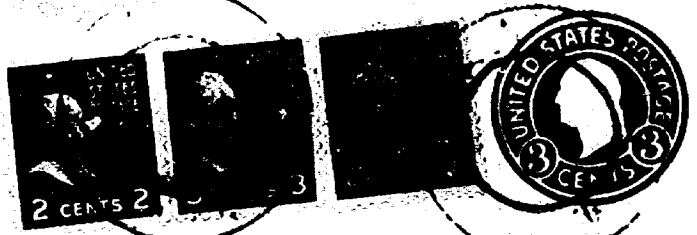


Case No.

776

Application, Transcript,
Small Exhibits, Etc.

After 15 days, return to
OIL CONSERVATION COMMISSION,
Box 871,
SANTA FE, NEW MEXICO.

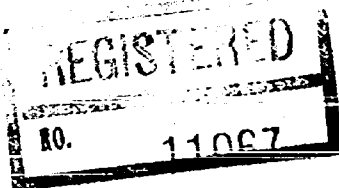


RETURN RECEIPT REQUESTED

Elizabeth Y. Sketchley

106 West 3rd Street, Room 606

Los Angeles 13, California



Registered & RRR



REASON CHECKED
Undelivered.....Returned.....
Unknown.....
For better address.....
Moved, Left no address.....
No such office in state.....

*moved no address
1315 L*

Left No Address

Left No Address

**NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission, promulgated thereunder, of the following public hearing to be held May 22 1951, beginning at 10:00 a. m. on that day in the City of Santa Fe, New Mexico, in the Council Chamber of the City Hall.

STATE OF NEW MEXICO TO:

All named parties in the following
cases and notice to the public:

Case 277

In the matter of the application of the Oil Conservation Commission of New Mexico, upon its own motion, for an order directed to T. W. Bailes, Elizabeth Y. Sketchley, and Rio Grande Community to show cause why they should not plug a well known as Rio Grande Community, Sketchley No. 1, located in the SW/4 SE/4 section 5, T.6 N, R. 1 E, N. M. P. M., for lack of compliance with the Oil Conservation Commission rules and regulations.

GIVEN under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico on this 1st day of May 1951.

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

R. R. SPURRIER, Secretary

~~RS~~ ~~TH~~

Case 276

Oct. 30, 1951

Since case heard, Sunol Oil Co.
made bond (?) filed C101, and took
responsibility for the well, but have
not operated since shut down.

Any time 60 days after date of bond
write 'em to make application for
temporary abandonment. Otherwise, make
'em show cause why well should
not be ordered plugged and abandoned.

approval date of bond. Sept. 28, 1951

See Rule 202

Bond in effect 60 days on
~~Oct~~ Nov. 28, 1951 — write 'em then.

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

July 13, 1951

C
O
P
Y

Mr. Pete Sandoval, Surveyor
Los Lunas, New Mexico

Dear Sir:

We have today received a letter from Mr. D. L. Wade of the Sunol Oil Company in which he mentions that you have available certified copies of the survey of his company's drill site in Sec. 32-7N-1E, RMPM, Valencia County, N.M.

We will appreciate your sending three copies at once to this office in order that they may be considered along with Sunol's Notice of Intention to Drill. I assume that Sunol has taken care of charges for same.

Very truly yours,

E. A. U

Elvis A. Uta

NR

EAU:mr

cc: Mr. D. L. Wade
Sunol Oil Company

7

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Chas. ...

INSPECTION REPORT

May 21, 1951

San Clemente #1 SESE Section 32-7N-1E Valencia County, New Mexico.

This location was inspected this date and the report is as follows:

1. According to the Oil News this well was spudded March 13, 1951.

An inspection of this well on April 8, 1951, confirmed that it had spudded and that 10 3/4 surface casing was in the process of being set from D.P. ~~stacked in derrick - I estimated depth to be approximately 150 feet.~~ In view of the breach of the Oil Conservation Commission Rules, the well was shut down by the posting of proper notice on the rig floor April 8, 1951.

Specific reasons for the shut down order was:

1. No plugging bond was filed.
2. No C-101 or Notice of Intention to drill were filed.
3. No surveyors plat was filed as is required for all W.C.

Location Notes:

1. Standard ^{rotary} rig which is capable of drilling at least 5000 feet was set up.
2. There is approximately 4800 of 3 1/2 drill pipe on racks, approximately 6600 feet of 7" O.D. new casing at location.
3. There was no prepared mud in pits or any evidence that cement had been used in well bore.

I would recommend that this well not be allowed to operate until:

-2- Inspection Report - San Clemente No. 1

1. A \$10,000 bond is made.
2. A surveyors plan is submitted.
3. A C 101 is submitted and approved.
4. Surface casing which is in the hole be properly cemented.

P.S. Mr. D. L. Wade, General Manager of Sunol Oil Company, Inc., 4785
1st. Street, San Jose, California, states a TD of 228 and 10 7/8 O.D. set by
Halliburton with 150 ex.

ELVIS A. UTZ,
Gas Engineer

done

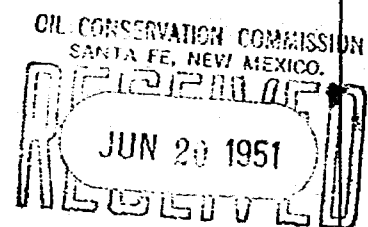
RS 6/4

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF HEARING

Case No. 276.

May 23, 1951.



E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONE 2-4547
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
May 23, 1951

CASE NO. 276: (This is an application of the Oil Commission,
upon its own motion for T. W. Bailes to show cause whe he
should not plug a well known as San Clemente No. 1, SE/4
SE/4 Section 32, T. 7N, R. 1E, for lack of compliance with
the Oil Conservation Commission Rules and Regulations.)

MR. GRAHAM: Case 276. The record will show the
witness was sworn and the notice read.

ELVIS A. UTZ,
having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. GRAHAM:

Q Case 276 is the San Clemente No. 1 in Section 32, SE/4
SE/4, Township 7N, Range 1 E, in Valencia County. Because
of the connection between these two cases, I will ask Mr.
Utz to state whether or not he made an investigation to
determine whether the same rig that was over the hole in
Section 5-6N-1E is the same rig that is now located in
Section 32-7N-1E?

A Yes, it is definitely the same rig.

Q There is nothing in the record to indicate they obtained
the authority of the Commission to move that rig or to file
a location at the site of the rig in Section 32?

A No, we have received no application for a permit to drill, bond, or any other request to drill this well. I also have a statement here that might simplify the thing if you want me to read it.

Q If you have a statement, Mr. Utz, please make it.

A The statement is in regard to the San Clemente No. 1 in Section 32, SE/4 SE/4, Township 7N, 1E. This case and location is as reported by the Oil News of April 5, 1951. As there are no records available as to either case or location in the Commission's office. Also, according to the Oil News, this well was spudded March 15th, 1951. An inspection of this well on April 8, 1951, confirmed it had been spudded and 10 and 3/4 inch surface casing was in the process of being set. From the amount of drill pipe stacked in the derrick, I estimated the total depth to be about 180 feet. In view of the breach of the Oil Commission's rules, the well was shut down by posting proper notice on the rig floor, April 8, 1951. The specific reasons for this shut down order was no plugging bond has been filed with the Commission, no C-101 notice of intention to drill was filed, no surveys plat was filed as is required for all wildcat wells. Specific notes regarding the location as follows:
A standard rig which is capable of drilling to at least 5000 feet and which is the same rig located or the one used to drill the Rio Grande Community No. 1 in Section 5-6N-1E,

was set up at this location. There is approximately 4800 feet of 3 and 1/2 inch drill pipe on the rack. Approximately 6600 feet of new 7 inch OD casing at the location. There was no prepared in the pits or any evidence that cement had been used in the well bore. That is all.

Q Mr. Utz, what about the surface casing again. What was set there?

A There were in the process of setting 10 and 3/4 inch OD at the time they were shut down.

Q Was anyone present at the time you nailed the notice?

A There was a lady present, whom I took to be the wife of the watchman. And I gave her the story as to why I was shutting them down and posted the notice.

Q Mr. Utz, you have no official information as to the legal difficulties of the purported operators of this project, no Court records from California, do you?

A No, I don't have any official records.

Q All the information you might have--

A (Interrupting) Was either hearsay or it is of record in the Los Angeles Times dated April 26, 1951, to the effect that T. W. Bailes and Elizabeth Y. Sketchley were sentenced to six months in the County Jail with four years probation.

Q That information is based wholly on newspaper reports?

A That is correct. It states in the newspaper report that the pair were accused of selling shares in the Bailes Oil

Company which is the operation under consideration here.

Q Correspondence indicates that these people operated under several different names?

A Yes, they did operate under several different names.

I have here some letters which were apparently--lease forms-- used in his selling of leases which shows the Rio Grande Oil and Gas Lease, which covers an area of Section 5-6N-1E. Another lease form which shows the ^{Community} Bailes/Oil and Gas lease.

Q Those were merely supplemental copies?

A That is correct. Incidentally, if I may quote one section from this lease. It states that the number of wells to be drilled under this lease shall be one well to 4 acres or as close thereto as may be permitted by the laws of the State of New Mexico and of the U.S.A.

Q In order to prevent the possibility of fire. Mr. Utz, one more question. The files disclose numerous letters from one T. W. Bailes. Is it possible to be sure he wrote them himself? And how were they signed?

A I could, by requesting from the party who furnished me with copies of these letters, photostatic copies of the originals, if that is desired.

Q But any direct correspondence to this office was usually signed by the typewriter, wasn't it.

A Well some of it, not all of it.

MR. GRAHAM: I have nothing further. One more question, Mr. Utz.

Q I hand you here a letter from the Commission. Will you state what that is?

A This letter is a notice from the Commission that she was summoned to this hearing; that the letter is addressed to Elizabeth Y. Sketchley, 106 W. Court Street, Room 363, Los Angeles 15, California, which is the last known address of this person. The letter was registered and returned unopened. Marked, "Moved, no address."

Q Any response in the files from T. W. Bailes?

A We have no response from the notice of this hearing whatsoever.

Q But no return of the notice?

A No.

MR. GRAHAM: Let the record show that these last two cases will be taken under advisement. I have nothing else. Let the record show the letter applies to Case 277.

(Whereupon, the hearing adjourned.)

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript before the Oil Conservation Commission in Case No. 276, on May 23, 1951, at Santa Fe, is a true and correct record to the best of my knowledge, skill and ability.

Dated at Albuquerque this 20th day of June, 1951.

G. E. Guelson
Reporter

My commission expires
August 4, 1952.

NEW MEXICO
OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
MEMBER

STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO

November 15, 1950

INSPECTION REPORT - October 31, 1950

T. W. Bailes Well, near Dalies, Valencia County, New Mexico.

The rig had been moved from the old location which was a few hundred yards south of the railway junction at Dalies, to approximately one mile north of the same point and about 150 yards east of the railroad track.

The old location had not been cleaned up too well and the pits, with vertical boarded sides and about 5 ft. deep, were open, not fenced. The top of the casing was capped with a piece of equipment laid on top of the casing.

The new location had the rig set up, pits dug, and 6200 ft. of new 7-inch casing on the location. There was no drill pipe.

Donald Carr, Box 51, Las Lunas.
I conversed with the watchman, and he stated he did not know when they were to begin operations. He did say that it would probably be within three weeks and that Bailes was going to contract the hole drilled. He confirmed our previous reports that there was at least one drill collar and ~~60~~ bits in the old hole which Bailes has vacated, and that the drill collar was bypassed by whipstalking. While the exact location is not known, we are certain that we have no communication of any sort from Bailes regarding this well and we are reasonably certain that this well is on fee land.

E. A. Hitz
Gas Engineer

EAU:bw

New Mexico
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
MEMBER

STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO

*Well file
Case*

From THE OIL NEWS Thursday April 5 1951:

**Set Surface Pipe
in Valencia Test**

T. W. (Tommy) Balles reports from Los Angeles that 10 3/4-inch surface pipe has been set and cemented in his No. 1 San Clemente grant lands test on Rio Grande Community oil and gas lease in Valencia county, near Dalles townsite.

The No. 1 San Clemente is located in SE 1/4 Sec 22, T. 12N, R. 12E, approximately a mile North and half mile East of a hole previously abandoned but not plugged, drilled in 1942.

The new test is shut down at this time, waiting for cement to cure, when drilling ahead will resume, says Mr. Balles.

New Mexico
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM
CHAIRMAN
LAND COMMISSIONER GUY SHEPARD
MEMBER
STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO

2-76

Clipping from THE OIL NEWS April 20, 1951

W. Baker et al, No. 1 San Clemente Grant lands, SE SE Sec. 32-7N-1E
Spudded Mar. 13. 10 3/4-inch surface string has been cemented. Dr. is expected to be completed by April 15.

Do we have locations for
the Valencia County test Bails?

Betty

New test - SE 1/4 sec. 32-7N-1E

This is only a reported location
it contains.

Old test, Lot 52 - Sec 5-6N-1E

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder, of the following public hearing to be held May 22, 1951, beginning at 10:00 a.m. on that day in the City of Santa Fe, New Mexico, in the Council Chamber of the City Hall.

STATE OF NEW MEXICO TO:

All named parties in the following cases and notice to the public:

Case 276

In the matter of the application of the Oil Conservation Commission of New Mexico, upon its own motion, for an order directed to T. W. Bailles to show cause why he should not plug a well known as San Clemente No. 1, located SE/4 SE/4 section 32, T. 7 N, R. 1 E, N.M.P.M. for lack of compliance with Oil Conservation Commission rules and regulations.

GIVEN under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on this 23d day of April, 1951.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


R. R. SPURRER, Secretary