



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX ARMijo
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

April 10, 1969

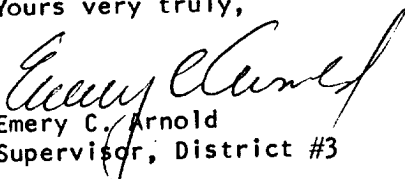
Beard Oil Company
2000 Classen Building
Oklahoma City, Oklahoma

Re: Conversion to Water Well, Beard Oil Co., Floyd Lee #1,
1980/N; 360/E, Sec. 1, T.15 N, R.7 W,
McKinley County, New Mexico

Gentlemen:

Mr. Floyd Lee has informed me that my letter of April 2, 1969, concerning the above well had an error in the location of the well. The previous letter stated that the well was located in Section 1, Township 15 North, Range 17 West. This should have read Section 1, Township 15 North, Range 7 West. Please correct my earlier letter. Thank you.

Yours very truly,


Emery C. Arnold
Supervisor, District #3

ECA:mc

cc: Oil Conservation Commission
Santa Fe, New Mexico

Mr. W. D. Stricklin
Petroleum Plaza
Farmington, New Mexico

Mr. Floyd Lee
San Mateo, New Mexico



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Mr. Floyd Lee
San Mateo, New Mexico

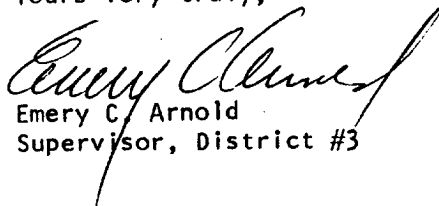
Dear Mr. Lee:

Thank you for your letter of April seventh pointing out the range error in my letter to Beard Oil Company. I am sending you a copy of my letter of correction.

I hope that you can soon successfully work out an arrangement where the well can be completed as a water well. Mr. Bill Stricklin tells me it is capable of flowing a large volume of good water.

I plan to be in your area within the next sixty days and would like to visit with you again at that time.

Yours very truly,


Emery C. Arnold
Supervisor, District #3

ECA:mc

Encl.

FLOYD LEE RANCH
FERNANDEZ COMPANY
FLOYD W. LEE, PRES.

CATTLE AND SHEEP

VF/

RANCH
P. O. SAN MATEO, N. M. — 87050
PHONE: GRANTS, N. M.
PHONE 876-2511

San Mateo N.M.
April 7 - 69.

Cit Conservation Commission
State of N.M.

1000 Rio Grande Road
Asteo N.M. 87410:



Dear Sirs: -

I am returning your letter of
April 2nd as you have made a
mistake in the range.

We do not own land in 17 West 6th
We do have a township in 15 N. 7 W.

Hope you will correct this.

Yours truly
Floyd Lee



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April 2, 1969

Beard Oil Company
2000 Classen Building
Oklahoma City, Oklahoma

Re: Conversion to Water Well, Beard Oil Co. #1 Floyd Lee,
1980/N; 360/E, Section 1, Township 15 North, Range 47 West,
McKinley County, New Mexico

Gentlemen:

We have received Form C-105, Well Record Form, and Form C-103, Sundry Report, indicating that the above well was to be transferred to Mr. Floyd Lee with his agreement for conversion to a flowing water well.

New Mexico Oil Conservation Rule 106, Paragraph B reads as follows:

"All fresh waters and waters of present or probable value for domestic, commercial, or stock purposes shall be confined to their respective strata and shall be adequately protected by methods approved by the Commission. Special precautions by methods satisfactory to the Commission shall be taken in drilling and abandoning wells to guard against any loss of artesian water from the strata in which it occurs, and the contamination of artesian water by objectionable water, oil or gas."

Information that you have filed does not indicate the source of the artesian water in this well. I have learned from Mr. W. D. Stricklin, your representative, that fresh water was indicated in both the Crevasse Canyon Sandstone and the Massive Gallup Sandstone. As the well was left, both these zones are open in the well bore which is cased only to a depth of sixty-two feet where eight and five-eighths inch casing was cemented. Some other wells in the south end of the San Juan Basin have proven to have artesian flows from the Massive Gallup Sandstone and I do not know of any that flow from the Crevasse Canyon; so the Massive would seem to be the most likely source. However, in view of the question in this regard, I will outline two courses of action below to cover either eventuality and you may proceed accordingly when you determine the source.

1. If the Crevasse Canyon Formation is determined to be the water source, a one hundred foot cement plug should be set in the hole below the base of the Crevasse Canyon to separate this formation from lower porous zones. Casing should then be installed to or through the Crevasse Canyon depending upon how you or Mr. Lee decide that you want to complete the well. This casing should be cemented with sufficient cement to cover the Crevasse Canyon Formation.

2. If the Massive Gallup is determined to be the water source, casing should be installed to or through the Massive Gallup, again depending upon your method of completion, and this casing should be cemented with sufficient cement to cover the Hoshpah zone.

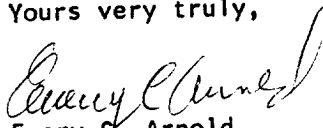
Beard Oil Company
Page 2
April 2, 1969

As the artesian water in this well is presently unconfined in the well bore from a depth of sixty-two feet to two thousand seventy feet, which section includes several porous sandstone zones, the probability exists that water is being lost from the artesian aquifer. We are therefore directing that action be commenced within the next thirty days to case the well in accordance with the above instructions, or in the alternative to plug and abandon the well in accordance with New Mexico Oil Conservation Commission regulations.

Please contact us if further information is desired.

Thank you.

Yours very truly,


Emery G. Arnold
Supervisor, District #3

ECA:mc

cc: Mr. A. L. Porter
Oil Conservation Commission
Santa Fe, New Mexico

Mr. Floyd Lee
San Mateo, New Mexico

Mr. W. D. Stricklin
Petroleum Plaza
Farmington, New Mexico

BEARD OIL COMPANY
SUITE 200, 2000 CLASSEN BUILDING
2000 CLASSEN BOULEVARD
OKLAHOMA CITY, OKLAHOMA 73106

June 13, 1969



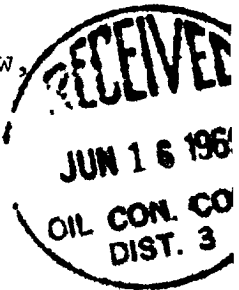
Mr. Emery C. Arnold
Supervisor, District #3
Oil Conservation Commission
State of New Mexico
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Conversion to Water Well
Beard Oil Company, Floyd Lee
#1, 1980/N; 360/E, Sec. 1,
T. 15 N., R. 7 W., McKinley
County, New Mexico.

Dear Mr. Arnold:

This letter will confirm our telephone conversation of June 12, 1969, in which I informed you of the following developments in the above captioned well.

1. We have contracted Mr. Geroge Catterly, Grants, New Mexico, phone number - 287-4884, to begin backfilling all pits on the Lee Ranch for which Beard Oil Company is responsible. He informed me that he would commence this operation as soon as his work schedule would allow, probably within the next two weeks.
2. We have contracted with Mr. Sol Taylor of TP Pump and Pipe Company, P. O. Box 6332, Station B, Albuquerque, New Mexico, 87107, phone number - 247-4037, to furnish approximately 1100' of 2" T & C tubing and a pole rig to run this pipe into the Floyd Lee Ranch #1. Mr. Taylor says that his equipment is "very busy" but he thinks that he can do this job within the next two weeks.
3. Once the tubing has been run in the well, we intend to place a cement plug between the Massise Gallup and Crevasse Canyon formations as you and I have already discussed.
4. With these tentative commitments I hope that we can have the water well conversion of the above captioned well completed by June 27, 1969.



Mr. Emery C. Arnold


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June 13, 1969

Please feel free to contact the people if you wish to confirm our plans. I am very sorry for the delay in getting this work started. However, we are trying to complete this project as soon as possible.

Very truly yours,

BEARD OIL COMPANY

A handwritten signature in dark ink, appearing to read "Ivan D. Allred, Jr.", written in a cursive style.

Ivan D. Allred, Jr.
Petroleum Engineer

IDA:cjd

cc: Mr. Sol Taylor

P. O. Box 6332, Station B

Albuquerque, New Mexico 87107