

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

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87501



DIRECTOR
JOE D. RAMEY

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STATE GEOLOGIST
EMERY C. ARNOLD

December 2, 1975

Harvest Oil Inc.
P. O. Box 112
Cisco, Texas 76437

Re: Astro-Tex Oil Corporation
Olympic State Wells No. 1 & 1-A
Section 27, T-16-N, R-33-E
NMPM, Harding County, New Mexico

Attention: Mr. Stanley J. Pirtle

Gentlemen:

Received in this office on August 29, 1975, were Forms C-103 pertaining to the subject wells, together with logs of same. On October 2, 1975, Forms C-105 were received for the same wells, along with copies of the C-103 forms sent previously and a cover letter. The C-103 forms implied that plugging and abandonment operations were complete and the cover letter (dated September 29th) states that you had been so "informed."

Apparently you were uninformed (or misinformed) as to actual operating practices and conditions at those locations. The purpose of this letter is to clarify misconceptions you may have in connection therewith.

On August 7, 1975, the undersigned was on location of the Olympic State No. 1-A in conjunction with a routine inspection tour of O.C.C. District IV. At that time there was a formation-stimulation operation under way by Dowell. According to the man who was obviously in charge of this operation (presumably employed by you) it was an Acid-Frac process. There were various problems being encountered, such as packer failures, which kept all personnel on the location occupied, and unable to provide information which this office should have. Your man in charge advised that if commercial production was not developed at the level being treated, it was planned to attempt additional testing at a shallower horizon. This office was not notified of the intent to do this testing or treating nor has it yet been advised of the results obtained.

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Subsequent to the foregoing, no additional communication was received - verbal or written - regarding the Olympic State No. 1-A, until the aforementioned Form C-103 arrived on August 29th. That form stated "Oil Conservation Commission representative present at time of plugging." Please be advised that no representative of this office was present, nor was prior notification given that such plugging was being contemplated. (See Rules 201 and 1103 of Oil Conservation Commission Regulations.)

On September 19, 1975, the subject locations were again visited. At that time, several pieces of machinery, including a tractor and truck, were at the site. Because the area was neither cleaned of debris nor leveled, it was assumed work had not been completed - contrary to the reports of August 29th. On October 1 and November 6 of this year the locations were re-visited and found to be rutted, trashy and with only partially-covered mud pits. The machinery was absent however, so it could be assumed no additional clean-up work was planned. Because the machines previously observed here bore no owner identification, it was thought possible that you had contracted with the ranch owners for the cleaning and leveling. However, the ranch foreman has now advised that this was not the case, and furthermore that conditions at the well sites are entirely unacceptable.

With reference to the Form C-103, pertaining to the No. 1-A Well (copy enclosed) it is not clear just what was done to the bore hole. Comparisons with the data provided by Form C-105 for the same well do not greatly assist in determining the plugging process either. For example, how much 4 1/2' casing is in the hole? It could be 950', 1280', 1520', or 2308', depending on interpretation of the submitted information. What was done to the apparently open-hole section between 2906' and 2308'? What were the test results?

Clarification of data already transmitted and/or the providing of additional information will be appreciated, as will your notification that further clean-up and leveling has been completed.

Yours truly,

Carl Ulvog

CARL ULVOG
Senior Geologist
District IV Supervisor

CU/jr