

CASE 5468: PLUGGING CASE
KENNETH M. HANKINS, GREAT
AMERICAN INSURANCE CO.,
Guadalupe County

CASE No.

5468

Application,

Transcripts,

Small Exhibits

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MAY 28, 1975 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Allen Q. Wicks	Texas Pacific Oil Co.	Midland, Tx
John D. Russell	"	Roswell, N.M.
Steve Scott	Murphy H. Baxter	Midland, Tex.
James D. Wicks	"	Roswell
David { Robert H. Angevine	Henry Engineering	Midland
Frank { Thomas W. Olson	Montgomery, Federal & Anderson	S.F.
Ed T. Anderson	J. D. O'Neill Jr	Midland Tex
Donald G. Stum	Read & Stum	S.F.
My C. Humeau	Read & Stevens	Roswell
Eddie Ingham	Yates Petroleum	Artesia
D. Leroy	Lawson & Pearson	Artesia
E.R. Manning	El Paso Natural Gas	El Paso, Tex
Ray Beck	Yates Pet	Artesia
Jim Forsyth	U.S. G.S.	Artesia
Victor T. Lyon	Conoco	Hobbs
A.A. Denton	Continental Oil	Midland, Tex.
B.R. Marshall		Hobbs
R.E. McArthur	Conoco	Hobbs

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date MAY 28, 1975 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
<i>P. W. Munnawand</i>	<i>Texaco West Oil & Gas</i>	<i>Midland, Tex</i>
<i>Frank L. Lucille</i>	<i>Texaco West Oil & Gas</i>	<i>Midland, Tex</i>
<i>Jack H. Hoff</i>	<i>Burleson & Hoff</i>	<i>Midland, Tex</i>
<i>Jason Killahin</i>	<i>Killahin & Fox</i>	<i>Santa Fe</i>

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 28, 1975

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conserva-
tion 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 aban-
doned in accordance with a Commission-
approved plugging program.

Case No.
5468

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:

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

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

I N D E X

PAGE

CARL ULVOG

Direct Examination by Mr. Derryberry

3

Cross Examination by Mr. Stamets

9

ULVOG-DIRECT

CASE 5468

Page.....3

MR. STAMETS: We'll call the first case, 5468.

MR. DERRYBERRY: Mr. Examiner, I'm Tom Derryberry representing the Commission. I have one witness to be sworn.

(Witness sworn.)

MR. STAMETS: Are there any other appearances in this Case? You may proceed.

CARL ULVOG

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

DIRECT EXAMINATION

BY MR. DERRYBERRY:

Q Would you please state your name, position, and your place of residence for the record, please?

A Yes, sir. Carl Ulvog, Senior Petroleum Geologist for the Oil Conservation Commission here in Santa Fe.

Q Would you please describe some of your duties as Senior Petroleum Geologist.

A Also as supervisor of District 4, I'm required to inspect the wells to see that they are properly completed or plugged and abandoned with approved Commission programs.

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

Q Does District 4 include the part of Guadalupe County involved in this case?

A Yes, it does.

Q And do your duties as District Supervisor of District 4 include making recommendations to the Commission as to when wells should be plugged and abandoned?

A Yes, that is correct.

Q Are you familiar with the subject matter of Case 5468?

A Yes, I am.

Q What is the purpose of this Case?

A The purpose of this Case is to see that the well is properly plugged and abandoned or completed as a water well in accordance with our regulations. That is, it cannot be left abandoned indefinitely.

Q For the record, would you describe the well you are referring to?

A Yes. The well that is the subject of this hearing is known as the Kenneth Hankins Virginia Branch Well No. 1 which is located in Unit D of Section 9, Township 10 North, Range 25 East, in Guadalupe County.

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

A Yes, I have.

Q Do you have these records with you?

A Yes, I do.

Q Would you please refer to these records and give us the history of this well as reflected by those records?

A Yes, I will. According to the information that we have in our files, this well was spudded January 2nd, 1967, after receiving approval to drill on December 30th, 1966. The Well Completion Report, that is our Form C-105, was filed June 13, 1973. In this report it states that the total depth was reached on February 3rd, 1967, and the well was temporarily abandoned. It does not state any test recoveries, it doesn't give the total depth, or anything of that sort.

A newspaper article which is dated March 23rd, 1967, reports that the well in question was pumping oil and water. It does not say anything about the water but it does mention 3 gallons of oil. Now, this is the only report that we have of any tests.

Beginning in April of last year, several attempts were made to get up-to-date reports on this well, but as of the advertisement date of this hearing

originally set for April 30th, I believe, we had not received those reports. On May 8, however, we did receive a letter -- May 8, 1974, pardon me -- which reads as follows: (Reading) This is to inform you the status of the Virginia Branch Well No. 1 in Section 9, Township 10 North, Range 25 East. The Well has been temporarily abandoned. At this time I am trying to evaluate the log to check possible fresh water sands for the benefit of the local landowner. If it is determined that water can be obtained at these shallow depths, I will abandon it as an oil well and let the rancher take the well for a water well. (End of reading.) This was from the operator.

I sent all of the forms for conversion to water well and additional forms for reporting the plugging of the well at that time, but, as of the advertisement date, we had not received any of those reports back.

Now, we did receive a report C-103 Form after April 30th. As a matter of fact, we received it on May 17th, 1975, and this is the information that is provided: (Reading) Propose to abandon this well before August 31st, 1975. At the time of plugging cement will be placed at the bottom to cover the perforations and a

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

plug placed at the surface of the well marker. The 4-1/2-inch casing will remain in the hole. (End of reading.) That proposal was approved subject to the outcome of this hearing.

I have also had a letter from the landowner which states in part: (Reading) The only interest that we have in this well is as follows: Either (1) to make a water well out of it, (2) to have it plugged according to the regulations. (End of reading.) Now, this, of course, since the landowner had previously indicated the desire for the well to be converted to water, and since he repeats this request by letter, I feel that it should receive top priority. However, that's up to the findings of this Commission.

Now, I inspected the location on March 20th of this year and I found that there is a pump jack on the location, there are sucker rods in the well, there is an oil line and storage tank there, all hooked up to the well.

Q All right. Do the official records -- does anything in the official records indicate that the well has ever produced oil in commercial quantities?

A No, sir.

Q In your opinion, does the continuance of the well in an unplugged state constitute a threat to fresh water?

A Yes, I would think so, and possibly, if the casing is set properly, cemented -- and I don't know that; I haven't the report on how that was set so I don't know -- but, if it was cemented properly and the perforations were plugged off, it would not constitute a hazard, no.

Q In view of the official records and your inspection of the well, what would you recommend -- what action would you recommend that the Commission take with reference to this well?

A Well, I would recommend that if the landowner can not have the well for a water well, then it should be plugged.

Q What time frame do you think we should set for that?

A I would definitely set August 31st of this year as a deadline for all the work to have been completed.

Q All right. And that would be in light with the operator's intent as evidenced by his notice of intention to plug?

ULVOG-DIRECT
CROSS

CASE 5468

Page.....9.....

A That is correct.

Q Do you have anything further to add to your testimony?

A No, sir.

MR. DERRYBERRY: That completes my direct examination.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Ulvog, if I understand your recommendation in this case, it would be that the well should be plugged and abandoned or converted to a water well in accordance with a Commission-approved program by August 31st, 1975?

A That's correct.

Q And this would be the only way that the Commission could comply with its statutory requirements that the well be abandoned in such a manner as to keep all the oil, gas, and water in the strata in which they were found?

A That's right.

MR. STAMETS: Are there any other questions of the Witness? He may be excused. Anything further in this Case? We will take the Case under advisement.

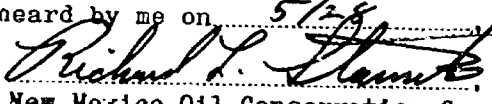
CASE 5468

Page.....10.....

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. 5468, heard by me on 5/28, 1975.

Richard L. Stamm, Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE 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
April 30, 1975

EXAMINER HEARING

IN THE MATTER OF:

Hearing called by the Oil 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 should
not be plugged and abandoned.

CASE NO. 5468

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

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 932-0386

MR. STAMETS: Case 5468.

MR. CARR: 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 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 May 28th.

MR. STAMETS: Case 5468 will be continued until May 28th.

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. 5468, heard by me on 4-30, 1975.
Richard L. Nye, Examiner
 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. 5468
ORDER NO. R-5053

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.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 28, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 17th day of June, 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 Kenneth M. Hankins is the owner and operator of
the Virginia Branch Well No. 1, located in Unit D of Section 9,
Township 10 North, Range 25 East, NMPM, Guadalupe County, New
Mexico.

(3) That in order to prevent waste and protect correlative
rights said Virginia Branch Well No. 1 should be plugged and
abandoned in accordance with a program approved by the Santa
Fe District Office of the New Mexico Oil Conservation Commission
on or before August 31, 1975, or be converted to a water supply
well in an approved manner.

IT IS THEREFORE ORDERED:

(1) That Kenneth M. Hankins and Great American Insurance
Company are hereby ordered to plug and abandon the Virginia

-2-

Case No. 5468
Order No. R-5053

Branch Well No. 1, located in Unit D of Section 9, Township 10 North, Range 25 East, NMPM, Guadalupe County, New Mexico, on or before August 31, 1975.

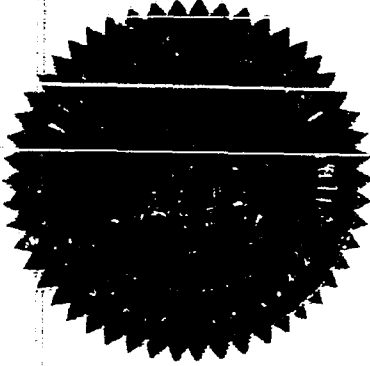
PROVIDED HOWEVER, that in the alternative and with approval of the land owner and the Commission, said well may be plugged back, completed as a water well, and the responsibility therefor transferred to the land owner.

(2) That Kenneth M. Hankins and Great American Insurance Company, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Santa Fe Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. Trujillo
I. R. TRUJILLO, Chairman

Phil R. Lucero
PHIL R. LUCERO, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO
Great American Ins. Co.

STREET AND NO.
1125 Grand Avenue

P.O., STATE AND ZIP CODE
Kansas City, Missouri 64101

POSTMARK OR DATE

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	85¢
SPECIAL DELIVERY ONLY	50¢

PS Form 3800
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)
* GPO: 1970 O-387-488

No.
Case 5468

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO
Mr. Kenneth M. Hankins

STREET AND NO.
300 Headlee Building

P.O., STATE AND ZIP CODE
Odessa, Texas 79760

POSTMARK OR DATE

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	85¢
SPECIAL DELIVERY ONLY	50¢

PS Form 3800
NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)
* GPO: 1970 O-387-488

No.
Case 5468

SENDER: Be sure to follow instructions on other side

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S)
(Additional charges required for these services)

☐ Show address where delivered

☐ Deliver ONLY to addressee

RECEIPT

Received the numbered article described below

SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)
Kenneth M. Hankins

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

REGISTERED NO.

CERTIFIED NO.
540007

INSURED NO.

DATE DELIVERED
4/24/75

SHOW WHERE DELIVERED (Only if requested, and include ZIP Code)



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

Mr. Kenneth M. Hankins
300 Headlee Building
Odessa, Texas 79760

Great American Insurance Company
1125 Grand Avenue
Kansas City, Missouri 64101

Re: Virginia Branch Well No. 1,
Unit D of Section 9, Township 10
North, Range 25 East, Guadalupe
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 5468 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr
enc.

Docket No. 10-75

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.

CASE 5460: Application of McClellan Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its East Henshaw Unit Area by the injection of water into the Grayburg formation through eight wells located in Sections 1 and 2, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.

CASE 5461: Application of General American Oil Company for pool extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the vertical limits of the Grayburg-Jackson (Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico, to include the Seven Rivers formation excepting, however, that area of said Grayburg-Jackson Pool overlain by the Fren-Seven Rivers Pool.

CASE 5462: Application of General American Oil Company for an unorthodox location and administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 825 feet from the North line and 1295 feet from the West line of Section 13, Township 16 South, Range 29 East, East High Lonesome Penrose Unit, High Lonesome Pool, Eddy County, New Mexico. Applicant further seeks the establishment of an administrative procedure whereby additional unorthodox producing and injection well locations could be approved for said unit area without hearing.

CASE 5463: Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle undesignated Mesaverde and Devils Fork-Gallup production in the wellbore of his Edna Well No. 4 located in Unit H of Section 7, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

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 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 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 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.

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.

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. 5468
Order No. R-5053

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.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 28, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 17th day of June, 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 Kenneth M. Hankins is the owner and operator of
the Virginia Branch Well No. 1, located in Unit D of Section 9,
Township 10 North, Range 25 East, NMPM, Guadalupe County, New
Mexico.

(3) That in order to prevent waste and protect correlative
rights said Virginia Branch Well No. 1 should be plugged and
abandoned in accordance with a program approved by the Santa
Fe District Office of the New Mexico Oil Conservation Commission
on or before August 31, 1975, or be converted to a water supply
well in an approved manner.

IT IS THEREFORE ORDERED:

(1) That Kenneth M. Hankins and Great American Insurance
Company are hereby ordered to plug and abandon the Virginia

-2-

Case No. 5468
Order No. R-5053

Branch Well No. 1, located in Unit D of Section 9, Township 10 North, Range 25 East, NMPM, Guadalupe County, New Mexico, on or before August 31, 1975.


PROVIDED HOWEVER, that in the alternative and with approval of the land owner and the Commission, said well may be plugged back, completed as a water well, and the responsibility therefor transferred to the land owner.

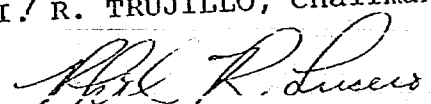
(2) That Kenneth M. Hankins and Great American Insurance Company, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Santa Fe Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

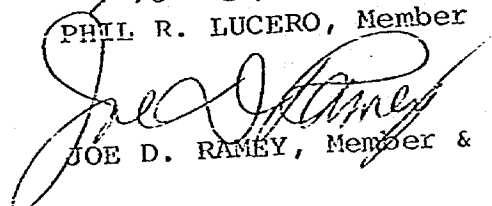
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


PHIL R. LUCERO, Member


JOE D. RAMEY, Member & Secretary

S E A L

dr/

Docket No. 12-75

Docket No. 13-75 is tentatively set for hearing on June 11, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 28, 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 5468: (Continued from the April 30, 1975 Examiner Hearing)

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.

CASE 5485: Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Tidwell ED Well No. 1, located in Unit P of Section 22, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, in such a manner as to produce gas from the Atoka and Morrow formations through the tubing-casing annulus and tubing, respectively.

CASE 5486: Application of Yates Petroleum Corp. for two unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well locations for two proposed wells adjacent to the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, the first to be located in the center of Unit O of Section 25, Township 17 South, Range 25 East, the E/2 of said Section 25 to be dedicated to the well, and the second to be located in the center of Unit M of Section 31, Township 17 South, Range 26 East, the W/2 of said Section 31 to be dedicated to the well.

CASE 5487: Application of J. I. O'Neill, Jr., for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water by injection into the San Andres formation through the perforated interval from 4852 feet to 5001 feet in his State L Well No. 2, located in Unit N of Section 16, Township 8 South, Range 36 East, South Prairie-San Andres Pool, Roosevelt County, New Mexico.

CASE 5488: Application of Texas Pacific Oil Co. for pool contraction and extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order contracting the vertical limits of the Jalmat Gas Pool underlying the N/2 NE/4 and the SE/4 NE/4 of Section 4, Township 23 South, Range 36 East, Lea County, New Mexico, by the deletion therefrom of the lowermost 160 feet of the Seven Rivers formation, and the concurrent extension of the vertical limits of the Langlie Mattix Pool underlying said lands to include therein the said lowermost 160 feet of the Seven Rivers formation, further to similarly contract the vertical limits of the Jalmat Gas Pool underlying the NW/4 SW/4 of Section 3, Township 23 South, Range 36 East, by the deletion of the lowermost 135 feet of the Seven Rivers and the concurrent extension of the Langlie Mattix Pool to include the lowermost 135 feet of the Seven Rivers.

CASE 5489: Application of Texas Pacific Oil Co., Inc. for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the expansion of its Jalmat State "A" and/or its Langlie Mattix State "A" waterflood projects, Jalmat and Langlie Mattix Pools, by the injection of water into the Seven Rivers and Queen formations through its State "A" Wells Nos. 47 and 63 located, respectively, in Units K and I of Section 3 and its State "A" Well No. 84, located in Unit G of Section 23, all in Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5490: Application of Tennessee Oil Co. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water by injection into the Strawn formation through the perforated interval from 11,164 feet to 11,470 feet in its Jones Federal "D" Well No. 1, located in Unit E of Section 24, Township 19 South, Range 31 East, Lusk-Strawn Pool, Eddy County, New Mexico.

CASE 5491: Application of Murphy H. Baxter for an unorthodox oil well location and an administrative procedure, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location for a well to be drilled 1980 feet from the North line and 1460 feet from the East line of Section 1, Township 18 South, Range 33 East, North EK-Queen Pool, Lea County, New Mexico. Applicant further seeks the establishment of an administrative procedure whereby additional wells at unorthodox locations in the North EK-Queen Unit Area could be approved without notice and hearing.

CASE 5469: (Continued and Readvertised)

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 West lines of Section 7, Township 15 South, Range 28 East, Chaves County, New Mexico, in exception to the Buffalo Valley-Pennsylvanian Gas Pool Rules.

- CASE 5492: Application of David Fasken for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Canyon and Morrow production in the wellbore of his El Paso Federal Well No. 2, located in Unit M of Section 2, Township 21 South, Range 26 East, Avalon Field, Eddy County, New Mexico.
- CASE 5493: Application of Texas West Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 5, Township 24 South, Range 34 East, Bell Lake Field, Lea County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit in Unit G of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for the risk involved in drilling said well.
- CASE 5494: Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, and in the Langlie Mattix Pool underlying the NW/4 NW/4 of said Section 35 to form a non-standard 160-acre Jalmat gas proration unit and a standard 40-acre Langlie Mattix oil proration unit, each to be dedicated to applicant's Dabbs Well No. 2, located at an unorthodox Jalmat gas well location 330 feet from the North line and 990 feet from the West line of said Section 35. Also to be considered will be the cost of re-entering, 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 re-entering, drilling, and completing said well.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

April 18, 1975

CERTIFIED - RETURN
RECEIPT REQUESTED

Mr. Kenneth M. Hankins
300 Headlee Building
Odessa, Texas 79760

Great American Insurance Company
1125 Grand Avenue
Kansas City, Missouri 64101

Re: Virginia Branch Well No. 1,
Unit D of Section 9, Township 10
North, Range 25 East, Guadalupe
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 5468 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr
enc.

Docket No. 10-75

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.

CASE 5460: Application of McClellan Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its East Henshaw Unit Area by the injection of water into the Grayburg formation through eight wells located in Sections 1 and 2, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.

CASE 5461: Application of General American Oil Company for pool extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the vertical limits of the Grayburg-Jackson (Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico, to include the Seven Rivers formation excepting, however, that area of said Grayburg-Jackson Pool overlain by the Fren-Seven Rivers Pool.

CASE 5462: Application of General American Oil Company for an unorthodox location and administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 825 feet from the North line and 1295 feet from the West line of Section 13, Township 16 South, Range 29 East, East High Lonesome Penrose Unit, High Lonesome Pool, Eddy County, New Mexico. Applicant further seeks the establishment of an administrative procedure whereby additional unorthodox producing and injection well locations could be approved for said unit area without hearing.

CASE 5463: Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle undesignated Mesaverde and Devils Fork-Gallup production in the wellbore of his Edna Well No. 4 located in Unit H of Section 7, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

- 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 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 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 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.
- 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.

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 #1 WELL No. 1

located in Unit D of Section 9, Township 10
North, ~~South~~, Range 25 East, ~~West~~, GUADALUPE

County, New Mexico, should not be plugged and abandoned in accordance
with a Commission-approved plugging program.

MR. KENNETH M. HANKINS

300 HEADLEE BUILDING

ODESSA, TEXAS 79760

GREAT AMERICAN INSURANCE COMPANY

1125 Grand Avenue

Kansas City, Missouri 64101

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:

CASE NO. 5468

Order No. R-5053

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.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 28, 1975
at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this June 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 Kenneth M. Hankins is the owner and operator of
the Virginia Branch Well No. 1, located in Unit D of Section 9,
Township 10 North, Range 25 East, NMPM, Guadalupe County, New
Mexico.

-2-
Case No. 5468
Order No. R-

(3) That in order to prevent waste and protect correlative rights said Virginia Branch Well No. 1 should be plugged and abandoned in accordance with a program approved by the Santa Fe District Office of the New Mexico Oil Conservation Commission on or before August 31, 1975, or be converted to a water supply well in an approved manner.

IT IS THEREFORE ORDERED:

(1) That Kenneth M. Hankins and Great American Insurance Company are hereby ordered to plug and abandon the Virginia Branch Well No. 1, located in Unit D of Section 9, Township 10 North, Range 25 East, NMPM, Guadalupe County, New Mexico, on or before August 31, 1975.

PROVIDED HOWEVER, that in the alternative and with approval of the land owner and the Commission, said well may be plugged back, completed as a water well, and the responsibility therefor transferred to the land owner.

(2) That Kenneth M. Hankins and Great American Insurance Company, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Santa Fe Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

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