

CASE 6969: PLUGGING CASE - OGD

ASSOCIATED OIL & GAS COMPANY OF NEW MEXI-

CO, INC., HOUSTON FIRE & CASUALTY INS.

Q. SANDOVAL COUNTY

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Case No.

6969

Application

Transcripts

Small Exhibits

ETC

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.

CASE
6968

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.

CASE
6969

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.

CASE
6970

and

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

CASE
6971

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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

I N D E X

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

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EXHIBITS

CASE 6968

Exhibit One

8

CASE 6970

Exhibit One

11

CASE 6971

Exhibit One

13

CASE 6972

Exhibit One

14

CASE 6969

Exhibit One

17

CASE 6973

Exhibit One

19

Exhibit Two

20

Exhibit Three

21

Exhibit Four

22

Exhibit Five

22

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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

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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

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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?

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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 Shoatz
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 --

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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?

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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

23

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

25

26

A Yes, sir.

27

Q About what depth are those?

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

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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.

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?

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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-

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

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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.

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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.

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 relative
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.

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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 existence 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

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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

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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

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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

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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.

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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 193-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 HEREBY CERTIFY that the foregoing 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.

SALLY W. BOYD, C.S.R.

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

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____.

_____, Examiner
Oil Conservation Division

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. 6969
Order No. R-6431

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.

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 Associated Oil & Gas Company of New Mexico is the owner and operator of the Vigil Well No. 1, located in Unit J of Section 14, Township 12 North, Range 6 East, NMPM, Sandoval County, New Mexico.

(3) That Houston Fire and Casualty Insurance Company is the surety on the Oil Conservation Division plugging bond on which Associated Oil & Gas Company of New Mexico is principal.

-2-

Case No. 6969

Order No. R-6431

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

(5) That in order to prevent waste and protect correlative rights said Vigil 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 October 1, 1980, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Associated Oil & Gas Company of New Mexico, Inc. and Houston Fire and Casualty Insurance Company are hereby ordered to plug and abandon the Vigil Well No. 1, located in Unit J of Section 14, Township 12 North, Range 6 East, NMPM, Sandoval County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before October 1, 1980.

(2) That Associated Oil & Gas Company of New Mexico, Inc. and Houston Fire and Casualty Insurance 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
Director


S E A L

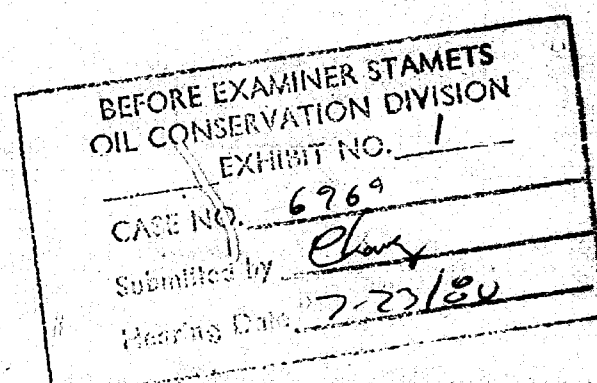
dr/

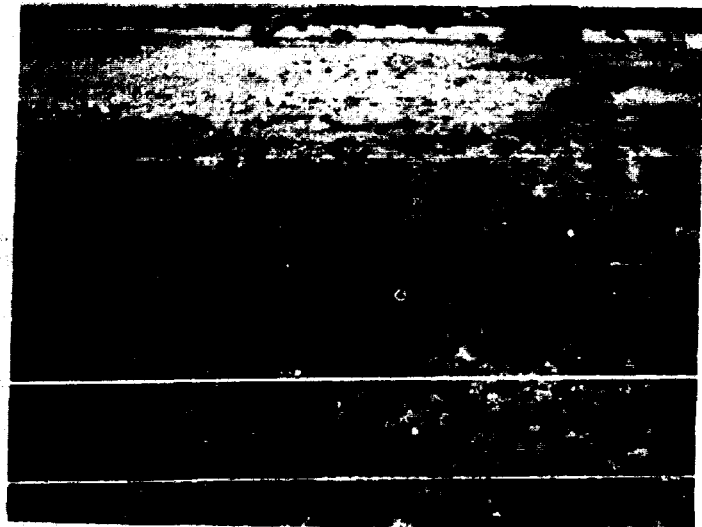
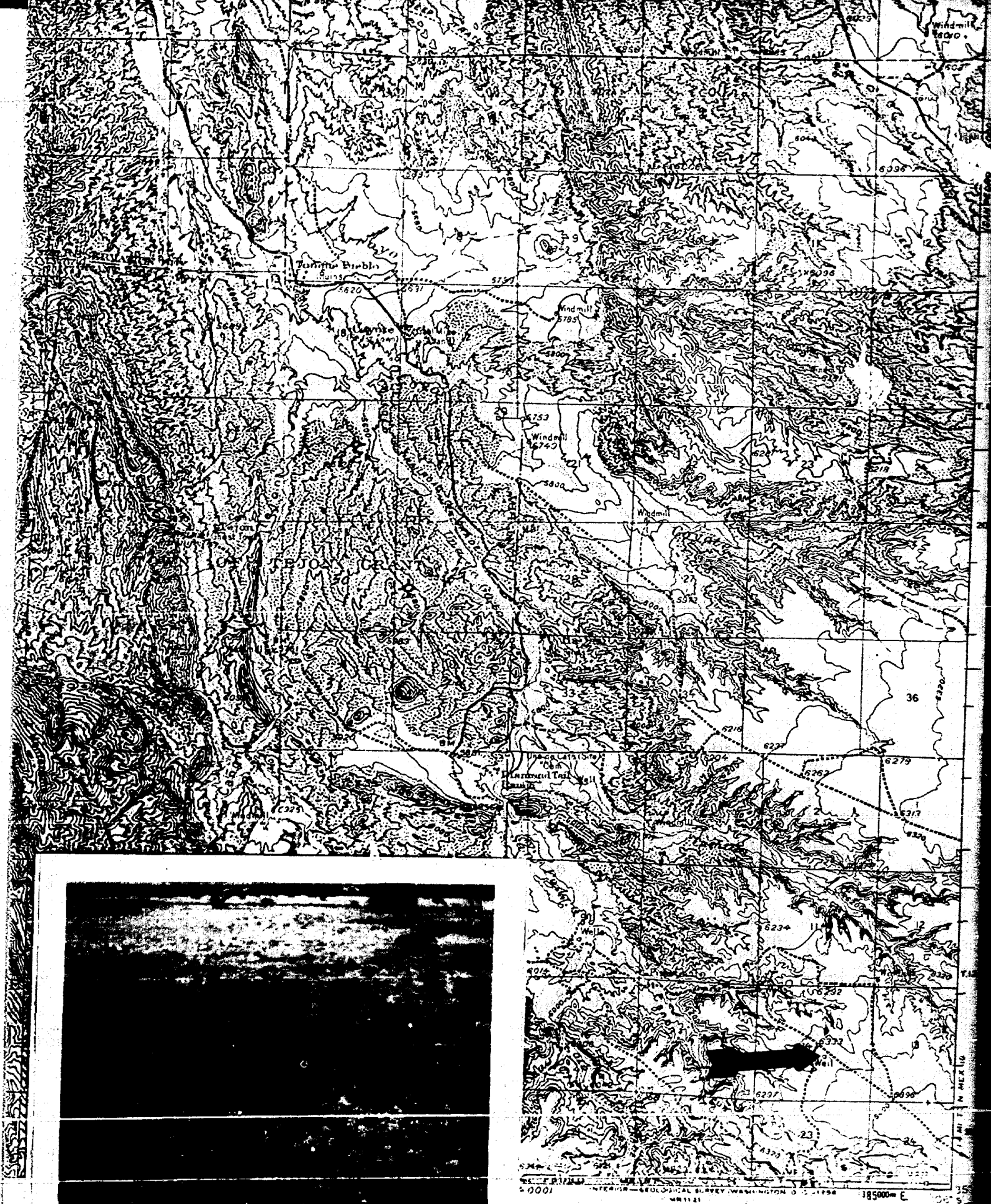
ASSOCIATED OIL AND GAS CO. OF NEW MEXICO

Vigil #1 J-14-12N-6E

Record of Well file

- 1) 10-16-51 Form C-101 filed by R.F. Eddleman to drill to 870'
- 2) " Certified location plat
- 3) " C-103 NIT to deepen water well
- 4) 10-29-51 C-103 " and set casing
- 5) " C-103 set casing and water shut-off
- 6) 10-9-53 C-101 filed by Associated O & G to deepen to 1100'
- 7) 2-9-54 C-102 TA awaiting rotary rig
- 8) 8-20-54 C-102 resumed drilling
- 7) ? C-105 Completion report
- 10) 3-5-55 letter recommending cancellation of bond from Eugene Chavez to Emory Arnold
- 11) 3-7-55 reply to above letter not approving cancellation
- 12) 8-13-56 letter from insurance agency requesting bond cancellation
- 13) 8-17-56 letter from bonding company requesting bond cancellation
- 14) 8-24-56 reply to both letters denying release





ROAD CLASSIFICATION

State New Mexico

County Sandoval Sec. 14 Twp. 12N Rge. 6E

Field Wildcat Location 1980' fr South; 2015' fr East

Company Albuquerque Associated Lease Vigil Well No. 1 *

Elev. _____ Re-Spd. 10/9/53 Completed 5/6/54 T.D. 1200 P.B. _____

Log to _____ ft. Elec. log to 8/22/54 ft. Samples _____

Granite or 1200'

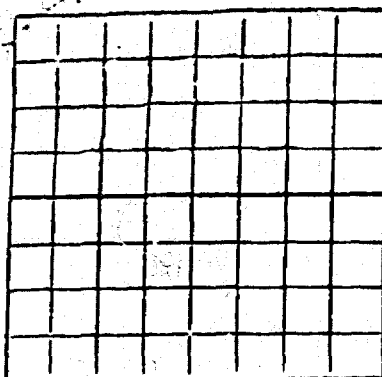
END

COMPLETION RECORD <i>TA</i>		HORIZONS - FORMATIONS	
Prod. Formation	<i>D-1A 8/22/54</i>	Cores & Samples	Elec. Log
Interval		<i>Abso</i>	<i>65</i>
I.P.		<i>Penn.</i>	<i>420</i>
Grav.			
REMARKS			
STATE OR PATENTED LAND:			
C-101	C-102 ✓		
C-103	C-104		
C-105	C-110		

Electric Log		DRILLING PROGRESS
Date	Depth	Remarks and History
10/28/53	890'	Ø Very hard sand, show of oil at 870', O.T.D. 875'
	843	Under running
11-10	843	1 870
11-17	843	SIDE Casing
11-24		
12-2	900'	running
	927	Ø
	956	Ø
26	750	Under running 883

DRILLING PROGRESS

[illegible]



NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE.

AREA 640 ACRES
LOCATE WELL CORRECTLY

ASSOCIATED OIL & GAS OF NEW MEXICO, INC.
(Company or Operator)

VIGIL
(Lease)

Well No. 1, in NW 1/4 of SE 1/4, of Sec. 14, T. 12 N., R. 6 E., NMPM.

Wildcat

Pool,

Sandoval

County.

Well is 1980 feet from South line and 2015 feet from East line

of Section 14. If State Land the Oil and Gas Lease No. is Fee Land

Drilling Commenced August 14th, 1951. Drilling was Completed August 21, 1954.

Name of Drilling Contractor Van R. Turner, Drilling Co.

Address 2701 Second Street, N.W., Albuquerque, New Mexico

Elevation above sea level at Top of Tubing Head. The information given is to be kept confidential until

19

OIL SANDS OR ZONES

No. 1, from None to No. 4, from None to

No. 2, from None to No. 5, from None to

No. 3, from None to No. 6, from None to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from	185	to	190	feet.
No. 2, from	655	to	660	feet.
No. 3, from	847	to	867	feet.
No. 4, from	877	to	885	feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8"	28	used	617'8"	?			cut off water
6"	19	new	871'9"	steel			cut off water

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. BAGS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
10"	8 5/8"	617'	65	set by Eddleman		
7 1/2"	6 5/8"	874'	60	circulated out		

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qt. or Gals. used, interval treated or shot.)

None

Result of Production Stimulation

Depth Cleaned Out

RECORD OF DRILL-STEM AND SPECIAL TESTS

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used from 962 feet to 1201 feet, and from feet to feet.
Cable tools were used from 0 feet to 962 feet, and from feet to feet.

PRODUCTION

Put to Producing No 19

OIL WELL: The production during the first 24 hours was barrels of liquid of which % was
was oil; % was emulsion; % water; and % was sediment. A.P.I.
Gravity

GAS WELL: The production during the first 24 hours was M.C.F. plus barrels of
liquid Hydrocarbon. Shut in Pressure lbs.

Length of Time Shut in

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

T. Anby	T. Devonian	T. Ojo Alamo
T. Salt	T. Silurian	T. Kirtland-Fruitland
B. Salt	T. Montoya	T. Farmington
T. Yates	T. Simpson	T. Pictured Cliffs
T. 7 Rivers	T. McKee	T. Menefee
T. Queen	T. Ellenburger	T. Point Lookout
T. Grayburg	T. Gr. Wash	T. Mancos
T. San Andres	T. Granite	T. Dakota
T. Glorieta	T.	T. Morrison
T. Drinkard	T.	T. Penn
T. Tubbs	T.	T.
T. Abo	T.	T.
T. Penn	T.	T.
T. Min	T.	T.

FORMATION RECORD

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	3	3	Surfact Soil	655	660	5	Sandy Lime
3	40	37	Gypsum and Gravel	660	661	1	Hard Lime
40	55	5	Brown Clay	661	668	7	Blue Shale
55	120	65	Lime Todillo	668	671	3	Red Rock
120	278	158	Red Rock Chino	671	676	5	Lime
278	283	5	Hard Lime	676	690	14	Blue Shale
283	295	12	Red Shale	690	705	15	Red Shale
295	308	13	Blue Shale	705	826	121	Blue Shale
308	323	15	Red Shale	826	847	21	Hard Sandy Lime San Andres
323	331	8	Hard Sandy Lime	847	867	20	Hard Grey Sandstone
331	333	2	Red Shale	867	871	4	Very Hard Fine Gray Sandstone
333	342	9	Gray Lime	871	874	3	Blue and Brown Shale
342	363	21	Red Rock	874	877	3	Hard Grey Sandstone
363	446	83	Red Shale	877	885	8	White Sand
446	470	24	Sandy Shale	885	905	20	Blue Shale
470	525	55	Red Shale	905	926	21	Blue and Brown Shale
525	530	5	Blue Shale	926	943	17	Hard Sandy-Lime
530	545	15	Green Shale	943	955	12	Sand and Limestone
545	548	3	Blue Shale	955	962	7	Shale
548	591	43	Sandy Lime Moonkop	962	1056	94	Caving
591	593	2	Blue Shale	1056	1115	59	Sand and Limestone Glorieta
593	635	42	Sand and Shale	1115	1137	22	Sand and Limestone
635	655	20	Lime	1137	1140	3	Sand and Limestone

From	To	Thickness in feet	Formation
1140			Sand and Limestone
1140	1180	40	Sand and Limestone
1195	1201	6	Red Clay

Associated Oil and Gas of New Mexico Inc.

Vigil #1

J-14-12N-6E



8 5/8" @ 617' W/65 sx



6 5/8" @ 874 W/60 sx



OH to 1201'

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.

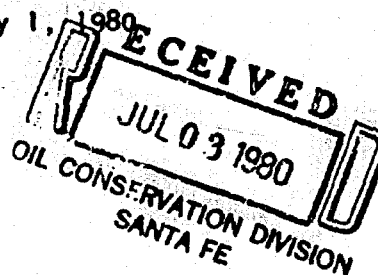


BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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 6969

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 0 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 M 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.

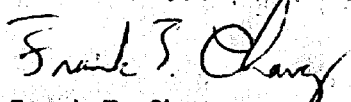
July 1, 1980

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
District Supervisor

FC/ls

Enclosed for Mr. Ernie Padilla, Oil and Gas Co. of New Mexico, Inc., are two copies of a letterhead memorandum and all other information regarding a proposed well located in Unit E of Section 16, Township 30 North, Range 11 West, San Juan County, New Mexico. The proposed well is to be drilled by unknown parties and located in Unit E of Section 16, Township 30 North, Range 11 West, San Juan County, New Mexico. The proposed well is to be drilled by unknown parties and located in Unit E of Section 16, Township 30 North, Range 11 West, San Juan County, New Mexico.

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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. 6969

Order No. R- 6431

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.

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. Stamets

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 Associated Oil & Gas Company of New Mexico is the owner and
operator of the Vigil Well No. 1
located in Unit J of Section 14, Township 12 North,
Range 6 East, NMPM, Sandoval County, New Mexico.

(3) That Houston Fire and Casualty Insurance Company is the
surety on the Oil Conservation Division plugging bond on which
Associated Oil & Gas Company of New Mexico 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 Vigil 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 October 1, 1980, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Associated Oil & Gas Company of New Mexico, Inc. and Casualty Insurance Company Houston Fire and Cas/ are hereby ordered to plug and abandon the Vigil Well No. 1, located in Unit J of Section 14, Township 12 North, Range 6 East, NMPM, Sandoval County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before October 1, 1980.

(2) That Associated Oil & Gas Company of New Mexico, Inc. and Casualty Insurance Company Houston Fire and, 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.

Called in by Frank Chavez
July 2, 1980

Forced Plugging Cases

✓ Associated Oil & Gas Company
of New Mexico, Inc.

Houston Fire & Casualty Insurance
Co.

Vigil # 1-J 14-12N-6E
Sandoval County

Union Oil & Mining

Carl Lanier # 1-B 6-29N-9W

San Juan County

Aytec Development Company

Finch # 1-O 15-29N-11W

San Juan County