

CASE 5581: PLUGGING CASE
ASTRO-TEX OIL CORP. OF NM &
AMERICAN EMPLOYERS' INSURANCE CO.

Plugging case

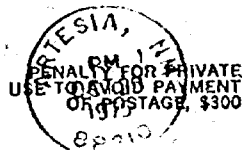
CASE NO.

5581

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Case 5581

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Case 5581

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
American Employers' Ins. Co.		
STREET AND NO.		
c/o J. S. Ward & Son, Inc.		
101 South Fourth Street		
P.O., STATE AND ZIP CODE		
Artesia, New Mexico 88210		
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)		

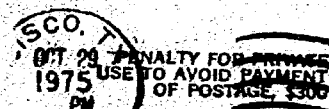
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Apr. 1971 NOT FOR INTERNATIONAL MAIL * GPO: 1970 O-397-458

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Astro-Tex Oil Corp. of N. Mex.		
STREET AND NO.		
2112 Thornton St.		
P.O., STATE AND ZIP CODE		
Clovis, New Mexico 88101		
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)		

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TO**

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P. O. Box 2088
Santa Fe, New Mexico 87501

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Astro-Tex Oil Corp. of N. Mex.		
STREET AND NO.		
c/o Stanley J. Pirtle Box 112		
P.O., STATE AND ZIP CODE		
Cisco, Texas 76437		
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)		

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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

REGISTERED NO.

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

CERTIFIED NO.

540545

INSURED NO.

DATE DELIVERED

10-29-75

1 American Employers' Ins. Co.

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

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

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO

American Employers' Ins. Co.

STREET AND NO.

c/o J. S. Ward & Son, Inc.
101 South Fourth Street

P.O., STATE AND ZIP CODE

Artesia, New Mexico 88210

OPTIONAL SERVICES FOR ADDITIONAL FEES

RETURN RECEIPT SERVICES
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¢

DELIVER TO ADDRESSEE ONLY 50¢

SPECIAL DELIVERY (extra fee required) 50¢

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Apr. 1971 3800

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NOT FOR INTERNATIONAL MAIL

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* GPO: 19750-297-458

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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

REGISTERED NO.

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

CERTIFIED NO.

540544

INSURED NO.

DATE DELIVERED

OCT 29 1975

1 Astro-Tex Oil Corp.

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

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

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO

Astro-Tex Oil Corp. of N. Mex.

STREET AND NO.

2112 Thornton St.

P.O., STATE AND ZIP CODE

Clovis, New Mexico 88101

OPTIONAL SERVICES FOR ADDITIONAL FEES

RETURN RECEIPT SERVICES
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¢

DELIVER TO ADDRESSEE ONLY 50¢

SPECIAL DELIVERY (extra fee required) 50¢

PS Form
Apr. 1971 3800

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(See other side)
* GPO: 19750-297-458

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

REGISTERED NO.

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

CERTIFIED NO.

540543

INSURED NO.

DATE DELIVERED

10/29/75

1 Astro-Tex Oil Corp.

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

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

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO

Astro-Tex Oil Corp. of N. Mex.

STREET AND NO.

c/o Stanley J. Pirtle Box 112

P.O., STATE AND ZIP CODE

Cisco, Texas 76437

OPTIONAL SERVICES FOR ADDITIONAL FEES

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PS Form
Apr. 1971 3800

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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conserva-
tion Commission on its own motion to
permit Astro-Tex Oil Corporation of
New Mexico, American Employers' Insur-
ance Company and all other interested
parties to appear and show cause why
the Cain Well No. 2 should not be
plugged and abandoned in accordance
with a Commission-approved plugging
program.

CASE
5581

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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I N D E X

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3

CARL ULVOG

3

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Direct Examination by Mr. Carr

5

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EXHIBIT INDEX

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OCC Exhibit Number One, Letter

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1 MR. STAMETS: The Hearing will come to order,
2 please.

3 We will take next Case 5581.

4 Case 5581, in the matter of the hearing called by
5 the Oil Conservation Commission on its own motion to permit
6 Astro-Tex Oil Corporation of New Mexico, American Employers'
7 Insurance Company and all other interested parties to appear
8 and show cause why the Cain Well No. 2 located in Unit J of
9 Section 22, Township 15 North, Range 33 East, NMPM, Harding
10 County, New Mexico, should not be plugged and abandoned in
11 accordance with a Commission-approved plugging program.

12 MR. CARR: Mr. Examiner, I'm William F. Carr
13 appearing for the Commission and I have one witness to be
14 sworn.

15 (THEREUPON, the witness was duly sworn.)

16 MR. STAMETS: You may proceed, Mr. Carr.

17 CARL ULVOG

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

20

21 DIRECT EXAMINATION

22 BY MR. CARR:

23 Q Please state your name, position and place of
24 residence?

25 A Carl Ulvog, Senior Petroleum Geologist for the

1 Oil Conservation Commission here in Santa Fe.

2 Q Do your duties with the Commission also include
3 serving as District Supervisor for Commission District Four?

4 A That is correct.

5 Q Does District Four include that part of Harding
6 County involved in this Case?

7 A Yes, it does.

8 Q Do your duties as District Supervisor include making
9 recommendations to the Commission as to when wells should be
10 plugged and abandoned?

11 A That's right.

12 Q Are you familiar with the subject matter of Case
13 5581?

14 A Yes, sir.

15 Q What is the purpose of this Case?

16 A The purpose of this Case is to determine whether
17 or not this well should in fact be plugged in accordance
18 with our regulations.

19 Q Are you familiar with the well involved in this
20 Case?

21 A Yes, I am.

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

24 A Yes, I have.

25 Q Do you have these records with you?

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1 A. I do.

2 Q. Would you please refer to these records and give
3 us a history of the well as reflected therein?

4 A. The well was originally drilled by a partnership
5 known as Edmonds and Peters of Anaheim, California. The
6 plugging and abandonment report by Edmonds and Peters was
7 filed on September 11th, 1968 at which time they reported
8 two hundred feet of casing left in the hole, cemented from
9 the bottom to the top, the size of the casing being seven
10 inch. The date of the plugging was August 15th, 1968 and
11 completed the same day. That was the final report by
12 Edmonds and Peters.

13 Then on March 24th, 1972, a Form C-103 was filed
14 by the same firm. They did not indicate what the purpose
15 of the form was, but the report was that they started drilling
16 out the cement plugs and that they had set one thousand,
17 four hundred and thirty-five feet of four-and-a-half inch
18 casing, cemented to the surface. Plans were to perforate and
19 test.

20 The next form that was filed on this well was
21 filed by the Astro-Tex Oil Corporation of Levelland, Texas.
22 That was filed on April 25th, 1972 and it states: This
23 well now owned by Astro-Tex Oil Corporation. On four, four,
24 seventy-two, pipe perforating, two holes at thirteen, fifty-
25 seven, treated with two hundred and fifty gallons of fifteen

1 percent acid, acid flowed back. It goes into some detail
2 about swabbing, et cetera, on the well.

3 Now the next report we have was filed on August 2nd,
4 1972 by the same company stating that when pipe was set on
5 this well, four-and-a-half inch, cement was circulated. At
6 the present time a cap is welded on top of the pipe. This
7 was a notice of intent to temporarily abandon, but that form
8 was not approved.

9 On August 8th of 1974, I inspected the location
10 and the location had not been leveled. There was a four-and-
11 a-half inch pipe extending from the well and it did have
12 a steel cap welded on the top.

13 MR. STAMETS: Excuse me, Mr. Ulvog, could you tell
14 if that cement had been circulated on that four-and-a-half
15 inch pipe?

16 A. I cannot tell you that, I do not know, they did
17 not report that.

18 MR. STAMETS: Well, could you tell? I believe one
19 of the records you had there indicated that cement had been
20 circulated.

21 A. Here it is, it says, the report for temporary
22 abandonment filed on August 2nd, 1972, did state -- now I
23 don't have any report of pipe being set or anything else,
24 when it was set, only that they had, the first notice that
25 we got which was on April 25th, 1972, that form was the first

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1 form by the Astro-Tex Corporation and it does say that it is
2 now owned by Astro-Tex and that they had perforated two
3 holes at one thousand three hundred and fifty-seven feet. It
4 doesn't say what size of pipe it was or anything of the sort,
5 and then they treated it with acid and so on and so forth.

6 The next form was filed on August 2nd, 1972, it was a
7 request for temporary abandonment and on that form it states:
8 When pipe was set on this well, a four-and-a-half inch, cement
9 was circulated. At the present time a cap is welded to the
10 top of the pipe.

11 MR. STAMETS: Could you tell from your inspection
12 whether or not this had cement?

13 A. I could not because that four-and-a-half inch
14 pipe -- I'll explain, this is a very unconventional type of
15 a wellhead and my description is, this wellhead consists of
16 a cast steel cap screwed on the ten and three-quarter inch
17 casing with a four-and-a-half inch pipe extending upwards,
18 which in turn has a steel plate welded across the top. On
19 one side of the ten and three-quarter inch casing, below the
20 cap, is a two-inch bull plug. On the opposite side is a two-
21 inch pipe with a wrench operable valve.

22 From this inspection I would conclude that the
23 purpose of the valve on the ten and three-quarter inch pipe
24 was to bleed material from the casing-tubing annulus or
25 from the four-and-a-half inch to the ten and three-quarter

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1 inch annulus, pardon me, but why it is completed that way
2 I do not know. If the four-and-a-half inch is in fact cemented
3 throughout its entirety, this has no purpose. As I say, I
4 don't really understand it. I'm only explaining how I found
5 it.

6 Because of this I attempted to contact the company,
7 beginning August 10th, and I could not locate them. On
8 August 16th a registered letter was sent to the only address
9 that we had. The letter, of course, was returned, but a
10 copy of that went to the bonding company, Ward and Son in
11 Artesia and they replied to that letter on September 3rd, and
12 they had located Stanley Pirtle who had been signing the
13 forms as president of the Astro-Tex Oil Corporation and
14 they had located Mr. Pirtle because we notified them that it
15 was being set for a forced plugging case at that time. And
16 this was how the bonding company found him, but we did not go
17 on with the forced plugging case. Mr. Pirtle did come into
18 the office and he explained that they were planning to reenter
19 the well and I had them file a form requesting that. They
20 filed a Form C-103 on September 26th, 1974 asking for approval
21 to temporarily abandon the well. At that time they had not
22 yet ever had permission to leave the well as a temporarily
23 abandoned well. I gave them that approval with the expiration
24 being June 15th, 1975.

25 On June 6th, 1975 I received another Form C-103,

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1 again asking permission to temporarily abandon the well. I
2 did not approve it. Instead I wrote a letter explaining
3 to them that the well had been abandoned for almost three
4 years and, therefore, we would permit them to continue it as
5 a temporarily abandoned status until August 2nd, 1975. That
6 would be a three-year anniversary of the original abandonment.

7 This same company was drilling a well located in
8 Section 27, 16 North, 33 East at that time. They then
9 requested permission to complete that well, and upon its
10 completion, either as a producer or a plug and abandonment,
11 they would move that rig back on this Cain well, and I
12 approved that verbally.

13 When they had completed this well to the north,
14 about four miles to the north, they reported that. On
15 August 7th, 1975, they submitted their completion report.
16 I inspected that location and found that they had indeed
17 abandoned that location, their equipment was gone, and
18 they had not moved onto this Astro-Tex Number 2 Cain Well.
19 So, on September 30th, 1975, I inspected the well site again,
20 there was no sign of any entrance there. Too in conversation
21 with the land owner he said that he had no communication
22 whatsoever with the company. They had not contacted him in
23 any way, shape or form.

24 Yesterday I inspected the location and I visited the
25 rancher again, and he had not heard from them at all. I

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1 believe this is privately owned minerals. I checked the
2 State Land Office records; I communicated with the United
3 States Geological Survey; and I'm convinced that it is
4 private minerals. The land owner states that the land is
5 not under lease, the lease expired two years ago and he has
6 had no communication regarding it in any way, shape or form.

7 As I understand it from the files, there is a four-
8 and-a-half inch casing set at one thousand four hundred and
9 thirty-five feet, possibly cement circulated to the surface.
10 It has been perforated at four hundred and twenty-seven to
11 four hundred and twenty-eight, at six hundred and twenty to
12 six hundred, and six hundred and twenty-two, at nine fifty-one
13 to nine seventy-two, at twelve fifty-four to thirteen twenty-
14 seven, and at thirteen fifty-seven. As nearly as I can
15 determine, all of those perforations are open, they have not
16 been plugged off and we had reports that they swabbed oil
17 and salt water from this well. Presumably it could be
18 standing full of salt water with some oil at the present
19 time. I have no knowledge to the contrary.

20 Q (Mr. Carr continuing.) Mr. Ulvog, have you received
21 other communication which is relative to this Case which
22 should be called to the Examiner's attention?

23 A Yes, before I refer to that, I would like to
24 mention that on October 14th, I then notified the Astro-Tex Oil
25 Corporation that this case would be set for a forced plugging

1 case on this date, and so on and in return received a letter,
2 a letter addressed to the attorney because I had explained
3 that I was turning this over to the legal department that I
4 was through with it.

5 And so the exhibit consists of this letter which
6 was received by Mr. Carr.

7 Q That is marked as Exhibit One?

8 A That is correct and it is dated October 30th, 1975.
9 It is obviously in reply to my letter and a telephone call
10 from this office, and I will read that letter for the record.

11 (Reading.) Dear Mr. Carr: Thank you for your
12 telephone call of this date regarding the Examiner Hearing to
13 be held on Wednesday November 5th, 1975 concerning the above-
14 captioned well.

15 In a letter to Mr. Carl Ulvog dated October 20th,
16 1975, I enclosed a copy of a letter I received from Marion
17 B. Edmonds regarding negotiations that are now taking place
18 concerning a sizable amount of leases in this area. I am
19 herewith enclosing a copy of this letter for your file.

20 Also enclosed for your files is a geological
21 report on subject area by John Byers, petroleum geologist
22 and reservoir engineer. On page two of the fifth paragraph
23 of this report, you will note the report on swabbing test of
24 subject well was seven barrels of oil per day. For your
25 records and information cement was circulated on pipe that

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1 was set in this well and a cap welded on top of the pipe.

2 In view of information you have regarding our
3 negotiations on above leases and wells, I would appreciate
4 the Oil and Gas Commission's consideration and an extension
5 of one hundred and twenty days in order that we may transfer
6 this lease and well upon completion of contract as mentioned
7 in Marion B. Edmonds' letter. Also that any order issued at
8 Hearing on Wednesday November 5th be cancelled should work be
9 begun on this well within extended period of time.

10 If for any reason the above mentioned contract is
11 not completed and work is not begun within the time allotted,
12 we want to abide by the Oil and Gas Commission's order.

13 Thank you for your telephone call and your kind
14 consideration of the situation at hand regarding the above
15 described well. (End of reading.)

16 Attached thereto is this geological report he
17 refers to in the letter from Mr. Edmonds and so on.

18 Q Mr. Ulvog, in your opinion could failure to plug
19 this well cause waste?

20 A Definitely, not only that, but pollution as well.

21 Q If it is left in its present condition?

22 A Definitely.

23 Q What type of plugging program would you recommend
24 for this well?

25 A I would recommend that all of the perforated

1 intervals which I have read to you, that all of them be
2 covered by cement plugs and then one at the surface, with a
3 marker, of course.

4 Q Would you also recommend that the plugging program
5 be approved at the time of the actual plugging and that
6 variations in what we prescribe be allowed?

7 A I would also recommend that whatever is in this
8 wellbore be displaced with a fresh-water mud.

9 Q Do you have any recommendation to the Examiner
10 concerning Mr. Pirtle's request for a one hundred and twenty
11 day time period?

12 A Well, in view of the length of time the well has
13 been abandoned, and in view of their proposal to reenter
14 the well and presumably try to make production, I would
15 recommend that we do give them a one hundred and twenty day
16 extension, but with the stipulation that either reentry with
17 the intent to establish production or to commence plugging be
18 no more than one hundred and twenty days from today.

19 Q Okay, so your recommendation is that we issue an
20 order ordering the well plugged and abandoned unless this
21 remedial work is undertaken within one hundred and twenty
22 days of this date?

23 A That is correct.

24 Q Is that letter from Mr. Pirtle the original letter
25 received by the Commission?

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1 A. That is correct.

2 MR. CARR: At this time we would offer Oil
3 Conservation Commission Exhibit One.

4 MR. STAMETS: Exhibit One will be admitted into
5 evidence.

6 MR. CARR: I have nothing further of this
7 witness.

8 MR. STAMETS: Any questions of the witness? He
9 may be excused.

10 (THEREUPON, the witness was excused.)


11 MR. STAMETS: Anything further in this Case? We
12 will take the Case under advisement.

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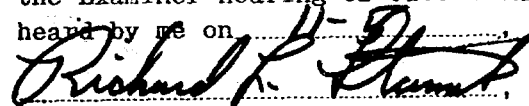
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REPORTER'S CERTIFICATE

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. 5581
 heard by me on 4-25, 1975.


 Richard K. Starn, Examiner
 New Mexico Oil Conservation Commission

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL
CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT
ASTRO-TEX OIL CORPORATION OF NEW MEXICO, AMERICAN
EMPLOYERS' INSURANCE COMPANY AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY THE CAIN WELL
NO. 2 LOCATED IN UNIT J OF SECTION 22, TOWNSHIP 15
NORTH, RANGE 33 EAST, NMPM, HARDING COUNTY, NEW MEXICO,
SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH
A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE NO. 5581
Order No. R-5119

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 17th day of November, 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 Astro-Tex Oil Corporation of New Mexico is the
owner and operator of the Cain Well No. 2, located in Unit J
of Section 22, Township 15 North, Range 33 East, NMPM, Harding
County, New Mexico.

(3) That American Employers' Insurance Company is the
surety on the Oil Conservation Commission plugging bond on
which Astro-Tex Oil Corporation of New Mexico is principal.

(4) That the purpose of said bond is to assure the state that
the subject well will be properly plugged and abandoned when not
capable of commercial production.

(5) That in order to prevent waste and protect correlative
rights said Cain Well No. 2 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 March 1, 1976, or the well should be returned to active
drilling status or placed on production.

-2-

Case No. 5581
Order No. R-5119

IT IS THEREFORE ORDERED:

(1) That Astro-Tex Oil Corporation of New Mexico and American Employers' Insurance Company are hereby ordered to plug and abandon the Cain Well No. 2, located in Unit J of Section 22, Township 15 North, Range 33 East, NMPM, Harding County, New Mexico, on or before March 1, 1976.

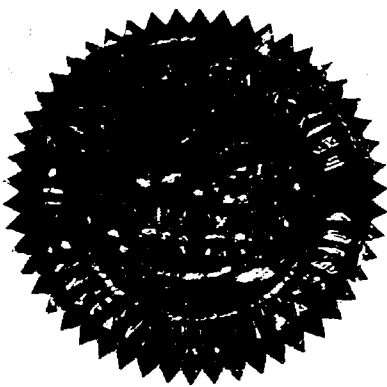
PROVIDED HOWEVER, that should the well be returned to active drilling status prior to March 1, 1976, the Secretary-Director of the Commission may extend the time period allowed for the plugging of the well upon a proper showing by the operator.

PROVIDED FURTHER, that should the well be placed on commercial production prior to March 1, 1976, the Secretary-Director of the Commission may waive the plugging requirements of this order upon a proper showing by the operator.

(2) That Astro-Tex Oil Corporation of New Mexico and American Employers' 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

Phil R. Lucero

PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

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

S E A L

dr/

Harvest Oil Inc.

P.O. Box 112
Cisco, TEXAS 76437
817-442-3504

October 30, 1975

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 5581

Submitted by OCC

Hearing Date 11/5/75

Mr. William F. Carr
Attorney
Oil Conservation Commission
P.O. Box 2088
Sante Fe, New Mexico 87501

RE: Astro-Tex Oil Corp. of
New Mexico; Well No. 2,
located in Unit J of Section
22, Township 15 North, Range
33 East, Harding County, New
Mexico;

Dear Mr. Carr:

Thank you for your telephone call of this date regarding examiner hearing to be held on Wednesday, November 5, 1975, concerning above captioned well.

In a letter to Mr. Carl Ulvog, dated October 20, 1975, I enclosed a copy of a letter I received from Marion B. Edmonds regarding negotiations that are now taking place concerning a sizeable amount of leases in this area. I am herewith enclosing a copy of this letter for your files.

Also enclosed for your files is a geological report on subject area by John Byers, Petroleum Geologist and Reservoir Engineer. On page two (2), fifth paragraph of this report you will note the report on swabbing test of subject well was seven (7) barrels of oil per day.

For your records and information cement was circulated on pipe that was set in this well and a cap is welded on top of the pipe.

Mr. William F. Carr
October 30, 1975
Page - 2

In view of information you have regarding our negotiations on above leases and well, I would appreciate the Oil and Gas Commission's consideration and extension of 120 days in order that we may transfer this lease and well upon completion of contract as mentioned in Marion B. Edmonds letter. Also any order issued at hearing, on Wednesday, November 5, be cancelled should work be begun on this well within extended time.

If for any reason, the above-mentioned contract is not completed and work has not begun within the time allotted we want to abide by Oil and Gas Commission's order.

Again, may I thank you for your telephone call, and your kind consideration of situation at hand regarding above described well.

Sincerely,


STANLEY J. PIRTLE

SJP/jlc
Encl: copy of letter from
Marion B. Edmonds
geological report

EDMONDS & PETERS
Oil & Gas Properties

M. B. EDMONDS
8669 EAST SEVENTH ST.
DOWNEY, CALIFORNIA 90241
213-862-7182

OSCAR A. PETERS
3522 MUNGAL ST., SUITE 4
ANAHEIM, CALIFORNIA 92804
714-827-6595

October 5, 1975,

Mr. Stanley Pirtle,
Post Office Box 49,
Cisco, Texas 76437.

Dear Stanley:

Was nice talking to you today, and I include herewith in this letter some of the details of the Harding County deal as I explained it to you over the phone.

The principals are Conley & Associates, who have offices here in California and also in Denver. They presently are operating in the Denver Basin, have their own drilling equipment, and are a very sophisticated and fine company.

I have conferred with Jack Conley several times and also Dick Pickett, their geologist. They have copies of all the logs and other information regarding the area, and are very high on it.

Here is the deal. They want all the leases they can put together from us and all others, hoping to close the windows where possible. They want the Cain Ranch, and I have given them authority to negotiate with Arthur Cain on it, and coached them on how to approach him (Ha).

They want the well in Section 3 and also the Astro-Tex well in Section 22 as they now are. Their plans are to use the Section 3 well as a water source for drilling, and try a re-work on the Section 22 well after they drill the first new well.

They will furnish all the money, physical and technical work, permits etc. We furnish the leases and attempt to block out additional leases they will need and want. We will receive a 50% carried interest after the first two new wells on all leases except the Cain Ranch, and we will receive a 2½% ORR on that.

The contracts are now in the hands of their attorneys being prepared, and should be ready for signing about November first. They plan to go to work immediately thereafter.

Thats a sort of thumbnail sketch on the matter for now, and I will keep you posted on anything further. Oscar joins me in sending kindest regards to both you and Mrs. Pirtle.

Very Truly Yours,

Marion B. Edmonds

LEASING — EXPLORATION — DEVELOPMENT

MBE.jb

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
SUITE 6E
LUBBOCK NATIONAL BANK BLDG.
LUBBOCK, TEXAS 79401

TELEPHONE
(806) 762-0489

May 8, 1972

Astro-Tex Oil Corporation
611 Austin Street
Levelland, Texas 79336

Re: Logan Prospect
Harding County, New Mexico

Gentlemen:

Pursuant to your request we have conducted a geologic investigation of the subject prospect area. A summary of conclusions drawn from this study is offered here.

The prospect area is located in and adjacent to Townships 15 & 16 North, Range 33 East, New Mexico Principal Meridian, in Harding County some 15 miles north of the town of Logan, New Mexico and 38 miles north northeast from Tucumcari, New Mexico.

Geologically this prospect is located in the Tucumcari Basin, which is a synclinal area extending out of the northern portion of the great Permian Basin in West Texas and New Mexico.

Exploration for oil and gas in this area dates from the early 1920's. The only commercial production resulting from these efforts to this time consist of Carbon Dioxide gas produced from several reservoirs to the northwest of this area and some 20 miles away.

Evidence of oil and gas accumulations have been recorded from numerous wells drilled in the area. These shows of hydrocarbon have been found in every sedimentary formation encountered in the geologic column of the area.

Prospects for discovery of commercial accumulations of oil or gas in the area may be expected from shallow Triassic and Cretaceous Aged sandstone beds in the interval 300' to 800'. Permian Aged formation in the interval 1000' to 2400' and granite wash from 2400' to more than 3000'. Pennsylvanian Aged and older sediments are missing in this area due to erosion.

Astro-Tex Oil Corporation
Page -2-

Accumulations of hydrocarbons in this area are expected to be found in stratigraphic type reservoirs. The lenticular nature of Triassic and Cretaceous Aged sandstone bodies lend themselves to this type of accumulations. Permian Aged carbonate formations in this area are similar to those found through-out the Permian Basin where oil and gas accumulations are expected in stratigraphic traps resulting from diminished rock porosity and permeability along the up dip flanks of terraced or mild structural anomalies.

Prospects for finding commenced accumulations of hydrocarbons in the prospect area are deemed most likely from the San Andres formation of Permian Aged, Triassic and Cretaceous sandstone and granite wash respectively.

An interpretation of the structural configuration on the top of the porous San Andres aged dolomite is expressed by a map so designated and attached hereto. In the prospect area, the San Andres porosity zone is believed to conform to a broad terraced structure extending from northeast to southwest through T15 & 16 N R33E.

The San Andres porous zone map indicates that numerous wells have encountered that formation in the prospect area. Although shows of oil and/or gas in the San Andres have been reported from these wells penetrating that formation, no attempt has been made to complete any of these wells to a point where the productive potential of that formation could be evaluated.

The best test of potential productivity from the San Andres was conducted by Astro-Tex through re-entry into that well designated as Edmonds & Peters No. 2 Cain, located in Section 22 T15N R33E. Astro-Tex set casing in this well, perforated the San Andres formation and produced that zone over a short period of time by swabbing at the reported rate of 7 bbl oil and 350 bbl salt water per day from a depth of 1357'.

The only other indication of productivity from this formation is offered by reports from that well designated D. C. Prince, Trustee No. 1 "Cotton" State located in Section 19 T15N R34E. An attempt to test the San Andres formation in this well through the drill stem failed after an initial indication of fluids flowing into the drill stem from the San Andres formation depth interval. This test failed, test tools

Astro-Tex Oil Corporation
Page -3-

and drill stem were stuck in the well and lost. During attempts to recover the tools and drill pipe from the well, it reportedly produced drilling mud, gas and some oil to the surface.

Electrical surveys from other wells in the area suggest the concentration of moveable hydrocarbon fluids to be contained in the porous intervals of the San Andres formation.

The structural configuration of the porous section of the San Andres formation in the prospect area suggest the possibility of conditions favorable to accumulation of oil or gas underlying the prospect area. Available data is inadequate to evaluate the productive potential of this area, but it is deemed by this study to be great enough to warrant further testing through drilling of additional wells into the San Andres formation and attempting to complete such wells in that potential reservoir if negative data from drilling does not preclude such action.

In the process of drilling to test the San Andres formation, the geologic interval in which Triassic and Cretaceous Aged sandstone beds were deposited will be penetrated.

Numerous wells in the prospect area have encountered these sandstone formations and recorded substantial shows of oil and gas from these sands.

The only valid attempt at testing the productive nature of these sands that we find recorded is in that same well reported earlier which was re-entered by Astro-Tex for test in the San Andres.

Astro-Tex perforated casing, acidized and produced two of these prospective zones by swabbing. Test through this method were negative in so far as indications of production was concerned. It is our opinion that due to the nature of the re-entered well and relatively low structural position, positive results should not have been anticipated. Fluids recovered during these test suggest that they were not native to the formation in which test were attempted, but most likely from an extraneous source, probably drilling fluids or water used in drilling, re-entering and cementing casing.

Astro-Tex Oil Corporation
Page -4-

Data from logs adequate for quantitative interpretation and taken during drilling of that well designated James Talley No. 1 Cain, drilled in Section 10 T15N R33E have been reviewed. These logs suggest the existence of moveable hydrocarbon fluids in Triassic and Cretaceous Aged sandstone members in the interval 450' to 550', 790'-830' and 900'-930'. A stratigraphic test well drilled just west of this recorded volital hydrocarbon gasses and oil content in cutting samples from a sandstone deemed to be the equivalent of that in the 450' to 550' interval of this well.

A map is attached hereto which expresses the structural configuration of the top of the Triassic sandstone interval in the immediate prospect area. The area of interest in these sands is superimposed on that of the San Andres; therefore, a location deemed desirable for San Andres test well in all likelihood be deemed equally prospective in so far as Triassic sands are concerned.

The Permian system of sedimentary formation in this area rest unconformably over a group of rocks referred to as Granite Wash. This Granite Wash replaces that system of sediments of Pennsylvanian Aged which is a significant source of oil and gas supply to the south and southeast in the deeper regions of the Permian Basin. This granite wash section has been penetrated to the south, west and east of the prospect area. Shows of oil and/or gas have been reported from this section. Little is known of these rocks in the immediate prospect area; therefore, they are not considered to offer prime prospects for oil or gas accumulations at this time.

From data now available we conclude that the possibility of finding commercial accumulations of oil or gas in the prospect area are greatest along and some two miles on either side of an axial line extending out of T15N R34E into central T15N R33E and on to the southeastern portion of T14N R33E. This area is set out more specifically in the attached map designated Astro-Tex Oil Corporation-Logan Prospect area. It appears from this interpretation that some 75% of your block of 9,320 acres is relatively well located within this projected trend of prospective San Andres reservoirs.


In view of the foregoing, we recommend that you consider the drilling of at least three wells on your lease in

Astro-Tex Oil Corporation
Page -5-

this area. These wells should be located respectively in the northern, central and southern portion of your block of acres, as it underlies the area considered prospective for San Andres reservoirs. We recommend these locations in or near Section 23 T16N R33E, Section 4 T15N R33E and Section 28 T15N R33E.

As and if each of the recommended wells are drilled data from that effort should be intergrated into that available at this time to further upgrade knowledge of the area before extending your efforts in this prospect.

Yours very truly,


John C. Byers

JCB:bp
Enclosures



OIL CONSERVATION COMMISSION

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

DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
November 18, 1975



STATE GEOLOGIST
EMERY C. ARNOLD

Astro-Tex Oil Corporation
of New Mexico
c/o Stanley J. Pirtle
P. O. Box 112
Cisco, Texas 76437

Re: CASE NO. 5581
ORDER NO. R-5119

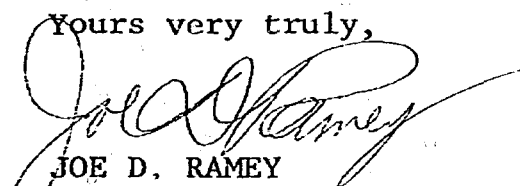
Applicant:

Astro-Tex Oil Corp. of New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC _____
Aztec OCC _____

Other Astro-Tex Oil Corp. of New Mexico, Clovis
American Employers' Insurance Company

Docket No. 28-75

Dockets Nos. 29-75 and 30-75 are tentatively set for hearing on November 19 and December 3, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 5, 1975

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

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

CASE 5533: (Continued from September 24, 1975 Examiner Hearing)

Application of Southern Union Production Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Ellenburger formation underlying the N/2 of Section 21, Township 12 South, Range 26 East, Chaves County, New Mexico, to be dedicated to a well to be drilled at an orthodox location in Unit F of said Section 21. 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 applicant as the operator of the well and a charge for the risk involved in drilling said well.

CASE 5565: (Continued from October 8, 1975 Examiner Hearing)

Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Vacuum Grayburg-San Andres Pool by injection of water through seven wells on its State "B" and State "C" Leases, six of said wells being converted producers located in Units C, E, I, K, M, and O of Section 32, Township 17 South, Range 34 East, Lea County, New Mexico, and the seventh being a new well drilled at an unorthodox location 250 feet from the South line and 2250 feet from the West line of said Section 32. Applicant further seeks an administrative procedure whereby the project area could be expanded and additional wells at standard and non-standard locations put on injection and production.

CASE 5576: (Continued from October 22, 1975 Examiner Hearing)

Application of George D. Riggs for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Saladar-Yates Pool by the injection of water through his Hughes-Federal No. 4, Malco Well No. 2, and Mayfield Federal No. 4 Wells located, respectively, in Units F, L, and O of Section 33, Township 20 South, Range 28 East, Eddy County, New Mexico.

CASE 5578: Application of Mobil Oil Corporation for a non-standard gas proration unit, two unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 320-acre non-standard gas proration unit comprising the W/2 SW/4 and the SE/4 SW/4 of Section 28, and the NW/4 and SW/4 NE/4 of Section 33, Township 21 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to its E. O. Carson Wells Nos. 4 and 22 located in Units N and L, respectively, of said Section 28.

CASE 5579: Application of Exxon Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Laguna Grande Unit Area comprising 7640 acres, more or less, of Federal, State, and fee lands in Township 23 South, Range 29 East, Eddy County, New Mexico.

CASE 5580: Application of Cities Service Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Gas Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the South line and 1980 feet from the West line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 risk involved in drilling said well.

CASE 5581: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Astro-Tex Oil Corporation of New Mexico, American Employers' Insurance Company and all other interested parties to appear and show cause why the Cain Well No. 2 located in Unit J of Section 22, Township 15 North, Range 33 East, NMPM, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5582: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Eddy, Lea, and Chaves Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Bass-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 39 located in Unit G of Section 29, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 29: E/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the South Carlisbad-Cherry Canyon Pool. Further to assign approximately 16,275 barrels of oil discovery allowable to the discovery well, the Belco Petroleum Company Martin Com Well No. 2, located in Unit F of Section 20, Township 22 South, Range 27 East, NMPM. Said well was completed September 12, 1975. The top of the perforations is at 3255 feet. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 20: NW/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Corral Draw-Wolfcamp Gas Pool. The discovery well is the Mobil Oil Corporation Corral Draw Unit Well No. 2 located in Unit K of Section 22, Township 25 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 22: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Phantom Draw-Wolfcamp Gas Pool. The discovery well is the Texas Pacific Oil Company, Inc. Phantom Draw Unit Well No. 1, located in Unit M of Section 20, Township 26 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
Section 20: SW/4

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production and designated as the Sand Dunes-Bone Springs Pool. The discovery well is the Skelly Oil Company Federal Sand 18 Well No. 1, located in Unit H of Section 18, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 18: E/2

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 1: W/2
Section 3: E/2

(g) EXTEND the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 6: S/2
Section 7: N/2

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

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

(i) EXTEND the Casey-Strawn Pool in Lea County, New Mexico, to include therein:

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

(j) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

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

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 28: N/2

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

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 32: SE/4
Section 33: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 18: NE/4

(n) EXTEND the Indian Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 18: S/2 NE/4 & E/2 SW/4

(c) EXTEND the West Knowles-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 35: NW/4

(p) EXTEND the Langlie Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 3: NW/4

(q) EXTEND the Llano-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM
Section 31: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 1: SE/4 SW/4

(s) EXTEND the Red Tank-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 17: All

(t) EXTEND the Sand Dunes-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 25: W/2

(u) EXTEND the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 23: E/2 SW/4

(v) EXTEND the Tom Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 27: SE/4

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

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 28: SE/4

(x) EXTEND the Tulk-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
Section 27: NW/4

(y) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 35: SE/4

Examiner Hearing - Wednesday - November 5, 1975

Docket No. 28-75

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TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 2: E/2

(z) EXTEND the Vada-Pennsylvanian Pool in Lea County, New Mexico,
to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 3: SE/4

(aa) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico,
to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 19: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 34: NW/4

JSU

CASE 5581 In the matter of the hearing called by the Oil
Conservation Commission on its own motion to permit _____
ASTRO-TEX OIL CORPORATION OF NEW MEXICO,
AMERICAN EMPLOYERS' INSURANCE COMPANY
and all other interested parties to appear and show cause why the
CAIN WELL No. 2

located in Unit J of Section 22, Township 15
North, ~~South~~ Range 33 East, ~~West~~ NMPM, HARDING
County, New Mexico, should not be plugged and abandoned in accordance
with a Commission-approved plugging program.

ASTRO-TEX OIL CORPORATION OF NEW MEXICO
% STANLEY J. PIRTE
P.O. Box 112
CISCO, TEXAS 76437

DOCKET MAILED

Date 10/27/75

ASTRO-TEX OIL CORPORATION OF NEW MEXICO
2112 THORNTON ST.
CLOVIS, NEW MEXICO 88101

AMERICAN EMPLOYERS' INSURANCE COMPANY
% J. S. WARD & SON, INC.
101 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO

Power

Case 5581

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

October 14, 1975

Mr. Stanley J. Pirtle
Astro-Tex Oil Corporation of New Mexico
P. O. Box 112
Cisco, Texas 76437

Subject: Cain Well No. 2, Unit J,
Section 22, Township 15 North,
Range 33 East, NMPM, Harding
County, New Mexico.

Dear Mr. Pirtle:

The subject well has been in an abandoned but unplugged condition over three years. The Oil Conservation Commission is charged with the responsibility of seeing that such wells are properly plugged and the record will show that numerous attempts have been made to get this well taken care of accordingly. To date, there is no indication that your company has taken steps to comply with New Mexico law in this respect. You will note, from earlier correspondence, that you were originally granted permission to delay plugging until June 15, 1975. This deadline was then extended to August 2, 1975, at your request. Another extension was granted (verbally) without any specified date; except that some action - either a workover or plugging - would be initiated upon completion of your Olympic State Well No. 1-A, located approximately five miles to the north. According to the completion report (Form C-103) you submitted for the Olympic State operation, it was plugged and abandoned on August 7th, last. An inspection on September 30th revealed that the subject location was in essentially the same condition as it was two years ago and on the same date the landowner stated that you had not contacted him concerning the well.

In view of the foregoing, the Commission has no choice but to set this case for a public hearing, at which time any interested person may

Mr. Stanley J. Pirtle

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appear and show cause why the well should not now be plugged in accordance with State regulations. The hearing to consider this matter is scheduled for November 5, 1975. A copy of the docket containing additional data relative to this matter will be sent to you in advance of that date.

Yours truly,

CARL ULVOG
Supervisor, District IV

cc: ✓ Mr. W. F. Carr, Esq.
General Counsel
Oil Conservation Commission
Santa Fe, 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. 5581

Order No. R- 5119

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO PERMIT ASTRO-TEX OIL CORPORATION
OF NEW MEXICO, AMERICAN EMPLOYERS' INSURANCE COMPANY AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE CAIN WELL
NO. 2 LOCATED IN UNIT J OF SECTION 22, TOWNSHIP 15 NORTH, RANGE 33
EAST, NMPM, HARDING COUNTY, NEW MEXICO, SHOULD
NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED
BY THE COMMISSION: PLUGGING PROGRAM.

This cause came on for hearing at 9 a.m. on November 5,
19 75, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of November, 19 75, 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 Astro-Tex Oil Corporation of New Mexico is the owner
and operator of the Cain Well No. 2, located in Unit J of Section 22,
Township 15 North, Range 33 East, NMPM, Harding County, New Mexico.

(3) That in order to prevent waste and protect correlative
rights said Cain Well No. 2 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

March 1, 19 75, ~~unless active drilling~~
~~operations or production operations shall~~
~~be taking place at that time.~~
or the well should be returned to active
drilling or ~~production~~ status or placed on
production.

(3) That American Employers' Insurance Company is the
surety on the ~~bond~~ ^{or - c - plugging} on which Astro-Tex Oil Corporation
of New Mexico is principal.

(4) That ^{the purpose of} said bond is to assure the state that ~~at~~ the
subject well will be properly plugged and abandoned
when not longer capable of commercial production.

IT IS THEREFORE ORDERED:

(1) That Astro-Tex Oil Corporation of New Mexico and American Employers' Insurance Company are hereby ordered to plug and abandon the Cain Well No. 2, located in Unit J of Section 22, Township 15 North, Range 33 East, NMPM, Harding County, New Mexico, on or before March 1, 19 75.

(2) That Astro-Tex Oil Corporation of New Mexico and American Employers' 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.

Provided However, that should the well be returned to active drilling ^{status} ~~or~~ production ~~status~~ prior to March 1, 1975, The Secretary-Director ^{of the Commission} may ~~or~~ extend ~~or~~ the time period allowed for the plugging of the well ~~or~~ upon a proper showing by the operator.

Provided Further, that should the well be placed on commercial production prior the March 1, 1975, ~~or~~ The Secretary-Director of the Commission may waive the plugging requirements of this order upon a proper showing by the operator.