CASE 4369: Hearing on motion of OCC to permit ANADARKO PRODUCTION COMPANY to appear and show cause why the ANADARKO SAMWELL NO. 1 should not be plugged and abandoned.

lase Number 136

Application Transcripts.

Small Exhibits

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 10, 1970

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation)
Commission on its own motion to permit)
Anadarko Production Company and all other)
interested persons to appear and show cause)
why the Anadarko Samwell No. 1, located in)Case No. 4369
Unit B of Section 15, Township 19 South,)
Range 29 East, Turkey Track-Queen Pool,)
Eddy County, New Mexico, should be plugged)
and abandoned in accordance with a)
Commission-approved plugging program.

BEFORE: Daniel S. Nutter, Examiner.



TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 4369.

MR. HATCH: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Anadarko Production Company and all other interested persons to appear and show cause why the Anadarko Samwell No. 1, located in Unit B of Section 15, Township 19 South, Range 29 East, Turkey Track-Queen Pool, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Mr. Examiner, a little problem has come up. I don't think it's too much. The style of that case reads why Anadarko should show cause why the wells should not be plugged and actually Anadarko, I think, is going to present testimony as to why it should be plugged.

MR. CHRISTY: Sim Christy, Jennings, Christy and Campos, Roswell, New Mexico, attorney for the Anadarko Production Company. Mr. Examiner, I would like to introduce Mr. Irley Bonnette, the general counsel of Anadarko, who is here with me to assist in the case.

We have one witness, Mr. Examiner. Would you please stand?

(Witness sworn.)

MR. CHRISTY: I believe we can limit this down below three hours, Mr. Examiner.

MR. NUTTER: Good.

C. W. STUMHOFFER,

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

DIRECT EXAMINATION

BY MR. CHRISTY:

- Q Would you please state your name, address and occupation, by whom you are employed and in what capacity?
- A My name is C. W. Stumboffer. I am a Petroleum Engineer. I am employed by Anadarko Production Company in Fort Worth, Texas, as Superintendent of the Secondary Recovery Division.
- Q Mr. Stumhoffer, have you previously testified as a petroleum engineer before this regulatory body and had your qualifications accepted?
 - A Yes.
- Q I believe Anadarko acquired the Samwell No. 1 Well, which is located in Unit B, Section 15, Township 19 South, Range 29 East in the Turkey Track-Queen Pool in Eddy County, New Mexico, a purchase from Western Oil Fields, Inc., is that correct?
 - A That is correct.
- Q That purchase agreement, I believe, was in December of 1967 and, actually, the transaction didn't close until the

fall of '68, is that correct?

- A That's right.
- Q And during your examination of that well and the lease, which is State Lease B-8326, it was determined that the well had ceased to produce in paying quantities and the lease terminated?
 - A That's right.
- Q So, as a consequence, you took a bill of sale to the equipment and the well itself, did you not, from Western, that is Anadarko's ownership, that's what we are talking about?
 - A That's right, we own the equipment and the well.
- Q Now, have you had occasion to check the production history of the Samwell No. 1 Well?
 - A Yes, I have.
 - Q Briefly, when did it start to produce?
- A It was completed for production in 1950 and during the period from 1950 through 1967, it produced 9,622 barrels of oil from the Queen Formation.

MR. NUTTER: How much oil?

THE WITNESS: 9,622 barrels.

- Q (By Mr. Christy) It's a fact, is it not, that its production was less than one or two barrels per day in late '67?
 - A That is correct.

- Q Now, in your opinion, has the well been produced of all oil and gas susceptible of being produced from the well to an economic exhaustion?
 - A Yes.
- Q In your opinion, under present conditions, does the well have any further value for the production of oil or gas?
 - A No, it does not.
- Q Do you know of any fresh water bearing strati in the vertical area drilled by the well?
- A There is no fresh water opened to the well bore at the present time.
 - Q And you don't know of any behind the pipe?
 - A I don't know of any behind the pipe.
- Q Do you know whether or not all payments and obligations due the State of New Mexico have been paid or satisfied?
 - A Yes.
 - Q That was a State lease, was it not?
 - A State lease, right.
- Q And, if you are required to plug the well, will you plug it in accordance with the rules and regulations of this Commission, including Rule 202?
 - A Yes, we will.

MR. CHRISTY: That's all.

CROSS EXAMINATION

BY MR. NUTTER:

- Q You don't have any proposed plugging program to offer at this time, Mr. Stumhoffer?
 - A Not at this time.
- Q You will submit your plugging program to our Artesia office and get approval prior to plugging of the well?
 - A Yes.

MR. NUTTER: Are there any further questions of Mr. Stumhoffer? He may be excused. Do you have anything further, Mr. Christy?

MR. CHRISTY: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4369? We will take the case under advisement.

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STATE OF NEW MEXICO)

(COUNTY OF BERNALILLO)

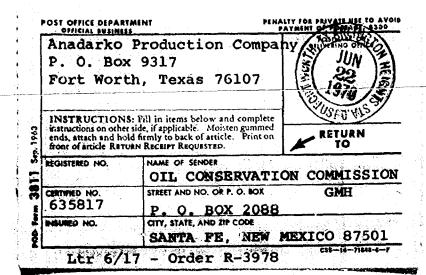
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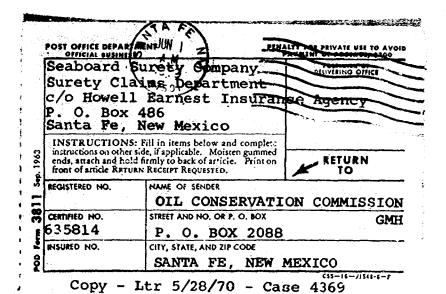
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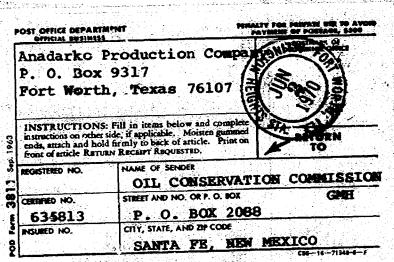
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OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

June 17, 1970

CERTIFIED - RETURN RECEIPT REQUESTED

Anadarko Production Company P. O. Box 9317 Fort Worth, Texas 76107

Gentlemen:

Enclosed is a copy of Order No. R-3978 entered by the Commission in Case No. 4369.

Very truly yours,

GEORGE M. HATCH Special Assistant Attorney General

GMH/esr Enclosure

surety Claims Department
c/o Howell Earnest Insurance
Agency
P. O. Box 486
Santa Fe, New Mexico

Mr. Michael Grace P. O. Box 2062 Santa Fe, New Mexico

Mr. Michael Grace P. O. Box 1319 Newark, New Jersey 07001 Mr. Sim Christy
Jennings, Christy & Copple
Attorneys at Law
P. O. Box 1180
Roswell, New Mexico

Mr. Oscar Jordan Attorney State Land Office Santa Fe, New Mexico

Oil Conservation Commission Drawer DD Artesia, New Mexico

OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 28, 1970

CERTIFIED - RETURN RECEIPT RECUESTED

Anadarko Production Company P. O. Box 9317 Fort Worth, Texas 76107

Gentlemen:

I am englosing a copy of the docket of the Examiner Mearing that will be held on Wednesday, June 10, 1970, at 9 a.m., in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Pe, New Mexico.

Case 4369 concerns the Anadarko Samwell No. 1, located in Unit B of Section 15, Township 19 South, Range 29 East, MOPK, Turkey Track-Queen Pool, Eddy County, New Mexico.

Yery truly yours,

GEORGE M. HATCH Special Assistant Attorney General

GML/GEZ Inclosure

cc: Seaboard Surety Company Surety Claims Department c/o Mowell Earnest Insurance Agency P. O. Box 1180 P. O. Box 486 Santa Fe, New Mexico

Mr. Michael Grace P. O. Box 2062 Santa Pe, New Mexico

Mr. Michael Grace P. O. Box 1319 Newark, New Jersey 07001 Mr. Sin Christy Attorney at Law Roswell, May Mexico

Mr. Oscar Jordan Attorney State Land Office Santa Fe, Hew Mexico

Oil Conservation Commission Drawer DD Artesia, New Mexico

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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE NATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT AMADARKO PRODUCTION COMPANY AND ALL OTHER INTERESTED PERSONS TO APPEAR AND SHOW CAUSE WHY THE AMADARKO SAMWELL NO. 1, LOCATED IN UNIT B OF SECTION 15, TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM, TURKEY TRACK-QUEEN POOL, EDDY COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING FROGRAM.

CASE No. 4369 Order No. R-3978

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10, 1970. at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

MOW, on this 17th day of June, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Anadarko Production Company formerly owned and operated the Anadarko Samwell No. 1, located in Unit B of Section 15, Township 19 South, Range 29 East, NMPM, Turkey Track-Queen Pool, Eddy County, New Mexico.
- (3) That the Anadarko Samwell No. 1 is no longer productive in the Turkey Track-Queen Pool and should be plugged in order to confine permanently all oil, gas, and/or water in the separate strata originally containing them in order to prevent waste and protect correlative rights; further, that Anadarko Production Company seeks authority to so plug the well.

-2-CASE No. 4369 Order No. R-3978

IT IS THEREFORE ORDERED:

- (1) That Anadarko Production Company is hereby ordered to plug the Samwell No. 1, located in Unit B of Section 15, Township 19 South, Range 29 East, MMPM, Turkey Track-Queen Pool, Eddy County, New Mexico, in accordance with a plugging program approved by the Artesia District Office of the New Mexico Oil Conservation Commission.
- (2) That Anadarko Production Company shall complete plugging operations on the above-described well on or before July 15, 1970 and shall notify the Oil and Gas Inspector, District 2, Oil Conservation Commission, Drawer DD, Artesia, New Mexico, of the exact date and time plugging operations are to commence.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem neces-

DONE at Santa Pe, New Mexico, on the day and year hereinabove

STATE OF NEW MEXICO
OID COMSERVATION COMMISSION

DAVID P CARGO, Chairman

AND T. JEMIJO Member

PORTER, Jr., Member &

<u>DRAFT</u> GMH/esr June 11, 1970

BEFORE THE OLL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

(E)

in the matter of the hearths Called by the old conservation Commission of NEW MbxXCO For THE PURPOSE OF CONSIDERING:

CASE No. 4369

Order No. R-3978

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IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT ANADARKO PRODUCTION COMPANY AND ALL OTHER INTERESTED PERSONS TO APPEAR AND SHOW CAUSE WHY THE ANADARKO SAMWELL NO. 1, LOCATED IN UNIT B OF SECTION 15, TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM, TURKEY TRACK-QUEEN POOL, EDDY COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on <u>June 10</u>, 1970 at Santa Fe, New Mexico, before Examiner <u>Daniel S. Nutter</u>.

NOW, on this <u>day of June</u>, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Anadarko Production Company owned and operated the Anadarko Samwell No. 1, located in Unit B of Section 15, Township 19 South, Range 29 East, NMPM, Turkey Track-Queen Pool, Eddy County, New Mexico.
- in the Turkey Track-Queen Pool and should be plugged in order to confine permanently all oil, gas, and/or water in the separate strata originally containing them in order to prevent waste and protect correlative rights; further, that Awadarks Production Company Secks anthoning to so plug the well.

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- (2) That Anadarko Production Company shall complete plugging operations on the above-described well on or before July 15, 1970, and shall notify the Oil and Gas Inspector, District 2, Oil Conservation Commission, Drawer DD, Artesia, New Mexico, of the exact date and time plugging operations are to commence.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.