

CASE NO.

6544

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

July 19, 1979

POST OFFICE BOX 2008
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Re: CASE NO. 6544
ORDER NO. R-6055
Geologic Resources, Inc.
460 Valverde, S.E., No. 1
Albuquerque, New Mexico 87108

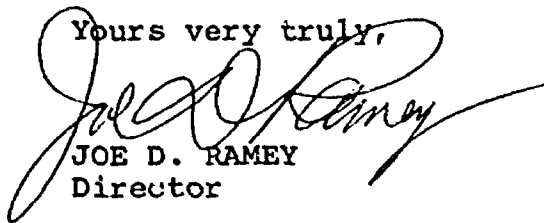
Applicant:

OCD
(Geologic Resources, Inc.)

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division 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 x
Aztec OCC

Other Don Moore

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6544
Order No. R-6055

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT GEOLOGIC RESOURCES, INC.,
UNITED STATES FIRE INSURANCE COMPANY, AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY THE B. T. GODEC STRAT.
TEST WELL NO. 1 LOCATED IN UNIT I OF SECTION 25, TOWNSHIP 12
NORTH, RANGE 8 EAST, SANTA FE COUNTY, NEW MEXICO, SHOULD NOT
BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED
PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 9, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of July, 1979, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That Geologic Resources, Inc. is the owner and operator
of the B. T. Godec Strat. Test Well No. 1, located in Unit I of
Section 25, Township 12 North, Range 8 East, NMPM, Santa Fe
County, New Mexico.

(3) That United States Fire Insurance Company is the
surety on the Oil Conservation Division plugging bond on which
Geologic Resources, Inc. 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.

-2-

Case No. 6544
Order No. R-6055

(5) That in order to prevent waste and protect correlative rights said B. T. Godec Strat. Test 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 Division on or before September 1, 1979, or the well should be returned to active drilling status or placed on production.

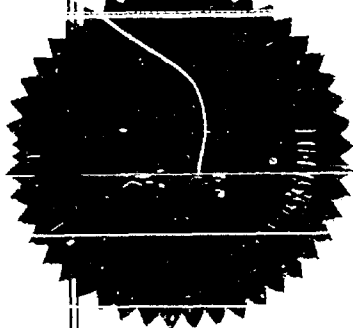
IT IS THEREFORE ORDERED:

(1) That Geologic Resources, Inc. and United States Fire Insurance Company are hereby ordered to plug and abandon the B. T. Godec Strat. Test Well No. 1, located in Unit I of Section 25, Township 12 North, Range 8 East, NMPM, Santa Fe County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before September 1, 1979.

(2) That Geologic Resources, Inc. and United States Fire Insurance Company, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe office of the Division, a Division-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 Division may, at its option, witness such work.

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

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

Ed/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
9 May 1979

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation
Division on its own motion to permit
Geologic Resources, Inc., United States
Fire Insurance Company, and all other inter-
ested parties to appear and show cause why
the B. T. Godec Strat. Test Well No. 1
located in Unit 1 of Section 25, Township 12
North, Range 8 East, Santa Fe County, New
Mexico, should not be plugged and abandoned
in accordance with a Division-approved plug-
ging program.

CASE
6544

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:	Ernest L. Padilla, Esq. Legal Counsel for the Division State Land Office Building Santa Fe, New Mexico 87501
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SSE) 411-2462
Santa Fe, New Mexico 87501

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date MAY 9, 1979 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
RICHARD L. MERRILL	AMOCO PRODUCTION COMPANY	HOUSTON
JAMES E. PEASE	AMOCO PRODUCTION COMPANY	HOUSTON
Hugh Ingram	CONOCO	HOBBS
Tom Kellahan	Kellahan & Kellahan	Santa Fe
Mark Whitaker	CONOCO	Hobbs
Jerry Sefto	OCD	Hobbs
Stephen A. Gault	Sun Oil Co	Midland
J. T. Harris	Sun Oil Co	Dallas
Wm. R. Speer	Bedford, Inc.	Farmington, N.M.
L. Leigh Sprague	Geologic Resources, Inc.	Albuquerque, N.M.

NEW MEXICO OIL CONSERVATION COMMISSION
EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date _____ MAY 9, 1979 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION

I N D E X

CARL ULVOC

Direct Examination by Mr. Padilla 3

Cross Examination by Mr. Nutter 8

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CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SSE) 471-2462
Santa Fe, New Mexico 87501

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1 MR. NUTTER: The first case this
2 morning will be Case Number 6544 which is in the matter
3 of the hearing called by the Oil Conservation Division
4 on its own motion to permit Geologic Resources, Inc.,
5 United States Fire Insurance Company, and all other
6 interested parties to appear and show cause why the B.T.
7 Godec Strat. Test Well No. 1 located in Unit I of Section
8 25, Township 12 North, Range 8 East, Santa Fe County,
9 New Mexico, should not be plugged and abandoned in
10 accordance with a Division-approved plugging program.

11 Call for appearances in this case.

12 MR. PADILLA: Ernest L. Padilla for
13 the Oil Conservation Division.

14 MR. NUTTER: Are there other
15 appearances? Would you proceed Mr. Padilla.

16 MR. PADILLA: Mr. Nutter, I have one
17 witness, Mr. Carl Ulvog.

18 (Witness sworn.)

19
20 CARL ULVOG

21 being called as a witness and having been duly sworn upon
22 his oath, testified as follows, to-wit:

23 DIRECT EXAMINATION

24 BY MR. PADILLA

25 Q. Mr. Ulvog, for the record would you state

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Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
8020 Plaza Blanca (866) 471-2462
Santa Fe, New Mexico 87501

1 your name and by whom you are employed.

2 A. Yes, sir, Carl Ulvog, Senior Geologist
3 for the Oil Conservation Commission and I am based here in
4 Santa Fe.

5 Q. Are you familiar with the purpose of
6 this hearing?

7 A. Yes, I am.

8 Q. What is the purpose of the hearing?

9 A. The purpose here is to determine
10 whether or not this well described by the docket should
11 be plugged in accordance with the Oil Conservation
12 Commission regulations.

13 Q. And that is the B.T. Godec Strat.
14 Test Well No. 1, is that correct?

15 A. That is correct. Santa Fe County,
16 located 600 -- uh, 1,980 from the south line and 660
17 from the east line in Section 25, Township 12 North,
18 Range 8 East.

19 Q. Do you have with you the records
20 applicable to that well?

21 A. Yes, I do. I have them.

22 Q. Can you relate for the Division the
23 history of that well?

24 A. Yes. The application for the Permit to
25 Drill for this well was filed December 21, 1978. It was

1 an application for stratigraphic tests and states that --
2 the application states the well is to be drilled as a
3 stratigraphic testhold for geological information only.
4 Under no circumstances will it be produced from without
5 further permission of the Oil Conservation Commission.
6 To be plugged in accordance with the State of New Mexico
7 Oil Conservation Commission requirements. That for was
8 approved December 21, 1978. There were no other forms or
9 reports filed.

10 Q. On what occasions have you visited the
11 well site?

12 A. I visited this site on December 27, 1978,
13 at which time they were in the process of spudding and
14 beginning the drilling. I was there on January 8, 1979,
15 at which time they were then drilling out from under the
16 surface casing. I was there on February 5, 1979, at which
17 time they had lost some tools in the hole and they were
18 fishing. On March 8, 1979, the location had been
19 abandoned. On April 17, 1979, there was a wellhead in
20 place and some tubing on the location. On May 8, yesterday
21 there was a cap, a makeshift cap on top of the pourings,
22 which is resting in a casing hangar in the ten-inch
23 surface casing. There were 41 joints of 2-inch tubing
24 by the well, 1 joint of 4-inch, and a joint of 10-inch.

25 Q. What is the depth of that well?

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (605) 471-2462
Santa Fe, New Mexico 87501

1 A. I do not know. We have no report. The
2 application stated that it would go to 2,600 feet.

3 Q. Is 2,600 feet below the water bearing
4 strata?

5 A. Definitely, well below. It would
6 probably also have encountered some brackish or salty
7 water. It would be my guess.

8 Q. Why is it necessary that the well be
9 plugged and abandoned according to a designated program
10 as approved by this Division?

11 A. Number one, this was permitted as a
12 stratigraphic test to be drilled for geologic information
13 only. The operations had ceased at least by March 8,
14 1978. If it is drilled for geologic information only
15 there is no reason that it could not have been plugged
16 at that time. Number two, it is obviously being operated
17 as an oil and gas test and, in that case, more than 60
18 days have elapsed since termination of drilling operations
19 and no reports of any kind have been filed so even under
20 oil and gas regulations it should have been plugged and
21 abandoned. Either way it is long overdue.

22 Q. Has a permit for temporary abandonment
23 of the well been obtained by the operator?

24 A. No, there has been no request for
25 temporary abandonment.

1 Q. Is there any reason why this well should
2 not now be plugged and abandoned?

3 A. No reason that I can see.

4 Q. Has a bond been obtained by the operator?

5 A. Yes, bond was attained -- a 1-well bond
6 was obtained from the United States Fire Insurance
7 Company to cover this well. It was a \$7,500 bond.

8 Q. Mr. Ulvog, have you previously
9 testified before the Division as a qualified witness?

10 A. Yes, I have.

11 MR. NUTTER: Your witness is qualified.

12 MR. PADILLA: (continuing) What exhibits
13 do you have?

14 A. I have a well file and -- which we can
15 call Exhibit One, and I have a picture which I took on
16 April 17 to show the condition, and I can just make that
17 a part of the well file if you wish so we will just have
18 Exhibit One.

19 Q. Has that picture been part of the well
20 file?

21 A. Yes, I just put it in the well file, so
22 we can leave it that way or we can just call it Exhibit
23 Two, whichever you like.

24 Q. Mr. Nutter, we move for the admission for
25 the entire well file as evidence in this hearing.

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Santa Fe, New Mexico 87501

1 MR. NUTTER: The well file itself will
2 not be an exhibit in this hearing but we will take
3 administrative notice of the well file and the contents
4 thereof. Do you have anything further?

5 MR. PADILLA: I have nothing further. I
6 pass the witness.

7
8 CROSS-EXAMINATION

9 BY MR. NUTTER:

10 Q. Mr. Ulvog, is it normal practice in the
11 drilling of a stratigraphic test hole to run a long
12 string of casing and install a wellhead on the well?

13 A. No, sir.

14 Q. In other words, what is the procedure
15 with the stratigraphic test hole? Do you drill the well,
16 examine your cores, your cuttings --

17 A. That's right. Quite often coring is
18 done, but normally there is only the surface casing set,
19 and quite often that is only cemented for a few feet around
20 the bottom, maybe 100 feet or so, depending upon the depth.
21 Quite often that is pulled, but when drilling is -- when
22 they reach their total depth the well is plugged.

23 Q. And the drilling operations on this
24 well were ceased prior to March 8, or whenever it was you --

25 A. Sometime -- by March 8 it had been

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CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

1 abandoned. There was no more equipment there. No drilling
2 equipment and so on, but, of course, the well then had
3 tubing in it and the wellhead was there but it was not
4 installed. The next time I was there it was installed.
5 I didn't --

6 Q. And now the wellhead has been removed?

7 A. The wellhead has been removed and a cap
8 has been put on. I have no idea how much -- as I say,
9 the 4-1/2-inch is showing at the surface. There is 41
10 joints of 2-inch tubing laying on the location now.

11 Q. Which adds to some 1,200 feet probably.

12 A. Something like that. I have no other
13 information about depth, and, of course, there may be some
14 tubing in the well, I don't know. I don't know how much
15 4-inch is in there. I don't know 10-inch is in there.

16 Q. The operators filed no reports except
17 the drilling permit?

18 A. That is correct.

19 MR. NUTTER: Are there any further
20 questions of Mr. Ulvog? You may be excused. Does anyone
21 have anything further they wish to offer in Case Number
22 6544? The case will be taken under advisement.

23 (Hearing concluded.)
24
25

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd CSE
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6546 heard by me on 5/9 1979.

[Signature] Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (602) 471-2462
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
9 May 1979

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation
Division on its own motion to permit
Geologic Resources, Inc., United States
Fire Insurance Company, and all other inter-
ested parties to appear and show cause why
the B. T. Godec Strat. Test Well No. 1
located in Unit 1 of Section 25, Township 12
North, Range 8 East, Santa Fe County, New
Mexico, should not be plugged and abandoned
in accordance with a Division-approved plug-
ging program.

CASE
6544

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

I N D E X

CARL ULVOG

Direct Examination by Mr. Padilla 3

Cross Examination by Mr. Nutter 8

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Santa Fe, New Mexico 87501

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CERTIFIED SHORTHAND REPORTER
802 Plaza Blanca (987) 471-2462
Santa Fe, New Mexico 87501

1 MR. NUTTER: The first case this
2 morning will be Case Number 6544 which is in the matter
3 of the hearing called by the Oil Conservation Division
4 on its own motion to permit Geologic Resources, Inc.,
5 United States Fire Insurance Company, and all other
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14 MR. NUTTER: Are there other
15 appearances? Would you proceed Mr. Padilla.

16 MR. PADILLA: Mr. Nutter, I have one
17 witness, Mr. Carl Ulvog.

18 (Witness sworn.)

19
20 CARL ULVOG
21 being called as a witness and having been duly sworn upon
22 his oath, testified as follows, to-wit:

23 DIRECT EXAMINATION

24 BY MR. PADILLA

25 Q. Mr. Ulvog, for the record would you state

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
8020 Plaza Blanca (SSE) 411-2462
Santa Fe, New Mexico 87501

1 your name and by whom you are employed.

2 A. Yes, sir, Carl Ulvog, Senior Geologist
3 for the Oil Conservation Commission and I am based here in
4 Santa Fe.

5 Q. Are you familiar with the purpose of
6 this hearing?

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8 Q. What is the purpose of the hearing?

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10 whether or not this well described by the docket should
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13 Q. And that is the B.T. Godec Strat.
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24 A. Yes. The application for the Permit to
25 Drill for this well was filed December 21, 1978. It was

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2030 Plaza Blanca (S&S) 471-2462
Santa Fe, New Mexico 87501

1 an application for stratigraphic tests and states that --
2 the application states the well is to be drilled as a
3 stratigraphic testhold for geological information only.
4 Under no circumstances will it be produced from without
5 further permission of the Oil Conservation Commission.
6 To be plugged in accordance with the State of New Mexico
7 Oil Conservation Commission requirements. That for was
8 approved December 21, 1978. There were no other forms or
9 reports filed.

10 Q. On what occasions have you visited the
11 well site?

12 A. I visited this site on December 27, 1978,
13 at which time they were in the process of spudding and
14 beginning the drilling. I was there on January 8, 1979,
15 at which time they were then drilling out from under the
16 surface casing. I was there on February 5, 1979, at which
17 time they had lost some tools in the hole and they were
18 fishing. On March 8, 1979, the location had been
19 abandoned. On April 17, 1979, there was a wellhead in
20 place and some tubing on the location. On May 8, yesterday
21 there was a cap, a makeshift cap on top of the pourings,
22 which is resting in a casing hangar in the ten-inch
23 surface casing. There were 41 joints of 2-inch tubing
24 by the well, 1 joint of 4-inch, and a joint of 10-inch.

25 Q. What is the depth of that well?

1 A. I do not know. We have no report. The
2 application stated that it would go to 2,600 feet.

3 Q. Is 2,600 feet below the water bearing
4 strata?

5 A. Definitely, well below. It would
6 probably also have encountered some brackish or salty
7 water. It would be my guess.

8 Q. Why is it necessary that the well be
9 plugged and abandoned according to a designated program
10 as approved by this Division?

11 A. Number one, this was permitted as a
12 stratigraphic test to be drilled for geologic information
13 only. The operations had ceased at least by March 8,
14 1978. If it is drilled for geologic information only
15 there is no reason that it could not have been plugged
16 at that time. Number two, it is obviously being operated
17 as an oil and gas test and, in that case, more than 60
18 days have elapsed since termination of drilling operations
19 and no reports of any kind have been filed so even under
20 oil and gas regulations it should have been plugged and
21 abandoned. Either way it is long overdue.

22 Q. Has a permit for temporary abandonment
23 of the well been obtained by the operator?

24 A. No, there has been no request for
25 temporary abandonment.

SALLY WALTON BOYD
CERTIFIED "NORTH" REPORTER
3038 Plaza Blanca (696) 471-2462
Santa Fe, New Mexico 87501

Q. Is there any reason why this well should not now be plugged and abandoned?

A. No reason that I can see.

Q. Has a bond been obtained by the operator?

A. Yes, bond was attained -- a 1-well bond was obtained from the United States Fire Insurance Company to cover this well. It was a \$7,500 bond.

Q. Mr. Ulvog, have you previously testified before the Division as a qualified witness?

A. Yes, I have.

MR. NUTTER: Your witness is qualified.

MR. PADILLA: (continuing) What exhibits do you have?

A. I have a well file and -- which we can call Exhibit One, and I have a picture which I took on April 17 to show the condition, and I can just make that a part of the well file if you wish so we will just have Exhibit One.

Q. Has that picture been part of the well file?

A. Yes, I just put it in the well file, so we can leave it that way or we can just call it Exhibit Two, whichever you like.

Q. Mr. Nutter, we move for the admission for the entire well file as evidence in this hearing.

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CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

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CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-2462
Santa Fe, New Mexico 87501

1 MR. NUTTER: The well file itself will
2 not be an exhibit in this hearing but we will take
3 administrative notice of the well file and the contents
4 thereof. Do you have anything further?

5 MR. PADILLA: I have nothing further. I
6 pass the witness.

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9 BY MR. NUTTER:

10 Q. Mr. Ulvog, is it normal practice in the
11 drilling of a stratigraphic test hole to run a long
12 string of casing and install a wellhead on the well?

13 A. No, sir.

14 Q. In other words, what is the procedure
15 with the stratigraphic test hole? Do you drill the well,
16 examine your cores, your cuttings --

17 A That's right. Quite often coring is
18 done, but normally there is only the surface casing set,
19 and quite often that is only cemented for a few feet around
20 the bottom, maybe 100 feet or so, depending upon the depth.
21 Quite often that is pulled, but when drilling is -- when
22 they reach their total depth the well is plugged.

23 Q. And the drilling operations on this
24 well were ceased prior to March 8, or whenever it was you --

25 A. Sometime -- by March 8 it had been

SALLY WALTON BOYD
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Santa Fe, New Mexico 87501

1 abandoned. There was no more equipment there. No drilling
2 equipment and so on, but, of course, the well then had
3 tubing in it and the wellhead was there but it was not
4 installed. The next time I was there it was installed.
5 I didn't --

6 Q. And now the wellhead has been removed?

7 A. The wellhead has been removed and a cap
8 has been put on. I have no idea how much -- as I say,
9 the 4-1/2-inch is showing at the surface. There is 41
10 joints of 2-inch tubing laying on the location now.

11 Q. Which adds to some 1,200 feet probably.

12 A. Something like that. I have no other
13 information about depth, and, of course, there may be some
14 tubing in the well, I don't know. I don't know how much
15 4-inch is in there. I don't know 10-inch is in there.

16 Q. The operators filed no reports except
17 the drilling permit?

18 A. That is correct.

19 MR. NUTTER: Are there any further
20 questions of Mr. Ulvog? You may be excused. Does anyone
21 have anything further they wish to offer in Case Number
22 6544? The case will be taken under advisement.


23 (Hearing concluded.)
24
25

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6546 heard by me on 5/9 1979.

 Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
6028 Plaza Blanca (SOS) 471-2462
Braz. Fe, New Mexico 87501

Dockets Nos. 20-79 and 21-79 are tentatively set for hearing on May 23 and June 13, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 9, 1979

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

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

- CASE 6544: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Geologic Resources, Inc., United States Fire Insurance Company, and all other interested parties to appear and show cause why the B. T. Godec Strat. Test Well No. 1 located in Unit I of Section 25, Township 12 North, Range 8 East, Santa Fe County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6492: (Continued from April 25, 1979, Examiner Hearing)
- Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 6534: Application of Amoco Production for simultaneous dedication and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of its Gilluly Fed. Well No. 17 at an unorthodox location in Unit H of Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, along with the three wells now dedicated to the previously approved 480-acre unit comprising the N/2 and SE/4 of said Section 24.
- CASE 6535: Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.
- CASE 6536: Application of Black River Corp. for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 80-acre non-standard gas proration units in the Jalmat Gas Pool as follows: the N/2 SE/4 of Section 22, Township 23 South, Range 36 East, to be dedicated to applicant's well to be drilled in Unit J of said Section 22; and the S/2 SE/4 of said Section 22 to be dedicated to El Paso Natural Gas Company's Shell State Well NO. 3 located in Unit P.
- CASE 6537: Application of Harper Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its West Ranger Lake Unit Area, comprising 1,120 acres, more or less, of State lands in Township 12 South, Range 34 East, Lea County, New Mexico.
- CASE 6538: Application of Bedrord, Inc., for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of its Ram Well No. 1-A located in Unit G of Section 8, Township 26 North, Range 12 West, WAW Fruitland-Pictured Cliffs Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6539: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Unit Well No. 7 located in Unit G of Section 6, Township 23 South, Range 31 East, Eddy County, New Mexico, to produce gas from the Morrow and Atoka formations, Los Medanos Field, through parallel strings of tubing.
- CASE 6540: Application of Caulkins Oil Company for an NGPA determination, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a Section 108 stripper gas well determination for its State B Well No. 233 located in Unit D of Section 16, Township 26 North, Range 6 West, South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.
- CASE 6541: Application of Sun Oil Company for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State H Well No. 17, 1328 feet from the North line and 1336 feet from the East line of Section 16, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico.

CASE 6542: Application of Sun Oil Company for special casinghead gas allowables, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an increase in the casinghead gas allowable for its Annie Christmas Well No. 1 and its Walter Lynch Well No. 2, located in Units N and L, respectively, of Section 1, Township 22 South, Range 37 East, Drinkard and Wantz-Granite Wash Pools, Lea County, New Mexico.

CASE 6523: (Continued and Readvertised)

Application of Lonnie J. Buck for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Yates and Seven Rivers formations underlying each of the following 40-acre tracts in Section 25, Township 25 South, Range 36 East, Lea County, New Mexico: NW/4 SW/4 to be dedicated to the Brown Well No. 6 located in Unit L and SW/4 SW/4 to be dedicated to the Brown Well No. 7 located in Unit M. Also to be considered will be the cost of recompleting said wells 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 wells and a charge for risk involved in recompleting said wells.

CASE 6543: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, redesignating, and extending certain pools in Chaves and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Airstrip-Bone Spring Pool. The discovery well is Gulf Oil Corporation Lea YH State Well No. 1 located in Unit O of Section 25, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 25: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Mississippian production and designated as the North Caprock-Mississippian Pool. The discovery well is Morris R. Antwell Landlady Well No. 1 located in Unit B of Section 8, Township 12 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 8: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the West Bell Lake-Atoka Gas Pool. The discovery well is Amoco Production Company Federal H Well No. 1 located in Unit L of Section 26, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 26: W/2

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Devonian production and designated as the Langley-Devonian Gas Pool. The discovery well is ARCO Oil and Gas Company Langley Getty Com Well No. 1 located in Unit N of Section 21, Township 22 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 21: S/2

(e) ABOLISH the West Warren-Blinebry Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 19: SE/4
Section 20: SW/4
Section 29: NW/4

(f) REDESIGNATE the Grama Ridge-Bone Spring Pool created by Order No. R-5958 as the East Grama Ridge-Bone Spring Pool, described as:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 35: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 19: SE/4
Section 20: SW/4
Section 26: NE/4
Section 29: NW/4

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 3: NE/4

- (i) EXTEND the Comanche Stateline-Tansill-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 21: SW/4

- (j) EXTEND the East Crossroads-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM
Section 12: SE/4
Section 23: SE/4
Section 26: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 1: NW/4

- (l) EXTEND the South Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 12: NW/4

- (m) EXTEND the East Lusk-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 10: E/2 and SW/4

- (n) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 13: NW/4

- (o) EXTEND the Mescalero-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 11: NW/4

- (p) EXTEND the North Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 29: N/2

- (q) EXTEND the Quail Ridge-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 16: NE/4

- (r) EXTEND the North Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 6: S/2

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 16: E/2
Section 21: N/2

- (t) EXTEND the Townsend-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 25: SW/4
Section 26: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 26: NE/4

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 16, 1979

9 A.M. - OIL CONSERVATION DIVISION 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for June, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for June, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

PS Form 3811, Nov. 1975

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☒ Show to whom and date delivered25¢
☐ Show to whom, date, & address of delivery45¢
☐ RESTRICTED DELIVERY.
 Show to whom and date delivered65¢
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery ...\$1.05
 (Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
 Mr. Don Moore
 3620 Wyoming, N.E.
 Albuquerque, New Mexico 87111

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 481828
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY
 25 APRIL 1979

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

★ GPO: 1975-O-203-456

PS Form 3811, Nov. 1975

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☒ Show to whom and date delivered25¢
☐ Show to whom, date, & address of delivery45¢
☐ RESTRICTED DELIVERY.
 Show to whom and date delivered85¢
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery ...\$1.05
 (Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
 Geologic Resources, Inc.
 460 Valverde, S.E., No. 1
 Albuquerque, New Mexico 87108

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 481826
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY
 MAY 1 1979

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

★ GPO: 1975-O-203-456

No. 481328

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO
 Mr. Don Moore
 STREET AND NO.
 3620 Wyoming, N.E.
 P. O., STATE, AND ZIP CODE
 Albuquerque, New Mexico 87111

POSTMARK OR DATE

EXTRA SERVICES FOR ADDITIONAL FEES

Shows to whom and date delivered <input type="checkbox"/> 10¢ fee	Shows to whom, date, and where delivered <input type="checkbox"/> 35¢ fee	Deliver to Addressee Only <input type="checkbox"/> 50¢ fee
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POD Form 3800 Mar. 1966 NO INSURANCE COVERAGE PROVIDED—NOT FOR INTERNATIONAL MAIL (See other side)

No. 481826

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO
 Geologic Resources, Inc.
 STREET AND NO.
 460 Valverde, S.E., No. 1
 P. O., STATE, AND ZIP CODE
 Albuquerque, New Mexico 87108

POSTMARK OR DATE

EXTRA SERVICES FOR ADDITIONAL FEES

Shows to whom and date delivered <input type="checkbox"/> 10¢ fee	Shows to whom, date, and where delivered <input type="checkbox"/> 35¢ fee	Deliver to Addressee Only <input type="checkbox"/> 50¢ fee
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POD Form 3800 Mar. 1966 NO INSURANCE COVERAGE PROVIDED—NOT FOR INTERNATIONAL MAIL (See other side)

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

- Print your name, address, and ZIP Code in the space below.
- Complete items 1, 2, and 3 on the reverse.
 - Moisten gummed ends and attach to front of article.
 - If space permits, otherwise affix to back of article.
 - Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RETURN
TO

OIL CONSERVATION DIVISION
(Name of Sender)

POST OFFICE BOX 2088
(Street or P.O. Box)

SANTA FE, NEW MEXICO 87501
(City, State, and ZIP Code)

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

- Print your name, address, and ZIP Code in the space below.
- Complete items 1, 2, and 3 on the reverse.
 - Moisten gummed ends and attach to front of article.
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PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RETURN
TO

OIL CONSERVATION DIVISION
(Name of Sender)

POST OFFICE BOX 2088
(Street or P.O. Box)

SANTA FE, NEW MEXICO 87501
(City, State, and ZIP Code)

1. Stick postage stamps to your article to pay:

BASIC CHARGES

Certified fee—30¢
Postage (first-class or airmail)

OPTIONAL SERVICES

Return receipt (10¢ or 35¢)
Deliver to addressee only—50¢
Special delivery

2. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, *leaving the receipt attached*, and present the article at a post office service window or hand it to your rural carrier. *(no extra charge)*
3. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, detach and retain the receipt, and mail the article.
4. 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. *(Fees—10¢ or 35¢.)*
5. If you want the article delivered only to the addressee, endorse it on the front DELIVER TO ADDRESSEE ONLY. *(Fees—50¢.)* Place the same endorsement in line 2 of the return receipt card.
6. Save this receipt and present it if you make inquiry.

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1. Stick postage stamps to your article to pay:

BASIC CHARGES

Certified fee—30¢
Postage (first-class or airmail)

OPTIONAL SERVICES

Return receipt (10¢ or 35¢)
Deliver to addressee only—50¢
Special delivery

2. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, *leaving the receipt attached*, and present the article at a post office service window or hand it to your rural carrier. *(no extra charge)*
3. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, detach and retain the receipt, and mail the article.
4. 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. *(Fees—10¢ or 35¢.)*
5. If you want the article delivered only to the addressee, endorse it on the front DELIVER TO ADDRESSEE ONLY. *(Fees—50¢.)* Place the same endorsement in line 2 of the return receipt card.
6. Save this receipt and present it if you make inquiry.

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OIL CONSERVATION DIVISION

P. O. BOX 2035

SANTA FE, NEW MEXICO 87501

April 23, 1979

CERTIFIED - RETURN
RECEIPT REQUESTED

Geologic Resources, Inc.
460 Valverde, S.E., No. 1
Albuquerque, New Mexico 87108

Mr. Don Moore
Bonds/Insurance
3620 Wyoming, N.E.
Albuquerque, New Mexico 87111

Re: B. T. Godec Strat. Test
Well No. 1, located in
Unit I of Section 25,
Township 12 North, Range
8 East, Santa Fe County
Plugging Bond

Gentlemen:

Enclosed is a copy of the notice of publication of
the Examiner Hearing to be held on Wednesday, May 9, 1979,
at 9 o'clock a.m. in the Oil Conservation Division Confer-
ence Room, State Land Office Building, Santa Fe, New Mexico.
Case 6544 concerns the above captioned subject matter.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/fd
enc.

C
O
P
Y

\$7500
One- well omd #
610 - 00 88886
US Fire Ins. Co.

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6544

Order No. R- 6055

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT GEOLOGIC RESOURCES, INC., UNITED STATES FIRE INSURANCE COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE B. T. GODEC STRAT. TEST WELL NO. 1 LOCATED IN UNIT I OF SECTION 25, TOWNSHIP 12 NORTH, RANGE 8 EAST, SANTA FE COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 9, 19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this July day of May, 19 79, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That Geologic Resources, Inc. is the owner and operator of the B. T. Godec Strat Test Well No. 1 located in Unit I of Section 25, Township 12 North, Range 8 East, NMPM, Santa Fe County, New Mexico.

(3) That United States Fire Insurance Company is the surety on the Oil Conservation Division plugging bond on which Geologic Resources, Inc. is principal.

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

(5) That in order to prevent waste and protect correlative rights said B. T. Godec Strat Test 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 Division on or before September 1, 1979, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Geologic Resources, Inc. and United States Fire Insurance Company are hereby ordered to plug and abandon the B. T. Godec Strat. Test Well No. 1 located in Unit I of Section 25, Township 12 North Range 8 East, NMPM, Santa Fe County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before September 1, 1979.

(2) That Geologic Resources, Inc. and United States Fire Insurance Company, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe office of the Division, a Division-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 Division may, at its option, witness such work.

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

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