

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 22, 1963

EXAMINER HEARING

IN THE MATTER OF:)
)
)

The hearing called by the Oil Conservation Commission on its own motion to permit Corine Foster dba Corine Foster Oil Company and all other interested parties to appear and show cause why the Corine Foster Oil Company Ohio Farris Well No. 1, located in Unit P of Section 4, Township 19 South, Range 26 East, Eddy County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.)

) CASE 2815

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case 2815.

MR. DURRETT: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Corine Foster dba Corine Foster Oil Company and all other interested parties to appear and show cause why the Corine Foster Oil Company Farris Well No. 1, located in Unit P of Section 4, Township 19 South, Range 26 East, Eddy County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

If the Examiner please, J. M. Durrett, Jr., appearing on behalf of the Commission and its Staff. I believe Mr. Jones is here and has stated that he is here and will appear in his own

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behalf, is that correct, Mr. Jones? You are the party of interest in this case?

MR. JONES: Yes, sir.

MR. DURRETT: I will have one witness. Did you want to make a statement before I put my witness on?

MR. JONES: I just came here to state the only reason I saw for it not plugging the well was it was a small well and Mrs. Foster, when the rods came in she -- I wanted to explain why the well was taken off production, and wish to continue this, and we want permission to go into the well and drill it deeper.

MR. DURRETT: Mr. Jones, right at this point I'm trying to straighten the record out here. Our files reflect that the Corine Foster Oil Company is the owner of the well or the operator of the well.

MR. JONES: She's the operator.

MR. DURRETT: Am I correct that you are representing her? Are you her agent?

MR. JONES: No, I'm representing myself because I own half the well.

MR. DURRETT: You have a one-half interest?

MR. JONES: I own a half interest in the well.

MR. NUTTER: If you are going to interrogate Mr. Jones, Mr. Durrett, I would like to put him under oath.

MR. DURRETT: All right, I don't have any further questions at this time.

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MR. NUTTER: I have a few questions.

(Mr. Jones sworn.)

MR. NUTTER: Mr. Jones, the well file in this case indicates that the well is owned by the Corine Foster Oil Company, or owned by Corine Foster, doing business as the Corine Foster Oil Company; and that the last document in the well file, being a form was filed by you as the agent of the Corine Foster Oil Company. This indicated that the well had been formerly owned by Ralph Nix and Jerry Curtis and had been transferred to the Corine Foster Oil Company.

MR. JONES: It was transferred to me and then I transferred it to her. There's a transfer from the Ohio Oil Company to me direct. It was not made direct to Curtis and Nix. It was originally a farmout to them and they drilled the well on the farmout.

MR. NUTTER: Curtis and Nix?

MR. JONES: Yes, I drilled the well. I took the farmout from them and drilled the well myself. After it was drilled, some months later, why, Ohio Oil Company gave me an assignment direct by permission of Jerry Curtis and Ralph Nix, in which they relinquished all their right, title and interest in the well, with the exception of a royalty interest.

MR. NUTTER: Then is the Form C-110 in error that states that this is the Corine Foster Oil Company Ohio Farris No. 1 and that the operator is the Corine Foster Oil Company?



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MR. JONES: I gave her operation of the well when I made a deal with her. I drilled the well first. She came in and bought a half-interest in the well with me, and was to drill the well deeper, but she did not carry it any deeper. She went in and perforated the well and **acidized** it and it made a small well, but she completed it, put it on production; and I'm living in Dallas now, and the next thing I knew, I came back, she had taken the pumping equipment of the well out and moved it to another well.

MR. NUTTER: What's the total depth of the well?

MR. JONES: I believe it's 2475, I don't recall exactly with the rights to go deeper, 100 feet deeper if I want to.

MR. NUTTER: Has the well actually produced oil?

MR. JONES: Yes, sir. We sold some oil out of it.

MR. NUTTER: How much oil has this well produced?

MR. JONES: It hasn't produced very much. I sold oil out of it individually before I made a deal with her, and it produced only about four or five barrels a day. It came in making more oil than that and we had some troubles in there with the acid and then she went in and re-**acidized** again and it came back making about 10 or 15 barrels a day, and then it dropped off again to two or three barrels a day, I was informed by her. Now how much oil she has sold out of it, I don't know.

MR. NUTTER: This is when she was the operator of the well?



MR. JONES: Yes, when she took over the operations for a half-interest in it.

MR. NUTTER: When did she cease to produce the well, do you know?

MR. JONES: It's been about, almost two years ago. I didn't know until about eight months ago that she had moved the equipment off of it.

MR. NUTTER: So it hasn't produced for a couple of years at least?

MR. JONES: It's about a year, year and a half, something like that. We had some title difficulties in there. This land is owned in fee by some people in California, and the last I knew, we was trying to get it straightened out for a division order. Then I found out she had moved the equipment off of it and I asked her to replace the equipment to keep the lease in good standing so I could go ahead and produce the well if she wasn't going to produce it, or else I wanted to deepen the well. She never did give me any answer on that. I would like some time to make a deal with her and get the thing straightened out and either put it on production or deepen it. Over there where we drilled that, your Honor, we have to cement our casing. It's in the Artesian District. We put new pipe in and we have to cement all the way to the surface and circulate. There's no salvage in the pipe whatsoever. When we plug it, we have to leave all the pipe in the ground.

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MR. NUTTER: Well, Mr. Jones, I note here in this case file a letter written by Mr. Armstrong, the supervisor of the Conservation Commission, District No. 2.

MR. JONES: Yes, sir.

MR. NUTTER: He wrote the letter on March 25 to Corine Foster Oil Company. "We have not received any C-110 from Stanley Jones transferring the above-mentioned well to him." It is the Ohio Farris No. 1 they are talking about. "In order for him to do so, we will need to get a bond covering this well. We are holding you responsible for the plugging of the well. If we do not hear from you in the near future we will notify your bonding company to plug this well." Is it in fact your well or is it Corine Foster's well?

MR. JONES: It's half mine and half hers. I haven't received any assignment from her.

MR. DURRETT: If the Examiner please, I can straighten the record out. As far as the well, on the C-110 it belongs to Corine Foster Oil Company. The Commission is not interested in who owns the stock. We are proceeding against Corine Foster Oil Company here today to plug the well, as they are the record owners, as far as the Commission, as far as being the operator of this well. That's who we're proceeding against.

MR. NUTTER: Corine Foster Oil Company. Do you care to go ahead with your case?

MR. DURRETT: I would like to put my case on. I don't



have any objection to Mr. Jones making a statement. I have no objections to that. After I conclude my case, I would have no objections to him making a statement that he would desire to the Examiner, as he states that he is a party in interest. However, he will not be able to cross examine my witness. I would request in view of the Attorney General's ruling, that you have to be represented by counsel unless you are representing yourself, and we are proceeding against Corine Foster Oil Company, who is not an entity and must be represented by counsel only. I would have no objection to any statement he would like to make after I conclude the case.

MR. NUTTER: Do you have any questions of Mr. Jones?

MR. DURRETT: No, I have no further questions at this time.

MR. NUTTER: Mr. Jones, you may be excused.

(Mr. Jones excused.)

MR. DURRETT: I have one witness, Mr. Dick Stamets. Please take the stand.

(Witness sworn.)

RICHARD STAMETS

called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. DURRETT:

Q Will you please state your full name and position for

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the record?

A Richard Lee Stamets, Geologist for the New Mexico Oil Conservation Commission in Artesia, New Mexico.

Q Mr. Stamets, as part of your position and part of your official duties with the Commission, do you supervise the plugging of wells in that district in conjunction with the District Supervisor and do you make recommendations to the Commission concerning the plugging of the wells?

A I do.

Q Are you familiar with the subject well in this case, which is the Corine Foster Oil Company Ohio Farris Well No. 1?

A Yes, sir.

Q And is that well located as described on the docket in this Hearing, which is Unit P of Section 4, Township 19 South, Range 26 East, Eddy County, New Mexico?

A Yes, sir.

Q Will you please refer to the Commission's file, your file that you have in your possession, and state for the record the status of this well at present as far as reflected in the files?

A The last C-110 we have in the file, which is the last Commission form filed, is a C-110 transferring ownership of this well from Ralph Nix and Jerry Curtis to Corine Foster Oil Company. That was approved March 25, 1960, by Mr. Armstrong.

Q Mr. Stamets, are you also familiar with approximately



when this well produced last, as far as our files are concerned?

A This well is in the Lakewood-San Andres Pool, and I referred to our statistical reports, annual statistical reports, and I found the last production in June of 1957. Mr. Jones indicated there was some production after that, but I did not find it. It's possible that I might have missed it due to the change in name here, but like I say, I looked under the pool and found no production listed.

Q As far as your records show, it was June of 1957?

A Yes, sir.

Q Do you have the amount or approximate amount of production about that time?

A I don't have it shown, but it was in the neighborhood of three to five barrels a day.

Q Do you have an opinion concerning this well, specifically as to whether or not it should be plugged in a manner that will confine all the oil and gas in the strata they were originally contained in?

A Yes, sir. I made an inspection of this well day before yesterday and at the present time it is flowing a small quantity of salt water, oily salt water onto the surface, and as such, it constitutes a hazard and should be plugged.

Q You feel if it is not plugged it will cause waste?

A Yes, sir.

MR. DURRETT: Thank you, Mr. Stamets. I believe that's



all I have from the witness.

CROSS EXAMINATION

BY MR. NUTTER:

Q What is the actual condition of the surface there, Mr. Stamets, is there a wellhead on the well, or is the casing open or what?

A There is a pumping head on the well, Mr. Nutter, but the pump has been removed from the location.

Q No pumping unit at the moment?

A No, there is a flow line which extends to two small tanks; however, the flow line is broken from the tanks and the small amount of water and oil is coming from this flow line.

There's no physical shut-off at the wellhead.

Q This is a pumping "T" that's installed on the well?

A Yes, sir.

Q And it has a flow line?

A Yes, sir.

Q How far from the well is the flow line broken?

A Fifteen, twenty feet.

Q Where is the water going that's flowing out?

A On the surface.

Q Is there a pond there?

A There's a small accumulation of water and an area covered by oil, about twice as large as this table, maybe twenty feet square.



Q And this is an oily water that's flowing out?

A Yes, sir, a very small quantity of oil and it drips a little water, enough to keep the surface damp.

MR. DURRETT: If the Examiner please, I have one or two other questions I would like to ask the witness.

MR. NUTTER: Go ahead.

REDIRECT EXAMINATION

BY MR. DURRETT:

Q Mr. Stamets, I neglected to ask you on direct examination, I would like to do so at this time; do you have a specific program that you would recommend that this well be plugged in accordance with?

A Yes, sir, I do.

Q Would you please give us that for the record?

A The recorded total depth of this well is 2,477 feet. The plugging program would consist of 25 sacks of cement set at total depth, 20 sacks of cement at 833 to 893, 20 sacks of cement at 580 to 640, 5 sacks of cement at the surface with 10-pound mud between plugs.

Q And in your opinion, Mr. Stamets, do you feel that this is the minimum plugging program that should be approved in order to prevent waste in this area from this well?

A Yes, sir, this plugging program corresponds to similar plugging programs in the Water Basin.

MR. DURRETT: Thank you. I believe that's all I have.



RE-CROSS EXAMINATION

BY MR. NUTTER:

Q Is this well in the Artesia Water Basin?

A Yes. I believe I didn't get to finish explaining the physical appearance of the location. I had gotten as far as the flow line. There appear to be two small tanks, probably 100 barrels on the location. There are two or three pits which are open and there is some junk on the location.

MR. NUTTER: Are there any questions of Mr. Stamets.

MR. DURRETT: Is this a State lease, Mr. Stamets?, or do you have that information?

A It's patented lease.

MR. DURRETT: It is a patented lease?

A Yes, under the name of Edith A. Farris.

MR. NUTTER: Are there any other questions of Mr. Stamets? He may be excused.

(Witness excused.)

MR. DURRETT: That will conclude my case, Mr. Examiner.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2815?

MR. DURRETT: Do you want to make an additional statement, Mr. Jones? You can do so at this time if you like.

MR. JONES: The only thing I wish to state is that actually being gone, I didn't know that the flow line was broke. I was out there eight months ago and it was intact. I noticed

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that the pumping equipment and the rods had been removed and, of course, the well is making oil and water from this particular zone which was my intention to run a squeeze job and shut this off. Mrs. Foster was supposed to have done so, but she didn't, and perforate another place in the well.

However, at this point I don't know if it's possible that it could be done. I would like to save the well if I possibly could by buying her out or working out something. The thing of it is, on the plugging program here, with that much cement and that much casing, I would like to state this, with the new 5 1/2 inch, with cement circulated clear to the surface, it is my opinion that the plugging program is all right except they are asking for too much cement, particularly in plugging it, due to the fact we have only two water stratas in there to contend with.

When we were drilling, we noticed them. One is the Artesian and one is the surface. If we circulated mud in both of those formations and shut the water off while drilling and then circulated cement to the surface of the new pipe that's set in the well -- on all the wells that we have drilled down there, and I drilled the discovery well in that field there and wells to the north in which the Oil Conservation Commission established the program years ago, and which they made me cement all my pipe and circulate mud into the formations until the water was shut off and then circulate cement all the way to the surface, and the engineer was out there to witness it, which sometimes it took a lot

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of cement. It was done there to protect all the water horizons in there.

The oldest well I have in there is drilled way back there in 1940, in which I circulated the cement to surface on it the first time, set new pipe in it, and it still hasn't developed any leaks whatsoever in it. The water can't contaminate.

MR. NUTTER: What in your opinion is an adequate plugging deal in this area?

MR. JONES: The adequate plugging deal in this area would be where his plug says 25 sacks, 25 sacks of cement in the five-inch casing fills up an awful lot of pipe; 15 sacks would be adequate in there, due to the Artesia Water zone, because you are going to fill up at least 215 feet or more with the sacks of cement. It's your surface water there that's very weak. I'll say 10 sacks along in there would be adequate. The bottom of your well, where you have no fluid at all with the exception of pipe is set all the way to the bottom and cemented, and no fluid at all in the bottom of the well; the only one, there's only one perforation open. It was perforated another place but squeezed off with several sacks of cement, about 20, 25 sacks.

MR. STAMETS: If the Examiner please, the fill-up in 5-1/2 inch casing would be 6.3 feet per sack of cement.

MR. NUTTER: You recommended 20 sacks from 833 to 893. You'd have more coverage than that, then, wouldn't you? That would be a 60-foot interval with 20 sacks?

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MR. STAMETS: Yes, it would exceed that. The 833 to 893 is the interval which is intended to be covered.

MR. NUTTER: That's the interval?

MR. STAMETS: Yes, sir. The people who do the cement work have told us as representatives of the Commission, when you are pumping mud and cement down the same tubing to plug a well, that a ten-sack plug will not necessarily be ten sacks when you are finished. You may have no solid cement at all, because in mixing --

MR. NUTTER: The area of contamination between the plugs?

MR. STAMETS: Yes, sir. They consider a 20-sack plug to be a minimum plug.

MR. NUTTER: Does anyone have anything further they wish to offer in this case? If the witness hasn't been excused, he's excused. We'll take the case under advisement.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this 3rd day of June, 1963.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1963.

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
New Mexico Oil Conservation Commission



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT CORINE FOSTER DBA CORINE FOSTER OIL COMPANY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE CORINE FOSTER OIL COMPANY OHIO FARRIS WELL NO. 1, LOCATED IN UNIT P OF SECTION 4, TOWNSHIP 19 SOUTH, RANGE 26 EAST, EDDY COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE No. 2815
Order No. R-2553

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 22, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of August, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Corine Foster, dba Corine Foster Oil Company, is the owner and operator of the Corine Foster Oil Company Ohio Farris Well No. 1, located in Unit P of Section 4, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) That the subject well has been abandoned and should be placed on production or should be plugged in a manner which will confine permanently all oil, gas, and water in the separate strata originally containing them in order to prevent waste.

IT IS THEREFORE ORDERED:

(1) That if the Corine Foster Oil Company Ohio Farris Well No. 1, located in Unit P of Section 4, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico, is not producing by

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CASE No. 2815
Order No. R-2553

September 15, 1963, Corine Foster, dba Corine Foster Oil Company, is hereby ordered to plug said well in accordance with the following minimum plugging requirements:

- (1) Set a 25-sack cement plug at total depth.
- (2) Set a 20-sack cement plug from approximately 823 to 893 feet.
- (3) Set a 20-sack cement plug from approximately 580 to 640 feet.
- (4) Set a 5-sack cement surface plug.
- (5) Fill all intervals between cement plugs with mud weighing not less than 10 pounds per gallon.
- (6) Set in the surface plug a regulation steel marker not less than four inches in diameter and extending at least four feet above mean ground level.

(2) That if the subject well is not producing by September 15, 1963, the plugging thereof shall be completed on or before September 25, 1963, and that Corine Foster, dba Corine Foster Oil Company, shall notify the District Supervisor, District 2, Oil Conservation Commission, Artesia, New Mexico, of the exact time and date plugging operations are to commence.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary