



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

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

June 26, 1974

Mr. William C. Russell
1775 Broadway
New York, N. Y. 10019

Re: William C. Russell, Hammond #52, G-26-27N-8W, Largo Chacra Pool

Dear Mr. Russell:

On January 10, 1974, Form C-104, Request for Allowable and Certificate of Compliance to Transport Oil or Gas, was approved in this office for your Hammond #52 well. The well was originally completed in the Blanco Mesaverde gas pool, and it was designated as the Hammond #43. Our copies of Federal Sundry Report Forms indicated that recompletion efforts conducted during the summer of 1973 were unsuccessful and that the well was plugged back and completed in the Chacra zone. These reports did not indicate that the well had been intentionally deviated. At the court trial where your lawsuit against Aztec Well Servicing Company was held last week it was divulged that the well had been intentionally deviated in an indeterminate direction in an attempt to clear the area where you suspected formation damage had occurred.

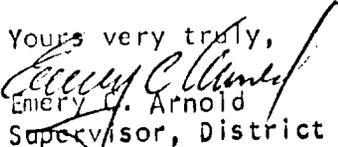
New Mexico Oil Conservation Commission Rule 111, paragraph (b), states, "No well shall be intentionally deviated without special permission from the Commission. Permission to deviate toward the vertical to straighten a crooked hole, to deviate toward the vertical or in an indeterminate direction to sidetrack junk in the hole, or to drill a relief well to control a blow-out shall be obtained from the appropriate District Office of the Commission on Commission Form C-103 ----. Permission to deviate a well in any other manner or for any other reason will be granted only after notice and hearing." As your well was deviated some 2000 feet above the casing shoe and not for the purpose of side tracking junk, it will be necessary that you make application for hearing before the Commission to secure approval for the intentional deviation.

We have not received a sworn to and notarized tabulation of deviation surveys for this well as required by Rule 111, paragraph (a).

By copy of this letter I am notifying El Paso Natural Gas Co., the designated transporter, that we are cancelling Form C-104 for the Hammond #52 well and advising them that no gas should be transported until further notice from the Commission.

If we can assist you in any way in making your application, we will be glad to do so.

Yours very truly,


Emery L. Arnold
Supervisor, District #3

ECA:me

cc: Mr. Bill Rodgers, El Paso Natural Gas Co., Farmington, New Mexico
Mr. A. L. Porter, Jr., Oil Conservation Commission, Santa Fe, New Mexico