

CASE 5770: OCC PLUGGING CASE
GEORGE H. KRAUSE, THE HARTFORD
ACCIDENT & INDEMNITY COMPANY

CASE NO.

5770

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

5770
L-5308

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

AFFIDAVIT OF RESPONSIBILITY
CONVERSION TO WATER-WELL

STATE OF Colorado)
County of El Paso) ss.

KATHRYN B. KRAUSE, being first duly sworn according to law, upon ~~her~~ oath deposes and says:

1. That she is the Executrix of the Estate of George H. Krause, Deceased
(Title) (Operator)
whose address is c/o Ruth Rouss, Atty., Box 572, Colorado Spgs., CO 80901.

2. That said Estate is the operator of a well drilled on land be-
(Operator)
longing to John Gilbert, whose address is P.O. Box 975
(Landowner)
Farmington, N.M. 87401, said well being drilled to test for hydrocarbons and/or
carbon dioxide gas and described as the KRAUSE-B&K No. 1, being located 1980
feet from the S line and 1980 feet from the E line of Section 10,
Township 29 N, Range 12 W, NMPM, SAN JUAN
County, New Mexico.

3. That said well was drilled to a total depth of 1871' feet, and that cas-
ing has been set and cemented as follows: 5 1/2" CASING @ 1700 W/50 SK

4. That operator and landowner have made an agreement whereby operator
(~~is~~) (is not) to back fill pits, level location, and clear it of all junk. The agreement
further provides that operator is to plug said well back to a plugged-back total depth of
400' feet and transfer well to landowner for his use as a water-well. Operator will
leave casing in the well as follows: 5 1/2"

5. That when operator has complied with the provisions of Paragraph 4 above
it will so notify the Oil Conservation Commission of the State of New Mexico on Com-
mission Form C-103, together with a signed statement from the landowner that the
provisions of Paragraph 4 above have been complied with to his satisfaction.

Estate of George H. Krause, Deceased
(Operator)

By Kathryn B. Krause, Executrix
Subscribed and sworn to before me this 10th day of November, A. D. 19 77.

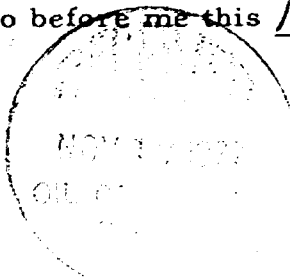
Ruth Rouss
Notary Public in and for the County of El Paso
My commission expires Aug 15, 1981

STATE OF NM)
County of SAN JUAN) ss.

John Gilbert, being first duly sworn according to law, upon
his oath deposes and says that when the provisions of Paragraphs 4 and 5 above have been
complied with, he will accept the above-described well for his use as a water-well, and
that he will assume all responsibility for the well, the location, and the conversion of the
well to a water-well.

John Gilbert
(Landowner)
Subscribed and sworn to before me this 17th day of Nov, A. D. 19 77.
John Gilbert
Notary Public in and for the County of _____

Comm. Expires Oct. 23, 1978





OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS RD. - AZTEC

87410

LAND COMMISSIONER

PHIL R. LUCERO



STATE GEOLOGIST

EMERY C. ARNOLD

DIRECTOR
JOE D. RAMEY

December 10, 1976

Case 5770

Mr. Joseph F. Burns
Attorney at Law
109 South Mesa Verde
Aztec, New Mexico 87410

Re: George H. Krause
Krause Beck #1
J-10-29N-12W
San Juan County

Dear Mr. Burns:

The required date of abandonment of December 1, 1976, as required by Order R-5308 for the subject well may be delayed to January 15, 1977, per your request dated December 7, 1976.

Please keep us advised of any development toward plugging the well.

Yours very truly,

A. R. Kendrick
Supervisor, District #3

xc: OCC, Santa Fe

ARK:no

JOSEPH E. BURNS

Attorney-At-Law
AZTEC, NEW MEXICO

December 7, 1976

Mr. Alton R. Kendrick
New Mexico Oil Conservation Commission
1000 Rio Bonos
Aztec, New Mexico 87410

Re: Krause Beck Well No. 1
(Estate of George W.
Krause, Deceased)

Dear Mr. Kendrick:

In the early part of November, 1976, I received from Ruth Rouss, attorney for the Estate of George W. Krause, Deceased, in the State of Colorado, a copy of letter from the Hartford Bond Department, together with copy of Oil Conservation Commission Order entered on October 27, 1976 wherein Mr. Krause and the Hartford Accident and Indemnity Company were ordered to plug and abandon the Krause Beck Well No. 1 located in Unit J of Section 10, Township 29 North, Range 12 West, N.M.P.M., San Juan County, New Mexico on or before December 1, 1976.

Shortly after receipt of these documents from Ruth Rouss, I talked to you and you furnished me information from your office files establishing the fact that Mr. Krause, who died on October 23, 1966, is the operator of record for that well.

Since that phone call with you, I have pursued, as attorney for the ancillary probate of Mr. Krause's Estate in the State of New Mexico, information concerning the procedures and the estimated cost for plugging the well. From all of the information received, the estimated price for plugging (although I have not yet received a detailed bid) indicates that the cost of plugging the well is one that the Krause Estate will find difficult to pay.

We realize, of course, inasmuch as Mr. Krause is apparently the operator of record of the well and there is little likelihood, as we understand it, of the necessary work being done to reactivate the well, that the plugging must be completed by either the Bonding Company or the Krause Estate.

Because we have to obtain some further information in order to determine how this work will be accomplished, I called you at Ms. Rouss' request last week and verbally asked for an extension of time in which to comply with the Order of the Oil Conservation Commission entered on October 27, 1976.

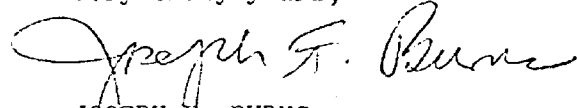
You indicated in our telephone call that granting an extension for a reasonable period of time would not present a problem, providing that assurance was made that this work would be completed in the near future. You further recommended that the request for the extension of time be reduced to writing so that your office and the undersigned would have a record of the request for extension.

Therefore, please accept this letter as a written request for an extension of time in which to comply with the Oil Conservation Commission Order referred to above. In making this request, I assure you that we will pursue the completion of this matter and try to accomplish the plugging, or at least the initiating of steps to have the well plugged, on or before January 15, 1977.

I did not make a request for a specific date in my telephone conversation with you, but this written request is that we have until January 15, 1977 in which to pursue the steps necessary to initiate plugging of this well.

If you have any question concerning this request, please write or call me.

Very truly yours,


JOSEPH F. BURNS
Attorney at Law

JFB:sd

cc: Ms. Ruth Rouss

Denver Regional Office
800 Grant Street
Denver, Colorado 80203
Telephone (303) 837-1515



THE HARTFORD

November 15, 1976

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

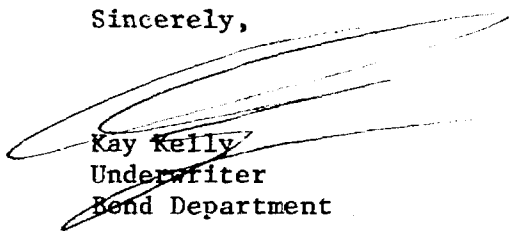
Re: Case No. 5770
Order No. 4-5308
George H. Krause - Krause Beck Well No. 1

Gentlemen:

We have received a copy of the Order of the Commission dated October 27, 1976 requesting that the above described well located in Unit J of Section 10, Township 29 N. Range 12 W, NMPM, San Juan County, New Mexico be plugged. We have forwarded a copy of this order to Mrs. Ruth Rouss who is the attorney responsible for the Estate of Mr. George Krause. We have asked that she handle this matter since she is handling the estate. It is my understanding that there are items in the State of New Mexico which are part of this estate and for which a New Mexico attorney has been hired.

I presume that you will hear from either Mrs. Rouse or the attorney handling the estate in New Mexico in a short time.

Sincerely,


Kay Kelly
Underwriter
Bond Department

KK/sv

Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Life Insurance Company
Hartford Casualty Insurance Company
New York Underwriters Insurance Company
Twin City Fire Insurance Company



OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
October 28, 1976

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. George H. Krause
405½ W. Broadway
Farmington, New Mexico

Re: CASE NO. 5770
ORDER NO. R-5308

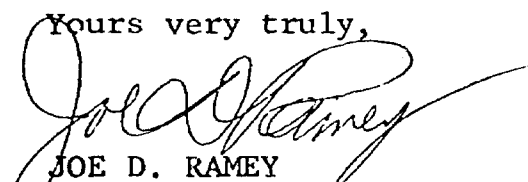
Applicant:

OCC

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

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

Other Hartford Accident and Indemnity Company

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5770
Order No. R-5308

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT GEORGE H. KRAUSE, THE HARTFORD ACCIDENT AND INDEMNITY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE KRAUSE BECK WELL NO. 1, LOCATED IN UNIT J OF SECTION 10, TOWNSHIP 29 NORTH, RANGE 12 WEST, SAN JUAN 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 September 29, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of October, 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 George H. Krause is the owner and operator of the Krause Beck Well No. 1, located in Unit J of Section 10, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico.

(3) That The Hartford Accident and Indemnity Company is the surety on the Oil Conservation Commission plugging bond on which George H. Krause is principal.

(4) That the purpose of said bond is to assure the state that the subject well will be properly plugged and abandoned when not capable of commercial production.

(5) That in order to prevent waste and protect correlative rights said Krause Beck Well No. 1 should be plugged and abandoned in accordance with a program approved by the Aztec district office of the New Mexico Oil Conservation Commission on or before December 1, 1976, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That George H. Krause and The Hartford Accident and Indemnity Company are hereby ordered to plug and abandon the Krause Beck Well No. 1, located in Unit J of Section 10, Township 29 North, Range 12 West, WMPM, San Juan County, New Mexico, on or before December 1, 1976.

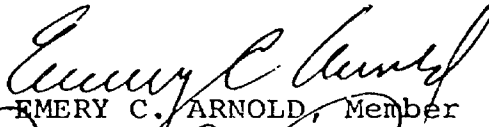
(2) That George H. Krause and The Hartford Accident and Indemnity Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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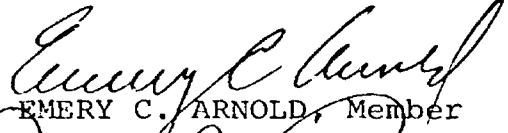
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OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/



OIL CONSERVATION COMMISSION

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



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
October 28, 1976

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. George H. Krause
405½ W. Broadway
Farmington, New Mexico

Re: CASE NO. 5770
ORDER NO. R-5308

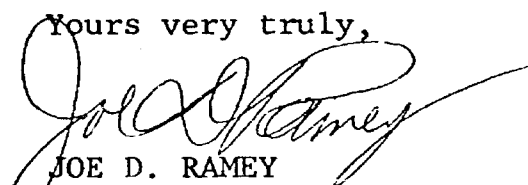
Applicant:

OCC

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Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC X

Other Hartford Accident and Indemnity Company

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5770
Order No. R-5308

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-2-

Case No. 5770
Order No. R-5308

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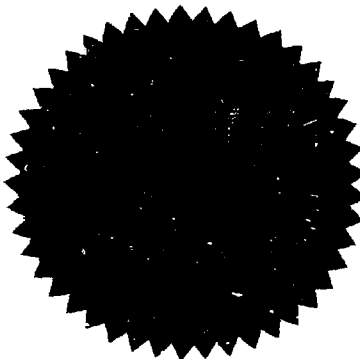
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/

SENDER: Be sure to follow instructions on other side

PLEASE FURNISH SERVICE(S) INDICATED BY CHECKED BLOCK(S)
(Additional charges required for these services)

☐ Show address
where delivered ?

☐ Deliver ONLY
to addressee

RECEIPT

Received the numbered article described below

REGISTERED NO.

SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)

CERTIFIED NO.

481687

1 HARTFORD FIRE INSURANCE CO.

INSURED NO.

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED

SEP 23 1966

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

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO

Hartford Accident & Indemnity Co.

POSTMARK
OR DATE

STREET AND NO.

Hartford Plaza

P. O., STATE, AND ZIP CODE

Hartford, Connecticut 06115

EXTRA SERVICES FOR ADDITIONAL FEES

Return Receipt

Shows to whom
and date
delivered

Shows to whom,
date, and where
delivered

Deliver to
Addressee Only

☐ 10¢ fee

☐ 35¢ fee

☐ 50¢ fee

POD Form 3890
Mar. 1966

NO INSURANCE COVERAGE PROVIDED— (See other side)
NOT FOR INTERNATIONAL MAIL

No. 481687

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 29, 1976

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the OCC on its own motion to permit George H. Krause, The Hartford Accident and Indemnity Co. and all other interested parties to appear and show cause why the Krause Beck Well No. 1 should not be plugged and abandoned.

CASE
5770

BEFORE: Daniel S. Nutter, 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
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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

I N D E X

Page

A. R. KENDRICK

Direct Examination by Mr. Carr

3

Cross Examination by Mr. Nutter

5

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

1 MR. NUTTER: We will call next Case 5770 which is
 2 in the matter of the hearing called by the CCC on its own
 3 motion to permit George H. Krause, the Hartford Accident and
 4 Indemnity Company and all other interested parties to appear
 5 and show cause why the Krause Beck Well No. 1, located in
 6 Unit J of Section 10, Township 29 North, Range 12 West,
 7 San Juan County, New Mexico, should not be plugged and
 8 abandoned in accordance with a Commission-approved plugging
 9 program.

10 Call for appearances in this case.

11 MR. CARR: William F. Carr appearing for the
 12 Commission, I have one witness, Al Kendrick, and let the
 13 record show that he is under oath.

14 MR. NUTTER: Mr. Kendrick is under oath. Are there
 15 any other appearances in Case 5770?

16 Mr. Carr?

17
 18 A. R. KENDRICK

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

21
 22 DIRECT EXAMINATION

23 BY MR. CARR:

24 Q For purposes of the record will you state your name,
 25 position and place of residence?

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

1 A. A. R. Kendrick, District Supervisor for District
 2 Three of the Oil Conservation Commission. I reside at Aztec,
 3 New Mexico.

4 Q Does District Three include that part of San Juan
 5 County involved in this case?

6 A. Yes, sir.

7 Q Do your duties as District Supervisor include making
 8 recommendations to the Commission as to when wells should be
 9 plugged and abandoned?

10 A. Yes, sir.

11 Q Are you familiar with the subject matter of this
 12 case?

13 A. Yes, sir.

14 Q What is the purpose of this case?

15 A. To allow all interested parties to appear and show
 16 why this well should not be properly plugged and abandoned.

17 Q Are you familiar with this well?

18 A. Yes, sir.

19 Q Have you reviewed all reports filed with the
 20 Commission concerning the well?

21 A. Yes, sir.

22 Q Do you have the records with you?

23 A. Yes, sir.

24 Q Will you please refer to these and give the Examiner
 25 a brief history of the well as reflected on the official records?

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

1 A. The well was drilled in 1946. It was reworked in
 2 1957. The production during 1959 was forty-three MCF, during
 3 1960 a hundred and twenty MCF, during 1961 forty-two MCF,
 4 during 1962 one hundred and five MCF. The well has not
 5 produced since.

6 The gathering line to take gas from this well has
 7 corroded in two between the wellhead and the ground. We have
 8 no record of any production or indication of any activity
 9 since 1962.

10 Q In your opinion could failure to plug this well
 11 cause waste?

12 A. Yes.

13 Q What type of a plugging program would you recommend
 14 for this well?

15 A. We prefer to work that program out as time progresses
 16 at the time the well is plugged.

17 Q How much time do you think an operator should be
 18 allowed to complete this well?

19 A. Thirty days, I think, should be sufficient.

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

21

22 CROSS EXAMINATION

23 BY MR. NUTTER:

24 Q Mr. Kendrick, the well at one time did have a gas
 25 connection to a pipeline?

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

1 A Yes, sir, it was a gas well and produced from 1947
 2 until 1962.

3 Q With those small amounts of gas?

4 A Well, those small amounts of gas were in the latter
 5 years, from 1959 through 1962 it only produced about four
 6 hundred MCF of gas.

7 Q Has the meter run been removed from the well?

8 A Yes, sir.

9 Q And what would be your recommendation as to the time
 10 schedule for action on this well?

11 A I think thirty days would be sufficient. It is close
 12 to town, it's in good sandy soil.

13 Q Have efforts been made to contact the owner of the
 14 well with regard to action on the well?

15 A We haven't received any response from the operator
 16 since 1962 so I assume the operator is probably dead.

17 Q And you would work out a plugging program with the
 18 company that was doing the work at the time the work was being
 19 done?

20 A Yes, sir.

21 MR. NUTTER: Are there any further questions of
 22 Mr. Kendrick? He may be excused.

23 (THEREUPON, the witness was excused.)

24 MR. NUTTER: Do you have anything further, Mr. Carr?

25 MR. CARR: Nothing further.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 5770? We will take the case under advisement.

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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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 correct and true transcript of the proceedings in
the Examiner hearing of Case No. 5770,
heard by me on 9/29, 1976.
C. J. [Signature], Examiner
New Mexico Oil Conservation Commission

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

Dockets Nos. 27-76 and 28-76 are tentatively set for hearing on October 13 and 27, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 1976

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Rutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5768: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Service Drilling Company, The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Gonzales-Pittman Well No. 1, located in Unit M of Section 24, Township 21 North, Range 21 East, Mora County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5769: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Juanita Frank, The Aetna Casualty and Surety Company, and all other interested parties to appear and show cause why the Greathouse Frank Well No. 2, located in Unit C of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5770: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit George H. Krause, The Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the Krause Beck Well No. 1, located in Unit J of Section 10, Township 29 North, Range 12 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5771: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 22, Township 17 South, Range 26 East, Eddy County, New Mexico, to be dedicated to its Tom Brown GO Com Well No. 1 to be drilled at an unorthodox location 660 feet from the North line and 1980 feet from the West line of said Section 22. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5772: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal BZ Well No. 16 to be drilled at a point 1980 feet from the North line and 660 feet from the East line of Section 28, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the N/2 of said Section 28 to be dedicated to the well.

CASE 5773: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Millman Unit Area comprising 2,017 acres, more or less, of State lands in Township 19 South, Range 28 East, Eddy County, New Mexico.

CASE 5774: Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Well No. 1 to be drilled at an unorthodox location 1100 feet from the North line and 1500 feet from the East line of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5775: Application of Cities Service Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 30, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Tracy "E" Well No. 1 to be drilled at an unorthodox location 1380 feet from the North line and 660 feet from the West line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

No. 481686

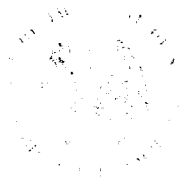
RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO George H. Krause		POSTMARK OR DATE
STREET AND NO. 405½ W. Broadway		
P. O., STATE, AND ZIP CODE Farmington, New Mexico		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt Shows to whom and date delivered <input type="checkbox"/> 10¢ fee	Receipt Shows to whom, date, and where delivered <input type="checkbox"/> 35¢ fee	Deliver to Addressee Only <input type="checkbox"/> 50¢ fee

PD Form 3800
Mar. 1966

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)



DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO
September 20, 1976



STATE GEOLOGIST
EMERY C. ARNOLD

CERTIFIED - RETURN
RECEIPT REQUESTED

George H. Krause
405½ W. Broadway
Farmington, New Mexico

Hartford Accident and Indemnity Company
Hartford Plaza
Hartford, Connecticut 06115

Re: Krause Beck Well No. 1,
located in Unit J of
Section 10, Township 29
North, Range 12 West,
San Juan County
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, September 29, 1976, at 9 o'clock a.m. in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico. Case 5770 concerns the above captioned subject matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/fd
enc.

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CASE 5775: Application of Cities Service Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 30, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Tracy "E" Well No. 1 to be drilled at an unorthodox location 1880 feet from the North line and 660 feet from the West line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 20, 1976

CERTIFIED - RETURN
RECEIPT REQUESTED

George H. Krause
405½ W. Broadway
Farmington, New Mexico

Hartford Accident and Indemnity Company
Hartford Plaza
Hartford, Connecticut 06115

Re: Krause Beck Well No. 1,
located in Unit J of
Section 10, Township 29
North, Range 12 West,
San Juan County
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, September 29, 1976, at
9 o'clock a.m. in the Oil Conservation Commission Con-
ference Room, State Land Office Building, Santa Fe, New
Mexico. Case 5770 concerns the above captioned subject
matter.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/fd
enc.

George N. Krause.
1-J 10-29N-12W ST
403 1/2 W. Broadway
Farmington, N. Mex.



Memo

8-27-76

From

A. R. KENDRICK
Supervisor

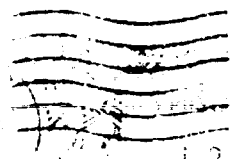
To Bill Carr:

The photo is of the George
H. Krause Beck #1, J-10-30-12.

It is hard to flow gas
across such a gap without
spilling some.

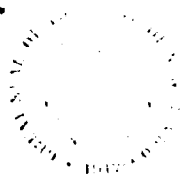
al

CONFIDENTIAL
COMMISSION
1000 RIO SACAZA RD.
ALBUQUERQUE, N.M. 87410



ADDRESSEE
UN NOW
RETURN TO SENDER

Mr. Donald L. Bowen
Hartford Accident & Indemnity Co.
Sykes Bldg.
Denver, Colorado



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS RD. - AZTEC

87410

DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

August 10, 1976

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

Re: One-well \$5000 bond
George H. Krause
Krause Beck #1, J-10-29N-12W
Hartford Accident and Indemnity Company

Dear Waldo:

We have not been able to contact Mr. Krause for several years about the well for which the subject bond was written.

Please send me an address of the New Mexico resident agent of the Hartford Accident and Indemnity Company who executed the bond. Maybe they can locate Mr. Krause.

Otherwise, we will have to docket a case to allow all interested parties to appear and justify the well in its current status.

If there are questions please contact us.

Yours very truly,

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

ARK:mc

xc: Mr. Donald L. Bowen
Hartford Accident and Indemnity Co.
Symes Bldg.
Denver, Colorado

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5770

Order No. R- 5308

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO PERMIT GEORGE H. KRAUSE, THE
HARTFORD ACCIDENT AND INDEMNITY COMPANY, AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY THE KRAUSE BECK WELL NO. 1,
LOCATED IN UNIT J OF SECTION 10, TOWNSHIP 29 NORTH, RANGE 12
WEST, SAN JUAN 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 September 29,
19 76, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of October, 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 George H. Krause is the owner and
operator of the Krause Beck Well No. 1,
located in Unit J of Section 10, Township 29 North,
Range 12 West, NMPM, San Juan County, New Mexico.

(3) That The Hartford Accident and Indemnity Company is the
surety on the Oil Conservation Commission plugging bond on which
George H. Krause is principal.

(4) That the purpose of said bond is to assure the state
that the subject well ~~(2)~~ will be properly plugged and abandoned
when not capable of commercial production.

(5) That in order to prevent waste and protect correlative
rights said Krause Beck Well No. 1 should
be plugged and abandoned in accordance with a program approved by
the Aztec District Office of the New Mexico Oil
Conservation Commission on or before December 1,
1976, or the well should be returned to active drilling
status or placed on production.

(3) That in order to prevent waste and protect correlative rights said _____ should be plugged and abandoned in accordance with a program approved by the _____ District Office of the New Mexico Oil Conservation Commission on or before _____, 19____.

IT IS THEREFORE ORDERED:

(1) That George H. Krause and The Hartford Accident and Indemnity Company are hereby ordered to plug and abandon the Krause Beck Well No. 1

located in Unit J of Section 10, Township 29 North Range 12 West, NMPM, San Juan County, New Mexico, on or before December January 1, 1976.

(2) That George H. Krause and The Hartford Accident and Indemnity Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

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

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