

CASE 6891: OCD PLUGGING CASE
MIDWEST REFINING COMPANY AND ALL INTER-
ESTED PARTIES, HIDALGO COUNTY, N. MEX.

3.6.)

READVERTISE AND

CONTINUE TO

JUNE 25

Case No.

6891

Application

Transcripts

Small Exhibits

ETC

Dockets Nos. 20-80 and 21-80 are tentatively set for July 9 and 23, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 25, 1980

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:

CASE 6891: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Midwest Refining Company, United States Fidelity & Guaranty Company, and all other interested parties to appear and show cause why the State Well No. 1 located in Unit A of Section 16, Township 33 South, Range 14 West, Hidalgo County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6929: Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco Mesaverde and Basin-Dakota production in the wellbore of its NCRA Well No. 1-E located in Unit C of Section 22, Township 26 North, Range 7 West, by using the Dakota gas for gas lift of Mesaverde liquids after metering on the surface.

CASE 6930: Application of Amoco Production Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Empire South Deep Unit Well No. 21 to be drilled 660 feet from the North and East lines of Section 36, Township 17 South, Range 28 East, the E/2 of said Section 36 to be dedicated to the well.

CASE 6931: Application of H. L. Harvey for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Fruitland and Bloomfield-Farmington production in the wellbore of his Jones Well No. 3 located in Unit B of Section 13, Township 29 North, Range 11 West.

CASE 6917: (Continued from June 4, 1980, Examiner Hearing)

Application of Yates Petroleum Corporation for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Goat Roper "LP" Com. Well No. 1 located in Unit P of Section 30, Township 17 South, Range 26 East.

CASE 6932: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State "JM" Well No. 2, a Morrow test to be drilled 660 feet from the South and East lines of Section 25, Township 18 South, Range 24 East, the S/2 of said Section 25 to be dedicated to the well.

CASE 6933: Application of Yates Petroleum Corporation for two compulsory poolings, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying two 320-acre proration units, being the N/2 and the S/2 of Section 2, Township 19 South, Range 25 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6934: Application of Coronado Exploration Corporation for three compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying three 40-acre proration units, being the NW/4 SE/4 of Section 6, the NE/4 SE/4 of Section 28, and the SW/4 NW/4 of Section 33, all in Township 11 South, Range 28 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6901: (Continued from May 21, 1980, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Mississippian formations underlying the E/2 of Section 19, Township 14 South, Range 36 East, 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 6935:** Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and undesignated Gallup production in the wellbore of its June Joy Well No. 2 located in Unit B of Section 25, Township 24 North, Range 10 West.
- CASE 6936:** Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 26, Township 30 North, Range 14 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6916:** (Continued from June 4, 1980, Examiner Hearing)
- Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinberry production in the wellbore of its State DC Well No. 1, a quadruple completion located in Unit F of Section 19, Township 21 South, Range 37 East.
- CASE 6937:** Application of R. N. Hillin for an unorthodox location and dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of his DWV Well No. 4 to produce gas from the Wolfcamp and Morrow formations thru tubing and the annulus, respectively. Applicant further seeks approval of the unorthodox location of said well in the Wolfcamp and Pennsylvanian formations at a point 800 feet from the South line, and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East.
- CASE 6938:** Application of Anadarko Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Dalport Federal Well No. 1 660 feet from the South and West lines of Section 20, Township 13 South, Range 31 East, Southeast Chaves Queen Gas Area, the W/2 of said Section 20 to be dedicated to the well.
- CASE 6939:** Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests at a depth from 2400 feet to 5000 feet below the surface, Turkey Track Field, underlying the NE/4 SE/4 of Section 10, Township 19 South, Range 29 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6940:** Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6941:** Application of Kilwade Corporation for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 129.52-acre non-standard gas proration unit comprising the W/2 of partial Section 33, Township 26 South, Range 30 East, Ross Draw-Wolfcamp area, to be dedicated to its Ross Draw Well No. 1 located in Unit C of said Section 33.
- CASE 6942:** Application of Benson-Montin-Greer Drilling Corporation for amendment of Order No. R-2565-B, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 2 of the Special Pool Rules for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Order No. R-2565-B to provide that all 320-acre spacing and proration units in said pool would comprise either the W/2 or the E/2 of a governmental section, provided however, that one injection well would have dedicated thereto the N/2 of Section 1, Township 24 North, Range 1 West, and also that the short 400-acre sections on the South side of Township 27 North, Range 1 West, would each comprise a single spacing unit.
- CASE 6943:** Application of Benson-Montin-Greer Drilling Corporation for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Puerto Chiquito-Mancos Unit Area, comprising 9,769 acres, more or less, of Federal, Indian, and fee lands in Townships 26 and 27 North, Ranges 1 East and 1 West.

- CASE 6944: Application of Benson-Montin-Greer Drilling Corporation for a pressure maintenance project, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of gas, air, LPG, water, or chemicals into the Mancos formation thru 7 wells on its East Puerto Chiquito-Mancos Unit Area.
- CASE 6945: Application of ARCO Oil and Gas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates-Seven Rivers formation in the interval from 3550 feet to 4000 feet in its Fletcher Well No. 4 in Unit J of Section 27, Township 20 South, Range 34 East, Lynch Field.
- CASE 6946: Application of Knox Industries, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be recompleted in the Morrow formation at a point 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 34 East, the N/2 of said Section 1 to be dedicated to the well.
- CASE 6947: Application of Knox Industries, Inc. for pool contraction and creation and an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order deleting certain lands from the La Rica-Morrow Gas Pool and creating a new gas pool from said lands together with a determination that applicant's NM State Well No. 1 located in Unit F of Section 2, Township 19 South, Range 34 East, has discovered a new onshore reservoir pursuant to Section 102 of the NGPA.
- CASE 6948: Application of Maralo, Inc. for dual completions and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) and simultaneous dedication in the Jalmat Pool of four wells in its Jalmat Yates Unit to produce oil from, and later on to inject water into, its Yates formation waterflood, and to produce oil from the Seven Rivers formation from two of the wells, the Nos. 19 and 20 located in Units C and D and to produce gas from the Seven Rivers from the other two wells, the Nos. 25 and 31 located in Units F and K, all in Section 18, Township 25 South, Range 37 East.
- CASE 6949: Application of Grace Petroleum Corporation for four compulsory poolings, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Escrito-Gallup Pool underlying four 80-acre proration units, being the E/2 NE/4, the S/2 NW/4, and the W/2 NW/4 of Section 28, and the W/2 SE/4 of Section 29, all in Township 24 North, Range 7 West, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.
- CASE 6950: Application of Bass Enterprises Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the North line and 1980 feet from the East line of Section 4, Township 25 South, Range 31 East, the E/2 of said Section 4 to be dedicated to the well.
- CASE 6951: Application of Bass Enterprises Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 21, Township 22 South, Range 30 East, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6952: Application of Exxon Corporation for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 378.11-acre non-standard gas proration unit comprising Lots 1 and 2 and the N/2 NE/4 of Section 31, and Lots 1, 2, 3, 4, and the N/2 N/2 of Section 32, all in Township 26 South, Range 26 East, Morrow formation, to be dedicated to its Milepost Federal Com 2 Well No. 1 located in Unit A of said Section 31.
- CASE 6925: (Readvertised)
- Application of Caribou Four Corners, Inc. for two exceptions to Rule 306, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 306 of the Division Rules and Regulations to permit the permanent flaring of gas from its Kirtland Wells Nos. 1 and 2, located in Units A and B, respectively, of Section 13, Township 29 North, Range 15 West.

CASE 6914: (Continued from June 4, 1980, Examiner Hearing)

Application of Wilson Oil Company for a non-standard proration unit and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 29, Township 20 South, Range 36 East, North Osado-Morrow Gas Pool, to be dedicated to its State JD Well No. 1 at an unorthodox location 1650 feet from the South line and 1980 feet from the West line of said Section 29.

CASE 6896: (This case will be continued to the July 9, 1980, Examiner Hearing)

Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.

CASE 6487: (Continued from April 23, 1980, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea 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 Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea 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.

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. 6891
Order No. R-6604

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT MIDWEST REFINING COMPANY,
UNITED STATES FIDELITY & GUARANTY COMPANY, AND ALL OTHER
INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE STATE WELL
NO. 1 LOCATED IN UNIT A OF SECTION 16, TOWNSHIP 33 SOUTH, RANGE
14 WEST, HIDALGO COUNTY, 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 June 25, 1980,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of March, 1981, 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 Case No. 6891 should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 6891 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 June 1980

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Mid-West Refining Company, et al, to appear and show cause why State Well No. 1, Hidalgo County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE
6891

BEFORE: Richard L. Stamets

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

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*Hearing
Register
in this
transcript?*

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

JUNE 25, 1980

Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
W. T. Kellakin	Kellakin & Kellakin	Santa Fe
Gus Buell	Amoco	Houston
Reyten Yates	Yates Petroleum	Albany
J. M. Parham	Consolidated O&G, Inc.	Denver
William L. Sam	Nampbell & Black P.A.	Santa Fe
John Cleburne	3 E Co. Inc.	PARAN, TEXAS
Lynn Jackson	Consolidated Oil & Gas, Inc.	Denver
Jim Allen	Amoco	Houston
Mike Brown	"	"
Jerry Huesel	ARCO Oil & Gas	Midland
Terri McCallister	Atlantic Richfield Company	Midland
David Aston	Hillco New Firm	Dallas Texas
Dale Beckwith	Exxon Co. U.S.A.	Amarillo, TX.
Leland Frantz	Knox Industries	Midland, TX
Kyle Moore	Marvale, Inc.	" "
John Castle	ELWADE CORP.	" "

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JUNE 25, 1980 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Mike Handen	Petio Lewis	Leveland
Bob Hulce	Capitol Observer	Santa Fe
Henry Tinsley	USGS	Albuquerque
Carol Anderson	Lou Conant Dickson	Artesia
Randy Mattson	Yates Petroleum	Artesia
Allen M. Lopez	Menlo Park + Houston PA	Santa Fe
Tom Dugan	Dugan Prod Corp.	Farmington
Johnny Roberts	Dugan Prod Corp.	Farmington
John P. Eckhardt	The El Paso Co.	Santa Fe
R. G. Hillen	Hillen Production Co.	Odessa, Texas

I N D E X

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1 MR. STAMETS: We'll call next Case 6891.
2 In the matter of the hearing called by the Oil Conservation
3 Division on its own motion to mermit Midwest Refining Company,
4 United States Fidelity & Guaranty Company, and all other in-
5 terested to appear and show cause why the State Well No. 1
6 in Hidalgo County, New Mexico, should not be plugged and
7 abandoned in accordance with a Division-approved plugging
8 program.

9 MR. PADILLA: Mr. Examiner, Ernest L.
10 Padilla and Mike Jones on behalf of the Oil Conservation Divi-
11 sion.

12 Mike Jones will present the case -- Mr.
13 Jones will present the case under Rule 94 of the Rules of
14 Civil Procedure, and Mr. Jones is a law intern from the Uni-
15 versity of New Mexico Law School, and is authorized under Rule
16 94 to practice before administrative agencies.

17 MR. STAMETS: Okay. You have one witness,
18 I presume?

19 MR. JONES: Yes.

20
21 (Witness sworn.)
22

23 CARL ULVOG
24 being called as a witness and having been duly sworn upon his
25 oath, testified as follows, to-wit:

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DIRECT EXAMINATION

BY MR. JONES:

Q Would you please state your name, by whom you're employed, and in what capacity?

A Yes, sir. Carl Ulvog, Senior Geologist for the Oil Conservation Commission. I'm based here in Santa Fe.

Q How long have you held this position?

A Approximately seven years.

Q Seven years. Have you previously testified before the Division and are your credentials a matter of record?

A I have and they are.

Q Are you familiar with the formations or horizons and the geologic structure surrounding the well at issue in this case?

A I am.

MR. JONES: Are Mr. Ulvog's credentials acceptable?

MR. STAMETS: Yes, they are.

Q Do your duties include making recommendations to the Division as to whether wells should be plugged and abandoned?

A That is correct.

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1 Q Are you familiar with the subject matter
2 in this case?

3 A I am.

4 Q Would you explain the purpose of this
5 case for the record?

6 A Yes, sir. The purpose here is to deter-
7 mine whether or not this action should be taken to force plug
8 this well, cause it to be plugged; whether or not that should
9 be done.

10 Q Have you examined all the reports that
11 have been filed with the Division concerning the well in this
12 case?

13 A Yes, sir, I have.

14 Q Do you have these reports with you?

15 A I do.

16 Q Would you please refer to the reports
17 which pertain to this well and describe the history and the
18 present status of the well?

19 A Yes, sir. We have quite a volume of cor-
20 respondence and reports in the well file and I will simply
21 summarize the high points of this and then if there is other
22 information that's necessary, I'll refer back to it.

23 There was a C-101 and C-102, that's the
24 application for the permit to drill and the land plat, surveyor
25 plat, that was approved by this office on November 1st, 1961.

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1 A C-103 was received November 13th, 1961, and that reported
2 that drilling started on October 26th, 1961.

3 Another similar report was received De-
4 cember 10th, 1961, that reported drilling at 61 feet; another
5 one received June 22nd, 1962, reported the depth of 140 feet
6 and fishing; another one on September 27th, 1962, reported
7 20-inch casing had been set at 53 feet after considerable
8 straightening of a crooked hole and bypassing tools, lost the
9 hole, et cetera, et cetera.

10 On October 23rd another official report
11 saying that 16-inch outside diameter casing set at 200 feet,
12 using 300 sacks of cement.

13 Another 103 received December 26th, 1962.
14 Additional drilling had been done but no depths given.

15 Then we have a scout report, which is not
16 signed. It doesn't say who made the inspection or anything,
17 but that scout report says that the well was plugged and aban-
18 doned at a total depth of 280 feet on October 30th, 1962. I
19 mention this because on December 26th we received a report
20 from the operator saying that there had been additional drilling
21 done. So the result is we don't actually know what their
22 total depth is; probably 280 feet or more.

23 Q On what date was the last official form
24 filed with the Division?

25 A The last official form, Commission form,

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1 that was filed with us was dated December 26th, 1962.

2 Q Have you had any other communications
3 relative to this case which the Division should be aware of?

4 A No. We have not been able to contact the
5 operator and I'm not sure about the bond company, but the
6 notice of the hearing has been sent to them.

7 Q Okay. In your opinion could waste result
8 from the failure to plug this well?

9 A Yes. Not only that, but probably more
10 important would be contamination of ground waters.

11 Q Very good. Are you prepared to recommend
12 a plugging program to the Division at this time?

13 A It would be difficult because I don't
14 know exactly what the depth is. I don't know exactly what --
15 where the fluid level is in the well. I know that there is
16 fluid in the well. I don't know if other casing than the 20-
17 inch and the 16-inch was set. On the proposal to drill there
18 was still more casing proposed, but I don't know whether they
19 ever did set it. There was supposed to have been 8-5/8ths
20 set at 2000 feet, and of course, I have no knowledge of whether
21 or not any of that was run.

22 Q All right. Then you would prefer to
23 describe the drilling program at the time the drilling actually
24 takes place?

25 A We would almost have to do that. Work it

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1 out on the site after we know what the hole conditions are.

2 Q Very good. Are the records true and
3 accurate copies of the -- of Division records that are on file
4 with the Division?

5 A Yes, I'm reading from the well file and
6 from the official records of that file.

7 Q Okay.

8 MR. JONES: I'd request that the Division
9 take administrative notice of the well file.

10 MR. STAMETS: Yes, we certainly will.

11 MR. JONES: Okay. I have no further
12 questions in this case.

13 CROSS EXAMINATION

14 BY MR. STAMETS:

15 Q Mr. Ulvog, are there any unusual circum-
16 stances surrounding this particular well?

17 A Yes, I would say there are.

18 On April 15th of this year I inspected
19 the location. I might mention that that location is approxi-
20 mately three miles from the Mexican border. It's about sixty
21 miles south/southeast from Hachita, which is the nearest town --
22 not town, pardon me, village, where you could get any kind
23 of supplies of any kind. There is about twenty-five miles of
24 gravel and dirt road, somewhat improved, and then about twenty
25

1 miles of unimproved trails, which absolutely require a 4-wheel
2 drive vehicle to get to.

3 So the location itself is very isolated,
4 for one thing. For another thing, there is a large cable tool
5 rig, a Wichita spudder, sitting over the location. The 20-inch
6 casing is open at the surface and the fluid that's in the
7 hole, I estimate it to be about 75 feet from the surface, and
8 there are large pits, of course, are open and dry. The cellar
9 is open and caving. There is another hole which I did not at
10 the time understand, which is nearby, which is caving. It has
11 a 55-gallon drum suspended in the top of it with -- had some
12 pipe welded to the top of it and it's hanging in that hole, so
13 that's about, well, at the surface it's about a 3-foot diameter
14 hole that's caving. I don't know what's in it; don't know
15 how deep it is.

16 There is a great deal of rig timber, junk,
17 water tank, et cetera, et cetera, on the location. I'd say
18 that that's unusual.

19 Q Sounds like the location could be a
20 hazard to livestock.

21 A Definitely; definitely.

22 Q Also sounds like it would be very expen-
23 sive to get into this well.

24 A It definitely is. It would take a lot of
25 road building to get there.

SALLY W. BOYD, C.S.R.

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Phone (505) 455-7409

1 MR. STAMETS: All right. Any questions
2 of this witness? Mr. Ramey?

3
4 CROSS EXAMINATION

5 BY MR. RAMEY:

6 Q Who's the operator of this, Mr. Ulvog?

7 A Midwest Refining Company.

8 Q Is that one of the companies that Amoco
9 took over, bought out, took over?

10 A So I have been told, but I don't know this
11 for sure.

12 Q Have you had any correspondence with
13 Amoco to see if they --

14 A No, sir. I've mentioned it to a couple
15 of Amoco employees and they said, oh, that must be our well.
16 I let it go at that.

17 Q Since there are some Amoco people here
18 today, do you think perhaps it would be worthwhile to discuss
19 it with some of them and have them check into it and see if it
20 is their well?

21 A I'd be glad to discuss it with anybody.

22 Q That might solve the problem.

23 MR. STAMETS: Any other questions of the
24 witness? He may be excused.

25 Anything further in this case?

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1 MR. LYONS: Excuse me for interrupting.

2 This is my first attending one of these hearings.

3 I'm with USF&G, the bonding company, on
4 this issue.

5 MR. STAMETS: Would you identify yourself
6 for the record, sir?

7 MR. LYONS: My name is Jim Lyons. I'm
8 Superintendent of Claims for the USF&G in Albuquerque.

9 Embarrassingly, I cannot find our bond.
10 I therefore request that I be allowed to obtain evidence from
11 the Department's records on the bond, the amount, and so
12 forth.

13 MR. STAMETS: I don't believe that would
14 be any problem. Mr. Ulvog can --

15 MR. ULVOG: I just happen to have it.

16 MR. STAMETS: You have the actual bond,
17 Mr. Ulvog, or --

18 MR. ULVOG: I do.

19 MR. STAMETS: We can serve him with a
20 Xeroxed copy of it.

21 MR. LYONS: When I called they weren't
22 able to identify it.

23 MR. ULVOG: There it is.

24 MR. LYONS: I understand it's \$10,000;
25 in very good likelihood, that won't be enough money to plug

1 the hole; might build a road.

2 MR. ULVOG: I'd appreciate a road the

3 next time I go.

4 MR. LYONS: Yes, I would appreciate a

5 copy of this.

6 MR. STAMETS: Do you have anything else

7 you'd like to say?

8 MR. LYONS: No, sir, thank you.

9 MR. STAMETS: All right, sir, in that

10 event we will take the case under advisement.

11
12 (Hearing concluded.)

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()
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing was reported by me; that
the said transcript is a full, true, and correct record of
the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6891
heard by me on 6-25 1960
Richard L. Ham, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 June 1980

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Mid-West Refining Company, et al, to appear and show cause why State Well No. 1, Hidalgo County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE
6891

BEFORE: Richard L. Stamets

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

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I N D E X

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Page 3

1 MR. STAMETS: We'll call next Case 6891.
2 In the matter of the hearing called by the Oil Conservation
3 Division on its own motion to mermit Midwest Refining Company,
4 United States Fidelity & Guaranty Company, and all other in-
5 terested to appear and show cause why the State Well No. 1
6 in Hidalgo County, New Mexico, should not be plugged and
7 abandoned in accordance with a Division-approved plugging
8 program.

9 MR. PADILLA: Mr. Examiner, Ernest L.
10 Padilla and Mike Jones on behalf of the Oil Conservation Divi-
11 sion.

12 Mike Jones will present the case -- Mr.
13 Jones will present the case under Rule 94 of the Rules of
14 Civil Procedure, and Mr. Jones is a law intern from the Uni-
15 versity of New Mexico Law School, and is authorized under Rule
16 94 to practice before administrative agencies.

17 MR. STAMETS: Okay. You have one witness,
18 I presume?

19 MR. JONES: Yes.

20
21 (Witness sworn.)

22
23 CARL ULVOG

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

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Page 4

DIRECT EXAMINATION

BY MR. JONES:

Q Would you please state your name, by whom you're employed, and in what capacity?

A Yes, sir. Carl Ulvog, Senior Geologist for the Oil Conservation Commission. I'm based here in Santa Fe.

Q How long have you held this position?

A Approximately seven years.

Q Seven years. Have you previously testified before the Division and are your credentials a matter of record?

A I have and they are.

Q Are you familiar with the formations or horizons and the geologic structure surrounding the well at issue in this case?

A I am.

MR. JONES: Are Mr. Ulvog's credentials acceptable?

MR. STAMETS: Yes, they are.

Q Do your duties include making recommendations to the Division as to whether wells should be plugged and abandoned?

A That is correct.

1 Q Are you familiar with the subject matter
2 in this case?

3 A I am.

4 Q Would you explain the purpose of this
5 case for the record?

6 A Yes, sir. The purpose here is to deter-
7 mine whether or not this action should be taken to force plug
8 this well, cause it to be plugged; whether or not that should
9 be done.

10 Q Have you examined all the reports that
11 have been filed with the Division concerning the well in this
12 case?

13 A Yes, sir, I have.

14 Q Do you have these reports with you?

15 A I do.

16 Q Would you please refer to the reports
17 which pertain to this well and describe the history and the
18 present status of the well?

19 A Yes, sir. We have quite a volume of cor-
20 respondence and reports in the well file and I will simply
21 summarize the high points of this and then if there is other
22 information that's necessary, I'll refer back to it.

23 There was a C-101 and C-102, that's the
24 application for the permit to drill and the land plat, surveyor
25 plat, that was approved by this office on November 1st, 1961.

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Page 5

1 A C-103 was received November 13th, 1961, and that reported
2 that drilling started on October 26th, 1961.

3 Another similar report was received De-
4 cember 10th, 1961, that reported drilling at 61 feet; another
5 one received June 22nd, 1962, reported the depth of 140 feet
6 and fishing; another one on September 27th, 1962, reported
7 20-inch casing had been set at 53 feet after considerable
8 straightening of a crooked hole and bypassing tools, lost the
9 hole, et cetera, et cetera.

10 On October 23rd another official report
11 saying that 16-inch outside diameter casing set at 200 feet,
12 using 300 sacks of cement.

13 Another 103 received December 26th, 1962.
14 Additional drilling had been done but no depths given.

15 Then we have a scout report, which is not
16 signed. It doesn't say who made the inspection or anything,
17 but that scout report says that the well was plugged and aban-
18 doned at a total depth of 280 feet on October 30th, 1962. I
19 mention this because on December 26th we received a report
20 from the operator saying that there had been additional drilling
21 done. So the result is we don't actually know what their
22 total depth is; probably 280 feet or more.

23 Q On what date was the last official form
24 filed with the Division?

25 A The last official form, Commission form,

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1 that was filed with us was dated December 26th, 1962.

2 Q Have you had any other communications
3 relative to this case which the Division should be aware of?

4 A No. We have not been able to contact the
5 operator and I'm not sure about the bond company, but the
6 notice of the hearing has been sent to them.

7 Q Okay. In your opinion could waste result
8 from the failure to plug this well?

9 A Yes. Not only that, but probably more
10 important would be contamination of ground waters.

11 Q Very good. Are you prepared to recommend
12 a plugging program to the Division at this time?

13 A It would be difficult because I don't
14 know exactly what the depth is. I don't know exactly what --
15 where the fluid level is in the well. I know that there is
16 fluid in the well. I don't know if other casing than the 20-
17 inch and the 16-inch was set. On the proposal to drill there
18 was still more casing proposed, but I don't know whether they
19 ever did set it. There was supposed to have been 8-5/8ths
20 set at 2000 feet, and of course, I have no knowledge of whether
21 or not any of that was run.

22 Q All right. Then you would prefer to
23 describe the drilling program at the time the drilling actually
24 takes place?

25 A We would almost have to do that. Work it

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1 out on the site after we know what the hole conditions are.

2 Q Very good. Are the records true and
3 accurate copies of the -- of Division records that are on file
4 with the Division?

5 A Yes, I'm reading from the well file and
6 from the official records of that file.

7 Q Okay.

8 MR. JONES: I'd request that the Division
9 take administrative notice of the well file.

10 MR. STAMETS: Yes, we certainly will.

11 MR. JONES: Okay. I have no further
12 questions in this case.

13 CROSS EXAMINATION

14 BY MR. STAMETS:

15 Q Mr. Ulvog, are there any unusual circum-
16 stances surrounding this particular well?

17 A Yes, I would say there are.

18 On April 15th of this year I inspected
19 the location. I might mention that that location is approxi-
20 mately three miles from the Mexican border. It's about sixty
21 miles south/southeast from Hachita, which is the nearest town
22 not town, pardon me, village, where you could get any kind
23 of supplies of any kind. There is about twenty-five miles of
24 gravel and dirt road, somewhat improved, and then about twenty
25

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Page 9

1 miles of unimproved trails, which absolutely require a 4-wheel
2 drive vehicle to get to.

3 So the location itself is very isolated,
4 for one thing. For another thing, there is a large cable tool
5 rig, a Wichita spudder, sitting over the location. The 20-inch
6 casing is open at the surface and the fluid that's in the
7 hole, I estimate it to be about 75 feet from the surface, and
8 there are large pits, of course, are open and dry. The cellar
9 is open and caving. There is another hole which I did not at
10 the time understand, which is nearby, which is caving. It has
11 a 55-gallon drum suspended in the top of it with -- had some
12 pipe welded to the top of it and it's hanging in that hole, so
13 that's about, well, at the surface it's about a 3-foot diameter
14 hole that's caving. I don't know what's in it; don't know
15 how deep it is.

16 There is a great deal of rig timber, junk,
17 water tank, et cetera, et cetera, on the location. I'd say
18 that that's unusual.

19 Q Sounds like the location could be a
20 hazard to livestock.

21 A Definitely; definitely.

22 Q Also sounds like it would be very expen-
23 sive to get into this well.

24 A It definitely is. It would take a lot of
25 road building to get there.

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Page 10

1 MR. STAMETS: All right. Any questions
2 of this witness? Mr. Ramey?

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5 BY MR. RAMEY:

6 Q Who's the operator of this, Mr. Ulvog?

7 A Midwest Refining Company.

8 Q Is that one of the companies that Amoco
9 took over, bought out, took over?

10 A So I have been told, but I don't know this
11 for sure.

12 Q Have you had any correspondence with
13 Amoco to see if they --

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15 of Amoco employees and they said, oh, that must be our well.
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18 today, do you think perhaps it would be worthwhile to discuss
19 it with some of them and have them check into it and see if it
20 is their well?

21 A I'd be glad to discuss it with anybody.

22 Q That might solve the problem.

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24 witness? He may be excused.

25 Anything further in this case?

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Page 11

1 MR. LYONS: Excuse me for interrupting.
2 This is my first attending one of these hearings.

3 I'm with USF&G, the bonding company, on
4 this issue.

5 MR. STAMETS: Would you identify yourself
6 for the record, sir?

7 MR. LYONS: My name is Jim Lyons. I'm
8 Superintendent of Claims for the USF&G in Albuquerque.

9 Embarrassingly, I cannot find our bond.
10 I therefore request that I be allowed to obtain evidence from
11 the Department's records on the bond, the amount, and so
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14 be any problem. Mr. Ulvog can --

15 MR. ULVOG: I just happen to have it.

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20 Xeroxed copy of it.

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22 able to identify it.

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25 in very good likelihood, that won't be enough money to plug

1 the hole; might build a road.

2 MR. ULVOG: I'd appreciate a road the
3 next time I go.

4 MR. LYONS: Yes, I would appreciate a
5 copy of this.

6 MR. STAMETS: Do you have anything else
7 you'd like to say?

8 MR. LYONS: No, sir, thank you.

9 MR. STAMETS: All right, sir, in that
10 event we will take the case under advisement.

11
12 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing was reported by me; that
the said transcript is a full, true, and correct record of
the hearing, prepared by me to the best of my ability.

SALLY W. BOYD, C.S.R.

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Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 19,
heard by me on , Examiner

Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
21 May 1980

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Midwest Refining Company and all other interested parties to appear and show cause why the State Well No. 1 should not be plugged and abandoned in accordance with a Division-approved plugging program. CASE 6891

BEFORE: Richard L. Stamets

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

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1 MR. STAMETS: We'll call next Case 5891.
2 Being in the matter of the hearing called by the Oil Conser-
3 vation Division on its own motion to permit Midwest Refining
4 Company and all other interested parties to appear and show
5 cause why the State Well No. 1, Hidalgo County, should not
6 be plugged and abandoned in accordance with a Division-
7 approved plugging program.

8 MR. PADILLA: Mr. Examiner, Ernest L.
9 Padilla on behalf of the Oil Conservation Division.

10 We request that that case be continued
11 to the hearing date of June 25th.

12 MR. STAMETS: The case will be so con-
13 tinued.

14
15 (Hearing concluded.)
16
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

I do hereby certify that the foregoing is
a correct and true copy of the transcript in
the hearing of case No. 6891
heard by me on 5-21 1980.

Richard L. Starns, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
21 May 1980

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation
Division on its own motion to permit Mid-
west Refining Company and all other inter-
ested parties to appear and show cause why
the State Well No. 1 should not be plugged
and abandoned in accordance with a Division-
approved plugging program.

CASE
6891

BEFORE: Richard L. Stamets

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

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1 MR. STAMETS: We'll call next Case 6891.
2 Being in the matter of the hearing called by the Oil Conser-
3 vation Division on its own motion to permit Midwest Refining
4 Company and all other interested parties to appear and show
5 cause why the State Well No. 1, Hidalgo County, should not
6 be plugged and abandoned in accordance with a Division-
7 approved plugging program.

8 MR. PADILLA: Mr. Examiner, Ernest L.
9 Padilla on behalf of the Oil Conservation Division.

10 We request that that case be continued
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15 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

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I do hereby certify that the foregoing is
a correct copy of the proceedings in
the case of _____,
heard by me on _____.

_____, Examiner
Oil Conservation Division

Docket No. 14-80

Dockets Nos. 16-80 and 17-80 are tentatively set for June 4 and 25, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - MAY 20, 1980

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6715: (DE NOVO)

Application of Texaco Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Loomis Fed. Well No. 1 to be drilled 1600 feet from the North line and 660 feet from the West line of Section 5, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, the N/2 of said Section 5 to be dedicated to the well.

Upon application of Texaco Inc. and Bass Enterprises Production Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 15-80

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 21, 1980

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, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6891: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Midwest Refining Company and all other interested parties to appear and show cause why the State Well No. 1 located in Unit A of Section 16, Township 33 South, Range 14 West, Hidalgo County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6859: (Continued from April 9, 1980, Examiner Hearing)

- Application of R & G Drilling Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1890 feet from the North line and 1830 feet from the East line of Section 28, Township 28 North, Range 11 West, Kutz-Fruitland Pool, the NE/4 of said Section 28 to be dedicated to the well.

CASE 6886: (Continued from May 7, 1980, Examiner Hearing)

Application of Aminoil USA, Inc. for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 2080 feet from the South line and 1773 feet from the East line of said Section 10. 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 6884: (Continued from May 7, 1980, Examiner Hearing)

Application of Supron Energy Corporation for compulsory pooling and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Dakota formations underlying the N/2 of Section 4, Township 30 North, Range 11 West, to be dedicated to a proposed dual completion 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 6892:** Application of Merrion & Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the South Blanco-Pictured Cliffs Pool underlying the SW/4 of Section 27, Township 24 North, Range 2 West, 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 6878:** (Readvertised)
Application of Stevens Oil Company for a non-standard gas proration unit and unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the N/2 SW/4 and S/2 NW/4 of Section 25, Township 8 South, Range 28 East, Twin Lakes-San Andres Associated Pool, to be dedicated to its O'Brien "F" Well No. 4 at an unorthodox location 1650 feet from the South line and 2310 feet from the West line of said Section 25.
- CASE 6893:** Application of Stevens Oil Company to amend Order No. R-5353, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a revision of the special rules for the Twin Lakes-San Andres Associated Pool as promulgated by Order No. R-5353 to provide that each well, oil or gas, shall be located no nearer than 330 feet to any quarter-quarter section line, except that any well drilled in a known gas productive area shall be located within 150 feet of the center of the quarter-quarter section.
- CASE 6894:** Application of Sun Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jennings-Federal "B" Well No. 1, a Yates test to be drilled 2440 feet from the South line and 2290 feet from the West line of Section 15, Township 19 South, Range 32 East, Lusk Field, the NE/4 SW/4 to be dedicated to the well.
- CASE 6895:** Application of Sun Gas Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks findings that the drilling of its J. A. Akens Well No. 10 located in Unit N of Section 3, Township 21 South, Range 36 East, was necessary to effectively and efficiently drain that portion of an existing proration unit which could not be drained by the existing well.
- CASE 6896:** Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.
- CASE 6897:** Application of McClellan Oil Corporation for two compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 1200 feet below the surface to the base of the Abo formation underlying the SW/4 and the SE/4 of Section 30, Township 6 South, Range 26 East, each to be dedicated to a proposed gas well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing 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 drilling said wells.
- CASE 6898:** Application of Conoco Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Meyer B-28 Well No. 4 to be drilled 560 feet from the North line and 1980 feet from the West line of Section 28, Township 20 South, Range 37 East, Eumont Gas Pool, to be simultaneously dedicated with its Meyer B-28 Well No. 1 in Unit G to the NE/4 and E/2 NW/4 of said Section 28.
- CASE 6899:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and East lines of Section 9, Township 17 South, Range 26 East, the E/2 of said Section 9 to be dedicated to the well.
- CASE 6900:** Application of Yates Petroleum Corporation for a non-standard oil proration unit, unorthodox well location, and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the N/2 SE/4 of Section 22, Township 16 South, Range 33 East, Kemnitz Field, to be dedicated to its Sombrero "MS" State Well No. 1 at an unorthodox location 1650 feet from the South and East lines of said Section 22. Applicant also seeks approval for the downhole commingling of Wolfcamp and Cisco production in the wellbore of said well.

- CASE 6901:** Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Mississippian formations underlying the E/2 of Section 19, Township 14 South, Range 36 East, 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 6902:** Application of Harvey E. Yates Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Young Deep Unit Well No. 1 located in Unit B of Section 10, Township 18 South, Range 32 East, to produce gas from the Morrow formation and oil from the Bone Springs formation thru parallel strings of tubing.
- CASE 6903:** Application of Harvey E. Yates Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian-Mississippian test well to be drilled 660 feet from the South line and 990 feet from the East line of Section 33, Township 13 South, Range 36 East, the S/2 of said Section 33 to be dedicated to the well.
- CASE 6904:** Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the McDonald Unit Area, comprising 1,440 acres, more or less, of fee lands in Townships 13 and 14 South, Range 36 East.
- CASE 6905:** Application of Harvey E. Yates Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Buffalo Lake Unit Area, comprising 2,560 acres, more or less, of Federal, State, and fee lands in Township 15 South, Range 27 East.

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 6891

Order No. R- 6604

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION
ON ITS OWN MOTION TO PERMIT MIDWEST REFINING COMPANY, UNITED STATES
FIDELITY & GUARANTY COMPANY, AND ALL OTHER INTERESTED PARTIES TO
APPEAR AND SHOW CAUSE WHY THE STATE WELL No. 1 LOCATED IN UNIT A
OF SECTION 16, TOWNSHIP 33 SOUTH, RANGE 14 WEST, HIDALGO COUNTY,
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 June 25,
19 80, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of June, 19 80, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1)

Case No 6891 should be dismissed
~~That the applicant's request for dismissal should be granted.~~

IT IS THEREFORE ORDERED:

That Case No. _____ is hereby dismissed.

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