

CASE 5725: GENERAL AMERICAN OIL
CO. FOR EXTENSION OF TIME FOR
TEMPORARY ABANDONMENT, EDDY COUNTY

CASE NO.

5725

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

CASE 5724: Application of Yates Petroleum Corporation for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purposes of treating and reclaiming sediment oil at a site in the SE/4 of Section 25, Township 17 South, Range 25 East, Eddy County, New Mexico.

CASE 5725: Application of General American Oil Company for extension of time for temporary abandonment, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks extension of time for temporary abandonment of certain wells in Eddy County, New Mexico, said wells being described as follows:

Township 16 South, Range 29 East:

Brewer Nos. 19 and 28 in Section 12; Brewer Nos. 11, 12, 14, 24, and 25 in Section 13; Brewer Nos. 3, 4, 5, 17, 18, 20, 21, 23, and 27 and Bosworth Nos. 1, 2, 3, and 4 in Section 14; and Nunlee Nos. 4, 5, and 6 in Section 35.

Township 16 South, Range 30 East:

Sivley No. 3 in Section 8.

Township 17 South, Range 29 East:

Keely "C" Nos. 10, 12, 18, 20, 25, and 37 in Section 25; Keely "B" No. 15 in Section 26; Green "A" Nos. 1 and 4 in Section 29; ~~State B4108 No. 1 in Section 32 and State B1778 Nos. 1 and 3 and State B4458 No. 2 in Section 36~~ *Grayburg D. U. No. 5 in Section 25;* ~~and Grayburg D. U. No. 5 in Section 25~~ and *and*

Township 17 South, Range 30 East:

Burch "A" Nos. 23 and 24 in Section 19; Dexter "E" No. 2 in Section 20; Parke "E" No. 2 in Section 22; ~~Grayburg D. U. No. 5 in Section 25~~ Maddren "B" Nos. 6 and 9 in Section 27; *Beeson A No. 2 in Section 28;* Beeson "F" No. 9 in Section 29; Grayburg D. U. Nos. 4 and 6 in Section 30; Beeson "F" Nos. 1, 3, 4, 5, 6, 12, 13, 14, and 16 in Section 31; and Arnold "D" Nos. 8 and 9 in Section 34. *State B4108 No. 1 in Section 32*

Three of the above wells are undesignated and the others are variously located in the High Lonesome, West Square Lake, Grayburg Jackson, Loco Hills, and West Henshaw Premier Pools.

CASE 5695: (Continued from June 23, 1976, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J Lazy J Well No. 13, to be drilled as the 5th well on the 40-acre tract, in the center of Unit G, of Section 22, Township 17 South, Range 25 East, Eagle Creek-San Andres Pool, Eddy County, New Mexico.

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Township 16 South, Range 30 East:

Sivley No. 3 in Section 6.

Township 17 South, Range 29 East:

Keely "C" Nos. 10, 12, 18, 20, 25, and 37 in Section 25; Keely "B" No. 15 in Section 26; Green "A" Nos. 1 and 4 in Section 29; State B4108 No. 1 in Section 32; and State B1778 Nos. 1 and 3 and State B4458 No. 2 in Section 36.

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Burch "A" Nos. 23 and 24 in Section 19; Dexter "E" No. 2 in Section 20; Parke "E" No. 2 in Section 22; Grayburg D. U. No. 5 in Section 25; Maddren "B" Nos. 6 and 9 in Section 27; Beeson "F" No. 9 in Section 29; Grayburg D. U. Nos. 4 and 6 in Section 30; Beeson "F" Nos. 1, 3, 4, 5, 6, 12, 13, 14, and 16 in Section 31; and Arnold "D" Nos. 8 and 9 in Section 34.

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Add

Beeson A2

28-17-30

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NEW ORLEANS

Interim report to stockholders



NINE MONTHS ENDED
MARCH 31, 1976

BEFORE EXAMINER STAMETS
CONSERVATION COMMISSION
EXHIBIT NO. 6
E NO. 5725
mitted by _____
ing Date _____

**GENERAL AMERICAN
OIL COMPANY OF TEXAS**

TO THE SHAREHOLDERS:

General American's earnings were \$5.6 million (83¢ per share) in the third quarter of fiscal 1976, an increase of 26% from the \$4.4 million (66¢ per share) reported in the same period of 1975. For the nine months ended March 31, 1976, net income was \$14.7 million (\$2.20 per share) as contrasted with \$19.9 million (\$2.97 per share) in the prior year.

Revenues from crude oil, condensate and casing-head products continued higher for both comparable periods due principally to higher prices. Under the Energy Policy and Conservation Act, price controls were re-established on February 1, 1976 on "upper-tier" crude (new, released and stripper oil) and under the FFA's regulations, prices were rolled-back approximately \$1.85 per barrel. However, on March 1, 1976, the FEA published regulations permitting "lower-tier" crude (old oil) to begin rising 3¢ per barrel, per month, and "upper-tier" crude to rise 7¢ per barrel, per month. These adjustments were made by the FEA under authority of the Act. With the approval of Congress, additional incentive-adjustments may be permitted at a later date. A comparative analysis of CAO's average prices has been presented below:

Per Barrel	AVERAGE PRICES			
	Nine Months Ended		Month of	
	March 31 1976	March 31 1975	March 1976	March 1975
Crude — U. S.	\$8.24	\$7.28	\$8.15	\$7.26
Crude — Canada	7.31	5.96	7.26	5.96
Crude — U. S. & Canada	8.08	7.05	7.99	6.61
Condensate — U. S.	6.73	6.22	6.44	5.96
Per MCF				
Natural Gas — U. S.	.43	.31	.46	.36
Natural Gas — Canada	.36	.19	.56	.36
Natural Gas — U. S. & Canada	.41	.31	.51	.36

Earnings from the sale of natural gas increased substantially for both reporting periods, due primarily to higher prices and partially to the recording of the income from the recent Canadian acquisition, which was discussed in the last interim report to stockholders. This purchase was closed on May 8, but was effective as to runs on February 1, 1976, for an adjusted cash consideration of \$27,928,000, of which \$20 million was financed through a 5-year bank loan by General American Oil, Ltd.

As previously disclosed, the operating results of Premier Petrochemical Company, a wholly-

owned subsidiary formerly engaged in the manufacture of urea, have been consolidated with CAO's and the accounts restated to effect this change made at July 1, 1975. Due to high inventories and deteriorating prices, production was suspended on May 26, 1975, briefly resumed on January 16, 1976 and finally suspended again on March 4. After considering the economics of operating the plant in the climate of escalating costs and declining prices, management has decided to shut the plant down indefinitely. Accordingly, except for a small nucleus of personnel, most of the employees have been terminated. During the third quarter, Premier recorded a pre-tax loss of \$38,000 on sales of \$734,000 and costs and expenses of \$1,432,000 in comparison to pre-tax income of \$978,000 last year. Since March 31, the inventory has been disposed of at its then written-down value. Management has not made the final decision of whether to sell the plant or "mothball" it for later reactivation if economic conditions make such action feasible. If a satisfactory price can be obtained, then in all likelihood a sale will be effected.

Stockton, Whalley, Davin & Company's pre-tax loss totaled \$1.4 million for the third quarter, compared to a break-even for the same three months of 1975. During the third quarter, SWD increased its provision for losses on problem construction and development loans and joint-venture operations by \$593,000. Actual losses from joint-ventures amounted to \$501,000 for the three months due to larger sales-promotion costs, interest expense on a condominium development and disappointing leasing results of a commercial building project. At March 31, 1976, SWD had investments in land and development loans of \$80.2 million, of which \$5.7 million were in the non-interest accruing category. In addition, SWD held \$8.5 million of real estate acquired by mortgagors in default. The Company's allowance for possible losses totaled \$2,632,000 at March 31, of which \$884,000 was applicable to its non-interest accruing loans, \$1,284,000 to its foreclosed real estate and \$464,000 to joint-ventures.

SWD Investments, Inc., a wholly-owned subsidiary of Stockton, Whalley, Davin & Company, owns 223,351 shares of the common stock of Arvida Corporation with a cost basis of \$6.00 per share. On May 7, 1976, The Pennsylvania Company made an offer to purchase for \$12.00 per share 1.4 million shares of the common stock of Arvida Corporation. This stock must be tendered

GENERAL AMERICAN OIL COMPANY OF TEXAS

Consolidated Income Statement

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	MARCH 31	MARCH 31	MARCH 31	MARCH 31
	1976	1975(1)	1976	1975(1)
REVENUES				
Crude oil, condensate and casinghead products	\$21,895,000	\$20,304,000	\$84,738,000	\$57,774,000
Natural gas	4,908,000	2,627,000	11,228,000	7,952,000
Petrochemical	734,000	3,550,000	2,206,000	10,468,000
Income (loss) of Stockton, Whalley, Davin & Company(2)	(1,413,000)	9,000	(1,160,000)	548,000
Interest, transportation and other income	1,685,000	1,181,000	3,694,000	6,418,000(4)
	27,714,000	27,711,000	80,706,000	83,160,000
EXPENSES EXCLUSIVE OF EXPLORATION CHARGES				
Costs and operating expenses	5,801,000	5,557,000	15,282,000	16,782,000
Taxes, other than Federal income	1,623,000	2,609,000	7,197,000	7,754,000
Depreciation and depletion	3,725,000	3,299,000	10,218,000	9,969,000
Administrative and general expenses	1,265,000	1,118,000	3,812,000	3,309,000
Interest and other expenses	327,000	103,000	538,000	350,000
	12,801,000	12,716,000	37,047,000	38,164,000
INCOME BEFORE EXPLORATION CHARGES				
	14,913,000	14,995,000	43,659,000	44,996,000
EXPLORATION CHARGES				
Unproductive wells drilled	2,421,000	1,520,000	7,180,000	2,493,000
Undeveloped leases amortized or surrendered	2,245,000	2,461,000	6,508,000	7,012,000
Lease rentals	225,000	235,000	607,000	585,000
Other exploration costs	204,000	1,048,000	494,000	1,096,000
	5,095,000	5,264,000	14,789,000	11,186,000
INCOME BEFORE FEDERAL INCOME TAXES				
	9,818,000	9,731,000	28,870,000	33,810,000
PROVISION FOR FEDERAL INCOME TAXES				
	4,246,000	5,301,000	14,153,000	13,948,000
NET INCOME				
	\$ 5,572,000	\$ 4,430,000	\$14,717,000	\$19,862,000
Average number of shares outstanding(3)				
	6,680,952	6,680,952	6,680,952	6,680,952
Net income per share				
	\$.83	\$.66	\$ 2.20	\$ 2.97
Net crude oil sales (barrels)				
	2,173,000	2,190,000	6,617,000	6,600,000
Net condensate sales (barrels)				
	215,000	250,000	664,000	766,000
Net oil and condensate sales (barrels)				
	2,388,000	2,440,000	7,281,000	7,366,000
Net gas sales (MCF)				
	11,093,000	8,677,000	27,353,000	26,085,000

- (1) Restated to reflect the consolidation of Premier Petrochemical Company.
- (2) Income of unconsolidated subsidiary is before Federal income tax.
- (3) Adjusted for stock dividends.
- (4) Includes pre-tax gain of \$1,704,000 from sale of General American Pipe Line Company, a 100%-owned subsidiary.

The above figures are unaudited and are subject to year-end adjustments.

GENERAL AMERICAN OIL COMPANY OF TEXAS

Consolidated Balance Sheet

	MARCH 31 1976	MARCH 31 1975(1)
ASSETS		
CURRENT ASSETS		
Cash and certificates of deposit	\$ 37,204,000	\$ 39,942,000
Accounts receivable	15,455,000	11,967,000
Inventories	8,847,000	5,938,000
Prepaid expenses	365,000	276,000
Total current assets	61,871,000	58,123,000
INVESTMENTS AND OTHER ASSETS		
Investment in and advances to Stockton, Whitley, Davin & Company	36,655,000	35,278,000
Deferred Federal income taxes	6,237,000	8,991,000
Other assets	2,573,000	5,705,000
Total investments and other assets	45,465,000	49,974,000
PROPERTY AND EQUIPMENT — at cost	435,352,000	384,930,000
Less accumulated depletion, depreciation and amortization	213,908,000	199,961,000
Total property and equipment	221,474,000	184,969,000
	<u>\$328,810,000</u>	<u>\$293,066,000</u>
LIABILITIES AND CAPITAL		
CURRENT LIABILITIES		
Accounts payable	\$ 19,278,000	\$ 16,029,000
Current portion of long-term debt	3,596,000	346,000
Total current liabilities	22,874,000	16,375,000
LONG-TERM DEBT — less portion classified as current liabilities		
Account payable — acquisition (converted on May 6, 1976, to a promissory note payable to a bank)	16,667,000	—
Production loans payable	13,989,000	14,261,000
Total long-term debt	30,656,000	14,261,000
CAPITAL		
Common shares, par value \$5.00 per share:		
Authorized: 7,500,000 shares; Issued: 6,690,864 shares	33,454,000	32,494,000
Capital surplus (includes transfers from earned surplus of \$105,697 through March 31, 1976, representing the excess of market over par value of common stock dividends)	130,074,000	123,531,000
Earned surplus	112,028,000	106,691,000
Less 9,912 treasury shares at cost	275,556,000	262,716,000
	286,000	286,000
Total capital	275,270,000	262,430,000
	<u>\$328,810,000</u>	<u>\$293,066,000</u>

(1) Restated to reflect the consolidation of Premier Petrochemical Company.

The above figures are unaudited and are subject to year-end adjustment.

by June 4, 1976, unless the tender date is extended. Management has decided to tender its shares but may be precluded from doing so because of an alleged agreement with an unrelated third party to purchase all such shares. If this sale at \$12.00 per share is consummated, SWD will realize a gain in the fourth quarter of \$1.3 million. Without considering this possible gain, the fourth quarter is expected to be profitable, although a loss is still anticipated for the full fiscal year.

Since March 13, 1975, when the Federal Government of Canada passed punitive legislation (retroactive to May 6, 1974) to disallow payments to Provinces for royalties and mineral income tax surcharges in the computation of Federal income taxes, the controversy between the Provinces and the Federal authorities has resulted in price-erosion for the oil industry. As a consequence, drilling activities were seriously curtailed and there was an exodus of rigs from Canada. Various provinces passed legislation in an attempt to alleviate this situation. Alberta provided royalty rebates for exploratory drilling, together with tax credits equal to the Federal tax on the disallowed deductions not to exceed \$1 million per year. Saskatchewan provided tax credits for approved expenditures, which consist of costs applicable to drilling and some producing operations. British Columbia provided bonus gas prices of 15¢ per MCF upon the expenditure by the producer of 20¢ per MCF for drilling and development. British Columbia will also make payments to the Canadian Federal Government in satisfaction of the income tax owed by a gas producer in an amount equal to the tax on the disallowed deductions. The Company has taken advantage of these rebates and tax-credit incentives and has benefited thereby. Since some of these credits are dependent upon drilling, the amounts will vary from month-to-month. The following analysis is shown for the periods indicated:

	Quarter Ended March 31 1976		Nine Months Ended March 31 1976	
Royalty rebates included in "Interest, transportation and other income"	\$730,000	-0-	\$730,000	-0-
Tax credits, which reduce "Taxes, other than Federal income"	818,000	-0-	818,000	-0-

Exploration charges were \$5.1 million for the quarter, compared to \$5.3 million last year. Unproductive well charges totaled \$2.4 million for the three months, up \$901,000—this was offset, however, by a reduction in "other exploration costs" from the comparable quarter of last year.

The provision for Federal income taxes was slightly higher for the nine months—\$14.2 million compared to \$13.9 million, but was lower for the quarter—\$4.2 million versus \$5.3 million. During the third quarter, a revision was made of CAO's estimated effective tax-rate for the current year, and there was also a \$300,000 reduction in the Company's tax accrual for last year.

Not previously announced is the Company's drilling participation in the Bear Canyon area of northwest Alberta. Six wells have now been drilled—the first was plugged and abandoned, and four of the following five tests resulted in oil wells in the Triassic Boundary Lake Member at a depth of approximately 4,200 feet. General American has an 18.75% working interest in 480 acres on which one of the wells is located, and a 37½% working interest in 2,080 acres on which the other three oil wells are located. On production tests, two of the wells proved capable of producing 100 barrels of oil per day and two of 30 to 40 barrels per day. At the recent Crown Sale of April 27, the Company acquired a 37.5% interest in an additional 1,120 acres. The nearest pipeline is approximately 8 miles away. Additional drilling is anticipated for this summer.

In northeastern British Columbia, the Helmet c-40-K-94-P-7 gas discovery (reported to stockholders in CAO's six month's interim of December, 1970) will be placed on production in the near future since Westcoast Transmission Company has recently extended its pipeline into this general area. The Company has a 25% interest in this well and in surrounding or nearby acreage of 2,116 net acres. Additional drilling is planned during this coming winter season.

Through a farmout from another company, CAO participated in the drilling of a well on Ship Shoal Block 167, offshore Louisiana, where it has a 25% interest. Productive sands were encountered, but additional drilling will be required to evaluate the significance of the zones.

On April 16, after numerous delays due to repairs on the Pennrod 71 rig, the "Sea Search" group

finally spudded a well on Block 16/26 in the United Kingdom Sector of the North Sea. Through a wholly-owned subsidiary, the Company's interest in this block is 10%.

At its meeting on May 21, 1976, the Board of Directors declared a quarterly dividend of 25 cents per share, payable June 30, 1976 to stockholders of record June 15, 1976. This represents a 5 cents per share increase in the regular quarterly dividend.

Yours very truly,

A handwritten signature in dark ink, appearing to read "W. F. James". The signature is fluid and cursive, with the first name "W. F." and the last name "James" clearly distinguishable.

President

Dallas, Texas
May 21, 1976

SHUT IN WELL DATA SHEET

LEASE & WELL: Arnold D #8 FIELD: Grayburg - Jackson
 LOCATION: SEC. 34 TWP. 17-S RGE. 30-E, 330' ENL & 2140' FEL
 ELEVATION: 3558' GL COUNTY: Eddy STATE: New Mexico
 CASING: 5 1/2", 14" CS, CEMENT @ 3241' up 150 SKs

T.D. 3261 P.B.T.D. _____

DATE LAST PROD. OR INJ.: 10/73 CUMULATIVE ~~PROD.~~ OR INJ.: 1094,742 Inj.
 INI ~~PROD.~~ ZONE: Prem. SD. 3241-3261 CUM. ~~PROD.~~ 1094,742 LAST ~~PROD.~~ 10/73 BOPD _____
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD _____
 REMARKS: _____

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	<u>2</u>
CASE NO.	<u>5725</u>
Submitted by	_____
Hearing Date	_____

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
SEVEN RIVERS	2014-2025'	S.O., tested 1 1/2 BOPD (NOT CEMENTED)
Red Sand	2494-2505'	S.O., tested 1 BOPD (MAY BE COVERED WITH CEMENT)
PREMIER	3188-3194'	SHOW OF OIL (PROB. UPPER PR. SD STRINGER)
PROB. YATES	1875-1935	10-30% STAINING
Top G.B. Lime	2865-2880'	5% STAINING

OTHER POSSIBLE ZONES:

- POSSIBILITIES
- (1) STILL COULD BE USED AS WEL IF NEEDED OR IF ANY TYPE TERTIARY FLOOD IS ATTEMPTED.
- (2) SET BRIDE PLUG TO SHUT OF CURRENT ZONE. OPEN UPPER PREMIER STINGER (PROB. WEAK) OPEN SO. IN RED SAND.
- (3) RECEMENT OVER SEVEN RIVERS ADD TO COMPLETION OF (2).

Ex. JE

SHUT IN WELL DATA SHEET

LEASE & WELL: Arnold D*9 FIELD: Grayburg-Jackson
 LOCATION: SEC. 34 TWP. 17S RGE. 30-E, 330' ENL & 140' FEL
 ELEVATION: 3554' GL COUNTY: Eddy STATE: NEW MEXICO
 CASING: 5 1/2", 14" CSG. CEMENT @ 3260' w/ 150 SKs

T.D. 3332' PBD 3300'

DATE LAST ~~PROD.~~ OR INJ.: 10/73 Inj. CUMULATIVE ~~PROD.~~ OR INJ.: 896,111 Inj.

~~PROD.~~ ^{Inj.} ZONE: Perm. Sl. 3260-3300 CUM. ^{Inj.} ~~PROD.~~ 896,111 LAST ^{Inj.} ~~PROD.~~ 10/73 BOPD

PROD. ZONE: CUM. PROD. LAST PROD. BOPD

REMARKS:

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
<u>SEVEN RIVERS</u>	<u>2037-2047</u>	<u>Show of oil. (NOT CEMENTED)</u>
<u>Perm. Sl.</u>	<u>3200</u>	<u>Slight Show of oil. (Prob. V. WEAK)</u>

OTHER POSSIBLE ZONES:

POSSIBILITIES

(1) STILL COULD BE USED AS A N.W. IF NEEDED OR IF ANY
TERTIARY FLOOD IS ATTEMPTED

(2) RECEMENT OVER SEVEN RIVERS COMPLETE FOR
SMALL WELL

Ex. II

SHUT IN WELL DATA SHEET

LEASE & WELL: MADDREN B #6 FIELD: GRAYBURG - JACKSON
 LOCATION: SEC. 27 TWP. 17-S RGE. 30-E, 1650' FSL & 1650' FEL
 ELEVATION: 3624' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20" CSG "CEMT" @ 3126' w/ 100 sks cmt. & 50 mud
 T.D. 3234' PBD 2810'

DATE LAST PROD. OR INJ.: 11/68 Prod CUMULATIVE PROD. OR INJ.: 112,525 Prod
 PROD. ZONE: Perm. Sd. 3191-3234' CUM. PROD. 112,525 LAST PROD. 11/68, 0.9 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: _____

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
<u>SEVEN RIVERS</u>	<u>2000-2010'</u>	<u>550 E G</u>
	<u>1905'</u>	<u>550</u>

OTHER POSSIBLE ZONES:

Note: 11/1/74 Set Dresser Atlas 7" bridge plug @ 2810' w/ 10' cmt. on top,
Acoustic Log showed NO CEMENT behind pipe. Abandoned
plans to perforate Seven Rivers

POSSIBILITIES

(1) RECEMENT OVER SEVEN RIVERS AND COMPLETE PROB. SMALL
WELL

Ex. II

SHUT IN WELL DATA SHEET

LEASE & WELL: MADDREN B #9 FIELD: GRAYBURG-JACKSON
 LOCATION: SEC. 27 TWP. 17-S RGE. 30-E, 2310' FSL & 1650' FEL
 ELEVATION: 3617' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20" cement @ 1920' w/ 75 sks, 5 1/2", 15 1/2" csg cement @ 3164' w/ 50 sks
 T.D. 3192 PRTD

DATE LAST PROD. OR INJ.: 5/64 Prod ① CUMULATIVE PROD. OR INJ.: 4888 Prod
 PROD. ZONE: FREN 1961-2027' CUM. PROD. 4,888 LAST PROD. 5/64, 1.5 BOPD
 PROD. ZONE: CUM. PROD. LAST PROD. BOPD
 REMARKS: Converted to W.I.W. in the Premier Sd, 3164-3192', on 3/65 until
10/71, Cum Inj. 417,125 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	1807-1870	Good-Fair staining in samples (strip log)
	1535-1692	Good-Poor staining scattered throughout. (strip log)
	1558-1572	S.S.O. (DRILLER)
	1482-1692	S.S.O. (DRILLER)

OTHER POSSIBLE ZONES:

POSSIBILITIES

- (1) STILL COULD BE USED AS WIW IF NEEDED OR IF ANY
TYPE TERTIARY FLOOD IS ATTEMPTED.
- (2) COULD BE USED FOR WIW IF SEVEN RIVERS WAS
FLOODED. WELL ORIG. COMP. IN SEVEN RIVERS.

Ex. II

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON A #2 FIELD: GRAYBURG JACKSON
 LOCATION: SEC. 28 TWP. 17S RGE. 30E, 330' FNL + 330' F&L
 ELEVATION: 3644 OF COUNTY: EDDY STATE: NEW MEXICO
 CASING: 5 1/2" 14 # @ 3035' w/150 SKS.
POSS. TOP CEMENT 2225' T.D. 3565' PBTD 3130'
 DATE LAST PROD. OR INJ.: 3/73 CUMULATIVE PROD. OR INJ.: 72,955
 PROD. ZONE: PREMIER SD CUM. PROD. 22,955 LAST PROD. 3/73, 1 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____, _____ BOPD
 REMARKS: _____

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

POSSIBILITY: CONVERT TO LWTW SINCE WE DRILLED ARNOLD "D"
#10 10 MOS. AGO.

Ex. II

SHUT IN WELL DATA SHEET

LEASE & WELL: Bosworth #1 FIELD: High Lonesome
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E, 1980' ESL & 660' FEL
 ELEVATION: 3718' DF COUNTY: Eddy STATE: New Mexico
 CASING: 7" 24" CASING CEMENTED @ 2067' w/ 150 SK.

T.D. 2101' P.B.T.D.

DATE LAST PROD. OR INJ.: 4/66 Prod ① CUMULATIVE PROD. OR INJ.: 29,556 Prod.

PROD. ZONE: PENROSE 2067-2101 CUM. PROD. 29,556 LAST PROD. 4/66, .5 BOPD

PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____, _____ BOPD

REMARKS: ① CONVERTED to WIW 5/66 until 10/71, Cum Inj. 420,045 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1334 - 1352</u>	<u>20-40% FLUO. IN SAMPLES</u>
	<u>1367 - 1382</u>	<u>10-30% FLUO. IN SAMPLES</u>

OTHER POSSIBLE ZONES:

HOLD FOR POSSIBLE FUTURE USE IN PRESENT WATER FLOOD
OR FOR TERTIARY FLOODING

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	<u>3</u>
CASE NO.	<u>5725</u>
Submitted by	_____
Hearing Date	_____

Ex. III

SHUT IN WELL DATA SHEET

LEASE & WELL: Bosworth #2 FIELD: High Lonesome
LOCATION: SEC. 14 TWP. 16-S RGE. 29-E, 1980' FSL & 1980' FEL
ELEVATION: 3726' DF COUNTY: Eddy STATE: NEW MEXICO
CASING: 5 1/2", 14" CASING CEMENT @ 2041' w/ 150 sks.

T.D. 2070' PBTD
DATE LAST PROD. OR INJ.: 8/68 Prod. ① CUMULATIVE PROD. OR INJ.: 38,002 Prod.
PROD. ZONE: Penrose 2041-2070 CUM. PROD. 38,002 LAST PROD. 8/68, 1.8 BOPD
PROD. ZONE: CUM. PROD. LAST PROD. BOPD
REMARKS: ① CONVERTED to W.I.W. 8/68 until 8/70, Cum Inj. 43,484 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding.

Ex. III

SHUT IN WELL DATA SHEET

LEASE & WELL: Bosworth #3 FIELD: High Lonesome
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E 990' ESL & 2310' FEL
 ELEVATION: 3704' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 23" CSG. CEMENTED @ 2029' w/ 150 SKS.

T.D. 2059' PBTD _____

DATE LAST PROD. OR INJ.: 9/63 Prod. ① CUMULATIVE PROD. OR INJ.: 15,279 Prod
 PROD. ZONE: PENROSE 2029-2059' CUM. PROD. 15,279 LAST PROD. 9/63 0.7 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: ① CONVERTED to W.I.W. on 10/63 until 2/67 Cum. Inj. 322,995 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding.

Ex. III

SHUT IN WELL DATA SHEET

LEASE & WELL: Bosworth #4 FIELD: High Lonesome
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E, 990' FSL & 990' FEL
 ELEVATION: 3719' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 5 1/2", 14" CASING CEMENTED @ 2050' w/ 150 SK
 T.D. 2079' PBD

DATE LAST PROD. OR INJ.: 3/64 Prod ① CUMULATIVE PROD. OR INJ.: 11,529 Prod.
 PROD. ZONE: PERMASE 2050-2079 CUM. PROD. 11,529 LAST PROD. 3/64, .4 BOPD
 PROD. ZONE: CUM. PROD. LAST PROD. BOPD
 REMARKS: ① CONVERTED TO W.F.W. ON 5/64 UNTIL 11/71, Cum. Inj. - 339,819 bbls

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1365-1368'</u>	<u>show of gas.</u>

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding.

E.x. III

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #3 FIELD: HIGH LONESOME
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E, 660' ENL & 1920' FEL
 ELEVATION: 3733' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 23" CSO. CEMENTED @ 2055' up 150 sks

T.D. 2084 PBTD _____
 DATE LAST PROD. OR INJ.: 5/64 Prod ① CUMULATIVE PROD. OR INJ.: 39,996 Prod
 PROD. ZONE: PENRKE 2055-2084' CUM. PROD. 39,996 LAST PROD. 5/64, 2 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____, _____ BOPD
 REMARKS: ① CONVERTED to W.I.W. 5/64 until 8/73, Cum. Inj. 412,206 bbls

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1330-1380'</u>	<u>30-60% Fair-Good FLuo.</u>
	<u>1250-1270'</u>	<u>20% FLuo.</u>
	<u>1205-1225'</u>	<u>20% FLuo.</u>

OTHER POSSIBLE ZONES:

HOLD FOR POSSIBLE FUTURE USE IN PRESENT WATERFLOOD
OR FOR TERTIARY FLOODING.

Ex. III

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #4 FIELD: HIGH LONESOME
LOCATION: SEC. 14 TWP. 16-S RGE. 29-E, 1980' ENL & 660' FEL
ELEVATION: 3725' DF COUNTY: Eddy STATE: NEW MEXICO
CASING: 7", 23" csg. cement @ 2074' - 150.5Ks

T.D. 2094' PBTD _____
DATE LAST PROD. OR INJ.: 4/74 Prod CUMULATIVE PROD. OR INJ.: 121,509 Prod
PROD. ZONE: PERM 2074-2094 CUM. PROD. 121,509 LAST PROD. 4/74, 0.6 BOPD
PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
REMARKS: _____

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1375-1385'</u>	<u>Slight Show of oil; 20-50% Fluo.</u>
	<u>1205-1235'</u>	<u>10-20% Fluo.</u>

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding

Ex. III

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #5 FIELD: HIGH LONESOME
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E, 1980' ENL & 1980' FEL
 ELEVATION: 3729' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 23" CSG. CEMENTED UP 150 SKS @ 2052'

T.D. 2078' PBTD

DATE LAST PROD. OR INJ.: 5/66 Prod ① CUMULATIVE PROD. OR INJ.: 55,355 Prod

PROD. ZONE: PENROSE 2052-2078' CUM. PROD. 55,355 LAST PROD. 5/66, 3 BOPD

PROD. ZONE: CUM. PROD. LAST PROD. BOPD

REMARKS: ① CONVERTED TO W.I.W. 5/66 UNTIL 12/72, CUM. INJ. 193,091 bbls

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1323-1376</u>	<u>10-80% Good-FAIR FLUO</u>
	<u>1525-1535'</u>	<u>40% FLUO.</u>
	<u>1196-1224</u>	<u>10-60% FLUO.</u>

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding.

Ex. III

SHUT IN WELL DATA SHEET

LEASE & WELL: Brewer #11 FIELD: High Lonesome
 LOCATION: SEC. 13 TWP. 16-S RGE. 29-E, 660' ENL & 1977' FEL
 ELEVATION: 3745' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 24" casing cemented @ 2105' w/ 150 sks.

T.D. 2129' PBYD _____
 DATE LAST PROD. OR INJ.: 4/71 Prod. CUMULATIVE PROD. OR INJ.: 116,518 Prod
 PROD. ZONE: PERMASE 2105-2129' CUM. PROD. 116,518 LAST PROD. 4/71, 2.6 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: _____

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1370</u>	<u>Slight show of oil.</u>
	<u>1362-1421</u>	<u>10-20% FLUO.</u>
	<u>1540-1560</u>	<u>20-30% FLUO.</u>

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding.

Ex. III

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #12 FIELD: High Lonesome
 LOCATION: SEC. 13 TWP. 16-S RGE. 29-E, 1980' ESL & 659' FWL
 ELEVATION: 3727' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 23 & 24" CASING CEMENTED @ 2105' w/ 200 SKS

T.D. 2134' PBD

DATE 1ST PROD. OR INJ.: 5/64 Prod ① CUMULATIVE PROD. OR INJ.: 33,601 Prod.
 PROD. ZONE: Permian 2105-2134' CUM. PROD. 33,601 LAST PROD. 5/64, 2 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: Converted to W.I.W. 5/64 until 9/72, Cum. Inj. 954,974 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1362'</u>	<u>Slight show of gas.</u>

OTHER POSSIBLE ZONES:

Hold for possible future use in present water flood or for tertiary flooding.

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #14 FIELD: High Lonesome
 LOCATION: SEC. 13 TWP. 16-S RGE. 29-E 1980' ENL & 1977' FEL
 ELEVATION: 3741' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20 & 23" CASING CEMENTED @ 2124' w/ 150 SK

T.D. 2637' PBTD 2150'

DATE LAST PROD. OR INJ.: 12/63 Prod ① CUMULATIVE PROD. OR INJ.: 39,101 Prod.
 PROD. ZONE: PENROSE 2124-2150' CUM. PROD. 39,101 LAST PROD. 12/63, 601 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: CONVERTED TO W.I.W. 3/64 until 5/74, Cum. Inj. - 611,163 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>2114-2119</u>	<u>SHOW OF OIL & WATER</u>

OTHER POSSIBLE ZONES:

Hold for possible future use in present water flood or for tertiary flooding.

SHUT IN WELL DATA SHEET

LEASE & WELL: Brewer #17 FIELD: High Lonesome
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E, 1980' FNL & 19 0' FNL
 ELEVATION: 3721' DF COUNTY: Eddy STATE: New Mexico
 CASING: 7", 20 & 23" CS9 from 1760-1841'; 5 1/2", 14" CS9. cement @ 2039' w/ 150 sks.

T.D. 2067' PBTD _____

DATE LAST PROD. OR INJ.: 7/72 Prod CUMULATIVE PROD. OR INJ.: 60,773 Prod.
 PROD. ZONE: Penrose 2039-2067' CUM. PROD. 60,773 LAST PROD. 7/72, 0.8 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____, _____ BOPD
 REMARKS: _____

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #18 FIELD: High LONESOME
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E, 1980' FSL & 1980' FWL
 ELEVATION: 3711' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20 & 23" CSQ. FROM 1798'-1840'; 5 1/2", 14" CSQ. CENT @ 2019' w/ 150 SKS.
 T.D. 2047' PBTD

DATE LAST PROD. OR INJ.: 4/66 Prod. ① CUMULATIVE PROD. OR INJ.: 38,621 Prod.

PROD. ZONE: PERMSE 2022-2047' CUM. PROD. 38,621 LAST PROD. 4/66, 0.5 BOPD

PROD. ZONE: CUM. PROD. LAST PROD. BOPD

REMARKS: ① CONVERTED TO WIW 5/66 UNTIL 8/73, CUM. INJ. 555,689 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1302-1306</u>	<u>Slight show of gas.</u>

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding.

EX. III

SHUT IN WELL DATA SHEET

LEASE & WELL: Brewer #19 FIELD: High Lonesome
 LOCATION: SEC. 12 TWP. 16-S RGE. 29-E , 660' FSL & 1980' FEL
 ELEVATION: 3738' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 23" csg. cement @ 2077' w/ 150 sks

T.D. 2106 PBTD _____

DATE LAST PROD. OR INJ.: 3/64 Prod. ① CUMULATIVE PROD. OR INJ.: 43,802 Prod.
 PROD. ZONE: PENROSE 2077-2116' CUM. PROD. 43,802 LAST PROD. 3/64 , 16.1 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ , _____ BOPD
 REMARKS: ① CONVERTED to W.I.W. 3/64 until 7/71, Cum. Inj. - 411,697 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding.

SHUT IN WELL DATA SHEET

LEASE & WELL: Brewer #20 FIELD: High Lonesome
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E 660' ENL & 1980' FWL
 ELEVATION: 3717' DF COUNTY: Eddy STATE: New Mexico
 CASING: 8 5/8" 24" csg. from 1574-1836'; 5 1/2" 14" csg. cmt. @ 2023' wt 150 sks
 T.D. 2052' PBD

DATE LAST PROD. OR INJ.: 2/64 Prod ① CUMULATIVE PROD. OR INJ.: 29,605 Prod.
 PROD. ZONE: Penrose 2023-2052' CUM. PROD. 29,605 LAST PROD. 2/64, 6 BOPD
 PROD. ZONE: CUM. PROD. LAST PROD. BOPD
 REMARKS: Converted to W.I.W. 2/64 until 8/73, Cum Inj - 479,654 bbls

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding.

Ex. III

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #21 FIELD: High LONESOME
 LOCATION SEC. 14 TWP. 16-S RGE. 29-E, 660' FNL & 660' FWL
 ELEVATION: 3711' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20 & 23" CSG FROM 1731-1807'; 5 1/2", 14" CSG. CMT. @ 1991' w/ 150 SKS
 T.D. 2022' PBTD

DATE LAST PROD. OR INJ.: 5/64 Prod. ① CUMULATIVE PROD. OR INJ.: 24,541 Prod
 PROD. ZONE: PERMASE 1992-2022' CUM. PROD. 24,541 LAST PROD. 5/64, 2 BOPD
 PROD. ZONE: CUM. PROD. LAST PROD. BOPD
 REMARKS: ① CONVERTED TO W.I.W. 7/64 UNTIL 5/73, CUM. INJ. 455,380 bbls

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

HOLD FOR POSSIBLE FUTURE USE IN PRESENT WATERFLOOD OR FOR TERTIARY FLOODING

Ex. III

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #23 FIELD: HIGH LONESOME
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E, 660' FSL & 1980' FWL
 ELEVATION: 3704' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20 & 23" CSQ. CEMENTED @ 2024' w/ 150 SKS

T.D. 2046 PBTD _____

DATE LAST PROD. OR INJ.: 3/64 Prod ① CUMULATIVE PROD. OR INJ.: 21,310 Prod
 PROD. ZONE: PENROSE 2024-2046' CUM. PROD. 21,310 LAST PROD. 3/64, 2 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____, _____ BOPD
 REMARKS: ① CONVERTED TO W.I.W. 5/64 UNTIL 9/72, Cum. Inj. - 461,986 bbls

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

Hold for possible use in PRESENT WATERFLOOD or for tertiary flooding.

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #24 FIELD: HIGH LONESOME
 LOCATION: SEC. 13 TWP. 16-S RGE. 29-E, 1980' FSL & 1978' FWL
 ELEVATION: 3730' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 23" CSG CEMENTED @ 2122' w/ 150 SKS.

T.D. 2147' PBD
 DATE LAST PROD. OR INJ.: 9/63 Prod ① CUMULATIVE PROD. OR INJ.: 32,077 Prod
 PROD. ZONE: PENROSE 2122-2147' CUM. PROD. 32,077 LAST PROD. 9/63, 3.3 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: ① CONVERTED TO W.I.W. 10/63 UNTIL 9/72, CUM. INJ. 627,141

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1444-1448'</u>	<u>SHOW OF GAS.</u>

OTHER POSSIBLE ZONES:

HOLD FOR POSSIBLE FUTURE USE IN PRESENT WATERFLOOD OR FOR TERTIARY FLOODING

EX. III

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #25 FIELD: HIGH LONESOME
 LOCATION: SEC. 13 TWP. 16-S RGE. 29-E 660' FNL & 990' FFL
 ELEVATION: 3747' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 23" CS9, CEMENTED @ 2115' w/ 150 SKS

T.D. 2133' PBTD

DATE LAST PROD. OR INJ.: 3/64 Prod ① CUMULATIVE PROD. OR INJ.: 49,977 Prod

PROD. ZONE: PENROSE 2115-2133' CUM. PROD. 49,977 LAST PROD. 3/64 28 BOPD

PROD. ZONE: CUM. PROD. LAST PROD. BOPD

REMARKS: ① CONVERTED TO W.I.W. 3/64 until 5/74, Cum. Inj. - 439,224 bbls

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding

EX. III

SHUT IN WELL DATA SHEET

LEASE & WELL: BREWER #27 FIELD: High Lonesome
 LOCATION: SEC. 14 TWP. 16-S RGE. 29-E 990' ESL & 660' FWL
 ELEVATION: 3699' DE COUNTY: Eddy STATE: New Mexico
 CASING: 7", 23" csg. cmt. @ 2002' w/ 150 sks

T.D. 2036' PBD

DATE LAST PROD. OR INJ.: 9/63 Prod ① CUMULATIVE PROD. OR INJ.: 18027 Prod.

PROD. ZONE: Penrose 2002-2036' CUM. PROD. 18,027 LAST PROD. 9/63, 1 BOPD

PROD. ZONE: CUM. PROD. LAST PROD. BOPD

REMARKS: ① Converted to W.L.W. 10/63 until 8/73, Cum. Inj. 793,145 bbls

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

Hold for possible future use in present waterflood or for tertiary flooding.

EX. III

SHUT IN WELL DATA SHEET

LEASE & WELL: Brewer #28 FIELD: Wildcat
 LOCATION: SEC. 12 TWP. 16-S RGE. 29-E, 1980' FSL and 1990' FWL
 ELEVATION: 3735' GL COUNTY: Eddy STATE: NEW MEXICO
 CASING: 8 5/8", 32" CSQ. CEMENT @ 2699' w/ 300 SKS, 5 1/2", 15 1/2" & 17" shot & pulled from 6500'. T.D. 10,838' PBTD 2650'
 DATE LAST PROD. OR INJ.: NEVER PROD CUMULATIVE PROD. OR INJ.: 0
 PROD. ZONE: _____ CUM. PROD. 0 LAST PROD. _____ BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: _____

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

Morrow test plugged back to 2650' in 8 5/8".
Probably bad cement job on 8 5/8" CSQ. due to 200 bbl/day water flow
AFTER CEMENTING.

POSSIBILITY

(1) COMPLETE IN PREMIER SD. FOR GAS SUPPLY.

EX III

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON F #1 FIELD: Loco Hills
 LOCATION: SEC. 31 TWP. 17-S RGE. 30-E, 1650' ESL & 330' FWL
 ELEVATION: 3560' GL COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20" CEMENT @ 2661' w/ 100 sk.; 5 1/2", 14" LINER CEMENT w/ 75 sk. (LINER
from 2770-2794') T.D. 3041 P.BTD 2808'
 DATE LAST PROD. OR INJ.: 6/67 Prod. CUMULATIVE PROD. OR INJ.: 305,933 Prod.
 PROD. ZONE: PREMIER, 2791-3041 CUM. PROD. 7867 LAST PROD. 2/62, 1 BOPD
 PROD. ZONE: Loco Hills, 2770-2794' CUM. PROD. 298,066 LAST PROD. 7/67, 1 BOPD
 REMARKS: Originally completed in Loco Hills, deepened to 3041' in 8/51 & completed
in PREMIER. Plugged back to 2808' & recompleted in Loco Hills in 8/62.
PRESENTLY HAVE A KV 30 pk, bull plugged on bottom, on 2 1/2" tubing in hole
to shut-off water.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
SEVEN RIVERS	1925-1940	Show of oil in samples. Possibly covered w/ cement.
	1425-1480	SLT. OIL STAINED SAND (NO CEMENT)

OTHER POSSIBLE ZONES:

Possibly drill out plug and recomplete in the PREMIER SAND.
P.B. w/ BAKER Model "N" Cast Iron BP. @ 2817' w/ 1 sack of cement on top.
ANADARKO SEEKING APPROVAL TO CONVERT OFFSET WELL
TO WTW IN PREMIER SAND.

BEFORE EXAMINER STAMETS
 OIL CONSERVATION COMMISSION

EXHIBIT NO. 4

CASE NO. 5725

Submitted by _____

Hearing Date _____

EX. IV

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON F #3 FIELD: Loco Hills
 LOCATION: SEC. 31 TWP. 17-S RGE. 30-E, 345' FSL & 2310' FWL
 ELEVATION: 3572' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20" CASING CEMENT @ 2679' w/ 100 SKS AND 6 TONS OF MUD.
 T.D. 2850' PBTD

DATE LAST PROD. OR INJ.: 12/66 CUMULATIVE PROD. OR INJ.: 254,739
 PROD. ZONE: Loco Hills, 2825-2850' CUM. PROD. 254,739 LAST PROD. 12/66, 1 BOPD
 PROD. ZONE: CUM. PROD. LAST PROD. BOPD
 REMARKS: Tubing, 2" plugged off with gypsum.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
<u>SEVEN RIVERS</u>	<u>1825-1840</u>	<u>SHOW OF OIL IN SAMPLES</u>
	<u>2565-2575</u>	<u>SHOW OF OIL IN SAMPLES - SANDY LIME</u>
	<u>1520-1550</u>	<u>SLT. OIL STAINED SAND.</u>

OTHER POSSIBLE ZONES:

THE HOLE COULD BE DEEPENED 250' TO THE PREMIER SAND.
PENDING RESULTS OF BF #2 RECENTLY DEEPENED TO PR. SD.

EX. IV

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON F #4 FIELD: LOCO HILLS

LOCATION: SEC. 31 TWP. 17-S RGE. 30-E 1650' ESL & 2310' FWL

ELEVATION: 3566 DE COUNTY: Eddy STATE: NEW MEXICO

CASING: 7", 20" CSG. CEMENTED @ 2718' w/ 100 SKS.; 5 1/2", 14" LINER, 2663-2905'
is cemented w/ 85 SACKS. ^{44 FOAM mud} T.D. 3083' PBTD 2870'

DATE LAST PROD. OR INJ.: 2/62 Prod (1) CUMULATIVE PROD. OR INJ.: 114,749

PROD. ZONE: Premier Sand 3034-83' CUM. PROD. 11,312 LAST PROD. 2/62, 41 BOPD

PROD. ZONE: Loco Hills 2806-2831' CUM. PROD. 103,437 LAST PROD. 8/51, 6 BOPD

REMARKS: (1) CONVERTED to W.I. Well on 5/62 injecting into Loco Hills until
6/68. Cum. Water Inj. - 835,918 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>2935-2943'</u>	<u>Slight Show of oil in samples</u>

OTHER POSSIBLE ZONES:

POSSIBLY HOLD FOR USE IF PREMIER SAND IS FLOODED

EX. IV

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON F #5 FIELD: Loco Hills
 LOCATION: SEC. 31 TWP. 17-S RGE. 30-E, 2310' ENL & 1650' FEL
 ELEVATION: 3568' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20" CASING CEMENTED @ 2722' w/ 100 SKS AND 3 TONS OF MUD, 5 1/2", 14"
LINER, 2656-2896', CEMENTED w/ 45 SKS T.D. 3101 PBTD 2859' ①
 DATE LAST PROD. OR INJ.: 2/62 ② CUMULATIVE PROD. OR INJ.: 105,158 Prod
 PROD. ZONE: Prem. SA. 3054-3098' CUM. PROD. 20,008 LAST PROD. 2/62, 0.8 BOPD
 PROD. ZONE: Loco Hills 2821-2821' CUM. PROD. 85,150 LAST PROD. 4/51, 5.4 BOPD
 REMARKS: ① BAKER Model "N" Cast Iron B.P. w/ 1 SACK CEMENT ON TOP.
② CONVERTED TO LOCO HILLS W.I. WELL ON 5/62 THEN 1/69. Cum. Inj. - 878,172 bbl's.
Tubing & PKR still in hole.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
<u>SEVEN RIVERS</u>	<u>1805-1810</u>	<u>Show of oil & gas</u>
<u>Red SAND</u>	<u>2308-2312</u>	<u>Show of gas</u>

OTHER POSSIBLE ZONES:

POSSIBILITIES

- (1) HOLD FOR POSSIBLE USE IF PRIMER SAND IS FLOODED
 (2) IF CEMENT SUFFICIENT FRAC SHOWS IN SEVEN RIVERS AND
REDSAND POSS. SMALL WELL

EX. IV

SHUT IN WELL DATA SHEET

LEASE & WELL: PEESON F #6 FIELD: Loco Hills
 LOCATION: SEC. 31 TWP. 17-5 RGE. 30-E, 2310' FNL & 330' FEL
 ELEVATION: 3587' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20" CASING CEMENT @ 2764' w/ 100 SKS.; 5 1/2", 14" LINER, 2722-2923'
CEMENT w/ 75 SKS T.D. 3136' PBTD 2893'
 DATE LAST PROD. OR INJ.: 9/64 Prod. (1) CUMULATIVE PROD. OR INJ.: 126,120
 PROD. ZONE: Loco Hills 2855-2877' CUM. PROD. 107,748 LAST PROD. 9/64, 1.8 BOPD
 PROD. ZONE: Prem. Sand 3010-3136' CUM. PROD. 18,372 LAST PROD. 2/62, .8 BOPD
 REMARKS: (1) CONVERTED WELL to injection 11/64 into the Loco Hills until
2/66. Cum. Inj. 91,718 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
SEVEN RIVERS	1840-1845	Show of oil & gas.

OTHER POSSIBLE ZONES:

POSSIBILITIES:

- (1) HOLD FOR POSSIBLE USE IF PREMIER SAND IS FLOODED
- (2) IF CEMENT SUFFICIENT FRAC SEVEN RIVERS POSS. SMALL WELL

EX. IV

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON F #9 FIELD: Loco Hills
 LOCATION: SEC. 29 TWP. 17-S RGE. 30-E, 330' FSL & 2310' FWL
 ELEVATION: 3588' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20" CASING CEMENTED AT 2941' up 1005Ks.

T.D. 3069' PBTD _____

DATE LAST PROD. OR INJ.: 7/64 Prod CUMULATIVE PROD. OR INJ.: 40,932
 PROD. ZONE: Perm. Sd. 2941-3069' CUM. PROD. 40,932 LAST PROD. 7/64, 2 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: _____

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
<u>Loco Hills</u>	<u>2800-2802</u>	<u>Show of oil</u>
	<u>2780-2782</u>	<u>Show of oil in Lime</u>
	<u>2556-2560</u>	<u>Show of GAS in Anhydrite</u>
	<u>2537-2547</u>	<u>Slight show of oil in Sdy Lime</u>
	<u>2278-2279</u>	<u>Show of GAS in Anhydrite</u>
	<u>1785-1790</u>	<u>Show of oil in Anhydrite</u>

OTHER POSSIBLE ZONES:

POSSIBILITIES:
(1) FRAC SHOWS BEHIND CASING PUT ON PUMP THIS WELL MIGHT
REWORK FOR FAIR WELL

Ex. IV

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON F #12 FIELD: Loco Hills
 LOCATION: SEC. 31 TWP. 17-S RGE. 30-E, 990' ESL & 1571' FWL
 ELEVATION: 3566' DF COUNTY: Eddy STATE: New Mexico
 CASING: 7", 20" CEMENTED @ 2700' w/ 100 SKS.; 5 1/2", 14" LINER, 2675-2924' PACKED
OFF w/ LEAD & NEOPRENE PACK-OFF T.D. 3081' PBTD _____
 DATE LAST PROD. OR INJ.: 7/70 Prod CUMULATIVE PROD. OR INJ.: 348,424 Prod
 PROD. ZONE: Prem. Sd. Loco Hills CUM. PROD. 348,424 LAST PROD. 7/70 BOPD 1
2788-2845 & 3050-3081'
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD _____
 REMARKS: Tubing is still in well.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
<u>SEVEN RIVERS</u>	<u>1719-1734</u>	<u>Slight Show of oil.</u>
<u>"</u>	<u>1744-1769</u>	<u>Slight Show of oil.</u>
<u>"</u>	<u>1785-1830</u>	<u>Slight Show of oil.</u>
<u>"</u>	<u>1853-1860</u>	<u>Slight Show of oil.</u>
<u>"</u>	<u>1891-1908</u>	<u>Slight Show of oil.</u>
<u>"</u>	<u>1926-1936</u>	<u>Slight Show of oil.</u>

OTHER POSSIBLE ZONES:

POSSIBILITIES
(1) HOLD FOR POSSIBLE USE IF PREMIER SAND IS FLOODED.
(2) IF CEMENT SUFFICIENT FRAC SHOWS IN SEVEN RIVERS
POSS. SMALL WELL.

Ex. IV

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON F #13 FIELD: Loco Hills
 LOCATION: SEC. 31 TWP. 17-S RGE. 30-E, 2310' FSL and 2232' FWL
 ELEVATION: 3562' DF COUNTY: Eddy STATE: New Mexico
 CASING: 7", 23" CASING CEMENTED @ 2800' w/ 394 SKs.

T.D. 2827' PBDT _____

DATE LAST PROD. OR INJ.: 11/63 Prod ① CUMULATIVE PROD. OR INJ.: 12,510 Prod
 PROD. ZONE: Loco Hills 2800-2827' CUM. PROD. 12,510 LAST PROD. 11/63, 0.7 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: ① CONVERTED to W.I.W. 11/63 into the Loco Hills until 6/65,
Cum. Inj. - 330,954 bbls.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

This well could possibly be deepened to the PREMIER SAND

EX. IV

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON F #14 FIELD: Loco Hills
 LOCATION: SEC. 31 TWP. 17-S RGE. 30-E, 2310' FNL & 2310' FEL
 ELEVATION: 3574' DF COUNTY: Eddy STATE: New Mexico
 CASING: 7", 20" & 23" cement @ 2817' w/ 430 SKs

T.D. 2850' PBTD _____

DATE LAST PROD. OR INJ.: 7/67 Prod CUMULATIVE PROD. OR INJ.: 99,297 Prod
 PROD. ZONE: Loco Hills 2817-2850' CUM. PROD. 99,297 LAST PROD. 7/67, 1 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____, _____ BOPD
 REMARKS: Tubing still in well.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1805-1810'</u>	<u>Slight show of oil</u>
	<u>2550-2580'</u>	<u>Slight show of oil</u>

OTHER POSSIBLE ZONES:

This well could possibly be deepened to the Premier Sand.

Ex. IV

SHUT IN WELL DATA SHEET

LEASE & WELL: BEESON F #16 FIELD: Loco Hills
 LOCATION: SEC. 31 TWP. 17-S RGE. 30-E, 2310' FSL & 1300' FWL
 ELEVATION: 3568' DF COUNTY: Eddy STATE: NEW MEXICO
 CASING: 5 1/2", 14" CEMENTED AT 2798' w/ 394.5 K.

T.D. 2826' PBTD
 DATE LAST ~~PROD.~~ OR INJ.: 11/68 Inj. CUMULATIVE ~~PROD.~~ OR INJ.: 1,001,747 Inj.

PROD. ZONE: ① CUM. PROD. LAST PROD. BOPD

PROD. ZONE: CUM. PROD. LAST PROD. BOPD

REMARKS: ① W.I.W. into Loco Hills 2798-2826'.

Presently, 30 jts of 2" w/ bull plugged packer in hole to shut off water

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

This well could possibly be deepened to the Premier Sand and
used for WIW if Premier Sand is flooded.

Ex IV

SHUT IN WELL DATA SHEET

LEASE & WELL: STATE B-4108 #1 FIELD: Loco Hills
 LOCATION: SEC. 32 TWP. 17-S RGE. 30-E, 660' FNL & 1980' FWL
 ELEVATION: 3597' Top of Csg COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7" 20" Csg, CEMENT @ 2831' w/ 100 SK

T.D. 3089' PBTD

DATE LAST PROD. OR INJ.: 3/63 Prod CUMULATIVE PROD. OR INJ.: 33,525 Prod

PROD. ZONE: Prem. Sd. 3049-3089' CUM. PROD. 33,525 LAST PROD. 3/63, 1.3 BOPD

PROD. ZONE: CUM. PROD. LAST PROD. BOPD

REMARKS: Note: Loco Hills Sd, 2831'-2847' & Btm of 7" @ 2831'; Loco Hills possibly contributed to the wells prod.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
	<u>1625'</u>	<u>Slight show of oil (PROD. NOT CEMENTED)</u>

OTHER POSSIBLE ZONES:

POSSIBLE COULD USE AS WIW IN PREMIER IF A SMALL FLOOD WAS PUT IN AROUND BEESON F #8 & #9

LX IV

SHUT IN WELL DATA SHEET

LEASE & WELL: STATE B-1778 #1 FIELD: Loco Hills
 LOCATION: SEC. 36 TWP. 17-S RGE. 29-E, 990' FSL & 330' FEL
 ELEVATION: 3650' GL COUNTY: Eddy STATE: NEW MEXICO
 CASING: 7", 20" CSG. CEMENT @ 2649' WT 100 SKS; 4 1/2" CSG. (Shot & pulled)
2613-3352' WAS CEMENT WT 200 SKS T.D. 3352' PBTD 2550'
 DATE LAST PROD. OR INJ.: 3/65 Prod CUMULATIVE PROD. OR INJ.: 291176 Prod
 PROD. ZONE: Loco Hills 2747-2772' CUM. PROD. 291176 LAST PROD. 3/65, 0.9 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD
 REMARKS: ALL attempts to frac the Meter, Premier, & San Andres failed.

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS

OTHER POSSIBLE ZONES:

APPARENT FPAC JOB ON PREMIER SAND COMMUNICATED TO LOCO HILLS
ZONE WHICH WAS BEING WATER FLOODED.

POSSIBILITIES

WE SEE NO POSSIBILITY FOR THIS WELL
PROD. SHOULD BE PIA

LX IV

SHUT IN WELL DATA SHEET

LEASE & WELL: STATE B-1778 #3 FIELD: Loco Hills
 LOCATION: SEC. 36 TWP. 17-S RGE. 29-E 330' FSL & 990' FEL
 ELEVATION: 3542' Top of Csg. COUNTY: Eddy STATE: New Mexico
 CASING: 7", 20" csg. cement @ 2650' w/ 100 sks

T.D. 2775' PBTD _____

DATE LAST PROD. OR INJ.: 6/66 Prod. CUMULATIVE PROD. OR INJ.: 206,142 Prod
 PROD. ZONE: Loco Hills, 2714-2760 CUM. PROD. 206,142 LAST PROD. 6/66 1.8 BOPD
 PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____ BOPD

REMARKS: _____

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
<u>Prob. Penrose</u>	<u>2500-2520</u>	<u>Slight show of oil. DEAD OIL</u>

OTHER POSSIBLE ZONES:

POSSIBILITIES
(1) VERY SLIGHT POSSIBILITY OF COMPLETION IN PENROSE
SD.

Ex IV

SHUT IN WELL DATA SHEET

LEASE & WELL: Sivley #3 FIELD: West Henshaw
LOCATION: SEC. 8 TWP. 16-S RGE. 30-E, 1980' FSL & 1980' FWL
ELEVATION: 3809' DF COUNTY: Eddy STATE: New Mexico
CASING: 7", 23" csg. cement @ 2754' w/ 150 SKs.

T.D. 3623' PBTD 2785'
DATE LAST PROD. OR INJ.: 0 bbls. CUMULATIVE PROD. OR INJ.: _____

PROD. ZONE: Rem. SD 2754-2785 CUM. PROD. 0 bbls LAST PROD. _____, _____ BOPD

PROD. ZONE: _____ CUM. PROD. _____ LAST PROD. _____, _____ BOPD

REMARKS: FRACED but NEVER RECOVERED ALL LOAD oil.

EST. PROB. TOP CEMENT 1770'

POSSIBLE ZONES BEHIND THE PIPE

ZONE	INTERVAL	REMARKS
<u>Grayburg Lime</u>	<u>2443-2465'</u>	<u>20-40% Fluo.</u>
	<u>1510-1570'</u>	<u>10-60% Fluo.</u>
	<u>1380-1408</u>	<u>10-40% Fluo.</u>

OTHER POSSIBLE ZONES:

SEE LITTLE POSSIBILITY FOR THIS WELL

Ex V

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. 5725
Order No. R-5679

APPLICATION OF GENERAL AMERICAN OIL
COMPANY OF TEXAS FOR AN EXCEPTION TO
RULE 202(B), EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 4th day of April, 1978, 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 the applicant, General American Oil Company of Texas, seeks an exception to Commission Rule 202(B), Eddy County, New Mexico, to permit the continued temporary abandonment of certain wells on its Arnold "D", Beeson "A", Beeson "F", Bosworth, Brewer, Burch "A", Dexter "E", Grayburg Deep Unit, Green "A", Keely "B", Keely "C", Maddren "B", Nunlee, Parke "E", Sivley, State B-1778, State B-4108, and State B-4458 leases as shown on Exhibit "A" attached to this order and made a part hereof.

(3) That the applicant has plugged or worked over many other of its temporarily abandoned wells on its properties in Eddy County.

(4) That the applicant is evaluating those wells shown on Exhibit "A" of this order to determine if additional oil and gas may be economically recovered therefrom.

(5) That subsequent to August 18, 1976, the applicant has plugged or returned to active status its Arnold "D" Lease Wells Nos. 8 and 9, its Beeson "F" Lease Well No. 9, its Brewer Lease Well No. 28, its Maddren "B" Lease Well No. 9 and its Nunlee Lease Well No. 5, all as shown on Exhibit "A" attached to this order.

(6) That with the exception of those wells set out in Finding No. (5) above, the applicant should be granted an exception to Rule 202(B) of the Oil Conservation Division of the New Mexico Energy and Minerals Department Rules and Regulations for a period of four years for those wells shown on Exhibit "A" attached to this order.

(7) That upon a showing of substantial progress in the evaluation of the future potential of the wells shown on said Exhibit "A" or upon a showing that substantial numbers of said wells have been returned to production, the Division Director should be authorized to grant additional extensions of said exception to Division Rule 202(B) to said wells.

(8) That the Division Director should be empowered to rescind the exception to Rule 202(B) granted by this order, or any extension thereto, to any well listed on said Exhibit "A" whenever it should appear that such action is necessary to protect correlative rights, to prevent waste, or to prevent the contamination of fresh waters.

(9) That approval of the subject application with provisions for an administrative procedure for extension or rescission as provided above will not cause waste nor violate correlative rights.

(10) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby granted an exception to the provisions of Rule 202(B) of the Division Rules and Regulations for certain wells on its Arnold "D", Beeson "A", Beeson "F", Bosworth, Brewer, Burch "A", Dexter "E", Grayburg Deep Unit, Green "A", Keely "B", Keely "C", Maddren "B", Nunlee, Parke "E", Sivley, State B-1778, State B-4108, and State B-4458 leases as shown on Exhibit "A" attached to this order and by this reference made a part hereof.

PROVIDED HOWEVER, that such exception shall expire four years from the date of this order unless the applicant shall have obtained an extension as hereinafter provided.

PROVIDED FURTHER, that such exception shall not apply to applicant's Arnold "D" Lease Wells Nos. 8 and 9, its Beeson "F" Lease Well No. 9, its Brewer Lease Well No. 28, its Maddren "B" Lease Well No. 9, and its Nunlee Lease Well No. 5, all as shown on said Exhibit "A" attached to this order, as such wells have previously been plugged and abandoned or returned to active status.

(2) That the Division Director may administratively grant additional extensions to the exception herein provided upon a satisfactory showing of substantial progress in evaluation of

-3-
Case No. 5725
Order No. R-5679


the potential for return to production of said wells or that substantial numbers of said wells have been returned to production.

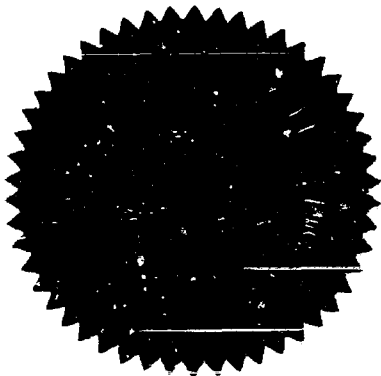
(3) That the Division Director may rescind the exception to Rule 202(P) granted any well under the provisions of this order whenever it should appear that such rescission is necessary to protect correlative rights, prevent waste or prevent the contamination of fresh waters.

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

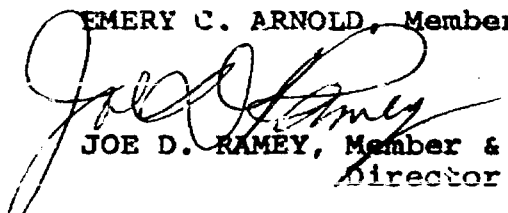
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Division
Director

S E A L

jr/

General American Oil Company of Texas Wells
EDDY COUNTY, NEW MEXICO

<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Well and No.</u>	<u>Unit</u>
12	16S	29E	Brewer 19	O
12	16S	29E	Brewer 28	K
13	16S	29E	Brewer 11	B
13	16S	29E	Brewer 12	L
13	16S	29E	Brewer 14	G
13	16S	29E	Brewer 24	K
13	16S	29E	Brewer 25	A
14	16S	29E	Brewer 3	B
14	16S	29E	Brewer 4	H
14	16S	29E	Brewer 5	G
14	16S	29E	Brewer 17	F
14	16S	29E	Brewer 18	K
14	16S	29E	Brewer 20	C
14	16S	29E	Brewer 21	D
14	16S	29E	Brewer 23	N
14	16S	29E	Brewer 27	M
14	16S	29E	Bosworth 1	I
14	16S	29E	Bosworth 2	J
14	16S	29E	Bosworth 3	O
14	16S	29E	Bosworth 4	P
35	16S	29E	Nunlee 4	A
35	16S	29E	Nunlee 5	H
35	16S	29E	Nunlee 6	I
8	16S	30E	Sivley 3	K
25	17S	29E	Keely "C" 10	E
25	17S	29E	Keely "C" 12	G
25	17S	29E	Keely "C" 18	K
25	17S	29E	Keely "C" 20	I
25	17S	29E	Keely "C" 25	O
25	17S	29E	Keely "C" 37	O
25	17S	29E	Grayburg Deep Unit 5	A
26	17S	29E	Keely "B" 15	I
29	17S	29E	Green "A" 1	A
29	17S	29E	Green "A" 4	I
36	17S	29E	State B-1778 1	P
36	17S	29E	State B-1778 3	P
36	17S	29E	State B-4458 2	C
19	17S	30E	Burch "A" 23	E
19	17S	30E	Burch "A" 24	G
20	17S	30E	Dexter "E" 2	G
22	17S	30E	Parke "E" 2	H
27	17S	30E	Maddren "B" 6	J
27	17S	30E	Maddren "B" 9	J
28	17S	30E	Beeson "A" 2	A
29	17S	30E	Beeson "F" 9	N
30	17S	30E	Grayburg Deep Unit 4	L
30	17S	30E	Grayburg Deep Unit 6	C
31	17S	30E	Beeson "F" 1	L

Exhibit "A"
Case No. 5725
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31	17S	30E	Beeson "F" 3	N
31	17S	30E	Beeson "F" 4	K
31	17S	30E	Beeson "F" 5	G
31	17S	30E	Beeson "F" 6	H
31	17S	30E	Beeson "F" 12	N
31	17S	30E	Beeson "F" 13	K
31	17S	30E	Beeson "F" 14	G
31	17S	30E	Beeson "F" 16	K
32	17S	30E	State B-4108 1	C
34	17S	30E	Arnold "D" 8	B
34	17S	30E	Arnold "D" 9	A

Exhibit "A"
Case No. 5725
Order No. R-5679

GENERAL AMERICAN OIL COMPANY OF TEXAS

DEPT. OFFICE
P. O. BOX 8
TAMU, CALIF.

March 14, 1978

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

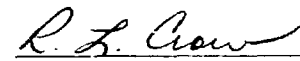
Attention: R.L. Stamets

Dear Sir:

In reply to your letter of February 10, 1978 regarding Case 5725 General American has made changes in the status of several of these shut in wells. General American has tried to pursue the reworking of shut in wells to evaluate their economic potential as conditions change. The recompletions have been scattered out in different groups of these shut in wells and some have proved economical and others will take longer to evaluate. As you will note since our July 21, 1976 hearing General American has Plugged and Abandoned (1) well, recompleted and returned to production (5) wells, and has current rework proposals for (2) other wells of the 58 shut in wells. We realize this rate would take several years to evaluate the remaining wells, but we feel conservation has been served and hopefully General American can realize a profit from not having to plug and abandon these wells all at once. Possibly we will be able to accelerate the handling of these wells in the future.

If additional information is needed please advise.

Yours truly
GENERAL AMERICAN OIL COMPANY OF TEXAS


R.L. Crow
District Superintendent

RLC/mss

xc: N.W. Krouskop
W.T. Patterson
L.N. Hawkins

Township 16 South, Range 29 East

Section 12: *	Brewer	19		Shut-In
	Brewer	28	K	- Reworking, For possible gas supply well.
Section 13: *	Brewer	11	B	Shut-In
	Brewer	12	L	Shut-In
	Brewer	14	G	Shut-In
	Brewer	24	K	Shut-In
	Brewer	25	A	Shut-In
Section 14: *	Brewer	3	B	Shut-In
	Brewer	4	H	Shut-In
	Brewer	5	G	Shut-In
	Brewer	17	F	Shut-In
	Brewer	18	K	Shut-In
	Brewer	20	C	Shut-In
	Brewer	21	D	Shut-In
	Brewer	23	J	Shut-In
	Brewer	27	M	Shut-In
	* Bosworth	1	I	Shut-In
	Bosworth	2	J	Shut-In
	Bosworth	3	O	Shut-In
	Bosworth	4	P	Shut-In
Section 35: *	Nunlee	4	A	Shut-In
	Nunlee	5	H	- P & A March, 1977
	Nunlee	6	I	Shut-In

Township 16 South, Range 30 East

Section 8: *	Sivley	3	K	Shut-In
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Township 17 South, Range 29 East

Section 25: * Keely "C" 10 *E* Shut-In
 Keely "C" 12 *E* Shut-In
 Keely "C" 18 *K* Shut-In
 Keely "C" 20 *I* Shut-In
 Keely "C" 25 *D* Shut-In
 - Keely "C" 37 *O* Shut-In

* Grayburg Deep Unit #5 // Shut-In

Section 26: * Keely "B" 15 *I* Shut-In

Section 29: * Green "A" 1 *B* Sand Fraced (waiting on gas sales line)
 Green "A" 4 *I* Shut-In

Section 36: * State B-1778 1 *P* Shut-In
 State B-1778 3 *P* Shut-In
 * State B-4458 2 *C* Shut-In

Township 17 South, Range 30 East

Section 19: * Burch "A" 23 *E* Shut-In
 Burch "A" 24 *G* Shut-In

Section 20: * Dexter "E" 2 *G* Shut-In

Section 22: * Parke "E" 2 *H* Recompleting in Premier Zone, currently proposed.

Section 27: * Maddren "B" 6 *J* Shut-In
 Maddren "B" 9 *J* - Recompleted in Fren Pool October, 1976

Section 28: * Beeson "A" 2 *A* Shut-In

Section 29: * Beeson "F" 9 *N* - Recompleted, October, 1976

Section 30: Grayburg Deep Ut. 4 *L* Shut-In
 Grayburg Deep Ut. 6 *C* Shut-In

Section 31: * Beeson "F" 1 *L* Shut-In
 Beeson "F" 3 *N* Shut-In
 Beeson "F" 4 *K* Shut-In
 Beeson "F" 5 *G* Shut-In
 Beeson "F" 6 *H* Shut-In
 Beeson "F" 12 *N* Shut-In
 Beeson "F" 13 *K* Shut-In
 Beeson "F" 14 *G* Shut-In
 Beeson "F" 16 *K* Shut-In

Section 32: * State B-4108 1 *C* Shut-In

Section 34: * Arnold "D" 8 *B* - Recompleted in Fren Zone, October, 1976
 * Arnold "D" 9 *A* - Changed from shut in WIW to producing oil well
 February, 1978

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 10, 1978

C
O
P
Y

General American Oil Company of Texas
Box 416
Loco Hills, New Mexico 88255

Gentlemen:

On July 21, 1976, Roy Crow presented testimony in Case 5725 before a Commission Examiner requesting continued temporary abandonment authority for approximately 58 wells in the High Lonesome, West Square Lake, Grayburg Jackson, Loco Hills and West Henshaw Pools in Eddy County. Subsequent to that date the Commission rule on temporary abandonment, Rule 202(B), was suspended and no order was issued in Case 5725.

The suspension of Rule 202(B) has now expired and we are reviewing the record in Case 5725 preparatory to entering an order. Prior to issuance of such order, however, the Commission wishes to be advised of the change in status of any of the 58 wells. Therefore, we are asking that you review the enclosed list of wells and advise us of any status change affecting any of the wells thereon.

Very truly yours,

R. L. STAMETS
Technical Support Chief

RLS/fd
enc.

Dockets Nos. 24-76 and 25-76 are tentatively set for hearing on September 1 and 15, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 18, 1976

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. Mutter, Alternate Examiner:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for September, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1976, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5731: Application of Texaco, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blinbry, Drinkard, and Tubb production in the wellbore of its C. H. Lockhart Federal Well No. 6 located in Unit G of Section 18, Township 22 South, Range 35 East, Lea County, New Mexico.

CASE 5725: Application of General American Oil Company for extension of time for temporary abandonment, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks extension of time for temporary abandonment of certain wells in Eddy County, New Mexico, said wells being described as follows:

Township 16 South, Range 29 East:

Brewer Nos. 17 and 28 in Section 12; Brewer Nos. 11, 12, 14, 24, and 25 in Section 13; Brewer Nos. 3, 4, 5, 17, 18, 20, 21, 23, and 27 and Bosworth Nos. 1, 2, 3, and 4 in Section 14; and Nunlee Nos. 4, 5, and 6 in Section 35;

Township 16 South, Range 30 East:

Sivley No. 3 in Section 8;

Township 17 South, Range 29 East:

Keely "C" Nos. 10, 12, 18, 20, 25, and 37 in Section 25; Grayburg D. U. No. 5 in Section 25; Keely "B" No. 15 in Section 26; Green "A" Nos. 1 and 4 in Section 29; and State B1778 Nos. 1 and 3 and State B4453 No. 2 in Section 36;

Township 17 South, Range 30 East:

Burch "A" Nos. 23 and 24 in Section 19; Dexter "E" No. 2 in Section 20; Parke "E" No. 2 in Section 22; Maddren "B" Nos. 6 and 9 in Section 27; Beeson A No. 2 in Section 28; Beeson "F" No. 9 in Section 29; Grayburg D. U. Nos. 4 and 6 in Section 30; Beeson "F" Nos. 1, 3, 4, 5, 6, 12, 13, 14, and 16 in Section 31; State B4108 No. 1 in Section 32; and Arnold "D" Nos. 8 and 9 in Section 34.

Three of the above wells are undesignated and the others are variously located in the High Lonesome, West Square Lake, Grayburg Jackson, Loco Hills, and West Henshaw Premier Pools.

CASE 5732: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Morrow and Strawn production in the wellbore of its Roden Federal GD Well No. 1 located in Unit I of Section 23, Township 19 South, Range 24 East, Eddy County, New Mexico.

CASE 5733: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Jackson GM Well No. 1 to be drilled at a point 660 feet from the South line and 1650 feet from the West line of Section 24, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the W/2 of said Section 24 to be dedicated to the well.

CASE 5734: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Federal GL Well No. 1 to be drilled at a point 660 feet from the South and West lines of Section 33, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the S/2 of said Section 33 to be dedicated to the well.

CASE 5724: Application of Yates Petroleum Corporation for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purposes of treating and reclaiming sediment oil at a site in the SE/4 of Section 25, Township 18 South, Range 25 East, Eddy County, New Mexico.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 21, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of General American Oil
Company for extension of time for
temporary abandonment, Eddy County,
New Mexico.

CASE
5725

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: A. J. Losee, Esq.
LOSEE & CARSON, P.A.
Attorneys at Law
300 American Home Building
Artesia, New Mexico

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I N D E X

Page

ROY CROW

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1 MR. STAMETS: The hearing will come to order, please.
2 We will call next Case 5725.

3 MR. CARR: Case 5725, application of General
4 American Oil Company for extension of time for temporary
5 abandonment, Eddy County, New Mexico.

6 MR. LOSEE: A. J. Losce, Artesia, New Mexico
7 appearing on behalf of General American Oil Company of Texas.
8 I have one witness, Mr. Crow.

9 (THEREUPON, the witness was duly sworn.)

10 MR. LOSEE: At this time, Mr. Examiner, I would like
11 to do two things. One, by virtue of the information that I
12 furnished your counsel over the telephone, two of the wells
13 described in the publication are located in the wrong Township
14 and Range. The application as such is correct and I will give
15 those in just a minute and because of that obviously we will
16 have to, if this much publication is necessary, which I have
17 some doubt about, but if it is it will have to be republished.
18 We would like to go ahead with the case.

19 In addition, we omitted from our application one
20 well which we would like to add and include in an additional
21 publication.

22 The wells that are shown in the publication that are
23 in error are the Grayburg Deep Unit No. 5 which is actually
24 located in Section 25, 17, 29 rather than in 25, 17, 30.

25 MR. CARR: That's in 29?

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1 MR. LOSEE: Yes. Section 25, 17, 29.

2 The State B 4108 is actually located in Section 32,
3 17, 30 rather than in Section 32, 17, 29.

4 MR. STAMETS: The 4458 No. 2?

5 MR. LOSEE: No, 4108. It doesn't have a number after
6 it.

7 MR. STAMETS: The No. 1?

8 THE WITNESS: The No. 1, right.

9 MR. STAMETS: And that should be 17, 30?

10 MR. LOSEE: Yes.

11 THE WITNESS: We had the Ranges reversed on those
12 two wells.

13 MR. LOSEE: And the information I gave Mr. Carr
14 was wrong is where he got the error.

15 In addition, the well which we would like to have
16 included is the Beeson A No. 2 which is located in Section 28,
17 Township 17 South, Range 30 East. We would ask the Examiner
18 to hear the evidence on those three wells along with the
19 other fifty-six and be re-published.

20 MR. STAMETS: We will hear the case now and then
21 take appropriate action subsequent to the hearing.

22 MR. LOSEE: All right.
23
24
25

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ROY CROW

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

DIRECT EXAMINATION

BY MR. LOSEE:

Q Would you state your name?

A. Roy Crow with General American Oil and I reside in Loco Hills, New Mexico.

Q You are the superintendent?

A. Yes, for the New Mexico-California District.

Q Have you previously testified before the Commission and had your qualifications accepted?

A. Yes.

Q Would you state the purpose of this application?

A. The purpose is to seek extension for two years which I think is the limitation of the current ruling or a further extension to allow time to properly evaluate these fifty-nine wells, to either return them to the beneficiaries or to properly plug and abandon them.

Q Will you refer to what has been marked as Exhibit One, being a plat including all of these wells and explain generally what is portrayed on this map?

A. The map covers either all or portions of several fields in which this group of fifty-nine wells is located,

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1 being the Grayburg Jackson Field, the East High Lonesome
2 Field, the Seven River Field and the Loco Hills Field.

3 On the map General American Oil Company leases are
4 the shaded leases. It is also noted on the legend that there
5 are four different colors indicating the different status of
6 wells. In the bottom one, the yellow one with the cross
7 in it, indicating water wells in the area which are windmills.
8 Also I want to point out that of the four windmills in the
9 area, none of them are located on General American property
10 and the number at the bottom indicates the depth that we have
11 received from the ranchers to be the total depth of the well.

12 Also, there are fifty-nine colored circles on the
13 map, totaling the number on the original issuance of shut-in
14 wells in 1974 which General American operated.

15 Q You said fifty-nine?

16 A Well, I mean there would be seventy-nine at that
17 time, fifty-nine as of 7-1-76, a total of seventy-nine.

18 The green wells indicate wells which as of July 1st
19 still remain in a shut-in or temporarily abandoned status.

20 The brown indicates wells which we have plugged and
21 abandoned since the original list and the red wells are the
22 wells which have been reinstated to beneficial use since the
23 list was published in 1974.

24 There would be a total of fifty-nine green, eight
25 brown or the plugged wells and twelve wells returned to

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1 beneficial use.

2 I believe on the water wells there are four wells
3 is all that we could locate within any mile of General American
4 properties. They are the wells colored in yellow with a cross.

5 Q Okay, still keeping this map available because we
6 will refer back to it, would you turn to what has been marked
7 as Exhibit Two and explain the information shown on these
8 several shut-in well data sheets?

9 A Exhibits Two through Five will basically be the
10 same descriptive sheet. They were sheets that were prepared
11 before we even realized we were going to have a hearing and
12 under my supervision by one of our engineers and partly by
13 myself for us to evaluate all possibilities remaining of the
14 shut-in wells. The Exhibits Two through Five will be sheets
15 on the fifty-nine wells which are still green, colored green
16 on the plat. They indicate just basic data about casing, where
17 it was set, sacks of cement, the actual location of the wells
18 and last production or last injection. We've summarized
19 zones behind the pipe or possible deepening zones. Then I
20 have made recommendations down at the bottom for our own uses
21 as to the possibilities of the wells.

22 Q Have you divided these four exhibits into four
23 general areas or types of wells?

24 A Yes, we have.

25 Q Why don't you refer specifically to Exhibit Two and

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1 point out the area of the wells and what you are locating in
2 this exhibit?

3 A. Exhibit Two basically on your map will be in the
4 southeast corner, a group of wells, except for the well in
5 Section 22 which will be 17, 30 will be included with another
6 group of wells. Basically this takes in our Premier waterflood
7 unit as outlined on the map.

8 As you will note, there remain five shut-in or
9 temporarily abandoned wells within the flood boundaries of
10 this flood. Also note that we have plugged and abandoned four
11 wells on that particular flood since the issuance of this
12 list.

13 One thing we would like to point out very particularly
14 in this area, if you will refer to the Beeson A No. 2 located
15 in Section 28, the brown well right in the quarter corner there
16 where there was an injection well drilled twenty-five feet off
17 the line, and Maddren A 3 directly located to the southeast,
18 the No. 3 well there.

19 The No. 2 was plugged and abandoned in June
20 of 1975. At that time we thought there was no further
21 beneficial use so we plugged and abandoned the well and
22 turned in the proper notification and it was approved. On
23 December 6, six months later, we suddenly decided to drill an
24 edge well, the No. 3, to the left there. Consequently
25 we didn't encounter any water, although we'd had a lot of

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1 water go in that waterflood in this well and it is fairly low
2 production, about twelve barrels, so our thoughts are now we
3 are going to have to reenter No. 2 again which we have
4 plugged and put it back on injection.

5 And I just would like to point out at this time that
6 probably an additional cost of approximately ten thousand
7 dollars had I not plugged the well and now putting it back on
8 will be involved. So, we still have plans to reactivate this
9 well.

10 Q And had it still been in shut-in status you would
11 have saved about ten thousand dollars?

12 A That is correct.

13 Q Is that situation likely to happen again in this
14 Premier area if you were to plug out the rest of the wells?

15 A Well, it's possible. I would point to Well No. 10
16 in Section 27 in the northwest quarter. This is also another
17 well in an area we believed several years ago had pinched
18 out but it made a fair well there so there may be use to some
19 of these wells, especially Beeson A No. 2 which directly
20 offsets it to the west back to beneficial use as a water
21 injection well even though it was a producer originally.

22 Q Let me ask you, you have mentioned the possible
23 use of wells in this area as injection wells, would it be
24 possible to complete any of them in any other formation?

25 A Well, as you will note on the individual well sheets

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1 the five wells, I believe all the wells indicate except maybe
2 the Beeson A 2 and the reason there is no indication on the
3 Beeson A 2 is General American only owns the rights to the
4 Premier sands. It is a well we swapped operating rights with
5 Sinclair years ago so I did not bother to research it for
6 possibilities behind the pipe but definitely we are considering
7 it for a water injection well in the Premier. But the other
8 wells, you will note, there are some possibilities behind the
9 pipe in the Seven Rivers.

10 Q Okay. Would you turn to the data sheet on the group
11 of wells that have been marked as Exhibit Three and point out
12 the area in which these wells are located?

13 A The wells are a little bit more numerous in Exhibit
14 Three and I will try to be as brief as possible. They are
15 located on the north portion of the map, basically in Sections
16 11, 12, 13, 14 of 16, 29, outlined as the East High Lonesome-
17 Penrose Sand Unit.

18 There are four wells in this area that have been
19 returned to beneficial use and none have been plugged and
20 abandoned. I would like to quickly point out that two of
21 the wells have been returned to active injection status and
22 two wells returned to active production status. One well,
23 production-wise, appears to be commercial at this time. The
24 other well is very marginal and needs more observation time.
25 The two injection wells, of course, we assume are of

1 beneficial use or we would not have put them back on.

2 One in particular I would like to discuss is the
3 Brewer 7 located in Section 13 marked in the red. This well
4 was a shut-in water injection well and about a year ago we came
5 in and drilled an infield well, No. 29, to the northeast and
6 found low bottom-hole pressures, therefore, we had to
7 reactivate No. 7 in an attempt to build pressure up in the
8 reservoir at this location.

9 We would like to submit that we would possibly do
10 some other infield drilling. These were developed on forty
11 acres. This well has not done real well but it was in a real
12 loose area where everything produced real high and these wells
13 in Section 14 were much tighter, therefore, possibly infield
14 drilling over there would be more feasible than in the gut
15 of Section 13.

16 Our main purpose in holding these wells at this
17 time, as you will note on the zones behind the pipe, there
18 is very little listed, there is a little gas apparently
19 either in the Yates or the Seven Rivers which before completely
20 abandoning this area should be tested but that has not been
21 done to this time and since there are no gas lines into the
22 area it will probably be low BTU gas. Until we are completely
23 out of the waterflooding business we probably won't try to
24 exploit that. But basically we would like to hold these
25 wells for further possible infield drilling for their use as

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1 water injection wells.

2 MR. STAMETS: I would like to ask at this time, will
3 this No. 29 be a commercial success?

4 A. Well, it is hard to say, Dick, it only came in for
5 around nine barrels but it has leveled off about a year to
6 about seven, I mean, if it sits there and draws a straight
7 line in a couple or three years I suppose it would be. They
8 are only two thousand feet deep, I suppose you are only
9 looking at sixty thousand dollars to drill it. But as long
10 as we are operating in the area of the other wells the
11 operation costs are probably fairly reasonable. I feel like
12 further infield drilling in the tight areas might be a little
13 more rewarding than in this area. The two wells on either
14 side of it have made a million barrels apiece and possibly
15 you just have so much better possibility in the area that
16 possibly infield drilling would be better in the tight area.

17 But, at least, we would like to hold these. I don't
18 know at this time, we don't have any tentative plans to drill
19 another one but I didn't have any plans to drill this one
20 three months after I plugged that other one, it changes, but
21 at least, I would like to hold these for that possibility as
22 we have put two back on since they were shut in until at least
23 we are through flooding and then we would have to plug out
24 the whole area or something but as long as it is an active
25 flood they might have beneficial use either in our current

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1 zone or our current pattern or in an infield pattern.

2 Q (Mr. Losee continuing.) Refer to the group of wells
3 that are under the heading, Exhibit Four and point out from
4 reference to your map on Exhibit One where they are located?

5 A These wells are in an area we call the Loco Hills
6 area which, of course, is in the Loco Hills Pool located in
7 the furtherest colored well south on your map in Sections 31
8 in the middle there and then 36 to the left and two wells over
9 here in Sections 29 and 32, that group of wells there.

10 There are thirteen wells involved in this area as
11 a shut-in status as of July 1st. There are also three wells
12 that have been plugged and abandoned in this group. Also
13 three wells indicated in red that have been returned to
14 beneficial use and a short discussion of the wells. No. 11
15 is noted in Section 31, that's on the east side there, the
16 other south red well was the first well we attempted to
17 return to active status and it was done in May, I believe, of
18 1975. It was an old water injection well which indicated some
19 oil on the surface and I ran rods and tubing in the well and
20 placed the well on production. At initial production surpris-
21 ingly we got around fifty barrels of oil a day from a ten-year
22 water injection well.

23 But, being in a tight area my feelings were that you
24 probably injected into the few feet in the middle of the
25 sand which is very homogeneous and the tight sands at the top

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1 and bottom and as you relieved this pressure the water coming
2 back, it allowed these tight zones to feed back into the string.
3 The well quickly fell to around fifteen barrels and has
4 leveled off for about a year to around five to seven barrels
5 of oil a day and about fifty barrels of water. The water is
6 being reinjected into the ground and the oil, of course, is
7 being sold with the other producer from the lease, No. 15.

8 No. 7 to the north, with the success of that well,
9 No. 7 to the north was also an injection well and we tried
10 the same thing with very marginal -- it is well enough that we
11 continue to pump the well but it makes about three barrels of
12 oil and about fifty barrels of water.

13 We moved down to the Beeson F-2 which is the
14 furthest southeast well in 31, southwest well, and attempted
15 the same thing only we got eight hundred barrels of water a
16 day and no oil. When you look at the logs on that portion
17 down there they were much better looking wells and made ten
18 times as much as these edge wells did over here in primary
19 and secondary wells.

20 Therefore, we felt like the Loco Hills Sand had
21 little or no beneficial possibilities there. Apparently the
22 water had entered the sand from top to bottom and all you
23 got back was a flow of water so we plugged the Loco Hills off
24 and received permission from the USGS to deepen the well to
25 the Premier sand about three hundred and fifty foot below.

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1 Several wells in that Premier are in the Loco Hills area and
2 that is the reason they produced in the Premier. About twenty
3 thousand was the largest cumulative, so, therefore, they had
4 been plugged back for the waterflooding of the Loco Hills. But
5 this well hadn't been taken down as several of these others
6 haven't. So, we did take it down and we made what appears to
7 be a small commercial well. It came in for around about
8 thirty barrels sometime in April and has now leveled off to
9 about twelve barrels of oil a day and no water.

10 So, therefore, very definitely these other wells
11 have possibilities to be deepened to the Premier and wells
12 that have been taken to the Premier, to drill out the bridge
13 plug and use as water injection wells or something, flooding
14 the Premier sand is a possibility.

15 Anadarko, I believe, last month or sometime, had an
16 application to rework one of their wells to water injection
17 in this same section in the Premier sands as a pilot area, so
18 it would be useful possibly to us or cooperating with Anadarko
19 and flooding the Premier sands.

20 But at this time we need a little time to see
21 whether we are going to recoup our fifty thousand dollars
22 deepening job before we move too quickly into the deepening
23 of some of these others.

24 MR. STAMETS: Before we get away from there I would
25 like to ask: This No. 11 or No. 2 or No. 7, were those ever

1 used as injection wells with water going down the casing
2 rather than the tubing?

3 A. Not those two. No. 13 in the northeast and the
4 southwest there was approved and originally drilled as a
5 water injection well with injection down the casing but it
6 was cemented with seven hundred sacks of cement.

7 MR. STAMETS: Did you ever run anything in there to
8 determine the status of that casing now, whether it is eaten
9 up or full of holes?

10 A. It's not eaten up because I tested the other day
11 and it had about thirty or forty pounds of pressure on it, it
12 just had oil in the top but I'm sure if there was a hole in
13 the casing or anything you wouldn't have any surface pressure
14 most likely unless it would just bleed off. The well would
15 flow a slight amount of water after the oil bled off.

16 I have had no indication on any of these wells that
17 there were any holes or any problem in the casing but there
18 have been no surveys run on any one of them to indicate it.
19 But it was a well originally approved and an original flood
20 injected down the casing and cemented with seven hundred
21 sacks.

22 But of the other wells that we are talking about
23 here, they were all injection under a packer.

24 Q (Mr. Losee continuing.) Would you turn to the
25 group of wells under the data sheets marked Exhibit Five and I

1 guess generally point out where they are situated in relation
2 to your Exhibit One?

3 A. Basically this just groups the remainder of the
4 wells. They are not in a particular waterflood area even
5 though there have been some pilot areas within their bounds
6 but most of the wells lie just north of the Loco Hills Area
7 here with a few scatterings, you see one in Section 20, one
8 in 22, one up here north in Section 27, a red one, and one
9 green one offsetting the High Lonesome up there. Three wells
10 underneath the High Lonesome and then two wells to the west
11 over here in Section 29. Basically most of the twenty or
12 twenty-one wells in this group, most of them lie within what
13 we call the Grayburg Jackson Unit area here in Sections 19,
14 25 and 26.

15 These wells offer possibly more possibilities behind
16 the pipe in general. There are a few of the scattered ones
17 that don't have as much possibility. When you get into the
18 unit area you will notice numerous shows still behind the
19 pipe in some of these wells, therefore, the basic reason for
20 holding the majority of these wells is again a program of
21 picking some of these wells and opening zones behind the
22 pipe and attempting for primary production. Also there has
23 been production in the Grayburg sands in certain of these
24 wells in the unit area but they have never been developed
25 extensively so there are possibilities that wells that have

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1 been injection wells in this area in the San Andres which have
2 not been successful could very possibly be used for pilot
3 flooding in the Grayburg sands as water injection wells but
4 basically the numerous shows in the Keely C and Keely B wells
5 warrant considerable testing prior to being officially plugged
6 and abandoned.

7 You might wonder why there are so many zones that
8 haven't been tested up until this time. It's not that they
9 are that lush but with the current economic conditions and
10 the price of oil they become possibilities where two or three
11 years ago they weren't possibilities.

12 Q. Turning now, Mr. Crow, to a different subject
13 matter, still keeping this group of wells in mind and really
14 directing this line of questioning to the condition of the
15 wells, without going into each well, do you have an approximate
16 cement top calculation on behind the pipe in the Premier Sand
17 Unit area?

18 A. Yes, I'll just, if it is okay, go down the four
19 areas and the first one we discussed was the Exhibit Two,
20 the Premier area. All wells in that area except the last
21 two producers which are active were drilled with cable tools
22 and most of them have either five-and-a-half or seven-inch
23 casing set to around three thousand feet to thirty-two
24 hundred feet and the average estimate calculated from cement
25 tops would be around twenty-five hundred feet. In some wells

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1 there was a hundred-and-fifty sacks run which would considerably
2 raise the top of your cement but this would be probably the
3 lowest point.

4 Q. It would be twenty-five hundred feet?

5 A. It would be twenty-five hundred feet.

6 In area three, designated as the High Lonesome wells
7 to the north, they also all were drilled with cable tools
8 and seven-inch casing run in an eight to eight-and-a-quarter
9 hole. The average depth of the wells is about twenty-one
10 hundred feet and the average top of the cement is fourteen
11 hundred.

12 Area number four, Exhibit Four --

13 MR. STAMETS: What did you say the top of the
14 cement was?

15 A. Fourteen hundred.

16 MR. STAMETS: Thank you.

17 A. Here again these are calculations from cable tool
18 records and the amount of cement. I do not have temperature
19 surveys to verify the estimated tops.

20 The Loco Hills area varied quite a bit. The
21 original old wells drilled down there were all cable tool
22 holes with seven-inch casing, indicating cement tops at
23 fifteen hundred feet, the total depth of the well is about
24 twenty-seven hundred. The casings set just above the Loco
25 Hills are about fifty-foot open hole.

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1 Now, the new wells which there were several drilled
2 in the sixties when this area was put under flood and those
3 rank from four hundred to seven hundred sacks of cement which
4 most of the average approximate tops on those wells would be
5 five hundred feet.

6 Exhibit Five which is the miscellaneous varies a
7 little bit more but basically these are San Andres lime wells
8 with the casing set a little bit deeper. Most of the wells
9 had a hundred sacks of cement, indicating tops at around
10 eighteen hundred feet.

11 Q Have you caused an on-site inspection of the
12 surface surrounding each of these fifty-nine wells to be made
13 within a recent period?

14 A Yes, under my supervision all well sites were
15 inspected within the last two weeks and only one surface
16 indication was found and it was dug out and tested and it was
17 found not to be coming from the well at all but from a
18 connected line going back to a valve on a water injection
19 system that had apparently developed a small leak and there was
20 probably maybe a half-a-barrel of water and we dug it out
21 and found no pressure on the well and went back and plugged
22 the valve but of all of the inspections this was the only
23 surface indication that was found.

24 MR. STAMETS: Was the annulus open on all of these
25 or just visually observed?

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1 A. No, we opened the annulus on all of the wells that
2 weren't already opened and I don't have the sheet available.
3 They did find pressure on three or four of the wells. I
4 intended to submit this and I failed to bring it but I would
5 be happy to submit it at a later date if it is necessary but
6 we will -- I made the list for two reasons, for my own use
7 and also so I would be able to properly testify. But these
8 are the wells we will plan to either alleviate the problem
9 with another packer and string of tubing or plug and abandon
10 the wells.

11 Q. (Mr. Losee continuing.) And there were only four
12 or five of those that had any pressure?

13 A. Out of fifty something. Well, let me clarify my
14 statement. Some of the wells were twenty-five or thirty
15 pounds which would dissipate when you opened it, which could
16 just be from expansion or a little gas or something on it.
17 A lot of these injection wells were set with oil behind the
18 pipe as an inhibitor but there were only four or five wells
19 that would continue to produce fluid, indicating any
20 communication between the tubing and, as I say, these will be
21 the wells that we will try to alleviate.

22 MR. STAMETS: Okay, if you can send that information
23 in later it would be very helpful.

24 Q. (Mr. Losee continuing.) Do you have an opinion, Mr.
25 Crow, as to whether these fifty-nine wells are in such a

1 condition as to prevent damage to any producing zones or
2 contamination of any water in the area?

3 A. To the best of my knowledge there is no well in
4 condition to sufficiently contaminate anything other than
5 possibly these wells that I have mentioned that we would
6 attempt to alleviate. But on those wells I did have them
7 go back after they bled the well down some and take a
8 pressure build-up on that, if it built up immediately that
9 would indicate that it did not have a hole in the casing.
10 As soon as you shut it in on the surface it builds back up
11 to a certain point relatively quick and remains there and I
12 believe if you had a hole in the casing you would see some
13 fluctuations or possibly a slower build-up or where the
14 tubing and the casing equalized, so I feel rather assuredly
15 that practically all of the wells are in condition to prevent
16 damage to the other producing zones or water zones which I
17 don't know of any.

18 I might point out at this time, just the windmills.

19 Q. Yes, I think that's a good thing.

20 A. As we are talking about the damage, there are only
21 four windmills in this entire area. You will notice up
22 around the Brewer where most of our shut-in wells are, there
23 is no windmill, no surface water from the ranchers and we
24 called on the ranchers and asked them for the locations of
25 their windmills and ponds. The closest things are the ones

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1 down here on the south and one well here, the one in Section 35,
2 17, 29, he said it had been inoperable for years, no top on
3 the windmill, no rods in the well. The other three wells are
4 used for livestock purpose and all of the other water in the
5 area comes from the oil companies or the water companies or
6 a group of people who allow the ranchers to tap the line.

7 Q Mr. Crow, you earlier testified that your brown
8 colored wells were plugged since the order of the Commission,
9 the initial order in 1974, do you know the average cost of
10 plugging those wells, those eight wells?

11 A Yes, the average cost of the eight wells was twenty-
12 six hundred and thirty-five dollars. This, of course, there
13 was some salvage in the wells and varied from one to another
14 but the highest one was four thousand dollars but the
15 average of all with what little salvage there was was twenty-
16 six, thirty-five which would probably represent an average
17 covering all of the wells involved as we plugged them all.

18 Q Now, the way the Rule 202-B is written, Mr. Crow,
19 at least as I view it, the Commission at the present time
20 is limited to a further extension of two years. Do you feel
21 like that period of time will be sufficient for you to either
22 plug and abandon these fifty-nine wells or put them to
23 beneficial use?

24 A Well, honestly I don't think we can economically
25 without causing some waste, probably plug this entire group of

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1 wells or reactivate them within this four-year period due to
2 several reasons, one being as the Beeson F-2 indicates down
3 here, it looks pretty good but it takes awhile for that thing
4 to flatten out so you hesitate there and then we are talking
5 about not just this one but other zones behind the Seven Rivers
6 and in one instance the Yates hasn't been tested and in other
7 instances -- you are going to need a little time before they
8 will prove themselves commercial or noncommercial. Also we
9 don't have plans right at this time to initiate Grayburn sand
10 floods in this lime area but it is very definitely a possibility
11 prior to completing production from the zones that they are
12 in before the wells are to their economic limit.

13 But I do think a sufficient number of these wells
14 can be systematically reactivated or plugged and abandoned
15 within the next two years and at that time if the same rules
16 apply we will again have to apply for a hearing for further
17 extension if we have reason not to plug and abandon them. But
18 at this time I would like to ask for the limits of the present
19 order, knowing that at the end of each year we would have to
20 file with the proper authorities such as the USGS and the State
21 on their particular wells each year, the status of these
22 wells with our plans.

23 Q Do you think that a further extension with respect
24 to these fifty-nine wells will prevent waste?

25 A I do.

1 Q Were Exhibits One through Five prepared by you or
2 under your direction?

3 A They were.

4 MR. LOSEE: I move the introduction of Exhibits
5 One through Five.

6 MR. STAMETS: These exhibits will be admitted.

7 (THEREUPON, Applicant's Exhibits One
8 through Five were admitted into evidence.)

9 MR. LOSEE: We have nothing further at this time.

10
11 CROSS EXAMINATION

12 BY MR. STAMETS:

13 Q Roy, it seems like either one or two of these old
14 Grayburg Deep Unit wells have been out there for a hundred
15 years?

16 A You are possibly right and if you had talked to me
17 two months ago I would have agreed with you but since then,
18 take the Grayburg Deep Unit No. 4 in Section 30, for instance,
19 Anadarko is putting together a unit in Section 29 for a
20 Morrow test, one location or one section to the east, to start
21 a well before August the first in which General American will
22 participate twenty-eight percent. Well, I had sent in a
23 tentative plan, possibly this well is open except for fourteen
24 hundred some feet, I believe it is, of intermediate down to
25 seventy-nine hundred, well, that is a logical place to pick her

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1 up and take her on to the Morrow. It would be very beneficial
2 if possibly either this well turns out or doesn't turn out,
3 as you will note in Section 20 there has been a good partner-
4 ship well with us and Franklin in Section 20 in the Morrow.
5 That's a very good well.

6 Q. Just to the north?

7 A. Just to the north, so if they miss in Section 29
8 possibly we still have a good shot, you know, trending
9 northeast-southwest as some of this area does. So, my
10 introduction to take the well on to the Morrow for a test
11 with Shell is pending our partnership well in Section 29.

12 Sometimes it is a long time before these things
13 become beneficial. It is really hard to say, you know, until
14 it would be different if it looked like we were fixing to
15 pull out of the area but I've got three hundred wells, I'm
16 going to be there for awhile and maybe it might not be now
17 but five years from now -- I don't know how long we will want
18 to try to hold these but we are going to proceed with a very
19 definite plan of trying to work one or two wells a month,
20 either wells that we decide have no use to plug and abandon
21 or reactivate in some systematic rate. I'm also as everybody
22 else is, a little short-handed with good technical people and,
23 therefore, you have to mix these in with your normal daily
24 infield workovers, fracs. In other words, if we had to go
25 into a crash program to plug these fifty-nine wells we would

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1 just shut production down or any advancement on the other
2 production probably for another year. It would take a year to
3 plug fifty-nine in a row and so this is another reason we
4 would submit for a more reasonable timetable. We realize
5 there is a problem and eventually we are going to have to do
6 something with these wells and we are not trying to get out
7 of that, we are just trying to not do anything that would be
8 wasteful to the economy as a whole or to the company.

9 Q If you get this extension do you plan to just forget
10 about all fifty-nine wells for the next two years or continue
11 a program such as you have here in the last couple of years.

12 A We would plan probably a little stepped up extension.
13 This is off the subject but it might be a little slow develop-
14 ing as I'm moving to California for two or three years but I
15 will still be in charge of this district as I have been that
16 one out there but it will probably take me a couple of months
17 to get my operations squared away out there and I would say
18 that probably by November sometime we will probably be
19 proceeding -- I have tentative plans for one to two wells a
20 month. Such wells as the Beeson F-2 if they are commercial
21 we are in favor of doing them just as quick as we can, just
22 as soon as we know there is a chance of them being commercial.

23 The purpose of the hearing is not to stall this
24 mass plugging. I would put it that at the end of the two-year
25 period I feel that we will have at least this many or more

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1 that -- We've shown action on twenty wells since the original
2 list came out which I believe shows good faith and I feel
3 that we would either equal this or exceed it in the next
4 two years.

5 I would also state that there probably is still
6 going to be some that are hanging fire at the end of the two
7 years.

8 Q I can't quote the rule but I believe it indicates
9 something about the Commission might require a bond, an
10 individual one-well bond, on all of these wells that we
11 continue. Do you think there is any need for that in this
12 particular case?

13 A From my standpoint there is not. We are financially
14 able, I mean, I believe the lawyer has something there if
15 you want to quote it but I don't think there is any problem
16 there but I mean, we're not trying to dodge anything and I
17 think all the bonding would do as far as General American it
18 would be a useless expenditure of paper and time and money.
19 If we were financially pretty unstable or something I might
20 understand your point of view but we have been operating in
21 the area for practically twenty years but sold nothing since
22 we came here and have no plans at this time that I know of
23 of selling anything and not that this wouldn't come up. I
24 really would hate to make any kind of a statement here being
25 the first company to testify on these wells and possibly set

1 any kind of a precedent before proper meetings have been
2 held to discuss it. I really don't know what line you are
3 thinking along, you know, I know what your mind is and I
4 know what your problem is from Kansas and other places and I
5 do think the very wise thing to do on companies that are not
6 very financially sound that a stronger bonding program must
7 come about.

8 MR. STAMETS: Are there other questions of this
9 witness?

10 MR. LOSEE: Yes. I have one question.

11
12 REDIRECT EXAMINATION

13 BY MR. LOSEE:

14 Q I hand you what has been marked Exhibit Six and
15 ask if you will briefly state what that is?

16 A Exhibit Six is a nine-months financial statement
17 on General American Oil Company of Texas, a consolidated
18 income statement.

19 Q I'm going to ask you one question about it. Would
20 you give me the capital of the company as of March 31, 1976?

21 A Two hundred and seventy-five million, five hundred
22 and fifty-six thousand.

23 MR. LOSEE: We offer Exhibit Six in evidence.

24 MR. STAMETS: Exhibit Six will be admitted.

25

1 (THEREUPON, Applicant's Exhibit Six was
2 admitted into evidence.)

3 MR. STAMETS: Any other questions of this witness?

4 He may be excused.

5 (THEREUPON, the witness was excused.)

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

8 I will say for the record that this is quite a
9 stack of data sheets and there is no way the Examiner can in
10 the course of the hearing peruse these and come up with every
11 conceivable question, so there may be some questions which
12 we will be forwarding before entering an order in this case.

13 THE WITNESS: Also there may be a little delay
14 before you get them back, they may have to go there and then
15 to California and then back here.

16 MR. LOSEE: We can appreciate that, just like we
17 didn't feel like the Examiner's time was justified in going
18 through each one of the sixty wells.

19 MR. STAMETS: Is there anything further in this
20 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

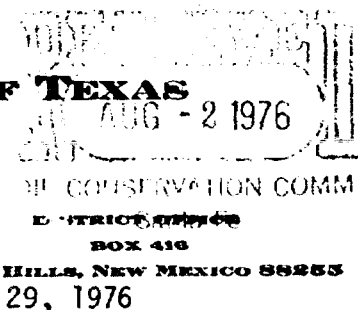
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5725,
heard by me on 7-2-76, 19 76.
Richard L. Ham

Richard L. Ham, Examiner
New Mexico Oil Conservation Commission

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GENERAL AMERICAN OIL COMPANY OF TEXAS



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

Attention Dick Siamets

Dear Dick:

The following is information on the wells that have pressure on the casing of the 59 shut in wells which were discussed in Case #5725. As I stated these will be the first wells considered for positive action.

WELLS COVERED BY EXHIBIT II.

Arnold "D" #8 shows 350# pressure. We plan to submit an AFE to management shortly to set a bridge plug with cement on top to shut off the Premier Sand zone, perforate and squeeze cement across the Seven Rivers, perforate, sand frac and place well on pump to test.

Arnold "D" #9 is an offset to the above Arnold "D" #8 and has about the same pressure 400#. If the workover of Arnold "D" #8 is successful Arnold "D" #9 will be reworked in the same manner. If Arnold "D" #8 is not successful both wells will be plugged and abandoned.

Maddren "B" #9 is a shut in water injection well also and shows 500#. This well was deepened from the Seven Rivers zone to the Premier Sand. We propose to set an abandonment plug above the Premier shoot off the 5-1/2" casing below the Seven Rivers and return the well to production in the Seven Rivers. 7" casing is still cemented in this well to 1920' just above the Seven Rivers zone.

WELLS COVERED BY EXHIBIT IV.

Beeson "F" #3 is a shut in producing well showing 500# of pressure. We propose to attempt to clean this well out and return to pumping for testing in the Loco Hills zone. This well may later be deepened to the Premier Sand if offset well Beeson "F" #2 proves commercial.

Beeson "F" #4 is an offset to the above Beeson "F" #3 and results of #3 will determine what attempts may be made on this well prior to Plugging and Abandon. This well has 350# pressure.

Beeson "F" #9 is a shut in producing well showing 700# pressure but will bleed right down. We plan to set a bridge plug with cement on top to shut off the Premier Sand and perforate and sand frac shows behind the casing and place well on test.

State B 4108 #1 shows pressure and we have already submitted to the State a sundry of notice to set a bridge plug with cement on top to shut off the Premier Sand. If reworking of Beeson "F" #9 fails this well will also be plugged and abandon.

WELLS COVERED BY EXHIBIT V.

Nunlee wells #5 and #6 each show around 100# pressure. We propose to set a bridge plug with cement on top in one of the wells and attempt to recompleat in the Metex zone. If successful the other well will be recompleated, if not both will be plugged and abandon.

The work proposed above will be started very shortly as State B 4108 #1 has already been approved and AFE's for the other wells will be submitted in a few weeks. We also plan to move ahead on other of these shut in wells very shortly.

Very truly yours,

GENERAL AMERICAN OIL CO. OF TEXAS



Roy Crow
District Superintendent

RC/mjc

cc: Bill Patterson
A. J. Losee

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 18, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of General American Oil) CASE
Company for extension of time for) 5725
temporary abandonment, Eddy County,)
New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	William F. Carr, Esq.
Conservation Commission:	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico

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Phone (505) 982-3212

1 MR. STAMETS: We will call the next Case 5725.

2 MR. CARR: Case 5725, application of General American
3 Oil Company for extension of time for temporary abandonment,
4 Eddy County, New Mexico.

5 MR. STAMETS: This case was heard at the last
6 Examiner Hearing in July and it has been recalled simply because
7 of an error in the advertisement.

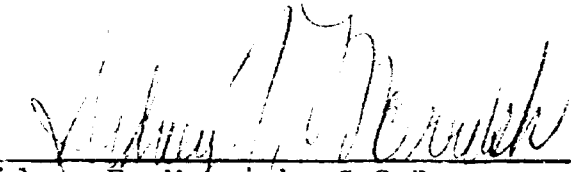
8 Is there any additional testimony in this case today?
9 There is none, the case will be taken under advisement.

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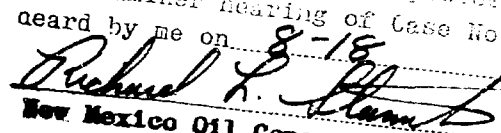
REPORTER'S CERTIFICATE

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, C.S.R.

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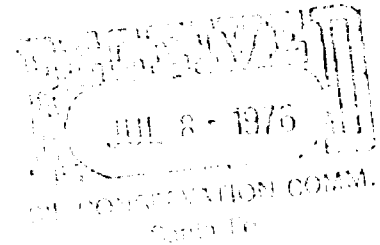
I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5725
heard by me on 8-18 19 76
, Examiner
New Mexico Oil Conservation Commission

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON

LAW OFFICES
LOSEE & CARSON, P.A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

7 July 1976



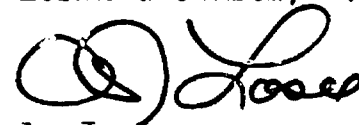
Mr. Joe E. Ramey, Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed, please find three copies of the application of General American Oil Company of Texas for a further extension of shut-in or temporary abandonment status of 58 wells in Eddy County, New Mexico. We understand that this matter has been set for hearing before an examiner on July 21, 1976.

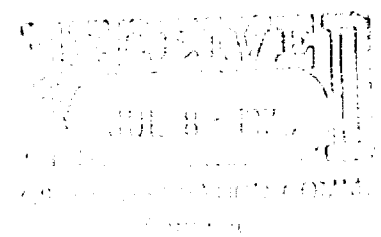
Very truly yours,

LOSEE & CARSON, P.A.


A. J. Losee

AJL:jw
Enclosures

cc w/enclosure: Mr. Roy Crow



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
GENERAL AMERICAN OIL COMPANY OF TEXAS :
FOR A FURTHER EXTENSION OF SHUT-IN OR :
TEMPORARY ABANDONMENT STATUS OF 58 : CASE NO. _____
WELLS, EDDY COUNTY, NEW MEXICO. :
:

APPLICATION

COMES GENERAL AMERICAN OIL COMPANY OF TEXAS, applicant
herein, by its attorneys, and states:

1. This is an application pursuant to Rule 202-B of
the New Mexico Oil Conservation Commission for a two-year further
extension of the shut-in or temporary abandonment status of the
hereinafter mentioned wells in Eddy County, New Mexico.

2. Applicant is the operator of the hereinafter men-
tioned shut-in or temporarily abandoned wells in the Grayburg-
Jackson, Loco Hills, West Henshaw, West Square Lake, High Lone-
some and undesignated pools in Eddy County, New Mexico, to-wit:

Township 16 South, Range 29 East, N.M.P.M.

Section 14: Bosworth #1
" #2
" #3
" #4
Brewer #3
" #4
" #5

Section 13: Brewer #11
" #12
" #14

Section 14: Brewer #17
" #18

Section 12: Brewer #19

Section 14: Brewer #20
" #21
" #23

Section 13: Brewer #24
" #25

Section 14: Brewer #27

Section 12: Brewer #28

Section 35: Nunlee #4
" #5
" #6

Township 16 South, Range 30 East, N.M.P.M.

Section 8: Sivley #3

Township 17 South, Range 29 East, N.M.P.M.

Section 29: Green "A" #1
" #4

Section 26: Keely "B" #15

Section 25: Keely "C" #10
" #12
" #18
" #20
" #25
" #37

Grayburg Deep Unit #5

Section 36: State B-1778 #1
" #3

Section 36: State B-4458 #2

Township 17 South, Range 30 East, N.M.P.M.

Section 34: Arnold "D" #8
" #9

Section 31: Beeson "F" #1
" #3
" #4
" #5
" #6

Section 29: Beeson "F" #9

Section 31: Beeson "F" #12
" #13
" #14
" #16

Section 32: State B-4108 #1

Section 19: Burch "A" #23
" #24

Section 20: Dexter "E" #2

Section 30: Grayburg Deep Unit #4

Section 30: Grayburg Deep Unit #6

Section 27: Maddren "B" #6
" #9

Section 22: Parke "E" #2

3. The shut-in or temporary abandonment status of the aforementioned wells approved by the New Mexico Oil Conservation Commission, District No. 2, will expire on October 1, 1976.

4. Applicant is also the operator of 20 additional wells which were on the original shut-in or temporary abandonment list of the New Mexico Oil Conservation Commission. Twelve of these additional wells have been returned to an active status and put to beneficial use and eight of these additional wells have been permanently plugged and abandoned.

5. The 58 wells described in ¶2 are in such a condition as to prevent damage to the producing zone, migration of hydrocarbons or water, the contamination of fresh water or other natural resources, or the leakage of any substance at the surface.

6. The approval of this application for a two-year further extension of the temporary abandonment status of the aforementioned 58 wells will provide applicant with adequate

time to either place the wells to beneficial use or to permanently plug and abandon the same.

7. The approval of this application for a two-year further extension of the temporary abandonment status of the aforementioned 58 wells is in the interest of conservation and will prevent waste.

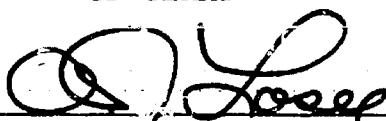
WHEREFORE, applicant prays:

A. That the Commission set this matter for hearing before an examiner.

B. That after hearing the Commission approve a two-year further extension of the shut-in or temporary abandonment status of the aforementioned 58 wells.

C. And for such other relief as may be just in the premises.

GENERAL AMERICAN OIL COMPANY
OF TEXAS

By: 
A. J. Losee, for

LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
GENERAL AMERICAN OIL COMPANY OF TEXAS :
FOR A FURTHER EXTENSION OF SHUT-IN OR :
TEMPORARY ABANDONMENT STATUS OF 56 : CASE NO. _____
WELLS, EDDY COUNTY, NEW MEXICO. :

APPLICATION

COMES GENERAL AMERICAN OIL COMPANY OF TEXAS, applicant
herein, by its attorneys, and states:

1. This is an application pursuant to Rule 202-B of
the New Mexico Oil Conservation Commission for a two-year further
extension of the shut-in or temporary abandonment status of the
hereinafter mentioned wells in Eddy County, New Mexico.

2. Applicant is the operator of the hereinafter men-
tioned shut-in or temporarily abandoned wells in the Grayburg-
Jackson, Loco Hills, West Henshaw, West Square Lake, High Lone-
some and undesignated pools in Eddy County, New Mexico, to-wit:

Township 16 South, Range 29 East, N.M.P.M.

Section 14: Bosworth #1
 " #2
 " #3
 " #4
 Brewer #3
 " #4
 " #5

Section 13: Brewer #11
 " #12
 " #14

Section 14: Brewer #17
 " #18

Section 12: Brewer #19

Section 14: Brewer #20
 " " #21
 " " #23

Section 13: Brewer #24
 " " #25

Section 14: Brewer #27

Section 12: Brewer #28

Section 35: Nunlee #4
 " " #5
 " " #6

Township 16 South, Range 30 East, N.M.P.M.

Section 8: Sivley #3

Township 17 South, Range 29 East, N.M.P.M.

Section 29: Green "A" #1
 " " #4

Section 26: Keely "B" #15

Section 25: Keely "C" #10
 " " #12
 " " #18
 " " #20
 " " #25
 " " #37

Grayburg Deep Unit #5

Section 36: State B-1778 #1
 " " #3

Section 36: State B-4458 #2

Township 17 South, Range 30 East, N.M.P.M.

Section 34: Arnold "D" #0
 " " #9

Section 31: Beeson "F" #1
 " " #3
 " " #4
 " " #5
 " " #6

Section 29: Beeson "F" #9

Section 31: Deeson "B" #12
" " #13
" " #14
" " #16

Section 32: State R-4108 #1

Section 19: Burch "A" #23
" " #24

Section 20: Dexter "E" #2

Section 30: Grayburg Deep Unit #4

Section 30: Grayburg Deep Unit #6

Section 27: Madden "B" #6
" " #9

Section 22: Parke "E" #2

3. The shut-in or temporary abandonment status of the aforementioned wells approved by the New Mexico Oil Conservation Commission, District No. 2, will expire on October 1, 1976.

4. Applicant is also the operator of 20 additional wells which were on the original shut-in or temporary abandonment list of the New Mexico Oil Conservation Commission. Twelve of these additional wells have been returned to an active status and put to beneficial use and eight of these additional wells have been permanently plugged and abandoned.

5. The 58 wells described in #2 are in such a condition as to prevent damage to the producing zone, migration of hydrocarbons or water, the contamination of fresh water or other natural resources, or the leakage of any substance at the surface.

6. The approval of this application for a two-year further extension of the temporary abandonment status of the aforementioned 58 wells will provide applicant with adequate

time to either place the wells to beneficial use or to permanently plug and abandon the same.

7. The approval of this application for a two-year further extension of the temporary abandonment status of the aforementioned 58 wells is in the interest of conservation and will prevent waste.


WHEREFORE, applicant prays:

A. That the Commission set this matter for hearing before an examiner.

B. That after hearing the Commission approve a two-year further extension of the shut-in or temporary abandonment status of the aforementioned 58 wells.

C. And for such other relief as may be just in the premises.

GENERAL AMERICAN OIL COMPANY
OF TEXAS



By:

A. J. Losee, for

LOSEE & CARSON, P.A.,
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
GENERAL AMERICAN OIL COMPANY OF TEXAS :
FOR A FURTHER EXTENSION OF SHUT-IN OR :
TEMPORARY ABANDONMENT STATUS OF 58 :
WELLS, EDDY COUNTY, NEW MEXICO. :

CASE NO. _____

APPLICATION

COMES GENERAL AMERICAN OIL COMPANY OF TEXAS, applicant
herein, by its attorneys, and states:

1. This is an application pursuant to Rule 202-B of
the New Mexico Oil Conservation Commission for a two-year further
extension of the shut-in or temporary abandonment status of the
hereinafter mentioned wells in Eddy County, New Mexico.

2. Applicant is the operator of the hereinafter men-
tioned shut-in or temporarily abandoned wells in the Grayburg-
Jackson, Loco Hills, West Henshaw, West Square Lake, High Lone-
some and undesignated pools in Eddy County, New Mexico, to-wit:

Township 16 South, Range 29 East, N.M.P.M.

Section 14: Bosworth #1
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 " #5

Section 13: Brewer #11
 " #12
 " #14

Section 14: Brewer #17
 " #18

Section 12: Brewer #19

Section 14: Brewer #20
" #21
" #23

Section 13: Brower #24
" #25

Section 14: Brewer #27

Section 12: Brewer #28

Section 35: Nunlee #4
" #5
" #6

Township 16 South, Range 30 East, N.M.P.M.

Section 8: Sivley #3

Township 17 South, Range 29 East, N.M.P.M.

Section 29: Green "A" #1
" #4

Section 26: Keely "B" #15

Section 25: Keely "C" #10
" #12
" #18
" #20
" #25
" #37

Grayburg Deep Unit #5

Section 36: State B-1778 #1
" #3

Section 36: State B-4458 #2

Township 17 South, Range 30 East, N.M.P.M.

Section 34: Arnold "D" #8
" #9

Section 31: Beeson "F" #1
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" #5
" #6

Section 29: Beeson "F" #9

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 " #13
 " #14
 " #16

Section 32: State B-4108 #1

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 " #9

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time to either place the wells to beneficial use or to permanently plug and abandon the same.

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WHEREFORE, applicant prays:

A. That the Commission set this matter for hearing before an examiner.

B. That after hearing the Commission approve a two-year further extension of the shut-in or temporary abandonment status of the aforementioned 58 wells.

C. And for such other relief as may be just in the premises.

GENERAL AMERICAN OIL COMPANY
OF TEXAS

By: 

A. J. Losee, for

LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

Application of General American
Oil Company for extension of
time for temporary abandon-
ment, Eddy County, New Mexico

Applicant, in the above styled case,
seeks extension of time for temporary
abandonment of certain wells in
Eddy County, New Mexico, said wells
being described as follows:

do > Township 16 South, Range 29 East:
Brewer Nos. 19 and 28 in Section 12;
Brewer Nos. 11, 12, 14, 24, and 25 in
Section 13; Brewer Nos. 3, 4, 5, 17,
18, 20, 21, 23, and 27 and Bosworth
Nos. 1, 2, 3, and 4 in Section 14; and
Hunlee Nos. 4, 5, and 6 in Section 35.

do >

Township 16 South, Range 30 East:
Sivley No. 3 in Section 8.

do >

Township 17 South, Range 29 East:
Keely "C" Nos. 10, 12, 18, 20, 25, and 37
in Section 25; Keely "B" No. 15 in
Section 26; Greer "A" Nos. 1 and 4
in Section 29; State B 4108 No. 1
in Section 32; and State B 1778 Nos.
1 and 3 and State B 4458 No. 2
in Section 36.

do >

~~Township 16 No.~~

Township 17 South, Range 30 East:
Burch "A" Nos. 23 and 24 in Section 19;
Dexter "E" No. 2 in Section 20; Parke "E"
No. 2 in Section 22; Grayburg D.U. No. 5 in
Section 25; Madden "B" Nos. 6 and 9
in Section 27; Beeson "F" No. 9 in
Section 29; Grayburg D.U. Nos. 4 and
6 in Section 30; Beeson "F" Nos. 1,
3, 4, 5, 6, 12, 13, 14, and 16 in Section
31; and Arnold "D" Nos. 8 and 9
in Section 34.

ls 7

Three of the above wells are undesignated
and the others are variously located
in the High Lonsome, West Square,
Lake, Grayburg Jackson, Wood Hills,
and West Hendon Premier Pools.

7

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:

JAR

CASE NO. 5725
Order No. R-5679

App

APPLICATION OF GENERAL AMERICAN OIL
COMPANY OF TEXAS FOR AN EXCEPTION TO
RULE 202(B), EDDY COUNTY, NEW MEXICO.

HS
CJM

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18, 1976,
at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this _____ day of March, 1978, 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 the applicant, General American Oil Company of
Texas, seeks an exception to Commission Rule 202(B), Eddy County,
New Mexico, to permit the continued temporary abandonment of
Certain ~~certain~~ wells on its Arnold "D", Beeson "A", Beeson "F", Bosworth,
Brewer, Burch "A", Dexter "E", Grayburg Deep Unit, Green "A",
Keely "B", Keely "C", Maddren "B", Nunlee, Parke "E", Sivley, State
B-1778, State B-4108, and State B-4458 leases as shown on Exhibit
"A" attached to this order *and made a part hereof.*

(3) That the applicant has plugged or worked over many other
wells of its temporarily abandoned wells on its properties in Eddy
County.

(4) That the applicant is evaluating those wells shown on
Exhibit "A" of this order to determine if additional oil and gas
may be economically recovered therefrom.

*Division of Oil Conservation of the New Mexico
Energy and Minerals Department Rules and Regulations*

-2-
Case No. 5725
Order No. R-

(5) That subsequent to ^{August 18}, 1976, the applicant has plugged or returned to active status its Arnold "D" Lease Wells Nos. 8 and 9, its Beeson "F" Lease Well No. 9, its Brewer Lease Well No. 28, its Maddren "B" Lease Well No. 9 and its Nunlee Lease Well No. 5, all as shown on Exhibit "A" attached to this order.

(6) That with the exception of those wells set out in Finding No. (5) above, the applicant should be granted an exception to ~~Commission~~ Rule 202(B) ^{for a period of four} years, for those wells shown on Exhibit "A" ^{attached to} this order.

(7) That upon a showing of substantial progress in the evaluation of the future potential of the wells shown on said Exhibit "A" or upon a showing that substantial numbers of said wells have been returned to production, the ~~Secretary Director~~ ^{Division Director} ~~of the Commission~~ should be authorized to grant additional extensions of said exception to ~~Commission~~ ^{Division} Rule 202(B) ^{to} said wells.

(8) That the ~~Secretary Director~~ ^{Division Director} of the Commission should be empowered to rescind the exception to Rule 202(B) granted by this order, or any extension thereto, to any well ^{listed} on said Exhibit "A" whenever it should appear that such action is necessary to protect correlative rights, to prevent waste, or to prevent the contamination of fresh waters.

(9) That approval of the subject application with provisions for an administrative procedure for extension or rescission as provided above will not cause waste nor violate correlative rights.

(10) That the application should be approved.

-3-
Case No. 5725
Order No. R-

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby granted an exception to the provisions of Rule 202(B) of the ~~Commission~~ ^{Division} Rules and Regulations for certain wells on its Arnold "D", Beeson "A", Beeson "F", Bosworth, Brewer, Burch "A", Dexter "E", Grayburg Deep Unit, Green "A", Keely "B", Keely "C", Maddren "B", Nunlee, Parke "E", Sivley, State B-1778, State B-4108, and State B-4458 leases as shown on Exhibit "A" attached to this order. *and by this reference made a part hereof.*

PROVIDED HOWEVER, that such exception shall expire ^{four} years from the date of this order unless the applicant shall have obtained an extension as hereinafter provided.

PROVIDED FURTHER, that such exception shall not apply to applicant's Arnold "D" Lease Wells Nos. 8 and 9, its Beeson "F" Lease Well No. 9, its Brewer Lease Well No. 28, its Maddren "B" Lease Well No. 9, and its Nunlee Lease Well No. 5, all as shown on said Exhibit "A" attached to this order, as such wells have previously been plugged and abandoned or returned to active status.

(2) That the ~~Secretary~~ ^{Division Director} of the Commission may administratively grant additional extensions to the exception herein provided upon a satisfactory showing of substantial progress in evaluation of the potential for return to production of said wells or that substantial numbers of said wells have been returned to production.

(3) That the ~~Secretary~~ ^{Division Director} of the Commission may rescind the exception to Rule 202(B) granted any well under the provisions of this order whenever it should appear that such rescission is necessary to protect correlative rights, prevent waste or prevent the contamination of fresh waters.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the ~~Commission~~ ^{Division} may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

*St. of NM
Oil Comm Comm
Rucero Chm. Arnold Member Rucero, Member*

and Division Director

General American Oil Company of Texas Wells
Eddy County, New Mexico

<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Well and No.</u>	<u>Unit</u>
12	16S	29E	Brewer 19	O
12	16S	29E	Brewer 28	K
13	16S	29E	Brewer 11	B
13	16S	29E	Brewer 12	L
13	16S	29E	Brewer 14	G
13	16S	29E	Brewer 24	K
13	16S	29E	Brewer 25	A
14	16S	29E	Brewer 3	B
14	16S	29E	Brewer 4	H
14	16S	29E	Brewer 5	G
14	16S	29E	Brewer 17	F
14	16S	29E	Brewer 18	K
14	16S	29E	Brewer 20	C
14	16S	29E	Brewer 21	D
14	16S	29E	Brewer 23	N
14	16S	29E	Brewer 27	M
14	16S	29E	Bosworth 1	I
14	16S	29E	Bosworth 2	J
14	16S	29E	Bosworth 3	O
14	16S	29E	Bosworth 4	P
35	16S	29E	Nunlee 4	A
35	16S	29E	Nunlee 5	H
35	16S	29E	Nunlee 6	I
8	16S	30E	Sivley 3	K
25	17S	29E	Keely "C" 10	E
25	17S	29E	Keely "C" 12	G
25	17S	29E	Keely "C" 18	K
25	17S	29E	Keely "C" 20	I
25	17S	29E	Keely "C" 25	O
25	17S	29E	Keely "C" 37	O
25	17S	29E	Grayburg Deep Unit 5	A
26	17S	29E	Keely "B" 15	I
29	17S	29E	Green "A" 1	A
29	17S	29E	Green "A" 4	I
36	17S	29E	State B-1778 1	P
36	17S	29E	State B-1778 3	P
36	17S	29E	State B-4458 2	C
19	17S	30E	Burch "A" 23	E
19	17S	30E	Burch "A" 24	G
20	17S	30E	Dexter "E" 2	G
22	17S	30E	Parke "E" 2	H
27	17S	30E	Maddren "B" 6	J
27	17S	30E	Maddren "B" 9	J
28	17S	30E	Beeson "A" 2	A
29	17S	30E	Beeson "F" 9	N
30	17S	30E	Grayburg Deep Ut. 4	L
30	17S	30E	Grayburg Deep Ut. 6	C
31	17S	30E	Beeson "F" 1	L
31	17S	30E	Beeson "F" 3	N
31	17S	30E	Beeson "F" 4	K
31	17S	30E	Beeson "F" 5	G
31	17S	30E	Beeson "F" 6	H
31	17S	30E	Beeson "F" 12	N
31	17S	30E	Beeson "F" 13	K
31	17S	30E	Beeson "F" 14	G
31	17S	30E	Beeson "F" 16	K
32	17S	30E	State B-4108 1	C
34	17S	30E	Arnold "D" 8	B
34	17S	30E	Arnold "D" 9	A