

CASE 5001: PLUGGING CASE (RA)
TAMANACO - EL POSO RANCH "N" WELL
NO. 11

CASE No.

5001

Application,

Transcripts,

Small Exhibits

ETC.

5001

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Received the numbered article described below.

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Burne Cooley

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY
George Hutchinson

SHOW WHERE DELIVERED (only if requested)

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

Case No. 5001

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO
TAMANACO OIL CORP.

STREET AND NO.
152 Petroleum Center Bldg.

CITY, STATE, AND ZIP CODE
Farmington, N. M. 87401

If you want a return receipt, check which:
☐ 10¢ shows to whom and when delivered
☐ 35¢ shows to whom, when, and address where delivered

If you want delivery only to addressee, check here
☐ 50¢ fee

FEES ADDITIONAL TO 20¢ FEE

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No. 635918

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO
Continental Casualty Co.

STREET AND NO.
2976 Wilshire Blvd.

CITY, STATE, AND ZIP CODE
Los Angeles, Calif. 90005

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☐ 35¢ shows to whom, when, and address where delivered

If you want delivery only to addressee, check here
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POSTMARK OR DATE

No. 635919

87501
Box 2088
Santa Fe, N.M.

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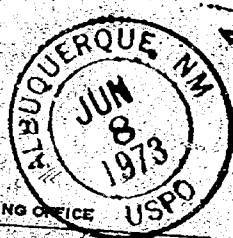
If special services are desired, check block(s) on other side.

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RETURN TO

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Santa Fe, New Mexico 87501

Case No. 5001

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO
Tamanaco Oil Corp.

STREET AND NO. **Suite 1805 Nat. Bldg.**
505 Marquette, N.W.

CITY, STATE, AND ZIP CODE
Albuquerque, N.M. 87101

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☐ 35¢ shows to whom, when, and address where delivered

If you want delivery only to addressee, check here
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POSTMARK OR DATE

No. 635921

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO
Mr. H.K. Riddle

STREET AND NO.
1400 Mesilla, N.E.

CITY, STATE, AND ZIP CODE
Albuquerque, N.M. 87110

If you want a return receipt, check which:
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No. 635920

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

June 20, 1973

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission on its own motion to permit Tamanaco Oil Corporation and Continental Casualty Company and all other interested parties to appear and show cause why the El Poso Ranch "N" Well No. 11 located in Unit N of Section 11, Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Case No. 5001

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission on its own motion to permit Tamanaco Oil Corporation and Continental Casualty Company and all other interested parties to appear and show cause why the Pound Ranch "B" Well No. 27 located in Unit B of Section 27, Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Case No. 5002

BEFORE: State Geologist, A. L. Porter, Jr.,
Secretary-Director

I. R. Trujillo,
Member

TRANSCRIPT OF HEARING

dearnley, meier & associates

208 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG., EAST ALBUQUERQUE, NEW MEXICO 87108

dearnley, meier & associates

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1210 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 MR. PORTER: Case 5001.

2 MR. CARR: Case 5001: In the matter of the hearing
3 called by the Oil Conservation Commission on its own motion
4 to permit Tamanaco Oil Corporation and Continental Casualty
5 Company and all other interested parties to appear and
6 show cause why the El Poso Ranch "N" Well No. 11 located
7 in Unit N of Section 11, Township 28 North, Range 1 East,
8 Rio Arriba County, New Mexico, should not be plugged and
9 abandoned in accordance with a Commission-approved plugging
10 program.

11 It is our recommendation that Cases 5001 and 5002
12 be consolidated for the purpose of taking testimony.

13 MR. PORTER: Without objection, Cases 5001 and
14 5002 will be consolidated for this hearing. Let the record
15 show that there are no other appearances in this case.

16 MR. CARR: Case 5002: In the matter of the hearing
17 called by the Oil Conservation Commission on its own motion
18 to permit Tamanaco Oil Corporation and Continental Casualty
19 Company and all other interested parties to appear and
20 show cause why the Pound Range "B" Well No. 27 located
21 in Unit B of Section 27, Township 28 North, Range 1 East,
22 Rio Arriba County, New Mexico, should not be plugged and
23 abandoned in accordance with a Commission-approved plugging
24 program.

25 * * * *

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DIRECT EXAMINATION

Q Would you state your name and position for the record?

Q Does District Three include a portion of Rio Arriba County?

Q And the portion of that county involved in these cases?

Q Do your duties as District supervisor include making recommendations to the Commission as to whether wells should be plugged and abandoned?

Q You are familiar with the subject matter in Cases 5001 and 5002, are you not?

Q Would you describe the purpose of these cases?

A The purpose of these cases is to have Tamanaco Oil Corporation and the bonding company involved show cause why these two wells shouldn't be properly plugged and abandoned according to a Commission-approved plugging

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1 program.

2 Q And you are familiar with these wells, is that correct?

3 A Yes.

4 Q Have you all the correspondence in the Commission files
5 concerning these wells?

6 A Yes.

7 Q Have you reviewed it?

8 A Yes. Tamanaco Oil Corporation had their C-101 approved
9 for the Pound Ranch "B" Well No. 27 located in the
10 northeast quarter of Section 27, Township 28 North,
11 Range 1 East, Rio Arriba County, New Mexico. The well
12 is located 330 feet from the north line and 1501 feet
13 from the east line. It was completed on August 27th,
14 1961, to a total depth of 1928 feet. It was plugged
15 back to 977 feet, with 20 sacks of cement. Four and
16 a half inch casing was cemented at 831 feet. The
17 well has 7 inch casing in the hole, which was not
18 cemented. In May, 1963, the Commission made a plugging
19 demand on the operator, and the operator responded
20 by letter of September 26th, 1963 stating that the
21 producing gas zone was presently lined with 4 1/2 inch
22 casing at approximately 790 feet. He stated that a
23 future gas market might develop on the east side of
24 the basin, and therefore he wanted to save the well
25 for possible completion at a later date. Based upon

1 this information, no further plugging demand was made.

2 The last form filed was a Form C-105 which was filed

3 on 9/30/63, along with a cover letter. Do you also

4 want the information at this time on the other well?

5 Q Yes, I do.

6 A The other well, the El Poso Ranch "N" Well No. 11

7 is located in Unit N of Section 11, Township 28 North,

8 Range 1 East, Rio Arriba County, New Mexico. The C-101

9 was granted to Tamanaco Oil Corporation to locate the

10 well 280 feet from the west line and 680 feet from the

11 south line of Section 11, Township 28 North, Range 1

12 East. The well was drilled to 1,469 feet, and completed

13 in January, 1961. Five and a half inch casing was

14 cemented at 1,444 feet with 60 sacks of cement. Ten

15 and three-quarter inch surface casing was cemented

16 at 62 feet-- was cemented to the surface from 62 feet.

17 The operator reported the well made 15 to 20 gallons

18 of oil per hour. The well was shut in and the I. P.

19 reported 9 barrels of oil per day. However, no actual

20 oil production has ever been reported to the Commission

21 on a Form C-115. The Commission also made a plugging

22 demand on this well in May, 1963. The operator

23 responded by letter dated September 26th, 1963, stating

24 that the well was a producing well, and stating that

25 it was his intention not to plug the well. He stated

1 that 400 feet of oil was standing in the hole, and
2 that he was negotiating with some people to take it
3 over and produce it. Based upon this information,
4 plus a field inspection, a plugging case was not set.
5 The final information filed was on 9/30/63.

6 Q Do you believe a proper plugging program on this well
7 would prevent waste?

8 A Yes, I think that eventually the casing will corrode
9 and possibly cause communication in the well bore. I
10 believe these wells must be plugged.

11 Q Do you have a plugging program to recommend to the
12 Commission?

13 A No, I don't have one at this time. I did talk to Mr.
14 H. K. Rydell yesterday by telephone, and he stated
15 that he was going to be in Rio Arriba County today,
16 and was going to contact me Monday, and we were going
17 to work on a plugging program on these wells next week.
18 The plugging program I would recommend will depend
19 somewhat on whether or not he intends to pull casing
20 or leave the casing in the wells.

21 MR. CARR: I have no further questions.

22 MR. PORTER: You do recommend that the well be
23 plugged?

24 THE WITNESS: Yes, I would recommend an order be
25 entered requiring that the wells be plugged, and I think

1 that I would recommend that the operator be required to file
2 a Form C-103, Notice of Intention to Plug, for approval
3 within thirty days, and that these wells be plugged and
4 abandoned within sixty days. This much time may not be
5 required, but it will at least give them time.

6 MR. PORTER: Does anyone have any questions of Mr.
7 Arnold?

8 (No response)

9 MR. PORTER: He may be excused.

10 (Witness excused.)

11 (Whereupon the Commission conferred.)

12 (Hearing continues.)

13 MR. PORTER: The Commission will enter orders in
14 Cases 5001 and 5002 along the lines of the suggestion by Mr.
15 Arnold.

16 * * * *

1 STATE OF NEW MEXICO)
 2) ss
 3 COUNTY OF BERNALILLO)

4 I, RICHARD E. McCORMICK, a Certified Shorthand
 5 Reporter, in and for the County of Bernalillo, State of
 6 New Mexico, do hereby certify that the foregoing and attached
 7 Transcript of Hearing before the New Mexico Oil Conservation
 8 Commission was reported by me; and that the same is a true
 9 and correct record of the said proceedings to the best of
 10 my knowledge, skill and ability.

11 
 12 _____
 13 CERTIFIED SHORTHAND REPORTER
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dearnley, meier & associates

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I N D E X

WITNESS

PAGE

EMORY ARNOLD

Direct Examination by Mr. Carr

4

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 18, 1974

Mr. Robert E. Huffman
Surety Claim Department
CNA Insurance
310 South Michigan Avenue
Chicago, Illinois 60604

Re: 96-103502-00 Bond 27168
Tamanaco Oil Corporation to
State of New Mexico, Well
Plugging Bond

Dear Mr. Huffman:

I trust you have received a copy of my July 9, 1974, letter to Mr. Neal concerning the Tamanaco wells. I believe this letter answers the question raised by you in your letter of July 8, 1974.

Although I understand your concern about matters like the productive capacity of these wells, it is my opinion that these are not proper matters for you to consider in this situation. The facts I consider important are these:

1. Tamanaco Oil Corp. obtained a plugging bond from CNA Insurance.
2. The bond runs to the New Mexico Oil Conservation Commission to assure that the wells covered by the bond will be plugged and abandoned in accordance with Commission Rules and Regulations.
3. The Oil Conservation Commission held a hearing on June 20, 1973, concerning these wells. CNA and the operator of the well were notified of this hearing but made no appearance.
4. An order was issued which required that the wells covered by the CNA bond be plugged and abandoned.
5. The operator failed to plug the wells.
6. Formal demand was made on the CNA Insurance Company to perform under its bond on September 9, 1973, October 17, 1973 and February 8, 1974.

C
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P
Y

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Mr. Robert E. Huffman

-2-

July 18, 1974

7. The Commission has received repeated assurances from CNA of its intention to perform its obligation under the bond -- but nothing more.
8. At its meeting on Tuesday, July 9, 1974, the Commission determined that this matter should be taken before the New Mexico Superintendent of Insurance.

It appears to me that if the only thing required to keep CNA from performing under one of its bonds is an excuse from a third party concerning the status of the principal, such a bond is of virtually no value to the State of New Mexico.

I trust this letter clarifies the Commission's position on this matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr

cc: Mr. Ralph Apodaca
Mr. Emery Arnold
Mr. J. W. Neal

C
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P
Y

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 TAMANACO OIL CORPORATION
AND CONTINENTAL CASUALTY COMPANY AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND SHOW
CAUSE WHY THE EL POSO RANCH "N" WELL NO. 11
LOCATED IN UNIT N OF SECTION 11, TOWNSHIP
28 NORTH, RANGE 1 EAST, RIO ARriba COUNTY,
NEW MEXICO, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A COMMISSION-
APPROVED PLUGGING PROGRAM.

CASE NO. 5001
Order No. R-4575

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 Tamanaco Oil Corporation is the owner and operator of the El Poso Ranch "N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said El Poso Ranch "N" Well No. 11 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

IT IS THEREFORE ORDERED:

(1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the El Poso Ranch

-2-

Case No. 5001
Order No. R-4573

"N" Well No. 11, located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before August 1, 1973.

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec 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



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

og/

Case 5001 - Lamanaco

TESTIMONY FOR SHOW CAUSE HEARINGS

Make appearance for Oil Conservation Commission

one witness: Emery Arnold

1. Name, position, place of residence.
2. Does district III include Lio Arriba County?
3. Does it include the part of Lio Arriba County involved in this case?
4. Would you briefly describe your duties as district supervisor as they relate to this case?
(recommendations to the Commission as to when wells should be plugged and abandoned)
5. Are you familiar with subject matter of Case No. 5001?
6. What is the purpose of this case?
(be sure wells are identified)
7. Are you familiar with these wells?
8. Have you reviewed all reports filed with the Commission concerning this/these wells and visited the well site(s)?
9. Do you have these records with you?
10. Please refer to these records and give us the history of the/each well as reflected by the official records:
 - A. application to drill and date
 - B. operator
 - C. location and dedicated acreage (C-102)
 - D. well depth
 - E. formation completed in
 - F. information from other forms
11. The date of the last official form.
12. Other communication
(any which is relative to this case that should be called to the examiner's attention)
13. ~~How recently have you visited these wells?~~
14. ~~Would you tell us what you found at the site:~~
condition of site
 - A. abandoned
 - B. a dry hole
 - C. any sign of present production
15. Would there be any danger in leaving this well in its present condition?
16. ~~Could it be a safety problem?~~
17. Do you have any opinion as to whether or not the well should be plugged?

18. Do you have a recommended plugging program to submit to the Commission at this time?

(if there is a recommended plugging program:

1. What should be pulled from the well?
2. Where should plugs be set and why?
3. How many sacks of cement needed?)

19. Do you have true and correct copies of all Commission forms for inclusion in the record of this case?

20. Offer forms as exhibits.

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 ON ITS OWN MOTION TO PERMIT TAMANACO OIL CORPORATION AND CONTINENTAL CASUALTY COMPANY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE EL POSO RANCH "N" WELL NO. 11 LOCATED IN UNIT N OF SECTION 11, TOWNSHIP 28 NORTH, RANGE 1 EAST, RIO ARriba COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE NO. 5001
Order No. R- 4575

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this _____ day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 Tamanaco Oil Corporation is the owner and operator of the El Poso Ranch "N" Well No. 11 located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said El Poso Ranch "N" Well No. 11 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

IT IS THEREFORE ORDERED:

(1) That Tamanaco Oil Corporation and Continental Casualty Company are hereby ordered to plug and abandon the El Poso Ranch "N" Well No. 11 located in Unit N of Section 11, Township 28 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or August 1, 1973.

-2-

Case No.
Order No. R-

(2) That Tamanaco Oil Corporation and Continental Casualty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec 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.