

CASE 4968: PLUGGING CASE - OCD
BLOOMFIELD OIL & GAS COMPANY, SAN JUAN
COUNTY, NEW MEXICO

ilb.)

Case No.

6968

Application

Transcripts

Small Exhibits

ETC

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

JULY 23, 1980

Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Hal Ouedra	Wolsson Oil Co.	Midland, Tex.
Steve Boardman	Bass Enterprises	Midland, TX
Tom Kellahan	Kellahan & Kellahan	Santa Fe
Jack R. Grevich	Bass Enterprises	Midland, Tex
Steve Edmundson	Edmundson, Inc.	Denver
Wayle A. Ehret	Jack Grunberg & Assoc.	Denver
Conrad & Fred	Conrad & Fred	Midland
C.M. Parkham	Consolidated O & G, Inc.	Denver
Clarence Carrington	Amoco Production Co.	Houston, Texas
Jusan Reno	Southern Union Exploration	Dallas, TX
Robert H. Strand	Harvey E. Yates Co.	Roswell
Bill Henry	C & K Petr.	Midland
R.M. Richardson	" "	Roswell, TX
Jon T. Edmonson	C & K Petroleum	Midland, Tex.
Paul Hulse	Bryman	Santa Fe
Jerry [unclear]	OCD	Halls
Charles [unclear]	OCD	Artes
Frank S. Dancy	OCD	Artes

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date JULY 23, 1980 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
<i>RC Smith</i> <i>Robert L. Latta</i> <i>Ralph H. Wiley</i> <i>Gary Stephens</i> <i>Allen F. Buckingham</i> <i>George Yates</i>	<i>Heyco</i> <i>Harvey E. Yates Co</i> <i>HEYCO</i> <i>U.S. Geological Survey</i> <i>U.S.G.S</i> <i>HEYCO</i>	<i>Midland</i> <i>Midland</i> <i>Midland</i> <i>Albuquerque</i> <i>Albuquerque</i>

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
23 July 1980

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conserva-
tion Division on its own motion to
permit Bloomfield Oil and Gas Company,
et al, to appear and show cause why
the Sheetz Well No. 1 should not be
plugged and abandoned in accordance
with a Division-approved plugging
program.

and

The hearing called by the Oil Conserva-
tion Division on its own motion to
permit Associated Oil and Gas Company
of New Mexico, Inc., et al, to appear
and show cause why the Vigil Well No. 1
should not be plugged and abandoned in
accordance with a Division-approved
plugging program.

and

The hearing called by the Oil Conserva-
tion Division on its own motion to
permit Union Oil and Mining, et al, to
appear and show cause why the Carl
Lanier Well No. 1 should not be plugged
and abandoned in accordance with a
Division-approved plugging program.

and

The hearing called by the Oil Conserva-
tion Division on its own motion to
permit Aztec Development Company, et al,

CASE
6968

CASE
6969

CASE
6970

CASE
6971

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

to appear and show cause why the Finch
Well No. 1 should not be plugged and
abandoned in accordance with a Division-
approved plugging program.

and

The hearing called by the Oil Conserva-
tion Division on its own motion to per-
mit Coal Creek Oil Company, et al, to
appear and show cause why the W. E.
Duggen Well No. 2 should not be plugged
and abandoned in accordance with a Divi-
sion-approved plugging program.

and

The hearing called by the Oil Conserva-
tion Division on its own motion to per-
mit all interested parties to appear
and show cause why a well drilled by
unknown parties and located in Unit E
of Section 16, Township 30 North, Range
11 West, San Juan County, New Mexico,
should not be plugged and abandoned in
accordance with Division-approved
plugging program.

CASE
6972

CASE
6973

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 to the Division
State Land Office Bldg,
Santa Fe, New Mexico 87501

INDEX

CHARLES GHOLSON

Case 6968

Direct Examination by Mr. Padilla 7

Cross Examination by Mr. Stamets 10

Case 6970

Direct Examination by Mr. Padilla 11

Cross Examination by Mr. Stamets 12

Case 6971

Direct Examination by Mr. Padilla 13

Case 6972

Direct Examination by Mr. Padilla 14

FRANK CHAVEZ

Case 6969

Direct Examination by Mr. Padilla 16

Case 6973

Direct Examination by Mr. Padilla 19

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

EXHIBITS

1		
2		
3	CASE 6968	
4	Exhibit One	8
5		
6	CASE 6970	
7	Exhibit One	11
8		
9	CASE 6971	
10	Exhibit One	13
11		
12	CASE 6972	
13	Exhibit One	14
14		
15	CASE 6969	
16	Exhibit One	17
17		
18	CASE 6973	
19	Exhibit One	19
20	Exhibit Two	20
21	Exhibit Three	21
22	Exhibit Four	22
23	Exhibit Five	22
24		
25		

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 453-7409

SALLY W. BOYD, C.S.R.

Rt. Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 MR. STAMETS: We will call next Case 6968,
2 in the matter of the hearing called by the Oil Conservation
3 Division on its own motion to permit Bloomfield Oil and Gas
4 Company, and all other interested parties to appear and show
5 cause why the Sheetz Well No. 1 in San Juan County, should
6 not be plugged and abandoned in accordance with a Division-
7 approved plugging program.

8 Call for appearances in this case.

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

11 Mr. Examiner, I'd like to consolidate
12 Cases 6968 through 6973; however, I'd like to take Cases 6968,
13 6970, 6971, and 6972 first.

14 The testimony for these cases is generally
15 going to be the same, so I think it would be easier just to
16 consolidate all six cases.

17 Following those four cases, then I'd
18 proceed with Case 6969 and then 6973.

19 MR. STAMETS: 6969 and what was the next
20 one?

21 MR. PADILLA: 6973.

22 MR. STAMETS: All right. Now, you pro-
23 pose to have separate testimony on those or will it all be
24 consolidated?

25 MR. PADILLA: Well, I think for purposes

1 of hearing -- the only -- the only difference between 6969
2 and 6973 is that they have a little bit more unusual facts
3 related to them, but generally the testimony will be the same.

4 MR. STAMETS: Why don't we just consoli-
5 date all of those for purposes of testimony, then.

6 Let me call those cases.

7 6969, in the matter of the hearing --
8 these are all in the matter of the hearing of the Oil Conser-
9 vation Division on its own motion and they will be to permit
10 these parties, respectively, to appear and show cause why
11 the respective wells should not be plugged and abandoned in
12 accordance with a Division-approved plugging program.

13 In 6969 it's Associated Oil and Gas Com-
14 pany of New Mexico, Inc., and Houston Fire and Casualty In-
15 surance Company for the Vigil Well No. 1.

16 In 6970 it will be Union Oil and Mining
17 and all other interested parties relative to the Carl Lanier
18 Well No. 1 in San Juan County.

19 6971 it will be Aztec Development Company
20 relative to the Finch Well No. 1 in San Juan County.

21 In 6972 it will be Coal Creek Oil Company
22 relative to the W. E. Duggen Well No. 2 in San Juan County.

23 And in 6973 it will be all interested
24 parties relative to a well drilled by unknown parties in Unit
25 E of Section 16, Township 30 North, Range 11 West, San Juan

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 County.

2 Are there any other appearances in any
3 of these cases?

4 MR. PADILLA: Mr. Examiner, I have two
5 witnesses in these cases. Mr. Chavez has already been sworn
6 and I would ask that the record reflect that he's been sworn
7 already. I have one additional witness, Mr. Gholson.

8
9 (Witness sworn.)

10
11 MR. STAMETS: The record will reflect
12 that Mr. Chavez has been previously sworn and qualified.

13
14 CHARLES GHOLSON,
15 being called as a witness and having been duly sworn upon his
16 oath, testified as follows, to-wit;

17
18 DIRECT EXAMINATION

19 BY MR. PADILLA:

20 Q Mr. Gholson, would you please state your
21 name for the record?

22 A Charles Gholson. I'm with the OCD, Aztec
23 I'm a Deputy Inspector and Field Representative.

24 Q How long have you held this position, Mr.
25 Gholson?

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

1 A Seven years.

2 Q Mr. Gholson, are you familiar with the --
3 all of these cases that have been mentioned here before?

4 A Yes, sir.

5 Q Have you -- are you familiar with the
6 horizons involved and the formations in which these wells were
7 completed?

8 A I am.

9 MR. PADILLA: Mr. Examiner, is the wit-
10 ness qualified?

11 MR. STAMETS: The witness is considered
12 qualified.

13 Q Mr. Gholson, beginning with the testimony
14 relating to Case 6968, why this well needs -- why the Sheetz
15 Well No. 1 needs to be plugged?

16 A This well was drilled to a hydrocarbon-
17 bearing zone and actually produced for a short while. It
18 should be plugged to protect hydrocarbons, waste of hydro-
19 carbons, and there's also fresh water, shallow fresh water,
20 in this area; to protect fresh water, also.

21 Also, the well is located in a cultivated
22 field and an area around the wellbore, probably a circle with
23 a 30-foot diameter is -- will not produce crops, and the well
24 is uncased.

25 Q Referring to Exhibit One, does that --

1 please explain Exhibit One that's been marked for this case.

2 A Well, Richard Simmons and I, from our
3 Aztec office, located this well with the aid of a metal de-
4 tector. It was under the -- it had been farmed over probably
5 three feet deep, and as I said, it was uncased; however, there
6 was some cable in the top of the hole and we picked that up
7 with a metal detector and dug the well out. And the well
8 makes a small amount of gas, you can pick it up with a gas
9 sniffer.

10 Q What does Exhibit Number One depict, Mr.
11 Gholson?

12 A It shows the wellbore and the blackish
13 dirt around the wellbore is the dead area.

14 Q Does the bottom of that exhibit show the
15 Division's well records on that well?

16 A Yes, sir.

17 Q Are those the only well records for that
18 well?

19 A Yes, and they're very brief.

20 Q Do you know when the last official cor-
21 respondence or form was filed with the Division concerning
22 this well?

23 A I assume 5-1-25. That's when the well
24 was completed. We have nothing since.

25 Q Was that May 1st, 1925?

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 A Yes, sir.

2 Q Do you have any recommended plugging pro-
3 gram at this time?

4 A I do not, because we have no idea what
5 we'll encounter when we enter this old well, so we do not
6 have any plugging program.

7 Q In other words, you'd prefer to wait until
8 the well is actually plugged before you'd recommend a plug-
9 ging program?

10 A Until it's actually cleaned out.

11 Q Are the exhibits for this well true and
12 correct copies of Division records?

13 A They are.

14 MR. PADILLA: Mr, Examiner, I offer Ex-
15 hibit One into evidence on this well, and I have nothing fur-
16 ther concerning this case.

17 MR. STAMETS: Exhibit One in Case 6968
18 is admitted.

19
20 CROSS EXAMINATION

21 BY MR. STAMETS:

22 Q Mr. Gholson, are there water wells in
23 this area?

24 A Yes, sir.

25 Q About what depth are those?

SALLY W. BOYD, C.S.R.
 Rt. 1 Box 193-B
 Santa Fe, New Mexico 87501
 Phone (505) 435-7409

1 A They vary from -- they're as shallow as
 2 30 feet down to 300.

3 Q And with gas coming out of this hole we
 4 could have some contamination of fresh waters zones?

5 A Yes, very easily.

6 MR. STAMETS: Are there any other ques-
 7 tions of this witness?

8 Okay, we will proceed, then, to the next
 9 case.

10 Q Mr. Gholson, concerning Case 6970, would
 11 you please refer to the well records pertaining to the Lanier
 12 or Carl Lanier Well No. 1?

13 A The well was spudded December 28th, 1925;
 14 completed February the 11th, 1926. It was drilled to a
 15 depth of 505 feet. The only casing record we have is 12-1/2
 16 inch casing at 41 feet.

17 Q Why is it necessary to have this well
 18 plugged?

19 A This well was not drilled to a hydrocar-
 20 bon bearing zone; however, the well makes some -- makes ap-
 21 proximately 5 gallons a minute of sulphur water and it flows
 22 into a nearby arroyo, and the well could possibly -- there are
 23 fresh water wells in this area, shallower wells, and it could
 24 possibly pollute fresh water.

25 Q Does Exhibit One reflect or represent

1 the only well records for this well?

2 A Yes.

3 Q Are they copies of the official records
4 of the Division?

5 A They are.

6 Q Do you have anything further to testify
7 concerning this well?

8 A No, sir.

9 MR. PADILLA: I have nothing further on
10 this well, Mr. Examiner.

11
12 CROSS EXAMINATION

13 BY MR. STAMETS:

14 Q Mr. Gholson, is there any reason to be-
15 lieve that this well was not drilled for oil and gas purposes?

16 A No, sir.

17 Q And since it's called Union Oil and
18 Mining, it seems certain that it was probably an oil well.

19 In this case, and I presume the last case
20 as well, these owners are no longer in existence?

21 A That's correct.

22 MR. STAMETS: Any other questions of this
23 witness?

24 Okay, we'll move on then to the next
25 case.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 Q Mr. Gholson, concerning the well involved
2 in Case 6971, being the Finch Well No. 1, would you please
3 refer to Exhibit One and explain what that represents?

4 A We have not located this wellbore. The
5 photographs on Exhibit One represent what I think is the
6 foundation for the pumping unit, and this area was filled
7 over and the wellbore has been covered. We have been unable
8 to locate it. We will have to have a backhoe or Cat or some
9 kind of equipment to find it.

10 I think we have it pinpointed closely
11 enough that we can find it.

12 Q When was this well drilled and completed,
13 Mr. Gholson?

14 A The well was spudded August the 5th, 1927;
15 completed December -- no, November the 15th, 1927. It was
16 drilled to a total depth of 960 feet. It had an initial
17 potential of 3 barrels of oil and 5 barrels of water per
18 day.

19 Q Why is it necessary to plug the well?
20 Or find it and plug it.

21 A Well, the well did produce and to protect
22 hydrocarbons and also fresh water. There's also fresh water
23 in this area.

24 Q Are you prepared to recommend a plugging
25 program for this well?

SALLY W. BOYD, C.S.R.
Rt. 1 Box 192-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 A No, sir, we haven't prepared a plugging
2 program because we have no idea what we will encounter when
3 we enter this well.

4 Q Would you prefer to wait until the actual
5 time of plugging?

6 A Yes, sir.

7 Q Is Exhibit One a true copy of Division
8 records?

9 A It is.

10 MR. PADILLA: Mr. Examiner, I have no-
11 thing further concerning this case.

12 MR. STAMETS: Exhibit One will be admit-
13 ted in this case.

14 Are there any questions of Mr. Gholson
15 relative to his testimony in this case?

16 Let's move on to the next case.

17 Q Mr. Gholson, concerning Case 6972, would
18 you please explain why it is necessary to plug the W. E.
19 Duggin Well No. 2?

20 A This well was a producing oil well. It
21 was abandoned. It should be plugged to protect hydrocarbons;
22 also fresh water in this area.

23 Q Would you please refer to what has been
24 marked Exhibit One and explain what it represents?

25 A Exhibit One is a photograph of the well-

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

1 bore. Richard Simmons and I also found this well with the
2 aid of a metal detector. We dug it up. It has a 12-inch
3 surface pipe and that's the only casing. It also flows a
4 small amount of brack, sulphurous water.

5 Q Does that Exhibit also reflect the Divi-
6 sion's records on this well?

7 A It does.

8 Q When was the well completed?

9 A The well was completed May of -- in May
10 of 1940. Drilled to a total depth of 700 feet. The initial
11 potential was 1-1/2 barrel of oil per day.

12 Q Why is it necessary to plug this well?

13 A To protect hydrocarbons, waste of hydro-
14 carbons; also the fresh water in this area.

15 Q Does Exhibit One reflect or represent
16 the Division's only records on this well?

17 A That's correct.

18 Q And it's a true copy of the Division's
19 records?

20 A Yes.

21 MR. PADILLA: Mr. Examiner, I move that
22 the Exhibit One be admitted into evidence as well as all the
23 other exhibits concerned with these wells, if I haven't al-
24 ready --

25 MR. STAMETS: If I haven't already put

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 them in, they are all admitted.

2 MR. STAMETS: Any questions of the witness
3 relative to testimony in this case?

4 Let's move on then, to the next case.

5 MR. PADILLA: Mr. Chavez will testify
6 concerning wells -- or Case 6969.

7
8 FRANK CHAVEZ
9 being called as a witness and having been previously sworn
10 upon his oath, testified as follows, to-wit:

11
12 DIRECT EXAMINATION

13 BY MR. PADILLA:

14 Q Mr. Chavez, would you please state your
15 name, by whom you're employed, and in what capacity?

16 A Frank T. Chavez. I'm employed by the Oil
17 Conservation Division as the Supervisor of the Aztec District
18 Office.

19 Q Do your duties as District Supervisor in-
20 clude making recommendations to the Division as to when wells
21 should be plugged and abandoned?

22 A Yes, I do.

23 Q Are you familiar with the subject matter
24 to Case 6969?

25 A Yes, I am.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (303) 455-7409

1 Q Are you familiar with the horizons en-
2 countered in -- and the formations in the wellbore -- the
3 well involved in 6969?

4 A Yes, I am.

5 MR. PADILLA: Mr. Examiner, is Mr. Chavez
6 qualified?

7 MR. STAMETS: Yes.

8 Q Mr. Chavez, why is it necessary to plug
9 this well?

10 A Okay. This is the Associated Oil and Gas
11 Company of New Mexico Vigil No. 1. The well was first
12 drilled in 1951 by a Mr. R. F. Edelman to 370 feet and later
13 deepened by another -- by Associated Oil and Gas Company.

14 There is a record of a show of oil in this
15 well on the scout ticket, which is page three of the exhibit.
16 I've underscored it in red.

17 The well was --

18 Q You're referring to Exhibit One?

19 A I'm sorry, that's correct. I'm referring
20 to Exhibit One, page three.

21 Page four is just the back of the scout
22 letter.

23 Page five, the well record, which is a
24 copy of the record in our office, shows that there is fresh
25 water in the well. That's by -- under important water sands,

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 from 877 feet to 885 feet. Also there are some shallower
2 water sand.

3 This well needs to be plugged and aban-
4 doned to protect the fresh water that was encountered and
5 prevent the migration of that water, or of the oil that was
6 encountered, to any other zones.

7 Q Does Exhibit One contain the well records
8 of the Division, or true copies of the Division's records on
9 this well?

10 A Only on the scout letter and the Form
11 C-105, which was page five of the exhibit.

12 On the first page of Exhibit One I have
13 listed the documents which we have in the well file.

14 Q When was the last correspondence elative
15 to this case made?

16 A In August of 1956, and Mr. Pete Porter,
17 who was then the Director of the Oil Commission, replied to
18 both the insurance agency, which wrote the bond, and the
19 bonding company, also, denying a release from the plugging
20 bond of this well until it was plugged back sufficiently.

21 Q Are you prepared to recommend a plugging
22 program at this time or would you prefer to wait until the
23 actual time of plugging?

24 A I prefer to wait until the actual time
25 of plugging. There's a large open hole section on this well.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Sanita Fe, New Mexico 87501

Phone (505) 455-7409

1 The last page of the exhibit shows a schematic of this well.
2 There's approximately 400 feet of open hole, and if we were
3 to encounter problems in there, the plugging program could
4 change.

5 Q Do you have anything further to add --
6 further to add to your testimony?

7 A No, I do not.

8 MR. PADILLA: Mr. Examiner, I offer Ex-
9 hibit One into evidence.

10 MR. STAMETS: Exhibit One will be admitted
11 Are there any questions of Mr. Chavez in this case?

12 Okay, let's move on, then, to the next
13 case.

14 Q Mr. Chavez, concerning the well involved
15 in Case 6973, would you please refer to Exhibit One and ident-
16 ify that exhibit, please?

17 A Okay, Exhibit Number One is a statement
18 from Mr. Clifford C. Collins of Aztec, New Mexico, concerning
19 the existance and his knowledge of a well which was drilled
20 by unknown parties in Section 16, of 30 North, 11 West. This
21 is located across the street from his present residence.

22 In this statement I'd like to draw the
23 Examiner's attention to a statement about -- just a quarter
24 way up from the bottom of the page, where Mr. Collins recalls
25 a small fire that used to be located at the wellhead. He

SALLY W. EYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 explained this to me, that after the wellhead was removed or
2 whatever equipment was on, the well was left open to atmos-
3 phere, and that people would, just out of curiosity, would
4 go light the little bit of gas that was coming from the well;
5 not a large flame but it would burn and the wind would put it
6 out.

7 Q Mr. Chavez, before we proceed any further,
8 would you please explain what the circumstances concerning
9 this well are at present and why this well needs to be plugged?

10 A Okay. This well is located within a
11 subdivision. Exhibit Number Two shows a portion of the plat
12 of the subdivision, which is the Mountain View Subdivision in
13 Aztec. I have outlined in red the area where we suspect that
14 the well is and which would be parts of Lot 26 and 25 in the
15 subdivision.

16 Lots 18, 19, and 20 already have houses
17 built on them. The reason that we are looking at this parti-
18 cular outlined area is that, first of all, from the recol-
19 lections of the people of the area, and Mr. Gholson, our
20 Field Representative, this is the general area where the well
21 is located before it was filled over. The developers have
22 filled it over with 2 to 4 feet of fill and in doing so they
23 removed any landmarks to help locate the well. We've been
24 through there with metal detectors to try to locate the well,
25 but there's a particular area where there's a lot of junk

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

1 piled up in a heap which makes it difficult for a metal de-
2 tector to work in that area.

3 Also, this area is located off of the old
4 Durango Rio Grande Western Railroad right-of-way, and I've
5 contacted the railroad people and they researched their re-
6 cords back to the time when we suspect the well was drilled,
7 and find no record of any well on their right-of-way.

8 Q If this well was not found and located
9 could it propose a potential hazard to the subdivision or any
10 houses or people that would live in, say, Lot 25?

11 A It certainly could; not just in Lot 25
12 but the fill that they used was a shale type clay and gas can
13 sometimes run quite a distance underneath the surface and
14 come out just about anywhere else.

15 We've gone over the area with -- with
16 some very sensitive gas detection equipment and for the time
17 being we have not been able to detect any gas.

18 Q Will it be necessary to scrap off some of
19 that fill that has already been placed in Lot 25 in order to
20 locate the well?

21 A Yes, it will. I have already talked with
22 the City of Aztec and the developer and they are aware of
23 the situation and they have no objections to us locating the
24 well by scraping off the land.

25 Q Referring to Exhibit Three, would you

SALLY W. BOYD, C.S.R.
Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 explain what that represents?

2 A Exhibit Three is a copy from just the
3 telephone book map of Aztec, and on there I've put a little
4 red square in the area in which we suspect the well is located
5 Mr. Clifford Collins, who made the statement which is Exhibit
6 One lives right at the corner of south side River Road and
7 La Plata Place there, as indicated on that map.

8 Q Would you please explain what Exhibit Four
9 represents?

10 A Okay. I'll use Exhibit Four and Exhibit
11 Five together on this.

12 Exhibit Four is a map of all the wells
13 which we have records of being drilled in Section 16, 30 North
14 11 West, and Exhibit Five is copies from the San Juan Review,
15 the newspaper in Aztec, from certain dates starting August
16 1st, 1924 through September 11th, 1925. These are portions
17 of the paper.

18 During this part of the development of the
19 San Juan Basin there were many wells which were drilled and
20 no records kept. It is possible to tie some of the wells in
21 on Exhibit Five with the wells in Exhibit Four, and the
22 closest tie-in that I've got for the time being is the last
23 page of Exhibit Number Five, and actually, at the bottom of
24 the page where the copy wasn't done too well, and it says,
25 "Contractor Joe Murtry brought in a gas/oil well for the West

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

1 Coast Company on acreage at the southeast edge of town."

2 So, there are other records as to wells
3 in that portion of what used to be called the Aztec Anticline,
4 and these are the closest records that we can find to the
5 existence of the well, and perhaps Exhibit Five may not tell
6 us too much, except that there was a lot of activity. Wells
7 were drilled without too much regulation at that time.

8 On Exhibit Four the diamond in the center
9 left part of the section there is the area we're looking at
10 for the location of the well.

11 The well which is lettered with Exhibit L
12 was the first commercial gas well in the State of New Mexico,
13 which was drilled by the Aztec Oil Syndicate in 1923.

14 Q Could waste be caused by this well?

15 A Yes, it possibly could because of the
16 shallow water in the area, but the most -- but the biggest
17 hazard of this well is, of course, the safety of the people
18 within the subdivision.

19 Q So in addition to waste you also have
20 the problem of possible fresh water contamination?

21 A Fresh water contamination, that's cor-
22 rect.

23 Q And the Division has no records concerning
24 this well, is that --

25 A That's correct.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-R
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 MR. PADILLA: Mr. Examiner, I move the
2 admission of Exhibits One through Five and I have nothing
3 further in this case.

4 MR. STAMETS: These exhibits will be ad-
5 mitted in this case.

6 Are there any questions of Mr. Chavez?

7 MR. PADILLA: I have Mr. Gholson who can
8 testify that he knows that this well was at this location,
9 if you think that is necessary.

10 MR. STAMETS: I don't believe we have
11 anybody contesting that the well was at that location, so it
12 doesn't seem necessary.

13 If there is nothing further, then, Mr.
14 Chavez is excused, and all of these cases are taken under
15 advisement.

16
17 (Hearing concluded.)
18
19
20
21
22
23
24
25

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 433-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6768, 6969, 6970, 6971
heard by me on 7-23 19.80 6972
Richard L. Smith, Examiner
Oil Conservation Division 6973

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. 6968
Order No. R-6430

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT BLOOMFIELD OIL AND GAS COMPANY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE SHEETZ WELL NO. 1 LOCATED IN UNIT M OF SECTION 14, TOWNSHIP 29 NORTH, RANGE 11 WEST, SAN JUAN COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 23, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of August, 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 Bloomfield Oil and Gas Company is the owner and operator of the Sheetz Well No. 1, located in Unit M of Section 14, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

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

-2-

Case No. 6968
Order No. R-6430

IT IS THEREFORE ORDERED:

(1) That Bloomfield Oil and Gas Company is hereby ordered to plug and abandon the Sheetz Well No. 1, located in Unit M of Section 14, Township 29 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 September 1, 1980.

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

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



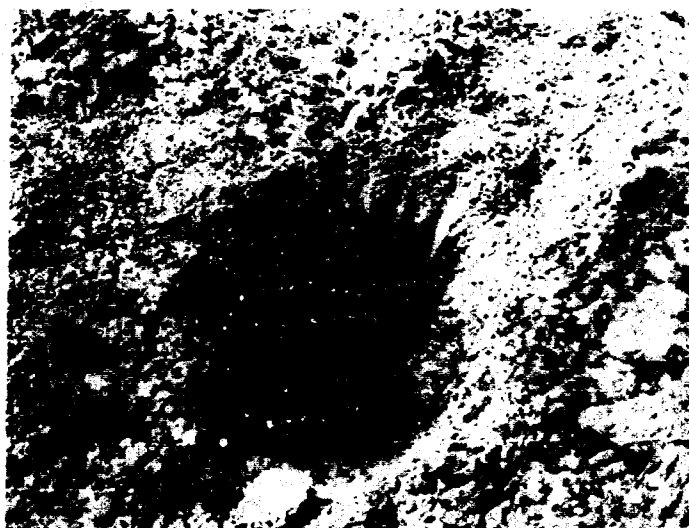
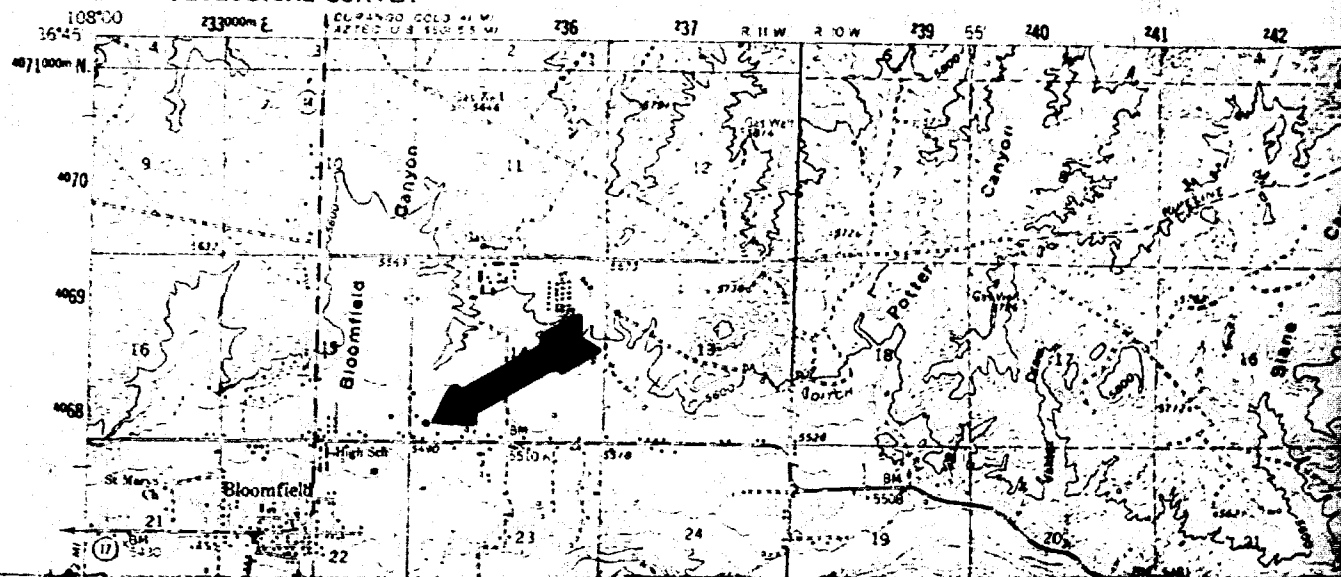
Joe D. Ramey
JOE D. RAMEY,
Director

S E

dr/

1:24,000
1:24,000
1:24,000

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



COUNTY San Juan STATE NEW MEXICO
FIELD OR AREA Kutz-Fulcher SEC. 14 T. 29N R. 11W
LEASE Sheetz LOCATION SW SW
COMPANY Bloomfield O&G CO WELL NO. 1
ELEV. 5500' SPD. 3-1-25 COMPLETED 5-1-25
CASING 10" @ 80' 8" @ 350' 5-3/16" @ 680' T.D. 700' P.B. _____

SHOT OR ACID _____

PERF. _____

I.P. Oil well

PRODUCING FORM _____

PRODUCTIVE DEPTH OR INTERVAL _____

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 6968

REMARKS:

Submitted by Gholson J

Hearing Date 7-23-80

Dockets No. 24-80 and 25-80 are tentatively set for August 6 and 20, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - JULY 21, 1980

**OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**

CASE 6967: Application of Amoco Production Company for a carbon dioxide gas unit agreement, Union, Harding, and Quay Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the Bravo Dome Carbon Dioxide Gas Unit Area, comprising 1,174,225 acres, more or less, of State, Federal, and fee lands situate in all or portions of the following townships: in Union County: Township 18 North, Ranges 34 thru 37 East; Township 19 North, Ranges 34, 35, and 36 East; Townships 20 and 21 North, Ranges 34 and 35 East; Townships 22 and 23 North, Ranges 30 thru 35 East; Township 24 North, Ranges 31 thru 34 East; in Harding County: Townships 17 thru 21 North, Ranges 29 thru 33 East; and in Quay County: Township 16 North, Ranges 34, 35, and 36 East; and Township 17 North, Ranges 34 thru 37 East.

The lands proposed to be included in said Bravo Dome Carbon Dioxide Gas Unit Area are more specifically described in documents on file with, and available for public inspection in, the offices of the Oil Conservation Division, State Land Office Building, Santa Fe, New Mexico.

Docket No. 23-80

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 23, 1980

**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 6968: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Bloomfield Oil and Gas Company and all other interested parties to appear and show cause why the Sheets Well No. 1 located in Unit M of Section 14, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6969: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Associated Oil & Gas Company of New Mexico, Inc., Houston Fire and Casualty Insurance Company, and all other interested parties to appear and show cause why the Vigil Well No. 1 located in Unit J of Section 14, Township 12 North, Range 6 East, Sandoval County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6970: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Union Oil and Mining and all other interested parties to appear and show cause why the Carl Lanier Well No. 1 located in Unit B of Section 6, Township 29 North, Range 9 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6971: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Astec Development Company and all other interested parties to appear and show cause why the Finch Well No. 1 located in Unit O of Section 15, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6972: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Coal Creek Oil Company and all other interested parties to appear and show cause why the W. E. Duggen Well No. 2 located in Unit H of Section 20, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6973: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit all interested parties to appear and show cause why a well drilled by unknown parties and located in Unit E of Section 16, Township 30 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6974: Application of C & K Petroleum, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the White Draw Unit Area, comprising 13,404 acres, more or less, of State, Federal, and fee lands in Township 3 South, Ranges 27 and 28 East.



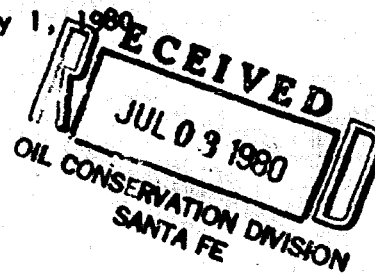
BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

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

July 1, 1980

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-8178



Case 6968

Mr. Ernie Padilla
Oil Conservation Division
P.O. Box 2088
Santa Fe, N.M. 87501

Re: Forced plugging cases

Dear Ernie:

Please docket the following cases:

- 1) A hearing to permit Associated Oil and Gas Co. of New Mexico, Inc., Houston Fire and Casualty Insurance Co., and all other interested parties to appear and show cause why its Vigil #1 located in Unit J of Section 14, Township 12 North, Range 6 East, Sandoval County, should not be plugged in accordance with a division approved plugging program.
- 2) A hearing to permit Union Oil and Mining and all other interested parties to appear and show cause why its Carl Lanier #1 located in Unit B of Section 6, Township 29 North, Range 9 West San Juan County, should not be plugged in accordance with a division approved plugging program.
- 3) A hearing to permit Aztec Development Company and all other interested parties to appear and show cause why the Finch #1 located in Unit O of Section 15, Township 29 North, Range 11 West, San Juan County, should not be plugged in accordance with a division approved plugging program.
- ✓ 4) A hearing to permit Bloomfield Oil and Gas Company and all other interested parties to appear and show cause why its Sheetz #1 located in Unit H of Section 14, Township 29 North, Range 11 West, San Juan County, should not be plugged in accordance with a division approved plugging program.
- 5) A hearing to permit Coal Creek Oil Company and all other interested parties to appear and show cause why its W.E. Duggen #2 located in Unit H of Section 20, Township 29 North, Range 11 West, San Juan County, should not be plugged in accordance with a division approved plugging program.

July 1, 1980

Mr. Ernie Padilla

- 6) A hearing to permit all interested parties to appear and show cause why a well drilled by unknown parties and located in Unit E of Section 16, Township 30 North, Range 11 West, San Juan County, should not be plugged in accordance with a division approved plugging program.

If you have any questions, please call.

Yours truly,

Frank T. Chavez

Frank T. Chavez
District Supervisor

FC/ls

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 6968

Order No. R- 6430

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT BLOOMFIELD OIL AND GAS COMPANY
AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE
SHEETZ WELL NO. 1 LOCATED IN UNIT M OF SECTION 14, TOWNSHIP 29
NORTH, RANGE 11 WEST, SAN JUAN COUNTY, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 23,
19 80, at Santa Fe, New Mexico, before Examiner Richard L. Stanets

NOW, on this _____ day of July, 19 80, 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 Bloomfield Oil and Gas Company is the owner and
operator of the Sheetz Well No. 1
located in Unit M of Section 14, Township 29 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.

(3) (5) That in order to prevent waste and protect correlative
rights said Sheetz Well No. 1 should
be plugged and abandoned in accordance with a program approved by

the Aztec District Office of the New Mexico Oil Conservation Division on or before September 1, 1980, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Bloomfield Oil and Gas Company is are hereby ordered to plug and abandon the Sheetz Well No. 1 located in Unit M of Section 14, Township 29 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 September 1, 1980.

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

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

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

Bloomfield Oil ^{+ Gas} Company
Sheet #1-M 14-29N-11W
San Juan County

Coal Creek Oil Company
W. E. Huggen #2-H
20-29N-11W
San Juan County

all interested parties

A well drilled by unknown
parties in Unit E

16-30N-11W
San Juan County

Called in by Frank Chavez
July 2, 1980