CASE 5744: OCC PLUGGING CASE Clyde B. Neill

CASE NO.

5744

APPlication, Transcripts, Small Exhibits,

ETC.

OIL CONSERVATION COMMISSION

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

DIRECTOR JOE D. RAMEY

LAND COMMISSIONER PHIL R. LUCERO August 6, 1976



CERTIFIED - RETURN RECEIPT REQUESTED

Clyde B. Neill 301 Kendrick Avenue Dalhart, Texas

Fireman's Fund Indemnity Company 3333 California Street San Francisco, California 94120

> Galliger Well No. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27; Harris-Gonzales Well No. 1, located in Unit B of Section 32; V. V. Harris Well No. 1, located in Unit B of Section 32, all in Township 21 North, Range 30 East; Smith-Miera Well No. 1, located in Unit M of Section 1, Township 20 North, Range 30 East, Harding County

Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, August 18, 1976, at 9:00 a.m. in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico. Case 5744 concerns the above captioned matter.

> WILLIAM F. CARR General Counsel

WFC/fd enc.

CASE 5744:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Clyde B. Neill, Fireman's Fund Indemnity Company, and all other interested parties to appear and show cause why the following wells in Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Township 21 North, Hunge 30 East; Galliger Well No. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27, Harris-Gonzales Well No. 1, located in Unit B of Section 32; and V. V. Harris Well No. 1, located in Unit B of Section 32;

Township 20 North, Range 30 East; Smith-Miera Well No. 1, located in Unit M of Section 1,

CASE 5745: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit H. Axelrod, Maryland Casualty Company, and all other interested parties to appear and show cause why the Beller Well No. 1 located in Unit O of Section 1, Township 20 North, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5746: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Conley and Associates, Inc., The Travelers Indemnity Company, and all other interested parties to appear and show cause why the following wells in Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Township 15 North, Range 33 East:
Arthur Cain Well No. 3 located in Unit N of Section 4; Arthur Cain Well No. 2 located in Unit K of Section 10; and State Well No. 1 located in Unit D of Section 21;

Township 16 North, Range 33 East: State Well No. 1-X located in Unit M of Section 27.

Denver Branch Office 1385 South Colorado Boulevard Denver, Colorado 80222 Telephone (303) 758-4000

> George D. Robie Resident Vice President

February 25, 1977

Lynn Teschendorf, Esquire General Counsel Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, NM 87501

Cori 5144

re: FILE: B 680 S 261227 STATE OF NEW MEXICO - CLYDE B. NEILL YOUR CASE NUMBER: 5744

Dear Mr. Teschendorf:

Apparently, your letter, dated 2/21/77, crossed in the mail with my letter of 2/17/77, directed to Mr. Lucero.

I assume that your file now shows that Mr. Neill has been dead for many years. This fact, plus the antiquity of the issuance of the bond, have created serious problems in ascertaining what has to be done.

In any event, I think we are now straightened out on our obligations, and we will follow through immediately.

Many thanks for your courtesy and cooperation.

Very truly yours,

Donald Cronlund

Senior Claim Supervisor

DC:hp

119 (VEVI 119 (1196)

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

February 21, 1977

Mr. George F. Biller Fireman's Fund Insurance Co. 1385 S. Colorado Blvd. Denver, Colorado 80222

Re: Case 5744, Clyde B.
Neill, Your File No.
B 680 S 261227

Dear Mr. Biller:

On December 21, 1976, the Oil Conservation Commission issued its Order No. R-5336 in which it was acknowledged that the Galliger Well No. 1 and the State Well No. 1, ordered to be plugged and abandoned by Order No. R-5271, had changed ownership. Adams & McGahey have filed Forms C-104 with the Commission showing this change of ownership. Therefore, Fireman's Fund Indemnity Company no longer has an obligation concerning these wells.

However, the Commission has no evidence that any of the other three wells were ever plugged. As surety, Fireman's Fund is responsible for investigating the reported plugging of the Smith-Miera Well No. 1 and for plugging the Harris-Gonzales Well No. 1 and the V. V. Harris Well No. 1. Since November 1, 1976, the surety has been in violation of the Commission's Order No. R-5271. We would appreciate your taking action to see that these wells are plugged and abandoned.

Very truly yours,

LYNN TESCHENDORF General Counsel

LT/fd

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Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Case 5744



Denver Branch Office 1385 South Colorado Boulevard Denver, Colorado 80222 Telephone (303) 758-4000

Case #

February 17,, 1977

George D. Robie Resident Vice President

Phil R. Lucero, Chairman
Oil Conservation Commission
State of New Mexico
P.O. Box 2088
Santa Fe, NM 87501

RE: FILE # B 680 S 261227

PRINCIPAL - CLYDE B. NEILL OBLIGEE - STATE OF NEW MEXICO

Dear Mr. Lucero:

R-6345

Your Commission Order, dated 8/31/76, was eventually referred to this office for handling. At that time, an order was issued for the plugging of certain wells owned by Clyde B. Neill. One of these was described as "Galliger Well Number One," and another was "Smith-Miera Well Number One."

In connection with our handling of this matter, we have been in touch with Adams and McGahey in Amarillo, and a copy of Mr. Adams' letter, dated 2/5/77, is attached. It is noted that they actually own Gallagher Number One Well, and they also have evidence that the Neill-Miera Well was plugged and abandoned May 1, 1952.

It is noted that there were three additional wells noted in paragraph number two of the Order, and I have no present knowledge of these wells.

In view of the present information, will the Commission issue a new Order?

As you can appreciate, this is an ancient matter, and we have had to dig into the past to find our records on the bonds issued.

Actually, this matter has been handled by Mr. Biller, of this office, and at the present time, he is on vacation. He will be back in a few more days, and this file will be referred to his immediate attention upon his return to the office.

Very truly yours,

Donald Cronlund

Senior Claims Supervisor

DC/jj



ADAMS & McGAHEY 513 Bank Of The Southwest Bldg. Amarillo, Texas 79109

February 5, 1977

Fireman's Fund Insurance Companies 1385 So. Colorado Blvd. Denver, Colorado 80222

Attention: Mr. George F. Biller

5261227

Clyde B. Neill Re:

Dear Sir,

In answer to your plea for help: Adams & McGahey owns the Gallagher #1 well and supplied the Commission with a form C-104 showing change of ownership which the Commission received December 3, 1976 and approved January 3, 1977. Adams & McGahey has, actually, owned the well some thirty years. So please don't plug it. We have a scout report of Humble Oil & Refining Co. of July 29, 1954 which reports the Neill - Niera well was plugged and abandoned May 1, 1952.

Adams & McGahey also owns the State #1 well in Sec. 27, Unit Letter L. The Commission carried Neill as the owner, but we corrected this mistake also, and change of ownership was approved January 3, 1977.

In case # 5744, order # R-5271, the Commission ordered you to plug the Harris - Gonzales well #1 and or the V. V. Harris well #1, both supposed to have been located in Unit B of Sec. 32, 21 N. R30E. We are not cognizant of this well, however the Humble report mentioned above does show this well. We own Gonzales "A" #1 in Unit H, Sec. 32. Has the so - called Harris well or wells been dropped from your order to plug?

Clyde B. Neill has been dead many years. He had a son, Scott, but we know nothing of him. If we can help you further, please write.

Very truly yours,

John W. Adams

Secy.

Adams & McGahey
513 Bank of the Southwest Bldg.
Amarillo, Texas 79109





Fireman's Fund Insurance Companies
1385 So. Colorado Blvd.

Denver, Colorado 80222

Attention: Mr. George F. Biller

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. 5744 Order No. R-5271

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT CLYDE B. NEILL, FIREMAN'S FUND INDEMNITY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY CERTAIN WELLS IN HARDING COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

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 31st day of August, 1976, 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 Clyde B. Neill is the owner and operator of the following described wells in Harding County, New Mexico:

TOWNSHIP 21 NORTH, RANGE 30 EAST, NMPM:

Galliger Well No. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27; Harris-Gonzales Well No. 1, located in Unit B of Section 32; and V. V. Harris Well No. 1, located in Unit B of Section 32;

TOWNSHIP 20 NORTH, RANGE 30 EAST, NMPM:

Smith-Miera Well No. 1, located in Unit M of Section 1.

(3) That Fireman's Fund Indemnity Company is the surety on the Oil Conservation Commission plugging bond on which Clyde B. Neill is principal.

-2-Case No. 5744 Order No. R-5271

- (4) That the purpose of said bond is to assure the state that the subject well(s) will be properly plugged and abandoned when not capable of commercial production.
- (5) That in order to prevent waste and protect fresh waters the above-described wells should be plugged and abandoned in accordance with a program approved by the Santa Fe district office of the New Mexico Oil Conservation Commission on or before November 1, 1976, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Clyde B. Neill and Fireman's Fund Indemnity Company are hereby ordered to plug and abandon the followingdescribed wells in Harding County, New Mexico:

TOWNSHIP 21 NORTH, RANGE 30 EAST, NMPM:

Galliger Well No. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27; Harris-Conzales Well No. 1, located in Unit B of Section 32; and V.V. Harris Well No. 1, located in Unit B of Section 32;

TOWNSHIP 20 NORTH, RANGE 30 EAST, NMPM:

Smith-Miera Well No. 1, located in Unit M of Section 1.

- (2) That Clyde B. Neill and Fireman's Fund Indemnity Company, prior to plugging and abandoning the above-described wells, shall obtain from the Santa Fe office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Santa Fe office of the date and hour said work is to be commenced upon each well whereupon the Commission may, at its option, witness such work.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

Wil K. Lucen PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Member & Secretary

jr/

SEA

CASE 5744:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Clyde B. Neill, Fireman's Fund Indemnity Company, and all other interested parties to appear and show cause why the following wells in Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Township 21 North, Range 30 East;
Galliger Well Mo. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27, Harris-Gonzales Well No. 1, located in Unit B of Section 32; and V. V. Harris Well No. 1, located in Unit B of Section 32;

Township 20 North, Range 3C East: Smith-Miera Well No. 1, located in Unit M of Section 1.

CASE 5745: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit H. Axelrod, Maryland Casualty Company, and all other interested parties to appear and show cause why the Beller Well No. 1 located in Unit O of Section 1, Township 20 North, Range 30 East, Marding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5746: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Conley and Associates, Inc., The Travelers Indemnity Company, and all other interested parties to appear and show cause why the following wells in Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Township 15 North, Range 33 East:
Arthur Cain Well No. 3 located in Unit N of Section 4; Arthur Cain Well No. 2 located in Unit K of Section 10; and State Well No. 1 located in Unit D of Section 21;

Township 16 North, Range 33 East: State Well No. 1-X located in Unit M of Section 27.

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER

PHIL R. LUCERO September 1, 1976



STATE GEOLOGIST
EMERY C. ARNOLD

DIRECTOR
JOE D. RAMEY

Hobbs OCC_ Artesia OCC_ Aztec OCC_

Other Fireman's Fund Indemnity Co.

Clyde B. Neill 301 Kendrick Avenue Dalhart, Tuxas	Re:	CASE NO. 5744 ORDER NO. R-5271 Applicant:
*		(OCC) Clyde B. Neill
Dear Sir:		
		pies of the above-referenced tered in the subject case.
Yours very truly, JOE D. RAMEY Director	<i></i>	
	•	
JDR/fd		
Copy of order also sent	t to:	

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

August 6, 1976

CERTIFIED - RETURN RECEIPT REQUESTED

Clyde B. Neill 301 Kendrick Avenue Dalhart, Texas

Fireman's Fund Indemnity Company 3333 California Street San Francisco, California 94120

Galliger Well No. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27; Harris-Gonzales Well No. 1, located in Unit B of Section 32; V. V. Harris Well No. 1, located in Unit B of Section 32, all in Township 21 North, Range 30 East; Smith-Miera Well No. 1, located in Unit M of Section 1, Township 20 North, Range 30 East, Harding County Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, August 18, 1976, at 9:00 a.m. in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico. Case 5744 concerns the above captioned matter.

Very truly yours,

WILLIAM F. CARR General Counsel

WFC/fd enc.

DIRECTOR JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER PHIL R. LUCERO



EMERY C. ARNOLD

August 11, 1976

Fireman's Fund Insurance Company 1385 South Colorado Blvd. Denver, Colorado 80222

Attention: Mr. Larry Jordan

Gentlemen:

Attached are copies of material from the Commission's files requested by your telephone call this date. We have been unable to establish communications with the principal, Clyde B. Neill, named on your bond.

If we can be of further assistance, do not hesitate to contact this office.

Yours truly,

Carl Ulvog

CARL ULVOG

District IV Supervisor

CU/og

dr/	OF THE STATE OF NEW MEXICO
\sim	IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:
•	Order No. R- 5271
	Order No. R- 5271
1	IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT CLYDE B. NEILL, FIREMAN'S FUND INDEMNITY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE SELECTION WELLS IN HARDING COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.
	ORDER OF THE COMMISSION IN
٧	BY THE COMMISSION:
	This cause came on for hearing at 9 a.m. on August 18
	19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets
	NOW, on this day of August, 1976, the Commission, a quorum being present, having considered the testimon 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) ThatClyde B. Neill is the owner and
	operator of the following wells: in Harding County New Myrica:
	TOWNSHIP 21 NORTH, RANGE 30 EAST, NAPPM!
separale fine for wellweel	Galliger Well No. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27; Harris-Gonzales Well No. 1, located in Unit B of Section 32; and V. " " ris Well No. 1, located in Unit B of Section 32;
	TOWNSHIP 20 MORTH, RANGE 30 EAST N MPM
	Smith-mera Well No. 1, located in Unit M of Section 1.
(under
	(5) That in order to prevent waste and protect correlative
fresh waters	
•	be plugged and abandoned in accordance with a program approved b

Conservation Commission on or before November

District Office of the New Mexico Oil

or the well should be recurred to active drilling

the Santa Fe

1976

status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Clyde B. Neill and Fireman's Fund Indemnity Company

following-described wells in Harding County; Dew Mexico:

TOWNSHIP 21 NORTH, RANGE 30 EAST, NM PM

General for push well

Galliger Well No. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27; Harris-Gonzales Well No. 1, located in Unit B of Section 32; and V. V. Harris Well No. 1, located in Unit B of Section 32;

TOWNSHIP 20 NORTH, RANGE 30 EAST, MAPA

Smith-Miera Well No. 1, located in Unit M of Section 1.

-2-		
Case	No.	
Order	No.	R-

(2) That <u>Clyde R. Neill and Fireman's Fund Indemnity Company</u>
, prior to plugging and abandoning the above-
described well, shall obtain from the Santa Fe office of the
Commission, a Commission-approved program for said plugging and
abandoning, and shall notify said Santa Fe office of the date
and hour said work is to be commenced, whereupon the Commission may,
at its option, witness such work.

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

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

ADAMS & MCGAHBY 513 Bank Of The Southwest Bldg. Amarillo, Texas 79109

September 2, 1976

SEP - 7 1976

L CONSTRUCTION COMM.
Sents Fe

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

Re: Gonzalos Well No. 2, located in Unit P of Section 9; Adams & McGahey Well No. 1, located in Unit B of Section 16; Gonzales "A" Well No. 1, located in Unit H of Section 32, all in Township 21 North, Range 30 East, Harding County -- Plugging Bond

Gentlemen:

This matter was only recently brought to our attention by our bonding company. Due to the fact that you do not seem to have our present address, we did not receive prior notification.

In addition to the above mentioned wells, we also have the New Mexico State Well No. 1 (C-158) in Section 27 and the Gallagher Well No. 1 in Section 9, both in Township 21 North, Range 30 East, Harding County.

These five wells have been shut in because we have not had a market for the $\rm CO_2$ gas but we expect this situation to change within the year. We expect to lease the dry ice plant located in Section 27 and we will be selling the $\rm CO_2$ gas to the Lessee.

We hope that this is sufficient to explain why these wells should not be plugged. If we still need to make an appearance please notify us.

The current address for Adams & McGahey is 513 Bank Of The Southwest Bldg., Amarillo, Texas 79109.

Very truly yours,

Adams & McGahey

(Mrs.) Nella Parker

Bookkeeper

	F	EFORE T	ΙE		
NEW	MEXICO OIL	CONSERVA	NOITA	COMMISSION	
	Santa	Fe, New	Mexic	co	
	Auc	ust 18.	1976		

CASE

5744

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the OCC on its own motion to permit Clyde B. Neill, Fireman's Fund Idemnity Company and all other interested parties to appear and show cause why the following wells in Harding County, New Mexico should not be plugged and abandoned in accordance with a Commission-approved plugging program.

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission:

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

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sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 1.22, Santa Fe, New Mexico 87501
Phone (505) 987-9212

Page	2	

I N D E X

Page CARL ULVOG Direct Examination by Mr. Carr

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

MR. STAMETS: We will call at this time Case 5744, a hearing called by the Oil Conservation Commission on its own motion to permit Clyde B. Neill, Fireman's Fund Indemnity Company and all other interested parties to appear and show cause why the following wells in Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program: Township 20 North, Range 30 East, Galliger Well No. 1 located in Unit N of Section 9; State Well No. 1 located in Unit L of Section 27; Harris-Gonzales Well No. 1 located in Unit B of Section 32; and V. V. Harris Well No. 1 located in Unit B of Section 32, and the Smith-Miera Well located in Unit M of Section 1,

Call for appearances in this case.

MR. CARR: William F. Carr appearing for the Commission. I have one witness who has previously been sworn.

MR. STAMETS: The record will reflect that Mr. Ulvog has been sworn and remains so.

CARL ULVOG

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

DIRECT EXAMINATION

BY MR. CARR:

sid morrish reporting service General Court Reporting Service 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501 Phone (505) 982-9212

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Q	Mr	. Ulv	70g,	will	you	state	for	purposes	of	the
record	your	full	name	and	posi	tion?				

- A. Yes, sir, Carl Ulvog, Senior Geologist for the Oil Conservation Commission and Supervisor of District Four for the Oil Conservation Commission.
- Q. Does District Four include that part of Harding County involved in this case?
 - A. That is right.
- Q. Do your duties as District Supervisor include making recommendations to the Commission as to when wells should be plugged and abandoned?
 - A. Yes, they do.
- Q. Are you familiar with the subject matter of Case 5744?
 - A. Yes, sir, I am.
 - Q What is the purpose of this case?
- A. The purpose of this case is to determine whether or not these wells should in fact be plugged and abandoned in accordance with our State regulations.
 - Q. Are you familiar with the wells involved?
 - A. Yes, I am.
- Q. Have you reviewed all reports filed with the Commission concerning these wells?
 - A. Yes, I have.
 - Q Do you have these records with you?

A. J do.

Q. Mr. Ulvog, would you refer to the records which pertain to the Galliger Well No. 1 located in Unit N of Section 9 and summarize for the Examiner what is reflected by those records?

A. Yes, sir. According to the Oil Conservation

Commission files there is a report, a well record, a Form C-105, that is the only report filed and it is dated September 10th,

1937 and it reports that drilling began on May 7th, 1937 and was completed on September 3rd of that year. It reports a total depth of eight hundred and fourteen feet and an initial potential of two million, eight hundred and ninety thousand cubic feet of carbon dioxide per day. It reports that one hundred feet of fifteen-and-a-half-inch casing was set, no cement is reported, also that four hundred and eleven feet of twelve-and-a-half-inch casing was set, likewise there is no cement reported and seven hundred and eighty feet of eight inch casing was set with twenty sacks of cement.

That is the only report in our file with the exception of a letter from the Oil Conservation Commission to the surety dated September 22nd, 1952 which indicates that this well was never plugged to the satisfaction of the Oil Conservation Commission.

I inspected that location on July 14th of this year and found that there is a wellhead in place connected to

sid morrish reporting service

General Court Reporting Service
325 Calle Mejia, No. 122, Santa Fe, New Mexico 87501

a pipeline. There is a large cement slab on the location and the cement footings for the derrick and so on, otherwise it is level and revegetated.

- Q. In your opinion could failure to plug this well result in waste?
- A. Yes, sir, not only waste but possibly pollution as well.
- Q. Do you intend to recommend a plugging program to the Commission at this time or do you prefer to wait until the well is actually plugged?
- A. I have a detailed plugging program worked out, however,
 I do not know whether some of this casing was removed. I have
 no idea where they encountered water or if they encountered
 it and so on. I would prefer to wait until we actually go to
 work on the well.
- Q Do you have anything further to offer in regard to this well?
 - A. No, sir.
- Q. Will you please refer to the records filed with the Commission in relation to the State Well No. 1 located in Unit L and summarize for the Examiner the data contained therein?
- A. Yes, sir. This well is known as the Neill No. 1
 State located in the northwest quarter of the southwest quarter of Section 27, Township 21 North, Range 30 East, New Mexico

rrish reporting service

sid

Prime Meridian, Harding County, New Mexico.

In the file we have a notice of intent to drill, our Form C-101, which is undated but it was approved November 7th, 1935. There was a change of plan reported May 11th of 1937 and all this requested was permission to plug back to nine hundred and sixty-five. I don't know what the total depth was.

Then we have a C-105, the well record which was received in this office on June 7th, 1937. It reports a total depth of nine hundred and sixty-five, which, incidentally, is the same as the request to plug back previously received. It reports an initial potential of two million cubic feet of carbon dioxide per day. The well was completed May 24th, 1937 and at that time it was reported shut in waiting on construction of the plant.

This well record reports that a fifteen-and-a-half-inch casing was set at ninety feet, no cement. A twelve-inch casing was set at four hundred and twenty-five feet, no cement. A ten-inch casing was set at nine hundred and ten feet with twelve sacks.

That is all of the official records filed. There is in the file a letter dated September 22nd, 1952 from the Oil Conservation Commission to the surety notifying them that this well had never been properly plugged and abandoned in accordance with the State regulations.

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I inspected that location on July 14th of this year. The wellhead is in place, it appears to be connected to a pipeline. The location is level but it is pretty badly cluttered but this may be due to material from the processing plant which is located nearby.

- Q In your opinion could failure to plug this well result in waste?
 - A. Yes, sir.
- Q. Would you prefer to recommend a plugging program to the Examiner at this time or would you prefer to wait until the well is actually in the process of being plugged?
- A. I have worked out several possibilities for plugging but again I prefer to wait and see what we find out when we get into the well.
- Q Do you have anything further to offer in regard to this well?
- A. I would mention that both this Neill No. 1 State
 Well and the preceding well, the No. 1 Galliger are both
 connected to a pipeline which appears to lead to the processing plant which is apparently non-operable at this time.
- Q. Would you now refer to the records filed which relate to the Harris-Gonzales Well No. 1 located in Unit B of Section 32 and summarize for the Examiner the information contained therein?
 - A. Yes, sir. This well is known as the Neill Oil and

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Gas No. 1 Harris-Gonzales, located in the northwest quarter of the northeast quarter of Section 32, Township 21 North, Range 30 East in Harding County.

In the files we have the first report, a notice of intent to plug. We have no well record, a C-105, we have no application for the permit to drill, only the notice of intent to plug and it is dated November 14th, 1951. This notice of intent was approved by the Oil Conservation Commission. Pardon me, then there was a plugging report filed later which corresponds to the proposal which was never approved by the Commission.

We have several letters in the file concerning this well, about that it was not drilled properly, that it was not cemented properly and so on and so forth and a letter dated September 22nd to the surety which says that the well was not properly plugged and abandoned according to Commission regulations.

- Q. In your opinion would failure to plug this well result in waste?
- A. It definitely would. I inspected this location on July 15th of this year and the only thing I can find is a depression in the surface. There is no casing showing, there is no marker or anything of the sort. I have no idea as to what might be in the well.
 - Q. Is it your intention to recommend a plugging program

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at this time?

A. I believe we would have to find out what's there first.

Do you have anything further to offer in relationship
to this well?

A. No, sir.

Q Would you refer to the files regarding the V. V. Harris
Well No. 1 located in Unit B of Section 32 and summarize for
the Examiner the data contained therein?

A. Yes, sir. In this case we have a Form C-101 dated December 14th, 1946. We have a well record, a C-105, dated March 31st, 1947. This reports a total depth of nine hundred and fifteen feet. It reported that the initial potential is three million cubic feet of carbon dioxide per day. It was completed on March 28th, 1947. It reports that fifteen-and-a-half inch casing was set at ninety-six feet with no cement and eight-inch casing was set at four hundred and fifty feet. Likewise there was no cement reported. Seven-inch casing was set at eight hundred and eighty-nine feet with seventeen sacks of cement.

That is the only official information filed with this office. There is a letter in the file from the Oil Conservation Commission to the surety reporting that this well was never satisfactorily plugged and abandoned according to the State regulations.

I attempted to find this well on July 14th of this years and I was unable to find the location at all.

- Q In your opinion could failure to plug this well result in waste?
 - A. Yes.

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- Q. Are you prepared to make a recommendation to the Examiner as to a plugging program required for this well?
- A. No, sir, I could not recommend a plugging program since I have no idea what's in the well.
- Q But your recommendation would be prescribed at the time the well was actually plugged?
 - A. That is correct.
- Q. Do you have anything further with regard to the V. V. Harris Well No. 1?
 - A. No, sir.
- Q Would you refer to the official records filed with the Commission regarding the Smith-Miera Well No. 1 located in Unit M of Section 1, Township 20 North, Range 30 East and summarize for the Examiner the information contained therein?
- A. This well is known as the Neill Oil and Gas Company
 No. 1 Smith-Miera located in the southwest quarter of the
 southwest quarter of Section 1, Township 20 North, Range 30
 East, Harding County.

There is no application for the permit to drill the well. There is a notice of intent to test the casing, a Form

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C-103 which is dated October 17th of 1947. That is the only correspondence we had on the well. This reported that there was a five-and-a-half-inch casing cemented at eight hundred and fifty feet.

We have a C-105 in the file, received in the Hobbs office on November 4th, 1947. This reports that the total depth was eight hundred and eighty-eight feet. The initial potential was one million, five hundred thousand cubic feet of carbon dioxide per day. It further reports that there was eight-inch casing set at three hundred and fifty feet; five-and-a half-inch casing set at eight hundred and fifty feet and it was waiting on a pipeline connection.

Then we have no information about the production and so on but there is a notice of intent to plug the well on November 14th, 1951 and at that time the proposed setting of a thirty-foot plug at the top of the pay, I don't know where that is, and to pull the casing and fill the hole with mud. I don't know what casing or if that was all of the casing or what, I don't know, and then set a fifteen-fcot plug at the surface with a marker.

This subsequent notice of plugging was filed on

May 10th, 1952. It was not approved by the Oil Conservation

Commission and there is a letter in the file dated September 22nd,

1952 to the surety which says that the well was not plugged and abandoned in accordance with the Oil Conservation Commission

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regulations?

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I inspected that location on July 15th of this year There is no casing or marker visible. There is a depression in the surface which indicates the location, together with some drilling line, fire bricks and a few things like that.

- Q In your opinion could failure to plug the well result in waste?
 - A. Yes, sir.
- Q. What sort of a plugging program do you recommend for this well?
- A. I could not recommend a firm program at this time,
 I would have to know what's in the well.
- Q. Do you recommend that a program be prescribed at the time the well is actually plugged?
 - A. Yes, sir.
- Q. Do you have anything further to offer in regard to any of the wells involved in this case?
- A. Only that I have attempted to contact the operator on several occasions and was unable to do so.

MR. CARR: We have nothing further.

MR. STAMETS: Are there any questions of the witness?
He may be excused.

(THEREUPON, the witness was excused.)

MR. STAMETS: Is there anything further in this 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, C.S.R.

do hereby certify that the foregoing to a complete record of the proceedings in the Examiner hearing of Case No. 571111, neard by me on 1976

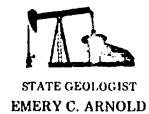
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER PHIL R. LUCERO



DIRECTOR JOE D. RAMEY

Aztec OCC_

Other Fireman's Fund Indemnity Co.

September 1, 1976

Clyde B. Neill 301 Kendrick Avenue Dalhart, Texas	e: CASE NO. 5744 ORDER NO. R-5271
	Applicant:
	(OCC) Clyde B. Neill
Dear Sir:	
	copies of the above-referenced entered in the subject case.
Yours very truly, JOE D. RAMEY Director	
JDR/fd	
Copy of order also sent to	o:
Hobbs OCC x	

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. 5744 Order No. R-5271

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT CLYDE B. NEILL,
FIREMAN'S FUND INDEMNITY COMPANY, AND
ALL OTHER INTERESTED PARTIES TO APPEAR
AND SHOW CAUSE WHY CERTAIN WELLS IN
HARDING COUNTY, NEW MEXICO, SHOULD NOT
BE PLUGGED AND ABANDONED IN ACCORDANCE
WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

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 <u>31st</u> day of August, 1976, 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 Clyde B. Neill is the owner and operator of the following described wells in Harding County, New Mexico:

TOWNSHIP 21 NORTH, RANGE 30 EAST, NMPM:

Galliger Well No. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27; Harris-Gonzales Well No. 1, located in Unit B of Section 32; and V. V. Harris Well No. 1, located in Unit B of Section 32;

TOWNSHIP 20 NORTH, RANGE 30 EAST, NMPM:

Smith-Miera Well No. 1, located in Unit M of Section 1.

(3) That Fireman's Fund Indemnity Company is the surety on the Oil Conservation Commission plugging bond on which Clyde B. Neill is principal.

-2-Case No. 5744 Order No. R-5271

- (4) That the purpose of said bond is to assure the state that the subject well(s) will be properly plugged and abandoned when not capable of commercial production.
- (5) That in order to prevent waste and protect fresh waters the above-described wells should be plugged and abandoned in accordance with a program approved by the Santa Fe district office of the New Mexico Oil Conservation Commission on or before November 1, 1976, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Clyde B. Neill and Fireman's Fund Indemnity Company are hereby ordered to plug and abandon the following-described wells in Harding County, New Mexico:

TOWNSHIP 21 NORTH, RANGE 30 EAST, NMPM:

Galliger Well No. 1, located in Unit N of Section 9; State Well No. 1, located in Unit L of Section 27; Harris-Gonzales Well No. 1, located in Unit B of Section 32; and V.V. Harris Well No. 1, located in Unit B of Section 32;

TOWNSHIP 20 NORTH, RANGE 30 EAST, NMPM:

Smith-Miera Well No. 1, located in Unit M of Section 1.

- (2) That Clyde B. Neill and Fireman's Fund Indemnity Company, prior to plugging and abandoning the above-described wells, shall obtain from the Santa Fe office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Santa Fe office of the date and hour said work is to be commenced upon each well whereupon the Commission may, at its option, witness such work.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

102

ARNOLD, Member

DE D. RAMEY, Member & Secretary

SEAL

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. 5744 Order No. R-5271

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ALL OTHER INTERESTED PARTIES TO APPEAR
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION
> PHIL R. LUCERO, Chairman

HMERY C. ARNOLU, Momber

Member & Secretary

SEAL

jr/