

CASE 5260: Motion of OCC to permit
R & G Drlg. Co. to show cause why
Order No. DC-1026 should not be
rescinded.

CASE No.

5260

Application,
Transcripts,
Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 19, 1974

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company and all other interested parties to appear and show cause why Order No. DC-1026, which authorized dual completion in the Blanco-Mesaverde and Basin-Dakota Pools, should not be rescinded and the Hammond Well No. 47 located in Unit K, Section 35, Township 27 North, Range 8 West, San Juan County, New Mexico, be recompleted as a single zone well.

Case No.
5260

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

William F. Carr, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
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 5260

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I N D E X

PAGE

EMORY ARNOLD

Direct Examination by Mr. Carr

3

E X H I B I T S

Marked

Admitted

Oil Conservation Commission's
Exhibits 1 through 4

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7

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225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

MR. STAMETS: We'll take the next case, Case 5260.

MR. DERRYBERRY: Case 5260. In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company and all other interested parties to appear and show cause why Order No. DC-1026, which authorized dual completion in the Blanco-Mesaverde and Basin-Dakota Pools, should not be rescinded and the Hammond Well No. 47 located in Unit K, Section 35, Township 27 North, Range 8 West, San Juan County, New Mexico, be recompleted as a single zone well.

MR. CARR: Mr. Examiner, I'm William F. Carr appearing for the Commission. I have one witness to be sworn.

MR. STAMETS: Are there any other appearances in this Case? The Witness will stand and be sworn, please.

(Witness sworn.)

EMORY ARNOLD

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

DIRECT EXAMINATION

BY MR. CARR:

Q Would you state your name for the record, please?

A Emory Arnold.

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TEL. (505) 982-0386

Q Mr. Arnold, by whom are you employed and in what position?

A I am employed as Supervisor of District 3 in the New Mexico Oil Conservation Commission.

Q Does District 3 include the part of San Juan County involved in this Case?

A Yes, it does.

Q Are you familiar with the subject matter of Case No. 5260?

A Yes.

Q What is the purpose of this Case?

A The purpose of this Case is to have R & G Drilling Company and all other interested parties to appear and show cause why Order No. DC-1026, which authorized dual completion in the Blanco-Mesaverda and Basin-Dakota Gas Pools for the Hammond No. 47 Well, should not be rescinded and the Well be required to be recompleted as single zone well.

Q Mr. Arnold, are you familiar with the Hammond Well No. 47?

A Yes.

Q Have you reviewed the reports filed with the Oil Conservation Commission concerning this Well?

A Yes, I have.

Q Mr. Arnold, will you refer to what has been marked as Oil Conservation Commission Exhibit 1 and explain this for the Examiner, please?

A Yes. This is Order No. DC-1026 which authorized multiple completion of the R & G Drilling Company No. 47 Hammond Well in the Blanco-Mesaverde and Basin-Dakota Gas Pools. This Order provides that the Applicant shall complete, operate, produce said Well in accordance with provisions of Section 5, Rule 112-A, which provides that zones in a multiply completed well will not be allowed to communicate with each other.

Q All right. Mr. Arnold, will you refer to what has been marked as Exhibit 2 and 3 and summarize what these are for the Examiner?

A Yes, these are letters which are copies of correspondence which we have had with the R & G Drilling Company concerning their failure to file packer-leakage tests for the Well in 1971 and also letters which we wrote to Oil and Gas Transporters shutting in the Blanco-Mesaverde portion of this dual. This shut-in letter was dated March 22, 1973.

Q Mr. Arnold, I hand you what has been marked as

Oil Conservation Commission Exhibit 4. Will you explain what this data provides?

A This is a summary of the production from this well for 1971, 2 and 3. You will note that the 1971 production indicates that the Mesaverde zone is capable -- well, the highest production during '71 was 3475 mcf during the month of September; the Dakota zone, on the other hand, had a high month production in February 1971 of 1503 and most of the months averaged less than 1000 mcf per month. In 1972, in March, we issued a shut-in order on the Blanco-Mesaverde zone and three months later, in June, the Exhibit indicates that the production had suddenly increased from 1539 mcf to 4443 mcf and it has continued producing 3 to 4 thousand mcf per month, and I think that this Exhibit pretty well proves beyond that that there is communication between the zones in this Well.

Q Mr. Arnold, based on this increase in production from the Dakota following the shut-in of the Mesaverde, based on this information you are recommending that the Hammond No. 47 Well be recompleted as a single zone well, is that correct?

A Yes, sir.

Q And that is your recommendation to the Commission?

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ARNOLD-DIRECT

CASE 5260

Page.....7.....

A That is my recommendation, yes.

Q Mr. Arnold, to the best of your knowledge, are Exhibits 1 through 4 true and correct copies of data which has been filed with the Oil Conservation Commission?

A Yes, they are.

MR. CARR: Mr. Examiner, I offer Oil Conservation Commission's Exhibits 1 through 4.

MR. STAMETS: These Exhibits will be admitted into the record.


(Whereupon, Commission's Exhibits 1 through 4 were admitted into evidence.)

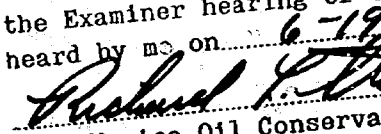
MR. CARR: I have nothing further at this time.

MR. STAMETS: Are there any questions of this Witness? If not, he may be excused. Anything further in this Case? We will take the Case under advisement.

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) SS.

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 L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5260, heard by me on 6-19-94, 1994.
 Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0385



OIL CONSERVATION COMMISSION

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

July 9, 1974

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Mr. William C. Russell
R & G Drilling Company
1775 Broadway
New York, New York 10019

Re: CASE NO. 5260
ORDER NO. R-4820
Applicant:
R & G Drilling Company

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>X</u>
Artesia OCC	<u> </u>
Aztec OCC	<u>X</u>

Other _____

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. 5260
Order No. R-4820

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION TO PERMIT
R & G DRILLING COMPANY AND ALL OTHER INTER-
ESTED PARTIES TO APPEAR AND SHOW CAUSE WHY
ORDER NO. DC-1026, WHICH AUTHORIZED DUAL
COMPLETION IN THE BLANCO-MESAVERDE AND BASIN-
DAKOTA POOLS, SHOULD NOT BE REECINDED AND THE
HAMMOND WELL NO. 47, LOCATED IN UNIT K, SECTION
35, TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM, SAN
JUAN COUNTY, NEW MEXICO, BE RECOMPLETED AS A
SINGLE ZONE WELL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 19, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of July, 1974, 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 by Administrative Order No. DC-1026, dated
December 5, 1960, the Commission authorized the applicant,
R & G Drilling Company to dually complete its Hammond Well
No. 47, located in the NE/4 SW/4 of Section 35, Township 27
North, Range 8 West, NMPM, San Juan County, New Mexico, to
produce gas from the Mesaverde formation adjacent to the
Blanco-Mesaverde Pool and gas from the Basin-Dakota Pool
through the casing-tubing annulus and the tubing, respectively.

(3) That the applicant has failed to conduct packer-leak-
age tests prescribed by Order No. DC-1026.

(4) That evidence adduced at the hearing of this case
establishes that downhole communication is taking place between
the two producing zones in the wellbore of the subject well.

-2-

CASE NO. 5260
Order No. R-4820

(5) That such downhole communication is in violation of Rule 112 of the Commission Rules and Regulations and may result in underground waste as defined in said Rules and Regulations.

(6) That the applicant has failed to take proper remedial action to isolate said producing zones.

(7) That to prevent waste, Order No. DC-1026 should be rescinded and the applicant should be required to recomplete the subject well as a single zone completion within 90 days after the date of this order.

IT IS THEREFORE ORDERED:

(1) That Commission Administrative Order No. DC-1026 dated December 5, 1960, is hereby rescinded.

(2) That the applicant, R & G Drilling Company shall within 90 days recomplete as a single completion its Hammond Well No. 47, located in the NE/4 SW/4 of Section 35, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

(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



[Signature]
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

[Signature]
A. L. PORTER, JR., Member & Secretary

S E A L

jr/

Dockets Nos. 19-74 and 20-74 are tentatively set for hearing on July 16 and July 24. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 19, 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:

CASE 5256: Application of Monsanto Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to plug back its Arco Federal Well No. 2 located 990 feet from the North line and 2310 feet from the East line of Section 13, Township 21 South, Range 26 East, Burton Flats Field, Eddy County, New Mexico, to a depth of 9314 feet and to set a whipstock and directionally drill said well in such a manner as to bottom it in the Morrow formation within a 50-foot radius of a point 660 feet from the North line and 1980 feet from the East line of said Section 13.

CASE 5257: Application of Mobil Oil Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 12 Com Well No. 1 to be drilled to the Morrow formation at a point 1300 feet from the South line and 660 feet from the East line of Section 12, Township 21 South, Range 26 East, Eddy County, New Mexico, the E/2 of said Section 12 to be dedicated to the well.

CASE 5258: Application of Texas Pacific Oil Company for two waterflood projects and downhole commingling or dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "A" Act. 1 Well No. 42 located in Unit A of Section 4, Township 23 South, Range 36 East, Lea County, New Mexico, for the purpose of injecting water into the Upper Seven-Rivers formation of the Jalmat Pool and the Lower Seven-Rivers formation of the Langlie-Mattix Pool for the purpose of secondary recovery. Applicant further seeks approval for the downhole commingling in the wellbore of Jalmat and Langlie-Mattix production in the off-setting wells Nos. 44, 45, and 87, located in Units B, H, and G, respectively, of said Section 4; in the alternative applicant seeks approval for the dual completion of the aforesaid three wells to produce oil from said pools through parallel strings of tubing.

CASE 3608: (Reopened)

In the matter of Case No. 3608 being reopened pursuant to the provisions of Order No. R-3282, which order established temporary rules for the Carlsbad Permo-Penn Gas Pool, Eddy County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 5259: Application of Read & Stevens, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a well proposed to be drilled 660 feet from the South line and 990 feet from the East line of Section 30, Township 20 South, Range 25 East, Eddy County, New Mexico, in exception to the pool rules for the Indian Basin-Morrow Gas Pool or the Cemetary-Morrow Gas Pool, whichever is applicable.

CASE 5260: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit R & G Drilling Company and all other interested parties to appear and show cause why Order No. DC-1026, which authorized dual completion in the Blanco-Mesaverde and Basin-Dakota Pools, should not be rescinded and the Hammond Well No. 47 located in Unit K, Section 35, Township 27 North, Range 8 West, San Juan County, New Mexico, be recompleted as a single zone well.

CASE 5261: Application of Amerada Hess Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the openhole interval from 11,160 feet to 11,230 feet of its H. C. Posey "A" Well No. 1 located in Unit O of Section 11, Township 12 South, Range 32 East, East Caprock-Devonian Pool, Lea County, New Mexico.

CASE 5262: Application of Petro-Lewis Corporation for pool contraction, creation, and special pool rules, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Media-Entrada Oil Pool by the deletion of the NW/4 of Section 22, Township 19 North, Range 3 West, Sandoval County, New Mexico, and the creation of a new pool for Entrada production comprising said lands. Applicant further seeks the promulgation of special rules for said pool, including a provision for 160-acre proration units and the establishment of a special depth bracket allowable for said pool of up to 750 barrels per day.

CASE 5263: Application of Reading & Bates Oil and Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a well proposed to be drilled at a point 660 feet from the South and West lines of Section 8, Township 18 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 8 to be dedicated to the well.

CASE 5251: (Continued from the June 5, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for the Amendment of Order No. R-4560, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4560 to provide for an extension of time in which to comply with the schedule set forth in said order for the drilling and completion of the third well covered by said order, to be located in the NE/4 of Section 24, Township 9 South, Range 33 East, Vada-Pennsylvanian Pool, Lea County, New Mexico.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

May 23, 1974

One 5260

Mr. William Carr
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: R & G Drilling Company
Hammond #47
K-35-27N-6W

Dear Bill:

Please set an early case to allow R & G Drilling Company and all other interested parties to appear and show why their Hammond #47 well, located in Unit K, Section 35, Township 27 North, Range 8 West, should not be recompleted as a single-zone well.

This well was authorized as a dual completion by DC 1026.

Communications apparently developed in 1971.

The operator has refused to file a Packer-Leakage Test Report since 1971.

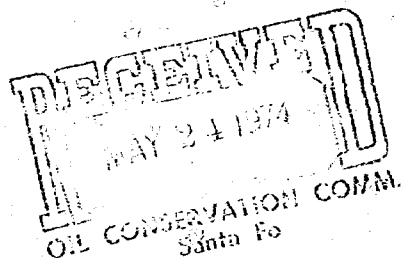
If there are questions, please call.

Yours very truly,

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

ARK:mc

cc: Mr. William C. Russell
R & G Drilling Co.
1775 Broadway
New York, New York 10019



DOCKET MAILED

Date 6-7-74

5260

Find

B&G Operator of the
well
located

~~That Admire~~

That said well is dually completed
in the & ~~the~~ Pools
under Authority by DC 1026.

That the evidence presented
indicated ^{down hole} communication of the
two zones.

That the operator has not taken
the required packer leakage tests.

That the operator has not ^{taken} action
to ~~ready~~ ~~ready~~ the isolate ~~the~~
said zones.

That DC 1026 should be
rescinded

No Report
ligid
on 1/5
but reports
Sick
to 1/7

That the operator should recomplete
said well as a single completion
within 30 days ~~following~~ after date
of this order

Check
Island
C117

That such ^{unauthorized} down hole communication is
in violation of OCC BBR

That such down hole communication can
result in ~~more~~ underground waste

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 7, 1974

**CERTIFIED - RETURN
RECEIPT REQUESTED**

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

Attention: Mr. William C. Russell

**Re: Order No. DC-1026, Dual Completion
in the Blanco-Mesaverde and Basin-
Dakota Pools, Hammond Well No. 47,
Unit K, Section 35, Township 27
North, Range 8 West, San Juan County,
New Mexico.**

Gentlemen:

**Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, June 19, 1974, at 9:00
a.m. in the Oil Conservation Commission Conference Room,
State Land Office Building, Santa Fe, New Mexico. Case
No. 5260 concerns the subject matter.**

Very truly yours,

**WILLIAM F. CARR
General Counsel**

**WFC/dr
enclosure**

C
O
P
Y

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
R & G Drilling Co.		
STREET AND NO.		
1775 Broadway		
P.O., STATE AND ZIP CODE		
New York, New York 10019		
Attn: William C. Russell		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered 15¢ With delivery to addressee only 65¢ 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)		

No. 003565

PS Form 3800
Apr. 1971

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

GPO : 1972 O - 460-743

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OFFICIAL BUSINESS

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USE TO AVOID PAYMENT
OF POSTAGE \$300

NEW YORK
JUN 10
-PM
6 00



Postmark of Delivering Office 1074

SENDER INSTRUCTIONS

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- If special services are desired, check block(s) on other side.
 - Moisten gummed ends and attach to back of article.

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TO

PS Form 3811
June 1973

OIL CONSERVATION COMMISSION
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 5260

SENDER: Be sure to follow instructions on other side

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(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.

003565

1

2

INSURED NO.

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED

SHOW WHERE DELIVERED (Only if requested, and include ZIP Code)

6/10/74

3

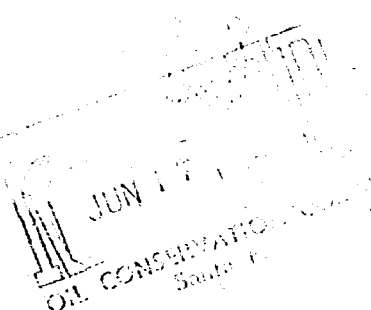
BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 5260 /

CASE NO. 5260

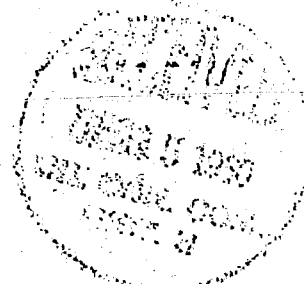
Submitted by acc

Hearing Date June 19, 1974



THE APPLICATION OF R & G DRILLING COMPANY, INCORPORATED, FOR PERMISSION TO EFFECT DUAL COMPLETION OF ITS HAMMOND WELL NO. 47 LOCATED IN THE NE/4 SW/4 OF SECTION 35, TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM, SAN JUAN COUNTY, NEW MEXICO, IN SUCH A MANNER AS TO PERMIT THE PRODUCTION OF GAS FROM THE MESAVERDE FORMATION ADJACENT TO THE BLANCO-MESAVERDE POOL AND THE PRODUCTION OF GAS FROM THE BASIN-DAKOTA POOL.

ORDER NO. DC-1026



ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 112-A (c) R & G Drilling Company, Incorporated made application to the New Mexico Oil Conservation Commission on November 10, 1960, for permission to dually complete its Hammond Well No. 47 located in the NE/4 SW/4 of Section 35, Township 27, North, Range 8 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Mesaverde Formation adjacent to the Blanco-Mesaverde Pool and the production of gas from the Basin-Dakota Pool.

Now, on this 5th day of December, 1960, the Secretary-Director finds:

- (1) That application has been duly filed under the provisions of Sub-section 'c' of Rule 112-A of the Commission's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That no objections have been received within the waiting period as prescribed by said rule.
- (4) That the proposed dual completion will not cause waste nor impair correlative rights.
- (5) That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, R & G Drilling Company, Inc., be and the same is hereby authorized to dually complete its Hammond Well No. 47 located in the NE/4 SW/4 of Section 35, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Mesaverde Formation adjacent to the Blanco-Mesaverde Pool and the production of gas from the Basin-Dakota Pool through the casing-tubing annulus and the tubing respectively.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

Order No. DC-1026

-2-

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Basin-Dakota Pool, or as directed by the Secretary-Director of the Commission.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A. L. PORTER, Jr.,
Secretary-Director

S E A L

RECEIVED
JUN 17 1941



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

#2
GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

February 25, 1972

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

Gentlemen:

Our records reflect that 1971 Packer-Leakage Test Reports have not been received in this office for the following multiple completions operated by your company in District #3.

Hammond #47, K-35-27N-8W

Schlosser #25, J-27-28N-11W

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 5260

Submitted by OCC

Hearing Date June 19, 1974

The multiple completion orders issued for these wells specifically require that communication tests be conducted annually and submitted to the Commission for approval.

Please be advised that shut-in orders will be issued on any of the above listed wells for which packer leakage test reports have not been received effective twenty days from this date.

Test schedules must be filed with this office prior to commencing tests.

Yours very truly,

Emery C. Arnold
Emery C. Arnold
Supervisor, District #3

ECA:mc

cc: Oil Conservation Commission
Santa Fe, New Mexico

RECEIVED

JUN 17 1974



File

#3

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

March 22, 1972

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

Gentlemen:

Enclosed is a copy of a letter mailed to oil and gas transporters concerning certain wells operated by your company in District #3. This letter is being mailed as a consequence of your failure to respond to our letter of February 25, 1972, requesting submission of 1971 annual packer leakage test reports as required by Commission regulations.

Yours very truly,

Emery P. Arnold
Emery P. Arnold
Supervisor, District #3

ECA:mc

Encl.

cc: Oil Conservation Commission
Santa Fe, New Mexico

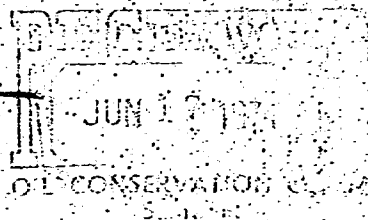
BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 5260

Submitted by OCC

Hearing Date June 19, 1974





OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

March 22, 1972

Inland Crude, Inc.
P. O. Box 1528
Farmington, New Mexico 87401

Gentlemen:

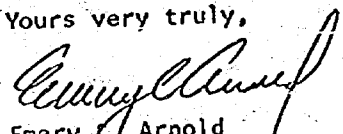
The New Mexico Oil Conservation Commission is ordering the following wells to be shut in and not produced for failure of the operator to comply with Commission regulations:

R & G Drilling Co., Inc., Hammond #47, K-35-27N-8W, Blanco Mesaverde

Please leave these wells shut in until further notice from the Commission.
Please notify this office by letter of your compliance with this request.

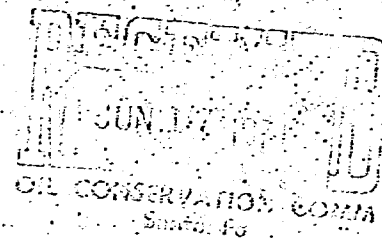
Thank you.

Yours very truly,


Emery C. Arnold
Supervisor, District #3
ECA:mc

cc: Oil Conservation Commission
Santa Fe, New Mexico

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





OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

March 22, 1972

El Paso Natural Gas Co.
Box 990
Farmington, New Mexico

Gentlemen:

The New Mexico Oil Conservation Commission is ordering the following wells to be shut in and not produced for failure of the operator to comply with Commission regulations:

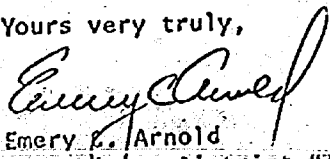
R. & G. Drilling Co., Inc.; Hammond #47, K-35-27N-8W, Blanco MV

R & G Drilling Co., Inc., Schlosser #25, J-27-28N-11W, Kutz Fruitland

Please leave these wells shut in until further notice from the Commission.
Please notify this office by letter of your compliance with this request.

Thank you.

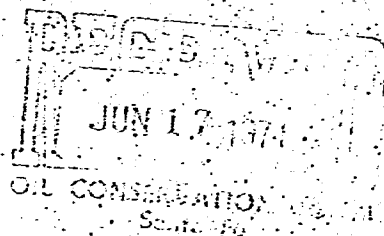
Yours very truly,


Emery R. Arnold
Supervisor, District #3

ECA:mc

cc: Oil Conservation Commission
Santa Fe, New Mexico

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



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

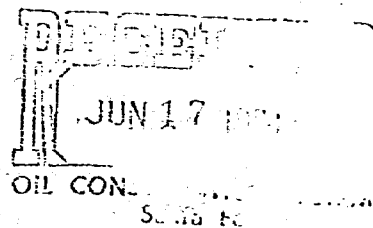
EXHIBIT NO. 4

CASE NO. 5260

Submitted by OCC

Hearing Date June 19, 1974

#4



PRODUCTION REPORT
R&G DRILLING CO., INC.

HAMMOND #47
K-35-27N-8W

	1971		1972		1973	
	Mesaverde Gas Oil	Dakota Gas Oil	Mesaverde Gas Oil	Dakota Gas Oil	Mesaverde Gas Oil	Dakota Gas Oil
Jan.	720	587	2394	1371		3535
Feb.	2397	1503	2898	1060		2614
Mar.	2591	968	2046	1131		1383
Apr.	2950	1118		1183		3066
May	2635	404		1539		4511
Jun.	3489	545		4443	799	3808
Jul.	3194	706		3785		3167
Aug.	2395	882		3819		3640
Sep.	3475	560		3017		4034
Oct.	3372	486		3640		3699
Nov.	1873	795		4256		3873
Dec.	2258	1412		3369		1939
Annual Total	31,349	9966	7338	32,613	799	39,269



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

#2
GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMijo
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

February 25, 1972

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

Gentlemen:

Our records reflect that 1971 Packer-Leakage Test Reports have not been received in this office for the following multiple completions operated by your company in District #3.

Hammond #47, K-35-27N-8W

Schlosser #25, J-27-28N-11W

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 5260
Submitted by OCC
Hearing Date June 19, 1974

The multiple completion orders issued for these wells specifically require that communication tests be conducted annually and submitted to the Commission for approval.

Please be advised that shut-in orders will be issued on any of the above listed wells for which packer leakage test reports have not been received effective twenty days from this date.

Test schedules must be filed with this office prior to commencing tests.

Yours very truly,

Emery C. Arnold
Emery C. Arnold
Supervisor, District #3

ECA:mc

cc: Oil Conservation Commission
Santa Fe, New Mexico

RECEIVED
JUN 17 1974

CASE _____

In the matter of the hearing called by the Oil Conservation
Commission on its own motion to permit R & G Drilling Company

and all other interested parties to appear and show cause why
Order No. DC-1026, *which authorized dual completion in the Blanco Mesaverde and* should not be rescinded and the Hammond

*Basin
Dakota
Pools,*

No. 47 well located in Unit K, Section 35, Township 27

North, Range 8 West, San Juan County, New Mexico, be

recompleted as a single zone well.

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:

CASE NO. 5260

Order No. R-4820

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION TO PERMIT R & G DRILLING COMPANY
AND ALL OTHER INTERESTED PARTIES TO APPEAR AND
SHOW CAUSE WHY ORDER NO. ~~K~~-DC-1026, WHICH AUTHORIZED DUXAL
COMPLETION IN THE BLANCO-MESAVERDE AND BASIN-DAKOTA PODLS,
SHOULD NOT BE RESCINDED AND THE HAMMOND WELL NO. 47, LOCATED
IN UNIT K, SECTION 35, TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM,
SAN JUAN COUNTY, NEW MEXICO, BE RECOMPLETED AS A SINGLE-ZONE WELL.
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 19, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this July day of July, 1974, 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 by Administrative Order No. ~~DC~~-1026, the Commission
authorized the applicant, R & G Drilling Company to dually complete
its Hammond Well No. 47, located in the NE/4 SW/4 of Section 35,
Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico,
to produce gas from the Mesa Verde formation adjacent to the
Blanco-Mesa Verde Pool and gas from the Basin-Dakota Pool through
the casing-tubing annulus and the tubing, respectively.

(3) That the applicant has failed to conduct packer leakage tests prescribed by Order No DC-1026.

-2-

CASE NO. 5260

Order No. R-

(4) That evidence adduced at the hearing of this case establishes that downhole communication is taking place between the two producing zones in the wellbore of the subject well.

(5) That such downhole communication is in violation of Rule 112 of the Commission Rules and Regulations and may result in underground waste as defined in said ^{Rules and} Regulations.

(6) That the applicant has failed to ~~conduct the packer leakage tests prescribed in Order No. DC-1026~~ and has failed to take proper remedial ^{action} steps to isolate ^{said} producing zones. ^{to prevent waste,}

(6) That ^{Order} Order No. DC-1026 should be rescinded and the applicant should be required ~~either~~ to recompleate the subject well as a single ^{zone} completion within ⁹⁰ days after the date of this order.

IT IS THEREFORE ORDERED:

(1) That Commission Administrative Order No. DC-1026 dated December 5, 1960, is hereby rescinded.

(2) That the applicant, R & G Drilling Company shall within ⁹⁰ 90 days recompleate as a single completion its Hammond Well No. 47, located in the NW/4 SW/4 of Section 35, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

(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.

Case 5-260

~~In the~~ matter of the hearing
called by the O.C.C. to permit
R+G Drilling Company and all other in-
terested parties to appear and show
cause why Order No. R-DC-1026, which
authorized dual completion in the Blanco-
Mesaverde and Basin-Dakota Pools, should
not be rescinded and the Hammond Well No.
47, located in Unit K, Section 35, Township
27 North, Range 8 West, San Juan County, New
Mexico, be recompleted as a single-zone
well.

June 19, 1974 - R.L.S.

(1) Jurisdiction

(2) That by Administrative Order NO. DC-1026, the Com-
mission authorized the applicant, R+G Drilling Company,
to dually complete its Hammond Well No. 47, located
in the NE/4 SW/4 of Section 35, Township 27 North,
Range 8 West, NMPH, San Juan County, New Mexico, to
produce gas from the Mesa Verde formation adjacent to the
Blanco-Mesa Verde Pool and gas from the Basin-Dakota
Pool through the casing-tubing annulus and the tubing,
respectively.

(3) That evidence adduced at the hearing of this case
establishes that ^{downhole} communication is taking place between
the two producing zones ~~in~~ in the wellbore of
the subject well.

(4) That such ^{downhole} communication is in violation of Rule 112 of The Commission Rules and Regulations and may result in underground waste as defined in said regulations.

(5) That the applicant has failed to conduct the packer-leakage tests prescribed in Order No. DC-1026 and has failed to take proper remedial steps to isolate the produced zones.

(6) That ~~the~~ Order No. DC-1026 should be rescinded and the ~~the~~ applicant should be required ~~either to complete the well as a single completion within 30 days after the date of this order.~~ ^{the subject} ~~the well as a single completion within 30 days after the date of this order.~~

ORDERED

(1) That Commission Administrative Order No. DC-1026, dated December 5, 1960, is hereby rescinded.

(2) That the applicant, RYG Drilling Company shall within 30 days ~~complete the well as a single completion~~ ^{complete as a single completion} the Hammond Well No. 47, located in the NW 1/4 SW 1/4 of Section 35, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico.

(3) Jurisdiction