

CASE 2680: Appli. of the OCC to permit M. G. PETERS DRUG. Co. to show cause why Gulf State Well #1 & Hightower St. Well # 1 should not be plugged.

[illegible]

2680

tion, Transcript,
// Exhib. Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 24, 1962

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission, on its own motion, to permit M. G. Peters Drilling Company and all interested parties to appear and show cause why the Gulf State Well No. 1, located 1650 feet from the North line and 990 feet from the East line of Section 17, Township 10 South, Range 27 East, Chaves County, New Mexico, and the Hightower State Well No. 1, located 846 feet from the South line and 2310 feet from the East line of Section 16, Township 10 South, Range 25 East, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

CASE 2680

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: We will proceed with Case 2680.

MR. DURRETT: In the matter of the hearing of the Oil Conservation Commission, on its own motion, to permit M. G. Peters Drilling Company and all interested parties to appear and show cause why the Gulf State Well No. 1, located 1650 feet from the North line and 990 feet from the East line of Section 17, Township 10 South, Range 27 East, Chaves County, New Mexico, and the Hightower State Well No. 1, located 846 feet from the South line and 2310 feet from the East line of Section 16, Township 10 South, Range 25 East, Chaves County, New Mexico, should not be

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plugged in accordance with a Commission-approved plugging program.

May it please the Examiner, my name is James Durrett, representing the Commission and its Staff. I have one witness, Mr. M. L. Armstrong, District Supervisor of District Number Two for the Commission.

MR. UTZ: Let the record show that this witness was sworn in the previous case.

M. L. ARMSTRONG

called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. DURRETT:

Q Are you the same M. L. Armstrong that previously appeared here today in Case 2679?

A Yes, sir.

MR. UTZ: Are there other appearances in this case? You may proceed.

Q (By Mr. Durrett) Mr. Armstrong, as a part of your official duties, do you supervise the plugging of wells in your District and make recommendations to the Commission concerning whether or not the wells in your district should be plugged?

A Yes, sir.

Q Are you familiar with these two wells that we have here today that are the subject of this case?

A Yes.

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Q And are these wells located as described on the docket of this case and as advertised in this case?

A Yes, sir.

Q Do you have recommendations to make to the Examiner concerning whether or not these two wells should be plugged?

A I believe they should. They have been standing with no production for quite a long while, and those wells -- this Gulf State No. 1 Well was completed I guess in 1960 and it hasn't produced any oil since then.

Q Do your records indicate, Mr. Armstrong, that this well has ever been plugged?

A No, it does not.

Q Do you feel that this well is presently causing waste or likely to cause waste?

A I believe it will cause waste. It has no pipe in it or no record of any pipe being put in the well.

Q Do you have a recommendation to make to the Examiner concerning the manner in which this well should be plugged in order to prevent waste?

A Yes. I think it should have a 25-sack plug at total depth filled with heavy mud up to the top plug, with a marker.

MR. UTZ: Where would you say the top plug would be?

A The top plug is on the surface. It's to hold the marker.

MR. UTZ: How many sacks would you suggest in the top



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plug?

A Five is enough, enough to hold a marker. This well is only 500 foot.

Q (By Mr. Durrett) Mr. Armstrong, let's proceed to the Hightower State Well No. 1. Do your official records indicate that this well has ever been plugged?

A No, sir.

Q In your opinion, is this well causing waste or is it likely to cause waste if it is not plugged in accordance with the Commission-approved program?

A Yes, I believe it will. It's located close to a refuge. In other words, there's, well, a body of water right close to it and this well I think should be plugged at once.

Q You feel it should be plugged immediately?

A Yes.

Q Would you please state to the Examiner your recommendations concerning the manner in which this well should be plugged?

A Well, as the others, it needs a 25-sack plug at the total depth.

MR. UTZ: How deep is this well?

A The total depth, 858. And 20-sack plug around 250, that's where the fresh water comes in is around 250; and heavy mud between the two plugs and then with heavy mud from there on up to the surface marker, about a 5-sack plug at the surface.

Q (By Mr. Durrett) In view of these facts, Mr. Armstrong,



do you recommend to the Examiner that the Commission should immediately enter an order demanding that the two subject wells be plugged in accordance with your programs as set out here?

A I do.

MR. DURRETT: Thank you. I believe that's all I have of this witness.

MR. UTZ: Do all of these wells in question have bonds?

A Yes.

MR. UTZ: Any other questions of the witness? The witness may be excused.

(Witness excused.)

MR. UTZ: Any other statements in this case? The case will be taken under advisement.

* * * * *

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in stenotype, and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 19th day of October, 1962, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2689 heard by me on 10-24, 1962.
Theresa A. Jolly, Examiner
New Mexico Oil Conservation Commission

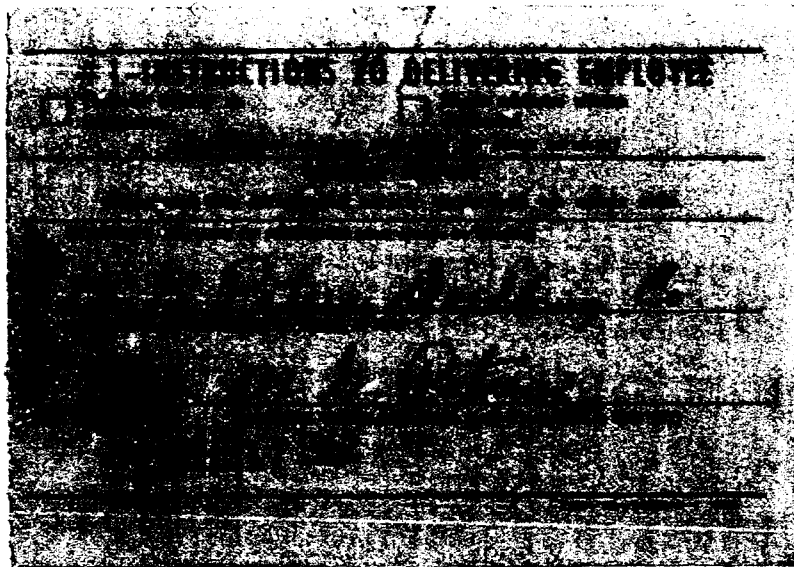
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CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

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

DEANER DO
ARTESIA

December 6, 1962

Mr. James M. Durrett, Jr.
P. O. Box 871
Santa Fe, New Mexico

Dear Jim:

In answer to your letter of December 5, 1962, the M. G. Peters Wells, Gulf State #1 and the Hightower State #1, these wells are now plugged. Howard Loble has just come in from witnessing the plugging of the Gulf State. Hightower State #1 was plugged monday December 3, 1962 and was witnessed by Howard. We should receive C-103's in a ☒ check few days. Howard was by the Lusk well today and there hasn't been anything done to it nor have I heard from him.

Very truly yours

OIL CONSERVATION COMMISSION

M. L. Armstrong
M. L. Armstrong
Supervisor, District #2

MLA/jw
P.S.

Jim I talked with the Bonding Company that carries Wayne J. Spears Bond, and the only way they are going to plug them is for you to write them a letter giving them a deadline.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

December 5, 1962

Mr. M. L. Armstrong
District Supervisor
Oil Conservation Commission
Room 20
Albuquerque, New Mexico

Re: M. G. Peters Drilling Company
Well Plugging - Chaves County

Dear Sir:

It was my understanding, from our recent telephone conversation, that American Employers' Insurance Company had arranged to plug the Gulf State Well No. 1 and the Hightower State Well No. 1, located in Sections 17 and 18, respectively, Township 10 South, Range 27 East, Chaves County, New Mexico, and that you were to witness the plugging operations on December 1, 1962.

Please advise me if you did witness the plugging of these wells and if they are now properly plugged.

Also, please let me know if you have heard anything further from R. L. Lusk.

Very truly yours,

JAMES M. DURETT, Jr.,
Attorney

JMD/esr

C
O
P
Y

No. 859203

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Apr 1960

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5. If you want the article delivered only to the addressee, endorse it on the front DELIVER TO ADDRESSEE ONLY. Place the same endorsement in line 2 of the return receipt card. This receipt and present it if you make inquiry.

25-52257-6 12-5000

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 29, 1962

**M. G. Peters Drilling Company
P. O. Box 902
Roswell, New Mexico**

**Re: Case No. 2688
Order No. R-2361**

Gentlemen:

In reviewing our files, I find we may have neglected to forward a copy of the above order to you, therefore, I am enclosing herewith a certified copy of the same.

We have been informed by Mr. Doyle Cole representing the American Employers' Insurance Company, P. O. Box 437, Artesia, New Mexico, that they would plug the two subject wells in accordance with the order. Please be advised that the Commission will be forced to file suit if this is not accomplished.

Very truly yours,

**JAMES M. DURETT, Jr.,
Special Assistant Attorney General**

**JMD/csr
Enclosure**

**cc: Mr. M. L. Armstrong
District Supervisor
Oil Conservation Commission
Drawer 80
Artesia, New Mexico**

C
O
P
Y

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

C
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P
Y

**I HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT
COPY OF ORDER NO. R-2361 ENTERED IN CASE NO. 2680 ON
NOVEMBER 6, 1962.**

**A. L. PORTER, Jr.
Secretary-Director**

NOVEMBER 28, 1962

S E A L

Case 2680

Heard. 10-24-62

Rec. 10-25-62

1. Require both wells to be plugged
in the following manner:

25 ft. cut on T.D.; lay mud
to surface mks; 5 ft. cut. surface
plug w/ mks. set in cut; Weld
permanent record of well name &
location on steel jacks.

The Gulf. #1 T.D. 500'

The Hightower #1 well. T.D. 858'

Thos. A. Wey.

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 M. G. PETERS DRILLING COMPANY AND ALL INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE GULF STATE WELL NO. 1, LOCATED 1650 FEET FROM THE NORTH LINE AND 990 FEET FROM THE EAST LINE OF SECTION 17, TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM, CHAVES COUNTY, NEW MEXICO, AND THE NIGHTOWER STATE WELL NO. 1, LOCATED 846 FEET FROM THE SOUTH LINE AND 2310 FEET FROM THE EAST LINE OF SECTION 16, TOWNSHIP 10 SOUTH, RANGE 25 EAST, NMPM, CHAVES COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE No. 2680
Order No. R-2361

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 24, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 6th day of November, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 the Gulf State Well No. 1, located 1650 feet from the North line and 990 feet from the East line of Section 17, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico, and the Nightower State Well No. 1, located 846 feet from the South line and 2310 feet from the East line of Section 16, Township 10 South, Range 25 East, NMPM, Chaves County, New Mexico, are owned and operated by M. G. Peters Drilling Company.
- (3) That the two subject wells have been abandoned by the operator and have not been plugged in any manner.

-2-

CASE No. 2680
Order No. R-2361

(4) That the subject wells are causing or will cause waste and should be plugged in a manner which will confine permanently all oil, gas, and water in the separate strata originally containing them.

(5) That both subject wells should be plugged in accordance with the following minimum plugging requirements:

- (1) Set 25 sacks of cement at total depth.
- (2) Set 5 sacks of cement as a surface plug.
- (3) Fill interval between cement plugs with mud weighing not less than ten pounds per gallon.
- (4) Set in the surface plug a regulation steel marker not less than 4 inches in diameter and extending at least 4 feet above mean ground level.

IT IS THEREFORE ORDERED:

(1) That M. G. Peters Drilling Company is hereby ordered to plug the Gulf State Well No. 1, located 1650 feet from the North line and 990 feet from the East line of Section 17, Township 10 South, Range 27 East, MNPM, Chaves County, New Mexico, and the Hightower State Well No. 1, located 846 feet from the South line and 2310 feet from the East line of Section 16, Township 10 South, Range 25 East, MNPM, Chaves County, New Mexico, in accordance with the following minimum plugging requirements:

- (1) Set 25 sacks of cement at total depth.
- (2) Set 5 sacks of cement as a surface plug.
- (3) Fill interval between cement plugs with mud weighing not less than ten pounds per gallon.
- (4) Set in the surface plug a regulation steel marker not less than 4 inches in diameter and extending at least 4 feet above mean ground level.

(2) That the plugging of the two subject wells shall be completed on or before December 1, 1962, and that M. G. Peters Drilling Company shall notify the District Supervisor, District

-3-

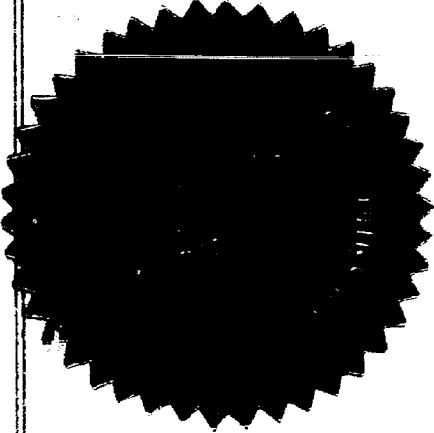
CASE No. 2680
Order No. R-2361

II, Oil Conservation Commission, Artesia, New Mexico, of the exact time and date plugging operations on each well are to commence.

(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



E. L. Mechem

EDWIN L. MECHEM, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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

esx/

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PAYMENT OF POSTAGE, \$300

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Boston, Massachusetts**

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CITY, STATE AND ZIP
Santa Fe, New Mexico

RETURN
TO

Case No. 2680

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**M. G. Peters Drilling Co.
P. O. Box 902
Roswell, New Mexico**

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CITY, STATE AND ZIP
Santa Fe, New Mexico

RETURN
TO

Case No. 2680

No. 859198

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Boston, Massachusetts

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OR DATE
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Apr 1960

SEE OTHER SIDE
Case No. 2680

No. 859196

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M. G. Peters Drilling Co.

STREET AND NO.
P. O. Box 902

CITY AND STATE
Roswell, New Mexico

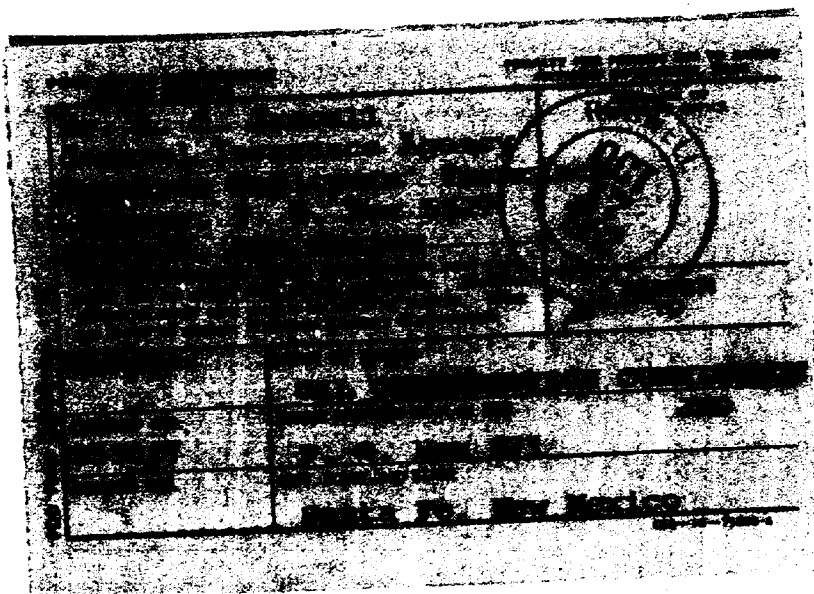
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SEE OTHER SIDE
Case No. 2680



No. 859197

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**Mr. A. C. Jarrell
General Insurance Agency**

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CITY AND STATE
Roswell, New Mexico

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Case No. 2680

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Employers Group

ENDORSEMENT OF ADDRESSEE'S FEELS, IF ANY

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DATE DELIVERED ADDRESS WHERE DELIVERED (only if requested in item #1)

Oct 11 1944

CS-10-1100-4 27

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SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

W. G. Peters

DATE DELIVERED ADDRESS WHERE DELIVERED (only if requested in item #1)

OCT 11 1944

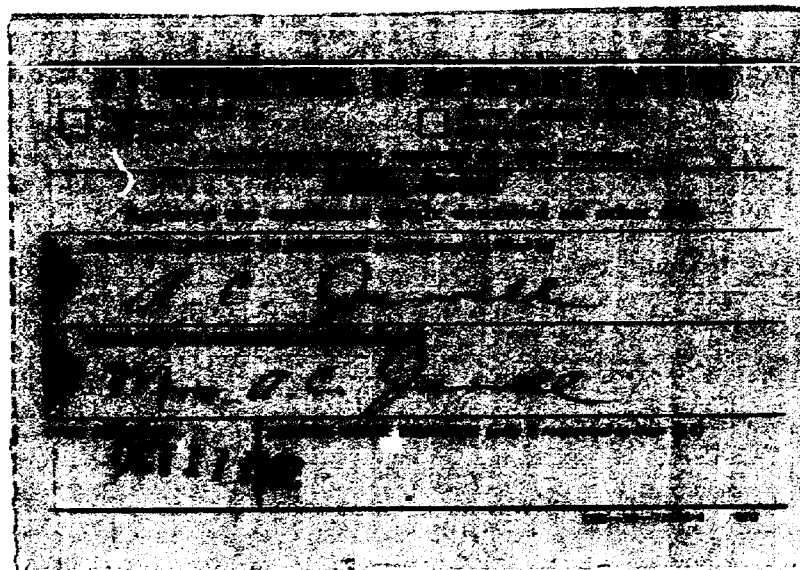
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M.G. Peters Plugging Case

Memo

From

JAMES M. DURRETT JR.
GENERAL COUNSEL

To file: 10-22-62

TF Doyle & Cole
American Employers
P.O. Box 437
Artesia, N.M.

They have contacted plugging
contractors & are waiting for
authority from head office to
plug well. Should be plugged
in couple of weeks. Want
copy of order.