

CASE 4466: PLUGGING CASE - OGD
ENERGY OIL & GAS CORP., THE TRAVELERS
INDemnITY CO, UNION COUNTY, NEW MEXICO

~~Oct to Oct 7~~
Continued to December 12
Dismiss

CASE NO.

66 56

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 10, 1980

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Energy Oil & Gas Corp.
6105 N.W. 32
Bethany, Oklahoma 73008

Re: CASE NO. 6656
ORDER NO. R-6221

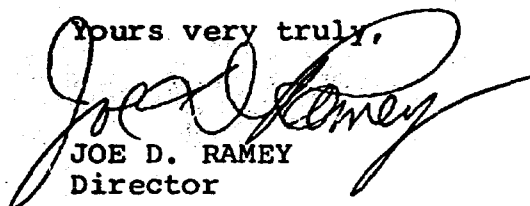
Applicant:

OCD (Energy Oil & Gas Corp.)

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 OCD x
Artesia OCD x
Aztec OCD

Other The Travelers Indemnity Co.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION ON
ITS OWN MOTION TO PERMIT ENERGY OIL &
GAS CORP., THE TRAVELERS INDEMNITY CO.,
AND ALL OTHER INTERESTED PARTIES TO
APPEAR AND SHOW CAUSE WHY THE SADLER
WELL NO. 1 SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A DIVISION-
APPROVED PLUGGING PROGRAM.

CASE NO. 6656
Order No. R-6221

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of January, 1980, 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 it appears that the subject well has been completed as a shut-in carbon dioxide gas well.
- (3) That Case No. 6656 should be dismissed.

IT IS THEREFORE ORDERED:

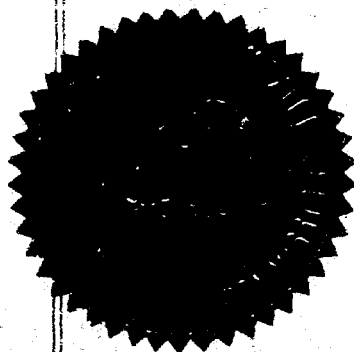
- (1) That Case No. 6656 is hereby dismissed.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-2-

Case No. 6656

Order No. R-6221

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

S E A L

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
12 December 1979

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation
Division on its own motion to permit
Energy Oil & Gas Corp., The Travelers
Indemnity Co., and all other interested
parties to appear and show cause why the
Sadler Well No. 1, located in Unit I of
Section 3, Township 24 North, Range 29
East, Union County, New Mexico, should
not be plugged and abandoned in accordance
with a Division-approved plugging program.

CASE
6656

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

reporting service
of Reporting Service
Santa Fe, New Mexico 87501

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I N D E X

CARL ULVOG

Direct Examination by Mr. Padilla 3

E X H I B I T S

reporting service
San Francisco, California
San Francisco, California 94101

1 MR. NUTTER: We'll call next Case 6656.
2 Which is in the matter of the hearing called by the Oil Con-
3 servation Division on its own motion to permit Energy Oil &
4 Gas, Corp., the Travelers Indemnity Co., and all other inter-
5 ested parties to appear and show cause why a certain well in
6 Union County, New Mexico, should not be plugged and abandoned
7 in accordance with Division-approved plugging program.

8 I'll call for appearances here.

9 MR. PADILLA: Ernest L. Padilla on behalf
10 of the Oil Conservation Division.

11 MR. NUTTER: Are there other appearances
12 in Case Number 6656?

13 MR. PADILLA: Mr. Examiner, I have one wit-
14 ness who will make a short statement.

15
16 (Witness sworn.)

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

21
22 DIRECT EXAMINATION

23 BY MR. PADILLA:

24 Q For the record will you please state your
25 name, by whom you're employed, and in what capacity?

reporting service
Shaw, Inc., New Mexico 87501

1 A Yes, sir. Carl Ulvog, Senior Geologist for
2 the Oil Conservation Commission, and I'm based here in Santa
3 Fe.

4 Q Mr. Ulvog, are you familiar with this
5 hearing today?

6 A Yes, I am.

7 Q Are you familiar with the purpose of the
8 hearing?

9 A That's correct.

10 Q Do you have a statement to make on it?
11 On this hearing?

12 A Yes, I do. This particular well, the
13 Energy Oil and Gas Corporation No. 1 Sadler, which had been
14 scheduled for a forced plugging case, has, since the adver-
15 tisement and so on have gone out, they have gone in and worked
16 it over. I was there and witnessed the acidizing, perforating
17 and so on, and on October 18th, 1979, I inspected the well
18 and it has a wellhead in place and looked as if it is a gas
19 well.

20 We have had forms, not the final completion
21 forms, but we've had forms filed that indicate that it is a
22 small carbon dioxide well.

23 Therefore, we should dismiss the case.

24 Q Do you have anything further?

25 A That's all I have.

reporting service
of Reporting Service
San Francisco, New Mexico 87501

1 MR. NUTTER: And the well has a wellhead on
2 it at the present time?

3 A That is correct.

4 MR. PADILLA: I have nothing further.

5 MR. NUTTER: Has a test been filed on the
6 well, Mr. Ulvog?

7 A We do have some test data filed that indi-
8 cates that it is a carbon dioxide well.

9 MR. NUTTER: Thank you.

10 A The location is not cleaned up and so on,
11 but I think we could dispense with the forced plugging case,
12 at least for this time.

13 MR. NUTTER: Okay.

14 Does anyone have anything further to offer
15 in Case Number 6656?

16 Mr. Padilla, you wanted the case dismissed,
17 is that it?

18 MR. PADILLA: That is correct.

19 MR. NUTTER: Case Number 6656 will be dis-
20 missed.

21

22

(Hearing concluded.)

23

24

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reporting service
Court Reporting Service
San Francisco, California 94101

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand 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 hearing, prepared by me to the best of my
ability from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. 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. 665F
heard by me on 12/12 1979.

[Signature], Examiner
Oil Conservation Division

reporting service
Shorthand Reporting Service
1010 Pa. Ave. N.W. Washington 2501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
12 December 1979

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation
Division on its own motion to permit
Energy Oil & Gas Corp., The Travelers
Indemnity Co., and all other interested
parties to appear and show cause why the
Sadler Well No. 1, located in Unit I of
Section 3, Township 24 North, Range 29
East, Union County, New Mexico, should
not be plugged and abandoned in accordance
with a Division-approved plugging program.

CASE
6656

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

reporting service
Oil & Gas Reporting Service
Santa Fe, New Mexico 87501

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I N D E X

CARL ULVOG

Direct Examination by Mr. Padilla

3

E X H I B I T S

reporting service
New York, New York 10011
New Mexico 87501

1 MR. NUTTER: We'll call next Case 6656.
2 Which is in the matter of the hearing called by the Oil Con-
3 servation Division on its own motion to permit Energy Oil &
4 Gas, Corp., the Travelers Indemnity Co., and all other inter-
5 ested parties to appear and show cause why a certain well in
6 Union County, New Mexico, should not be plugged and abandoned
7 in accordance with Division-approved plugging program.

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9 MR. PADILLA: Ernest L. Padilla on behalf
10 of the Oil Conservation Division.

11 MR. NUTTER: Are there other appearances
12 in Case Number 6656?

13 MR. PADILLA: Mr. Examiner, I have one wit-
14 ness who will make a short statement.

15
16 (Witness sworn.)

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

21
22 DIRECT EXAMINATION

23 BY MR. PADILLA:

24 Q For the record will you please state your
25 name, by whom you're employed, and in what capacity?

reporting service
Oil & Gas Reporting Service
Santa Fe, New Mexico 87501

1 A Yes, sir. Carl Ulvog, Senior Geologist for
2 the Oil Conservation Commission, and I'm based here in Santa
3 Fe.

4 Q Mr. Ulvog, are you familiar with this
5 hearing today?

6 A Yes, I am.

7 Q Are you familiar with the purpose of the
8 hearing?

9 A That's correct.

10 Q Do you have a statement to make on it?
11 On this hearing?

12 A Yes, I do. This particular well, the
13 Energy Oil and Gas Corporation No. 1 Sadler, which had been
14 scheduled for a forced plugging case, has, since the adver-
15 tisement and so on have gone out, they have gone in and worked
16 it over. I was there and witnessed the acidizing, perforating,
17 and so on, and on October 18th, 1979, I inspected the well
18 and it has a wellhead in place and looked as if it is a gas
19 well.

20 We have had forms, not the final completion
21 forms, but we've had forms filed that indicate that it is a
22 small carbon dioxide well.

23 Therefore, we should dismiss the case.

24 Q Do you have anything further?

25 A That's all I have.

reporting service
Oil and Gas Reporting Service
3000 E. New Mexico 87501

reporting service
of American Bar Association
New Mexico 87501

1 MR. NUTTER: And the well has a wellhead on
2 it at the present time?

3 A That is correct.

4 MR. PADILLA: I have nothing further.

5 MR. NUTTER: Has a test been filed on the
6 well, Mr. Ulvog?

7 A We do have some test data filed that indi-
8 cates that it is a carbon dioxide well.

9 MR. NUTTER: Thank you.

10 A The location is not cleaned up and so on,
11 but I think we could dispense with the forced plugging case,
12 at least for this time.

13 MR. NUTTER: Okay.

14 Does anyone have anything further to offer
15 in Case Number 6656?

16 Mr. Padilla, you wanted the case dismissed,
17 is that it?

18 MR. PADILLA: That is correct.

19 MR. NUTTER: Case Number 6656 will be dis-
20 missed.

21
22 (Hearing concluded.)
23
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand 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 hearing, prepared by me to the best of my
ability from my notes taken at the time of the hearing.

Sally W. 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. 6656
heard by me on 12/12 1977.

[Signature], Examiner
Oil Conservation Division

reporting service
Certified Shorthand Reporter
California State License #7301

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Energy Oil & Gas Corp.
6105 N.W. 32
Bethany, Oklahoma 73008

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 896364
 (Always obtain signature of addressee or agent)

I have received the article described above.
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Mr. Andy Wick
 DATE *4-1-76*

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Bethany, Oklahoma 73008

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	CERTIFIED FEE	¢
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	SHOW TO WHOM AND DATE DELIVERED	¢
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2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico
2 October 1979

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Energy Oil & Gas Corp., The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Sadler Well No. 1 should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE
6656

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
DIVISION:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
COURT REPORTER
1010 Plaza Blanca (SOS) 471-4442
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3038 Plaza Blanca (888) 471-6403
Santa Fe, New Mexico 87501

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MR. STAMETS: The hearing will come to order.

We'll call first Case 6656. In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energy Oil and Gas Corporation and other interested parties to show cause why the Sadler Well No. 1 should not be plugged and abandoned.

MR. PADILLA: Ernest L. Padilla on behalf of the Oil Conservation.

Mr. Stamets, we request this case be continued to December 12th, 1979.

MR. STAMETS: The case will be so continued.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. 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 hearing, prepared by me to the best of my ability
from my notes taken at the time of the hearing.

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

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2010 Plaza Espana (505) 471-2482
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. 6656
heard by me on 10-2 1979.
Richard A. Vlam, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico
2 October 1979

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Energy Oil & Gas Corp., The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Sadler Well No. 1 should not be plugged and abandoned in accordance with a Division-approved plugging program.

) CASE
) 6656

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
DIVISION:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
1020 Plaza Blanca, S.W. (505) 471-9102
Santa Fe, New Mexico 87501

1 MR. STAMETS: The hearing will come to
2 order.

3 We'll call first Case 6656. In the matter
4 of the hearing called by the Oil Conservation Division on
5 its own motion to permit Energy Oil and Gas Corporation and
6 other interested parties to show cause why the Sadler Well
7 No. 1 should not be plugged and abandoned.

8 MR. PADILLA: Ernest L. Padilla on behalf
9 of the Oil Conservation.

10 Mr. Stamets, we request this case be con-
11 tinued to December 12th, 1979.

12 MR. STAMETS: The case will be so continued.
13

14 (Hearing concluded.)
15
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3024 Plaza Blanca (669) 471-4403
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. 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 hearing, prepared by me to the best of my ability
from my notes taken at the time of the hearing.

Sally W. 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. _____,
heard by me on _____ 19____.

Oil Conservation Division, Examiner

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (G-8) 471-4462
Santa Fe, New Mexico 87501

CASE 6766: Application of Supron Energy Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard gas proration units, the first being 192.97 acres comprising the W/2 of Section 7, Township 28 North, Range 10 West, and the E/2 E/2 of Section 12, Township 28 North, Range 11 West, for the Fruitland, Pictured Cliffs and Chacra formations, and the second being 190.89 acres comprising the W/2 and W/2 E/2 of said Section 12 for the Fruitland formation only, both units to be dedicated to wells to be drilled at standard locations thereon.

CASE 6700: (Reopened and Readvertised)

Application of Doyle Hartman to reopen Case No. 6700, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reopening of Case No. 6700, heard October 17, 1979, to amend the original unorthodox well location 2310 feet from the North line and 330 feet from the West line of Section 29, Township 25 South, Range 37 East, to a new unorthodox location 1870 feet from the North line and 280 feet from the West line of said Section 29. All other aspects of Case No. 6700 would remain the same.

CASE 6767: Application of Alpha Twenty-One Production Company for two non-standard gas proration units, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 NW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 2, and also a 200-acre unit comprising the S/2 N/2 and NE/4 NW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 560 feet from the West line of Section 27. Applicant further seeks a finding that the drilling of the latter well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

CASE 6768: Application of Alpha Twenty-One Production Company for two non-standard gas proration units, compulsory pooling, unorthodox well location, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SW/4 of Section 21, Township 24 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2. Applicant also seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21. 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. Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.

CASE 6656: (Continued from October 2, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energy Oil & Gas Corp., The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Sadler Well No. 1 located in Unit I of Section 3, Township 24 North, Range 29 East, Union County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6769: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, reclassifying, and extending certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West Double X-Morrow Gas Pool. The discovery well is Union Oil Company of California Paduca Federal Well No. 1 located in Unit G of Section 30, Township 24 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 30: E/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Dublin Ranch-Atoka Gas Pool. The discovery well is J. C. Barnes Little Squaw Com Well No. 2 located in Unit N of Section 27, Township 22 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 27: S/2

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
19 September 1979

EXAMINER HEARING

IN THE MATTER OF:

The Hearing called by the Oil
Conservation Division on its own
motion to permit Energy Oil and
Gas Corp., et al, to appear
and show cause why the Sadler Well
No. 1 should not be plugged and
abandoned in accordance with a
Division-approved plugging program.)

CASE
6656

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2010 Plaza Alamosa, S.W.
Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call next Case Number
2 6656, which is in the matter of the hearing called by the
3 OCD on its own motion to permit Energy Oil and Gas Corporation,
4 the Travelers Indemnity Company, and all other interested
5 parties to appear and show cause why the Sadler Well No. 1
6 located in Unit I of Section 3, Township 24 North, Range
7 29 East, Union County, New Mexico, should not be plugged
8 and abandoned in accordance with a Division-approved plugging
9 program.

10 The Clayton newspaper, which is the news-
11 paper of general circulation in Union County, New Mexico,
12 did not receive the advertisement of this case in time to
13 publish it within the required 10-day period prior to
14 hearing.

15 It has been published for hearing on
16 October the 2nd, however.

17 Case Number 6656 will be continued to the
18 Examiner Hearing scheduled to be held at this same place at
19 9:00 o'clock a. m. October 2nd, 1979.
20

21 (Hearing concluded.)
22
23
24
25

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
1010 Plaza Elmore (605) 471-4463
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. 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 hearing, prepared by me to the best of my ability from my notes taken at the time of the hearing.

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

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Penn Avenue (S.E.) 471-4442
Baltimore, Md. 21201

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6656
heard by me on 9/19 1979
[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
19 September 1979

EXAMINER HEARING

IN THE MATTER OF:

The Hearing called by the Oil
Conservation Division on its own
motion to permit Energy Oil and
Gas Corp., et al, to appear
and show cause why the Sadler Well
No. 1 should not be plugged and
abandoned in accordance with a
Division-approved plugging program.)

CASE
6656

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca, S.W. (505) 471-4402
Santa Fe, New Mexico 87501

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3 OCD on its own motion to permit Energy Oil and Gas Corporation,
4 the Travelers Indemnity Company, and all other interested
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CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (95) 471-4463
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. 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 hearing, prepared by me to the best of my
ability from my notes taken at the time of the hearing.

Sally W. 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. 4626
heard by me on 9/19 1929.

[Signature] Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3920 Main Street (Rm. 311) 471-4462
Boulder 7, New Mexico 87501

Dockets Nos. 40-79 and 41-79 are tentatively set for October 17 and 31, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - OCTOBER 2, 1979

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:

CASE 6656: (Continued from September 19, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energy Oil & Gas Corp., The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Sadler Well No. 1 located in Unit I of Section 3, Township 24 North, Range 29 East, Union County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6640: (Continued from September 5, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Mill Production Company, National Surety Corporation, and all other interested parties to appear and show cause why the Thomas Drought Well No. 1 located in Unit A of Section 4, Township 15 North, Range 6 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6687: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit McCoy and Phillips and all other interested parties to appear and show cause why the Martin Well No. 1 located in Unit N of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6688: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Phillips and Spence and all other interested parties to appear and show cause why the Martin Well No. 2 located in Unit N of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6689: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit one "Goodrum" and all other interested parties to appear and show cause why the E. C. Brawley Well No. 1 located in Unit O of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6690: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Elvis L. Roberts, The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Bergin Well No. 1 located in Unit F of Section 21, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6691: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the addition of a Rule 10(D) to Order No. R-1670-T, Blanco Mesaverde Infill Drilling Order, San Juan and Rio Arriba Counties, New Mexico, to require that both wells on a proration unit be tested when an infill well has been completed. Said Rule 10(D) would be identical to Rule 10(D) of Order No. R-1670-V for the Basin-Dakota Pool.

CASE 6692: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Order No. R-333-F-2 to require that gas wells in the Pictured Cliffs or shallower formations be classified "exempt marginal" if at least three months of production history is available and their average production for the months produced within the preceding 12-month period is less than 1000 MCF per month. The same amendment is sought for wells completed below the Pictured Cliffs formation except that minimum production would have to average less than 2000 MCF per month. Also to be considered would be the requirement in Order No. R-333-F-2 and in Rule 10(C) of Orders Nos. R-1670-T and R-1670-V that no well on a multiple well proration unit could be classified exempt marginal unless all wells on the unit are eligible for such reclassification.

CASE 6674: Application of Tenneco Oil Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Blanco-Pictured Cliffs production in the wellbore of its Florence Well No. 115 located in Unit M of Section 10, Township 30 North, Range 9 West.

DAN NUTTER

Flarene -

The Clayton paper
did not get Case No 6640
in time to run the ad
for the 19th.

I therefore asked them
to change the date of
hearing to the 2nd of Oct
and run the ad Sept 12.

When you send the
tickets out for the
19th, send the

attached marked copies
to the principal. ~~to~~
the insurance company
already has theirs. Eric



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

September 6, 1979

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

The Travelers
3035 N.W. 63rd Street
Oklahoma City, Oklahoma 73187

Attention: J. R. Kemmling, Jr.

Re: Bond No. 572E6232, Trent G.
Cornman dba Energy Oil and Gas
Corp., Principal; \$7,500 Oil Well
Plugging Bond, NE/4 SE/4 of Sec. 3,
T-24-N, R-29-E, Union County
Depth: 5,000

Dear Mr. Kemmling:

In response to your August 24, 1979, letter, we cannot at this time release the above-referenced bond. Enclosed please find a copy of the docket under which this Division on its own motion is seeking to have the well covered by the above-referenced bond plugged. This case will be set for administrative hearing to be held before a hearing examiner on October 2, 1979.

Apparently the drilling of the well was discontinued at about 1600 feet and no further work has been performed on the well for quite some time.

Until such time as the case is resolved, or the well is adequately plugged by the operator, we cannot release the bond.

If I can be of further assistance, or if you have any questions please let me know.

Very truly yours,

ERNEST L. PADILLA
General Counsel

ELP/dr

Dockets Nos. 38-79 and 39-79 are tentatively set for October 2 and October 17, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - SEPTEMBER 25, 1979

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

CASE 6495: (DE NOVO) (Continued from August 24, 1979, Commission Hearing)

Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 23 and 24, Township 19 South, Range 29 East, Sections 1, 4, 5, 6, 7, 11, 12, 13, 14, 19, 20, 23, 24, and 29, Township 19 South, Range 30 East, and Sections 7, 8, 17, 18, and 19, Township 19 South, Range 31 East, all in Eddy County, New Mexico.

Upon application of Amax Chemical Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 36-79

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 19, 1979

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 6656: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energy Oil & Gas Corp., The Travelers Indemnity Co., and all other interested parties to appear and show cause why the Sadler Well No. 1 located in Unit I of Section 3, Township 24 North, Range 29 East, Union County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6652: (Continued from September 5, 1979, Examiner Hearing)

Application of Shell Oil 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 North Hobbs Grayburg-San Andres Unit encompassing 10,650 acres, more or less, underlying all or portions of the following lands in Lea County, New Mexico: Sections 13, 14, 23, 24, 25, 26, and 36, Township 18 South, Range 37 East; Sections 17 through 21 and 27 through 34, Township 18 South, Range 38 East.

The unitized interval would be the Grayburg-San Andres Formation between the depths of 3,698 feet and 4,500 feet in Shell's State A Well No. 7, located in Unit H of Section 32, Township 18 South, Range 38 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. (This case will be continued to the October 3, 1979, Commission Hearing.)

CASE 6653: (Continued from September 5, 1979, Examiner Hearing)

Application of Shell Oil Company 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 North Hobbs Grayburg-San Andres Unit, by the injection of water through 70 wells into the Grayburg-San Andres formation, and the adoption of special rules governing said project. (This case will be continued to the October 3, 1979, Commission Hearing.)

CASE 6657: Application of Petroleum Development Corporation for the rescission of special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of the special pool rules for the South Hope-Pennsylvanian Gas Pool to provide for 320-acre spacing rather than 640 acres. In the absence of objection, the pool rules will be rescinded and the pool placed on standard 320-acre spacing for Pennsylvanian gas pools rather than the present 640-acre spacing.

No. 896363

RECEIPT FOR CERTIFIED MAIL

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

SENT TO
The Travelers Indem. Co.
STREET AND NO.
3035 N.W. 63rd Street
P.O., STATE AND ZIP CODE
Oklahoma City, Ok 73118

POSTAGE		\$
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	¢
	SPECIAL DELIVERY	¢
	RESTRICTED DELIVERY	¢
	OPTIONAL SERVICES	
	RETURN RECEIPT SERVICE	
	SHOW TO WHOM AND DATE DELIVERED	¢
OPTIONAL SERVICES	SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
	SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES		\$

POSTMARK OR DATE

PS Form 3800, Apr. 1976



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

August 31, 1979

CERTIFIED - RETURN
RECEIPT REQUESTED

Energy Oil & Gas Corp.
6105 N.W. 32
Bethany, Oklahoma 73008

The Travelers Indemnity Co.
3035 N.W. 63rd Street
Oklahoma City, Oklahoma 73187

Re: Sadler Well No. 1, located
in Unit I of Section 3,
Township 24 North, Range 29
East, Union County
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, September 19, 1979, at
9 o'clock a.m. in the Oil Conservation Division Conference
Room, State Land Office Building, Santa Fe, New Mexico.
Case 6656 concerns the above captioned subject matter.

Very truly yours,

ERNEST L. PADILLA
General Counsel

ELP/fd
enc.

ROUGH

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

In the matter of the
hearing called by the Oil Conservation
Division on its own motion to permit
Energy Oil & Gas Corp., The Travelers
Indemnity Co., and all other interested
parties to appear and show cause why
the Sadler Well No. 1 should not be
plugged and abandoned in accordance with
a Division-approved plugging program.

CASE NO. 6656
Order No. R-6221

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12,
19 79, at Santa Fe, New Mexico, before Examiner DSN

NOW, on this _____ day of December, 19 79, 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 it appears that the subject
well has been completed as a
shut-in carbon dioxide gas well.

(3) That Case No. 6656 should be
dismissed.

IT IS THEREFORE ORDERED:

(1) That Case No. 6656 is hereby
dismissed.

(2) Jurisdiction
DONE at