

CASE 5289: Plugging case for
LeROY SUMRULD, AMERICAN EMPLOY=
ERS INSURANCE CO, Lea County

Direct mail

CASE No.

5289

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 7, 1974

EXAMINER HEARING

IN THE MATTER OF:)
)
Hearing called by the)
Oil Conservation Commis-)
sion on its own motion) Case No. 5289
to show cause.)

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission: Thomas Derryberry
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386


MR. NUTTER: Call Case Number 5289.

MR. DERRYBERRY: Case Number 5289, in the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Leroy Sumruld, American Employers Insurance Company, and all other interested parties to appear and show cause why the LeRoy Sumruld South Roberts Salt Water Disposable Well No. 2 located in Unit M of Section 14, Township 9 South, Range 32 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

MR. NUTTER: Case Number 5289 at the request of the Commission will be dismissed.

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

I, SIDNEY F. MORRISH, 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.


SIDNEY F. MORRISH
Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5289, heard by me on 8-7, 1974.


Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5289
Order No. R-4840

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION ON
ITS OWN MOTION TO PERMIT LEROY SUMRULD,
AMERICAN EMPLOYERS INSURANCE COMPANY,
AND ALL OTHER INTERESTED PARTIES TO
APPEAR AND SHOW CAUSE WHY THE LEROY
SUMRULD SOUTH ROBERTS SWD WELL NO. 2
LOCATED IN UNIT M OF SECTION 14, TOWNSHIP
9 SOUTH, RANGE 32 EAST, LEA COUNTY, NEW
MEXICO, SHOULD NOT BE PLUGGED AND ABAN-
DONED 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 August 7, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of August, 1974, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

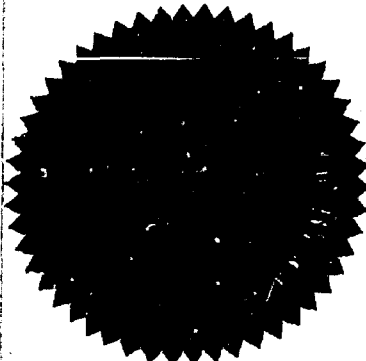
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 5289 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. ARMIJO, Member

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

S E A L

jr/

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DATE DELIVERED **8-28-74**

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[Signature]

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
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C/O Caprock Agency

P.O., STATE AND ZIP CODE
Box 635, Lovington

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Case 5289

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CERTIFIED NO. **003575**
INSURED NO. _____
DATE DELIVERED **9-28-74**

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Caprock Agency, Inc.

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
Synda Collins

SHOW WHERE DELIVERED (Only if requested, and include ZIP Code)
[Signature]

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SENT TO
LeRoy Sumruld

STREET AND NO.
Box 906

P.O., STATE AND ZIP CODE
Lovington, New Mexico

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Legal Division
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Santa Fe, New Mexico 87501

Case 5289

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June 1973

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STREET AND NO.

C/O Caprock Agency

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50¢	

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Apr. 1971 3800

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PENALTY FOR PRIVATE
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OIL CONSERVATION COMMISSION
Legal Division
P. O. Box 2088
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Case 5289

PS Form 3811
June 1973

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO

LeRoy Sumruld

Case 5289

STREET AND NO.
Box 906

P.O., STATE AND ZIP CODE

Lovington, New Mexico

POSTMARK
OR DATE

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RECEIPT
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50¢	

PS Form
Apr. 1971 3800

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

GPO : 1972 O - 460-743

No. 003574

Dockets Nos. 24-74 and 25-74 are tentatively set for hearing on August 21 and September 4. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 7, 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:

CASE 4749: (Reopened) (Continued from the July 10, 1974, Examiner Hearing)

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) (Continued from the July 10, 1974, Examiner Hearing)

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 5282: (Continued from the July 24, 1974, Examiner Hearing)

Application of Union Texas Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie-Mattix production in certain of its wells in the Langlie-Jal Unit Area, currently being waterflooded under authority of Commission Order No. R-4051.

CASE 5287: Application of Mobil Oil Corporation 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 N/2 of Section 12, Township 21 South, Range 26 East, adjacent to the Burton Flats-Morrow Gas Pool, Eddy County, New Mexico, to form a standard 320-acre unit to be dedicated to applicant's Federal 12 Com Well No. 1 to be drilled at a previously approved unorthodox location 660 feet from the North and East lines of said Section 12. 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 5288: Application of Merrion & Bayless for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of hydrocarbon production from the top of the Gallup formation at 5434 feet to the base of the Dakota formation at 6570 feet in its Keeling Federal Well No. 1 located in Unit B of Section 20, Township 25 North, Range 8 West, Dufers Point-Dakota Pool, San Juan County, New Mexico.

CASE 5033: (Reopened)

In the matter of Case No. 5033 being reopened pursuant to the provisions of Order No. R-4539-A, which order established a special gas-oil ratio limitation of 5000 to 1 for the Bell Lake-Bone Spring Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be produced under the standard 2000 to 1 gas-oil ratio limit.

CASE 5289: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit LeRoy Sumruld, American Employers Insurance Co., and all other interested parties to appear and show cause why the LeRoy Sumruld South Roberts SWD Well No. 2 located in Unit M of Section 14, Township 9 South, Range 32 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5290: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Western Oil Producers, Inc., U.S. Fidelity & Guaranty Co., and all other interested parties to appear and show cause why the Western Oil Producers State A Well No. 1 located in Unit L of Section 34, Township 13 South, Range 33 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5291: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Wil-Mc Oil Corporation, Trinity Universal Insurance Co., and all other interested parties to appear and show cause why the Wil-Mc Oil Corporation New Mexico State Well No. 2 located in Unit K of Section 11, Township 10 South, Range 32 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5292: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit El Paso Natural Gas Company, United States Fidelity and Guaranty Co., and all other interested parties to appear and show cause why each of the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program:

EPNG Ludwick Well No. 11, located in Unit B,
Section 19, Township 30 North, Range 10 West,
San Juan County, New Mexico;

(Case 5292 continued from Page 2)

EPNG Rincon Unit Well No. 127, located in Unit A,
Section 28, Township 27 North, Range 6 West,
Rio Arriba County, New Mexico; and

EPNG Warren A Well No. 2, located in Unit A,
Section 23, Township 28 North, Range 9 West,
San Juan County, New Mexico.

CASE 5293: Southeastern nomenclature case calling for the creation and extension
of certain pools in Chaves, Eddy and Lea Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as an
oil pool for Delaware production and designated the South Carlsbad-
Delaware Pool. Further, to assign approximately 22,270 barrels of
oil discovery allowable to the discovery well, the Hannifin & Cook
Merland Well No. 1, located in Unit J of Section 24, Township 22 South,
Range 26 East, NMPM. Said well was completed February 26, 1974. The
top of the perforations is at 4454 feet. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 24: SE/4

(b) Extend the Antelope Ridge-Morrow Gas Pool in Lea County, New
Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 9: N/2

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: SE/4

(d) Extend the East Morton-Wolfcamp Pool in Lea County, New Mexico,
to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 3: NW/4

(e) Extend the Ranger Lake-Bough Pool in Lea County, New Mexico, to
include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 26: SW/4

Examiner Hearing - Wednesday - August 7, 1974

Docket No. 22-74

-4-

- (f) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 32: SE/4

- (g) Extend the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 5: SE/4

- (h) Extend the Vest Ranch-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 16: SE/4
Section 21: NE/4

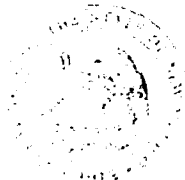
Docket No. 18-74

DOCKET: COMMISSION HEARING - TUESDAY - AUGUST 13, 1974

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

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

CASE 5264: Application of El Paso Natural Gas Company for the amendment of Order No. R-1670, Blanco Mesaverde Pool, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the pool rules promulgated by Order No. R-1670, as amended, for the Blanco Mesaverde Pool in San Juan and Rio Arriba Counties, New Mexico, to authorize the Secretary-Director of the Commission to approve the drilling of a second well on an existing proration unit without notice and hearing, provided that the second well would be drilled in the quarter section of the unit which does not contain a well, and provided further that in calculating the allowable for a proration unit containing two wells, the deliverability of both wells would be combined for determining the unit's "AD Factor", and the unit allowable could be produced from either or both wells. For purposes of balancing underproduction or overproduction, both wells on a proration unit would be considered as one well; for determining whether a unit would be classified marginal or non-marginal, the production from both wells would be compared with the unit's allowable; and for reporting production, the total unit production for the month would be reported as well as the individual well production.



OIL CONSERVATION COMMISSION

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

July 26, 1974

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

Mr. LeRoy Sumruld
P. O. Box 906
Lovington, New Mexico 88260

CERTIFIED - RETURN
RECEIPT REQUESTED

American Employers Inc. Co.
c/o Caprock Agency, Inc.
P. O. Box 635
Lovington, New Mexico 88260

Re: LeRoy Sumruld South Roberts SWD
Well No. 2 located in Unit M of
Section 14, Township 9 South,
Range 32 East, Lea County

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, August 7, 1974, at 9:00
a.m. in the Oil Conservation Commission Conference Room,
State Land Office Building, Santa Fe, New Mexico. Case
No. 5289 concerns the subject matter.

Very truly yours,

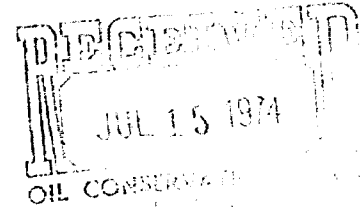
WILLIAM F. CARR
General Counsel

WFC/dr
enclosure

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO 88240

July 10, 1974



ccw 5289

C
O
P
Y

LeRoy Sumruld
P. O. Box 906
Lovington, New Mexico 88260

Dear Mr. Sumruld:

On March 27, 1974, this office wrote to you requesting that you submit Form C-103 covering any work done and indicating the present status of your South Roberts SWD Well No. 2 located in Unit M of Section 14, T-9-S, R-32-E. To date we have had no reply.

Since apparently the well is no longer being used for disposal, and since you have chosen to ignore our request for information, we have no alternative but to set a hearing to enable you to show cause as to why the well should not be plugged and abandoned.

Yours very truly,

OIL CONSERVATION COMMISSION

Joe D. Ramey
Supervisor, District 1

JDR/mc
cc-Mr. William F. Carr, Attorney
Oil Conservation Commission
Santa Fe, New Mexico

American Employers Ins. Co.
Z Caprock Agency, Inc.
P. O. Box 635
Lovington, New Mexico

RECEIVED
Date _____

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 1980 - HOBBS

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

CASE 5289

July 23, 1974

Wm. F. Carr

LeRoy Sumruld
P.O. Box 906
Lovington, New Mexico 88260

Dear Mr. Sumruld:

This is with reference to my letter of July 10, 1974, wherein you were advised that a show-cause hearing would be set for your South Roberts SWD Well No. 2 located in Unit M of Section 14, Township 9 South, Range 32 East.

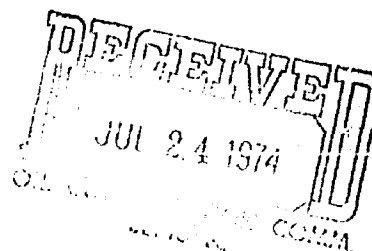
Although we have received Form C-103 with attachments indicating the work done on the well and the present status, I still feel it will be necessary to go through with the hearing to show cause why this well should not be plugged and abandoned. In reading your workover report, it appears that you have collapsed casing plus tubing in the hole, and the well is not in a condition to contain the migration of fluids from one zone to another.

We have therefore docketed Case No. 5289 which will enable you to show cause why this well should not be plugged and abandoned. This will be held at 9 o'clock a.m. on August 7, 1974, at the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico.

Yours very truly,

Joe D. Ramey
Joe D. Ramey
Supervisor, District I

JDR/ed



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. 5289

Order No. R- 4840

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT LEROY SUMRULD, AMERICAN EMPLOYERS
INSURANCE COMPANY, AND ALL OTHER INTERESTED PARTIES TO
APPEAR AND SHOW CAUSE WHY THE LEROY SUMRULD SOUTH ROBERTS
SWD WELL NO. 2 LOCATED IN UNIT M OF SECTION 14, TOWNSHIP
9 SOUTH, RANGE 32 EAST, LEA COUNTY, NEW MEXICO, SHOULD NOT
BE PLUGGED AND ABANDONED ~~IN ACCORDANCE WITH A~~ IN ACCORDANCE WITH A
COMMISSION-APPROVED PLUGGING PROGRAM.

BY THE COMMISSION:

ORDER OF THE COMMISSION

This cause came on for hearing at 9 a.m. on August 7, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of August, 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. 5289 is hereby dismissed.

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