

CASE 6688: PLUGGING CASE - OCD
PHILLIPS AND SPENCE AND ALL OTHER INTER-
ESTED PARTIES, SAN JUAN COUNTY, N. MEX.

CASE NO.

6688

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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 Phillips and Spence and all other interested parties to appear and show cause why the Martin Well No. 2 should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE
6688

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
8030 Plaza Blanca (505) 471-2482
Santa Fe, New Mexico 87501

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I N D E X

A. R. KENDRICK

Direct Examination by Mr. Padilla 3

E X H I B I T S

Division Exhibit One, Plat 6

Division Exhibit Two, Completion Card 6

Division Exhibit Three, Photograph 6

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Santa Fe, New Mexico 87501

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Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6688, in the
2 matter of hearing called by the Oil Conservation Division
3 on its own motion to permit Phillips and Spence and all
4 other interested parties to appear and show cause why the
5 Martin Well No. 2 in Unit N, of 34, 30, 11, San Juan County,
6 New Mexico, should not be plugged and abandoned in accordance
7 with a Division-approved plugging program.

8 MR. PADILLA: Ernest L. Padilla on behalf
9 of the Oil Conservation Division. I have one witness, Mr.
10 Kenrick, who has previously testified and is still under
11 oath, and I'd like the record to reflect he is still under
12 oath and also qualified.

13 MR. STAMETS: The record will so show.

14
15 A. R. KENDRICK
16 being called as a witness and having been previously sworn
17 upon his oath, testified as follows, to-wit:

18
19 DIRECT EXAMINATION

20 BY MR. PADILLA:

21 Q Mr. Kendrick, what is the purpose of this
22 case?

23 A The purpose of this case is to cause the
24 Phillips and Spence Martin No. 2 Well to be properly plugged
25 and abandoned.

1 MR. STAMETS: Before we go any further,
2 I would like to straighten out a couple of things.

3 The last case that was for the Martin No.
4 1, the arrow pointed to the No. 2 and this case is for the
5 Martin No. 2 and it points to No. 3.

6 What's the significance of that difference?

7 A In the north half of Exhibit Number One
8 in the prior case you find four wells marked temporarily
9 abandoned and numbered as 1, 2, 3, and 4.

10 MR. STAMETS: Okay.

11 A No. 1 is the well which had experienced
12 the gas flow recently behind the casing.

13 No. 2 is the well that was heard in the
14 prior case.

15 No. 3 is the well for this case.

16 No. 4 is the well for the following case.

17 MR. STAMETS: Okay.

18 A We seem to have found a group of wells that
19 were drilled a lot of years ago and walked off and left.

20 MR. STAMETS: A whole covey of them.
21 Nonetheless, the numbers on the exhibits don't seem to match
22 the numbers on the docket.

23 A That's true.

24 MR. STAMETS: What should the correct well
25 number have been in the previous case, 6687? Should that have

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1 been Well No. 2?

2 A No, sir, it's the Martin Well No. 1 for
3 McCoy and Phillips. It was identified on the exhibit with a
4 red arrow as No. 2.

5 MR. STAMETS: In other words, your Exhibit
6 Number One in the last case should have shown the well identi-
7 fied as No. 2 the No. 1?

8 A The temporarily abandoned well marked No. 2
9 is --

10 MR. STAMETS: Yes.

11 A -- the McCoy and Phillips Martin No. 1 Well

12 MR. STAMETS: Okay. I see. You identified
13 those 1, 2, 3, like A, B, C.

14 A Right.

15 MR. STAMETS: All right. I think I am
16 totally confused but also straightened out.

17 Now, in this case Well No. 3 is actually
18 Well No. 2.

19 A Right, it's the Phillips and Spence Martin
20 No. 2.

21 MR. STAMETS: Very good. Whoever reads
22 that in the future will certainly understand it, I'm sure.

23 Proceed.

24 Q (Mr. Padilla continuing.) Mr. Kendrick,
25 would you please briefly summarize the well history of the

1 Martin Well No. 2?

2 A. Exhibit One in Case 6688 is -- the basic
3 exhibit is identical to Exhibit One in the prior case, ex-
4 cept the red arrow has been moved down to the well identified
5 as No. 3, which is the Phillips and Spence Martin No. 2.

6 Exhibit Number Two is a copy of the com-
7 pletion card, which was acquired by the Oil Conservation
8 Division from the Bureau of Mines when the Oil Conservation
9 Division set up District offices.

10 This constitutes our well file. The copy
11 submitted as Exhibit Number Two is a copy of the complete
12 well file in the Santa Fe office, being this same completion
13 card. It shows the well to have been spudded on February
14 the 3rd, 1935 and completed July the 16th, 1935 at a total
15 depth of 1220 feet. It has 5-3/16th inch casing set at 720
16 feet and had an initial potential of 238,000 cubic feet of
17 gas; no oil.

18 Exhibit Number Three is a photograph of
19 the plug screwed into the top of the casing, which is tapped
20 on the side and on the top. It is not sealed and so far
21 as I know, this well has not been plugged. It has not yet
22 experienced gas flow from the well identified as No. 1 on
23 Exhibit One in these two cases, even though the Well No. 1
24 has -- had a gas pressure of some 150 pounds for about two
25 weeks now.

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3050 Plaza Blanca (665) 471-2462
Santa Fe, New Mexico 87501

1 And this well would be approximately 300
2 feet from Well No. 1.

3 Q Mr. Kendrick, in your opinion could
4 failure to plug this well cause waste?

5 A Yes, sir, it would allow communication
6 between the porosity intervals in the wellbore behind the
7 casing.

8 Q Are you prepared to recommend a plugging
9 program at this time or would you prefer to wait until the
10 actual time of plugging?

11 A I would prefer to wait.

12 Q Did you prepare Exhibits One through
13 Three?

14 A I prepared Exhibit One. I took the photo-
15 graph of Exhibit Three, and the copy of the well card is
16 part of the well file.

17 MR. PADILLA: I offer Exhibits One through
18 Three into evidence.

19 MR. STAMETS: These exhibits will be ad-
20 mitted.

21 Any questions of the witness? He may be
22 excused.

23 Anything further in this case?

24 The case will be taken under advisement.
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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.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6685
 heard by me on 10-7-79 1979.
Richard L. Stum, Examiner
 Oil Conservation Division

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 CERTIFIED SHORTHAND REPORTER
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 Santa Fe, New Mexico 87501

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:

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E X H I B I T S

Division Exhibit One, Plat 6

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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 and correct transcript of the proceedings in the Examiner hearing of Case No. _____, heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (605) 471-2462
Santa Fe, New Mexico 87501

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. 6688
Order No. R-6151

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.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 1979, 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 Phillips and Spence are the owners and operators
of the Martin Well No. 2, located in Unit N of Section 34,
Township 30 North, Range 11 West, NMPM, San Juan County, New
Mexico.

(3) That in order to prevent waste and protect correlative
rights said Martin Well No. 2 should be plugged and abandoned
in accordance with a program approved by the Aztec District
Office of the New Mexico Oil Conservation Division on or before
January 1, 1980, or the well should be returned to active
drilling status or placed on production.

-2-

Case No. 6688
Order No. R-6151

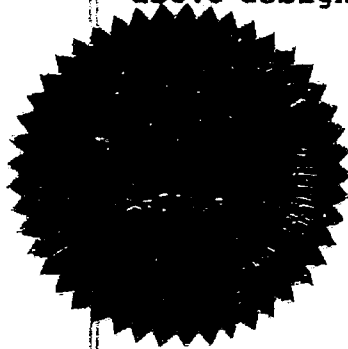
IT IS THEREFORE ORDERED:

(1) That Phillips and Spence are hereby ordered to plug and abandon the Martin Well No. 2, located in Unit N of Section 34, Township 30 North, Range 11 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 January 1, 1980.

(2) That Phillips and Spence, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

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

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/



BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

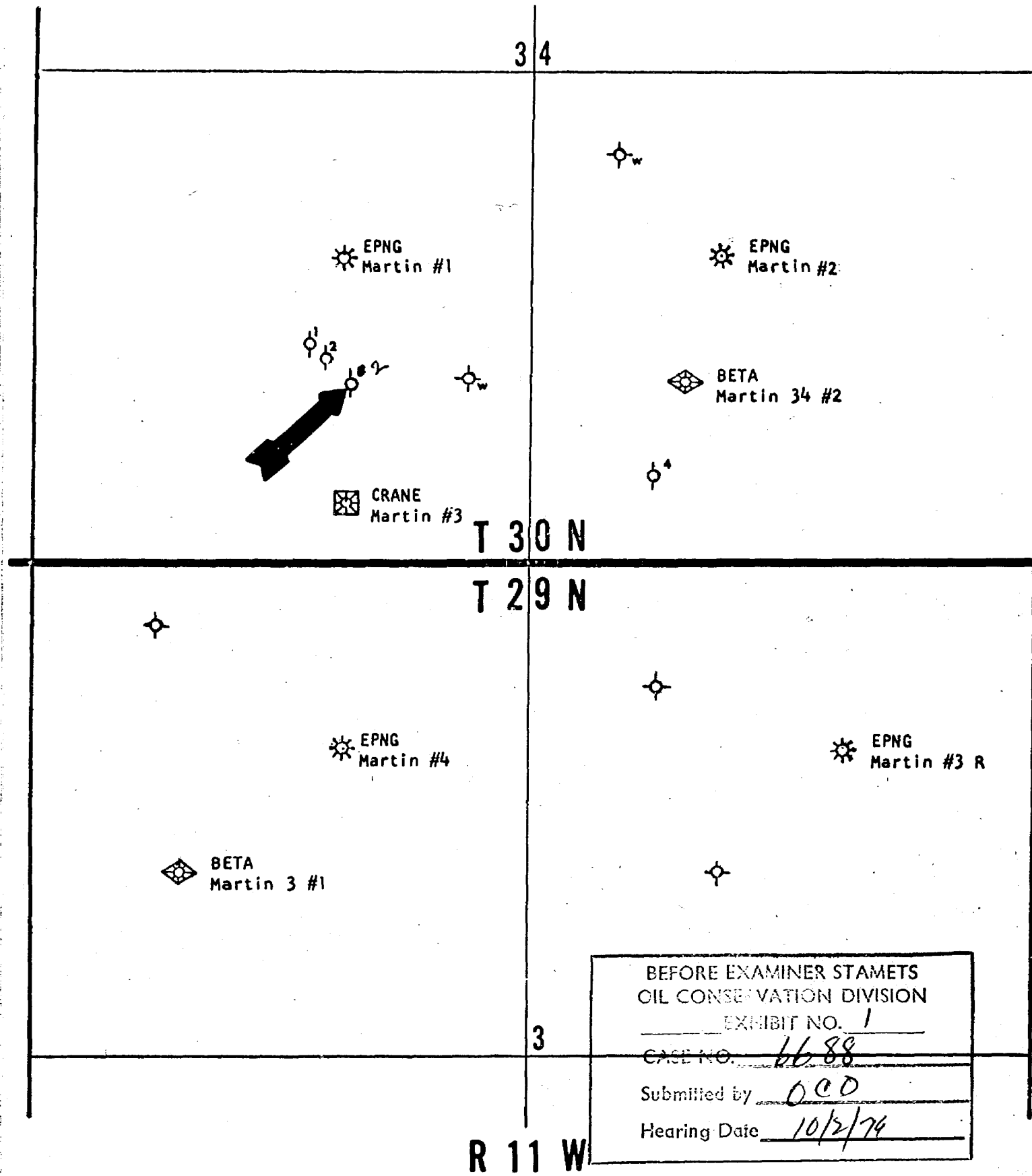
CASE NO. 6688

Submitted by OCD

Hearing Date 12/79

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Phillips & Spence
Martin #2
N-34-30N-11W



STATE NEW MEXICO
COUNTY San Juan SEC 34 T 30N R 11W
FIELD OR AREA LOCATION 970' / S, 1670' / W
LEASE Martin WELL NO. 2
COMPANY Phillips & Spence SPD 2-3-35 COMPLETED 7-16-35
ELEV. 5797' Gr 5798' DF T.D. 1220' P.B. 1100'
CASING 8 1/4" @ 80' 6-5/8" @ 590-615' 5-3/16" @ 720' carrying
SHOT OR ACID _____
PERF. _____
I.P. 238,000 gas completed for gas well, no oil
PRODUCING FORM _____
PRODUCTIVE DEPTH OR INTERVAL _____

REMARKS:

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 6688

Submitted by CCD

Hearing Date 10/2/79



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 Miles 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.

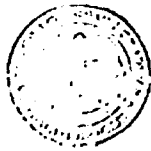
CASE 6689: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit one "Goodrum" and all other interested parties to appear and show cause why the E. C. Brawley Well No. 1 located in Unit O of Section 34, Township 30 North, Range 11 West, San Juan County, New 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.



BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

1000 R/O BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

August 14, 1979

Mr. Ernest Padilla
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Plugging cases

Dear Ernie:

Please docket the following two cases:

1. Calling McCoy and Phillips, and all interested parties to appear and show cause why the McCoy and Phillips, Martin #1, located 1100' from the South line and 1540' from the West line of Section 34, Township 30 North, Range 11 West, should not be plugged and abandoned in a Division approved manner.
- ✓ 2. Calling Phillips and Spence, ^{Case 6688} and all interested parties to appear and show cause why the Phillips and Spence, Martin #2, located 970' from the South line and 1670' from the West line of Section 34, Township 30 North, Range 11 West, should not be plugged in a Division approved manner.

Please docket these two cases and the two rule change cases at the same time for our convenience.

If you have any questions, please call.

Yours truly,

Frank T. Chavez
Deputy Inspector

FTC:no

DRAFT

dr/

STATE OF NEW MEXICO
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BY THE DIVISION:

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NOW, on this _____ day of October, 1979, 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 Phillips and Spence are xxx the owner, and operator, of the Martin Well No. 2, located in Unit N of Section 34, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That _____ is the surety on the Oil Conservation Division plugging bond on which _____ 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 Martin Well No. 2 should be plugged and abandoned in accordance with a program approved by

