

CASE 5273: PLUGGING CASE  
EASTERN PETROLEUM CORPORATION  
(United States Fidelity and Guar.

CASE No.

5273

Application,  
Transcripts,  
Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
July 10, 1974

EXAMINER HEARING

-----  
IN THE MATTER OF: )  
)  
)

The hearing called by the Oil Conservation )  
Commission on its own motion to permit )  
Eastern Petroleum Corporation, United ) CASE  
States Fidelity and Guaranty Company and ) 5273  
all other interested parties to appear )  
and show cause why the following wells )  
should not be abandoned in accordance with )  
a Commission-approved plugging program. )  
----- )

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil            Thomas Derryberry, Esq.  
Conservation Commission:            and  
                                 William F. Carr, Esq.  
                                 State Land Office Building  
                                 Santa Fe, New Mexico

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I N D E X

Page

EMORY ARNOLD

Direct Examination by Mr. Carr

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MR. NUTTER: We will call Case Number 5273.

MR. DERRYBERRY: Case 5273 in the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Eastern Petroleum Corporation, United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the following wells should not be abandoned in accordance with a Commission-approved plugging program:

Castillo #1 located in Unit P, Section 35, Township 20 North, Range 7 West, McKinley County, New Mexico;

Chopup #1 located in Unit N, Section 30, Township 19 North, Range 6 West, McKinley County, New Mexico;

Chacra Mesa #1 located in Unit B, Section 14, Township 19 North, Range 7 West McKinley County, New Mexico;

Blackjack #1 located in Unit P, Section 12, Township 21 North, Range 9 West, San Juan County, New Mexico;

Pornada #1 located in Unit H, Section 27, Township 18 North, Range 7 West, McKinley County, New Mexico.

(Whereupon, a discussion was held  
off the record.)

MR. NUTTER: We just called the Case and we are calling for appearances.

MR. CARR: Mr. Examiner, I am William F. Carr

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appearing for the Commission and I have one witness who has been previously sworn.

MR. NUTTER: What is your witness's name, Mr. Carr?

MR. CARR: Mr. Arnold.

MR. NUTTER: Mr. Arnold is still under oath from the previous case.

EMORY ARNOLD

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CARR:

Q Please state your name for the record?

A Emory Arnold.

Q What is your position with the Oil Commission?

A Supervisor of District 3.

Q Does this District include the part of McKinley and San Juan counties involved in this Case?

A Yes.

Q Do your duties as District Supervisor include making recommendations to the Commission on the plugging and abandonment of various wells in this District?

A Yes, it does.

Q Are you familiar with the subject matter in this

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Case?

A Yes.

Q Have you reviewed the well files on the various wells involved in those cases?

A Yes.

Q Would you please turn to these records and give the Examiner the history of each well as it is reflected in the official records of the Commission?

A Castillo #1 located in Unit P, Section 35, Township 20 North, Range 7 West was drilled in the summer of 1972. The well didn't encounter production and a plugging plan was approved over the telephone orally at the time the rig was still on the hole. This was followed up with a written notice of intention to plug and subsequent to that Commission personnel went to the location and a marker was set. However, the operator at that time had not filed a subsequent report of plugging, and also the pits had not been filled or the location leveled, and junk was on the location so we didn't approve the plugging and abandonment of the well.

The Chopup #1 in the Southwest Section 30, Township 19 North, Range 6 West, notice of intention to plug was approved on 7-18-72, also over the telephone at the time the rig was on the hole. The written notice of intention to plug followed

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this and was approved. The operator also submitted a subsequent report of plugging on this well. However, when we attempted to reach the location we were unable to do so on either occasion because of a locked gate, so I am not certain what the situation is at this location.

The Chacra Mesa #1 in the Northeast of 14, Township 19 North, Range 7 West, notice of intention to plug was approved on 7-13-72. The operator filed a written intent to plug and abandon, but did not file a subsequent report of plugging and abandonment at that time; he has since. Since this Case was filed for hearing we received a subsequent report of plugging on this well. However, the location has been inspected twice by Commission personnel, the last time on May 6, 1974. It was found that a P & A marker was set and cemented, the pits had not been filled and leveled and junk was on the location.

Blackjack #1 in P of 12, Township 21 North, Range 9 West intention to plug was approved on 10-13-72. We still have not received a subsequent report of plug and abandonment on this well. This location has also been inspected twice by Commission personnel, the last time on May 6, 1974, and we found a dry hole marker was properly installed, but the pits were not filled and leveled and junk was on the location.



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Pornada #1 located in the Northeast 27, 18, 7, intention to plug and abandon was approved on 1-26-72. All subsequent reports to plug and abandon have been received as of this date. Commission personnel attempted to reach this location, but were unable to do so because of a locked gate.

That pretty well summarizes the history of these wells now. Subsequent to the time this case was advertised for hearing, Mr. Henry Phillip who is President of the Eastern Petroleum Corporation contacted Mr. Blacky McClelland of the A.A.A. Fishing Tool Company in Farmington. Mr. McClelland called me yesterday and informed me that he had contacted dirt contractors and was going to immediately begin cleanup operations at all wells in question. I informed him that we lacked subsequent report of plugging and abandonment on two of the wells which information he passed on to Mr. Phillip and I presume these will be forthcoming on the Blackjack #1 and the Pornada #1.

Mr. McClelland also indicated that he would arrange to, that he would secure keys so that we could send Commission personnel to inspect all the locations.

Q Mr. Arnold, what are your recommendations concerning these wells?

A I recommend that we enter an order requiring the

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operator to abandon these wells in conformance with Commission regulations, and that we give them at least 60 days to accomplish this.

Q Do you have anything further to add to your testimony?

A No, I don't believe so.

MR. CARR: We have nothing further, Mr. Examiner.

MR. NUTTER: Are there any questions of Mr. Arnold?

He may be excused.

Does anyone have anything they wish to offer in Case Number 5273?

We will take the Case under advisement.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

  
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5273, heard by me on 7/10, 1974.

*[Signature]*, Examiner  
New Mexico Oil Conservation Commission

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## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

I. R. TRUJILLO  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

December 6, 1974

Re: CASE NO. 5273  
ORDER NO. 4935

Eastern Petroleum Corporation  
Box 291  
Carmi, Illinois 62821

Applicant:

Eastem Petroleum Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC XX  
Artesia OCC XX  
Aztec OCC XX

Other \_\_\_\_\_  
\_\_\_\_\_

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5273  
Order No. R-4935

IN THE MATTER OF THE HEARING CALLED BY THE  
OIL CONSERVATION COMMISSION ON ITS OWN MOTION  
TO PERMIT EASTERN PETROLEUM CORPORATION, UNITED  
STATES FIDELITY AND GUARANTY COMPANY AND ALL  
OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE  
WHY CERTAIN WELLS IN SAN JUAN AND MCKINLEY COUNTIES,  
NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN  
ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 10, 1974,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of December, 1974, the Commission,  
a quorum being present, having considered the record and the  
recommendations of the Examiner, and being fully advised in  
the premises,

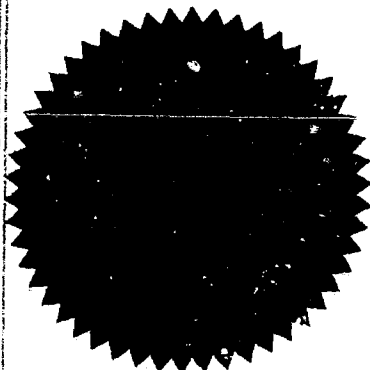
FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 5273 is hereby dismissed.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

ALEX J. ARMISTO, Member

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

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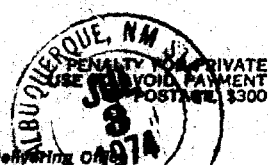
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Dockets Nos. 21-74 and 22-74 are tentatively set for hearing on July 24 and August 7. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 10, 1974

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for August, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for August, 1974.

CASE 3608: (Reopened) (Continued from the June 19th Examiner Hearing)

In the matter of Case No. 3608 being reopened pursuant to the provisions of Order No. R-3282, which order established temporary rules for the Carlsbad Permo-Penn Gas Pool, Eddy County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 5265: Application of David Fasken for an unorthodox location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled to the Morrow formation at a point 1664 feet from the North line and 660 feet from the East line of Section 1, Township 21 South, Range 26 East, Eddy County, New Mexico. Applicant further seeks approval for a 281.3-acre non-standard proration unit for said well comprising all of Lots 1 through 8 of said Section 1.

CASE 5266: Application of David Fasken for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a well to be drilled to the Morrow formation at a point 1300 feet from the South and West lines of Section 29, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 29 to be dedicated to the well.

CASE 5267: Application of Mark Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 1, Township 18 South, Range 26 East, Atoka-Pennsylvanian Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location 990 feet from the South and East lines of said Section 1. Also to be considered will

(Case 5267 continued from Page 1)

be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5268: Application of Anadarko Production Company, General American Oil Company of Texas and Shenandoah Oil Corporation for four waterflood projects, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to institute four cooperative waterflood projects by the injection of water into the Grayburg-San Andres formation in Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico as follows:

Project No. 1: Anadarko's Loco Hills "A" Federal lease by the conversion of four wells in Sections 10 and 15 to water injection;

Project No. 2: Anadarko's Loco Hills "B" Federal lease by the conversion of three wells in Section 9;

Project No. 3: General American Parke "F" lease by the conversion of one well in Section 10;

Project No. 4: Shenandoah's Parke "B" lease by the conversion of two wells in Section 15.

CASE 5269: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Estacado Unit Area comprising 1280 acres, more or less, of State and fee lands in Township 14 South, Range 35 East, Lea County, New Mexico.

CASE 5270: Application of Texaco Inc. 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 all of Section 33, Township 24 South, Range 26 East, White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to applicant's White City Com. Well No. 1 in Unit F of said Section 33.

CASE 5271: 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 Dakota formation underlying the W/2 of Section 13, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit in Unit F of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5272: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Consolidated Oil and Gas, Inc., United States Fidelity & Guaranty Company and all other interested parties to appear and show cause why the Consolidated Oil and Gas, Inc., Price Well No. 1 located in Unit N, Section 15, Township 31 North, Range 13 West, San Juan County, New Mexico, should not be recompleted as a single-zone well or be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5273: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Eastern Petroleum Corporation, United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the following wells should not be abandoned in accordance with a Commission-approved plugging program:

Castillo #1 located in Unit P, Section 35, Township 20 North, Range 7 West, McKinley County, New Mexico;

Chopup #1 located in Unit N, Section 30, Township 19 North, Range 6 West, McKinley County, New Mexico;

Chacra Mesa #1 located in Unit B, Section 14, Township 19 North, Range 7 West, McKinley County, New Mexico;

Blackjack #1 located in Unit P, Section 12, Township 21 North, Range 9 West, San Juan County, New Mexico;

Pornada #1 located in Unit H, Section 27, Township 18 North, Range 7 West, McKinley County, New Mexico.

CASE 4749: (Reopened)

In the matter of Case No. 4749 being reopened pursuant to the provisions of Order No. R-4338-A, which order continued special rules for the Humble City-Strawn Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing.

CASE 4946: (Reopened)

In the matter of Case No. 4946 being reopened pursuant to the provisions of Order No. R-4581, which order established temporary rules for the Crosby-Fusselman Associated Pool, Lea County, New Mexico. All interested parties may appear and show cause why said rules should not be rescinded.

CASE 5110: (Continued from January 16, 1974)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the institution of gas prorationing in

(Case 5110 continued from Page 3)

the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool. NOTE: This case will be continued to the first Examiner Hearing in January, 1975.

CASE 5274: Southeastern nomenclature case calling for the creation, abolishment, and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Black River-Wolfcamp Gas Pool. The discovery well is Amoco Production Company Herren Federal Gas Com Well No. 1 located in Unit K of Section 7, Township 24 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM  
Section 7: SW/4

(b) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Cooper-Morrow Gas Pool. The discovery well is the El Paso Natural Gas Company Cooper Federal Well No. 1 located in Unit F of Section 21, Township 24 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM  
Section 21: N/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Malaga-Morrow Gas Pool. The discovery well is Phillips Petroleum Company Malaga A Well No. 1 located in Unit L of Section 2, Township 24 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 2: W/2

(d) Abolish the Bell Lake-Pennsylvanian Gas Pool in Lea County, New Mexico, described as:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 36: SE/4

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 30: All  
Section 31: All

(Case 5274 continued from Page 4)

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 1: NE/4

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM  
Section 6: NW/4

(e) Create a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production with a provision for 160-acre spacing units and designated as the Bell Lake-Atoka Gas Pool. The discovery well is the Continental Oil Company Bell Lake Unit Well No. 2 located in Unit N of Section 30, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 30: SW/4

(f) Create a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the South Bell Lake-Atoka Gas Pool. The discovery well is the Continental Oil Company Bell Lake Unit 1 Well No. 4 located in Unit F of Section 6, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM  
Section 6: W/2

(g) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production with a provision for 160-acre spacing units and designated as the South Bell Lake-Morrow Gas Pool. The discovery well is the Continental Oil Company Bell Lake State 3 Well No. 5 located in Unit G of Section 1, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 36: SE/4

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 31: SW/4

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 1: NE/4

(h) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM  
Section 6: NE/4

- (i) Extend the Black River-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 12: SW/4

- (j) Extend the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 27: N/2

- (k) Extend the Cabin Lake-Strawn Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM  
Section 11: W/2 NE/4

- (l) Extend the Cemetary-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 8: All

- (m) Extend the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 17: N/2

- (n) Extend the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM  
Section 13: W/2 SW/4  
Section 28: SW/4  
Section 29: S/2

- (o) Extend the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM  
Section 10: E/2  
Section 11: W/2

- (p) Extend the Loco Hills Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 23: NE/4 NE/4

(q) Extend the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 18: N/2

(r) Extend the Rocky Arroyo-Canyon Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM  
Section 4: S/2  
Section 5: S/2

(s) Extend the Townsend-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM  
Section 9: N/2 and SE/4

(t) Extend the Twin Lakes-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 36: SW/4 SE/4

(u) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
Section 16: SE/4

(v) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
Section 11: NW/4



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 28, 1974

CERTIFIED - RETURN  
RECEIPT REQUESTED

C  
O  
P  
Y  
  
Eastern Petroleum Corporation  
Box 291  
Carmi, Illinois

United States Fidelity and Guaranty Co.  
301 San Mateo Blvd. S.E.  
Albuquerque, New Mexico

Re: Castillo #1 located in Unit P, Sec. 35, T-20 North, R-7 West, McKinley County, New Mexico; Chopup #1 located in Unit N, Sec. 30, T-19 North, R-6 West, McKinley County, New Mexico; Chacra Mesa #1 located in Unit B, Sec. 14, T-19 North, R-7 West, McKinley County, New Mexico; Blackjack #1 located in Unit P, Sec. 12, T-21 North, R-9 West, San Juan County, New Mexico; Pornada #1 located in Unit H, Sec. 27, T-18 North, R-7 West, McKinley County, New Mexico-Blanket Plugging Bond.

Gentlemen:

Enclosed is a copy of the docket of the Examiner hearing to be held on Wednesday, July 10, 1974, at 9:00 a.m. in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico. Case No. 5273 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR  
General Counsel

WFC/jr

Enc.



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
1000 RIO BRAZOS ROAD - AZTEC  
87410

June 3, 1974

I. R. TRUJILLO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

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

*Case 5273*

Mr. William Carr  
Assistant Attorney General  
P. O. Box 2088  
Santa Fe, New Mexico

Dear Mr. Carr:

Please refer to your copy of my letter of May 8, 1974, addressed to Eastern Petroleum Corporation, P. O. Box 291, Carmi, Illinois. This letter makes reference to five wells which were drilled by Eastern Petroleum Corporation in this district for which plugging and abandonment procedures have not been approved by this office.

On May 22, 1974, I received a letter from Mr. Henry Fullop of Eastern Petroleum Corporation and copies of Subsequent Report of Plugging and Abandonment for the Castillo #1, P-35-20N-7W and the Chacra Mesa #1, B-14-19N-7W. Mr. Fullop did not respond to other reports of deficiencies outlined in my letter of May 8.

I am requesting that you set hearing before the Oil Conservation Commission requiring the operator and bonding company to show cause why Commission Rules and Regulations should not be complied with in connection with abandonment of these locations. Thank you.

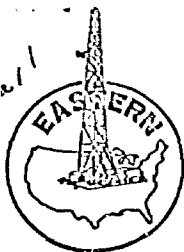
Yours very truly,

*Emery C. Arnold*  
Emery C. Arnold  
Supervisor, District #3

ECA:me

cc: Eastern Petroleum Corp.  
Box 291  
Carmi, Illinois

United States Fidelity and Guaranty Co.  
301 San Mateo Blvd. S. E.  
Albuquerque, New Mexico



EASTERN PETROLEUM CO.  
EASTERN DRILLING, INC.

P. O. BOX 291 • CARM, ILLINOIS

*Cover 5273*

May 22, 1974

Oil Conservation Comm.  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Gentlemen:

With reference to your May 8 letter I am forwarding here-  
with copies of plugging reports for Castillo #1 and Chacra  
Mesa #1, originally mailed you in June and July, 1972

Yours very truly,

EASTERN PETROLEUM COMPANY

*Henry Fullop*  
Henry Fullop

HF:sjn

Enc.

35-20-7

14-19-7





## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
1000 RIO BRAZOS ROAD - AZTEC  
87410

May 8, 1974

I. R. TRUJILLO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

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

*Case 5273*

Eastern Petroleum Corporation  
P. O. Box 291  
Carmi, Illinois 62821

Gentlemen:

Following is a summary of the present status of six wells which were drilled by your company on fee land in District #3 of the Oil Conservation Commission:

Castillo #1, P-35-20N-7W *meK*

Notice of Intention to plug was approved on 6-30-72. Subsequent Report of plugging has not been received. This location was inspected three times by Commission personnel who found the dry hole marker installed, but the pits were not filled and junk was still on location. You were notified of this fact on 9-6-73, and we have had no response.

Chopup #1, N-30-19N-6W *meK*

Notice of Intention to plug was approved on 7-18-72. Subsequent Report of plugging was received, but we have not received notice that the location was leveled. Mr. Charles Gholson of this office attempted to reach the location on 5-7-74 but was unable to reach the location because of a locked gate.

Chacra Mesa #1, B-14-19N-7W *meK*

Notice of Intention to Plug approved on 7-13-72. No subsequent report of plugging has been received. This location has been inspected twice by Commission personnel, the last time 5-6-74; and it was found the P & A marker was set but the pits had not been filled and leveled and junk was on location. You were notified of this by letter on 9-6-73 and we have received no response.

Blackjack #1, P-12-21N-9W

Intention of Plug and Abandon was approved on 10-13-72. Subsequent Report of plugging has not been received. This location has also been inspected twice by Commission personnel - the last time on 5-6-74. It was found that the dry hole marker was properly installed, but the pits were not filled and leveled and junk was on the location. On 9-6-73 you were notified of the above conditions, but we have not had response. *San Juan*

Pornada #1, H-27-18N-7W

Intention to Plug and Abandon was approved on 1-26-72. No *meK* Subsequent Report of Plugging has been received. Commission personnel attempted to reach this location but were unable to do so.

May 8, 1974

Eastern Petroleum Corporation - Page 2

You are hereby notified that if we have not received response from you regarding these matters prior to June 1, 1974, it will be our intention to set a hearing before the New Mexico Oil Conservation Commission to have you and your bonding company show cause why Eastern Petroleum Corporation should not comply with all Commission rules and regulations.

Yours very truly,

*Emery C. Arnold*

Emery C. Arnold  
Supervisor, District #3

ECA:mc

cc: Mr. William Carr, Assistant Attorney General  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

United States Fidelity and Guaranty Co.  
301 San Mateo Blvd. S. E.  
Albuquerque, New Mexico

DRAFT

jr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5273

Order No. R- 4935

IN THE MATTER OF THE HEARING CALLED BY THE  
OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT  
EASTERN PETROLEUM CORPORATION, UNITED STATES FIDELITY  
AND GUARANTY COMPANY AND ALL OTHER INTERESTED PARTIES  
TO APPEAR AND SHOW CAUSE WHY CERTAIN WELLS IN SAN JUAN  
AND MCKINLEY COUNTIES, NEW MEXICO, SHOULD NOT BE ABANDONED  
IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 10, 1974,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of December, 1974, the Commission,  
a quorum being present, having considered the record and the recom-  
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 5273 is hereby dismissed.

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

OK to final  
for sig today (12-3)