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PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 6, 1963

EXAMINER HEARING

IN THE MATTER OF:)
)
)

The hearing called by the Oil Conser-)
vation Commission on its own motion to per-)
mit Continental National Insurance Group)
and all other interested parties to appear)
and show cause why the Kenneth V. Barbee)
Well No. 1, located 1980 feet from the)
South line and 660 feet from the East line)
of Section 9, Township 11 South, Range 25)
East, NMPM, Chaves County, New Mexico,)
should not be plugged in accordance with a)
Commission-approved plugging program.)

Case No. 2746

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please.

The first case this morning will be Case 2746.

This is in the matter of the hearing called by the
Oil Conservation Commission on its own motion to permit Continental
National Insurance Group and all other interested parties to
appear and show cause why the Kenneth V. Barbee Well Number 1
located in Section 9 of Township 11 South, Range 25 East should
not be plugged in accordance with the Commission-approved plugging
program.

MR. DURRETTE: My name is James Durette, appearing on



behalf of the Commission and its staff. I have one witness.

(Witness sworn.)

R I C H A R D L E E S T A M E T S

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

DIRECT EXAMINATION

BY MR. DURRETTE:

Q Will you please state your full name and position for the record?

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

Q As part of your official duties, Mr. Stamets, do you supervise the plugging of wells in your district and make recommendations concerning this matter?

A Yes.

Q Are you familiar iwth the subject well in this case, designated the Kenneth V. Barbee Well Number 1?

A Yes, sir.

Q Is that the well located as described on the docket in this case and as advertised?

A Yes, sir, it is.

Q Now refer to the official file that you have, the official Commission file to refresh your memory if you need to do so; and will you please state the name of the operator as far as reflected on the Commission files?

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A This is M. R. Voltz.

Q To what document are you referring for that information?

A This is the C-101 Notice of Intention to Drill.

MR. DURRETTE: If the Examiner please, I would like to have this document marked as an exhibit and I will introduce it later on in the case and would request the right to substitute a copy of this document.

MR. NUTTER: That will be satisfactory.

Q (By Mr. Durette) Now, what date was that filed, according to our records, Mr. Stamets?

A This was filed and approved August 1, 1960.

Q Now, referring to the rest of your official file that you have there, what is the last piece of correspondence or form that you have concerning this well?

A The date that we received, the last date we received any information from the operator was December 2, 1960.

Q Based on that, would you believe that this well is now abandoned?

A Well, I have here a note from one of our inspectors, Howard Lobley, who inspected the well in July last year, and his inspection at that time showed that the well was shut in. The pump and tanks had been removed, so, based on the fact that we received no further reports from the operator after this inspection and my own personal inspection of the wellsite yesterday, I



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feel that is the case and has been for sometime.

Q Do you have a well record in your file, Mr. Stamets?

A You are referring to Form C105?

Q Yes.

A Yes, sir, we do.

Q Using that form to advise you as to the various formations involved or strata encountered in this well, do you feel that this well should be plugged in accordance with a Commission approved plugging program, in order to confine oil and gas in the strata in which they were originally found?

A Yes, sir, I do.

Q Do you have a plugging program that you would like to recommend to the Commission?

A Yes, the plugging program is one which would cement off the open-hole, the perforations in the oil zone and seal off any possibility of artesian waters escaping into other zones. This would entail putting 50 sacks of cement in the bottom of this hole, and this would be approximately 600 feet of cement. The hole total depth is 930 feet.

Q So you want a plug at the bottom?

A Yes, 50 sacks.

Q Do you have a recommendation concerning any plugging in the intermediate part of the well?

A Above this 50 sacks there should be mud-laden fluid and then a five-sack plug in the very top to support the surface marker.



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Q You want a five-sack cement plug at the surface?

A Yes, sir.

Q Do you have a recommendation concerning the marker; what I'm interested to know, do you recommend a regulation marker be placed in that surface plug?

A Yes.

Q I believe you did state, Mr. Stamets, for the record that you felt this should be done in the very near future?

A Yes, sir, it's been some time since operations have ceased on this well, and this should be taken care of as soon as possible.

Q Mr. Stamets, I hand you here a copy of a form which is at least designated at the top a "Blanket Plugging Bond Form, is that correct?

A Yes, sir.

Q Would you please read for the record the name of the operator or the principal on that form?

A M. R. Voltz.

Q Would you please refer to the, I believe, well, it's on the first page, the name of the surety company involved?

A It's the Continental Casualty Company, I believe, of the State of Illinois.

Q And referring to the second page of that bond, does that appear to be signed by Mr. M. R. Voltz?

A Yes, sir, it does.



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Q Is it signed by an agent as attorney-in-fact for the insurance company?

A Yes, sir, Mr. R. R. Lockwood, Junior, I believe is the name.

Q Is that counter-signed by a resident agent?

A Yes, sir. Mr. Edward Ketchum.

Q Is that notarized?

A Yes, sir, I believe it is, yes.

Q Is this bond made out to the Commission on the face of it?

A Yes, sir.

MR. DURRETTE: If the Examiner please I would like to have this bond marked. This is a copy of the bond; we will produce the original if desired. I would like to have the copy marked as an exhibit, and if the Examiner please, I would like to move the introduction of this exhibit, as well as the official file of the Commission. I would request that the official file be marked as one exhibit and we will substitute copies for that.

MR. NUTTER: The file will be identified as Exhibit Number 1 and the bond as Exhibit Number 2 in this case.

(Whereupon, Exhibits Nos. 1 and 2 were marked for identification.)

MR. DURRETTE: If the Examiner please, that will conclude my direct examination of this witness.

CROSS EXAMINATION



By MR. NUTTER:

Q Did this well, after it was drilled by Mr. Voltz, ever produce oil?

A We issued a supplement assigning an allowable to the well, and it did produce, but I'm not prepared to say how much or over what period of time. It has been shut in at least six months.

Q How long did it produce?

A I'm not qualified to give you that information this morning.

Q Was there any lode oil used in the completion of the well?

A Let me refer to our file to see. No, I'll take that back, only acid was used in the completion of this well. The potential was for 13 barrels of oil on a 24-hour period.

Q And you have no record of the total production from the well?

A No, it would be in the official records of the Commission and available, if you wish.

Q Has an effort been made to contact Mr. Voltz and request him to do something with this well?

A It is my understanding that it would be very difficult to contact Mr. Voltz, since Mr. Voltz is deceased.

Q Has an effort been made to contact Mr. Voltz heirs, or his estate, or anyone, to plug the well?

A This has been handled through our attorney, Mr. Durette.

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I'm not sure what he has done on this to date.

MR. DURRETTE: Is the Examiner please, I will make a statement if there is no cross examination of this witness.

MR. NUTTER: No further cross on that line anyway. Will you please proceed?

MR. DURRETTE: For the record, when this matter came up in the official business of the Commission that the well probably should be plugged and the matter should be looked into, a demand letter was issued from the Legal Department of the Oil Conservation Commission, directed to Mr. Voltz. We did not know at that time that Mr. Voltz was deceased, of course, and also directed to Mr. Edward N. Ketchum, the Resident Agent for Continental Casualty Company. That letter was returned as unknown as far as the copy to Mr. Ketchum. Later Continental Casualty Company was contacted as we determined their address; Mr. Ketchum had moved, and they were informed of the demand on them. We received in reply to our letter to Mr. Voltz, a letter from Mr. Risher Mr Thornton, III, an attorney in the law office of Turpin, Kerr, Smith and Dyer, in Midland, Texas. He advised us that he had represented the M. R. Voltz estate. Mr. Voltz was deceased and that the estate was insolvent. He was not sure what happened to the well. He thought it had been sold at a forced sale of some type, due to the insolvency of the estate. There are several pieces of correspondence that were later exchanged between Continental Casualty Company and the Commission, mainly concerning the fact that

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Continental Casualty Company was attempting to contact the purchaser of this well in order to determine if he would plug it or operate it, or what he would like to do. At the time that the case was docketed the Commission was not advised as to who had purchased the well. I do have some correspondence concerning that in the form of a telegram, which I would like to read into the record. I would like to preface this by stating that I did receive a telephone call yesterday from Mr. Charles Malone, who stated that he was representing Continental Casualty Company, and that they had determined who the purchaser of the well was. He requested continuance, and I would like to read it into the record at this time.

MR. NUTTER: All right.

MR. DURRETTE: "Re: Case 2746. We represent Continental Casualty Company, which furnished plugging bond on Barbee Well in 9-11-25, and are advised that ownership of well has been purchased by Ernest A. Hanson of Roswell, at District Court foreclosure sale. Respectfully request that Commission grant continuance in this case for ten days, in order that rights of our client may be determined with respect to primary obligation for plugging of well."

If the Examiner please, that concludes the telegram. It was signed by Charles F. Malone, designated as signed by Charles F. Malone. If the Examiner please, I did discuss with Mr. Malone the fact that we would go ahead and put Mr. Stamets on this morning.



He had no objection to this. I also advised him that I would request the Examiner to continue the case to the next Examiner Hearing, for the purpose of allowing Mr. Malone to appear and present evidence if he desired to do so. And I would like to also state for the record that at that time we would be willing to recall Mr. Stamets if Mr. Malone felt that he would like to examine him concerning this matter.

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

(Witness excused.)

MR. NUTTER: You now wish to continue this case to the next Examiner Hearing?

MR. DURRETTE: Yes, we would request a continuance to the next Examiner Hearing in order to allow Mr. Malone to appear, representing the surety company, if he so desires.

MR. NUTTER: Case Number 2746 will be continued to the Examiner Hearing at 9:00 o'clock A. M. on February 21st, at the same place.

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NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

REGISTER

HEARING DATE FEBRUARY 6, 1963 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
Jack Lewitt	M. N. Co	midland
Hugh M. Frenzel	Ralph Lowe	midland, Texas
Harold L. Landua	RALPH LOWE	MIDLAND, TEXAS
H. C. Bratten	Ralph Lowe	Midland, Tex.
Charles Morozan	Ralph Lowe	Midland, Tex.
Richard P. Morris	Lth, Montgomery, Federal & American	Santa Fe
Paul J. Beaver	Sunday Oil Co.	Midland Texas
A. L. Carter	O.C.C.	Santa Fe
Jim Knapp	U.S.G.S.	Artesia
W.S. Westefeld	Kumble Oil	midland
Irving H. Hobbs	Cities Service Oil Co.	Bartlesville, Okla
L. P. White	Z W &	Santa Fe
Jason Kellah	Kellah & Fox	Santa Fe
J. H. Hoover	Gulf Oil Corp	Roswell N.M.
W. V. Rastler	-	-
L. J. Motter	Cities Service Oil	Hobbs, N.M.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

REGISTER

HEARING DATE FEBRUARY 6, 1963 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
R. D. Robuck - F. Godfrey	Mobil Oil Co. Mobil Oil Co.	Hobbs, N.M. Midland, Tex.
Jack T. Arkin	Mobil Oil Co.	Midland, Texas

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 21, 1963

EXAMINER HEARING

IN THE MATTER OF: (Continued))

The hearing called by the Oil Conservation)
Commission on its own motion to permit)
Continental National Insurance Group and)
all other interested parties to appear and)
show cause why the Kenneth V. Barbee Well)
No. 1, located 1980 feet from the South)
line and 660 feet from the East line of)
Section 9, Township 11 South, Range 25)
East, NMPM, Chaves County, New Mexico,)
should not be plugged in accordance with)
a Commission-approved plugging program.)

Case 2746

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2746.

MR. DURRETT: In the matter of the hearing called by
the Oil Conservation Commission on its own motion to permit Con-
tinental National Insurance Group and all other interested parties
to appear and show cause why the Kenneth V. Barbee Well No. 1,
located 1980 feet from the South line and 660 feet from the East
line of Section 9, Township 11 South, Range 25 East, NMPM,
Chaves County, New Mexico, should not be plugged in accordance
with a Commission-approved plugging program.



MR. MALONE: Charles Malone of Atwood and Malone at Roswell, appearing for Continental National Insurance Group, and specifically for the company which signed this bond, Continental Casualty Company. The insurance company hereby stipulates that liability for the plugging of the well in question is recognized by the company and that the well will be immediately plugged at the expense of the insurance company, and respectfully requests that the Commission allow sufficient time for the letting of bids for this plugging in order that the company may attain the best possible price and complete plugging prior to the time that this case again comes up for hearing.

MR. DURRETT: If the Examiner please, I would move the Examiner at this time, in view of this stipulation, to accept the stipulation by Mr. Malone and to continue the case to the March 20 Examiner Hearing to give Mr. Malone's client sufficient time to plug the wells.

MR. UTZ: The Case 2746 will be continued until the March 20 Examiner Hearing.

MR. DURRETT: Also, if the Examiner please, for the purpose of the record, Mr. Malone, I do understand correctly that your stipulation is that the well will be plugged in accordance with the plugging program that was presented during the original hearing in this case?

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MR. MALONE: I was not present at the hearing, but I have the letter from Mr. Durrett addressed to Mr. M. F. Voltz of Midland and Mr. Edwin M. Ketchum of Continental Casualty, dated August 3, 1962, which specifies a well-plugging program. Is this the program?

MR. DURRETT: Yes. I think this is the program that was set out during the hearing. At any rate, your company would be willing to conform with this program set out in this letter?

MR. MALONE: Yes.

MR. DURRETT: That will be fine.

MR. UTZ: The hearing is adjourned.



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 20, 1963

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission on its own motion to permit Continental National Insurance Group and all other interested parties to appear and show cause why the Kenneth V. Barbee Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 9, Township 11 South, Range 25 East, NMPM, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

Case No. 2746

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case No. 2746.

MR. DURRETT: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Continental National Insurance Group and all other interested parties to appear and show cause why the Kenneth V. Barbee Well No. should not be plugged in accordance with a Commission-approved plugging program.

If the Examiner please, I have been informed by Mr.

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Charlie Malone, who is the attorney for Continental National Insurance Group, that this well has now been plugged in accordance with a Commission-approved plugging program. I was also informed by him that this plugging was witnessed by Mr. Howard Lowbley, who is on the Commission's Staff, and that the plugging has been approved.

For this reason, I now move that this case be dismissed.

MR. UTZ: Case No. 2746 will be dismissed.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ELAINE J. BUCHANAN, Court Reporter, do hereby certify that the foregoing and attached transcript of hearing before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 30th day of April, 1963.

Elaine J. Buchanan
NOTARY PUBLIC

My Commission Expires:
October 14, 1966.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examination of Case No. 2746, heard by me on Mar 20, 1963.

[Signature], Examiner
New Mexico Oil Conservation Commission

