

5/10/77

# Memo

From

CARL ULVOG

SENIOR

PETROLEUM GEOLOGIST

To W. Z. Holden:

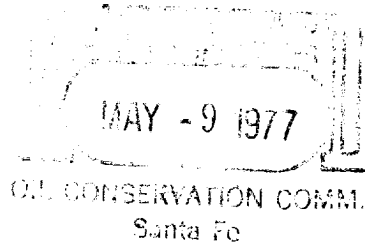
Attached approved copy of Form C-103 provides evidence that D-21-15N-33E is in acceptable condition, that all necessary forms have been filed, and that NMOC files pertaining to this well are now closed.

Regarding third paragraph of your 5/5/77 letter, the use of a note on a page from my Memo pad (similar to this sheet) as "proof" that N-4-15N-33E was properly plugged will not be acceptable and is not appreciated. If you cannot realize why, simply compare the writing.

Although it is not the duty of the NMOC, I will contact Mr. Wright (on your behalf) to ascertain why there are no indications of markers having been placed as you ordered. Carl Ulvog

GAS & OIL EXPLORATION, PRODUCTION & DEVELOPMENT

May 5, 1977



Mr. Carl Ulvog  
Supervisor, District IV  
Oil Conservation Commission  
State of New Mexico  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ulvog:

In response to your letter dated 4/22/77, we are forwarding seven (7) copies of form C-105 along with a copy of the invoice we paid for the plugging of the Cain # 2 Well. Mr. Jim Wright of Logan, New Mexico has billed and we have paid an additional \$151.00 for the making and installation of the dry hole markers on the Cain # 2, Cain # 3, and State # 1 wells. Mr. Wright has assured us that he has done this work and that the failure of such markers to be in evidence at this time is due to their being removed by persons unknown. No logs were run on Cain # 2.

We are enclosing three (3) copies of form C-103 on the State # 1 well as required and have attached copies of the Dowell service order clearly showing where the plugs were set.

We are also enclosing a copy of the Dowell Cementing Service Report on the Cain # 3 well dated 8/19/76. Dowell has in error called this the Conley State # 3, however, we also have a "Memo From Carl Ulvog Senior Petroleum Geologist" a copy of which is attached that also confirms that there is "therefore a plug is at 510'" and that a 2 stage cementing job was performed at 5 sacks each and this again ties in with the Dowell report attached. The Dowell report confirms that 10 sacks of Class A cement were pumped and that plug # 1 was set at 150' and that the top plug was set at 0 to 22'. We have no knowledge as to the cause of the open casing with foul water on the Cain # 3 and can only assume that someone must have attempted to re-enter this hole.

We have, in good faith made every effort to cause the well locations to be left in an acceptable manor which would permit the release of our bonds in New Mexico. Granted, we have used third parties to perform the physical work required, but we have no reason to believe that Mr. Wright or Dowell have not performed the job as indicated on their invoices and feel that the absence of dry hole markers and the presence of water in the top of the casing is the result of unknown persons with unknown motive removing such markers & cement cap.

Very truly yours,

W. Z. Holden



Closures/ 13

Jess Wright

W. <sup>29</sup> 4-1-1912  
No. <sup>100</sup> 1-3

Reg. No.	Check	ACCOUNT FORWARD
1	make balance	
2		
3	March 3rd	
4		
5	March 1st	
6		
7	March 1st	
8		
9		
10	March 1st	
11		
12	March 1st	
13		
14	March 1st	
15		

Your Account Stated to Date — If Error is Found Return at Once

Memo

From

CARL ULVOG

SENIOR

PETROLEUM GEOLOGIST

To

Carl D.

Today, Sunday, March 14,  
I am at the office.  
I will see Mr. [unclear] &  
Mr. [unclear] and [unclear] also  
[unclear]

---

Pp. [unclear] [unclear] [unclear]  
[unclear]

Probably [unclear] [unclear]  
want [unclear] [unclear]  
[unclear] [unclear] up  
on [unclear] of 3 1/2". When  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] 3 1/2" [unclear] [unclear]

TO  
MR. CARL ULVOG  
OIL CONSERVATION COMMISSION  
PO BOX 2088  
SANTA FE, NEW MEXICO 87501

FROM  
HARLAN INCORPORATED OF COLORADO  
817-17th Street - Suite 500  
DENVER, COLORADO 80202  
(303) 292-5000

SUBJECT: CONLEY & ASSOC. BOND #'S 606B3222 & 606B1609

DATE 04 25 77

MESSAGE  
MR. ULVOG, ON FEB. 17, 1977, OUR PRINCIPAL, CONLEY & ASSOC. REQUESTED A RELEASE FOR CANCELLATION ON THE TWO ABOVE CAPTIONED BONDS. PLEASE LET US KNOW THE STATUS OF THESE. HAVE THEY BEEN, OR CAN THEY BE RELEASED YET? WE WOULD APPRECIATE A HASTY REPLY.

THANK YOU VERY MUCH,

LORI GEBAUER  
BONDS

SIGNED:

REPLY  
*Attached you will find answers to above query.  
Bond No. 606B1609 covers defective wells discussed  
by letter dated 4/22/77. When these defects have been  
remedied, bond may be cancelled. Your principal has  
been notified repeatedly of actions needed to effect release  
of this bond.*

SIGNED:

*Carl Ulvog*  
4/27/77



## 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

April 22, 1977

Mr. W. Z. Holden  
Conley & Associates, Inc.  
9402 Tierra Blanca Drive  
Whittier, California 90603

Dear Mr. Holden:

The Conley well-sites on the Cain Ranch in Harding County have been inspected. Of these, two were found to be in unacceptable condition for reasons as follows: Arthur Cain Well No. 2; K-10-15N-33E: Marker on location simply lying on the ground. Furthermore, we have received no Form C-105 for Well No. 2 nor logs thereof. Blank copies of the Form C-105 are enclosed for your convenience.

Arthur Cain Well No. 3; N-4-15N-33E: No marker erected and none in evidence at site. Casing open at surface with fluid standing therein. All of the required forms (C-103 and C-105) have been received for this well, however it is obvious that conditions at the site do not correspond with those reported by the Form C-103 submitted as a final report - dated 8/21/76. You will note that this report was originally received here on 8/23/76 and a copy returned to your office for various corrections along with a cover letter dated 8/25/76. It is apparent that something is wrong at this location. If the top plug (from 22' to surface) was placed as described, it would now be impossible for the casing to be open at the surface and with fluid (apparently foul water) standing within - unless the cement had been drilled out, of course. There is no evidence that such has been done, however.

The remaining three locations appear to be in proper condition with one exception, as follows:

State Well No. 1; D-21-15N-33E: Well site itself acceptable, but no corrected and updated Form C-103 was received as requested by a marked copy of the "Subsequent Report of Plug and Abandonment" dated 8/24/76 (but received in this office

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on 8/23/76!!) together with a cover letter dated 8/25/76.  
Enclosed are blank Forms C-103 for your convenience in completing  
this well file.

Approved final reports (Forms C-103) are enclosed for  
the following locations:

State Well No. 1-X (formerly #1-A); 735' FWL and 640'  
FSL and State Olympic Well #1 (formerly #1-X); 660' FWL and 660'  
FSL both in Unit M-27-16N-33E. Thus our files are being closed  
on these two wells just as was done (2/23/77) for the Arthur  
Cain Well No. 1.

Hopefully, the foregoing will bring you up-to-date on  
all of the Conley operations in Harding County, and will  
indicate what actions are needed before your Bond No. 606B1609  
can be cancelled.

Yours truly,

*Carl Ulvog*  
CARL ULVOG  
Supervisor, District IV

CU/og  
Enc.

GAS & OIL EXPLORATION, PRODUCTION & DEVELOPMENT

February 17, 1977

Mr. Carl Ulvog  
Oil Conservation Commission  
State of New Mexico  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ulvog:

We are enclosing the corrected C 103 forms on the Cain # 3 and Cain # 1 wells and request that you cause our bond no. 606B3222 to be processed for cancellation. This is the \$5,000 single well bond on the Cain # 1.

The # 1-X State did involve two locations in Section 27: T16N, R 33E, located as follows:

735 Feet from the West Line and 640 Feet From the South Line  
660 Feet from the West Line and 660 Feet from the South Line

Both locations have been plugged and marked and we are re-submitting the form C 103 on each location. The name of the operator has also been added as requested.

Please advise if additional information is required. We request that you cause our bond no. 606B1609 to be processed for cancellation at the earliest date possible. This is the \$10,000 State of New Mexico Blanket Plugging Bond.

Very truly yours,

  
W. L. Holden







## 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

February 9, 1977

Mr. W. Z. Holden  
Conley & Associates, Inc.  
9402 Tierra Blanco Drive  
Whittier, California 90603

Dear Mr. Holden:

Enclosed are copies of forms received on February 7th, last and August 23, 1976, for a well identified as the No. 1-X State. As you will note, one of these reports gives no operator's name or address. Presumably it is the same as shown on the other two reports for the No. 1-X State.

Considerable confusion arises from the fact that three (3) distinctly different locations are given for what appears to be the same well. Two reports are remarkably similar except for the locations and dates. Could you possibly resolve this situation? In view of the fact that there were two different operators involved in this area at the time (both using the same person's signature on reports) it behooves you to complete this portion on the form where it is missing.

Copies of reports for two other locations are also being returned for minor corrections. These concern the No. 1 Arthur Cain in Section 10 and the No. 3 Arthur Cain in Section 4. You will observe that these forms were signed in the space provided for the Commission's acknowledgment of approval. It would be appreciated if they were signed properly, so that there would be no question concerning this agency's action. Furthermore, we have no jurisdiction over matters concerning agreements between lessor and lessee; consequently we cannot in good conscience approve the final statement on the Form C-103 for Well No. 3.

When the above errors and discrepancies have been resolved, an inspection of the locations will be made and approvals given wherever justified. The Commission is as interested in closing its files as you may be in closing yours.

Very truly yours,

CARL ULVOG  
District IV Supervisor

CU/oq

# 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

January 27, 1977

Mr. W. Z. Holden  
Conley & Associates, Inc.  
9402 Tierra Blanca Drive  
Whittier, California 90603

Dear Mr. Holden:

Your letter of January 18th, last, has been referred to the Engineering Division of the Oil Conservation Commission. Please be advised that the Commission does not have sufficient data to justify the bonding changes you requested, nor can we make such changes without explicit instructions from the surety.

Actually, there is no reason to continue carrying this particular bond, except for Mr. Conley's failure to file the proper completion reports. Please refer to a letter from the undersigned, dated August 25, 1976, together with copies of Forms C-103 and C-105 which were submitted to this office by Mr. Conley. You will note that a number of questions, comments and notations were made (in red) on these improperly completed forms. Reference to these suggestions, and to the letters and rule abstracts sent to Mr. Conley, should enable you to submit properly completed forms. Upon receiving such reports, and upon request from the Travelers Indemnity Company, your Bond No. 606B32222 will be cancelled.

Probably the reason for the incomplete and incorrect reports received from Mr. Conley on August 23, 1976, is that they were mailed from Whittier, California, on August 20, 1976. Actually plugging of the well in question was not completed until after 5:00 p.m. that day. Consequently the reports would of necessity have been mailed before information concerning the operations actually performed was available. Mr. Conley was not at the well site on that day and no one present (including the undersigned) could have relayed the correct data to his office in sufficient time to permit its mailing that day.

It is hoped that the foregoing will answer some questions and aid you in avoiding additional premium payments on a bond which could easily have been cancelled four months ago.

Yours truly,

*Carl Ulvog*

CARL ULVOG  
District IV Supervisor

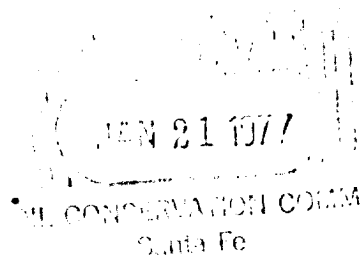
CU/og

cc: Bond Dept. - Oil Conservation Commission  
Legal Dept. Oil Conservation Commission  
Well File, J-10-15N-33E

# Conley & Associates, Inc.

GAS & OIL EXPLORATION, PRODUCTION & DEVELOPMENT

January 18, 1977



State of New Mexico  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

We have two plugging bonds nos. 606B3222 & 606B160-9 currently effective in the State of New Mexico. Bond No. 606B3222 is a \$5,000 One-Well Plugging and Indemnity Bond in the name of our President, Jack F. Conley. Bond No. 606B160-9 is a \$10,000 Blanket Plugging Indemnity Bond in the name of Conley & Associates.

We request that you cause Bond No. 606B3222 to be cancelled as of 1/26/77, the renewal date, and transfer the indemnification responsibility to Bond No. 606B160-9.

Conley & Associates, Inc. is the owner of the Conley # 1 Cain (10-33-A) well, NWE Section 10, Township 15, Range 33 E, Harding County, New Mexico and therefore is responsible for the plugging of this well.

Very truly yours,

W. Z. Holden

cc: Harlan Incorporated of Colorado

*# 606B3222 covered  
Conley #1 Cain*





## OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER  
PHIL R. LUCERO



STATE GEOLOGIST  
EMERY C. ARNOLD

DIRECTOR  
JOE D. RAMEY

August 25, 1976

Conley & Associates, Inc.  
9402 Tierra Blanca Drive  
Whittier, California 90603

Gentlemen:

This will acknowledge receiving the various forms, reports and logs which were sent (postmarked) from California on August 20th, last.

Please be advised that much required information is lacking and some data provided appears to be in error. The only report which can be approved at this time (Form C-103, Cain Well No. 1, J-10-15N-33E, Change Plans) is enclosed. Copies of various other reports (with notations) are also being sent for your information and guidance.

Summaries and/or abstracts of certain New Mexico regulations were submitted to you with correspondence dated June 4th and July 7th of this year. A complete set of rules governing oil and gas operations in this state were provided you before your drilling here commenced. Therefore, the Commission is not now justified in accepting incomplete or inaccurate reports for its files. Kindly give particular attention to Rule 107, part c; Rule 202, part a, paragraph 2; Rule 1103, Section B, paragraph 4; and Rule 1105, paragraph 2 of the Oil Conservation Commission Regulations when preparing additional reports - thus saving yourself and this agency a needless expenditure of time and money.

The quality of data available in this office is only as good as operators provide. Therefore your cooperation in the above discussed matter will be appreciated.

Yours truly,

*Carl Ulvog*

CARL ULVOG  
District IV Supervisor

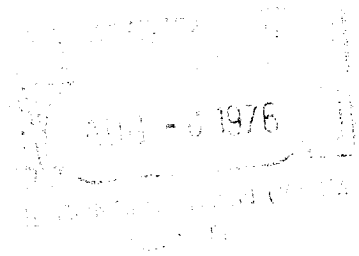
CU/jr

Enc.

*Conley & Associates Inc.*

GAS & OIL EXPLORATION, PRODUCTION & DEVELOPMENT

August 3, 1976



Mr. Carl Ulvog  
Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ulvog:

We have contracted for a service unit to come in and pull the remaining pipe in the following 3 wells.

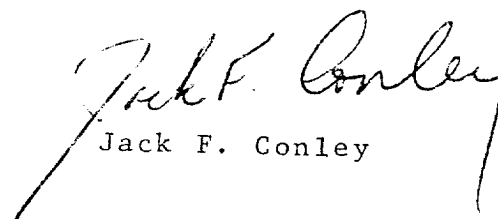
- a. Conley - #1 Cain (Sec 10, 15N, 33E)
- b. Conley - #3 Cain (Sec 4, 15N, 33E)
- c. Conley - Cain #1 State (Sec 21, 15N, 33E)

We have tried to get a service rig for over a month but nobody wants to come into the territory.

The main purpose will be to completely clean up and legally abandon the remaining drill sites.

I'll notify you if the contractor flakes out. This happened twice to date.

Sincerely,

  
Jack F. Conley





# 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

July 7, 1976

Conley & Associates, Inc.  
9402 Tierra Blanca Dr.  
Whittier, California 90603

Gentlemen:

Kindly refer to the letter from this office dated June 4, 1976, and to the attached copy of a portion of New Mexico's regulations pertaining to wells drilled for oil and/or gas. There is evidence that Rule 202 of these regulations has not been complied with in your Harding County, New Mexico, operations on the Cain Ranch.

As of June 25, 1976, none of the well sites were in acceptable condition for abandonment. Although your proposed plugging program for the Cain No. 3 well (N-4-15N-33E) was approved on May 7, 1976, it was observed with open casing, no marker, and unfilled pits on June 25th. Likewise - on that date - your State No. 1 well (D-21-15N-33E) had casing open to the surface, in which a fluid column extended to within a few feet of the top. The site was badly rutted and trashy and pits were not filled. Apparently this location was abandoned prior to April 10th, last.

Obviously, the two specific cases mentioned above are in violation of Rule 202-C. There are other instances of non-compliance which will be apparent to you in referring to the book of regulations which you were furnished prior to your beginning operations in this state. Prompt action to rectify the errors or oversight which permitted the foregoing situation is hereby requested.

Very truly yours,

*Carl Ulvog*

CARL ULVOG  
Supervisor, District IV

CU/og

cc: Mr. W. F. Carr, General Counsel  
Oil Conservation Commission - Santa Fe



DIRECTOR  
JOE D. RAMEY

## OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER  
PHIL R. LUCERO



STATE GEOLOGIST  
EMERY C. ARNOLD

June 4, 1976

Conley & Associates, Inc.  
9402 Tierra Blanca Drive  
Whittier, California 90603

Re: Oil and Gas Test Wells, Harding and  
Quay Counties, New Mexico

Gentlemen:

Well files maintained by the Oil Conservation Commission pertaining to certain of your operations in the subject area are deficient in reports and data which you are required to supply as a condition of your permits. The wells and locations for which reports are past due are as follows:

Arthur Cain Well No. 3, Unit N, Sec. 4, T-15-N, R-33-E.  
Spud date not reported. Abandonment or plugging not reported.  
Present depth and hole condition unreported.  
Application dated 2/23/76.

Arthur Cain Well No. 1, Unit J, Sec. 10, T-15-N, R-33-E.  
No reports filed after Form C-101 (Application for Permit to Drill)  
which gave intended spud date of 2/11/76.

Arthur Cain Well No. 2, Unit K, Sec. 10, T-15-N, R-33-E.  
No spud date reported. Notice of intent to abandon dated 4/1/76.  
No subsequent report.

State Well No. 1, Unit D, Sec. 21, T-15-N, R-33-E.  
No spud date reported. Notice of intent to change plans dated  
4/15/76. No subsequent report.

State Well No. 1-X, Unit M, Sec. 27, T-15-N, R-33-E.  
No spud date reported. Notice of intent to change plans dated  
4/1/76. No subsequent report.

McCarty State Well No. 1-X, Unit A, Sec. 19, T-16-N, R-34-E.  
Only report filed is Form C-101 dated 3/25/76.

Attached is a brief summary of some pertinent requirements regarding filing of reports. Kindly refer to the State Regulations for more complete instructions



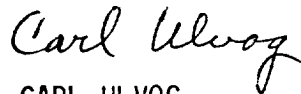
Conley & Associates, Inc.

-2-

June 4, 1976

concerning drilling, completing and abandoning of wells designed to test for oil and/or gas. Please note the time requirements for submitting data under these regulations and be governed accordingly.

Very truly,

A handwritten signature in cursive script that reads "Carl Ulvog".

CARL ULVOG  
Supervisor, District IV

CU/dr

Conley & Associates - Deficiencies, Non-Compliance

Harding County

Cain #1, J-10-15N-33E - Spud 2/11/76

No casing information - dates, depths, cement, purpose.  
No testing data - perforations, treatments, recoveries.  
No temporary abandonment permit-date, well condition, etc.

Re-entry 5/20/76

No information on progress - recoveries, methods, etc.  
No completion/termination information-date, depth, condition,  
T.D. reported @ 1487' (Logs to 551')

Cain #2, K-10-15N-33E - Spud 3/2/76

No casing information - dates, depths, cement, purpose.  
No testing data. No progress reports.  
No completion/termination information - date, depth, condition.  
T.D. reported @ 710' P & A reported 6/8/76 (No logs)

Cain #3, N-4-15N-33E - OWWO Re-enter 3/9/76

No casing information - dates, depths, cement, purpose.  
No testing data: No progress reports.  
(Air drill to 870'; mud system to 1175')  
No completion/termination information - date, depth, condition.

State #1, D-21-15N-33E - Spud 3/22/76

No casing information - dates, depths, cement, purpose.  
No testing data. No progress reports.  
No completion/termination information - date, depth, condition.  
T. D. reported @ 1453' (Logs to 1451')

State #1-X - M-27-16N-33E

Which well was re-entered?

Quay County

State #1-X - A-19-16N-34E - Application withdrawn  
Scouting service (PI) reports drilling @ 1105'