

CASE 7539: PLUGGING CASE - OCD  
E.M.N.S. COMPANY, AMERICAN EMPLOYERS

**DOCKET MAILED**

**Date** 4/5/82

CASE NO.

7539

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date APRIL 14, 1982 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
<i>H. L. Kendrick</i> JOHN CASTLE	<i>El Paso Natural Gas Co</i> BAKER ENGINEERING	<i>El Paso</i> MIDLAND
<i>N. F. Kellum</i>	<i>Kellum &amp; Kellum</i>	<i>Santa Fe</i>
<i>Bub Huber</i>	<i>Bryan</i>	<i>Santa Fe</i>
<i>R. M. Williams</i>	<i>Artwell</i>	<i>Hobbs</i>
DEBORAH KENDRICK EDNA KENDRICK	INDEPENDENT	ALBUQUERQUE
J. W. FREEMAN	ANADARKO	MIDLAND
Michael Bridges	ANADARKO	MIDLAND
Bill Kelly	H. L. Brown, Jr.	MIDLAND
William L. Carr	Campbell, Brown & Carr	<i>Santa Fe</i>
<i>J. M. Schaefer</i> J. KILPATRICK	MGE Oil Corp. NEW MEXICO STATE LAND OFFICE	MIDLAND, TX SANTA FE
DOUG D. MATSON	MGE OIL CORP.	MIDLAND
RIC MILLER	MGE OIL CORP.	MIDLAND
<i>J. F. Eichelman</i> H. REISMAN	<i>El Paso Co</i> <i>El Paso Natural Gas Co</i>	<i>Santa Fe</i> <i>El Paso</i>

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
14 April 1982

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit F. B. Umbarger, et al, to appear and show cause why the Davis Pooled Unit Well No. 1, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE  
7537

and

The hearing called by the Oil Conservation Division on its own motion to permit B.M.N.S. Company, et al, to appear and show cause why Waggoner No. 1, Brown No. 2, and Wyper No. 2, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE  
7539

and

The hearing called by the Oil Conservation Division on its own motion to permit A. H. Bernstein, et al, to appear and show cause why the Allan Well No. 1, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE  
7536

and

The hearing called by the OCD to permit E. J. Miley, et al, to appear and show cause why the Hare (Ransom) Well No. 1, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE  
7541

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BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

I N D E X

FRANK CHAVEZ

Direct Examination by Mr. Pearce

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E X H I B I T S

CASE 7536

Exhibit One, Records

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CASE 7537

Exhibit One, Records

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CASE 7539

Exhibit One, Records

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Exhibit Two, Records

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Exhibit Three, Records

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CASE 7541

Exhibit One, Records

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2 MR. STAMETS: We'll call next Case 7536,  
3 being in the matter of the hearing called by the Oil Conserva-  
4 tion Division on its own motion to permit A. H. Bernstein and  
5 other interested parties to appear and show cause why the Allar  
6 Well No. 1, located in Unit F, Section 23, 29 North, 13 West,  
7 San Juan County, New Mexico, should not be re-entered, plugged  
8 and abandoned in accordance with a Division-approved plugging  
9 program.

10 MR. PEARCE: May it please the Examiner,  
11 I am W. Perry Pearce, appearing in this matter on behalf of  
12 the New Mexico Oil Conservation Division.

13 I have one witness who needs to be sworn.

14 And in addition, Mr. Examiner, I would  
15 request that for efficiency's sake, we also call Cases 7537,  
16 7539, and 7541 at this time.

17 MR. STAMETS: All right, let me call  
18 those cases, then.

19 In each of these it is a hearing called  
20 by the Oil Conservation Division on its own motion to permit  
21 certain parties to appear and show cause why certain wells  
22 should not be plugged and abandoned.

23 Case 7537 the parties are F. B. Umbarger,  
24 Trustee, and the well is the Davis Pooled Unit Well No. 1 in  
25 Unit I of Section 27, 29 North, 11 West, San Juan County.



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2 In 7539 the parties are B.M.N.S Company,  
3 American Employers Insurance, the well is the Waggoner No. 1,  
4 the Brown No. 2, the Wyper No. 2 in Unit K, M. and O, of Sec-  
5 tion 29, 30 North, 12 West, San Juan County.

6 In 7541 the parties are E. J. Miley. The  
7 well is the Hare (Ransom) Well No. 1 in Unit N, Section 14,  
8 29 North, 11 West, San Juan County.

9 MR. PEARCE: Mr. Examiner, we have one  
10 witness who will be appearing in each of these matters.

11 MR. STAMETS: Are there any other ap-  
12 pearances in any of these cases?

13  
14 (Witness sworn.)

15  
16 FRANK CHAVEZ  
17 being called as a witness and being duly sworn upon his oath,  
18 testified as follows, to-wit:

19  
20 DIRECT EXAMINATION

21 BY MR. PEARCE:

22 Q Mr. Chaves, for the record would you  
23 state your name, by whom you're employed, and your position in  
24 such employment?

25 A My name is Frank Chavez. I am employed --

1  
2 I am the District Supervisor of the Aztec Office of the Oil  
3 Conservation Division.

4 Q Have you previously testified before the  
5 Commission in other matters?

6 A Yes, I have.

7 Q And have your credentials been made a  
8 matter of record in those proceedings?

9 A They have.

10 Q Are you acquainted with the cases that  
11 have just been called by the Hearing Examiner?

12 A Yes, I am.

13 MR. PEARCE: Mr. Examiner, are the wit-  
14 ness' qualifications acceptable to testify in this matter?

15 MR. STAMETS: They are.

16 Q All right, let us begin, Mr. Chavez, with  
17 case Number 7536, and would you summarize for the Examiner the  
18 purpose of this case?

19 A The purpose of this case is to call A. H.  
20 Bernstein and other interested parties to show cause why this  
21 well should not be plugged and abandoned; the necessity to the  
22 order is to formalize the spending of reclamation fund money  
23 in order to plug the well.

24 Q Do you have exhibits in this matter, Mr.  
25 Chavez?

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A Yes, I do. Exhibit Number One is before the Examiner.

Q Okay, would you discuss those for the Examiner, please?

A Okay. After looking through the records of the Allan No. 1 Well, I have compiled the records plus a map showing the location of the well as Exhibit One.

The Allan No. 1 was drilled and plugged during 1955 and '56. In November of 1981 gas was detected escaping from the ground in the vicinity of the well. After checking all the producing wells in the area we determined that this well was the most probable source of the gas because the method used to plug the well did not actually segregate the gas and the water zones.

We located, re-entered, and replugged the well twice in an attempt to shut off the gas flow.

The location of record for the well is Unit letter F, which would be the southeast of the northwest quarter of Section 23; however, the actual ground location was determined to be in the northwest quarter of the northwest quarter of Section 23 at approximately 1200 feet from the west line and 1100 feet from the north line of said Section 23.

Q Okay, Mr. Chavez, in your opinion is -- I suppose in this case, was there a reasonable probability that

1  
2 failure to plug this well might result in waste?

3 A Yes.

4 Q Could you elaborate briefly for the Exa-  
5 miner how such waste might occur?

6 A The lower formations in this well were  
7 the only ones that were plugged; excuse me, the Pictured Cliffs  
8 formation is the only one that was adequately plugged in the  
9 described plugging program, leaving the Fruitland formation  
10 and the Farmington formation, which in this area do contain  
11 amounts of oil and gas, exposed to the wellbore and not segre-  
12 gated from shallower water-bearing formations.

13 Q And is it -- and am I correct in my recol-  
14 lection at the beginning of your testimony in this matter you  
15 testified that the well had been plugged in accordance with a  
16 Division-approved plugging program?

17 A That is correct. The program was approved.  
18 However, on re-entering the well we found that the actual pro-  
19 gram used was not what had been approved.

20 Q Okay, and this well has now been replugged?

21 A Yes, it has.

22 Q And that replugging program was approved  
23 by the Division, is that correct?

24 A Yes, it was.

25 Q All right, Mr. Chavez, at this time do

1  
2 you have other exhibits you wish to discuss with the Examiner?

3 A Not in this case.

4 Q Do you have anything further in this  
5 matter?

6 A No.

7 MR. PEARCE: Mr. Examiner, I would move  
8 the admission of Exhibit One to Case 7536.

9 MR. STAMETS: Exhibit One will be admitted.  
10 Are there any questions of the witness in this case?

11 Does anyone have anything they wish to  
12 add to the record in this case?

13 Okay, we will go ahead, then, and have Mr.  
14 Chavez testify in Case 7537.

15 MR. PEARCE: All right.

16 Q Mr. Chavez, with regard to Case 7537, as  
17 a preliminary matter, have you discovered that the newspaper  
18 advertisement of hearing in one of the papers in which it ap-  
19 peared was incorrect in some manner?

20 A Yes. The advertisement for this case in  
21 the Farmington Daily Times designated the Unit letter as 1  
22 rather than as I.

23 MR. STAMETS: That certainly does not seem  
24 to be a matter of extreme importance as far as this case goes.  
25 Let's listen to the case and get the facts and my initial

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feeling is that this won't have to be readvertised.

Q All right, sir.

Mr. Chavez, are you familiar with the subject matter of the case that has just been recalled?

A Yes.

Q And what is the purpose of this case, briefly?

A The purpose of this case is to call F. B. Umbarger as trustee, and other interested parties, to show cause why the Davis Pooled Unit No. 1 Well should not be re-entered and plugged with a Division-approved plugging program.

Q And have you reviewed all the reports filed with the New Mexico Oil Conservation Commission or Division concerning this well?

A Yes, I have.

Q And do you have copies of those records with you?

A Yes, I do.

Q Would you at this time, please, Mr. Chavez, refer to those records and describe briefly for the Examiner the history of this well?

A Okay. The Davis Pooled Unit No. 1 was drilled and plugged in 1953. The well has developed a gas leak to the surface, which is detectable in and around the dry

1  
2 hole marker.

3 Because of the possibility of fresh water  
4 contamination from this -- from this gas, the well needs to  
5 be re-entered and plugged.

6 The original approved plugging program  
7 called only for a cement plug across the Pictured Cliffs form-  
8 ation; however, the Fruitland and the Farmington formations  
9 were left exposed in the wellbore to each other and to the  
10 shallow fresh water sands in the area.

11 Exhibit One shows a sketch of the wellbore,  
12 on page one. The casing was cut off at 960 feet and the  
13 shallow Farmington gas and oil producing formation is located  
14 at about that interval.

15 Page number two of Exhibit One shows the  
16 location and a photograph of the dry hole marker.

17 Q Have you caused to be prepared a Division-  
18 approved plugging program for this well?

19 A Yes, I have. It's page three of the  
20 Exhibit One.

21 Q Will you briefly summarize for the Examin-  
22 er what that proposed program entails?

23 A It -- the program would entail cleaning  
24 out the hole to the top of the 5-1/2 inch casing stub and  
25 setting cement plug across the Farmington formation at that

1  
2 point. We would tag that plug to be sure it maintained -- re-  
3 mained in place. Then we'd set a cement plug above the --  
4 the Ojo Alamo aquifer and then another plug at the surface to  
5 set the dry hole marker and plug the well off.

6 Q In your opinion, Mr. Chavez, is such a  
7 plugging program necessary in order to prevent waste of natural  
8 resources?

9 A Yes, it is.

10 Q Could you elaborate for the record how  
11 that waste will be prevented?

12 A At this time there is gas escaping to the  
13 surface that should be contained within the formation from  
14 which it comes. The shallowest gas-producing formation in  
15 this area would be the Farmington formation. There is a fresh  
16 water aquifer located above that formation, which is -- could  
17 be contaminated by this gas.

18 Or, in the alternative, the water from  
19 this formation could itself invade the gas zone and make it  
20 unusable for future development.

21 Q Mr. Chavez, were each of the pages of Ex-  
22 hibit Number One to Case 7537 prepared by you or under your  
23 direction and supervision?

24 A Yes, they were.

25 MR. PEARCE: Mr. Examiner, at this time we



1  
2 have nothing further. I would move the admission of Exhibit  
3 One to this matter.

4 MR. STAMETS: Exhibit One will be admitted.

5 Mr. Chavez, is -- have you been able to  
6 contact Mr. Umbarger?

7 A We have not made an attempt to because  
8 the plugging program was approved by the Division, and according  
9 to our attorney, they would not be liable for any -- any more  
10 plugging unless their plugging program was, perhaps, not as  
11 what they had described as approved.

12 MR. STAMETS: So the Division's plugging  
13 fund will have to pay for this?

14 A That's right.

15 MR. STAMETS: Under those circumstances  
16 a slight error in advertising certainly does not appear to be  
17 important.

18 Are there any other questions of this  
19 witness? He may be excused in this case.

20 Does anyone have anything further they  
21 wish to add?

22 Okay, we will proceed and accept testimony  
23 then in Case 7539.

24 Q Mr. Chavez, are you familiar with the  
25 subject matter of the case called as 7539?

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A Yes, I am.

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Q Would you briefly describe for the Examiner, please, the purpose of this case?

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A The purpose of this case is to call B.M.N.S. Company and American Employers Insurance Company to show cause why Wyper No. 2, Brown No. 2, and the Waggoner No. 1 Well, should not be plugged and abandoned in accordance with a Division approved plugging program.

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Q Okay, have you reviewed all reports filed with the Commission concerning this well?

12

A Yes, I have.

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Q Did you bring those records with you?

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A Yes.

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Q Would you, if necessary, refer to those records and summarize the history of this well for the Examiner?

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A Okay. The Wyper No. 2, the Brown No. 2, and Waggoner 1, were drilled and completed during 1946 and 1947. These wells produced gas for several years and are now temporarily abandoned. The operators are deceased and the only person now responsible for these wells is the bonding company.

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Presently a survivor of one of the principals of the company is taking domestic gas from the Waggoner

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2 No. 1. He has told me that he is acquiring a bond and will  
3 assume responsibility for the well; however, due to the pos-  
4 sibility that me may change his mind, we would want the well  
5 included in any order.

6 Exhibits One, Two, and Three show photos,  
7 maps, wellbore sketches, and plugging programs for these three  
8 wells.

9 The wells are located in an area of Farm-  
10 ington which is to be developed very soon residentially, and  
11 being that the operators are deceased, there is nobody to  
12 maintain the wells.

13 Q Would you summarize for the record, please,  
14 Mr. Chavez, how the proper plugging of these wells acts to  
15 prevent waste of natural resources?

16 A Without maintenance of producing operation  
17 on these wells they will deteriorate over time, and at this  
18 point the shallow Farmington and Ojo Alamo formations are not  
19 separated except by cement which is behind the casing, and  
20 in most cases the records show there's really not even ade-  
21 quate cement to segregate those.

22 The gas, of course, could, should deteriora-  
23 tion occur, could escape to the surface or migrate into the  
24 shallow water sands.

25 Q Have you caused proposed plugging programs

1  
2 to be prepared on each of these wells?

3 A Yes. The plugging program for each well  
4 is the last -- is shown on the last page of the exhibits.

5 Q Okay, would you briefly for the record  
6 summarize what those proposed programs entail?

7 A Those programs entail putting a plug across  
8 to 50 feet to 100 feet above the Pictured Cliffs formation;  
9 installing a cement plug across the Farmington formation in-  
10 side and outside of the casing, if that is possible; and also  
11 a plug across the base of the Ojo Alamo formation and at the  
12 surface.

13 Q Okay. At this time, Mr. Chavez, do you  
14 feel any further discussion of Exhibits One, Two, and Three  
15 is necessary for the clarification of these matters to the  
16 Examiner?

17 A No.

18 Q Okay. Do you have anything further in  
19 this case?

20 A No, I do not.

21 Q Mr. Chavez, were Exhibits One, Two, and  
22 Three compiled by you or under your direction and supervision?

23 A Yes, they were.

24 MR. PEARCE: At this time, Mr. Examiner,  
25 we would move the admission of Exhibits One, Two, and Three

1  
2 to Case Number 7539.

3 MR. STAMETS: These exhibits will be ad-  
4 mitted.

5 Are there any questions of the witness in  
6 this case? He may be excused in this case.

7 And we will proceed, then, to his testimony  
8 in Case 7541.

9 Q Mr. Chavez, are you familiar with the sub-  
10 ject matter of Case 7541?

11 A Yes, I am.

12 Q Would you briefly summarize for the Exa-  
13 miner the purpose of this hearing?

14 A The purpose of this hearing is to call E.  
15 J. Miley and other interested parties to show cause why the  
16 Hare (Ransom) No. 1 Well should not be plugged and abandoned  
17 in accordance with a Division-approved plugging program.

18 Q Have you reviewed all reports filed with  
19 the Commission concerning this well?

20 A Yes, I have.

21 Q And did you bring those records with you?

22 A Yes, I did.

23 Q If necessary, would you please refer to  
24 those records and summarize the history of this well?

25 A The only record we have of this well is a

1  
2 completion card, which we acquired from the Bureau of Mines.  
3 It's shown in the bottom right corner of the Exhibit Number  
4 One.

5 The complete record -- well, the entire  
6 record that we have on this well is on that card. It shows  
7 the well was completed in 1927. It shows a total depth of  
8 either 700 feet or 1021. I don't know whether that's open  
9 hole or what.

10 There is no record of any casing run on  
11 the well; however, at the surface there is a 7-inch piece of  
12 casing sticking up about a foot and a half from the ground.

13 Q Would you please discuss for the Examiner  
14 Exhibit Number One to this proceeding?

15 A Okay. Besides the well record at the  
16 bottom right corner of Exhibit Number One, the map -- indicated  
17 by the arrow, the well is located within the city limits of  
18 Bloomfield, and there are residences built in this area.

19 This well was drilled during a time when  
20 there was a lot of wildcat drilling in the Bloomfield area  
21 for the Farmington formation, which produced a small amount  
22 of oil. The record of this well shows that it did produce  
23 three barrels of oil on initial potential. The cementing  
24 programs that were used during that time varied considerably  
25 and there is very good likelihood that the Ojo Alamo formation

1  
2 is not protected from the Farmington formation, and vice versa,  
3 so this well will need to be plugged to segregate the forma-  
4 tions and to prevent future gas or water flows to the surface.

5 Q In your opinion, the likely handling of  
6 this well at the time it was initially abandoned, if not cor-  
7 rected, is there a substantial possibility that that will  
8 cause waste?

9 A Yes. We've had -- our experience in the  
10 past in this area has shown that we do develop water and gas  
11 flows to the surface from these old wells.

12 Q And would you elaborate for the record,  
13 please, how that causes waste?

14 A The waste would be caused in two areas.  
15 One, in which the formation gases or any oil which may still  
16 be -- exist in that formation in that area would be produced  
17 to the surface or would be lost into the shallower formations.

18 The other waste would be caused by contam-  
19 ination of the Ojo Alamo aquifer by the gas and the oil.

20 Q Have you prepared a recommended plugging  
21 program at this time or would you prefer to describe a pro-  
22 gram at the actual time of plugging this well?

23 A We would prefer to describe a program at  
24 the time of plugging this well. The experience has been in  
25 the past that upon entering these wells many times we'll en-

1  
2 counter problems. We have no casing record for this well so  
3 we don't exactly know what to expect and it would be fruitless  
4 to devise a program at this time.

5 Q Okay, do you have anything further in this  
6 matter at this time, Mr. --

7 A No, I have not.

8 Q Was Exhibit One compiled by you or under  
9 your direction and supervision?

10 A Yes, it was.

11 MR. PEARCE: At this time, Mr. Examiner,  
12 I'd move the admission of Exhibit One to Case Number 7541.

13 MR. STAMETS: The exhibit will be admitted.  
14 Are there any questions of the witness? He may be excused.

15 Does anyone have anything they wish to  
16 add in any of these cases?

17 The cases, then, will be taken under ad-  
18 visement.

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20 (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.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7537, 7539, 7536 & 7541  
heard by me on 4-14 1982.  
Richard L. Stearns, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B  
Santa Fe, New Mexico 87501  
Phone (505) 431-7409



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

1000 RIO GRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
505/334-6178

December 28, 1982

Mr. Perry Pearce  
General Counsel  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe NM 87501

Re: ~~Elvis Roberts Bergin #1, F-21-29N-11W~~  
~~BMNS Co. Wyper #2, O-29-30N-12W~~  
~~BMNS Co. Brown #2, M-29-30N-12W~~  
~~EPROC Associates Monsanto State H #1, E-2-30N-16W~~

Dear Perry,

The above-referenced wells were plugged with the Reclamation Fund during the past year. All have valid bonds.

Our records indicate the Marjory E. Greer Red Mountain  
✓ 6, 7, and 10, B-29-20N-9W, which were plugged by us in  
September, 1981 have a \$10,000 blanket bond with U. S.  
Casualty Company of New York. We do not have a copy of  
this bond nor do our records show it was ever cancelled.

Yours truly,

Charles Gholson  
Deputy Inspector

CG:gc

cc: Richard Stamets  
Reading File  
Well Files

## RELEASE AND ASSIGNMENT - SURETY

In consideration of Ten Thousand and 00/100 Dollars (\$10,000.00),  
the receipt of which is hereby acknowledged, State of New Mexico, Oil Conservation Comm.  
hereinafter called the Claimant, does hereby release and forever discharge the American Employers'  
Insurance Co. from any and all claims under bond(s) numbered AE SY141461  
and dated 6/10/46 wherein BMNS Company  
\_\_\_\_\_ is Principal, State of New Mexico, Oil Conservation Oblige, and  
American Employers' Insurance Co. Commission  
Surety, and said Claimant does hereby release and  
forever discharge said American Employers' Insurance Co. from any and all liability for labor  
and/or materials furnished said Principal and/or used in connection with the performance of the contract described  
in the aforesaid bond.

In further consideration of the aforesaid payment, the said claimant does hereby sell, assign, transfer and  
set over to said American Employers' Insurance Co. all its right, title and interest in and to  
the aforesaid claim for labor and/or material furnished, against the said Principal and against any other individual,  
firm, corporation or fund.

Witness the signature and seal of said claimant this 13th day of February 19 84.

Witness  
ATTEST:

Joe D. Ramey  
JOE D. RAMEY, CHAIRMAN Claimant.

If Individual:

STATE OF NEW MEXICO  
COUNTY OF SANTA FE } ss.

On this 13th day of February 19 84

before me personally came JOE D. RAMEY, Chairman to me known, and  
known to me to be the person, described in, and who executed the foregoing instrument, and acknowledged to me  
that he executed the same.

If Corporation:

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ } ss.

Alvin Richardson  
(Notary Public)  
My Commission Expires: Octo. 28, 1985.

On the \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_

before me personally came \_\_\_\_\_ to me known, who, being

by me duly sworn, did depose and say: that he resides in \_\_\_\_\_ that he is the

\_\_\_\_\_ of the \_\_\_\_\_  
the corporation doing \_\_\_\_\_ in and which executed the above instrument, that he knew the seal of said corporation  
that the seal affixed \_\_\_\_\_ id instrument was such corporate seal; that it was so affixed by order of the Board of  
Directors of said com \_\_\_\_\_ on, and that he signed his name thereto by like order.



BRUCE KING  
GOVERNOR  
LARRY KENNE  
SECRETARY

STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

April 26, 1982

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

B. M. N. S. Company  
P. O. Box 394  
Aztec, New Mexico 87410

Re: CASE NO. 7539  
ORDER NO. R-6954

Applicant:

OCD (B. M. N. S. Company)

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 OCD   x    
Artesia OCD   x    
Aztec OCD   x  

Other Echlin-Irvin-Crowell & Co.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 7539  
Order No. R-6954

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT B.M.N.S. COMPANY, AMERICAN EMPLOYERS INSURANCE AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE FOLLOWING WELLS: WAGGONER NO. 1, BROWN NO. 2, WYPER NO. 2, LOCATED IN UNITS K, M, AND O, RESPECTIVELY, OF SECTION 29, TOWNSHIP 30 NORTH, RANGE 12 WEST, SAN JUAN 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 April 14, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of April, 1982, 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 B.M.N.S. Company is the owner and operator of the Waggoner No. 1, Brown No. 2 and Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.
- (3) That American Employers Insurance is the surety on the Oil Conservation Division plugging bond on which B.M.N.S. is principal.
- (4) That the purpose of said bond is to assure the state that the subject wells will be properly plugged and abandoned when not capable of commercial production.
- (5) That in order to prevent waste and protect correlative rights said wells should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before July 1, 1982, or the well should be returned to active drilling status or placed on production.

-2-

Case No. 7539  
Order No. R-6954

IT IS THEREFORE ORDERED:

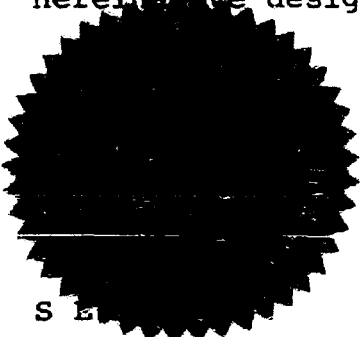
(1) That B.M.N.S. Company and American Employers Insurance are hereby ordered to plug and abandon the Waggoner No. 1, Brown No. 2, and Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico, or in the alternative, to return any or all of said wells to active drilling status or to production on or before July 1, 1982.

(2) That B.M.N.S. Company and American Employers Insurance, prior to plugging and abandoning any of the above-described wells, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec 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.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



*Joe D. Ramey*  
JOE D. RAMEY,  
Director

S E



DIVISION APPROVED PLUGGING PROGRAM

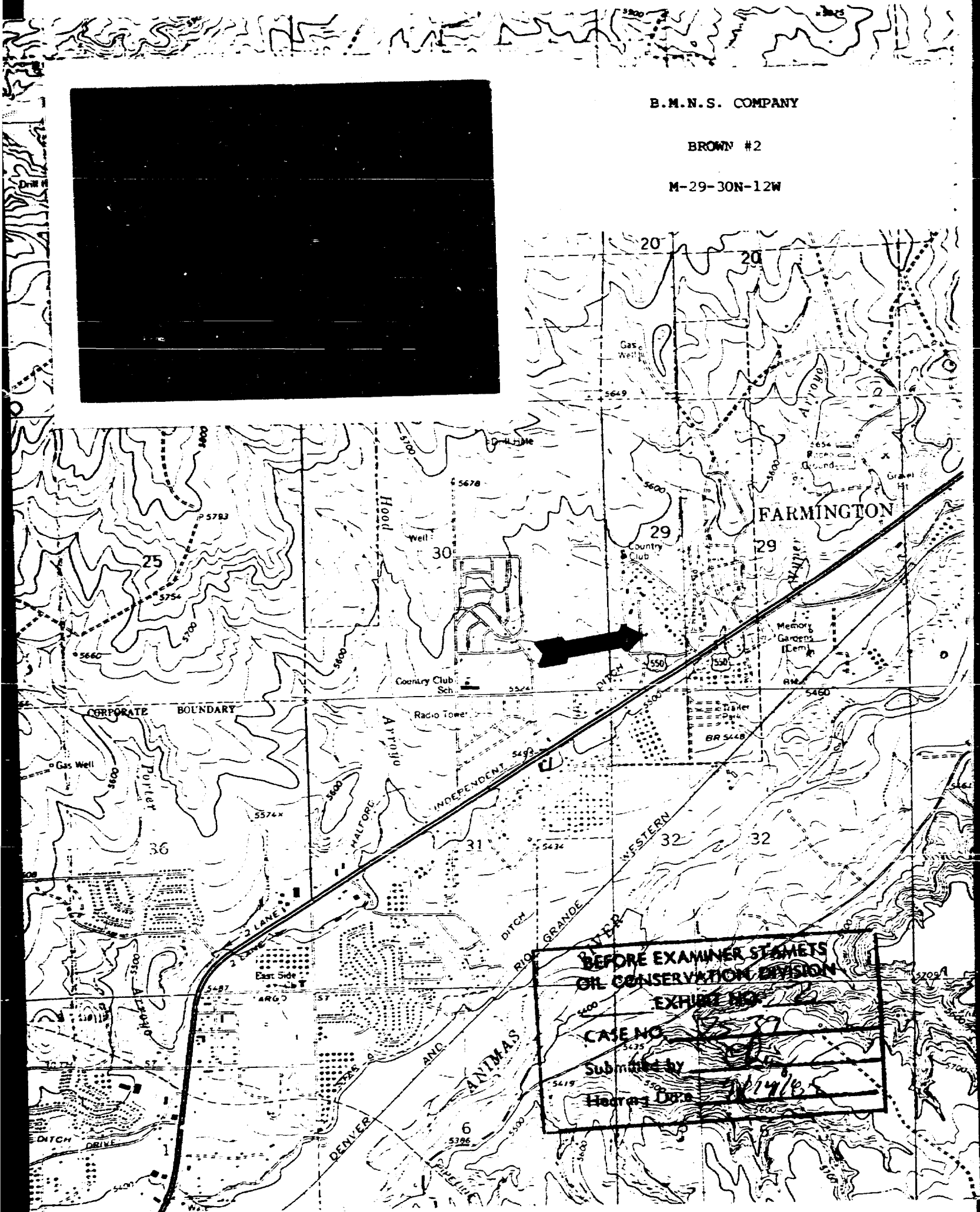
B.M.N.S. Company  
Waggoner #1  
K-29-30N-12W

- (1) Clean out hole to 1659'.
- (2) Set plug at 1559'-1659'.
- (3) Perforate 5 1/2" casing at 1380'. Set a plug 1280'-1380' in and outside 5 1/2" casing. WOC at least 6 hours.
- (4) Go in hole with tubing and tag plug #2. If cement is above 1300' to to step 5. If not fill to 1280'.
- (5) Perforate 5 1/2" casing at 310'. Set a plug 50'-310' in and outside casing. WOC at least 6 hours.
- (6) Go in hole with tubing and tag plug #3. If cement is 75' or above go to step 7. If not recement to 50'.
- (7) Set a top plug with 10 sacks of cement and erect a dry hole marker.
- (8) Fill pits. Clean and level location.

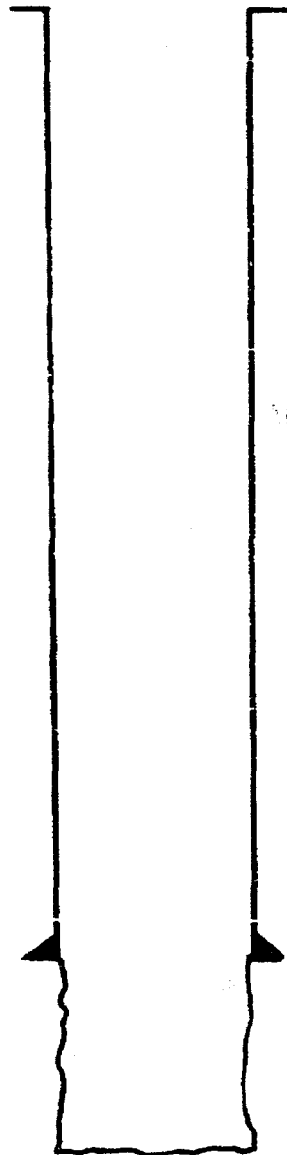
All plugs will be Class A,B or C cement with or without an accelerator.



**M-29-30N-12W**



B.M.N.S. COMPANY  
Brown #2  
M-29-30N-12W



Ojo Alamo 185'-225'

Farmington 605'-620'

Est. TOC @ 1332'

5 1/2 @ 1602' w/50 sx

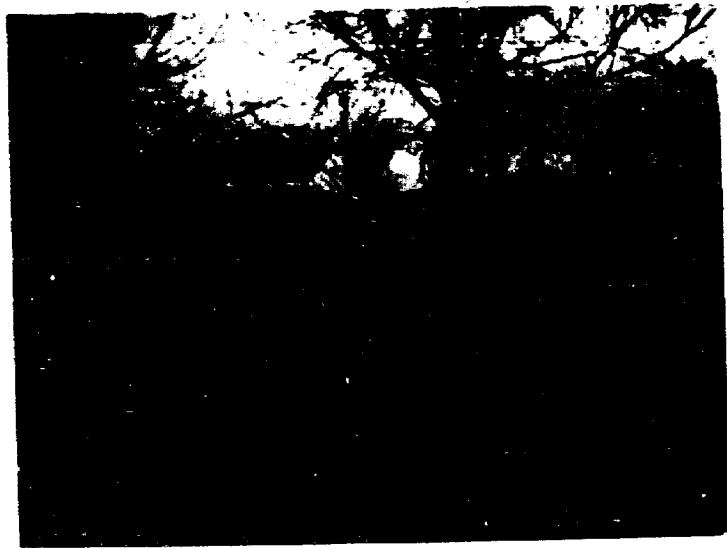
TD 1660'

DIVISION APPROVED PLUGGING PROGRAM

B.M.N.S. Company  
Brown #2  
M-29-30N-12W

- (1) Clean out hole to 1660'.
- (2) Set a plug 1550'-1660'.
- (3) Perforate 5 1/2" casing 1370'. Set a plug 1270'-1370' in and outside casing. WOC at least 6 hours.
- (4) Go in hole with tubing and tag plug #2. If cement is above 1290' go to step 5. If not fill to 1270'.
- (5) Perforate 5 1/2" casing at 300'. Set a plug 50'-300' in and outside casing. If well does not have surface pipe, fill to surface. WOC at least 6 hours.
- (6) Go in hole with tubing and tag plug #3. If cement is 75' or above go to step 7. If not recement to 50'.
- (7) Set a top plug with 10 sacks of cement and erect a dry hole marker.
- (8) Fill pits. Clean and level location.

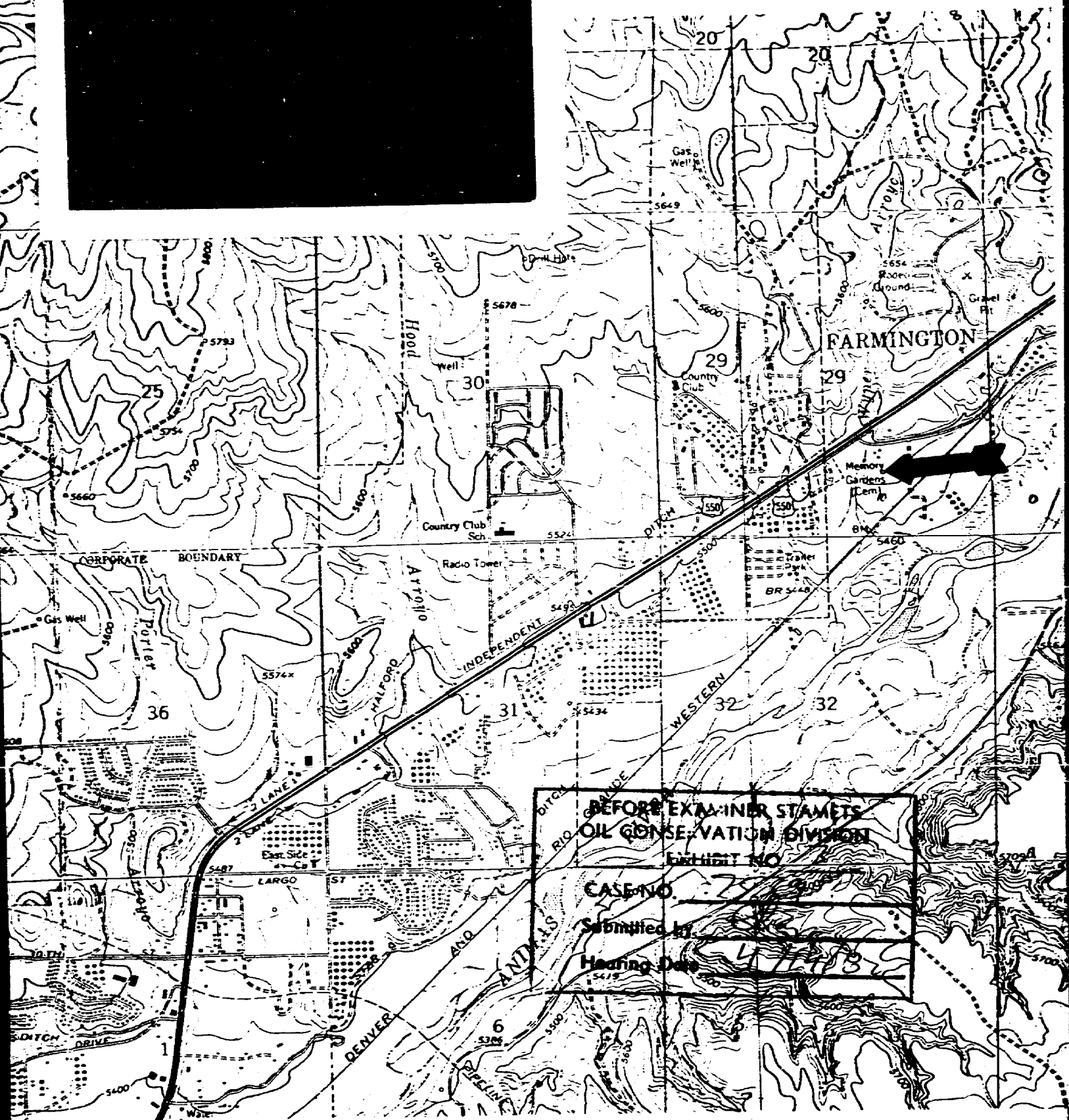
All plugs will be Class A,B or C cement with or without an accelerator.



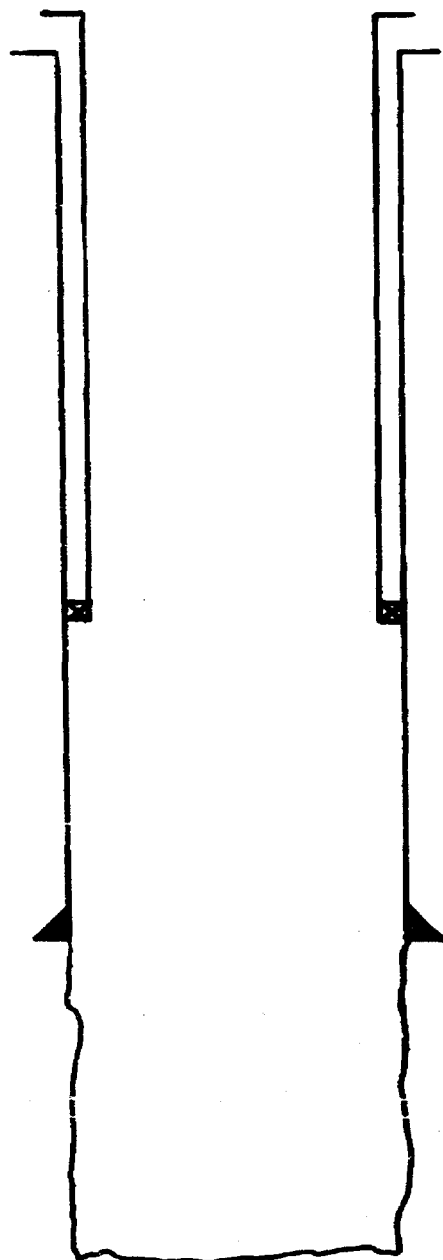
B.M.N.S. COMPANY

Wyper #2

O-29-30N-12W



B.M.N.S. COMPANY  
Wyper #2  
O-29-30N-12W



3 1/2" Liner @ 560' cmt. circ.

5 1/2" @ 1558' w/38 sx

TD 1588'

DIVISION APPROVED PLUGGING PROGRAM

B.M.N.S. Company

Wyper #2

O-29-30N-12W

TD 1588'

5 1/2" casing sat at 1558' W/38 sks.

3 1/2" Liner sat at 560'. Cemented to surface.

All other casing was pulled.

- (1) Clean out hole to 1588'.
- (2) Set a plug 1588'-1480'.
- (3) Perforate 5 1/2" casing at 1320'. Set a plug 1220'-1320' in and outside casing. WOC at least 6 hours.
- (4) Go in hole with tubing and tag plug #2. If cement is above 1240' goto step 5. If not recement to 1220'.
- (5) Perforate 3 1/2" liner and 5 1/2" casing at 270'. Tie on to 3 1/2" liner and break down formation or establish circulation. If circulation is established circulate cement. If not squeeze 100' sacks, leaving 200' of cement inside 3 1/2" liner.
- (6) Set a top plug and erect dry hole marker.
- (7) Fill pits. Clean and level location.

All plugs will be class A,B or C cement with or without an accelerator.

Docket No. 10-82

Dockets No. 11-82 and 12-82 are tentatively set for April 28 and May 12, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 14, 1982

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 May, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for May, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

**CASE 7536:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit A. H. Bernstein and all other interested parties to appear and show cause why the Allan Well No. 1 located in Unit F, Section 23, Township 29 North, Range 13 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

**CASE 7537:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit F. B. Umbarger, Trustee and all other interested parties to appear and show cause why the Davis Pooled Unit Well No. 1, located in Unit I, Section 27, Township 29 North, Range 11 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

**CASE 7538:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Francis L. Harvey and all other interested parties to appear and show cause why the Pinkstaff Estate Well No. 1, located in Unit A, Section 29, Township 29 North, Range 10 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

**CASE 7539:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit B.M.N.S. Company, American Employers Insurance and all other interested parties to appear and show cause why the following wells: Waggoner No. 1, Brown No. 2, Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

**CASE 7540:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Pauly-Anderson-Pritchard and all other interested parties to appear and show cause why the Maloy well No. 1, located in Unit P, Section 16, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

**CASE 7541:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit E. J. Miley and all other interested parties to appear and show cause why the Hare (Ransom) Well No. 1, located in Unit N, Section 14, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

**CASE 7542:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Benson-Montin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the following wells: Dustin No. 1, located in Unit K, Section 6, and the Gallegos Canyon Unit No. 2, located in Unit K, Section 35, both in Township 29 North, Range 12 West, and the Segal No. 1, located in Unit K, Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

**CASE 7543:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Calvin Petroleum Corporation, United States Fidelity and Guaranty Co., and all other interested parties to appear and show cause why the Kaempf SWD Well No. 1, located in Unit N, Section 19, Township 30 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

- CASE 7544: Application of Dinero Operating 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 well to be drilled 660 feet from the North and East lines of Section 20, Township 22 South, Range 28 East, Morrow formation, the N/2 of said Section 20, to be dedicated to the well.
- CASE 7545: Application of Baker Engineering for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 258.16-acre non-standard gas proration unit for the Morrow formation comprising all of partial Section 32, Township 26 South, Range 30 East.
- CASE 7546: Application of Sonny's Oil Field Services, Inc. for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at its salt water disposal site in the NW/4 NE/4 of Section 29, Township 18 South, Range 38 East.
- CASE 7547: Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the SE/4 NW/4 of said Section 15 to be dedicated to the well.
- CASE 7517: (Continued from March 31, 1982, Examiner Hearing)  
Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 1450 feet from the South line and 1400 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the NE/4 SW/4 of said Section 15 to be dedicated to the well.
- CASE 7548: Application of Tahoe Oil & Cattle Co. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4932 feet to 4992 feet in its Schwalbe Well No. 1, located in Unit P of Section 21, Township 9 South, Range 37 East, West Sawyer-San Andres Pool.
- CASE 7549: Application of H. L. Brown for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Pennsylvanian gas well location 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, the S/2 of said Section 32 to be dedicated to the well, an existing well which is to be deepened.
- CASE 7550: Application of Harvey E. Yates Company for the Rescission of Order No. R-6918, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-6918, which compulsorily pooled the Atoka-Morrow formation underlying the N/2 of Section 19, Township 8 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Applicant now seeks the rededication of the E/2 of said Section 19 to the aforesaid well without compulsory pooling.
- CASE 7551: Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 21, Township 11 South, Range 31 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 7552: Application of Merrion Oil & Gas Company for compulsory pooling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Gallup formation underlying the S/2 SE/4 of Section 20, Township 23 North, Range 6 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 7553: Application of Fred Pool Drilling Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation, underlying the SW/4 of Section 17, Township 6 South, Range 25 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 7520: (Continued and Readvertised)

Application of Lewis B. Burleson, Inc. for compulsory pooling and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Pool underlying a 30-acre non-standard oil proration unit comprising the N/2 of the Easternmost 60 acres of the NW/4 of Section 15, Township 24 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7554: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Drinkard formation underlying the NW/4 SW/4 of Section 5, 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 7555: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Drinkard formation underlying the SW/4 NW/4 of Section 5, 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 7556: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the San Andres formation underlying the NE/4 NW/4 of Section 5, Township 20 South, Range 39 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 7557: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SW/4 of Section 32, Township 19 South, Range 39 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 7558: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SE/4 of Section 31, Township 19 South, Range 39 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 7515: (Continued from March 31, 1982 Examiner Hearing)

Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Range 12 and 13 West, Township 28 North, Range 13 West, Township 29 North, Ranges 13 through 15 West, and Township 30 North, Ranges 14 and 15 West, containing 164,120 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

**CASE 7559:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Lea and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Caudill-Mississippian Gas Pool. The discovery well is the Moran Exploration, Inc. Gann Well No. 1 located in Unit D of Section 9, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM  
Section 9: NW/4

(b) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the North Dora-Pennsylvanian Pool. The discovery well is the Enserch Exploration, Inc. Collier Well No. 1 located in Unit I of Section 29, Township 4 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM  
Section 29: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Johnson Ranch-Morrow Gas Pool. The discovery well is the Mesa Petroleum Company Jackson Unit Well No. 1 located in Unit G of Section 22, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 22: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Triste Draw-Delaware Pool. The discovery well is the Getty Oil Company Getty 28 State Well No. 1 located in Unit J of Section 28, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 28: SE/4

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Triste Draw-Morrow Gas Pool. The discovery well is the Amoco Production Company State IG Com Well No. 1 located in Unit B of Section 32, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

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

(f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Vaca Draw-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company Bell Lake 11 Federal Well #1 located in Unit B of Section 11, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM  
Section 11: N/2

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the West Vacuum-Bone Spring Pool. The discovery well is the Amoco Production Company State HS Com Well No. 1 located in Unit K of Section 9, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 9: SW/4

(h) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Granite Wash production and designated as the South Tanneyhill-Granite Wash Gas Pool. The discovery well is the Threshold Development Company Harris 14 Well No. 1 located in Unit B of Section 14, Township 6 South, Range 33 East, NMPM, currently classified as producing from the Pennsylvanian formation and in the Tanneyhill-Pennsylvanian Gas Pool. The well has been re-evaluated and the producing interval is more correctly defined as Granite Wash. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 14: N/2

(i) ABOLISH the Tanneyhill-Pennsylvanian Gas Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described as:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 14: All

(j) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM  
Section 7: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM  
Section 4: N/2  
Section 5: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 33: NW/4

(m) EXTEND the Bootleg Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM  
Section 17: W/2

(n) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 9: N/2

(o) EXTEND the North Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM  
Section 16: SE/4  
Section 20: NE/4

(p) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM  
Section 14: All

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

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM  
Section 11: NW/4

(r) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 9: NE/4



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

April 5, 1982

APR 13 1982  
OIL CONSERVATION DIVISION  
SANTA FE

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-8434

CERTIFIED - RETURN  
RECEIPT REQUESTED

B. M. N. S. Company  
P. O. Box 394  
Aztec, New Mexico 87410

American Employers' Insurance Company  
Echlin-Irvin-Crowell & Co.  
355 Myrtle Avenue  
El Paso, Texas

Re: Waggoner Well No. 1  
located in Unit K, Brown  
Well No. 2 located in Unit  
M, and Wyper Well No. 2  
located in Unit O, all in  
Section 29, Township 30  
North, Range 12 West, San  
Juan County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing  
to be held on Wednesday, April 14, 1982, at 9 o'clock a.m.  
in the Oil Conservation Division Conference Room, State Land  
Office Building, Santa Fe, New Mexico. Case 7539 concerns  
the above-captioned subject matter.

Very truly yours,

*W. Perry Pearce*  
W. PERRY PEARCE  
General Counsel

WPP/fd  
enc.

**P 243 079 916**  
**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO		American Emp. Ins.	
STREET AND NO.		355 Myrtle Ave.	
PO, STATE AND ZIP CODE		El Paso, Texas 79978	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	\$
		SPECIAL DELIVERY	\$
		RESTRICTED DELIVERY	\$
	FILL IN RECEIPT SERVICE	SHOW TO WHOM MAIL DATE DEL. MADE	\$
		SHOW TO WHOM MAIL DATE DEL. MADE	\$
		SHOW TO WHOM MAIL DATE DEL. MADE	\$
		SHOW TO WHOM MAIL DATE DEL. MADE	\$
		SHOW TO WHOM MAIL DATE DEL. MADE	\$
		SHOW TO WHOM MAIL DATE DEL. MADE	\$
		SHOW TO WHOM MAIL DATE DEL. MADE	\$
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE			

PS Form 3800, Nov. 1976

PS Form 1011, Nov. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● **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 delivered .....25¢  
☐ Show to whom, date, & address of delivery .....45¢  
☐ RESTRICTED DELIVERY.  
Show to whom and date delivered .....85¢  
☐ 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:**  
Echlin-Irvin-Crowell & Co.  
355 Myrtle Avenue  
El Paso, Texas

3. **ARTICLE DESCRIPTION:**  
REGISTERED NO. | CERTIFIED NO. | INSURED NO.  
| P 2430799 | 16

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY  
APR 15 1982

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

U.S. POSTAL SERVICE

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.
  - Indicate payment made and attach to front of article if space permits. Otherwise affix to back of article.
  - For each article "Return Envelope Requested" affix one 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)

**ENERGY and MINERALS DEPARTMENT**

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501



Echlin-Irvin-Crowell & Co.  
355 Myrtle Avenue  
El Paso, Texas ~~79901~~

ECH 55 080614N1 05/04/82  
IRV 55 080614N1 05/06/82  
CRO 55 080614N1 05/06/82

RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD



**P 243 079 917**  
**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED—  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

SENT TO  
**B.M.N.S. Company**  
 STREET AND NO.  
**P. O. Box 394**  
 P.O., STATE AND ZIP CODE  
**Aztec, N. M. 87410**

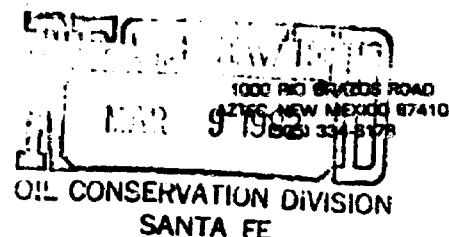
POSTAGE		\$
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	c
	SPECIAL DELIVERY	c
	RESTRICTED DELIVERY	c
	SHOW TO WHOM ALL NOTES ARE SENT	c
OPTIONAL SERVICES	SHOW TO WHOM DATE AND ADDRESS IS TO BE SENT	c
	SHOW TO WHOM DATE AND ADDRESS IS TO BE SENT	c
TOTAL POSTAGE AND FEES		\$
POSTMARK OR DATE		

PS Form 3801, April 1976



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE



March 4, 1982

Mr. Perry Pearce  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501

*Case 7-39*

Re: Forced plugging cases

Dear Perry,

Please docket the following cases:

1. A case to allow A. H. Bernstein and other interested parties to appear and show cause why the Allan #1 located in F-23-29N-13W should not be reentered and plugged in accordance with a division approved plugging program.
2. A case to allow F. B. Umbarger, Trustee, and other interested parties to appear and show cause why the Davis Pooled Unit #1 located in I-27-29N-11W should not be reentered and plugged in accordance with a division approved plugging program.
3. A case to allow Francis L. Harvey and other interested parties to appear and show cause why the Pinkstaff Estate #1 located in A-29-29N-10W should not be reentered and plugged in accordance with a division approved plugging program.
4. A case to allow B.M.N.S. Company, American Employers Insurance, and other interested parties to appear and show cause why the Waggoner #1 located in K-29-30N-12W, the Brown #2 located in M-29-30N-12W, and the Wyper #2 located in O-29-30N-12W should not be plugged in accordance with a division approved plugging program.

*San Juan*

*P.O. Box  
394  
Aztec,  
New  
Mexico*

Doc

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

*Jdk*

*Ok*

CASE NO. 7539

Order No. R-6984

*[Handwritten initials]*

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT B.M.N.S. COMPANY, AMERICAN EMPLOYERS INSURANCE AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE FOLLOWING WELLS: WAGGONER NO. 1, BROWN NO. 2, WYPER NO. 2, LOCATED IN UNITS K, M, AND O, RESPECTIVELY, OF SECTION 29, TOWNSHIP 30 NORTH, RANGE 12 WEST, SAN JUAN 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 April 14, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of April, 1982, 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 B.M.N.S. Company is the owner and operator of the Waggoner No. 1, Brown No. 2 and Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

(3) That American Employers Insurance is the surety on the Oil Conservation Division plugging bond on which B.M.N.S. is principal.

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

(5) That in order to prevent waste and protect correlative rights said wells should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before July 1, 1982, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That B.M.N.S. Company and American Employers Insurance are hereby ordered to plug and abandon the Waggoner No. 1, Brown No. 2, and Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico, or in the alternative, to return <sup>any or all of said</sup> ~~the wells~~ to active drilling status or <sup>to</sup> ~~place the well on~~ production on or before July 1, 1982.

(2) That B.M.N.S. Company and American Employers Insurance, prior to plugging and abandoning <sup>any of</sup> the above-described wells, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and

shall notify said Aztec 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.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

JOE D. RAMEY,

Director

S E A L