

CASE 5317: PLUGGING CASE

R & G DRILLING COMPANY

CASE No.

5317

Application,
Transcripts,
Small Exhibits

ETC.

EXAMINER HEARING

The hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company, Inc., and all other interested parties to appear and show cause why the Marron Well No. 42, in Unit M or Section 22, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Case No.
5317

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Thomas Derryberry, Esq.
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

CASE 5317

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I N D E X

PAGE

A. R. KENDRICK

Direct Examination by Mr. Derryberry

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KENDRICK-DIRECT

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MR. STAMETS: Case 5317.

MR. CARR: Case 5317. In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company, Inc., and all other interested parties to appear and show cause why the Marron Well No. 42 in Unit M of Section 22, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

MR. STAMETS: We call for appearances in Case No. 5317?

MR. DERRYBERRY: Mr. Examiner, I am Tom Derryberry, appearing for the Commission. I have one witness who has previously been sworn in the preceding case.

MR. STAMETS: Let the record show that the witness has been sworn.

Are there any other appearances? You may proceed.

A. R. KENDRICK

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

DIRECT EXAMINATION

BY MR. DERRYBERRY:

Q Would you please state your name and position?

THE NYE REPORTING SERVICE
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KENDRICK-DIRECT

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A A. R. Kendrick, Senior Petroleum Engineer for the Oil Commission.

Q And you are in District 3, is that correct?

A That is correct.

Q Is District 3 a portion of San Juan County involved in this case?

A Yes, sir.

Q Do your duties as District Engineer include making recommendations to the Commission as to when a well should be plugged and abandoned?

A They do.

Q Are you familiar with the subject matter of Case 5317?

A Yes.

Q What is the purpose of this case?

A The purpose of this case is to allow R & G Drilling Company, Incorporated to either repair, recomplete or plug the Marron No. 42 Well.

Q Have you received a report filed with the Commission concerning this well?

A Yes, sir, I have the records of this well in my possession.

Q Will you please go to these reports and provide

KENDRICK-DIRECT

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the Examiner with a history of this well as reflected in the official records?

A All right, sir. The well was drilled in 1951 by the Great Lakes Oil and Chemical Company. It was transferred to the R and G Drilling Company, Incorporated in 1959. R and G Drilling Company dually completed the well in 1959 in the Dakota and Mesaverde formations. We have received annual packer leakage tests until 1967. The last test we received was in 1967, and annually we requested tests and our requests went unheeded and unanswered. I called this case and on September 9th, we received a report stating that the well was completed as a dual completion on April 27th, 1959, and was recompleted as a single zone well in 1967. To substantiate this, a work order from Haliburton Company, dated September 12th, 1967 was filed with this report, and Sundry Notice, Form 9331 was signed by William C. Russell, who is the President of R and G Drilling Company. His filing was just a few years late, from 1967 to 1974.

So, I would recommend that this well be left as a single completion which it currently is, since the Dakota Zone was squeezed in 1967.

Q What type of order would you recommend that the

KENDRICK-DIRECT

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Commission frame for this case?

A I think the case can be dismissed.

Q Do you have any other recommendations?

A Not as far as this case is concerned.

MR. DERRYBERRY: That concludes our direct testimony.

MR. STAMETS: Are there any questions of the witness? He may be excused.

(Witness dismissed.)

MR. STAMETS: Is there anything further in this 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 E. Hays
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5312, heard by me on 9-15, 1954.

heard by me on 9-18, 1974
Richard L. Turner, 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

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

CASE NO. 5317
Order No. R-4873

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT R&G DRILLING COMPANY,
INC., AND ALL OTHER INTERESTED PARTIES TO APPEAR
AND SHOW CAUSE WHY THE MARRON WELL NO. 42 IN UNIT
M OF SECTION 22, TOWNSHIP 27 NORTH, RANGE 8 WEST,
SAN JUAN COUNTY, 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 September 18,
1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of October, 1974, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

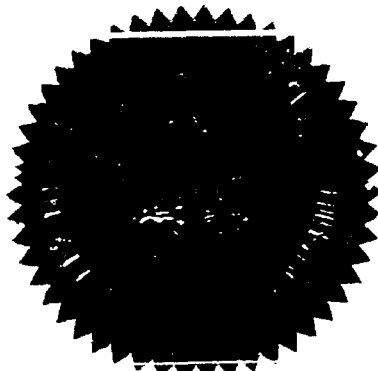
FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 5317 is hereby dismissed.

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



S E A L
jr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

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

Dockets Nos. 29-74 and 30-74 are tentatively set for hearing on October 2 and October 16, 1974. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 18, 1974

9 A.M. - OIL CONSERVATION COMMISSION 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 from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for October, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for October, 1974;

CASE 5288: (Continued from the August 7, 1974, Examiner Hearing)

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 5313: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of its Ludwick Well No. 11 located in Unit B of Section 9, Township 30 North, Range 10 West, San Juan County, New Mexico.

CASE 5292: (Continued from the August 7, 1974, Examiner Hearing)

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;

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 5316: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Benson-Montin-Greer Drilling Corporation and Hartford Accident and Indemnity Company and all other interested parties to appear and show cause why the Segal Well No. 1 located in Unit K of Section 10, Township 31 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5317: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company, Inc., and all other interested parties to appear and show cause why the Marron Well No. 42 in Unit M of Section 22, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5318: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit William C. Russell and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Marron Well No. 46 located in Unit K of Section 23, Township 27 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5326: Application of William C. Russell for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of his Hammond Well No. 1, the surface location of which is 1800 feet from the North line and 1650 feet from the East line of Section 26, Township 27 North, Range 8 West, Largo-Chacra Pool, San Juan County, New Mexico.

CASE 5328: Application of R & G Drilling Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco-Mesaverde and Basin-Dakota gas production in the wellbore of its Hammond Well No. 47, located in Unit K of Section 35, Township 27 North, Range 8 West, San Juan County, New Mexico.

CASE 5312: Application of SEC Corporation for two non-standard carbon dioxide gas units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard gas units in the South Bueyeros Carbon Dioxide Field, Harding County, New Mexico, the first comprising the W/2 NE/4, SE/4 NE/4, and NE/4 SE/4 of Section 32, Township 19 North, Range 30 East, to be dedicated to a well to be drilled in the approximate center of the SW/4 NE/4 of said Section 32; the second non-standard unit would comprise the SW/4 NE/4, N/2 SE/4 and SE/4 SE/4 of Section 5, Township 18 North, Range 30 East, and would be dedicated to a well in the approximate center of the NW/4 SE/4 of said Section 5.

- CASE 5314: Application of Gulf Oil Corporation for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of its W. A. Ramsay Wells Nos. 6, 7, and 20 located in Units H, N, and E, respectively, of Section 35, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to a standard 640-acre gas proration unit comprising all of said Section 35. Each of the aforesaid wells is at a non-standard location for a 640-acre unit in said pool.
- CASE 5315: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Tubb-Drinkard, and Fusselman production in the wellbore of its G. L. Erwin "B" Federal Well No. 4 located in Unit O of Section 35, Township 24 South, Range 37 East, Justis Field, Lea County, New Mexico.
- CASE 5319: Application of Alan Ralston dba Apollo Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 25, Township 25 South, Range 36 East, Lea County, New Mexico, to form a 160-acre non-standard gas proration unit to be dedicated to applicant's Brown Well No. 1 located 1980 feet from the North line and 2310 feet from the West line of said Section 25. Applicant further seeks the pooling of all mineral interests in the Jalmat Pool underlying the following 40-acre oil proration units in said Section 25: the NW/4 NW/4 to be dedicated to Brown Well No. 2 located 330 feet from the North line and 825 feet from the West line; the NE/4 NW/4 to be dedicated to Brown Well No. 3 located 365 feet from the North line and 1650 feet from the West line; the SE/4 NW/4 to be dedicated to Brown Well No. 4 located 1690 feet from the North line and 1870 feet from the West line; and the SW/4 NW/4 to be dedicated to Brown Well No. 5 located 1650 feet from the North line and 990 feet from the West line. Also to be considered will be the cost of reworking said wells 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 wells and a charge for risk involved in reworking said wells.
- CASE 5320: Application of Lively Exploration Company for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 341.33-acre non-standard gas proration unit comprising Lots 9, 10, 11, and 12 of Section 7, and Lots 1, 2, 3, and 4 and the E/2 W/2 of Section 18, Township 29 North, Range 8 West, Basin-Dakota Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit.

- CASE 5321: Application of Northern Minerals, Inc. for pool creation and special pool rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Miguel Creek-Hospah Oil Pool in Township 16 North, Range 6 West, McKinley County, New Mexico, and for the promulgation of special pool rules therefor, including the elimination of the requirement for surface casing and authority to inject water through casing. Applicant is currently conducting waterflood operations in said pool pursuant to authority granted by Order No. R-4649 and seeks administrative provision for the drilling of additional injection and production wells at orthodox and unorthodox locations.
- CASE 5322: Application of Phillips Petroleum Company for an exception to Rule 104-C-I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Commission Rule 104-C-I to permit the production of its Santa Fe Wells Nos. 41 and 86, both of which are located in Unit C of Section 26, Township 17 South, Range 35 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, said wells being located closer than the required 330 feet apart.
- CASE 5323: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age, or older, underlying the E/2 of Section 32, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit. 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 5324: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age, or older, underlying the E/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to applicant's Tracy "B" Well No. 1, the surface location of which is 2045 feet from the South line and 479 feet from the East line of said Section 18. 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 5325: Application of Cities Service Oil Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Tracy "B" Well No. 1, the surface location of which is 2045 feet from the South line and 479 feet from the East line of Section 18, Township 22 South, Range 27 East, South

(Case 5325 continued from Page 4)

Carlsbad Field, Eddy County, New Mexico, in such a manner as to bottom said well in the Morrow formation at an orthodox location within 165 feet of a point 2145 feet from the North line and 825 feet from the East line of said Section 18. Applicant further seeks approval for the unorthodox location of said well in the Strawn formation, in the event production is therein encountered, within a 100-foot radius of a point 2600 feet from the North line and 675 feet from the East line of said Section 18. The E/2 of said Section 18 would be dedicated to the well for both formations.

CASE 5327: Application of Cities Service Oil Company for an unorthodox location and gas injection, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Empire-Abo Unit Well No. 111 to be drilled at a point 990 feet from the South line and 1880 feet from the West line of Section 35, Township 17 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico. This well is to be used as a gas injection well and, in exception to the provisions of Order No. R-4808, is located 1140 feet from the outer boundary of the Citgo Empire-Abo Unit Boundary, rather than the required 1650 feet from the outer boundary.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

September 6, 1974

CERTIFIED - RETURN
RECEIPT REQUESTED

R & G Drilling Co., Inc.
1775 Broadway
New York, New York 10019

Re: Marron Well No. 42, Unit M,
Section 22, Township 27 North,
Range 8 West, San Juan County,
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, September 18, 1974, at
9:00 a.m. in the Oil Conservation Commission Conference
Room, State Land Office Building, Santa Fe, New Mexico.
Case 5317 concerns the subject matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

enclosure

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

August 20, 1974

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Case 53 17

Mr. William F. Carr
New Mexico Oil Conservation Commission
P. O. Box 2098
Santa Fe, New Mexico

Re: R & G Drilling Company, Inc.
Marron #42
M-22-27N-8W *San Juan*

Dear Mr. Carr:

Please docket a case to allow the operator of the above captioned well and other interested parties to appear and show why the multiple completion order for the well should not be cancelled and the well to be recompleted as a single-zone completion or to be plugged and abandoned.

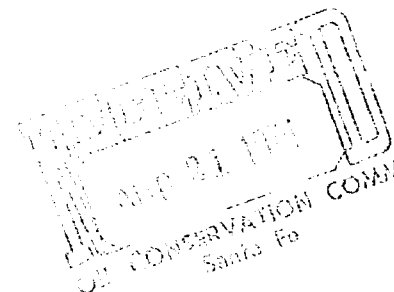
If there are questions, please contact us.

Yours very truly,

AR Kendrick
A. R. Kendrick
Engineer, District #3

ARK:mc

cc: R & G Drilling Co., Inc.
1775 Broadway
New York, N. Y. 10019



DOCKET MAILED

Date _____

(Handwritten initials)
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:

(Handwritten signatures)
CASE NO. 5317

Order No. R- 4873

(Handwritten initials)
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
PERMIT R & G DRILLING COMPANY, INC., AND ALL OTHER
INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE
MARRON WELL NO. 42 IN UNIT M OF SECTION 22, TOWNSHIP 27 NORTH, RANGE
8 WEST, SAN JUAN COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.
BY THE COMMISSION: *(Handwritten: ORDER OF THE COMMISSION)*

This cause came on for hearing at 9 a.m. on September 18, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of October, 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. 5317 is hereby dismissed.

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



No. 003546

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO	
R & G DRILLING CO. INC.	
STREET AND NO.	
1775 Broadway	
P.O., STATE AND ZIP CODE	
New York, New York 10019	
OPTIONAL SERVICES FOR ADDITIONAL FEES	
RETURN	1. Shows to whom and date delivered 15¢
RECEIPT	With delivery to addressee only 65¢
SERVICES	2. Shows to whom, date and where delivered 35¢
	With delivery to addressee only 85¢
DELIVER TO ADDRESSEE ONLY 50¢	
SPECIAL DELIVERY (extra fee required)	

POSTMARK
OR DATE

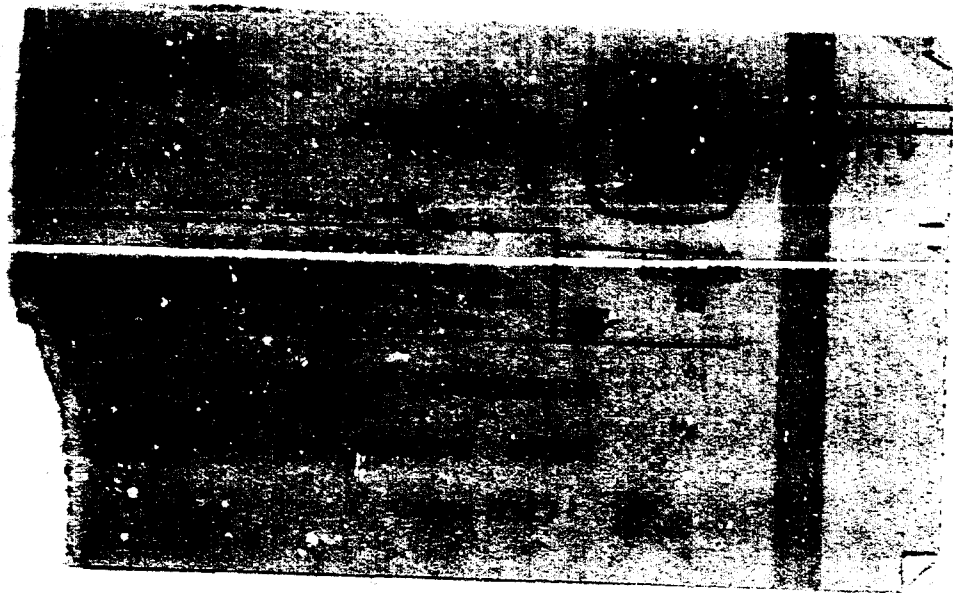
PS Form 3800
Apr. 1971

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

GPO : 1972 O - 460-743

622 5317



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3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the back of the article by means of the gummed ends. Endorse front of article RETURN RECEIPT REQUESTED.
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5. Save this receipt and present it if you make inquiry.