

CASE 6274: PLUGGING CASE - OCD
SHAR-ALAN OIL COMPANY, THE TRAVELERS
INDEMNITY CO., AND INTERESTED PARTIES
RIO ARriba COUNTY, NEW MEXICO

CASE NO.

6274

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

August 2, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Irving Pasternak
Shar-Alan Oil Company
1402 Denver U. S. National Center
Denver, Colorado 80202

Re: CASE NO. 6274
ORDER NO. R-5778

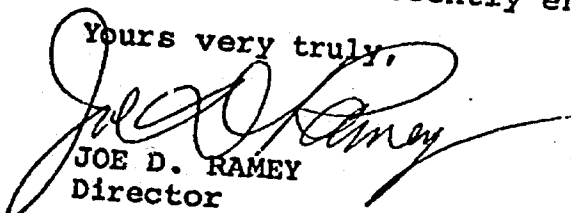
Applicant:

OCD (Shar-Alan Oil Company)

Dear Sir:

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

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 G. A. Talbert, Inc.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6274
Order No. R-5778

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT SHAR-ALAN OIL COMPANY,
THE TRAVELERS INDEMNITY CO., AND ALL OTHER INTERESTED PARTIES
TO APPEAR AND SHOW CAUSE WHY THE LILLIAN STATE WELL NO. 2-X
LOCATED IN UNIT P OF SECTION 2 AND THE EMMA McDANIEL WELL
NO. 2 LOCATED IN UNIT G OF SECTION 22, BOTH IN TOWNSHIP 24
NORTH, RANGE 1 WEST, RIO ARRIBA COUNTY, NEW MEXICO, SHOULD
NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-
APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 19, 1978,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of August, 1978, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That Shar-Alan Oil Company is the owner and operator
of the Lillian State Well No. 2-X located in Unit P of
Section 2 and the Emma McDaniel Well No. 2 located in Unit G
of Section 22, both in Township 24 North, Range 1 West, NMPM,
Rio Arriba County, New Mexico.

(3) That The Travelers Indemnity Co. is the surety on
the Oil Conservation Division plugging bond on which Shar-
Alan Oil Company is principal.

-2-

Case No. 6274
Order No. R-5778

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

(5) That in order to prevent waste and protect correlative rights said Lillian State Well No. 2-X and Emma McDaniel Well No. 2 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before October 1, 1978, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Shar-Alan Oil Company is hereby ordered to plug and abandon the Lillian State Well No. 2-X located in Unit P of Section 2 and the Emma McDaniel Well No. 2 located in Unit G of Section 22, both in Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico, or in the alternative, to return the wells to active drilling status or place the wells on production on or before October 1, 1978.

(2) That Shar-Alan Oil Company, prior to plugging and abandoning the above-described wells, shall obtain from the Aztec office of the Division, a Division-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 Division may, at its option, witness such work.

(3) 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 DIVISION


JOE D. RAMEY,
Director

S E A L

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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CALLED BY THE OIL CONSERVATION
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CONSIDERING:

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Case No. 6274

Order No. R-5778

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/

Memo

2/13/79

From

A. R. KENDRICK
Supervisor

To Lynn:

If you do not want these for your file
throw them away or give them to Liz Roybal
to check against her well files.

Case No 6274
Order R- 5778

OK to release bond.

al

NEW MEXICO OIL CONSERVATION COMMISSION - AZTEC, NEW MEXICO

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OPERATOR	1

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-102
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.
OG-78-1

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Trans Delta Oil & Gas Company, Inc. (for Shar Alan Oil Company)	8. Farm or Lease Name Lillian State
3. Address of Operator 1008 Ridglea Bank Building, 6300 Ridglea Place, Fort Worth, Texas 76116 2X	9. Well No.
4. Location of Well UNIT LETTER P 1223 FEET FROM THE East LINE AND 866 FEET FROM THE South LINE, SECTION 2 TOWNSHIP 24N RANGE 1W NMPM.	10. Field and Pool, or Wildcat
15. Elevation (Show whether DF, RT, GR, etc.) GR 7176	12. County

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

10/6/78 Ran 1½ Tubing to 2740'
10/7/78 Sat Plug #1 2740-2467' with 28 sks. Neat Cmt. Laid Down Tubing, took stretch on 4½" Csg. Found free point at 430'
10/9/78 Went in hole with shot. Found collar at 885'. Shot did not go off. Started out of hole. Shot hung a collar & pulled off at 629'. Made a dry rund & pushed slot down to 950'. Went back in hole with another shot at 885'. Shot off casing. Casing not free. Pumped into casing at 2½ BPM with 200 P.S.I. Sat plug #2 885'-785' inside & outside csg. with 25 sks. neat cmt. Casing went on a vacuum.
10/10/78 Went in hole with wire line to tag Plug #2. Tagged top of cement at 880'. Only 5' of fill inside csg. Pressured up on csg. to 800 P.S.I. Held pressure for 5 min. went in hole up tubing to 880'. Resat Plug #2 880-800' inside csg. with 7 sks. of neat cmt.
10/11/78 Shot off csg. at 398' came out of hole with csg. to 200'. Sat Plug #3 200-100' with 25 sks. of neat cmt. Laid down rest of casing.
10/11/78 Set a P & A marker with 10 sks. of cement.

Well site was cleaned and restored to pre-existing conditions.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>[Signature]</u>	TITLE <u>Land Department</u>	DATE <u>11/16/78</u>
APPROVED BY <u>[Signature]</u>	TITLE <u>SUPERVISOR DIST. #3</u>	DATE <u>NOV 20 1978</u>

NOV 20 1978
OIL CON. COM.
DIST. 3
FEB 14 1979

CONSERVATION COMM.

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Supersedes Old
C-102 and C-103
Effective 1-1-65

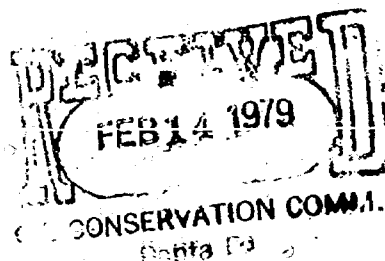
<p align="center">SUNDRY NOTICES AND REPORTS ON WELLS</p> <p align="center"><small>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)</small></p>		<p>5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/></p> <p>5. State Oil & Gas Lease No. Fee</p>
<p>1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-</p> <p>2. Name of Operator Trans Delta Oil & Gas Company, Inc. (for Shar Alan Oil Company)</p> <p>3. Address of Operator 1008 Ridglea Bank Building, 6300 Ridglea Place, Fort Worth, Texas 76116</p> <p>4. Location of Well UNIT LETTER <u>G</u> <u>1850</u> FEET FROM THE <u>North</u> LINE AND <u>1850</u> FEET FROM THE <u>East</u> LINE, SECTION <u>22</u> TOWNSHIP <u>24N</u> RANGE <u>1W</u> NMPM.</p>	<p>7. Unit Agreement Name</p> <p>8. Farm or Lease Name Emma McDaniel</p> <p>9. Well No. 2</p> <p>10. Field and Pool, or Wildcat So. Blanco PC</p>	<p>12. County Rio Arriba</p>
<p>15. Elevation (Show whether DF, RT, GR, etc.) 7159 gl</p>		

<p>16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data</p>			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	
		OTHER <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

October 10, 1978 well was plugged and abandoned by the following:

Cover perforations from 2840-2850 and from 2885-2904 with cement.
50' in and out of stub with cement. Set surface cement.
Set surface marker and level location in accordance with New Mexico Oil & Gas Commission regulations.



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>Joyce B. Sparks</u>	TITLE <u>Land Department</u>	DATE <u>1/25/79</u>
APPROVED BY <u>AK Henderson</u>	TITLE <u>SUPERVISOR DIST. 3</u>	DATE <u>1-29-79</u>

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
19 July 1978

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Shar-Alan Oil Company, the Travelers Indemnity Co., and all other interested parties to appear and show cause why the Lillian State Well No. 2-X located in Unit P of Section 2 and the Emma McDaniel Well No. 2 located in Unit G of Section 22, both in Township 24 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE
6274

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87501

SALLY WALTON BOYD

CERTIFIED SHORTHAND REPORTER

730 Bishop's Lodge Road • Phone (505) 988-3414
Santa Fe, New Mexico 87501

I N D E X

A. R. KENDRICK

Direct Examination by Ms. Teschendorf	3
Cross Examination by Mr. Stamets	7

SALLY WALTON BOYD

CERTIFIED SHORTHAND REPORTER

730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6274, being in
2 the matter of the hearing called by the Oil Conservation
3 Division on its own motion to permit Shar-Alan Oil Company,
4 The Travelers Indemnity Company, and all other interested
5 parties to appear and show cause why the Lillian State
6 Well No. 2-X located in Unit P of Section 2 and the Emma
7 McDaniel Well No. 2 located in Unit G of Section 22, both
8 in Township 24 North, Range 1 West, Rio Arriba County, New
9 Mexico, should not be plugged and abandoned in accordance
10 with a Division-approved plugging program.

11 Call for appearances in this case.

12 MS. TESCHENDORF: Lynn Teschendorf, appearing
13 on behalf of the Division. I have one witness.

14 (Witness sworn.)

15
16 A. R. KENDRICK

17 being called as a witness and having been duly sworn upon
18 his oath, testified as follows, to-wit:

19
20 DIRECT EXAMINATION

21 BY MS. TESCHENDORF:

22 Q Please state your name, by whom you are em-
23 ployed and in what capacity?

24 A A. R. Kendrick, employed by the Oil Conserva-
25 tion Division as District Supervisor at Aztec, New Mexico.

1 Q Have you previously testified before the Divi-
2 sion and are your credentials a matter of record?

3 A Yes.

4 Q Does District III include that part of Rio
5 Arriba County involved in this case?

6 A It does.

7 Q And do your duties as District Supervisor
8 include making recommendations to the Division as to when
9 a well should be plugged and abandoned?

10 A Yes.

11 Q Have you reviewed all the reports filed with
12 the Division concerning both of these wells?

13 A I have.

14 Q And do you have those records with you?

15 A I have a copy of the well file on each of
16 these wells.

17 Q Would you please refer to the records pertaining
18 to the Lillian State Well No. 2-X and summarize its history?

19 A The well was drilled in 1963. The well file
20 includes the Intent to Drill and the subsequent reports
21 of running casing, deviation tabulation, and the C-105
22 showing the completion of the well, and the form showing
23 the initial potential test was accomplished on July the
24 20th, 1966, showing the well had a potential of 1498 Mcf
25 per day absolute open flow. That's the last report we

1 have on this well.

2 Q And on what date was that filed?

3 A In 1966.

4 Q Is there a bond covering this well?

5 A Yes, the operator has a blanket plugging bond.

6 Q Do you have any other communications relevant
7 to this case that should be called to the Examiner's at-
8 tention?

9 A We have attempted to contact the operator for
10 this well and other wells in regard to temporary abandon-
11 ment and our communications to this operator have been
12 returned as undeliverable.

13 Q In your opinion could the failure to plug
14 this well cause waste?

15 A It could. This well is completed in a pro-
16 ducable gas zone according to the report. Casing failure
17 could cause the escape of this gas into other zones and
18 thereby waste gas.

19 Q Are you prepared to recommend a plugging
20 program at this time or would you prefer to describe the
21 program at the actual time of plugging?

22 A I'd prefer to wait till the actual time of
23 plugging.

24 Q Would you now refer to the records on the
25 Emma McDaniel No. 2 and summarize its history?

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 730 Bishop's Lodge Road • Phone (505) 988-3401
 Santa Fe, New Mexico 87501

1 A. We received an Intent to Drill in 1962. The
 2 well was drilled and completed as a noncommercial well.
 3 We received an Intent to Plug and Abandon in 1965. Then
 4 shortly after the company decided they had a new completion
 5 technique that might make this a commercial well.

6 In 1967 we asked a case be set to cause this
 7 well to be plugged and abandoned. The operator asked that
 8 the case not be set until they had a chance to try their
 9 new type of completion on this well to see if they could
 10 make it commercial, and a letter July 19th, 1967, advised
 11 the operator that we would not press the issue at that
 12 time.

13 Since then we've not been able to contact
 14 them and get them to continue to plug the well.

15 Q. And what date was the last form filed with
 16 the Division?

17 A. The last letter was in 1967.

18 Q. Is there anything else concerning this well
 19 that should be called to the Examiner's attention?

20 A. I don't think so.

21 Q. In your opinion could the failure to plug
 22 this well cause waste?

23 A. Yes. This well is in a producable pool.
 24 It's an edge well but it is a well that could cause waste
 25 by casing failure or water entering the pay zone or by

1 gas escaping from this into the water zone.

2 Q. Would you also prefer to recommend a plugging
3 program at the time of plugging of this well?

4 A. Yes.

5 Q. What are your recommendations for both of
6 these wells?

7 A. That they either be made useful wells and --
8 or to be plugged and abandoned.

9 Q. Did you want to submit those copies of the
10 well files as exhibits or just --

11 A. For the convenience of the staff I would make
12 them available.

13 Q. All right. I have nothing further.

14
15 CROSS EXAMINATION

16 BY MR. STAMETS:

17 Q. Mr. Kendrick, you indicated that the Lillian
18 Well had a potential of about 1-1/2 million?

19 A. Yes.

20 Q. And the current operator is perhaps defunct,
21 at least you can't find him. Is there any possibility
22 that another operator might be able to take that well and
23 put it to production?

24 A. Yes. It's about two or three miles from the
25 nearest producible well, or the nearest producing well, and

1 it's possible that the well could be made commercial by
2 someone who is active in the area.

3 The other properties owned by this Shar-Alan
4 Oil Company were transferred to other operators and these
5 are the two remaining properties of the Shar-Alan Oil
6 Company, and since they're no longer active in the area,
7 they seem to ignore the operations and their address is
8 not current enough -- or we do not find their address cur-
9 rent enough for us to get a letter to them.

10 I think their bondsman can find them right
11 readily.

12 Q But if a prudent operator took over this
13 well and indicated to you he was going to actively seek to
14 turn it into a producer, would you wish to pursue causing
15 the well to be plugged and abandoned within a set period
16 of time or do you think you can grant a little more time?

17 A I think if anyone will make either of these
18 wells, or both of these wells, useful wells, that would be
19 the thing to do rather than plug the holes.

20 The cost of redrilling and casing wells is
21 too high to throw away, so if they can be made useful, I'd
22 prefer that route.

23 Q Okay. Any other questions of the witness?
24 He may be excused.

25 Anything further in this case? Take the case

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 938-3404
Santa Fe, New Mexico 87501

1 under advisement.

2 (Hearing concluded.)

SALLY WALTON BOYD

CERTIFIED SHORTHAND REPORTER

730 Bishop's Lodge Road • Phone (505) 988-3404

Santa Fe, New Mexico 87501

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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY
 CERTIFY THAT the foregoing and attached Transcript of
 Hearing before the Oil Conservation Division was reported
 by me; that said transcript is a full, true, and correct
 record of the hearing, prepared by me to the best of my
 ability, knowledge, and skill from my notes taken at the
 time of the hearing.

Sally Walton Boyd CSR
 Sally Walton Boyd, C.S.R.

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 730 Bishop's Lodge Road - Phone (505) 988-3404
 Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6274
 heard by me on 7/27, 19 78
[Signature], Examiner
 New Mexico Oil Conservation Commission



JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

August 2, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Irving Pasternak
Shar-Alan Oil Company
1402 Denver U. S. National Center
Denver, Colorado 80202

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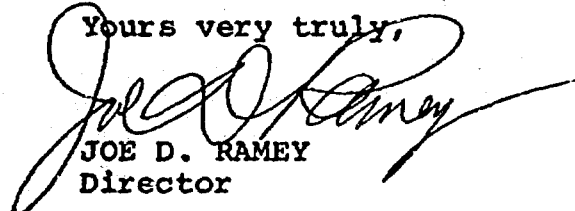
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(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That Shar-Alan Oil Company is the owner and operator of the Lillian State Well No. 2-X located in Unit P of Section 2 and the Emma McDaniel Well No. 2 located in Unit G of Section 22, both in Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.

(3) That The Travelers Indemnity Co. is the surety on the Oil Conservation Division plugging bond on which Shar-Alan Oil Company is principal.

-2-

Case No. 6274
Order No. R-5778

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

(5) That in order to prevent waste and protect correlative rights said Lillian State Well No. 2-X and Emma McDaniel Well No. 2 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before October 1, 1978, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Shar-Alan Oil Company is hereby ordered to plug and abandon the Lillian State Well No. 2-X located in Unit P of Section 2 and the Emma McDaniel Well No. 2 located in Unit G of Section 22, both in Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico, or in the alternative, to return the wells to active drilling status or place the wells on production on or before October 1, 1978.

(2) That Shar-Alan Oil Company, prior to plugging and abandoning the above-described wells, shall obtain from the Aztec office of the Division, a Division-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 Division may, at its option, witness such work.

(3) 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 DIVISION


JOE D. RAMEY,
Director

dr/



JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

June 22, 1978

Case 6274

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Ms. Lynn Teschendorf
Energy & Minerals Department - OCD
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Irving Pasternak dba Shar-Alan Oil Company

Dear Lynn:

The Travelers Indemnity Co.,

Please docket a case to allow Shar-Alan Oil Company, and all other interested parties to appear and show why their Lillian State #2-X and Emma McDaniel #2 wells located in Unit P of section 2 and G of section 22 respectively, both in township 24 north, range 1 west, Rio Arriba County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

If there are questions, please contact us.

Yours very truly,

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

ARK:mc

xc: Certified Mail

Mr. Irving Pasternak
Shar-Alan Oil Company
1402 Denver U. S. National Center
Denver, CO 80202

G. A. Talbert, Inc.
1001 Lincoln Street
Denver, CO 80203

URGENT	
LAND OFFICE	
TRANSPORTER	OIL GAS
PRODUCTION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Revised (12/1/55)

NOTICE OF INTENTION TO DRILL

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

If State Land submit 6 Copies Attach Form C-128 in triplicate to first 3 copies of form C-101

Denver, Colorado

June 24, 1963

(Place)

(Date)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

You are hereby notified that it is our intention to commence the Drilling of a well to be known as
Shar-Alan Oil Company

Lillian State

(Company or Operator)

Well No. 2-X

in J (Unit)

The well is

located 1223 feet from the East line and 866 feet from the South line of Section 2, T. 24N, R. 1W, NMPM.

(GIVE LOCATION FROM SECTION LINE) So. Blanco PC Pool, Rio Arriba County

If State Land the Oil and Gas Lease is No. OG-73-1

If patented land the owner is

Address

We propose to drill well with drilling equipment as follows: Rotary rig

The status of plugging bond is Blanket Bond on File

Drilling Contractor Rayco Drilling Company

P. O. Box 1741 Farmington, New Mexico

We intend to complete this well in the Pictured Cliffs

formation at an approximate depth of 3050' feet.

CASING PROGRAM

We propose to use the following strings of Casing and to cement them as indicated:

Size of Hole	Size of Casing	Weight per Foot	New or Second Hand	Depth	Sacks Cement
10 3/4"	8 5/8"	24#	New	100'	60
8 3/4"	4 1/2"	9.5#	New	3100'	100
	1 1/4" tbg	4.5#	New	3050'	

If changes in the above plans become advisable we will notify you immediately.

ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work.)

Refer to #2 Lillian State approved by the Oil Conservation Commission under date of 6-14-63. #2-X Lillian State is located exactly 50 feet North of original location.

Approved 6-28, 19 63
Except as follows:

Sincerely yours,

Shar-Alan Oil Company

(Company or Operator)

By Richard S. Hunt

Position Mgr. of Lands & Explorations

Send Communications regarding well to

Name Shar-Alan Oil Company

Address 1402 Denver U. S. National Center
Denver 2, Colorado

OIL CONSERVATION COMMISSION

By [Signature]

ORIGINAL SIGNED BY
RICHARD S. HUNT

RECEIVED
JUN 28 1963
OIL CON. COM.
DIST. 3

Form C-128 (5-57)

NEW MEXICO OIL & GAS

Well Location and Acreage Dedication Plat

Date 6-17-63

Section A.

Operator **SHAR-ALAN OIL COMPANY**
 Well No. **2 X** Unit Letter **P** Section **2**
 Located **816** Feet From **the SOUTH** Line, **1223**
 County **RIO ARriba** G. L. Elevation **7176'**
 Name of Producing Formation **PICTURED CLIFFS**
 Lease **LILLIAN-STATE** OG 78-1
 Township **24 NORTH** Range **1 WEST** NMPM
 Feet From **the EAST** Line
 Dedicated Acreage **160** Acres
 Pool **So BLANCO PC**

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes ☒ No ☐
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes ☐ No ☐ If answer is "yes", Type of Consolidation.

3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner	Land Description



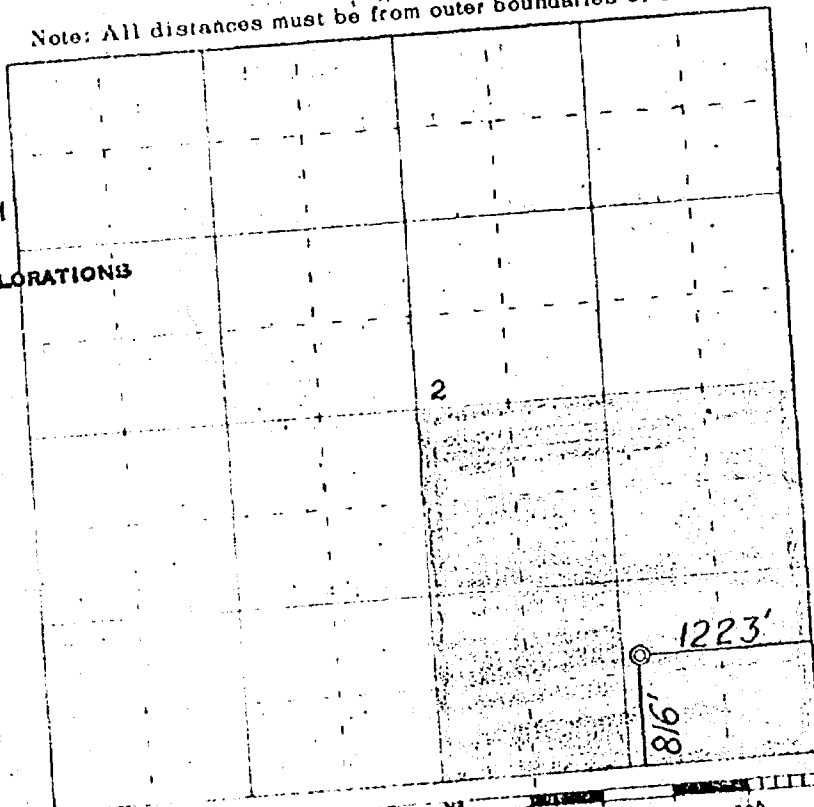
Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

SHAR-ALAN OIL COMPANY
 (Operator)
RICHARD S. HUNT, MGR. OF LANDS, EXPLORATIONS
 (Representative)
1402 DENVER U. S. NATIONAL CENTER
 (Address)
DENVER 2, COLORADO

ORIGINAL SIGNED BY
 RICHARD S. HUNT

Note: All distances must be from outer boundaries of section.



Scale 4 inches equal 1 mile



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief

Date Surveyed **12 June 1963**
James P. Louno
 Registered Professional Engineer and Land Surveyor
 N. Mex. Reg. No. **1463**
 Louno Engineering Company

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Shar-Alan Oil Company				Address 1 402 Denver U. S. National Center			
Lease Lillian State		Well No. 2 -X	Unit Letter J	Section 2	Township 24 North	Range 1 West	
Date Work Performed 6-24-63		Pool So Blanco Pictured Cliffs			County Rio Arriba		
THIS IS A REPORT OF: (Check appropriate block)							
<input checked="" type="checkbox"/> Beginning Drilling Operations		<input type="checkbox"/> Casing Test and Cement Job		<input type="checkbox"/> Other (Explain):			
<input type="checkbox"/> Plugging		<input type="checkbox"/> Remedial Work					
Detailed account of work done, nature and quantity of materials used, and results obtained. Subject well spudded 6-24-63. Set 8 5/8" surface casing at 101' and cemented same with 60 sacks. Total depth of 2757' reached 7-13-63. Set 4 1/2" casing at 2757' and cemented with 75 sacks. 50-50 pozmic plus 12 1/2% gilsonite per sacks. Plug down at 4:30 P.M. 7-13-63. Presently awaiting completion rig to frac and perforate. Electric log tops as follows: Ojo Alamo - 2360' Kirtland - 2630' Fruitland - 2633' Pic. Cliffs - 2656'							
Witnessed by		Position		Company			
FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY							
ORIGINAL WELL DATA							
REF Elev. ground		T D 2757'		PBTD		Producing Interval 7-13-63	
Tubing Diameter		Tubing Depth		Oil String Diameter		Oil String Depth	
Perforated Interval(s)							
Open Hole Interval				Producing Formation(s) Pictured Cliffs			
RESULTS OF WORKOVER							
Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD	
Before Workover							
After Workover							
OIL CONSERVATION COMMISSION				I hereby certify that the information given above is true and complete to the best of my knowledge.			
Approved by				Name Richard S. Hunt ORIGINAL SIGNED BY RICHARD S. HUNT			
Title Supervisor Dist. # 3				Position Mgr. of Lands & Explorations			
Date JUL 17 1963				Company Shar-Alan Oil Company 1402 Denver U. S. National Center Denver 2, Colorado			

July 15, 1963

Company: Shar-Alan Oil Company
Well: Lillian State # 2X
Location: 866' from SL and 1223' from EL of
Section 2, T24N, R1W,
Rio Arriba County, New Mexico

SUBJECT: Tabulation of all deviation Tests run:

Deviation Tests

<u>Feet</u>	<u>Degrees</u>
101'	1/2°
510	1/2
1493	3/4
2061	3/4
2757 (TD)	1

I hereby swear (or affirm) that the statements made are a full and correct report.

Carl Brazell

Carl Brazell, Drilling Superintendent

STATE OF NEW MEXICO)
COUNTY OF SAN JUAN)

The foregoing instrument, was acknowledged before me this 15th day of July, 1963, by Carl Brazell, Drilling Superintendent of Rayco Drilling Company.

Witness my hand and official seal.

My Commission Expires:

January 26, 1964

Walter P. [Signature]
Notary Public



DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	
OPERATION OFFICE	
OPERATOR	

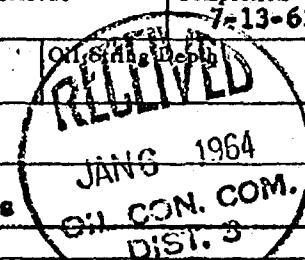
NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-103
(Rev 3-55)

MISCELLANEOUS REPORTS ON WELLS

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company Shar-Alan Oil Company		Address 1402 Denver U. S. National Center			
Lease Lillian State	Well No. 2-X	Unit Letter J	Section 2	Township 24 North	Range 1 West
Date Work Performed	Pool So Blanco Pictured Cliffs	County Rio Arriba			
THIS IS A REPORT OF: (Check appropriate block)					
<input type="checkbox"/> Beginning Drilling Operations		<input type="checkbox"/> Casing Test and Cement Job		<input checked="" type="checkbox"/> Other (Explain):	
<input type="checkbox"/> Plugging		<input type="checkbox"/> Remedial Work		Supplementary Well History Report	
Detailed account of work done, nature and quantity of materials used, and results obtained.					
<p>To supplement report of 7-16-63. Ran cement bond log. Cement O.K. Perforated Pictured Cliffs from 2698-2702; 2720-2726 and 2734-2741 with one hole per foot. Fractured down casing with 30,000# of 20/40 mesh sand and 35,000 gallons water. Breakdown pressure 800#. Treating pressure 2000-2400#. Instant shut in vacuum. Injection rate 34 BPM. Swabbed well in. Ran 1 1/4" tubing to 2710 feet.</p> <p>Well presently shut in awaiting initial test.</p>					
Witnessed by		Position		Company	
FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY					
ORIGINAL WELL DATA					
Elev. ground	T D 2757	P B T D		Producing Interval	Completion Date 7-13-63
Tubing Diameter	Tubing Depth 2710	Oil String Diameter		Oil String Depth	
Perforated Interval(s) 2698-2702; 2720-2726; XXXX 2734-2741					
Open Hole Interval		Producing Formation(s) Pictured Cliffs			
RESULTS OF WORKOVER					
Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl
Before Workover					
After Workover					
OIL CONSERVATION COMMISSION		I hereby certify that the information given above is true and complete to the best of my knowledge.			
Approved by Original Signed Emery C. Arnold		Name Richard S. Hunt			
Title Supervisor Dist. # 3		Position Mgr. of Lands & Explorations			
Date JAN 2 1964		Company Shar-Alan Oil Company			



NO. OF COPIES RECEIVED	6
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	2
LAND OFFICE	1
OPERATOR	1

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form C-105
Revised 1-1-65

1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>						5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>	
b. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>						5. State Oil & Gas Lease No. OG 78-1	
2. Name of Operator Shar-Alan Oil Company						7. Unit Agreement Name	
3. Address of Operator 1402 Denver U. S. National Center, Denver, Colorado						8. Farm or Lease Name Lillian State	
4. Location of Well						9. Well No. 2-X	
UNIT LETTER JP LOCATED 1223 FEET FROM THE East LINE AND 866 FEET FROM						10. Field and Pool, or Wildcat So Blanco PC	
THE South LINE OF SEC. 2 TWP. 24N RGE. 1W NMPM						12. County Rio Arriba	
15. Date Spudded 6-24-63	16. Date T.D. Reached 7-13-63	17. Date Compl. (Ready to Prod.) 7-20-66	18. Elevations (DF, RKB, RT, GR, etc.) GR 7176	19. Elev. Casinghead			
20. Total Depth 2757'	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Interval Drilled By Rotary Tools	24. Was Directional Survey Made yes			
24. Producing Interval(s), of this completion - Top, Bottom, Name 2698-2702; 2720-2726 and 2734-2741 - Pictured Cliffs						25. Was Well Cored no	
26. Type Electric and Other Logs Run Electrolog, cement bond and correlation logs						27. Was Well Cored no	
28. CASING RECORD (Report all strings set in well)							
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD		AMOUNT PULLED	
8 5/8"	24#	101'	10 3/4"	60 sacks			
4 1/2"	9.5#	2757'	6 3/4"	75 sacks			
29. LINER RECORD							
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	30. TUBING RECORD		
					SIZE	DEPTH SET	PACKER SET
					1 1/4	2710'	
31. Perforation Record (Interval, size and number) 2698-2702; 2720-2726 and 2734-2741 with one hole per foot.				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
				DEPTH INTERVAL			
				AMOUNT AND KIND MATERIAL USED			
				Frac treated down casing with 30,000# of 20/40 mesh sand and 35,000 gal water. BDP-800# TP-2000-2400#, ISI in vacuum IR-34-BPM			
33. PRODUCTION							
Date First Production 7-20-66		Production Method (Flowing, gas lift, pumping - Size and type pump) Prod.					
Date of Test 7-20-66	Hours Tested 3 hr	Choke Size 3/4"	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF 1,498	Water - Bbl.	Gas-Oil Ratio
Flow Tubing Press. 580	Casing Pressure 581	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)	
34. Disposition of Gas (Sold, used for fuel, vented, etc.) sold						Test Witnessed	
35. List of Attachments Open Flow Test Data Charts							
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.							
SIGNED W. J. Gomez / So				TITLE Mgr. of Lands & Exploration DATE 7-20-66			

RECEIVED
JUL 28 1966
OIL CON. COM.
DIST. 3

Fill

OPEN FLOW TEST DATA

Date: July 20, 1966
Operator: Shar-Alan Oil Company Lease: Lillian State 2-X
Location: SE/4 Section 2 Township ^{24N} 25N Range 1W County: Rio Arriba State: New Mexico
Formation: PC Pool: South Blanco
Casing: 4 1/2 " Set @ 2757 ' Tubing: 1 1/2 " Set @ 2716 '
Pay Zone: 2698 ' To: 2702 ' Total Depth: 2760 '
Choke Size: 2720 ' To: 2726 ' Choke Constant = C = 12.365
Choke Size: 2734 ' Choke Constant = C = 12.365
Stimulation Method: _____ Flow Through: Casing _____ Tubing X
Shut-in Pressure Casing: 581 psig / 12 = 593 psia (Shut-in 7 days)
Shut-in Pressure Tubing: 580 psig / 12 = 592 psia
Flowing Pressure: P : 103 psig / 12 = 115 psia
Working Pressure: P_w : 139 psig / 12 = 151 psia
Temperature: T : 58 °F / 460 = 518 °Absolute
F_{pv} (from tables) : 1.009 Gravity 620 Est n 85

$$\text{Choke Volume} = Q = C \times P_t \times F_t \times F_g \times F_{pv}$$
$$12.365 \times 115 \times 1.0019 \times .9837 \times 1.009$$

$$= \frac{1415}{Q} \text{ MCF/D}$$

$$\text{Open Flow} - Aof = Q$$

$$Aof =$$

$$\left[\frac{P_o^2 - P_w^2}{P_c^2 - P_w^2} \right]^n$$

$$= 1.0696 = 1.0588$$

$$Aof =$$

$$1498 \text{ MCF/D}$$

Tested By: _____

Witnessed By: _____



Joe Santiago
BAH

FILE	
U.S.O.	
LAND OFFICE	
TRANSPORTER	
PRODUCTION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Form O-101
Revised (12/1/55)

NOTICE OF INTENTION TO DRILL

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission. If State Land submit 6 Copies Attach Form O-128 in triplicate to first 3 copies of form O-101

Denver 2, Colorado

February 19, 1962

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

You are hereby notified that it is our intention to commence the Drilling of a well to be known as
Irving Pasternak d/b/a/ Shar-Alan Oil Company

Emma McDaniel

(Company, or Operator)

Well No. 2

in

The well is

located 1850 feet from the North line and 1850 feet from the East line of Section 22, T. 24 North, R. 1 West, NMPM.

(GIVE LOCATION FROM SECTION LINE) South Blanco-Pic. Cliffs Pool, Rio Arriba County

If State Land the Oil and Gas Lease is No.

If patented land the owner is Emma McDaniel

Address 320 Cedar Street Farmington, New Mexico

We propose to drill well with drilling equipment as follows: Rotary Tools
(Brewster N-3- Rig)

The status of plugging bond is State Bond - name of Shar-Alan Oil Co.

Drilling Contractor Rayco Drilling Company
Farmington, New Mexico

We intend to complete this well in the Pictured Cliffs formation at an approximate depth of 3050 feet.

CASING PROGRAM

We propose to use the following strings of Casing and to cement them as indicated:

Size of Hole	Size of Casing	Weight per Foot	New or Second Hand	Depth	Sacks Cement
10 3/4"	8 5/8"	24 #	New	103	60
6 3/4"	4 1/2"	9.5#	New	3030	100

If changes in the above plans become advisable we will notify you immediately.

ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work)

Approved 2-26-62, 1962
Except as follows:

OIL CONSERVATION COMMISSION

By *Arthur J. Gendrich*

Sincerely yours,

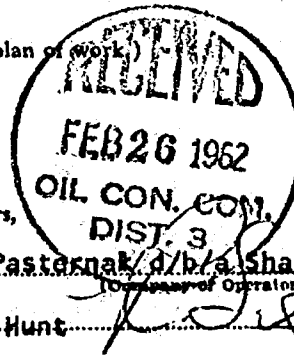
Irving Pasternak d/b/a/ Shar-Alan Oil Co.

By R. S. Hunt

Position Mgr. of Lands & Explorations
Send Communications regarding well to

Name 1402 Denver U. S. National Center

Address



NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plot

Date **May 5, 1961**

SECTION A.

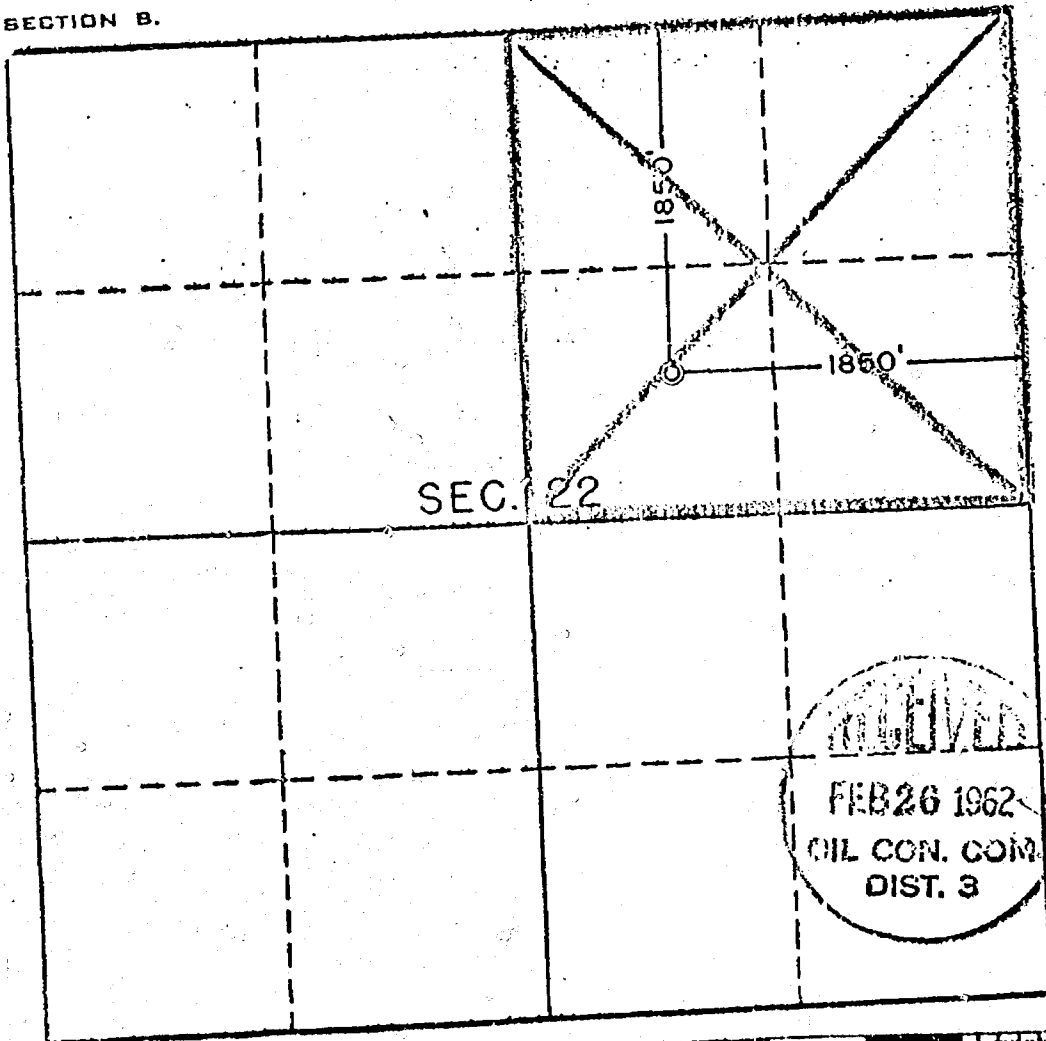
Operator **Irving Pasternack SHAR-ALAN OIL CO.** Lease **Emma McDaniel**
Well No. **2** Unit Letter _____ Section **22** Township **24 North** Range **1 West** NMPM
Located **1850** Feet From **North** Line, **1850** Feet From **East** Line
County **Rio Arriba** G. L. Elevation **7159** Dedicated Acreage _____ Acres
Name of Producing Formation **Pictured Cliffs** Pool **Undesignated**

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below? Yes ☒ No
2. If the answer to question One is "No," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____ If answer is "Yes," Type of Consolidation _____
3. If the answer to question Two is "No," list all the owners and their respective interests below:

OWNER

LAND DESCRIPTION

SECTION B.



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

SHAR-ALAN OIL COMPANY
(OPERATOR)
By **Richard S. Hunt**
(REPRESENTATIVE)
Mgr. Lands & Exploration
Box 1426
Durango, Colorado

This is to certify that the well location shown on the plat in Section B was plotted from best available actual surveys and is true and correct under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **April 18, 1961**
Four States Engineering Co.
FARMINGTON, NEW MEXICO

Emmett W. Finkbeiner
REGISTERED ENGINEER OR
LAND SURVEYOR

Certificate No. **2090**

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

May 13, 1964

Irving Pasternak
1402 Denver U.S. National Center
Denver 2, Colorado

Re: Irving Pasternak #2 Emma
McDaniel, E-22-24N-1W

Gentlemen:

Notice of Intention to Drill was filed for the above well April 26, 1962. Subsequent reports indicated that surface casing and production casing was run and cemented to the Pictured Cliffs Formation. Well Record, Form C-105, was never filed indicating whether or not the well was successfully completed.

Will you please advise of the present status of this well and file 5 copies of Form C-105 indicating completion results.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks

Form 9-331a
(Feb. 1961)

	22		

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Approval expires 12-31-60.

Land Office Santa Fe

Lease No. Fee

Unit

SUNDRY NOTICES AND REPORTS ON WELLS **RECEIVED**

NOTICE OF INTENTION TO DRILL	SUBSEQUENT REPORT OF WATER SHUT-OFF	3071	1962
NOTICE OF INTENTION TO CHANGE PLANS	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING		
NOTICE OF INTENTION TO TEST WATER SHUT-OFF	SUBSEQUENT REPORT OF ALTERING CASING		
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR		
NOTICE OF INTENTION TO SHOOT OR ACIDIZE	SUBSEQUENT REPORT OF ABANDONMENT		
NOTICE OF INTENTION TO PULL OR ALTER CASING	SUPPLEMENTARY WELL HISTORY		
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

June 5, 1962

Emma McDaniel

Well No. 2 is located 1850 ft. from [N] line and 1850 ft. from [E] line of sec. 22
NE/4 Section 22 24 North 1 West NMPM
(Of Sec. and Sec. No.) (Twp.) (Range) (Meridian)
So. Blanco Pictured Cliffs Rio Arriba New Mexico
(Field) (County or Subdivision) (State or Territory)

ground
The elevation of the derrick floor above sea level is 7159 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Subject well was spudded on April 26, 1962. Set 102' of 8 5/8" surface casing and cemented with 125 sacks. Total depth of 3020' was reached April 30, 1962. 4 1/2" casing was set at 2993' and cemented with 75 sacks, on May 1, 1962. The well was then perforated at the intervals 2840-2850; 2855-2904, and the well is presently awaiting testing.



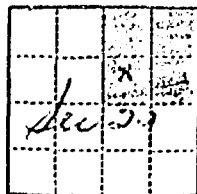
I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Shar-Alan Oil Company

Address 1402 Denver U. S. National Center
Denver, Colorado

By Richard S. Hunt
Richard S. Hunt
Title Manager of Lands & Explorations

GPO 552040



(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Approval expires 12-31-60.

Land Office _____
Lease No. **Emma McDaniel**
Unit **Fee-**

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....	SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....	SUBSEQUENT REPORT OF ABANDONMENT.....	X
NOTICE OF INTENTION TO PULL OR ALTER CASING.....	SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....		

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

December 5, 1963

Emma McDaniel

Well No. **2** is located **1850** ft. from **(N)** line and **1850** ft. from **(E)** line of sec. **22**
NE/4 Section 22 **24 North** **1 West** **NMPM**
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
El Blanco PC **Rio Arriba** **New Mexico**
(Field) (County or Subdivision) (State or Territory)

The elevation of the ~~ground~~ floor above sea level is **7159** ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

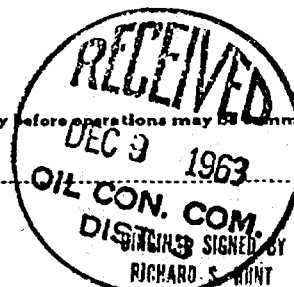
To supplement report of 6-5-62. Subject well perforated 2840-2850 and 2885-2902 with 2 holes per foot. Frac treated down casing with 30,000# sand, 35 rubber balls and 34,000 gallons of water. Breakdown pressure 1800#. Treating pressure 1700-2400#. Injection rate 38 BPM. Ran 1" tubing to 2900 feet.

12-5-63 -- Re-entered hole. Ran Bond log to total depth. Indicated good cement job. Proposed perforations 2730-2740.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company **Star-Alan Oil Company**
Address **1402 Denver U. S. National Center**
Denver, Colorado

By **Richard S. Hunt**
Title **Mgr. of Lands & Explorations**



NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	2

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

SUNDRY NOTICES AND REPORTS ON WELLS <small>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)</small>		5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		5. State Oil & Gas Lease No. Fee
2. Name of Operator Shar-Alan Oil Company		7. Unit Agreement Name
3. Address of Operator 1402 Denver U. S. National Center, Denver, Colorado		8. Farm or Lease Name Emma McDaniel
4. Location of Well UNIT LETTER G 1850 FEET FROM THE North LINE AND 1850 FEET FROM THE East LINE, SECTION 22 TOWNSHIP 24N RANGE 1W NMPM.		9. Well No. 2
15. Elevation (Show whether DF, RT, GR, etc.) 7159 gl		10. Field and Pool, or Wildcat So Blanco PC
		12. County Rio Arriba

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Cover perforations from 2840-2850 and from 2885-2904 with cement.
50' in and out of stub with cement. Set surface cement.
Set surface marker and level location in accordance with New Mexico
Oil and Gas Commission regulations.



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED AS. Gurnis TITLE Mgr. of Lands & Explorations DATE 11-23-65

APPROVED BY Emmy C. Curren TITLE Sup. Dist. III DATE 11-26-65

CONDITIONS OF APPROVAL, IF ANY:

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



1000 RIO BRAZOS ROAD
AZTEC

July 7, 1967

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

LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

Mr. George Hatch
Assistant Attorney General
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Shar-Alan Oil Company, Emma McDaniel #2
1850/N; 1850/E, Sec. 22, T24N; R 11W
Rio Arriba County, New Mexico

Dear Mr. Hatch:

On November 26, 1965, we received a letter from the operator stating that the above well was non-commercial and was to be plugged and abandoned. The operator also mailed a sundry notice, at this time, setting out a plugging program which was approved in this office on November 26, 1965. We have never received subsequent report of plugging operations and, therefore, are not aware whether the well has been plugged and abandoned.

I am, therefore, requesting that you set a hearing not sooner than thirty days nor later than sixty days from this date in order that the operator and the bonding company may show cause why this well should not be plugged and abandoned in accordance with New Mexico Oil Conservation Commission rules and regulations. This should allow the operator time to file copies of plugging information with the commission in the event that the well was plugged and abandoned. In the event that the required information is received before the expiration of the thirty day period, we will notify you in order that you may disregard the above recommendation.

Yours very truly,

Emery C. Arnold
Supervisor, District #3

ECA:mc

cc: Shar-Alan Oil Company
1402 Denver U. S. National Center
Denver, Colorado 80202

Mr. G. A. Talbert,
The Thos F. Daly Agency
1576 Sherman Street
Denver, Colorado

Aztec file

XERO COPY

XERO COPY

XERO COPY

XERO COPY

Mr. Geo. Hatch

SHAR-ALAN OIL COMPANY

1402 DENVER U. S. NATIONAL CENTER

DENVER, COLORADO 80202

July 11, 1967

Mr. Emery C. Arnold
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Dear Mr. Arnold:

In Re: Emma McDaniel No. 2
Section 22 - NE/4
Township 24 North, Range 1 West
Rio Arriba Co., New Mexico

A copy of your letter dated July 7, 1967, to Mr. George Hatch regarding the above-captioned well was received by this office. We had made all the arrangements necessary to abandon the well, but we re-considered taking this action because of certain results that we are getting from a completion method on two wells-- No. 1 Northcutt located in NW/4 of Section 22-23N-1W, and Duff No. 4 Government located in the SE/4 of Section 34-24N-1W. In both of these wells we installed a bottom hole separator, and the results to date have been more than satisfactory.

Before we plug and abandon any wells in the area, we want to thoroughly examine the possibility of applying this procedure to wells we have considered as noncommercial in the past. Therefore, we request that you set aside the proposed hearing you suggested to Mr. Hatch until we have determined what would be the proper course to follow.

Very truly yours,

SHAR-ALAN OIL COMPANY

H. F. Gumz
H. F. Gumz

Manager of Lands and Exploration

HFG:BW



DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

1000 RIO BRAZOS ROAD
AZTEC

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

July 19, 1967

Mr. H. F. Gumz, Manager of Lands & Exploration
Shar-Alan Oil Company
1402 Denver U. S. National Center
Denver, Colorado 80202

Re: Shar-Alan Oil Company
Emma McDaniel #2
NE/4 Sec. 22-24E-1W
Rio Arriba County,
New Mexico

Dear Mr. Gumz:

We have received your letter of July 11, 1967, regarding your future plans for the above well. You have stated that it is your intention to possibly produce this well by the use of new methods which you are now testing on nearby wells. In view of this information, we will delay taking any action toward making you plug this well until you have determined whether or not you can successfully produce it. Will you please send us a status report periodically advising us of your success?

Yours very truly,

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

ECA:mc

cc: (with copy of letter from Mr. Gumz dated July 11, 1967)
Mr. George Hatch
Oil Conservation Commission
Santa Fe, New Mexico

XERO COPY XERO COPY XERO COPY XERO COPY XERO COPY XERO COPY XERO COPY XERO COPY

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

January 30, 1973

C
O
P
Y

G. A. Talbert, Inc.
1001 Lincoln Street
Denver, Colorado 80303

Re: \$10,000 Blanket Plugging Bond,
Shar-Alan Oil Corporation,
Principal, The Travelers Indemnity
Company, Surety, Bond No. 1763976

Gentlemen:

Receipt of your request for cancellation of the above-captioned bond is hereby acknowledged.

The bond executed by your company on behalf of the above principal, will be cancelled February 8, 1973, as to any property or wells acquired, started, or drilled by the principal after that date.

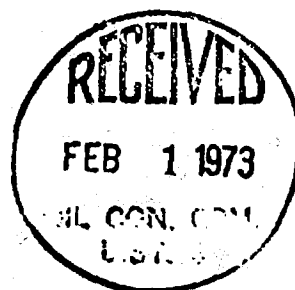
It should be noted, however, that the subject bond will remain in effect as to any property or wells acquired, started, or drilled by the principal prior to February 8, 1973.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/WEA/og

cc: Oil Conservation Commission
Artesia, Aztec, Hobbs



OIL CONSERVATION COMMISSION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

February 21, 1969

Mr. J. Rick
The Continental Insurance Companies
400 East Linwood Boulevard
Kansas City, Missouri 64109

Re: \$10,000 Blanket Plugging
Bond, Irving Pasternak, dba
Shar-Alan Oil Company,
Principal - Phoenix Assurance
Company of New York, Surety
Bond #20-60-16

Dear Sir:

Receipt of your request for cancellation of the above-captioned bond is hereby acknowledged.

In compliance with your request, the bond executed by your company on behalf of Shar-Alan Oil Company will be cancelled March 23, 1969, as to any property or wells acquired, started or drilled by the principal after that date.

It should be noted, however, that the subject bond will remain in effect as to any property or wells acquired, started or drilled by the principal prior to March 23, 1969.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/IRT/og

cc: G. A. Talbert, Inc.
1200 Lincoln St., Denver, Colorado 80203

Shar-Alan Oil Co.
1402 Denver - U. S. Natl Bank Center
Denver, Colorado 80201

Oil Conservation Commission: Artesia, Aztec, Hobbs



g.a. talbert, inc.
SURETY BONDS AND INSURANCE



July 17, 1967

Mr. Emery C. Arnold
Supervisor, District #3
State of New Mexico
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

RE: SHAR-ALAN OIL COMPANY
Phoenix Bond No. 206016
Blanket Oil & Gas Drilling Bond -to- New Mexico Oil &
Gas Conservation Commission
Emma McDaniel #2, Rio Arriba County, New Mexico

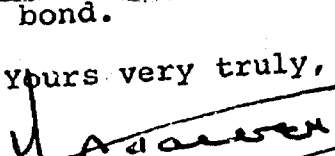
Dear Mr. Arnold:

We are in receipt of a copy of your letter dated July 7, 1967 concerning the plugging and abandoning operations connected with the well in caption.

We are certain that our principal will cooperate with you in making the proper disposition of this matter.

We are requesting that any future correspondence be sent to the writer at the address shown in this letter as opposed to the address which you have on the bond.

Yours very truly,


G. A. Talbert
President

*Mary,
please note*

GAT:cfl

CC: Mr. George Hatch
Assistant Attorney General
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Mr. Irving Pasternak
Shar-Alan Oil Company
1402 Denver U.S. National Center
Denver, Colorado 80202



OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

December 2, 1960

Mr. G. A. Talbert
The Thos F. Daly Agency Co.
1576 Sherman Street
Denver 3, Colorado

\$10,000 Blanket Plugging Bond,
Irving Pasternak dba Shar-Alan
Oil Company

Dear Sir:

The Oil Conservation Commission hereby approves
the above-captioned Blanket Plugging Bond.

Very truly yours,

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

ALP/IRT/om
cc: Shar-Alan Oil Co.

Oil Conservation Commission:
Artesia, Aztec, Hobbs





JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 10, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

CERTIFIED - RETURN
RECEIPT REQUESTED

Shar-Alan Oil Company
1402 Denver U. S. National Center
Denver, Colorado 80202

The Travelers Indemnity Co.
G. A. Talbert, Inc.
1001 Lincoln Street
Denver, Colorado 80203

Re: Lillian State Well No. 2-X,
located in Unit P of Section
2 and Emma McDaniel Well No.
2 located in Unit G of Sec-
tion 22, both in Township 24
North, Range 1 West, Rio
Arriba County
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing
to be held on Wednesday, July 19, 1978, at 9 a.m. in the Oil
Conservation Division Conference Room, State Land Office
Building, Santa Fe, New Mexico. Case 6274 concerns the above
captioned subject matter.

Very truly yours,

Lynn Teschendorf
LYNN TESCHENDORF
General Counsel *by fd*

LT/fd
enc.

Dockets Nos. 24-78 and 25-78 are tentatively set for hearing on August 2 and 16, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 19, 1978

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

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

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for August, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for August, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

✓ CASE 6274: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Shar-Alan Oil Company, The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Lillian State Well No. 2-X located in Unit P of Section 2 and the Emma McDaniel Well No. 2 located in Unit G of Section 22, both in Township 24 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6241: (Continued from June 7, 1978, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Eagle Creek Permo-Penn and West Atoka-Morrow gas production in the wellbore of its Powell DG Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.

CASE 6275: Application of Delta Drilling Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Donaldson "A" Com. Well No. 1 located 1930 feet from the North line and 2303 feet from the West line of Section 23, Township 23 South, Range 28 East, Strawn formation, Eddy County, New Mexico, the W/2 of said Section 23 to be dedicated to the well.

CASE 6276: Application of Jerome P. McHugh for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Chris Well No. 4 to be drilled 1902 feet from the South line and 1650 feet from the East line of Section 9, Township 27 North, Range 3 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, the S/2 of said Section 9 to be dedicated to the well.

Applicant further seeks authority to commingle Blanco Mesaverde and Gavilan-Pictured Cliffs production in the wellbore of said well.

CASE 6277: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gavilan Pictured Cliffs and Blanco Mesaverde production in the wellbores of his Chris Wells Nos. 3 and 3A, located in Units H and I of Section 21, Township 27 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 6253: (Continued and Readvertised)

Application of Merrion S. Bayless for a non-standard proration unit and unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 366.44-acre non-standard gas proration unit comprising the W/2 of Sections 30 and 31, Township 26 North, Range 2 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 750 feet from the East line of said Section 30.

CASE 6278: Application of Consolidated Oil & Gas, Inc., for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jenney Well No. 1-A located in Unit P of Section 13, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Blanco Mesaverde Pool and the Basin-Dakota Pool and to commingle Greenhorn gas production with the aforesaid Dakota production in said well.

CASE 6279: Application of Hanagan Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 28, Township 21 South, Range 26 East, Avalon Hills-Morrow Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 6280: Application of Energy Reserves Group, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chacra production in the wellbores of its Jicarilla 35 Well No. 6 located in Unit H of Section 1, Township 24 North, Range 5 West, and its Jicarilla 35 Wells Nos. 4 and 5, located in Unit M of Section 35 and Unit J of Section 36, respectively, both in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6281: Application of Southern Union Exploration Co. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the perforated interval from 4300 feet to 4346 feet in its Susco State Well No. 3 located in Unit N of Section 19, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico.

CASE 6282: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing, contracting, extending vertical and horizontal limits, and redesignating certain pools in McKinley, Rio Arriba, Sandoval, and San Juan Counties, New Mexico:

(a) ABOLISH the Ojito-Gallup Oil Pool in Rio Arriba County, New Mexico, described as:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: SW/4

(b) EXTEND the vertical limits of the Ojito-Dakota Oil Pool in Rio Arriba County, New Mexico, described as:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: SW/4
Section 18: SE/4
Section 19: NE/4

to include the Gallup formation and redesignate said pool the Ojito Gallup-Dakota Oil Pool and extend said pool to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: NW/4

(c) ABOLISH the Nipp-Pictured Cliffs Pool in San Juan County, New Mexico.

(d) EXTEND the horizontal limits of the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 2: W/2
Section 3: A11
Section 10: N/2
Section 11: W/2 and SE/4
Section 14: NE/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 5: E/2
Section 7: W/2 and SE/4
Section 8: E/2 and SW/4
Section 16: SW/4
Sections 17 and 18: A11
Section 19: NE/4
Section 20: A11
Section 21: W/2 and SE/4
Section 22: S/2
Section 26: SW/4
Sections 27 and 28: A11
Section 29: N/2
Sections 33, 34 and 35: A11

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 1: N/2 and SE/4
Section 2: NE/4
Section 4: NE/4
Section 12: E/2

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 30: SW/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 18: W/2
Section 19: N/2
Section 25: SE/4
Section 27: NW/4
Section 30: W/2
Section 34: SE/4
Sections 35 and 36: All

which includes, among other lands, the lands formerly contained in the Nipp-Pictured Cliffs Pool.

(e) CONTRACT the South Gallegos-Fruitland Pool in San Juan County, New Mexico, by deleting:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 8: N/2
Section 9: N/2
Section 10: N/2

(f) EXTEND the Ballard-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 7: S/2
Section 8: SW/4

(g) EXTEND the Blanco Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM
Section 5: SW/4

(h) EXTEND the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 9: SE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 22: NW/4

(i) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM
Section 10: All

(j) EXTEND the Bloomfield-Chacra Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 9: SW/4

(k) EXTEND the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 3: SE/4

(l) The advertised extension of the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, will be deferred to a later date because of an error in advertising.

(m) EXTEND the Dufers Point Gallup Dakota Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 18: W/2

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM
Section 12: W/2
Section 13: NE/4

(n) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 5: SW/4

(o) EXTEND the South Hospah-Lower Sand Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
Section 6: NW/4 SE/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 12: NW/4 NW/4

(p) EXTEND the South Hospah-Upper Sand Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
Section 5: W/2 SW/4
Section 6: S/2 SE/4
Section 7: N/2 NE/4
Section 8: NW/4 NW/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 12: NW/4 NW/4

(q) EXTEND the Kutz-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 33: NW/4

(r) EXTEND the South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM
Section 2: NE/4
Section 10: NE/4

(s) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 8: NW/4

(t) EXTEND the Papers Wash-Entrada Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM
Section 15: SE/4 SW/4
Section 16: NE/4 SE/4
Section 22: NE/4 NW/4

(u) The advertised extension of the Rusty-Chacra Pool in Sandoval County, New Mexico, will be deferred to a later date because of an error in advertising.

(v) EXTEND the Ute Dome-Dakota Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM
Section 24: S/2

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.
• Complete Items 1, 2, and 3 on the reverse.
• Moistan gummed ends and attach to front of article.
• If space permits, otherwise affix to back of article.
• Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



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G. A. Talbert, Inc.	
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1001 Lincoln Street	
P.O., STATE AND ZIP CODE	
Denver, Colorado 80203	
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RECEIPT	With delivery to addressee only 65¢
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Case #
6274*

No. 570103

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 Denver, Colorado 80203

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POSTMARK OR DATE
 File Case # 6274

No. 607075

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 Shar-Alan Oil Company
 STREET AND NO.
 1402 Denver U. S. National Center
 P.O., STATE AND ZIP CODE
 Denver, Colorado 80202

OPTIONAL SERVICES FOR ADDITIONAL FEES
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POSTMARK OR DATE
 File Case # 6274

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

CERTIFIED - RETURN
RECEIPT REQUESTED

Shar-Alan Oil Company
1402 Denver U. S. National Center
Denver, Colorado 80202

The Travelers Indemnity Co.
G. A. Talbert, Inc.
1001 Lincoln Street
Denver, Colorado 80203

Re: Lillian State Well No. 2-X,
located in Unit P of Section
2 and Emma McDaniel Well No.
2 located in Unit G of Sec-
tion 22, both in Township 24
North, Range 1 West, Rio
Arriba County
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing
to be held on Wednesday, July 19, 1978, at 9 a.m. in the Oil
Conservation Division Conference Room, State Land Office
Building, Santa Fe, New Mexico. Case 6274 concerns the above
captioned subject matter.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/fd
enc.

C
O
P
Y

Dockets Nos. 24-78 and 25-78 are tentatively set for hearing on August 2 and 16, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 19, 1978

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

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

ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for August, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6274: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Shar-Alan Oil Company, The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Lillian State Well No. 2-X located in Unit P of Section 2 and the Emma McDaniel Well No. 2 located in Unit G of Section 22, both in Township 24 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6241: (Continued from June 7, 1978, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Eagle Creek Permo-Penn and West Atoka-Morrow gas production in the wellbore of its Powell DG Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.

CASE 6275: Application of Delta Drilling Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Donaldson "A" Com. Well No. 1 located 1930 feet from the North line and 2303 feet from the West line of Section 23, Township 23 South, Range 28 East, Strawn formation, Eddy County, New Mexico, the W/2 of said Section 23 to be dedicated to the well.

CASE 6276: Application of Jerome P. McHugh for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Chris Well No. 4 to be drilled 1902 feet from the South line and 1650 feet from the East line of Section 9, Township 27 North, Range 3 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, the S/2 of said Section 9 to be dedicated to the well.

Applicant further seeks authority to commingle Blanco Mesaverde and Gavilan-Pictured Cliffs production in the wellbore of said well.

CASE 6277: Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gavilan Pictured Cliffs and Blanco Mesaverde production in the wellbores of his Chris Wells Nos. 3 and 3A, located in Units H and I of Section 21, Township 27 North, Range 3 West, Rio Arriba County, New Mexico.

CASE 6253: (Continued and Readvertised)

Application of Merrion & Bayless for a non-standard proration unit and unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 366.44-acre non-standard gas proration unit comprising the W/2 of Sections 30 and 31, Township 26 North, Range 2 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 750 feet from the East line of said Section 30.

CASE 6278: Application of Consolidated Oil & Gas, Inc., for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jenney Well No. 1-A located in Unit P of Section 13, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, to produce gas from the Blanco Mesaverde Pool and the Basin-Dakota Pool and to commingle Greenhorn gas production with the aforesaid Dakota production in said well.

CASE 6279: Application of Hanagan Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 28, Township 21 South, Range 26 East, Avalon Hills-Morrow Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. 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 6280: Application of Energy Reserves Group, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chacra production in the wellbores of its Jicarilla 35 Well No. 6 located in Unit H of Section 1, Township 24 North, Range 5 West, and its Jicarilla 35 Wells Nos. 4 and 5, located in Unit M of Section 35 and Unit J of Section 36, respectively, both in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6281: Application of Southern Union Exploration Co. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the perforated interval from 4300 feet to 4346 feet in its Susco State Well No. 3 located in Unit N of Section 19, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico.

CASE 6282: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing, contracting, extending vertical and horizontal limits, and redesignating certain pools in McKinley, Rio Arriba, Sandoval, and San Juan Counties, New Mexico:

(a) ABOLISH the Ojito-Gallup Oil Pool in Rio Arriba County, New Mexico, described as:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: SW/4

(b) EXTEND the vertical limits of the Ojito-Dakota Oil Pool in Rio Arriba County, New Mexico, described as:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: SW/4
Section 18: SE/4
Section 19: NE/4

to include the Gallup formation and redesignate said pool the Ojito Gallup-Dakota Oil Pool and extend said pool to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: NW/4

(c) ABOLISH the Nipp-Pictured Cliffs Pool in San Juan County, New Mexico.

(d) EXTEND the horizontal limits of the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 2: W/2
Section 3: All
Section 10: N/2
Section 11: W/2 and SE/4
Section 14: NE/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 5: E/2
Section 7: W/2 and SE/4
Section 8: E/2 and SW/4
Section 16: SW/4
Sections 17 and 18: All
Section 19: NE/4
Section 20: All
Section 21: W/2 and SE/4
Section 22: S/2
Section 26: SW/4
Sections 27 and 28: All
Section 29: N/2
Sections 33, 34 and 35: All

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 1: N/2 and SE/4
Section 2: NE/4
Section 4: NE/4
Section 12: E/2

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 30: SW/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 18: W/2
Section 19: N/2
Section 25: SE/4
Section 27: NW/4
Section 30: W/2
Section 34: SE/4
Sections 35 and 36: All

which includes, among other lands, the lands formerly contained in the Nipp-Pictured Cliffs Pool.

(e) CONTRACT the South Gallegos-Fruitland Pool in San Juan County, New Mexico, by deleting:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 8: N/2
Section 9: N/2
Section 10: N/2

(f) EXTEND the Ballard-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 7: S/2
Section 8: SW/4

(g) EXTEND the Blanco Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM
Section 5: SW/4

(h) EXTEND the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 9: SE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 22: NW/4

(i) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM
Section 10: All

(j) EXTEND the Bloomfield-Chacra Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 9: SW/4

(k) EXTEND the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 3: SE/4

(l) The advertised extension of the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, will be deferred to a later date because of an error in advertising.

(m) EXTEND the Dufers Point Gallup Dakota Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 18: W/2

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM
Section 12: W/2
Section 13: NE/4

(n) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 5: SW/4

(o) EXTEND the South Hospah-Lower Sand Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
Section 6: NW/4 SE/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 12: NW/4 NW/4

(p) EXTEND the South Hospah-Upper Sand Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
Section 5: W/2 SW/4
Section 6: S/2 SE/4
Section 7: N/2 NE/4
Section 8: NW/4 NW/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 12: NW/4 NW/4

(q) EXTEND the Kutz-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 33: NW/4

(r) EXTEND the South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM
Section 2: NE/4
Section 10: NE/4

(s) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 8: NW/4

(t) EXTEND the Papers Wash-Entrada Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM
Section 15: SE/4 SW/4
Section 16: NE/4 SE/4
Section 22: NE/4 NW/4

(u) The advertised extension of the Rusty-Chacra Pool in Sandoval County, New Mexico, will be deferred to a later date because of an error in advertising.

(v) EXTEND the Ute Dome-Dakota Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM
Section 24: S/2

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6274

Order No. R- 5778

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION
ON ITS OWN MOTION TO PERMIT SHAR-ALAN OIL COMPANY, THE TRAVELERS
INDEMNITY CO., AND ALL OTHER INTERESTED PARTIES TO APPEAR AND
SHOW CAUSE WHY THE LILLIAN STATE WELL NO. 2-X LOCATED IN UNIT P
OF SECTION 2 AND THE EMMA McDANIEL WELL NO. 2 LOCATED IN UNIT G
OF SECTION 22, BOTH IN TOWNSHIP 24 NORTH, RANGE 1 WEST, RIO
ARRIBA COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED
IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 19
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamejs

NOW, on this ^{August} day of July, 19 78, the Division
Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That Shar-Alan Oil Company is the owner and
Lillian State well No. 2-X located in Unit P of Section 2 and the
operator of the/ Emma McDaniel Well No. 2 located in Unit G
of Section 22, both in
located in Unit ~~xxxx~~ of Section ~~xxxx~~, Township 24 North
Range 1 West, NMPM, Rio Arriba County, New Mexico.

(3) That The Travelers Indemnity Co. is the
surety on the Oil Conservation Division plugging bond on which
Shar-Alan Oil Company is principal.

(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 correlative
rights said Lillian State Well No. 2-X and Emma McDaniel/ Well No. 2 should
be plugged and abandoned in accordance with a program approved by

the Aztec District Office of the New Mexico Oil Conservation Division on or before October 1, 19 78, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Shar-Alan Oil Company and The Travelers Indemnity Co. ^{is} ~~are~~ hereby ordered to plug and abandon the Lillian State Well No. 2-X located in Unit P of Section 2 and ^{both in} ~~located~~ in Unit 06 of Section 022, Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before October 1, 19 78.

(2) That Shar-Alan Oil Company and The Travelers Indemnity Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Division, a Division-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 Division may, at its option, witness such work.

(3) 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.