

CASE 6290: PLUGGING CASE - QCD  
R. A. CRANE, JR., GREAT AMERICAN INS.CO.  
AND ALL OTHER INTERESTED PARTIES

Continued to  
September 13

Continued to  
October  
~~September~~ 25

CASE NO.

6290

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Hearing called by the Oil Conservation  
Division on its own motion to permit  
R.A. Crane, Jr., Great American  
Insurance Co., and all other interested  
parties to appear and show cause why  
the Donella Well No. 1 located in Unit  
P. of Section 3, Township 29 North,  
Range 15 West, San Juan County,  
New Mexico, should not be plugged and  
abandoned in accordance with a  
Division-approved plugging program.

CASE  
6290

BEFORE: Daniel S. Nutter

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 Bldg.  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 El Camino Blanca (SSE) 471-2462  
Santa Fe, New Mexico 87501

I N D E X

A. R. KENDRICK

Direct Examination by Ms. Teschendorf

3

E X H I B I T S

Division Exhibit One, Photograph

5

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (SSE) 471-2462  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2021 Plaza Blanca (505) 471-3462  
Santa Fe, New Mexico 87501

Page 3

1 MR. NUTTER: The first case will be Case 6290,  
2 which is in the matter of the hearing called by the Oil  
3 Conservation Division on its own motion to permit  
4 R.A. Crane, Jr., Great American Insurance Company, and all  
5 other interested parties to appear and show cause why  
6 the Donella Well No. 1 located in Unit P of Section 3,  
7 Township 29 North, Range 15 West, San Juan County, New  
8 Mexico, should not be plugged and abandoned in accordance  
9 with a Division-approved plugging program.

10 I'll call for appearances in this case.

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

13 MR. NUTTER: Other appearances? Would you  
14 proceed Ms. Teschendorf?

15  
16 MR. 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. Would you please state your name, by whom you  
23 are employed, and in what capacity?  
24  
25

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (505) 471-3403  
Santa Fe, New Mexico 87501

1 A. A.R. Kendrick, employed by the Oil Conservation  
2 Division, as District Supervisor at Aztec, New Mexico.

3 Q. Have you previously testified before the  
4 Division and are your credentials a matter of record?

5 A. Yes.

6 MS. TESCHENDORF: Is the witness considered  
7 qualified?

8 MR. NUTTER: Yes, he is.

9 Q. Does District 3 include that part of San Juan  
10 County involved in this case?

11 A. Yes.

12 Q. And do your duties as district supervisor include  
13 making recommendations to the Division as to when wells  
14 should be plugged and abandoned?

15 A. Yes.

16 Q. What is the purpose of this case?

17 A. The purpose of this case is to allow the operator  
18 of this Donella No. 1 Well the opportunity to complete  
19 cleaning up his well location and repair it to its original  
20 condition as required by the rules and regulations.

21 Q. Has this well been ordered to be properly plugged  
22 and abandoned before?

23 A. Yes, it has. It was ordered by Order R-5487 to  
24 be plugged and abandoned by July 19, 1977. Subsequent to  
25 the order and prior to the plugging the well was taken

1 over by the current operator, which is R.A. Crane, Jr.,  
2 and in an attempt to complete the well he was unsuccessful  
3 in getting the location cleaned of junk and returned to  
4 its prior condition.

5 Q. Was the plugging job witnessed by Division  
6 personnel?

7 A. It was.

8 Q. And was the actual plugging satisfactory?

9 A. Yes.

10 Q. And the only problem we have now is that the  
11 location still has junk on it.

12 A. It has junk on it and it has not been returned  
13 to satisfactory condition for the landowner.

14 Q. Would you please refer to what we've marked  
15 as Exhibit Number One and describe that?

16 A. Exhibit Number One is a photograph which I took  
17 yesterday of the location showing the tank and part of a  
18 drilling rig and some other junk on the location.

19 Q. Okay. Is this well covered by a bond?

20 A. Yes. This operator is bonded with a \$10,000  
21 Dollar bond by the Great American Insurance Company.

22 MS. TESCHENDORF: I'd like to move that Exhibit  
23 Number One be introduced.

24 MR. NUTTER: Staff Exhibit Number One in Case  
25 6290 will be admitted as evidence.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
302 Plaza Blanca (601) 471-2443  
Santa Fe, New Mexico 87501

1 Mr. Kendrick, you have no complaint with the  
2 plugging of the well, it was simply the location and  
3 surface conditions that exist, is that correct?

4 A. That is correct. I'd like to recommend that the  
5 operator be given thirty days to finish the clean up and  
6 restore the location to its original condition.

7 MR. NUTTER: Are there any further questions of  
8 Mr. Kendrick? He may be excused. Do you have anything  
9 further, Ms. Teschendorf?

10 MS. TESCHENDORF: No, sir.

11 MR. NUTTER: Does anyone have anything they wish  
12 to offer in Case Number 6290?

13 We'll take the case under advisement.

14 (Hearing concluded.)  
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SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
2010 Plaza Blanca (955) 471-3452  
Santa Fe, New Mexico 87501



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 W. Boyd  
Sally W. Boyd, C.S.R.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (945) 471-2482  
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is  
a correct and true transcript of the proceedings in  
the Ex. Div. hearing of Case No. 6290  
heard by me on 10/25 1978.  
[Signature], Examiner  
Oil Conservation Division

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date OCTOBER 25, 1978 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
<i>CE Woodpe</i>	<i>Getty Oil</i>	<i>Tulsa</i>
<i>Jim Pease</i>	<i>Amoco</i>	<i>Houston</i>
<i>Guy Buell</i>	<i>Amoco</i>	<i>Houston</i>
<i>Donald Offield</i>	<i>Hinkle Law firm</i>	<i>Windward</i>
<i>William L. Carr</i>	<i>Caton, Caton &amp; Sawhel</i>	<i>Santa Fe</i>
<i>Gerald E Brown</i>	<i>Getty Oil</i>	<i>Denver</i>
<i>Fredrick H. Vctor</i>	<i>Enard. Exploration, Inc</i>	<i>Midland</i>
<i>Cecil H Borton</i>	<i>JACK L. Hamon</i>	<i>Midland</i>
<i>FRANK SCHATZ</i>	<i>RL BURNS CORP</i>	<i>MIDLAND</i>
<i>Jon B. McConville</i>	<i>Riverdale County Club</i>	<i>Windward</i>
<i>TOM KELLAHAN</i>	<i>KELLAHAN &amp; FOT</i>	<i>SANTA FE</i>
<i>AR Kendrick</i>	<i>OCT</i>	<i>aytec</i>
<i>R W Phillips</i>	<i>Shell Oil Co.</i>	<i>Houston</i>
<i>Hugh Ingram</i>	<i>Conoco</i>	<i>Hobbs</i>
<i>Dell Harris</i>	<i>N.P. Grace</i>	<i>Cork's bad</i>
<i>Ray Becker</i>	✓	✓
<i>Ray Graham</i>	<i>Land Office</i>	<i>Santa Fe</i>
<i>W.R. Lancaster</i>	<i>Shell Oil Co</i>	<i>Houston Tex</i>
<i>Al W. Benischek</i>	<i>Independent Royalty owner</i>	<i>Albuquerque NM</i>

## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date OCTOBER 25, 1978 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
<i>Charles E. Williams</i>	<i>Phoenix Resources Co.</i>	<i>Denver</i>
<i>J. E. Chrisman</i>	<i>Phillips Petroleum</i>	<i>Houston</i>
<i>A. J. Fore</i>	<i>Shell oil</i>	<i>Houston</i>
<i>Jason Kellahi</i>	<i>Kullah &amp; Fox</i>	<i>Santa Fe</i>
<i>William J. Mueller</i>	<i>Phillips T&amp;E</i>	<i>Odessa</i>
<i>RALPH J. Roper</i>	<i>Phillips Petroleum</i>	<i>Odessa</i>



JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

Mr. R. A. Crane, Jr.  
P. O. Box 365  
Fruitland, New Mexico

Re: CASE NO. 6290  
87416 ORDER NO. R-5844

Applicant:

OCD (R. A. Crane, Jr.)

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 Great American Insurance Company

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. 6290  
Order No. R-5844

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION  
DIVISION ON ITS OWN MOTION TO PERMIT R. A. CRANE, JR., GREAT  
AMERICAN INSURANCE CO., AND ALL OTHER INTERESTED PARTIES TO  
APPEAR AND SHOW CAUSE WHY THE DONELLA WELL NO. 1 LOCATED IN  
UNIT P OF SECTION 3, TOWNSHIP 29 NORTH, RANGE 15 WEST, SAN  
JUAN 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 October 25,  
1978, at Santa Fe, New Mexico, before Examiner Daniel S.  
Nutter.

NOW, on this 14th day of November, 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 R. A. Crane, Jr. is the owner and operator  
of the Donella Well No. 1, located in Unit P of Section 3,  
Township 29 North, Range 15 West, NMPM, San Juan County, New  
Mexico.
- (3) That Great American Insurance Co. is the surety on  
the Oil Conservation Division plugging bond on which R. A.  
Crane, Jr. 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.

-2-

Case No. 6290

Order No. R-5844

(5) That said Donella Well No. 1 has been plugged, but R. A. Crane, Jr., has failed to perform location cleanup operations as required by the plugging program approved by the Aztec District Office of the New Mexico Oil Conservation Division.

(6) That R. A. Crane, Jr., should be required to perform said location cleanup operations on or before December 15, 1978.

IT IS THEREFORE ORDERED:

(1) That R. A. Crane, Jr. is hereby ordered to perform satisfactory location cleanup operations at the site of the Donella Well No. 1, located in Unit P of Section 3, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico, on or before December 15, 1978.

(2) 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  
State Land Office Building  
Santa Fe, New Mexico  
13 September 1978

EXAMINER HEARING

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IN THE MATTER OF: )  
 )  
 )  
Hearing called by the Oil Conservation )  
Division on its own motion to permit )  
R. A. Crane, Jr., Great American Insurance )  
Co., and all other interested parties to )  
appear and show cause why the Donella )  
Well NO. 1 located in Unit P of Section 3, )  
Township 29 North, Range 15 West, San )  
Juan County, New Mexico, should not be )  
plugged and abandoned in accordance with )  
a Division-approved plugging program. )  
-----

CASE  
6290

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 Bldg.  
Santa Fe, New Mexico 87501

MR. STAMETS: We'll call next Case 6290.

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all interested parties to appear and show cause why a certain well in San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

MS. TESCHENDORF: I would request that the hearing be continued to the Examiner Hearing to be held on October the 25th.

MR. STAMETS: Okay. Case 6290 will be so continued.

(Hearing concluded.)



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

Sally Walton Boyd, C.S.R.

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of Case No. 6290  
 heard by me on 9-13 1978.  
Richard L. Starn, Examiner  
 Oil Conservation Division

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

Dockets Nos. 35-78 and 36-78 are tentatively set for hearing on November 8 and 21, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 25, 1978

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

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

CASE 6290: (Continued from September 13, 1978, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6339: (Continued from October 11, 1978, Examiner Hearing)

Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 22, Township 23 South, Range 28 East, 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 6355: Application of Amoco Production Company for two unorthodox well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox locations of its South Mattix Unit Well No. 32 located 1535 feet from the North line and 330 feet from the East line and its South Mattix Unit Well No. 34 located 1650 feet from the North line and 2310 feet from the West line, both in Section 22, Township 24 South, Range 37 East, Fowler-Upper Yeso Pool, Lea County, New Mexico, the S/2 NE/4 and the E/2 NW/4 of Section 22 to be dedicated, respectively, to the wells.

CASE 6356: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation through the perforated interval from 8391 feet to 9100 feet in its State "E" Tract 18 Well No. 21 located in Unit B of Section 2, Township 17 South, Range 36 East, Lovington-Abo Pool, Lea County, New Mexico.

CASE 6357: Application of Enserch Exploration, Inc., for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Pennsylvanian formation for its Lambirth Well No. 4 located in Unit O of Section 31, Township 5 South, Range 33 East, Roosevelt County, New Mexico, and for promulgation of special pool rules, including provision for 80-acre spacing and special well location requirements.

CASE 6358: Application of Jake L. Hamon for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the perforated interval from 12,997 feet to 13,036 feet in his State K-33 Well No. 2 located in Unit N of Section 30, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 6359: Application of Getty Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup and Dakota production in the wellbore of its Jicarilla "C" Well No. 27 located in Unit E of Section 33, Township 25 North, Range 5 West. Applicant further seeks provision for administrative approval for downhole commingling of the Gallup and Dakota formations in others of its wells on its Jicarilla "B" and Jicarilla "C" leases in Sections 5 and 6, Township 24 North, Range 5 West, and Sections 21, 22, 27, 28 and 31 thru 34, Township 25 North, Range 5 West, all in Rio Arriba County, New Mexico.

CASE 6368: Application of Getty Oil Company for the amendment of Order No. R-5388, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5388 to provide an administrative procedure to permit the downhole commingling of Pictured Cliffs and Chacra production in wells on its Jicarilla "B" and "C" Leases in Sections 21, 22, 27, 28, and 31 thru 34, Township 25 North, Range 5 West, and Sections 5 and 6, Township 24 North, Range 5 West, all in Rio Arriba County, New Mexico.

CASE 6360: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 228-acre non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's Lockhart A-18 Wells Nos. 3 and 4, located in Units K and M, respectively, of said Section 18.

- CASE 6361:** Application of Continental Oil Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Buffalo-Pennsylvanian Gas Pool, Lea County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Wolfcamp and Pennsylvanian gas pools rather than the present 160-acre spacing.
- CASE 6362:** Application of Continental Oil Company for an unorthodox gas well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 294.9-acre non-standard gas proration unit comprising the S/2 of partial Section 19, Township 17 South, Range 29 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 660 feet from the South line and 3300 feet from the East line of said Section 19 to test the Morrow formation.
- CASE 6363:** Application of Phoenix Resources Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North and West lines of Section 16, Township 19 South, Range 21 East, Eddy County, New Mexico, to be drilled to the Mississippian formation, the W/2 of said Section 16 to be dedicated to the well.
- CASE 6364:** Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation underlying the NW/4 SE/4 of Section 23, Township 20 South, Range 38 East, Lea County, New Mexico, to be dedicated to a proposed oil well to be drilled at a standard location thereon. Applicant seeks the pooling of the SE/4 of said Section 23 in the event said drilling results in a gas well. 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 6365:** Application of Michael P. Grace II for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 25, Township 21 South, Range 26 East, Burton Flat Field, 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 6366:** Application of Phillips Petroleum Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of a pressure maintenance project, all mineral interests in the East Vacuum Grayburg-San Andres Unit encompassing 7,025 acres, more or less, underlying all or portions of the following lands in Lea County, New Mexico: Section 24, Township 17 South, Range 34 East; Sections 18 thru 29 and 31 thru 35, Township 17 South, Range 35 East; and Sections 4 and 5, Township 18 South, Range 35 East.
- The unitized interval would be the Grayburg-San Andres Formation between the depths of 4,050 feet and 5,050 feet in Exxon's NM State "K" Well No. 19, located in Unit P of Section 28, Township 17 South, Range 35 East.
- Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.
- CASE 6367:** Application of Phillips Petroleum Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its East Vacuum Grayburg-San Andres Unit, Lea County, New Mexico, by the injection of water into the Grayburg-San Andres formation; and the establishment of an administrative procedure for approval of injection and producing wells at unorthodox locations.

STATE OF NEW MEXICO  
ENERGY AND MINERAL DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
16 August 1978

EXAMINER HEARING

IN THE MATTER OF:

In the matter of the hearing called  
by the Oil Conservation Division on  
its own motion to permit R. A. Crane,  
Jr., Great American Insurance Co.,  
and all other interested parties to  
appear and show cause why the  
Donella Well No. 1 located in Unit P  
of Section 3, Township 29 North,  
Range 15 West, San Juan County, New  
Mexico, should not be plugged and  
abandoned in accordance with a  
Division-approved plugging program.

CASE  
6290

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

1 MR. STAMETS: We'll call next Case 6290, being  
2 in the matter of consideration by the Oil Conservation Divi-  
3 sion on its own motion to permit R. A. Crane, Jr., Great  
4 American Insurance Company, and all other interested parties  
5 to appear and show cause why the Donella Well No. 1, San  
6 Juan County, New Mexico, should not be plugged and abandoned  
7 in accordance with a Division-approved plugging program.

8 Call for appearances in this case.

9 MS. TESCHENDORF: Lynn Teschendorf, appearing  
10 on behalf of the Division.

11 We ask that this case be continued to the  
12 Examiner Hearing held on September 13th.

13 MR. STAMETS: This case will be so continued.  
14 (Hearing concluded.)  
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SALLY WALTON BOYD

CERTIFIED SHORTHAND REPORTER

733 Bishop's Lodge Road • Phone (505) 888-3104  
Santa Fe, New Mexico 87501

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 the said transcript is a full, true, and correct record of the said 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.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6790, heard by me on 8-16, 1928.  
Richard L. Hunt, Examiner  
New Mexico Oil Conservation Commission

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

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AUG - 8 1978  
GREAT AMERICAN INSURANCE COMPANIES

August 4, 1978

Mr. Lynn Teschendorf  
General Counsel  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Case No. 6290  
R.A. Crane

Dear Mr. Teschendorf:

We are the bonding company for the plugging bond in the amount of \$10,000 for Mr. Crane and are in receipt of your correspondence to our insured dated July 31, 1978. I have received the copy which went to the Kaiser Insurance Agency in Farmington.

I have consulted with our agency in Farmington who wrote this bond for Mr. Crane and there appears to be reason for concern in this matter which may be due to some financial problems involving Mr. Crane. This is not factual information that I have personally received but only hearsay. In any event, we are writing to Mr. Crane and advising him what the bond requires and that he should attend the hearing.

The purpose in writing to you is to request that in the event Mr. Crane does not show up we would appreciate you letting us know in what way we can cooperate with your division as well as if there might be anything that could be done in the meantime.

Should you have any questions regarding this matter, please do not hesitate to contact the writer and I would appreciate hearing from you prior to the hearing date of August 16, 1978.

Very truly yours,

J. M. Tanner  
Claim Manager  
GREAT AMERICAN INSURANCE COMPANY

JMT:\*

cc Kaiser Insurance Agency, Inc.  
Attn: Ken Gehrke

August 4, 1978

Mr. R. A. Crane, Jr.  
P. O. Box 356  
Fruitland, New Mexico 87416

Re: Bond No. 382-57-12  
\$10,000 plugging bond

Dear Mr. Crane:

We are in receipt of correspondence from the Oil Conservation Division in Santa Fe regarding a hearing scheduled for August 16, 1978, at 9:00 in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe. Your case is 6290 and concerns the plugging of the Donella Well #1, located in Unit P of Section 3, Township 29 North, Range 16 West, San Juan County. We would appreciate hearing from you immediately as to what action you contemplate in this matter.

In the event you fail to appear and Great American Insurance Company is required to pay any moneys under this bond, we will look toward you for reimbursement. If you have any questions regarding this matter, please contact us immediately.

Very truly yours,

J. M. Tanner  
Claim Manager  
GREAT AMERICAN INSURANCE COMPANY

JMT:\*

cc Mr. Lynn Teschendorf  
General Counsel  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Kaiser Insurance Agency, Inc.  
Attn: Ken Gehrke



UNITED STATES POSTAL SERVICE  
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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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OIL CONSERVATION DIVISION  
(Name of Sender)

POST OFFICE BOX 2088  
(Street or P.O. Box)

SANTA FE, NEW MEXICO 87501  
(City, State, and ZIP Code)

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
R. A. Crane, Jr.		
STREET AND NO.		
P. O. Box 365		
P.O., STATE AND ZIP CODE		
Fruitland, New Mexico 87416		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1970 O-397-498

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Great American Insurance Co.		
STREET AND NO.		
580 Walnut St.		
P.O., STATE AND ZIP CODE		
Cincinnati, Ohio 45202		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1970 O-397-498

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO		POSTMARK OR DATE
Kysar Insurance Agency, Inc.		
STREET AND NO.		
300 W. Arrington		
P.O., STATE AND ZIP CODE		
Farmington, New Mexico 87401		
OPTIONAL SERVICES FOR ADDITIONAL FEES		
RETURN RECEIPT SERVICES	1. Shows to whom and date delivered ..... 15¢ With delivery to addressee only ..... 65¢ 2. Shows to whom, date and where delivered ..... 35¢ With delivery to addressee only ..... 85¢	
DELIVER TO ADDRESSEE ONLY ..... 50¢		
SPECIAL DELIVERY (extra fee required) .....		

PS Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)  
Apr. 1971 NOT FOR INTERNATIONAL MAIL \* GPO: 1970 O-397-498

PS Form 3811, Nov. 1976

● SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
☒ Show to whom and date delivered .....25¢  
☐ Show to whom, date, & address of delivery .....45¢  
☐ RESTRICTED DELIVERY.  
Show to whom and date delivered .....85¢  
☐ RESTRICTED DELIVERY.  
Show to whom, date, and address of delivery ...\$1.05  
(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:  
R. A. Crane, Jr.  
P. O. Box 365  
Fruitland, New Mexico 87416

3. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
540118

(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE ☐ Addressee ☐ Authorized agent

4. *Sheresa Anderson*  
DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

★ GPO: 1976-O-203-456

PS Form 3811, Nov. 1976

● SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
☒ Show to whom and date delivered .....25¢  
☐ Show to whom, date, & address of delivery .....45¢  
☐ RESTRICTED DELIVERY.  
Show to whom and date delivered .....85¢  
☐ RESTRICTED DELIVERY.  
Show to whom, date, and address of delivery ...\$1.05  
(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:  
Great American Insurance Co.  
580 Walnut St.  
Cincinnati, Ohio 45202

3. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
540120

(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE ☐ Addressee ☐ Authorized agent

4. *Jim Deming*  
DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

★ GPO: 1976-O-203-456

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 1  
CASE NO. 10290

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO  
R. A. Crane, Jr.  
STREET AND NO.  
P. O. Box 365  
P.O., STATE AND ZIP CODE  
Fruitland, New Mexico 87416

OPTIONAL SERVICES FOR ADDITIONAL FEES  
RETURN RECEIPT SERVICES  
1. Shows to whom and date delivered .....15¢  
With delivery to addressee only .....65¢  
2. Shows to whom, date and where delivered .....35¢  
With delivery to addressee only .....85¢  
DELIVER TO ADDRESSEE ONLY .....50¢  
SPECIAL DELIVERY (extra fee required) .....50¢

POSTMARK OR DATE

PS Form 3800 Apr. 1971 NO INSURANCE COVERAGE PROVIDED— (See other side)  
NOT FOR INTERNATIONAL MAIL ★ GPO: 1970-O-397-496

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO  
Great American Insurance Co.  
STREET AND NO.  
580 Walnut St.  
P.O., STATE AND ZIP CODE  
Cincinnati, Ohio 45202

OPTIONAL SERVICES FOR ADDITIONAL FEES  
RETURN RECEIPT SERVICES  
1. Shows to whom and date delivered .....15¢  
With delivery to addressee only .....65¢  
2. Shows to whom, date and where delivered .....35¢  
With delivery to addressee only .....85¢  
DELIVER TO ADDRESSEE ONLY .....50¢  
SPECIAL DELIVERY (extra fee required) .....50¢

POSTMARK OR DATE

PS Form 3800 Apr. 1971 NO INSURANCE COVERAGE PROVIDED— (See other side)  
NOT FOR INTERNATIONAL MAIL ★ GPO: 1970-O-397-496

PS Form 3811, Nov. 1976

● SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
☒ Show to whom and date delivered .....25¢  
☐ Show to whom, date, & address of delivery .....45¢  
☐ RESTRICTED DELIVERY.  
Show to whom and date delivered .....85¢  
☐ RESTRICTED DELIVERY.  
Show to whom, date, and address of delivery ...\$1.05  
(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:  
Kysar Insurance Agency, Inc.  
300 W. Arrington  
Farmington, New Mexico 87401

3. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
540119

(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE ☐ Addressee ☐ Authorized agent

4. *Angela Gutierrez*  
DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

★ GPO: 1976-O-203-456

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

SENT TO  
Kysar Insurance Agency, Inc.  
STREET AND NO.  
300 W. Arrington  
P.O., STATE AND ZIP CODE  
Farmington, New Mexico 87401

OPTIONAL SERVICES FOR ADDITIONAL FEES  
RETURN RECEIPT SERVICES  
1. Shows to whom and date delivered .....15¢  
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With delivery to addressee only .....85¢  
DELIVER TO ADDRESSEE ONLY .....50¢  
SPECIAL DELIVERY (extra fee required) .....50¢

POSTMARK OR DATE

PS Form 3800 Apr. 1971 NO INSURANCE COVERAGE PROVIDED— (See other side)  
NOT FOR INTERNATIONAL MAIL ★ GPO: 1970-O-397-496

Show cause hearing

R.A. Crane, Jr.  
Great American Insurance Co.  
Donella Well No. 1  
P - 3 - 29N - 15W

Case 6290

R-5487  
G & B Oil Co.

# Memo

7-20-78  
From

A. R. KENDRICK  
Supervisor

To Lynn:

R.A. Crane, Jr. just  
called to say that he cannot  
get a rig to move on  
to his Donella #1 well.

Two weeks ago Larry  
Bedford was looking for  
work.

It may be that the  
contractors want their  
cash in advance.

AK

Dockets Nos. 28-78 and 29-78 are tentatively set for hearing on August 30 and September 13, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 16, 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. Mutter, Alternate Examiner:

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

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

CASE 6290: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6291: Application of Mesa Petroleum Co. for a triple completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its State Com S Well No. 15A located in Unit D of Section 36, Township 32 North, Range 12 West, San Juan County, New Mexico, to produce gas from an undesignated Fruitland pool, the Blarco-Pictured Cliffs Pool, and the Blanco Mesaverde Pool thru two strings of tubing and the casing-tubing annulus.

CASE 6292: Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Teledyne Federal Gas Com. Well No. 1 to be drilled 660 feet from the South line and 330 feet from the East line of Section 4, Township 23 South, Range 29 East, Eddy County, New Mexico, the E/2 of said Section 4 to be dedicated to the well.

CASE 6293: Application of Cities Service Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Polk "A" Well No. 1 located in Unit B of Section 17, Township 23 South, Range 28 East, Eddy County, New Mexico, to produce gas from the Strawn and Morrow formations thru parallel strings of tubing.

CASE 6279: (Continued from August 2, 1978, Examiner Hearing)

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 6288: (Continued from August 2, 1978, Examiner Hearing)

Application of Dorchester Exploration, Inc., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Strawn formation for its Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing;

in the alternative, applicant seeks approval of 80-acre spacing for said pool. (This case will be dismissed.)

CASE 6294: Application of El Paso Natural Gas Company for an exception to Rule 2(A) of Order No. R-1670, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(A) of Order No. R-1670, as amended, for the Blanco Mesaverde Pool to approve the unorthodox location of its EPNG "B" Well No. 1, located in Unit O of Section 28, Township 32 North, Range 6 West, San Juan County, New Mexico, as an off-pattern well in said pool.

CASE 6286: (Continued from August 2, 1978, Examiner Hearing)

Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota gas production in the wellbore of its EPNG "B" Well No. 1 located in Unit O of Section 28, Township 32 North, Range 6 West, San Juan County, New Mexico.

CASE 6287: (Continued from August 2, 1978, Examiner Hearing)

Application of Jack A. Cole for an unorthodox gas well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Apache Flats Well No. 11, located 1712 feet from the South line and 1223 feet from the East line of Section 28, Township 23 North, Range 4 West, Ballard-Pictured Cliffs Pool, Sandoval County, New Mexico.

CASE 6295: Application of Yates Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Austin-Mississippian Gas Pool, Lea County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for deep gas pools.

In the alternative, the applicant seeks to limit the 160-acre spacing rules of said Austin-Mississippian Gas Pool to the present horizontal limits of the pool.

CASE 6296: Application of Texaco Inc. for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its A. H. Blinbry Fed. (NCT-4) Well No. 3 located 700 feet from the South line and 2100 feet from the East line of Section 31, Township 22 South, Range 38 East, Tubb Gas Pool, Lea County, New Mexico, the S/2 S/2 of said Section 31 to be simultaneously dedicated to the aforesaid well and to applicant's A. H. Blinbry Fed. (NCT-4) Well No. 1 located in Unit P of said Section 31.

CASE 6297: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Indian Flats-Atoka Gas Pool. The discovery well is Perry R. Bass Big Eddy Unit Well No. 41 located in Unit J of Section 35, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM  
Section 35: E/2

(b) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Lonesome-San Andres Pool. The discovery well is Flag-Redfern Oil Company Wilson Well No. 1 located in Unit A of Section 31, Township 8 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM  
Section 31: NE/4

(c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the Many Gates-Morrow Gas Pool. The discovery well is Amoco Production Company State DQ Well No. 1 located in Unit C of Section 32, Township 9 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM  
Section 32: N/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Millman-Wolfcamp Gas Pool. The discovery well is Depco, Inc. DHY State B Well No. 1 located in Unit L of Section 11, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 11: W/2

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the South Shoe Bar-Morrow Gas Pool. The discovery well is HNG Oil Company Shoe Bar Ranch "3" Well No. 1 located in Unit C of Section 3, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
Section 3: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Wilson-Strawn Pool. The discovery well is Dorchester Exploration, Inc. Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 13: SE/4

(g) CONTRACT the vertical limits of the Wilson-Pennsylvanian Gas Pool in Township 21 South, Range 34 East, Lea County, New Mexico, to the Morrow formation only, and redesignate said pool as the Wilson-Morrow Gas Pool. This contraction is necessary because of the completion of a Strawn oil well in same pool acreage.

(h) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
Section 16: SW/4  
Section 17: SE/4

(i) EXTEND the Avalon-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 10: W/2

(j) EXTEND the Avalon-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 3: S/2  
Section 10: W/2

(k) EXTEND the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM  
Section 7: S/2  
Section 18: N/2

(l) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 29: NE/4

(m) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 5: SW/4  
Section 6: SE/4

(n) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 14: E/2

(o) EXTEND the East Burton Flat-Atoka Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 16: E/2  
Section 20: N/2  
Section 21: N/2

(p) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 29: E/2

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 21: N/2

(q) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM  
Section 32: SW/4

(r) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 20: S/2  
Section 21: S/2  
Section 28: N/2

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 36: N/2

- (s) EXTEND the Comanche Stateline-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 28: N/2

- (t) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 7: E/2 and SW/4

- (u) EXTEND the Eagle Creek-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 5: W/2  
Section 6: E/2

- (v) EXTEND the E K-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 32: NE/4  
Section 33: W/2

- (w) EXTEND the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM  
Section 31: N/2

- (x) EXTEND the Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 15: S/2

- (y) EXTEND the Justis-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 3: E/2 SE/4

- (z) EXTEND the West King-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM  
Section 8: NW/4

- (aa) EXTEND the South Leonard-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM  
Section 13: NW/4  
Section 14: W/2

- (bb) EXTEND the Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 11: SE/4

- (cc) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 20: S/2  
Section 29: N/2

- (dd) EXTEND the Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 13: W/2 SE/4 and NE/4 SE/4

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 18: SW/4



(ee) EXTEND the Revelation-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM  
Section 10: E/2

(ff) EXTEND the Sand Springs-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM  
Section 2: SE/4

(gg) EXTEND the North Teague-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 27: NE/4

(hh) EXTEND Tom-Tom San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM  
Section 33: W/2

(ii) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 3: NE/4

(jj) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 35: NE/4

(kk) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 28: NW/4  
Section 29: NE/4

(ll) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 8: All

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM  
Section 4: All  
Section 10: All

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DOCKET: COMMISSION HEARING - WEDNESDAY - AUGUST 9, 1978

OIL CONSERVATION COMMISSION - 3 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6222: (Rehearing)

Application of Paul Hamilton for salt water disposal well shut-in, Lea County, New Mexico. Upon application of Paul Hamilton there will be a rehearing of Case No. 6222, Order No. R-5753. This case involves the application of Paul Hamilton for an order shutting down salt water disposal operations in the Texaco, Inc., New Mexico State "BO" SWD Well No. 3, located in Unit D of Section 24, Township 11 South, Range 32 East, Moore-Devonian Pool, Lea County, New Mexico. Pursuant to Commission Order No. R-5753-A, evidence at said rehearing shall be limited to evidence relating to data regarding water quality and water level obtained from an observation well completed next to the aforesaid SWD Well No. 3, and to other new evidence unavailable at the time of the original hearing of this case on May 31, 1978. (This case will be continued to August 23.)



CASE 6289: Application of Bill Taylor for enforcement and amendment of Order No. R-5332, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination of well costs, an accounting of expenditures and costs withheld from production, and the amendment of Order No. R-5332 to remove the present operator of the pooled proration unit comprising the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, and designate another operator for said unit.

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DOCKET: COMMISSION HEARING - WEDNESDAY - AUGUST 23, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6222: (Rehearing) (Continued from August 9, 1978; Commission Hearing)

Application of Paul Hamilton for salt water disposal well shut-in, Lea County, New Mexico. Upon application of Paul Hamilton there will be a rehearing of Case No. 6222, Order No. R-5753. This case involves the application of Paul Hamilton for an order shutting down salt water disposal operations in the Texaco, Inc., New Mexico State "BO" SWD Well No. 3, located in Unit D of Section 24, Township 11 South, Range 32 East, Moore-Devonian Pool, Lea County, New Mexico. Pursuant to Commission Order No. R-5753-A, evidence at said rehearing shall be limited to evidence relating to data regarding water quality and water level obtained from an observation well completed next to the aforesaid SWD Well No. 3, and to other new evidence unavailable at the time of the original hearing of this case on May 31, 1978.

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

July 31, 1978

CERTIFIED - RETURN  
RECEIPT REQUESTED

R. A. Crane, Jr.  
P. O. Box 356  
Fruitland, New Mexico 87416

Great American Insurance Co.  
580 Walnut St.  
Cincinnati, Ohio 45202

Re: Donella Well No. 1, located  
in Unit P of Section 3, Town-  
ship 29 North, Range 15 West,  
San Juan County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the legal advertisement of the Examiner  
Hearing to be held on Wednesday, August 16, 1978, at 9 o'clock a.m.  
in the Oil Conservation Division Conference Room, State Land Office  
Building, Santa Fe, New Mexico. Case 6290 concerns the above cap-  
tioned subject matter.

Very truly yours,

LYNN TESCHENDORF  
General Counsel

LT/fd  
enc.

cc: Kysar Insurance Agency, Inc.  
300 W. Arrington  
Farmington, New Mexico 87401

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DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

*JSR*

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

CASE NO. 6290

Order No. R- 5844

*23*  
*RLS*

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION  
DIVISION ON ITS OWN MOTION TO PERMIT R. A. CRANE, JR., GREAT  
AMERICAN INSURANCE CO., AND ALL OTHER INTERESTED PARTIES TO  
APPEAR AND SHOW CAUSE WHY THE DONELLA WELL NO. 1 LOCATED IN  
UNIT P OF SECTION 3, TOWNSHIP 29 NORTH, RANGE 15 WEST, SAN JUAN  
COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN  
ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

*[Signature]*

This cause came on for hearing at 9 a.m. on October 25,  
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of October, 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 R. A. Crane, Jr. is the owner and  
operator of the Donella Well No. 1  
located in Unit P of Section 3, Township 29 North,  
Range 15 West, NMPM, San Juan County, New Mexico.

(3) That Great American Insurance Co. is the  
surety on the Oil Conservation Division plugging bond on which  
R. A. Crane, Jr. 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 Donella Well No. 1 *has been* ~~should~~  
~~be plugged, and abandoned in accordance with a program approved by~~  
*but R.A. Crane, Jr., has failed to perform location*  
*cleanup operations as required by the plugging*

(6) That ~~in order to~~ <sup>said</sup> R. A. Crane, Jr., should be required to perform location cleanup operations on or before December 15, 1978.

program approved by

the Aztec District Office of the New Mexico Oil Conservation Division on or before \_\_\_\_\_, 19\_\_\_\_, ~~or the well should be returned to active drilling status or placed on production~~

(6)

IT IS THEREFORE ORDERED:

*satisfactory*

(1) That R. A. Crane, Jr. and Great American Insurance Co. <sup>*is*</sup> ~~are~~ hereby ordered to <sup>*perform location cleanup*</sup> ~~plug and abandon~~ <sup>*operations at the SA of*</sup> the Donella Well No. 1

located in Unit P of Section 3, Township 29 North Range 15 West, NMPM, San Juan County, New Mexico, ~~or in the alternative, to return the well to active drilling status or place the well on production on or before~~ Dec. 15, 19 78.

~~(2) That R. A. Crane, Jr. and Great American Insurance Co., prior to <sup>*performance of said operations*</sup> ~~plugging and abandoning~~ the above described well, shall obtain from the Aztec office of the Division, a Division approved program for said <sup>*location*</sup> ~~plugging and~~ <sup>*cleanup*</sup> ~~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.