

CASE 5552: PLUGGING CASE
HENRY C. GRUEMMER, DBA GRUEMMER
INDUSTRIES & NATIONAL SURETY CORP

CASE NO.

5552

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL
CONSERVATION COMMISSION ON ITS OWN MOTION TO
PERMIT HENRY C. GRUEMMER dba GRUEMMER INDUSTRIES,
NATIONAL SURETY CORPORATION, AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY CERTAIN WELLS IN
UNION COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED
PLUGGING PROGRAM.

CASE NO. 5552
Order No. R-5105

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 10,
1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of September, 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 sub-
ject matter thereof.

(2) That Henry C. Gruemmer is the owner and operator of
the following wells in Union County, New Mexico:

Nelson-Moore Well No. 1, located in Unit O
of Section 33, Township 30 North, Range 29
East;

Russell Black Ltd. Well No. 1, located in
Unit P of Section 33, Township 30 North,
Range 29 East; and

R. L. Black Well No. 2, located in Unit B
of Section 3, Township 29 North, Range 29
East.

(3) That in order to prevent waste and protect correlative
rights the above-described wells 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
February 1, 1976.

IT IS THEREFORE ORDERED:

(1) That Henry C. Gruemmer dba Gruemmer Industries and National Surety Corporation are hereby ordered to plug and abandon the following described wells in Union County, New Mexico:

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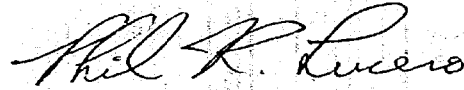
before February 1, 1976.

(2) That Henry C. Gruemmer dba Gruemmer Industries and National Surety Corporation, prior to plugging and abandoning the above-described wells, 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. FAMEY, Member & Secretary

S E A L

jr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT HENRY C. GRUEMMER dba GRUEMMER INDUSTRIES, NATIONAL SURETY CORPORATION, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY CERTAIN WELLS IN UNION COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

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FINDS:

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-2-
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Order No. R-5105

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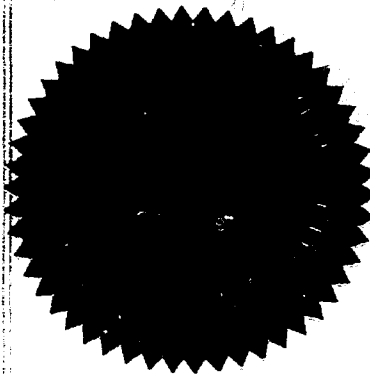
R. L. Black Well No. 2, located in Unit B of Section 3, Township 29 North, Range 29 East;

before February 1, 1976.

(2) That Henry C. Gruemmer dba Gruemmer Industries and National Surety Corporation, prior to plugging and abandoning the above-described wells, 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.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

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

S E A L

jr/

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 30, 1977

C
O
P
Y
Mr. George F. Biller
Fireman's Fund Insurance Co.
1385 South Colorado Blvd.
Denver, Colorado 80222

Re: \$10,000 Blanket Plugging Bond
Henry C. Gruenmer, dba Gruenmer
Industries, Principal,
National Surety Corporation,
Surety
Bond No. H6805236837

Dear Mr. Biller:

Mr. Carl Ulvog, District Supervisor for the Oil Conservation Commission, has had correspondence with you regarding the plugging of three wells under the above-referenced bond. These wells were ordered plugged and abandoned on or before February 1, 1976, by Order No. R-5105, and are as follows:

- (1) Nelson-Moore Well No. 1, located in Unit O, Section 33, T-30-N, R-29-E;
- (2) Russell Black Ltd. Well No. 1, located in Unit P, Section 33, T-30-N, R-29-E;
- (3) R. L. Black Well No. 2, located in Unit B, Section 3, T-29-N, R-29-E.

Pursuant to state law, I am hereby making demand for the face amount of said bond, being the sum of \$10,000, payable to the Oil and Gas Reclamation Fund. This money will be spend by the Oil Conservation Commission in the plugging of the wells in question.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr
cc: Carl Ulvog

PANHANDLE PLUGGERS, INC.

P. O. BOX 742 — PAMPA, TEXAS 79065

February 11, 1976

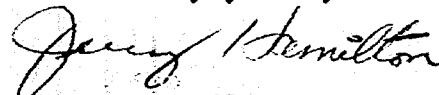
Fireman Fund Insurance Co.
Attention: Mr. George Biller
1385 South Colorado Blvd.
Denver, Colorado 80222

Dear Mr. Biller,

As per our telephone conversation yesterday, Panhandle Pluggers, Inc. offers the following for your consideration.

Panhandle Pluggers, Inc. would plug the three wells, located in the Des Moines, New Mexico area, for \$10,000.00. These wells would be plugged to the satisfaction of the Oil Conservation Commission of New Mexico, complying with their rules and regulations. Should you find that your Company is responsible for the above mentioned wells, Panhandle Pluggers, Inc. would appreciate the opportunity to work with you on this project.

Sincerely yours,



Jerry Hamilton
President

JH:mja
CC: Carl Ulvog

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

January 6, 1976

Fireman's Fund Insurance Company
1385 South Colorado Blvd.
Denver, Colorado 80222

Attention: Mr. George F. Biller

Re: New Mexico Oil Conservation Commission
Case No. 5552 Order No. R-5105

Dear Mr. Biller:

This will acknowledge your letter dated December 24th and postmarked December 30, 1975, wherein you requested additional information concerning your obligations under the bond for Henry C. Gruemmern, d/b/a Gruemmer Industries.

Perhaps it is due to your misunderstanding of New Mexico laws or possibly it is simply a matter of terminology, but it is felt that your reference to "capping" and "recapping" of wells should be clarified. Nowhere in the subject Commission Order do those terms appear, nor are they used in our regulations. It is the Oil Conservation Commission's responsibility to see that wells drilled for oil, hydrocarbon gas, steam or carbon dioxide are properly plugged if production is not developed or when production ceases. In no case is the simple installation of a cap on a well considered.

With respect to possible costs of plugging the subject wells and cleaning up the locations, it is impossible for this agency to make a reliable estimate; only a well-servicing (or well-workover) contractor would be in a position to do this. Such costs depend upon a number of variables, such as travel required to reach the site, value of salvagable materials, amounts of cement required, time and labor involved in cleaning and leveling locations, etc. There have been recent instances where contractors have estimated it would require in excess of \$5,000.00 to properly plug (and clean the location) of a single well, although this may be an extreme case of rough terrain in an isolated area.

In those instances where the owner of a well fails to abide by State Regulations concerning abandonment, the Commission simply orders the bond company to assume the obligation, as witness O.C.C. Order No. R-5105. If the bonding agent cannot force the owner's compliance then the agent must employ a contractor to do the required work. The Oil Conservation Commission does not enter into negotiations between a bonding company and a contractor but does develop the plugging program and witnesses the actual operations to insure compliance.

OIL CONSERVATION COMMISSION

-2-

P. O. BOX 2088

Mr. George F. Biller SANTA FE NEW MEXICO 87501
January 6, 1976

There are no addresses in our files for the companies you mentioned; neither is there any evidence that these companies filed reports with the Commission or had any communications therewith. As indicated by my letter of November 10th, last, the names of those companies came to light during the field investigation but no addresses were obtained, since the Commission would have no jurisdiction over such entities.

It seems apparent that your best source of information would be the law firm of Robertson & Skinner, Raton, New Mexico, as mentioned previously. Much of the correspondence from that firm was signed by a Robert S. Skinner, who is listed in the current telephone directory as an attorney; office telephone 445-3697, residence telephone 445-8234. Also, in reference to your October 30th comment "We have not been able to determine where this bond emanated. . ." it appears that your resident agent and attorney-in-fact (at the time) was a Paul C. Sackett of Albuquerque, New Mexico. It may be worth noting that there is a Paul C. Sackett listed in the current Albuquerque telephone directory.

Hopefully, the foregoing will provide some help in resolving your problems in the subject matter and further clarify the position of the Oil Conservation Commission.

Yours truly,

CARL ULVOG
Senior Geologist
District IV Supervisor

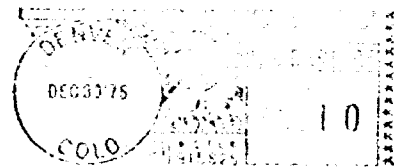
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FIREMAN'S FUND
AMERICAN INSURANCE COMPANIES

DENVER BRANCH OFFICE
1385 SOUTH COLORADO BOULEVARD
DENVER, COLORADO 80222
TELEPHONE (303) 758-4000

GEORGE D. BILLER
RESIDENT VICE PRESIDENT

December 24, 1975



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

ATTENTION: MR. CARL ULVOG, SENIOR GEOLOGIST

H 680 S 236 837
PRINCIPAL dba GRUENNER INDUSTRIES

Dear Mr. Ulvog,

Thank you for yours of November 10, 1975.

I am sorry it has taken so long to get back to you, I will try to do better in the future.

If we are unable to determine the responsible party as respects to capping of the wells in question, and it is necessary for you to contract out that work, do you have any idea as to the approximate cost? Any information along that line would be appreciated. What is your usual procedure in a case where you must ultimately deal with a bonding company as in this case with regard to the necessary work being completed, etc?

Is there any possibility that you would have in your files in connection with the wells in question the addresses of Emerald Carbonic Company, and/or the Frick Company, and/or the Dye Chemical Company.

What we would like to do is contact those entities to see when they either took possession of the wells in question or had an interest in them and to better determine whether or not they might have an interest in the wells at this time or be involved in the recapping expense.

Any help that you could provide would be appreciated.

Sincerely,


George D. Biller
Claims Representative

GFB/ta



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL
CONSERVATION COMMISSION ON ITS OWN MOTION TO
PERMIT HENRY C. GRUEMMER dba GRUEMMER INDUSTRIES,
NATIONAL SURETY CORPORATION, AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY CERTAIN WELLS IN
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ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED
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CASE NO. 5552
Order No. R-5105

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 10,
1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of September, 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 sub-
ject matter thereof.

(2) That Henry C. Gruemmer is the owner and operator of
the following wells in Union County, New Mexico:

Nelson-Moore Well No. 1, located in Unit O
of Section 33, Township 30 North, Range 29
East;

Russell Black Ltd. Well No. 1, located in
Unit P of Section 33, Township 30 North,
Range 29 East; and

R. L. Black Well No. 2, located in Unit B
of Section 3, Township 29 North, Range 29
East.

(3) That in order to prevent waste and protect correlative
rights the above-described wells 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
February 1, 1976.

*Bond CFL
3-8-56*

IT IS THEREFORE ORDERED:

(1) That Henry C. Gruemmer dba Gruemmer Industries and National Surety Corporation are hereby ordered to plug and abandon the following described wells in Union County, New Mexico:

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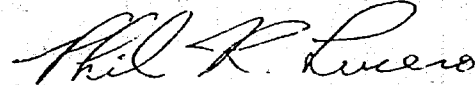
before February 1, 1976.

(2) That Henry C. Gruemmer dba Gruemmer Industries and National Surety Corporation, prior to plugging and abandoning the above-described wells, 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.

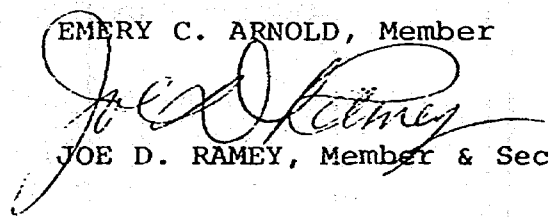
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/

OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO

STATE GEOLOGIST
EMERY C. ARNOLD

November 10, 1975

Fireman's Fund Insurance Company
1385 South Colorado Boulevard
Denver, Colorado 80222

Attention: Mr. George F. Biller

Dear Sir:

In reference to your letter dated October 30, 1975,
(addressed to "Carl Uldog") please be advised:

1. Notice of the hearing for Case 5552 was sent by registered mail to the only address that was known for Mr. Gruemmer. It was returned with a post office notation "address unknown."

2. It is logical to assume that the law firm of Robertson and Skinner (Raton) should have more information than any other source regarding the Gruemmer operation, since there are copies of correspondence from that firm in every well file.

3. In the investigation which led to the Commission hearing on September 10, 1975, it was learned that operation of the Des Moines Carbon Dioxide Plant began under Gruemmer's management, followed by that of an "Emerald Carbonic" which was (is) a subsidiary of the "Frick Company" and finally by the "Dye Chemical Company."

4. The processing plant itself was dismantled and machinery shipped elsewhere by the "Dye Chemical Company" sometime previous to 1970. However, the wells appear to be intact with well-heads in place and gathering lines in position partly buried.

5. There is no data in Commission files pertaining to actual production or processing, so nothing is known regarding possible successors to the Gruemmer firm. However, there were no other bonds filed with this office pertaining to the wells in question, nor were there any "Change of Operator" forms submitted. Therefore, the Commission can only act on its official data, which indicates that Mr. Gruemmer (or his bondsman) is responsible for plugging the wells when production terminates. If ownership of the wells did change, it was without legal sanction and without our knowledge, but this does not void the bond.

-2-

Mr. George F. Biller
November 10, 1975

Most, if not all, of the above information was relayed to your Mr. Larry Jordan by telephone on October 6, 1975, the date on which a second copy of your bond for Gruemmer was sent.

Yours truly,

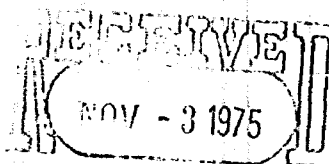
CARL ULVOG
Senior Geologist
District IV Supervisor

CU/jr

FIREMAN'S FUND
AMERICAN INSURANCE COMPANIES

DENVER BRANCH OFFICE
1385 SOUTH COLORADO BOULEVARD
DENVER, COLORADO 80222
TELEPHONE (303) 758-4000

GEORGE D. BILLER
RESIDENT VICE PRESIDENT



October 30, 1975

OIL CONSERVATION COMM.
Santa Fe

Oil Conservation Commission
P.O. Box 2088
Santa Fe, NM 87501

ATTN: Carl Uldog

PRINCIPAL: HENRY C. GRUEMMER D/B/A GRUEMMER INDUSTRIES

Dear Mr. Uldog,

We have your note of 10/6/75 with copy of our bond on file for the State of New Mexico.

We have not been able to determine where this bond emanated, but in all likelihood it was ~~as~~ a New Mexico agent in 1953.

We did have one possible source of information as respects to the present whereabouts and activities of the principal. That source's name is given as Robertson and Skinner, Attorneys, Paton, New Mexico.

On 10/27/75, I spoke with Mr. Gordon Robertson who vaguely is acquainted with Mr. Gruemmer. He stated that his whereabouts at least to him are unknown.

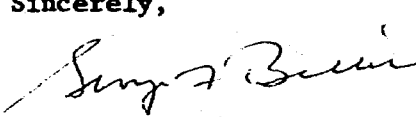
He did say however that Mr. Gruemmer had sold some CO₂ wells to a Fried or Frich company who was thought to have turned the property over to still another owner. Mr. Robertson thought that under the subsequent owners the wells were in production. He is going to attempt to locate some correspondence or back up information and drop me a note which will assist us in evaluating our position.

Meanwhile, is it possible that you can determine if there in fact had been succeeding owners to the wells in question and if there is a possibility that they filed bonds with the State of New Mexico and if there is a problem now would not those bonds be involved rather than ours?

We do not have any underwriting information in the Denver office and are wondering too if the ownership of the wells could have changed without our being notified for I do not think we would have continued a bond on an owner we did not know. Your record in this connection or any other information that might be of assistance to us, for example the name of the producing agent, the bond, the present whereabouts of Mr. Gruemmer, or the names of any subsequent owners.

Any assistance would be appreciated.

Sincerely,


George F. Biller
Claim Representative



GFB:cs

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL
CONSERVATION COMMISSION ON ITS OWN MOTION TO
PERMIT HENRY C. GRUEMMER dba GRUEMMER INDUSTRIES,
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CASE NO. 5552
Order No. R-5105

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law, the Commission has jurisdiction of this cause and the sub-
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(2) That Henry C. Gruemmer is the owner and operator of
the following wells in Union County, New Mexico:

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East;

Russell Black Ltd. Well No. 1, located in
Unit P of Section 33, Township 30 North,
Range 29 East; and

R. L. Black Well No. 2, located in Unit B
of Section 3, Township 29 North, Range 29
East.

(3) That in order to prevent waste and protect correlative
rights the above-described wells 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
February 1, 1976.

IT IS THEREFORE ORDERED:

(1) That Henry C. Gruemmer dba Gruemmer Industries and National Surety Corporation are hereby ordered to plug and abandon the following described wells in Union County, New Mexico:

Nelson-Moore Well No. 1, located in Unit O of Section 33, Township 30 North, Range 29 East;

Russell Black Ltd. Well No. 1, located in Unit P of Section 33, Township 30 North, Range 29 East; and

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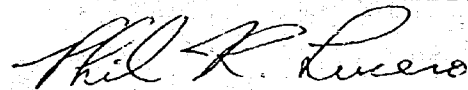
before February 1, 1976.

(2) That Henry C. Gruemmer dba Gruemmer Industries and National Surety Corporation, prior to plugging and abandoning the above-described wells, 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.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT RUSSELL STOCKLEY, UNITED PACIFIC INSURANCE COMPANY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE KNIGHT & STOCKLEY HOMER SCHMITT WELL NO. 1 LOCATED IN UNIT P OF SECTION 4, TOWNSHIP 29 NORTH, RANGE 29 EAST, UNION COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE NO. 5553
Order No. R-5103

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 10, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of September, 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 Russell Stockley is the owner and operator of the Knight & Stockley Homer Schmitt Well No. 1, located in Unit P of Section 4, Township 29 North, Range 29 East, NMPM, Union County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said Knight & Stockley Homer Schmitt 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 February 1, 1976.

IT IS THEREFORE ORDERED:

(1) That Russell Stockley and United Pacific Insurance Company are hereby ordered to plug and abandon the Knight & Stockley Homer Schmitt Well No. 1, located in Unit P of Section 4, Township 29 North, Range 29 East, NMPM, Union County, New Mexico, on or before February 1, 1976.

Case No. 5553
Order No. R-5103

(2) That Russell Stockley and United Pacific 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.

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OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

dr/

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 10, 1975

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the OCC on its
own motion to permit Henry C. Gruemmer
dba Gruemmer Industries, National Surety
Corp. and all other interested parties
to appear and show cause why certain
wells in Union County, N.M. should not
be plugged and abandoned.

CASE
5552

and

The hearing called by the OCC on its
own motion to permit Russell Stockley
United Pacific Ins. Co. and all other
interested parties to appear and show
cause why a well in Union County, N.M.
should not be plugged and abandoned.

CASE
5553

BEFORE: Daniel S. Nutter, 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

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 981-9212

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1 MR. NUTTER: We will call the next Case, 5552.

2 MR. CARR: Case 5552, in the matter of the hearing
3 called by the Oil Conservation Commission on its own motion
4 to permit Henry C. Gruemmer dba Gruemmer Industries, National
5 Surety Corporation, and all other interested parties to
6 appear and show cause why the following wells should not be
7 plugged and abandoned in accordance with a Commission-approved
8 plugging program:

9 Nelson-Moore Well No. 1, located in Unit O of
10 Section 33, Township 30 North, Range 29 East,
11 Union County, New Mexico;

12 Russell Black Ltd. Well No. 1, located in Unit P
13 of Section 33, Township 30 North, Range 29 East,
14 Union County, New Mexico;

15 R. L. Black Well No. 2, located in Unit B of
16 Section 3, Township 29 North, Range 29 East,
17 Union County, New Mexico.

18 MR. NUTTER: We will also call at this time Case
19 Number 5553.

20 MR. CARR: Case 5553, in the matter of the hearing
21 called by the Oil Conservation Commission on its own motion
22 to permit Russell Stockley, United Pacific Insurance Company
23 and all other interested parties to appear and show cause
24 why the Knight & Stockley Homer Schmitt Well No. 1 located
25 in Unit P of Section 4, Township 29 North, Range 29 East,

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

3 MR. NUTTER: For the purpose of testimony in these
4 cases we will consolidate them for hearing. Separate orders
5 will be entered in the cases.

6 I will call now for appearances in consolidated
7 cases 5552 and 5553.

8 MR. CARR: Mr. Examiner, I am William F. Carr
9 appearing for the Commission and I have one witness to be
10 sworn.

11 MR. NUTTER: Are there other appearances?

12 Will the witness please stand?

13 (THEREUPON, the witness was duly sworn.)

14 CARL ULVOG

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

17
18 DIRECT EXAMINATION

19 BY MR. CARR:

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

22 A Carl Ulvog, Senior Petroleum Geologist for the
23 Oil Conservation Commission located in Santa Fe.

24 Q Mr. Ulvog, do your duties also include serving as
25 the District Supervisor for District Four?

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1 A. That is correct.

2 Q Does District Four include the part of Union County
 3 involved in these cases?

4 A. Yes, it does.

5 Q Do your duties as Supervisor of District Four
 6 include making recommendations to the Commission as to when
 7 wells should be plugged and abandoned?

8 A. Yes, sir, that is correct.

9 Q Are you familiar with the subject matter of
 10 Cases 5552 and 5553?

11 A. Yes, I am.

12 Q What is the purpose of these cases?

13 A. The purpose of these cases is to determine whether
 14 these wells should be plugged and abandoned in the proper
 15 manner.

16 Q Are you familiar with each of these wells?

17 A. Yes, I am.

18 Q Have you reviewed all of the reports filed with
 19 the Commission concerning the wells?

20 A. Yes, I have.

21 Q Have you visited the various locations?

22 A. I have.

23 Q Do you have the well records with you?

24 A. I do.

25 Q Will you please refer to these records and give

1 the Examiner a history of each of the wells that are reflected
2 therein?

3 A Yes, sir. For the purpose of continuity I will
4 discuss these wells in the chronological order, that is,
5 in the time sequence of their completions. And the first
6 well to be drilled in this locality is that identified as
7 the Nelson Moore Well No. 1 in Unit O of Section 33, Township
8 30 North, Range 29 East.

9 The application for the permit to drill was
10 submitted July 18th, 1951 by the Nelson Moore Development
11 Company. It was reported completed as a gas well on May 31st,
12 1952 at a depth of twenty-six hundred and eighty five feet,
13 flowing four hundred and eighty-eight thousand cubic feet
14 per day of carbon dioxide. On June 23rd, 1952 the operator
15 filed a report for deepening the well to two thousand, six
16 hundred and ninety-eight feet. On the same date he requested
17 permission to hold the well shut in or temporarily abandoned
18 awaiting a market outlet. On September 31st, 1954 the well
19 was taken over by Gruenmer Industries with a proposal for
20 plugging back to two thousand, two hundred and seventy feet
21 and re-drilling to either twenty-four hundred or twenty-six
22 hundred feet, according to the Form C-101 submitted. There
23 are no additional well reports in our files, so the actual
24 depth that it was re-drilled to or plugged back to is unknown.

25 The second well to be drilled in this pool is that

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1 identified as the Russell Black Ltd. Well No. 1, located in
2 Unit P of Section 33, Township 30 North, Range 29 East. The
3 Form C-101, or the Notice of Intent to Drill was filed
4 October 19th, 1953 by Gruemmer Indian Carbonic Ltd. and
5 was reported completed on January 15th, 1954 at the total
6 depth of two thousand four hundred and sixty-one feet. No
7 official forms were filed at that time, however. There is
8 a fair amount of correspondence in our file concerning
9 casing problems, water troubles, and so on, and in these
10 letters is mentioned that the Des Moines CO2 plant began
11 operating in March 1954. On July 2nd, 1954 the Form C-105
12 was filed for this well and gave its potential as two hundred
13 thousand cubic feet of carbon dioxide per day. There are
14 no additional reports in the file.

15 The next well to be drilled here is identified as
16 the R. L. Black Well No. 2, drilled in Unit B of Section 3,
17 Township 29 North, Range 29 East. In this case, the Form
18 C-101, the Notice of Intent to Drill was filed July 22nd,
19 1954 by Gruemmer Indian Carbonic Ltd.. The Completion
20 Report, that's our C-105, was filed October 20th, 1954 and
21 gives the total depth as two thousand, seven hundred and
22 sixty-five feet and indicates an initial production of three
23 hundred and fifty thousand cubic feet of carbon dioxide per
24 day. Now, in this case there is no information concerning
25 a change in the operator's name, but the completion report

1 that was filed gives it as being Gruemmer Industries.

2 Those three wells are listed on our docket as
3 coming under Case 5552.

4 The fourth well drilled here is that described
5 on our docket by Case 5553 as the Knight and Stockley Homer
6 Schmitt Well No. 1. This is located in Unit P of Section 4,
7 Township 29 North, Range 29 East. The Notice of Intent to
8 Drill was filed September 22nd, 1954. The Completion Report
9 was filed June 30th, 1955. The total depth is not given, but
10 a progress report which was filed on June 22nd states that
11 the well would be plugged back to two thousand, five hundred
12 and sixty-five feet. I have no information as to what they
13 were plugging back from. The perforations are reported to
14 be at two thousand, five hundred and sixty-four to two
15 thousand, five hundred and sixty-five, twenty-four hundred to
16 twenty-four hundred and one, twenty-three hundred and ninety-
17 two to twenty-three hundred and ninety-three, twenty-three
18 seventy-eight to twenty-three seventy-nine and from two
19 thousand three hundred and forty-four feet to two thousand
20 three hundred and forty-eight feet. The initial production
21 is given as one million cubic feet per day. That is all
22 of the information that is contained by our files.

23 Now, I did not go to the State Records Bureau to
24 search for production data, but there is none in this
25 office.

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1 Q Mr. Ulvog, are you aware of any other communication
2 relative to the status of these wells that should be called
3 to the Examiner's attention?

4 A Well, yes, I think perhaps there are some letters
5 in the files that should be mentioned. They were letters
6 exchanged between the operators and the Oil Conservation
7 Commission personnel in connection with water problems, with
8 poor cement jobs, with the failure to file reports and for
9 errors that were later discovered in the reports that had
10 been filed. I could refer to them if you like, otherwise
11 they will be in the well files.

12 Q Have you prepared an exhibit summarizing the status
13 of these wells in these consolidated cases?

14 A Yes, I have. I have an exhibit which consists of
15 a summary of the data that is present in our files, a map
16 showing the locations of the wells and the location of the
17 processing plant and the City of Des Moines. Also, I have
18 photographs of the wells and of the plant site that I took
19 on June 24th, 1975 when I made a field inspection. And also
20 there is a discussion of the conditions as I found them, and
21 also a summary of information which I obtained from a number
22 of people in the Des Moines area who were familiar with the
23 plant operations and also the land owners.

24 Q Has that been marked?

25 A Yes, sir.

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1 MR. CARR: This is marked as Oil Conservation
2 Commission Exhibit A.

3 Q (Mr. Carr continuing.) Mr. Ulvog, in your opinion
4 could failure to plug these wells result in waste?

5 A That is correct. Not only waste of carbon dioxide
6 but probably what is worse, a pollution problem with respect
7 to the ground waters because all of the wells are standing
8 with the wellheads in place and by reports in the files,
9 correspondence in the files, there were water problems
10 encountered and there is the remains of what appears to be
11 a water-separation facility at the plant site, together
12 with a report from one of the men who operated the plant for
13 a period of about two years who pointed out that they did
14 have a problem with water in the wells and if the wells were
15 shut down for any length of time, it was necessary to bail
16 or swab the wells dry of water before they would again flow.
17 Therefore, the indication is that all of the wells made water
18 and could be standing full of water at this time.

19 Q What type of plugging program do you recommend for
20 these wells?

21 A I would recommend that the wells be -- we would
22 have to reenter the wells, the wellheads and so on be
23 removed and we would have to reenter the wells to find out
24 where the depths and perforations are, then all of the
25 perforated intervals be cemented.

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1 Q And this would be done at the time the wells were
2 reentered?

3 A That is correct.

4 Q In accordance with a Commission-approved program?

5 A That is right.

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

8 A No, but I would like to add that all of the well sites
9 have lumber, iron scraps, concrete and so on, on them, which
10 would have to be cleaned up and that the location of the first
11 well is at the plant site. Therefore, not only is the well
12 present there and some of the debris that was probably left
13 when the well was drilled, but also a great deal of the
14 remnants of the plant. The plant was cannibalized and some
15 of the machinery is still there, the foundations of the plant
16 are there, the office building which has been badly vandalized
17 is right there at the well site, so there is an excessive
18 amount of debris on the location for the first well.

19 In the case of the fourth well, that's the Knight
20 and Stockley well, there are two large pits that were never
21 filled, a couple of large heaps of dirt and rock plus concrete,
22 and enough lumber and sheet metal, so it looks as if there might
23 have been a building there that has collapsed and, in fact,
24 that is obscuring the actual well at the moment, so I did not
25 actually see the wellhead there because it is completely

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1 covered up with all of this junk, but the land owner insisted
2 that the well is still there, wellhead and all.

3 MR. CARR: At this time, Mr. Examiner, I would
4 offer Oil Conservation Commission Exhibit A in Cases 5552
5 and 5553.

6 MR. NUTTER: Prior to admitting the exhibit, I
7 would like to clarify a couple of points on the exhibit.

8 Mr. Carr, the first part of the exhibit consists
9 of a report which has been signed by your witness, Mr. Ulvog.
10 On the fourth page of that report there are some notations
11 made there or some lines scratched out, would you clarify
12 exactly what the status of that paragraph is?

13 MR. CARR: On the fourth page certain lines have
14 been crossed out due to the fact that the typist in typing
15 this repeated a couple of lines. It is simply to correct a
16 typographical error.

17 MR. NUTTER: Would you read into the record the
18 correct wording of the last paragraph on page four?

19 MR. CARR: The last paragraph should read: (Reading)
20 It is obvious that some action in this matter is urgently
21 needed. There is on file a ten thousand dollar blanket
22 bond in the name of Henry C. Gruemmer dba Gruemmer Industries
23 and another ten thousand blanket bond in the name of Russell
24 Stockley. Several forms in the well file were signed by
25 Russell Stockley and several letters from the Commission

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1 were addressed to him. Presumably additional data concerning
2 this entire affair can be obtained from records at the Union
3 County Courthouse and possibly from a search of the records
4 salvaged at the site. Attached are photographs taken during
5 the field inspection. (End of reading.)

6 There is also a correction, Mr. Examiner, in
7 Paragraph C on page one and it refers to the Gruemmer
8 Industries No. 1 R. L. Black well and it has been corrected
9 to read Gruemmer Industries No. 2 R. L. Black well.

10 MR. NUTTER: Which is the well that has been
11 advertised?

12 MR. CARR: That is correct.
13

14 CROSS EXAMINATION

15 BY MR. NUTTER:

16 Q Okay, now, the fifth page of the exhibit is the
17 map, the sixth page is the mounting of four photographs, the
18 seventh page is the mounting of three photographs, and the
19 fourth page, Mr. Ulvog, appears to be a report on the plant
20 at Des Moines, Union County, New Mexico, but everything is
21 in the present tense and that the president is Mr. Gruemmer,
22 the plant is managed. Is this an ancient report that has
23 been included?

24 A That is. I do not know the date of the report, but
25 it was obviously prepared after the first two wells were on

1 production and before the last two wells were connected to
2 the plant, because it speaks of only two wells. Consequently
3 it would have to be the first two wells. That report must
4 have been prepared in about 1954 or 1955 and this was prepared
5 by people outside of the Oil Conservation Commission.

6 Q This is no present status of the situation?

7 A In no sense at all, because the plant after that
8 time was taken over by two other parties, the Frick Company;
9 and the Dye Chemical Company succeeded that operation.

10 Q Do you know when the plant ceased to operate?

11 A I was unable to determine this exactly. I have made
12 a few estimates on it, but I don't have anything specific.
13 I would say that the plant had to operate until about 1957
14 or 1958 under the Gruemmer management, then approximately
15 two more years under the management of the Dye Chemical
16 Company and then it was taken over -- a period of time
17 elapsed between these changes in the operations -- but about
18 1965 it was taken over, purchased by the Dye Chemical Company
19 which, however, did not actually operate the plant, but they
20 did have a caretaker there and so on for a year or two, at
21 which time they proceeded to cannibalize, ship out all of
22 the equipment and so on, in approximately 1970 the land
23 and facilities remaining there were sold to the City of
24 Des Moines, and since that time the City has sold off all
25 of the buildings, except the office building, and has

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1 converted part of that site to a city dump, and that is the
2 condition that it is in today.

3 Q The land does belong to the City of Des Moines then?

4 A The land on which the plant and the first well was
5 drilled does belong to the City of Des Moines, that would
6 be a forty-acre tract which is shown on my map.

7 Q Then the building which is shown in one of the
8 photographs belongs to the City of Des Moines?

9 A That is correct and it is almost immediately
10 adjoining the Number 1 well.

11 Q What amount of land does the City own there, do
12 you know?

13 A Forty acres. This is the report that I got from
14 the Mayor of Des Moines.

15 Q Now, on your plat in the southwest quarter of the
16 southeast quarter of Section 33, you have a letter indicated
17 by the letter A?

18 A That is right. That is my coding system and I
19 have discussed them on the first page.

20 Q That is the Nelson Development Company No. 1?

21 A Which was later taken over by Gruemmer.

22 Q And then adjacent to that there is a little x?

23 A That is correct.

24 Q Is that the location of the plant?

25 A This would be the location, as I recall from that

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1 report, the location of a facility which I have shown by a
2 photograph, which I could not positively identify, but I
3 assume was a water separation facility near the plant. There
4 were some concrete pilings there, some pipe remaining, and
5 a pipeline, incidentally, that connects the wells to the plant.
6 It is still in place, it comes in at that point.

7 Q Then the location of the plant is not specifically
8 shown but it would be near that x, is that correct?

9 A That is correct.

10 MR. NUTTER: Are there any further questions of
11 the witness? He may be excused.

12 Does anyone have anything further? Do you have
13 anything further, Mr. Carr?

14 MR. CARR: Nothing further.

15 MR. NUTTER: Does anyone have anything they wish
16 to offer in Cases 5552 and 5553?

17 OCC Exhibit Number A is admitted into evidence.

18 If there is nothing further in these cases we will
19 take the cases under advisement.
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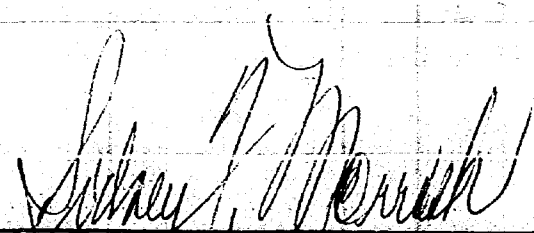
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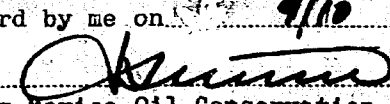
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State of New Mexico)
County of Santa Fe) ss.

I, SIDNEY F. MORRISH, a 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.


Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5552,
heard by me on 9/10, 1925.

, Examiner
New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

August 29, 1975

**CERTIFIED - RETURN
RECEIPT REQUESTED**

Henry C. Gruemmer
dba Gruemmer Industries
c/o Gruemmer Indian Carbonic, Ltd.
Des Moines, New Mexico

National Surety Corporation
1385 S. Colorado Blvd.
Denver, Colorado 80227

Re: Nelson-Moore Well No. 1, located
in Unit O of Section 33, Township
30 North, Range 29 East, Union
County;
Russell Black Ltd. Well No. 1,
located in Unit P of Section 33,
Township 30 North, Range 29 East,
Union County;
R. L. Black Well No. 2, located
in Unit B of Section 3, Township
29 North, Range 29 East, Union
County
Plugging Bond

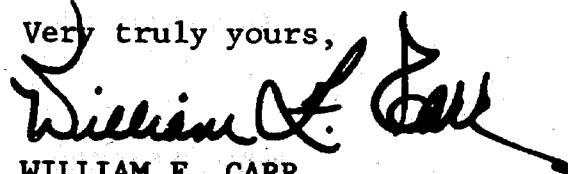
Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, September 10, 1975, at
9:00 a.m. in the Oil Conservation Commission Conference

August 29, 1975

Room, State Land Office Building, Santa Fe, New Mexico.
Case 5552 concerns the subject matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr", with a stylized flourish extending from the end.

WILLIAM F. CARR
General Counsel

WFC/fd
enc.

CASE 5048: (Reopened)

In the matter of Case No. 5048 being reopened pursuant to the provisions of Order No. R-4637 which order established the South Dagger Draw-Upper Pennsylvanian Associated Pool and promulgated special pool rules therefor, including provisions for 320-acre proration units and a limiting gas-oil ratio of 8,000 to 1. All interested parties may appear and show cause why said special pool rules should remain in effect.

CASE 5551: Application of Dalport Oil Corporation and Burk Royalty Co. for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests in the Queen formation underlying the W/2 of Section 17, Township 12 South, Range 31 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico, to be dedicated to a well drilled at an unorthodox location 660 feet from the South and West lines of said Section 17. 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 the application as the operator of the well and a charge for the risk involved in drilling said well.

CASE 5552: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Henry C. Gruenmer dba Gruenmer Industries, National Surety Corporation, and all other interested parties to appear and show cause why the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Nelson-Moore Well No. 1, located in Unit O of Section 33, Township 30 North, Range 29 East, Union County, New Mexico;

Russell Black Ltd. Well No. 1, located in Unit P of Section 33, Township 30 North, Range 29 East, Union County, New Mexico;

R. L. Black Well No. 2, located in Unit B of Section 3, Township 29 North, Range 29 East, Union County, New Mexico.

CASE 5553: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Russell Stockley, United Pacific Insurance Company and all other interested parties to appear and show cause why the Knight & Stockley Homer Schmitt Well No. 1 located in Unit P of Section 4, Township 29 North, Range 29 East, Union County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

No.

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO
National Surety Corporation

STREET AND NO.
1385 S. Colorado Blvd.

P.O., STATE AND ZIP CODE
Denver, Colorado 80227

OPTIONAL SERVICES FOR ADDITIONAL FEES

RETURN	1. Shows to whom and date delivered	15¢
RECEIPT	With delivery to addressee only	65¢
SERVICES	2. Shows to whom, date and where delivered	35¢
	With delivery to addressee only	85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

POSTMARK
OR DATE

PS Form 3800
Apr. 1971

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)
* GPO: 1970 O-397-488

No.

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO
Henry C. Gruemmer

STREET AND NO.
c/o Gruemmer Indian Carbonic, Ltd.

P.O., STATE AND ZIP CODE
Des Moines, New Mexico

OPTIONAL SERVICES FOR ADDITIONAL FEES

RETURN	1. Shows to whom and date delivered	15¢
RECEIPT	With delivery to addressee only	65¢
SERVICES	2. Shows to whom, date and where delivered	35¢
	With delivery to addressee only	85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

POSTMARK
OR DATE

PS Form 3800
Apr. 1971

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)
* GPO: 1970 O-397-488

RECEIVED BY

SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)

DATE DELIVERED

PLACE HERE DELIVERED (Only if requested, and include ZIP Code)

3

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CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

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3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the back of the article by means of the gummed ends. Endorse front of article RETURN RECEIPT REQUESTED.
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**STICK POSTAGE STAMPS TO ARTICLE TO COVER POSTAGE (first class or airmail),
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5. Save this receipt and present it if you make inquiry.

PS Form 3811
June 1973

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501
Case 5552

CASE 5048: (Reopened)

In the matter of Case No. 5048 being reopened pursuant to the provisions of Order No. R-4637 which order established the South Dagger Draw-Upper Pennsylvanian Associated Pool and promulgated special pool rules therefor, including provisions for 320-acre proration units and a limiting gas-oil ratio of 8,000 to 1. All interested parties may appear and show cause why said special pool rules should remain in effect.

CASE 5551: Application of Dalport Oil Corporation and Burk Royalty Co. for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests in the Queen formation underlying the W/2 of Section 17, Township 12 South, Range 31 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico, to be dedicated to a well drilled at an unorthodox location 660 feet from the South and West lines of said Section 17. 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 the application as the operator of the well and a charge for the risk involved in drilling said well.

CASE 5552: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Henry C. Gruemmer dba Gruemmer Industries, National Surety Corporation, and all other interested parties to appear and show cause why the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Nelson-Moore Well No. 1, located in Unit O of Section 33, Township 30 North, Range 29 East, Union County, New Mexico;

Russell Black Ltd. Well No. 1, located in Unit P of Section 33, Township 30 North, Range 29 East, Union County, New Mexico;

R. L. Black Well No. 2, located in Unit B of Section 3, Township 29 North, Range 29 East, Union County, New Mexico.

CASE 5553: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Russell Stockley, United Pacific Insurance Company and all other interested parties to appear and show cause why the Knight & Stockley Homer Schmitt Well No. 1 located in Unit P of Section 4, Township 29 North, Range 29 East, Union County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Case 5552

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

September 8, 1975

C
O
P
Y

Fireman's Fund
Denver Branch Office
1385 South Colorado Boulevard
Denver, Colorado 80222

Attention: Mr. Larry R. Jordan
National Surety Corporation

Dear Mr. Jordan:

Pursuant to your request of September 4, 1975,
I am enclosing a copy of a Blanket Plugging Bond
with Henry C. Gruemmer, dba Gruemmer Industries,
as Principal, and National Surety Corporation,
Surety. Power of Attorney is also attached.

If you have any further questions, please do not
hesitate to contact me.

Very truly yours,

WILLIAM F. CARR
General Counsel

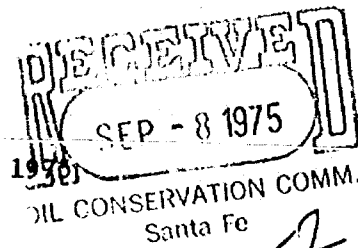
WFC/dr
enc.

FIREMAN'S FUND
AMERICAN INSURANCE COMPANIES

DENVER BRANCH OFFICE
1385 SOUTH COLORADO BOULEVARD
DENVER, COLORADO 80222
TELEPHONE (303) 758-4000

GEORGE D. ROSE
RESIDENT VICE PRESIDENT

September 4, 1975



Oil Conservation Commission
P.O. Box 2088
Santa Fe, N.M. 87501

ATTN: WILLIAM F. CARR GENERAL COUNCIL

HENRY C. GRUEMMER dba GRUEMMER INDUSTRIES


Dear Mr. Carr,

Enclosed, for your reference, is a copy of your August 29, 1975 letter. We have searched our records and we do not find any record of having written a bond for Mr. Gruemmer. If you have a bond with National Surety Corporation as surety, it must have been written by one of our other branch offices.

In order to assist us in forwarding your correspondence to the proper branch office, will you please send us a copy of the bond and a copy of the power of attorney which should be attached to the bond.

We thank you for your assistance.

Sincerely,


Larry R. Jordan
National Surety Corporation

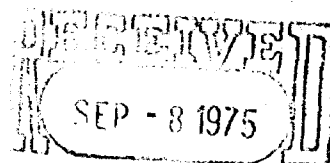
LRJ/tea



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501



OIL CONSERVATION COMM.
Santa Fe

August 29, 1975

CERTIFIED - RETURN
RECEIPT REQUESTED

C

Henry C. Gruenmer
dba Gruenmer Industries
c/o Gruenmer Indian Carbonic, Ltd.
Des Moines, New Mexico

O

National Surety Corporation
1385 S. Colorado Blvd.
Denver, Colorado 80227

P

Re: Nelson-Moore Well No. 1, located
in Unit O of Section 33, Township
30 North, Range 29 East, Union
County;
Russell Black Ltd. Well No. 1,
located in Unit P of Section 33,
Township 30 North, Range 29 East,
Union County;
R. L. Black Well No. 2, located
in Unit B of Section 3, Township
29 North, Range 29 East, Union
County

Y

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, September 10, 1975, at
9:00 a.m. in the Oil Conservation Commission Conference

Henry C. Gruemmer

Page 2

August 29, 1975

Room, State Land Office Building, Santa Fe, New Mexico.
Case 5552 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/fd
enc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

August 29, 1975

CERTIFIED - RETURN
RECEIPT REQUESTED

C
O
P
Y

Henry C. Gruemmer
dba Gruemmer Industries
c/o Gruemmer Indian Carbonic, Ltd.
Des Moines, New Mexico

National Surety Corporation
1385 S. Colorado Blvd.
Denver, Colorado 80227

Re: Nelson-Moore Well No. 1, located
in Unit O of Section 33, Township
30 North, Range 29 East, Union
County;
Russell Black Ltd. Well No. 1,
located in Unit P of Section 33,
Township 30 North, Range 29 East,
Union County;
R. L. Black Well No. 2, located
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29 North, Range 29 East, Union
County

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, September 10, 1975, at
9:00 a.m. in the Oil Conservation Commission Conference

August 29, 1975

Room, State Land Office Building, Santa Fe, New Mexico.
Case 5552 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/fd
enc.

Case 5552 In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Greummer Industries dba Henry C. Greummer, National Surety Corporation and all other interested parties to appear and show cause why the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program.

~~Greummer Industries~~, Nelson-Moore Well #1 located in Unit O of Section 33, Township 30 North, Range 29 East, Union County, New Mexico;

~~Greummer Industries, Greummer~~ Russee Black ~~Indian Carbonate~~, Ltd. Well #1, located in Unit P of Section 33, Township 30 North, Range 29 East, Union County, New Mexico; and

~~Greummer Industries~~, R.L. Black Well #2 located in Unit B of Section 3, Township 29 North, Range 29 East, Union County, New Mexico.

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:

CASE NO. 5552

Order No. R- 5105

IN THE MATTER OF THE HEARING CALLED BY THE OIL
CONSERVATION COMMISSION ON ITS OWN MOTION TO
PERMIT HENRY C. GRUEMMER dba GRUEMMER INDUSTRIES,
NATIONAL SURETY CORPORATION, AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY ~~THE FOLLOWING~~ *Certain wells in*
~~WELLS~~ SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE *UNION COUNTY,*
WITH A COMMISSION-APPROVED PLUGGING PROGRAM. *N.M.*
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 10,
1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of September, 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 Henry C. Gruemmer is the owner and
operator of the the following wells in Union County, New Mexico:

Nelson-Moore Well No. 1, located in Unit O of Section 33,
Township 30 North, Range 29 East, ~~Union County, New Mexico,~~

Russell Black Ltd. Well No. 1, located in Unit P of Section
33, Township 30 North, Range 29 East, ~~Union County, New~~
~~Mexico, and~~

R. L. Black Well No. 2, located in Unit B of Section 3,
Township 29 North, Range 29 East, ~~Union County, New Mexico.~~

approved by the Santa Fe District Office of the New Mexico Oil
Conservation Commission on or before February 1, 1976.

IT IS THEREFORE ORDERED:

(1) That Henry C. Gruemmer dba Gruemmer Industries/ National
Surety Corporation and
are hereby ordered to plug and abandon the
following described wells in Union County, New Mexico:

Nelson-Moore Well No. 1, located in Unit O of Section 33,
Township 30 North, Range 29 East, ~~Union County, New Mexico,~~

Russell Black Ltd. Well No. 1, located in Unit P of Section
33, Township 30 North, Range 29 East, ~~Union County, New~~
~~Mexico, and~~

R. L. Black Well No. 2, located in Unit B of Section 3,
Township 29 North, Range 29 East, ~~Union County, New Mexico.~~

*quorum
120 days
from
Oct 1*

*see
under*

-2-

Case No. _____

Order No. R- _____

(2) That Henry C. Gruemmer dba Gruemmer Industries and National Surety Corporation, prior to plugging and abandoning the above-described wells, 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.