

CASE 5836: PLUGGING CASE
JAMES W. STRAWN AND AMERICAN EM-
PLOYERS INSURANCE COMPANY

CASE NO.

5836

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Tom C. Horton
Box 150
Edgewood, New Mexico

Re: CASE NO. 5836
ORDER NO. R-5368

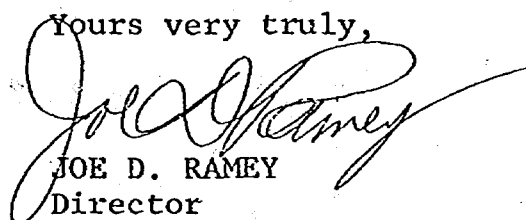
Applicant:

OCC (James W. Strawn)

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other American Employers Insurance Company

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN MOTION
TO PERMIT JAMES W. STRAWN, AMERICAN EMPLOYERS
INSURANCE COMPANY, AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY THE HORTON
WELL NO. 1 LOCATED IN UNIT A OF SECTION 32,
TOWNSHIP 11 NORTH, RANGE 7 EAST, SANTA FE
COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED
PLUGGING PROGRAM.

CASE NO. 5836
Order No. R-5368

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 19, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of February, 1977, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That James W. Strawn is the owner and operator of the
Horton Well No. 1, located in Unit A of Section 32, Township 11
North, Range 7 East, NMPM, Santa Fe County, New Mexico.

(3) That American Employers Insurance Company is the
surety on the Oil Conservation Commission plugging bond on which
James W. Strawn is principal.

(4) That the purpose of said bond is to assure the state
that the subject well will be properly plugged when abandoned.

(5) That said well was drilled to an estimated depth of
approximately 1,900 feet during 1974 and has been abandoned
since that time without being plugged.

-2-

Case No. 5836
Order No. R-5368

(6) That several water zones were encountered during the drilling of said well.

(7) That said well has potential use as a fresh water supply well.

(8) That in order to prevent waste and protect fresh water, said Horton Well No. 1 should be plugged and abandoned in accordance with a program approved by the Santa Fe District Office of the New Mexico Oil Conservation Commission on or before April 30, 1977, or the well should be returned to active drilling status or converted to a water supply well.

IT IS THEREFORE ORDERED:

(1) That James W. Strawn and American Employers Insurance Company are hereby ordered to plug and abandon the Horton Well No. 1, located in Unit A of Section 32, Township 11 North, Range 7 East, NMPM, Santa Fe County, New Mexico, on or before April 30, 1977.

PROVIDED HOWEVER, that said well need not be so plugged if the same is returned to active drilling status or is converted to a water well in a manner acceptable to and approved by the Commission.

(2) That James W. Strawn and American Employers Insurance Company, prior to plugging and abandoning the above-described wells, shall obtain from the Santa Fe office of the Commission, a Commission-approved program for said plugging and abandonment, and shall notify the Santa Fe office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

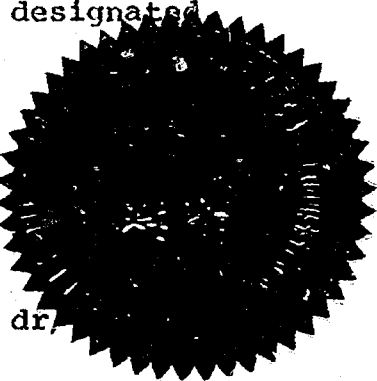
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary



dr

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 19, 1977

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the OCC on its own motion to permit James W. Strawn, American Employers Insurance Company and all other interested parties to appear and show cause why the Horton Well No. 1 should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE
5836

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission:	Lynn Teschendorf, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico
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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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Page

CARL ULVOG

Direct Examination by Ms. Teschendorf

3

Cross Examination by Mr. Stamets

8

TOM HORTON

Statement

11

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1 MR. STAMETS: We will call next Case 5836.

2 MS. TESCHENDORF: Case 5836 in the matter of the
 3 hearing called by the Oil Conservation Commission on its own
 4 motion to permit James W. Strawn, American Employers Insurance
 5 Company and all other interested parties to appear and show
 6 cause why the Horton Well No. 1 located in Unit A of Section
 7 32, Township 11 North, Range 7 East, Santa Fe County, New Mexico,
 8 should not be plugged and abandoned in accordance with a
 9 Commission-approved plugging program.

10 MR. STAMETS: Call for appearances in this case.

11 MS. TESCHENDORF: Lynn Teschendorf appearing on behalf
 12 of the Commission. I have one witness.

13 MR. STAMETS: Any other appearances in this case?

14 The witness will stand and be sworn, please.

15 (THEREUPON, the witness was duly sworn.)

16
 17 CARL ULVOG

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

20
 21 DIRECT EXAMINATION

22 BY MS. TESCHENDORF:

23 Q. Would you state your name, position and place of
 24 residence for the record, please?

25 A. Yes, Ma'am, Carl Ulvog, Senior Geologist for the Oil

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1 Conservation Commission and Supervisor of District Four.

2 Q How long have you held this position?

3 A Approximately three years.

4 Q Have you previously testified before the Commission
5 and are your credentials a matter of record?

6 A Yes, I have and I believe they are.

7 Q Does District Four include that part of Santa Fe
8 County involved in this case?

9 A It does.

10 Q Do your duties as District Supervisor include making
11 recommendations to the Commission as to when wells should be
12 plugged and abandoned?

13 A That is correct.

14 Q Are you familiar with the subject matter of Case
15 5836?

16 A Yes, I am.

17 Q What is the purpose of this case?

18 A The purpose of the case is to determine whether or
19 not the well should actually be plugged and abandoned or
20 converted to a water supply well or additional drilling is to
21 be done.

22 Q Have you reviewed all of the reports filed with the
23 Commission concerning this well?

24 A Yes, I have.

25 Q And do you have these records with you?

1 A. I do.

2 Q. Would you please refer to these records and summarize
3 the history of the well?

4 A. I will. The initial application for a permit to
5 drill the well, our Form C-101, was filed March 20th, 1974.
6 The operator was the Sage Corporation and the proposed depth
7 was sixty-five hundred feet. The proposed spud date was early
8 April. There were not any additional reports for a period of
9 time. After three letters and four telephone calls I received
10 a Form C-103 which was a report on the well which stated that
11 the well was spudded on May first. That was received here on
12 August 6th and the following day another Form C-103 was
13 received which stated that four hundred feet of a ten inch
14 casing had been run. On that same form, incidentally, it says:
15 Completed July 24th, 1974. I do not know if this was when
16 the drilling was completed or if this was when the setting
17 of the casing was completed because this does not indicate what
18 this was a subsequent report of, you see, so it could have
19 been termination of the drilling, I don't know.

20 After several additional telephone calls for more
21 information, I did not get any information, and two more letters,
22 also to which I had no response, I made an inspection of the
23 location and found that it had, in fact, been abandoned. So
24 it was abandoned at sometime between July 24th and about
25 November first.

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1 On May 13th, 1975 another C-101 was filed for
2 application for permit to deepen the well. The name of the
3 operator was Ray F. Padilla, Junior and James Ludwig. The
4 proposed depth was thirty-one fifty. That was received here,
5 as I said, May 13th, 1975 and it was approved.

6 After the permit had expired and no action had been
7 taken the well was set for a hearing but then another operator
8 filed a Form C-101, application to deepen the well. His name
9 is James W. Strawn. The proposed depth was four thousand feet
10 and that was received here December 3rd, 1975.

11 When the ninety days had expired and no action had
12 been taken another sixty-day permit was issued. When no
13 additional drilling was done, that expiration of Mr. Strawn's
14 permit was September 17th, 1976. It was not renewed.

15 There have been no additional applications for
16 activity on the location. I have inspected that well on
17 March 20th, 1975 and June 14th, 1976 and to my knowledge it is
18 still an abandoned location.

19 Those are all of the forms that have been filed.

20 Q On what date was the last official form filed with
21 the Commission?

22 A The last official form was received here on July 16th
23 1976 and that was the last application for a permit to deepen
24 the well and that permit expired September 17th, 1976.

25 Q Do you have any other communications relative to

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1 this case which should be called to the Examiner's attention?

2 A. The file has a number of letters and records of
3 telephone calls and so on which I will not go into unless I'm
4 called upon to do so and this, of course, occurred in a
5 rather extended period of time, if you will notice, that came
6 between these permits.

7 There were a number of other operators that proposed
8 to deepen the well but they never did actually file any forms
9 or post a bond or anything of the sort.

10 Q In your opinion could failure to plug this well
11 cause waste?

12 A. That is correct and also pollution due to water
13 being permitted -- Incidentally, I should mention that to the
14 best of my knowledge this well was drilled to a depth somewhere
15 below nineteen hundred feet, although we have no report in
16 the file as such, but from talking to people who were on the
17 location, had worked on the drilling and so on and so forth,
18 I would say that it is at some depth around nineteen hundred
19 feet or below and it has encountered more than one zone of
20 water.

21 Q Are you prepared to recommend a plugging program at
22 this time or would you prefer to describe the program at the
23 actual time of plugging?

24 A. I would rather wait until later because I think we
25 will have a statement directly to show that this well will

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1 probably not be plugged but will be converted to a water
2 supply well, but if it comes to the necessity of a plugging
3 program I would of necessity need to develop that at that
4 time since I do not know the actual depth, I don't know
5 actually the diameter of the hole, I don't actually know where
6 the pipe is set and so on.

7 Q And you feel at this time that there is some danger
8 that fresh waters in the area could be polluted if this well
9 isn't plugged?

10 A Yes, both possibly that and possibly waste also.

11 MS. TESCHENDORF: I have nothing further.

12 MR. STAMETS: Are there any questions of the witness?
13

14 CROSS EXAMINATION

15 BY MR. STAMETS:

16 Q Mr. Ulvog, where was that casing set that you've got
17 the July '74 data on?

18 A The report from the initial operator here says four
19 hundred feet but on the subsequent application for reentering
20 the well, it states there a lesser depth. Just a moment and
21 I'll tell you what it is. It states three hundred and fifty
22 feet on at least one. On both of the applications that
23 followed by different operators it states three hundred and
24 fifty feet, so I'm not sure whether there is three hundred and
25 fifty feet of ten inch or whether there is four hundred feet of

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1 ten inch, I don't know.

2 Q Mr. Ulvog, is it one of the duties of the Commission
3 to require dry or abandoned wells to be plugged in such a
4 way as to confine the crude petroleum oil, natural gas or
5 water in the strata in which they are found and prevent them
6 from escaping to other strata?

7 A There is and the maximum period of time in which a
8 well can be abandoned without plugging is six months.

9 Q Now, I presume that you feel that there may be an
10 alternative to total plugging of this well if it is converted
11 to a water well?

12 A That is correct.

13 Q Now, if it is converted to a water well would it be
14 your intention to leave the well as is or would you feel it
15 should be plugged back to some lesser depth?

16 A Well, I don't believe that the well can be left as
17 is. I don't believe there is anybody going to pump water from
18 two thousand feet, especially since there were substantial
19 amounts of water encountered before this ten-inch casing
20 was run. As a matter of fact, the ten-inch casing was run
21 primarily to shut off the water that could not be shut off
22 in any other manner, so there is water above that level and
23 there was additional water encountered on below that level.
24 I feel that there are several zones of fresh water but not at
25 total depth so there would have to be some plugging back, I

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1 believe.

2 Q So in order to comply with the statutes and to
3 adequately get this well in shape even for a water well there
4 would have to be some plugging going on?

5 A That is correct, I believe that is right.

6 Q Now, Mr. Ulvog, I presume another alternative to
7 plugging would be to return the well to active drilling status?

8 A That is correct.

9 Q Have you any indication that this is a real
10 possibility?

11 A Well, yes, as a matter of fact, since the last
12 application for a permit to drill the well expired there have
13 been three different proposals submitted for reentering and
14 drilling the well down. I don't happen to have the names of
15 those handy but I could look it up if you are interested.
16 However, they have not posted a bond or filed the papers
17 necessary to initiate this action so I'm not prepared to
18 say how serious the proposals were.

19 Q Do you feel like ninety days would be a sufficient
20 period of time in which to accomplish one of these three
21 things, either to return the well to active drilling, to
22 plug it entirely or plug it back and convert it to a water
23 well?

24 A I would say that that is more than ample.

25 MR. STAMETS: Are there any other questions of the

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1 witness? He may be excused.

2 (THEREUPON, the witness was excused.)

3 MR. STAMETS: Is there anything further in this case?

4 Yes, sir?

5 MR. HORTON: I'm Tom Horton, sir, and I would like
6 to make a statement.

7 MR. STAMETS: Mr. Horton, you may take Mr. Ulvog's
8 seat there when he abandons it.

9 Would you please identify yourself and your relation-
10 ship to this well for the record?

11 MR. HORTON: I'm Tom Horton. My wife and I are the
12 landowner, or maybe I should say my wife is, that this
13 particular well is located on.

14 MR. STAMETS: Do you intend to present testimony or
15 just make a statement?

16 MR. HORTON: Well, I suppose that making a statement
17 would be adequate in view of the fact that it has been mutually
18 agreed between the leasers and the owners of the well that
19 immediately following this that we convert it to a water
20 well and that the necessary plugging and testing shall be run
21 at my expense and then at a later time and our water rights
22 established. At a later time if they elect to go into the
23 well then we will start in and see what the proper procedures
24 are to further the drilling.

25 MR. STAMETS: Do you believe that this ninety days

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1 that has been recommended here is a sufficient period of time
2 for this work to be accomplished?

3 MR. HORTON: Yes, sir, I do.

4 MR. STAMETS: Does that conclude your statement?

5 MR. HORTON: That concludes my statement.

6 MR. STAMETS: Thank you very much.

7 Does anyone else have anything to offer in this
8 case? The case will be taken under advisement.

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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
Sidney F. Morrish, C.S.R.

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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner Hearing of Case No. 5836
heard on Jan 19, 1977
Richard L. Starnes, Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 7, 1977

CERTIFIED - RETURN
RECEIPT REQUESTED

C
O
P
Y

James W. Strawn
1009 E. Florida
Midland, Texas 79701

American Employers' Insurance Co.
P. O. Box 231
Midland, Texas 79701

Re: Horton Well No. 1, located
in Unit A of Section 32,
Township 11 North, Range 7
East, Santa Fe County
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing
to be held on Wednesday, January 19, 1977, at 9:00 a.m. in the
Oil Conservation Commission Conference Room, State Land Office
Building, Santa Fe, New Mexico, Case 5836 concerns the above
captioned subject matter.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT:fd
enc.

RECEIPT FOR CERTIFIED MAIL—30¢

No. 481714

SENT TO American Employers' Ins. Co.		POSTMARK OR DATE
STREET AND NO. P. O. Box 231		
P. O., STATE, AND ZIP CODE Midland, Texas 79701		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom and date delivered <input type="checkbox"/> 10¢ fee	Shows to whom, date, and where delivered <input type="checkbox"/> 35¢ fee	Deliver to Addressee Only <input type="checkbox"/> 50¢ fee
<small>POD Form 3800 Mar. 1966</small> NO INSURANCE COVERAGE PROVIDED— (See other side) <small>NOT FOR INTERNATIONAL MAIL</small>		

RECEIPT FOR CERTIFIED MAIL—30¢

No. 481713

SENT TO James W. Strawn		POSTMARK OR DATE
STREET AND NO. 1009 E. Florida		
P. O., STATE, AND ZIP CODE Midland, Texas 79701		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom and date delivered <input type="checkbox"/> 10¢ fee	Shows to whom, date, and where delivered <input type="checkbox"/> 35¢ fee	Deliver to Addressee Only <input type="checkbox"/> 50¢ fee
<small>POD Form 3800 Mar. 1966</small> NO INSURANCE COVERAGE PROVIDED— (See other side) <small>NOT FOR INTERNATIONAL MAIL</small>		

SENDER: Be sure to follow instructions on other side

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S)
(Additional charges required for these services)

☐ Show address where delivered ☐ Deliver ONLY to addressee

RECEIPT

Received the numbered article described below

REGISTERED NO.	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)
CERTIFIED NO. 481714 TX	1 <i>American Employers'</i>
INSURED NO.	2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY <i>James Strawn</i>
DATE DELIVERED 1-10-77	3 SHOW WHERE DELIVERED (Only if requested, and include ZIP Code)

SENDER: Be sure to follow instructions on other side

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S)
(Additional charges required for these services)

☐ Show address where delivered ☐ Deliver ONLY to addressee

RECEIPT

Received the numbered article described below

REGISTERED NO.	SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)
CERTIFIED NO. 481713	1 <i>James Strawn</i>
INSURED NO.	2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
DATE DELIVERED 1-10-77	3 SHOW WHERE DELIVERED (Only if requested, and include ZIP Code)

OPTIONAL SERVICES

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- Delivery to addressee only—50¢
- Special delivery

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U.S. POST OFFICE—216-700

OPTIONAL SERVICES

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- Delivery to addressee only—50¢
- Special delivery

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6. Save this receipt and present it if you make inquiry.

U.S. POST OFFICE—216-700

U.S. POSTAL SERVICE
OFFICIAL BUSINESS

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



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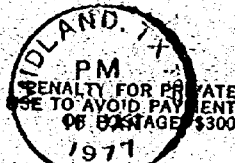
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PS Form 3811
June 1973

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POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

CASE 5836

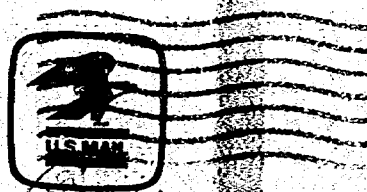
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OFFICIAL BUSINESS



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PS Form 3811
June 1973

OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

CASE 5836

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DEC. 1976

Set for forced plugging
case on Jan. 19th:

James W. Strawn (operator)

Horton Well No. 1

Unit A, Sec. 32, T-11-N, R-7-E, NMPM

Santa Fe County

American Employers Insurance Co
— Bond —

354 - SUNDAY, DEC. 19

- 12

CASE 5836: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit James W. Strawn, American Employers Insurance Company, and all other interested parties to appear and show cause why the Horton Well No. 1 located in Unit A of Section 32, Township 11 North, Range 7 East, Santa Fe County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5810: Continued from November 23, 1976, Examiner Hearing

Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Stonewall "EP" Com Well No. 1, located in Unit F of Section 30, Township 20 South, Range 28 East, Eddy County, New Mexico, to produce gas from the North Burton Flat-Wolfcamp Gas Pool and an undesignated Morrow gas pool.

CASE 5837: Application of TransOcean Oil, Inc., for a unit agreement, Catron County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Omega Unit Area comprising 35,196 acres, more or less, of State, Federal, and fee lands in Townships 2, 3, and 4 North, Range 14 West, Catron County, New Mexico.

CASE 5838: Application of TransOcean Oil, Inc. for a unit agreement, Catron County, New Mexico. Applicant, in the above-styled cause, seeks approval of the French Unit Area comprising 34,542 acres, more or less, of State, Federal, and fee lands in Townships 1 and 2 North, Ranges 16, 17, and 18 West, Catron County, New Mexico.

CASE 5839: Application of TransOcean Oil, Inc. for a unit agreement, Catron County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Remuda Unit Area comprising 34,504 acres, more or less, of State, Federal, and fee lands in Townships 2 and 3 North, Ranges 9 and 10 West, Catron County, New Mexico.

CASE 5840: Application of Dome Petroleum Corporation for pool creation and assignment of a discovery allowable, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Entrada production and the assignment of approximately 25,800 barrels of oil discovery allowable to the discovery well, being applicant's Federal 15 Well No. 1 located in Unit F of Section 15, Township 19 North, Range 5 West, McKinley County, New Mexico.

CASE 5048: (Reopened)

In the matter of Case 5048 being reopened pursuant to the provisions of Order No. R-4637-A, which order extended the temporary special pool rules for the South Dagger Draw-Upper Pennsylvanian Associated Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said temporary special pool rules should not be rescinded.

CASE 5599: (Reopened)

In the matter of Case 5599 being reopened pursuant to the provisions of Order No. R-5142 which order established temporary special pool rules for the Twin Lakes-Devonian Pool, Chaves County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units and why the limiting gas-oil ratio should not revert to 2,000 to 1.

CASE 5841: Application of Bettis, Boyle & Stovall for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian formation underlying the E/2 NE/4 of Section 34, Township 12 South, Range 37 East, Southwest Gladioia-Devonian Pool, Lea County, New Mexico, to be dedicated to the Lowe Well No. 1 located in Unit A of said Section 34. Also to be considered will be the cost of recompleting said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in recompletion of said well.

CASE 5842: Application of Hanagan Petroleum Corporation for an exception to the provisions of Order No. R-1670, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 15(B) of the Southeast Gas Proration Rules contained in Order No. R-1670, as amended, to permit its Catclaw Draw Unit Well No. 9, located in Unit F of Section 35, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to make up its overproduction at a rate less than complete shut-in.

DRAFT

dr/

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. 5836

Order No. R- 5368

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO PERMIT JAMES W. STRAWN, AMERICAN
EMPLOYERS INSURANCE COMPANY, AND ALL OTHER INTERESTED PARTIES TO
APPEAR AND SHOW CAUSE WHY THE HORTON WELL NO. 1 LOCATED IN UNIT A
OF SECTION 32, TOWNSHIP 11 NORTH, RANGE 7 EAST, SANTA FE COUNTY, NEW
MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-
APPROVED PLUGGING ORDER OF THE COMMISSION PROGRAM.

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 19,
19 77, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of January, 1977, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That James W. Strawn is the owner and operator of the
Horton Well No. 1, located in Unit A of Section 32, Township 11
North, Range 7 East, NMPM, Santa Fe County, New Mexico.

-2-

Case No. 5836
Order No. R-

(3) That American Employers Insurance Company is the surety on the Oil Conservation Commission plugging bond on which James W. Strawn is principal.

(4) That the purpose of said bond is to assure the state that the subject well will be properly plugged ^{when} ~~and~~ abandoned.

(5) That said well was drilled to an estimated depth of approximately 1900 feet during 1974 and has been ~~abandoned~~ ^{without} being plugged since that time without being plugged.

(6) That ~~there are~~ ^{several} water zones were encountered during the drilling of said well.

(7) That said well has potential use as a fresh water supply well.

water,

(8) That in order to prevent waste and protect ^{fresh} ~~correlative~~ ~~rights~~ said Horton Well No. 1 should be plugged and abandoned in accordance with a program approved by the Santa Fe District Office of the New Mexico Oil Conservation Commission on or before April 30, 1977. ~~the~~ ^{if} the well should be returned to active drilling status or ~~placed on production.~~ ^{converted to a water supply well}

IT IS THEREFORE ORDERED:

(1) That James W. Strawn and American Employers Insurance Company are hereby ordered to plug and abandon the Horton Well No. 1, located in Unit A of Section 32, Township 11 North, Range 7 East, NMPM, Santa Fe County, New Mexico, on or before April 30, 1977.

Provided However, That said well need not be so plugged if the same is returned to active drilling status or is converted to a water well ~~and~~ ~~accorded~~ ~~as~~ in a manner acceptable to and approved by the Commission.

(2) That James W. Strawn and American Employers Insurance Company, prior to plugging and abandoning the above-described wells, shall obtain from the Santa Fe office of the Commission, a Commission-approved program for said plugging and abandoning^{ment}, and shall notify ~~said~~ ^{the} Santa Fe office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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