. Goad by mistake although he has been attending hearings of the Oil Commission recently in Santa Fe.

We would appreciate it if you would kindly check your records to see if Mr. Goad is to receive a different order or communication from your office?

Thanking you for your kind cooperation in this matter, I am

Very truly yours,  
*James E. Kirk*  
James E. Kirk

JEK/sth

Enclosure

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CASE NO. 5408  
Order No. R-5020

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.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 14, 1975,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1975, the Commission, a  
quorum being present, having considered the record and the recom-  
mendations of the Examiner, and being fully advised in the premises,

FINDS:

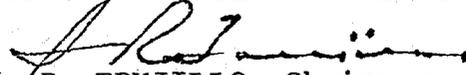
That on the motion of the Commission the case should be  
dismissed without prejudice.

IT IS THEREFORE ORDERED:

That Case No. 5408 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above 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/

U.S. POSTAL SERVICE  
OFFICIAL BUSINESS

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE \$300



No. 5429

RETURN  
TO

CONSERVATION COMMISSION  
2656  
NEW MEXICO 87501

*Held for  
transcript*

RECEIVED NO. \_\_\_\_\_

CERTIFIED NO. **540014**

ISSUED NO. \_\_\_\_\_

DATE DELIVERED **5-3-75**

RECEIPT FOR CERTIFIED MAIL—30c (plus postage)

SENT TO <b>Charles M. Goad</b> STREET AND NO. <b>P.O. Box 7</b> P.O., STATE AND ZIP CODE <b>Glencoe, New Mexico 88324</b>	POSTMARK OR DATE <b>2-20-75</b>
OPTIONAL SERVICES FOR ADDITIONAL FEES	
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered With delivery to addressee only
DELIVER TO ADDRESSEE ONLY	2. Shows to whom, date and where delivered With delivery to addressee only
SPECIAL DELIVERY (extra fee required)	
	15c 65c 35c 85c 50c

No. 003715

Case 5429

PS Form 3800 Apr. 1971 NO INSURANCE COVERAGE PROVIDED—NOT FOR INTERNATIONAL MAIL (See other side)

RECEIPT FOR CERTIFIED MAIL—

SENT TO  
**Charles M. Goad**  
STREET AND NO.  
**P. O. Box 7**  
P.O., STATE AND ZIP CODE  
**Glencoe, New Mexico 88324**

OPTIONAL SERVICES FOR ADDITIONAL FEES

1. Shows to whom and date delivered  
With delivery to addressee only

2. Shows to whom, date and where delivered  
With delivery to addressee only

PS Form 3800  
Case 5429

NO INSURANCE COVERAGE PROVIDED—NOT FOR INTERNATIONAL MAIL

15c  
65c  
35c  
85c  
50c

No.

IF THIS IS TO BE RETURNED TO THE SENDER, IT MUST BE PLACED IN A SEPARATE ENVELOPE WITH THE ORIGINAL MAILING LABEL ATTACHED TO THE ENVELOPE.

(See other side)  
PS Form 3800-387-488

DRAFT

dr/

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:

*act*

CASE NO. 5429

Order No. R-5031

IN THE MATTER OF THE HEARING CALLED BY THE  
OIL CONSERVATION COMMISSION ON ITS OWN MOTION  
TO PERMIT CHARLES M. GOAD AND UNITED STATES  
FIDELITY & GUARANTY COMPANY AND ALL OTHER  
INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY  
THE CHARLES M. GOAD, STATE NO. 1 WELL LOCATED IN UNIT M  
OF SECTION 28, TOWNSHIP 2 SOUTH, RANGE 26 EAST, DE BACA  
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 May 14, 1975  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 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 Charles M. Goad is the owner and operator of the  
State No. 1 Well, located in Unit M of Section 28, Township 2  
South, Range 26 East, NMPM, De Baca County, New Mexico.

(3) That said well was commenced on July 24, 1968, and during  
1968 was drilled to a total depth of some 800 feet.

(4) That no additional work <sup>of serious consequence</sup> was done on said well  
and it was, with another well, ordered to be plugged by Commission  
Order No. R-4252, dated February 8, 1972.

(5) That subsequent to issuance of said Order No. R-4252, owner-  
ship of the well was transferred and the Commission authorized  
additional work to be done on said well.

(6) That said well was deepened to a total depth of 1308 feet,  
and no work has been performed on the well since April 20, 1972.

(7) That the well may constitute a hazard and a threat to the  
invulnerability of ground waters in the area.

Case No. 5429  
Order No. R-

§  
(B) That in order to prevent waste and protect correlative <sup>to</sup> rights, <sup>and to combine any oil, gas, or water in the State in which they are found,</sup> said State No. 1 Well should be plugged and abandoned in accordance with a program approved by the ~~Santa Fe~~ <sup>Artesia</sup> District Office of the New Mexico Oil Conservation Commission on or before August 1, 1975.

IT IS THEREFORE ORDERED:

(1) That Charles M. Goad and United States Fidelity & Guaranty Company are hereby ordered to plug and abandon the State No. 1 Well located in Unit M of Section 28, Township 2 South, Range 26 East, NMPM, De Baca County, New Mexico, on or before August 1, 1975.

(2) That Charles M. Goad and United States Fidelity & Guaranty Company, prior to plugging and abandoning the above-described well, shall obtain from the ~~Santa Fe~~ <sup>Artesia</sup> Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said ~~Santa Fe~~ <sup>Artesia</sup> 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.