



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

January 6, 1982

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Bennett Petroleum Corporation
1580 Lincoln Street
Denver, Colorado 80203

Subject: OCD Case No. 6988
Order No. R-6453
Phelps Dodge Wells No. 2 *File*
and No. 5, Colfax County,
New Mexico

Dear Mr. Bennett:

Your letter of 12/29/81 (received 1/4/82) raises several questions that can be answered as follows:

(a) There is no reason for this agency to assume that Well No. 2 was properly plugged. Attached is a copy of the last letter to Marlin Oil Company (dated 1/2/81) Explaining that decision. You will notice that additional data relative to the alleged plugging was requested. For example, a notarized copy of the cementing company's report would certainly resolve much of the controversy. Since information of this type has not been forthcoming, it must be concluded that the claimed plugging cannot be verified. Likewise, the filing of the false report (copy attached) and the placing of an obstruction in the 8 5/8" casing at approximately 15' to 20' below the surface certainly adds to the credibility gap in this case.

(b) The problem with Well No. 5 has nothing whatsoever to do with selling water. This agency has no objection to that well being converted to a water supply well. However, the law requires that such a conversion can only be approved after the operator and landowner are in mutual agreement as to the conditions under which such a conversion will be accomplished. (See Rule 203). Attached is a copy of a letter (dated 1/30/81) which previously discussed this matter. Also attached are additional copies of the proper forms to expedite the intended conversion, this being the third time that such forms have been sent. Before pursuing the conversion option, it might be wise to determine if the N.M. Water Resources Division (Natural Resource Department) will permit withdrawal of water here, since the well locates within a declared water basin. The Oil Conservation Division has no jurisdiction over use of the water, only over the actual handling of the well itself.

January 6, 1982

If there is anything further that this agency can do to help bring the subject matter to a satisfactory conclusion, kindly so advise.

Yours truly,

Carl Ulvog,
District IV Supervisor

CU/dp

Enc.

cc: The Travelers Insurance Company
5800 South Quebec St.
Englewood, CO 80111

Phelps Dodge Corporation
P.O. Drawer 1238
Douglas, Arizona 85607

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