CASE 5467: PLUGGING CASE
COLFAX CARBON DIOXIDE CORP, F.E.
SAUBLE, AMERICAN SURETY CO. OF
NEW YORK, Colfax County

CHSE/10.54467

Application,

Transcripts,

Small Exhibts

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# DEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico April 30, 1975

#### EXAMINER HEARING

#### IN THE MATTER OF:

The Hearing called by the Oil Commission on its own motion to permit Colfax Carbon Dioxide Corporation, F. E. Sauble, American Surety Company of New York and all other interested parties to appear and show cause why the Tex-Mex Cattle Company Well No. 1 should not be plugged and abandoned.

CASE NO. 5467

BEFORE: Richard L. Stamets, Examiner

#### TRANSCRIPT OF HEARING

#### APPEARANCES

For the New Mexico Oil Conservation Commission:

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

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CARL ULVOG

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MR. STAMETS: Case 5467.

MR. CARR: Case 5467. In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Colfax Carbon Dioxide Corporation, F. E. Sauble, American Surety Company of New York and all other interested parties to appear and show cause why the Tex-Mex Cattle Company Well No. 1 should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Mr. Examiner, I am William F. Carr, appearing for the Commission. I have one witness to be sworn.

(Witness sworn.)

#### CARL ULVOG

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

#### DIRECT EXAMINATION

#### BY MR. CARR:

- Q Will you state your name, position and place of residence, please?
- A I am Carl Ulvog, Senior Petroleum Geologist for the Oil Conservation Commission stationed here in Santa Fe.
- Q Mr. Ulvog, are you also District Supervisor for the Commission's District 4?
  - A That is correct.

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- Q Does District 4 include the part of Colfax County involved in this case?
  - A Yes, it does.
- Q Do your duties as District Supervisor include making recommendations to the Commission as to when wells should be plugged and abandoned?
  - A That is right.
- Q Are you familiar with the subject matter in Case 5467?
  - A Yes, I am.
  - Q What is the purpose of this case?
- A The purpose here is to determine whether or not this well should be plugged and abandoned.
  - Q You are familiar with the well?
  - A I am familiar with the well.
- Q Have you reviewed all reports filed with the Commission concerning this well?
  - A Yes, I have.
  - Q Have you these records with you today?
  - A I do have them right here.
- Q Would you refer to these records and give the Examiner a history of the well as reflected in the official records?

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A Yes, sir. The file is quite bulky. Most of it is just personal correspondence, so I would like to summarize and then if we need additional details, I will refer back to those.

According to the Oil Conservation Commission files, the Application for the permit to drill, or Form C-101 was filed October 5th, 1937, and it was signed by a Mr. York Denton, as President of the Colfax Carbon Dioxide Corporation. This was approved by the Oil Conservation Commission on October 18th, 1937. Now, we just have a letter from Mr. Denton -- not an official form -- but a letter dated January 24, 1941 that indicates the well was completed, flowing approximately 300,000 cubic reet of carbon dioxide per day from the open hole at 1500 feet to 1515. Now, we have a well record, the official Form C-105 which was filed September 1st, 1942. This is the last official form that was filed in connection with this well. That gives the initial potential as 253,000 cubic feet of carbon dioxide per day. This report also contains the casing information as follows: There was 8-inch casing set at 57 feet with no cement. There was 6 and 3/8inch casing set at 652 feet with 3 sacks of cement. There was 5 and 3/16-inch casing set at 1175 feet with no cement.

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There was a  $3\frac{1}{6}$ -inch casing set at 1500 feet with 11 backs of cement.

Q Now, there were a number of oil shows encountered and reported during the drilling of this test, many of them also accompanied by gas. In fact, there were 16 different intervals that reported oil and gas shows. One of these at 776 to 792 was tested with a completion attempt, and the formation at this point was treated with 50 quarts of nitroglycerin. There were no actual recoveries reported in our files, but water was encountered immediately after that at a depth of 798 feet, but this was not cased off until the depth of 1175 feet was reached. There was also water reported at 1147 to 1166 feet in depth and at 1515 to 1520 feet in depth.

Now, when the well was completed, there was a plug-back from 1520 feet up to 1515, and according to our file, that would now be the total depth of the well with the open hole, then, between 1500 and 1515.

MR. STAMETS: What was the total depth, again?

THE WITNESS: 1520 feet. This is everything that is covered by the official form.

MR. STAMETS: Were there no pressures shown anywhere on there?

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THE WITNESS: We have pressures given at one point and that was in the testing -- pardon me -- that is recorded on the Form C-105 in the pay section. Those pressures are given as 128 pounds per square inch.

MR. STAMETS: Is there any indication that that was surface pressure?

THE WITNESS: There is no indication of that, no. I do not know whether that was bottomhole or hydrostatic or what. I don't know.

#### BY MR. CARR:

Q Mr. Ulvog, do you have any other communication which is relative to this case that should be called to the Examiner's attention?

A Well, there is, number one, no Colfax Carbon

Dioxide Corporation. Number two, there is no Tex-Mex

Cattle Corporation, as nearly as I can determine. The bond—

and I am sorry, I can't tell you when— but we have an

undated letter in the file which shows that the bond was

assumed by Mr. Sauble from the Colfax Carbon Dioxide

Corporation. I don't know at what date that took place.

- Q In your opinion, Mr. Ulvog, would failure to plug this well cause waste?
  - A In my opinion, it could cause waste because I

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do not have any information pertaining to any overlapping of the different casings that I just reported. I do not know how high they extend, except of course with the 8inch casing which, of course, we assume goes to the surface. Other than that, I do not know where the top of any of them might be. If we assume that the 31-inch casing is the production string, then we could assume it goes all the way to the surface, however, it was cemented with 11 sacks of cement at the bottom. That is only cementing. Now, according to the cement tables -- I will take a quick look at it -- there was supposed to have been about a 5-inch hold being drilled, so if all of that dement was pumped back outside of the casing, which it would not, because they drilled out some of the cement when they completed the well, but even if all that had gone out outside of the casing, we would have had only about 11 feet cemented at the bottom of that casing. The rest of it would be open all the way to the surface. So, in view of the water that was encountered in this well that had not been on casing or cemented off, and in view of what I would consider an unsatisfactory cement job at the bottom, you could have gas, oil, and water all in communication with shallower zones. only other cement that we have a report of would occur,

then, at the bottom of the 5-and-5/8-inch casing which is at 652 feet. There we have 3 sacks of cement and the fill-up outside of that casing, if all the cement went outside of it, would be less than one foot per sack, so you've got something like two feet of cement there, and that's all. That's all I know about the well, therefore, I would say that there is definitely a hazard here, a potential hazard of communication between the different zones. I do not have a water analysis on any of the water, so I am not prepared to say what kind of water it is.

- Q Mr. Ulvog, is it correct that your recommendation is that this well will have to be plugged and abandoned in some fashion?
  - A That is correct.
- Q Based on the information you have, are you prepared to make any kind of recommendation as to what that plugging program should entail?
- A Well, from the information that I have, I would recommend putting a plug in the bottom of that 3½-inch casing, and if we could test this well to make sure that that casing is not leaking, then that would be sufficient with the exception of filling the pipe with a fresh-water mud and setting a plug at the top of the mark. That should

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be sufficient. If, however, any of this casing were to be salvaged -- and you see much of it just in there standing loose -- if it were to be salvaged, removed from the well, we would have to have a number of plugs set to insure that we do not have communication.

Q From what you have said, I gather that you would prefer that no program be set forth in any order, but that the Commission prescribe it at a later date?

A That is correct.

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

### CROSS EXAMINATION

#### BY MR. STAMETS:

Q Mr. Ulvog, is there any reasonable way that this well might be left in a temporarily abandoned status for any period of time and insure against, say, loss of the carbon dioxide gas or loss of the water, contamination of the water in the area?

A Well, if it can be established that there is not now any communication taking place, that the well is not leaking now, then I don't see why we couldn't grant a temporary abandonment status to it for the time being. I don't think that should be for a long period of time, but

ULVOG-CROSS

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we could for a short period of time, yes.

Q What kind of proof would we be looking at, say, in the installation of a pressure gage at the surface and maybe some indication of a pressure of 128 pounds?

Mell, yes, if we can determine that the pressure maintained at what it was originally, then I think we have evidence that the carbon dioxide, at least, is not leaking. The well is not leaking carbon dioxide. Now, there is a water well about 525 to 550 feet approximately to the east. I don't know whether the water is coming from that well, of course, but it most assuredly is higher than the depth of this well, and so to be on the safe side, it wouldn't hurt to have an analysis made of the water there because this could tell us if some of the water encountered in this well had migrated up into that water zone.

- Q Mr. Ulvog, if a hole came in this  $3\frac{1}{2}$ -inch casing, could the carbon dioxide gas migrate out of the zone which it is in?
- A Oh, definitely. Like I say, there were 16 different zones where oil and gas were encountered, and I think 3 or 4 zones where water was encountered, so it definitely could migrate into other zones.
  - Q If this happened, would this carbon dioxide gas

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be lost and gone forever?

- A Certainly, it would.
- Q As far as any useful purpose?
- A That is correct.
- Q Are we required by law to prevent this sort of --
- A (Interrupting) To prevent waste, and that would be waste.
- Q Are we required by law to prevent the waste of carbon dioxide gas?
  - A That is right, we are.

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

MR. SAUBLE: Well, the same pressure is in that pipe now that Amoco checked the well in '53 there. They checked it for gas and the pressure and all, and that is just the same as it was way back when the well was first set up there in '37 or '41 or whatever year it was there. We had some other wells drilled right close there as prospects and getting enough CO<sub>2</sub> there to make it a paying well. There is one well there just south of it in the same section that struck 180,000 feet of the CO<sub>2</sub> and they also got some natural gas in there. These other four wells that have been drilled right in there with that have been mostly

ULVOG-GROSS

either on income tax deductions or selling stock to get the job done and there is just never any production there outside of that one that might have went along to make it pay there. There was another well that struck quite a little gas, had a split pipe in it and they never did get the gas and water separated. So, all those other wells have been plugged.

Amoco, in '33, they have the State leases there. We have 30,158 acres of State leases, and then we have about 25,000 acres of deeded land there right next with it along where these wells are, and Amoco checked this well and checked the analysis of all of it and the pressure, and they wanted to -- was figuring on a lease with us on our deeded land. At that time, Amoco had, I think, just practically all of the State leases there that we have and other State leases up there too. So, we would just like to have this plugging set aside now until we find out more about whether we can get more CO2 in there and if it would pay or whether Amoco on any of their land -- it should have been -- it is sitting on Amoco State leases there. Then just to the west of us there, the land from Vermejo Park there, that bought -- what is the oil company that bought Vermejo Park? Pennzoil. They have several wells

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up there at around 5000 feet there where they struck a ULVOG-CROSS little water and gas there too. That would be natural gas. Then they have the coal fields there too, which four train loads of coal goes out through there, four train loads a week there. Two goes to Fontana, California to Kaiser and then there is one goes to Mexico and one goes to -- I am trying to think what I was going to say. Where does that train-load of coal go a week there, that is smeltered up in -- Pueblo -- but there are four train-loads of coal going out there a day, and that's only four or five miles from where we are over there to where Pennzoil land is. That's where all that coal is there, and that's where the old Carson Coal Camp was too. There has been a pretty good show there, where should be some development in there if you ever go down deep enough in there. have been several wells drilled on there, but just more or less challenged like this thing here.

When Phillips had State leases there before Amoco got them, they had -- I think they seismographed five wells in there, but they struck a little oil there at 600 feet there, the same as some of these other wells, and then they dropped them and Amoco picked them up now. I feel that Amoco, with their interest in '73 there and then what these

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other wells should, right adjacent here, and if you want a copy of them, I have them from the Land Office here.

MR. STAMETS: Do you have a letter there from Amoco that indicates when they tested the well and some information on it?

(Whereupon, a discussion was held off the record.)

MR. SAUBLE: We have their analysis after they had tested it. I thought I had that with me today, but I don't have it. We would like to have this deferred until you folks can get the analysis of what Amoco's check was on it at that time there.

(Whereupon, a discussion was held off the record.)

MR. STAMETS: Mr. Sauble, if it would be required to allow this well to be temporarily abandoned for an additional period of time would you be willing to put a gage on the wellhead so that we could determine what the pressure is and allow Mr. Ulvog to take the water sample so that we could see that the water is not being --

MR. SAUBLE: What would they run?

MR. STAMETS: This would be done just simply by the Commission. We would just drive up and pick up

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the sample and have it analyzed in our own shop.

(Whereupon, a discussion was held off the record.)

#### BY MR. STAMETS:

Q Mr. Ulvog, if a form was filed, transferring the well to Mr. Sauble's name, and if a gage were installed and the water analyses showed that there appeared to be no problem, do you think this well might be continued in a temporary abandoned status for a while?

A Yes, I don't see any reason why we couldn't do that. The proximity of this water well is such that you couldn't have pollution going or contamination going on very long before it would show up there.

MR. SAUBLE: This well, the pressure there, all of those years, it has been just the same and when you turn that valve on, there has never been any water flowed out of that at all. I think there might have been some sweat or something that might have got in there, but it has always been dry. There was never no water blowed out when you turned that valve on.

#### BY MR. STAMETS:

Q Do you think that if the well were continued in a temporary abandoned status for a while that we might

ULVOG-CROSS

issue an order saying that this hearing will be reopened or reconvened in a year or, say, two years to determine whether or not the well should be plugged and abandoned at that time?

A I think that would be a good idea, yes.

MR. STAMETS: Is there anything else in this
case? All the witnesses are excused.

(Witnesses dismissed.)

MR. STAMETS: We will take the case under advisement, and adjourn the hearing.

STATE OF NEW MEXICO )

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.

COURT REPORTER

I do hereby certify that the foregoing in a complete record of the proceedings in the Examiner hearing of Case No. 3462 heard by me on 4-30 1975

New Mexico Oil Conservation Commission

## 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. 5467 Order No. R-5018

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT COLFAX CARBON DIOXIDE CORPORATION, F. E. SAUBLE, AMERICAN SURETY COMPANY OF NEW YORK, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE TEX-MEX CATTLE CO. WELL NO. 1 LOCATED IN UNIT D OF SECTION 2, TOWNSHIP 26 NORTH, RANGE 24 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 April 30, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd 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 Colfax Carbon Dioxide Corporation and F. E. Sauble are the owners and operator of the Tex-Mex Cattle Co. Well No. 1, located in Unit D of Section 2, Township 26 North, Range 24 East, NMPM, Colfax County, New Mexico.
- (3) That said Well No. 1 was completed as a carbon dioxide gas well approximately December 6, 1941.
- (4) That except for short periods of testing, the well has remained shut-in since that time.
- (5) That with the passage of time, the potential for failure of the casing or other equipment in or on said well increases.

-2-Case No. 5467 Order No. R-5018

- (6) That should said casing or equipment fail, carbon dioxide gas would escape underground or to the air and would be wasted.
- (7) That the Commission is empowered to prevent the waste of carbon dioxide gas.
- (8) That F. E. Sauble proposes to file forms necessary to assume sole ownership of said well and to install a pressure gauge thereon and to permit other testing to assure that carbon dioxide gas is not leaking from the well.
- (9) That the actions to be taken as outlined in Finding No. (8) above will permit the Commission to better evaluate the condition of the subject well and order appropriate action where necessary.
- (10) That the subject application should be dismissed without prejudice.

#### IT IS THEREFORE ORDERED:

(1) That Case No. 5467 is hereby <u>dismissed</u> without prejudice.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

R. TRUJILLO, Chairman

PHIL R. LUCERO, Member

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

SEAL

## BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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I. R. TRUJILLO, Chairman

PHIL R. LUCERO, Member

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

SEAL

| CASE 5 967 In the matter of the hearing call        | ed by the Oil        |
|---|----------------------|
| Conservation Commission on its own motion to per    | mit                  |
| COLFAX CARROL DIOXIDE CORPORATION, F.               | E. SAUBLE,           |
| AMERICAN SURETY COMPANY OF NEW YORK                 |                      |
| and all other interested parties to appear and s    | how cause why the    |
| TEX-MEX CAME CO WELL THE                            | <u> </u>             |
|   |                      |
|   |                      |
| located in Unit D of Section 2 , Tow.               | nship 26             |
| North, South, Range 24 East, West, Co               |                      |
| County, New Mexico, should not be plugged and about | odination accordance |
| with a Commission-approved plugging program.        |                      |
|   |                      |
| COLFAX CARBON DIDXIDE CORPORATION                   | Lepton Day           |
| MAXWELL, NEW MEXICO                                 | 2451<br>2650         |
|   |                      |

F.E. SAUBLE SPRINGER, NEW MEXICO

AMERICAN SURERY COMPANY OF NEW YORK Clo Trans-AMERICA INS. Co.
P. O. Box 54256
Los Angeles, Calif 90054

L CONSERVATION COMPA

F.E. Sauble Box 98 Springer, New Mexico 87747

May 6, 1975

Mr. Carl Ulvog Senior Petroleum Geologist Oil Conservation Commission P.O. Box 2088 Santa Fe, New Mexico 87501

Dear Mr. Ulvog:

Enclosed are the Forms 104-C filled out as completely as we can from our records. I understand from our talk with you, that you can furnish the information on the tubing, casing and cementing record.

Also, enclosed is a copy of a letter from Mr. J.E. York of Amoco Production Company with the results of their tests. If you need a copy of the log he refers to, we would be happy to furnish it.

Sincerely.

F. E. Sauble

FES:ds



MAY 8 - 1975
OIL CONSERVATION COMM.
Santa Fo

Amoco Production Company Post Office Box 68 Hobbs, New Mexico, 88240

November 12, 1973

File: JEY-537.91-322

Re:

Evaluation of the Sauble Tex-Mex No. 1, Colfax County, New Mexico

Mr. F. E. Sauble 320 Summitt Springer, New Mexico

Dear Mr. Sauble:

Attached is your copy of the Gamma Ray-Neutron log which was run in your Tex-Mex No. 1, located 400' FNL and 400' FWL of Section 2, T-26N, R-24E, Colfax County, New Mexico. As you know, this log was run on October 24, 1973, in conjunction with a bottom hole pressure and a 46 hour flow test. This log copy exhibits a Gamma Ray-Neutron log, a caliper and a collar locator. Data obtained from these tools indicates that this well was completed with 4" OD, 32" ID casing to 1493' and produces from an open hole section from 1493' to the current plug back depth of 1511'. A static shut-in bottom hole pressure of 156 psi at 1500' was recorded. When placed on a wide open flow test through a 2" orifice well tester equipped with a 3/4" plate, the coll blew down immediately from a static wellhead pressure of 143 psi to 10 psi and then steadily decreased in two hours to a stabilized flowing wellhead pressure of 5 psi. Likewise, the flow rate decreased from an initial rate of 132 MCFD to a stabilized flow rate of 128 MCFD. At the conclusion of the test, the well was flowing 118 MCF with 2 psi flowing wellhead pressure.

At this time no further testing or additional work on this well is anticipated. Your cooperation in testing of this well was greatly appreciated.

J. E. York

J. E. York Area Engineer

Attachment

cc: J. L. Hoyt, Jr.

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

April 18, 1975

CERTIFIED; - RETURN RECEIPT REQUESTED

Colfax Carbon Dioxide Corporation Maxwell, New Mexico

F. E. Sauble Springer, New Mexico

American Surety Company of New York c/o Trans-America Ins. Co. F. O. Bex 54256 Los Angeles, California 90054

> Re: Tex-Mex Cattle Co. Well No. 1, Unit D of Section 2, Township 26 North, Range 24 East, Colfax County, New Hexico Plugging Bond

Centlemen:

Enclosed is a copy of the docket of the Examiner Rearing to be held on Wednesday, April 30, 1975, at 9:00 a.m. in the Oil Conservation Commission Conference Room. Case 5467 concerns the subject matter.

Very truly yours,

WILLIAM P. CARR General Counsel

wrc/ar

- CASE 5464: Application of Petro-Lewis Corporation for a unit agreement, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Media Entrada Unit Area covering 580 acres of Federal lands, Media-Entrada Oil Pool, Township 19 North, Range 3 West, Sandoval County, New Mexico.
- CASE 5465: Application of Petro-Lewis Corporation for a pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its Media Entrada Unit Area by the injection of water into three wells, being the Fluid Power Pump Wells Nos. 4 and 2 located, respectively, 990 feet from the South line and 1650 feet from the East line, and 2310 feet from the North line and 330 feet from the East line, of Section 15, and the rederal Media Well No. 4 located 990 feet from the South line and 1650 feet from the West line of Section 14, all in Township 19 North, Range 3 West, Media-Entrada 011 Pool, Sandoval County, New Mexico.
- CASE 5466: Application of Mark Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1650 feet from the South line and 1980 feet from the West line of Section 1, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, the W/2 of said Section 1 to be dedicated to the well.
- CASE 5467: In the matter of the hearing called by the 0il Conservation Commission on its own motion to permit Colfax Carbon Dioxide Corporation, F. E. Sauble, American Surety Company of New York, and all other interested parties to appear and show cause why the Tex-Mex Cattle Co. Well No. 1 located in Unit D of Section 2, Township 26 North, Range 24 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5468: In the matter of the hearing called by the 0il Conservation Commission on its own motion to permit Kenneth M. Hankins, Great American Insurance Company, and all other interested parties to appear and show cause why the Virginia Branch Well No. 1 located in Unit D of Section 9, Township 10 North, Range 25 East, Guadalupe County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Dockets Nos. 11-75 and 12-75 are tentatively set for hearing on May 14 and May 28, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 30, 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 5459: Application of McClellan Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Henshaw Unit Area covering 1282 acres, more or less, of State and Federal lands in Township 16 South, Range 30 East, Eddy County, New Mexico.
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Dockets Nos. 11-75 and 12-75 are tentatively set for hearing on May 14 and May 28, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 30, 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:

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- CASE 5464: Application of Petro-Lewis Corporation for a unit agreement, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Media Entrada Unit Area covering 580 acres of Federal lands, Media-Entrada Oil Pool, Township 19 North, Range 3 West, Sandoval County, New Mexico. CASE 5465:
- Application of Petro-Lewis Corporation for a pressure maintenance project, Sandoval County, New Mexico. Applicant, in the abovestyled cause, seeks authority to institute a pressure maintenance project in its Media Entrada Unit Area by the injection of water into three wells, being the Fluid Power Pump Wells Nos. 4 and 2 located, respectively, 990 feet from the South line and 1650 feet from the East line, and 2310 feet from the North line and 330 feet from the East line, of Section 15, and the Federal Media Well No. 4 located 990 feet from the South line and 1650 feet from the West line of Section 14, all in Township 19 North, Range 3 West, Media-Entrada Oil Pool, Sandoval County, New Mexico. CASE 5466:
- Application of Mark Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the abovestyled cause, seeks approval for an unorthodox gas well location 1650 feet from the South line and 1980 feet from the West line of Section 1, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, the W/2 of said Section 1 to CASE 5467:
- In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Colfax Carbon Dioxide Corporation, F. E. Sauble, American Surety Company of New York, and all other interested parties to appear and show cause why the Tex-Mex Cattle Co. Well No. I located in Unit D of Section 2, Township 26 North, Range 24 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program. CASE 5468:
- In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Kenneth M. Hankins, Great American Insurance Company, and all other interested parties to appear and show cause why the Virginia Branch Well No. 1 located in Unit D of Section 9, Township 10 North, Range 25 East, Guadalupe County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

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| ÖZ.          | PS Form 3800 HO INSURANCE COVERAGE PROVIDED— NOT FOR INTERNATIONAL MAIL   | (See other side)    |
| Case         | 5467  |                     |



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

April 18, 1975

I. R. TRUJILLO CHAIRMAN

LAND COMMISSIONER PHIL R. LUCERO MEMBER

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

CERTIFIED - RETURN RECEIPT REQUESTED

Colfax Carbon Dioxide Corporation Maxwell, New Mexico

F. E. Sauble Springer, New Mexico

American Surety Company of New York c/o Trans-America Ins. Co. P. O. Box 54256 Los Angeles, California 90054

Re: Tex-Mex Cattle Co. Well No. 1, Unit D of Section 2, Township 26 North, Range 24 East, Colfax County, New Mexico Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, April 30, 1975, at 9:00 a.m. in the Oil Conservation Commission Conference Room. Case 5467 concerns the subject matter

Very truly yours,

WILLIAM F. CARR General Counsel

WFC/dr enc.

Dockets Nos. 11-75 and 12-75 are tentatively set for hearing on May 14 and May 28, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

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In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Colfax Carbon Dioxide Corporation, F. E. Sauble, American Surety Company of New York, and all other interested parties to appear and show cause why the Tex-Mex Cattle Co. Well No. 1 located in Unit D of Section 2, Township 26 North, Range 24 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

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CASE 5467:

DRUFT

dr/

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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:

Se Ju

CASE NO. 5467

Order No. R-5018

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IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO
PERMIT COLFAX CARBON DIOXIDE CORPORATION, F. E.
SAUBLE, AMERICAN SURETY COMPANY OF NEW YORK, AND
ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW
CAUSE WHY THE TEX-MEX CATTLE CO. WELL NO. 1 LOCATED
IN UNIT D OF SECTION 2, TOWNSHIP 26 NORTH, RANGE 24
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 April 30 , 195 at Santa Fe, New Mexico, before Examiner Richard L. Stamets .

NOW, on this 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 Colfax Carbon Dioxide Corporation and F. E. Sauble are the owners and operator of the Tex-Mex Cattle Co. Well No. 1, located in Unit D of Section 2, Township 26 North, Range 24 East, NMPM, Colfax County, New Mexico.

- (3) That said Well No. 1 was completed as a carbon dioxide gas well approximately December 6, 1941.
- (4) That except for short periods of testing, the well has remained shut-in since that time.
- (5) That with the passage of time, the potential for failure of the casing or other equipment in or on said well increases.
- (6) That should said casing or equipment fail, carbon dioxide gas would escape underground or to the air and would be wasted.
- (7) That the Commission is empowered to prevent the waste of carbon dioxide gas.
- (8) That F. E. Sauble proposes to file forms necessary to assume sole ownership of said well and to install a pressure gauge thereon and to permit other testing to assure that carbon dioxide gas is not leaking from the well.
- (9) That the actions to be taken as outlined in Finding No. (8) above will permit the Commission to better evaluate the condition of the subject well and order appropriate action where necessary.
- (10) That the subject application should be dismissed without prejudice.

#### IT IS THEREFORE ORDERED:

(1) That Case No. 5467 is hereby <u>dismissed</u> without prejudice.

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