

REPORT OF FIELD INSPECTION AND
INVESTIGATION AT CARBON DIOXIDE
PLANT AND WELLS NEAR DES MOINES,
NEW MEXICO - JUNE 24, 1975

According to information contained in Oil Conservation Commission files, four wells were completed as carbon dioxide producers as follows:

(a) O-33-30N-29E: Nelson-Moore Development Company #1 Fee, completed as shut-in gas well 5/31/52 with initial potential of 480 mcf. Well taken over by Gruemmer Industries and "Notice of Intent to Recomplete" filed 9/31/54. No additional data submitted. Original depth reported as 2698' in granite. Depth proposed in recompletion was 2600'.

(b) P-33-30N-29E: Gruemmer Indian Carbonic, Ltd. #1 Russell Black, completed as gas well 1/15/54 but no potential reported. Total depth given as 2461; in granite wash.

(c) B-3-29N-29E: Gruemmer Industries #2 R. L. Black, completed as gas well on 9/11/54 with potentials reported as 290 mcf/day at 1182'-92' and 60 mcf/day at 2550'-2605. Total depth given as 2765'.

(d) P-4-29N-29E: Knight & Stockley #1 Homer Schmitt, completed as gas well 6/30/55 with potential of 1 mmcf/day at 2378'-93'. Total depth given as 2609'.

The well files contain no information as to when actual production began or when it ceased. A report compiled from records of the Humble Oil and Refining Company and others pertaining to carbon dioxide production indicates the processing plant began operating in April, 1954, with only two wells connected. Presumably these would be the locations a and b in Section 33. A copy of that report is attached.

Inspection of the above described well locations and the plant adjacent to the discovery well revealed that the first three wells drilled (a, b & c) have all been shut-in and abandoned. The well heads are in place and a considerable amount of trash (timbers) sheet iron, concrete, etc.) remains near each. The pipeline connecting these wells is still in place, partly buried, and cut at the wells farthest from the plant. Location of the fourth and newest well (d) is cluttered with an unusual amount of lumber and sheet iron, has a large pit and adjoining heap of rock and dirt near the site, has four large concrete footings for the drill mast in place, but only a depression where the bore hole (and casing) should be. The plant itself is gone, with only the office building and foundations of the other structures remaining. Much junk is scattered

about the site, with the office building and fence which surrounds the site having been badly vandalized.

Conferences with the Mayor of Des Moines (Esther Thompson) and landowners R. L. Black and H. L. Schmitt failed to provide significant information with respect to production by well or by the pool. However, a general agreement appeared with respect to the overall history which is herewith summarized.

The discovery well was drilled by a partnership - Nelson & Moore - of two men from Colorado who purchased the forty-acre tract on which they drilled and on which the processing plant was subsequently built. Mr. Gruemmer then leased land from the Black brothers for drilling the next two wells and took over operations of the Nelson-Moore well either through a purchase arrangement or merger. Obviously Mr. Gruemmer also acquired the land, since he built the plant thereon. Status of the fourth well is somewhat vague, since no mention of Mr. Gruemmer appears in reports or correspondence in O.C.C. files. However, the landowner - Mr. Schmitt - advised that the well on his land was one of the better CO₂ completions in the pool but for some reason was never connected to the plant. He also "understood" that Mr. Gruemmer took over this well from the original operator (Knight & Stockley). Furthermore, Mr. Schmitt was employed by Gruemmer as plant superintendent for several years, prior to Gruemmer's conviction and imprisonment by a federal court because of violating Securities and Exchange Commission regulations. During his employment as plant superintendant, Mr. Schmitt reportedly maintained complete records of production and sales, together with well test data. He also advised that the facility produced only liquid CO₂ at this time, shipping railroad-car lots and tank-truck loads to wide variety of locations.

After Mr. Gruemmer's incarceration - thought to be at Fort Leavenworth, Kansas - the plant continued to operate for a short time, estimated at six to nine months, under supervision of persons or companies unknown. Then, after approximately four or five years of operations, the plant was acquired by the Frick Company which either had a subsidiary known as "Emerald Carbonic" or established it for the express purpose of operating the Des Moines plant and pool. A sign at the plant entrance - in place at the time of this investigation - verifies this identification. The Frick Company (or Emerald Carbonic) apparently did not employ local people in management or supervisory positions. After a brief shut down, during which a considerable amount of new machinery was installed, the plant resumed operations. However, the product was now dry ice rather than liquified CO₂. What appeared to be a relatively brief period of full scale production and shipping suddenly terminated for reasons

unknown to the various local persons interviewed. For several years, there was a caretaker at the closed plant, also a non-resident of New Mexico, who apparently did not become very well acquainted with Des Moines area people.

The next period in the plant's history involved another change in ownership when it was acquired by the Dye Chemical Corporation. There is even less known about the new management, other than that different people appeared on the scene and that the plant did not resume operations. After a short time the machinery and equipment was dismantled and shipped to an unknown destination, which leads to the suspicion that the Dye Chemical Corporation acquired the property only for the equipment, not for the purpose of manufacturing dry ice.

About five years ago, after the plant had been stripped of its machinery, the city of Des Moines learned that the land and buildings on which the processing facilities and the discovery well (a) locates was being offered for sale. This "package" was purchased by the city for the expressed purpose of developing a park, swimming pool, recreation center and city offices. The promoters of this last scheme were counting on acquiring federal funds with which to develop the "civic center" but they apparently overlooked the necessity for matching funds being supplied by the city itself. Consequently, after the city had purchased the SW/4 SE/4 Section 33, Township 30 North, Range 29 East, it was impossible to obtain additional community support (funds) for the project and no federal grant was available. In an attempt to recoup some of its expenditure, the city then auctioned off the buildings, selling all except the office itself. Since there was no longer a caretaker at the site, vandals took over, wrecking the tall fence surrounding the site as well as the office building. The Mayor of Des Moines advised that the city obtained a clear title to the forty-acre tract, including all improvements located thereon. She was of the opinion that this included the mineral rights also. In this case, the city apparently owns the well (a) which has been abandoned but not plugged. A Mr. Van Pelt (presumably with Union Title & Loan Co.) in Clayton is supposed to have handled the transaction between Dye Chemical Corporation and the City of Des Moines.

Upon learning the foregoing, and having been advised that all records pertaining to the plant's operation had been kept at the aforementioned office building, I returned to the site where many of the papers previously locked in the office were observed blowing about the premises. A large quantity of these records were gathered and brought to the O.C.C. office in Santa Fe for possible future reference.

Because of the several promotional schemes involved in the

subject properties, and because a number of the Des Moines area residents have invested in these failures, the entire matter is a delicate topic for discussion in that locality. Several persons advised that money due them (rents, royalties, services and supplies) has not been paid or is on desposit in the form of escrow accounts but cannot be collected. In those cases where plugging of the wells and cleaning of locations were discussed, there did not appear to be any hostility, however two of the landowners indicated they felt any salvagable materials - such as tubing, casing, valves and lumber - should accrue to them as partial payment for damages. Practically everyone visited said that all of the wells produced some water along with the CO₂ and all felt sure that these wells are now full of water.

It is obvious that some action in this matter is urgently needed. There is on file a \$10,000 blanket bond in the name of Henry C. Gruemmer, d/b/a Gruemmer Industries and another ~~\$10,000 blanket bond in the name of Henry C. Gruemmer, d/b/a Gruemmer Industries~~ and another \$10,000 blanket bond in the name of Russell Stockley. Several forms in the well file (d) were signed by a Russell Stockley and several letters from the Commission were addressed to him. Presumably additional data concerning this entire affair can be obtained from records at the Union County Court House and possibly from a search of the records salvaged at the site. Attached are photographs taken during the field inspection.

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