

Case Number

4397

Application
Transcripts.

Small Exhibits

ETC.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD, AZTEC
87410

July 17, 1970

GOVERNOR
DAVID F. CARGO
CHAIRMAN
LAND COMMISSIONER
ALEX ARMijo
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. G. L. Odell
3333 West Coast Highway
New Port Beach, California

Dear Mr. Odell;

Your plugging reports for the Edward M. Kriss and Rio Trust wells were received on July 9. Previous to that date I had learned through Halliburton in Farmington that the wells actually had been plugged. However, the information secured from Halliburton on the Rio Trust wells does not conform to the information you have given on the plugging report. Specifically, the information you have given is not detailed enough to give a clear picture of exactly where cement was placed.

I am therefore filling out a form C-103 from Halliburton's information for each of those wells and mailing it with this letter. If this accurately represents the work that was done please sign and return the forms.

Prior to receiving your plugging reports our attorney had already made arrangements to set another case for hearing on August 5 for the purpose of resolving this matter as we had been unable to contact you since the last hearing. This case is now being advertised. If I receive the plugging reports mentioned above prior to August 5 the case will be dismissed. So please return the forms immediately.

Yours very truly,

Emery C. Arnold
Emery C. Arnold
Supervisor, Dist #3

ECA/me

cc: Mr. George Hatch, NMOCC, Sant Fe, N. M.

*file
case 4397*

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 5, 1970

EXAMINER HEARING

IN THE MATTER OF:

Rio Trust to appear and show cause
why two wildcat wells should not be
plugged and abandoned in accordance
with a Commission-approved plugging
program.

Case No. 4397

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ; Case 4397

MR. HATCH: In the matter of the hearing called by the Oil Conservation Commission in its own motion to permit Rio Trust and all other interested persons to appear and show cause why the following Rio Trust wildcat wells located in Section 2, Township 1 North, Range 2 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Little Chama Valley Co. Well No. 1
located 660 feet from the North line
and 1380 feet from the West line;
Sargent Well No. 1 located 925 feet
from the West line and 1445 feet from
the South line.

Mr. Henry Arnold, Supervisor of the Aztec District has notified the Commission that the wells have been properly plugged and recommends the case be dismissed.

MR. UTZ: Case 4397 will be dismissed.

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, SOVEIDA GONZALES, Court Reporter, do hereby
 certify that the foregoing and attached Transcript of
 Hearing before the New Mexico Oil Conservation Commission
 was reported by me; and that the same is a true and correct
 record of the said proceedings, to the best of my knowledge,
 skill and ability.

Soveida Gonzales
 COURT REPORTER

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 4397
 heard by me on *Aug 28* 19*28*
Thos. D. McFarlane
 New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT RIO TRUST AND ALL OTHER INTERESTED PERSONS TO APPEAR AND SHOW CAUSE WHY THE FOLLOWING RIO TRUST WILDCAT WELLS LOCATED IN SECTION 2, TOWNSHIP 1 NORTH, RANGE 2 EAST, NMPM, RIO ARriba COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM: LITTLE CHAMA VALLEY CO. WELL NO. 1 LOCATED 660 FEET FROM THE NORTH LINE AND 1380 FEET FROM THE WEST LINE, AND SARGENT WELL NO. 1 LOCATED 1445 FEET FROM THE SOUTH LINE AND 925 FEET FROM THE WEST LINE.

CASE No. 4397
Order No. R-4006

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 5, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 12th day of August, 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 the subject wells have been plugged and abandoned to the satisfaction of the Commission.
- (3) That the subject case should be dismissed.

IT IS THEREFORE ORDERED:

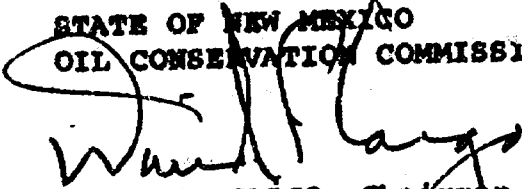
That Case No. 4397 is hereby dismissed.

-2-

CASE No. 4397
Order No. R-4006

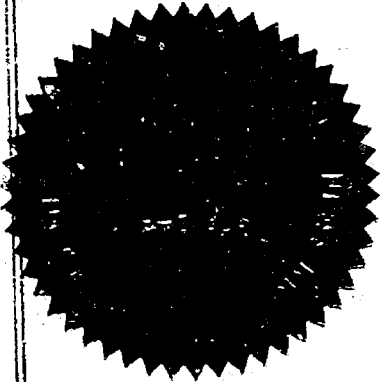
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary



OSI/

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

August 12, 1970

Rio Trust
3333 W. Coast Highway, Suite 504
Newport Beach, California

Re: Case 4397 - Rio Trust Little Chama Valley Co. Well No. 1,
located 660 feet from the North line and 1380 feet from
the West line, and Rio Trust Sargent Well No. 1, located
1445 feet from the South line and 925 feet from the West
line, both in Section 2, Township 1 North, Range 2 East,
MDPM, Rio Arriba County, New Mexico -- General Insurance
Company of America \$10,000 Blanket Plugging Bond No. 729561

Gentlemen:

I am enclosing a copy of Order No. R-4006 entered by the
Commission in the subject matter.

Very truly yours,

GEORGE M. HATCH
Attorney

GMI/esr
Enclosure

cc: General Insurance Company of America
13730 Rescoe Boulevard
Panorama City, California 91409

General Insurance Company of America
Surety Claim Department
Clinton P. Anderson Agency
P. O. Drawer A
Albuquerque, New Mexico

Mr. Gerald L. O'Dell
3333 W. Coast Highway,
Suite 504
Newport Beach, California

Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

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

August 12, 1970

General Insurance Company of America
13730 Roscoe Blvd.
Panorama City, California 91409

Attention: Mr. R. W. Clayton, Divisions Claims

Re: Oil Well Plugging Bond 621637
Principal: Edward M. Kriss
Subject: Docket No. 18-70
Hearing August 5, 1970
Case 4267

Oil Well Plugging Bond 729561
Principal: Rio Trust
Subject: Docket No. 18-70
Hearing August 5, 1970
Case 4397

Gentlemen:

In response to your letters of August 5, 1970, concerning the above-described cases, I wish to inform you that the subject cases were dismissed by Orders Nos. R-4004 and R-4006, dated August 12, 1970, upon the recommendation of the Supervisor of the Aztec District Office of the New Mexico Oil Conservation Commission. Copies of the orders are enclosed.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr
Enclosures



SAFECO INSURANCE COMPANIES

LOS ANGELES DIVISION • 13730 ROSCOE BLVD., PANORAMA CITY, CALIFORNIA 91409 — TELEPHONE (213) 782-8200 / (213) 873-2250

August 5, 1970

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention G. Mr. Hatch
Attorney

Oil Well Plugging Bond 729561
Prin: Rio Trust
Obligee: State of New Mexico
Your Case: 4397

Gentlemen:

Under date of July 27, 1970 we received from your office a copy of the listing of cases to be heard August 5, 1970 among which was case 4397 scheduled for a hearing relative to plugging and abandonment. The report on the case indicated that the hearing was to show cause why the two described wells should not be plugged.

For your information we enclose to you a copy of a form of the New Mexico Oil Conservation Commission used in connection with reporting on wells and this form was dated November 29, 1969, signed by Mr. O'Dell and each form appears to report the plugging of the two wells associated with case 4397 and also reports that the area was cleaned up.

We wish to question if we may consider our bond exonerated and case 4397 be considered as closed.

Yours very truly,

General Insurance Company of America

R. W. Clayton
R. W. Clayton
Division Claims
b1

cc: Rio Trust
Mr. G. L. O'Dell
cc: Walters Insurance Agency



Floor _____ Dept. _____

Name _____

REMARKS:

*For letter to
New Mexico*

VL-7 RS 2/68 PRINTED IN U.S.A.

By _____

Dept. _____

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

JUL 14 1970

SOL 13 1970

Form C-103
Superior Old
C-102 C-103
Effective 1-1-65

5a. Indicate Type of Lease	State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
7. Unit Agreement Name	
8. Name of Lease Name	Little Chama Valley
9. Well No.	1
10. Field and Pool, or Wildcat	wildcat
12. County	Rio Arriba

SUNDY NOTICES AND REPORTS ON WELLS <small>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</small>	
1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	
2. Name of Operator	Rio Associates Inc.
3. Address of Operator	3333 W. Coast Hwy Newport Beach, Calif.
4. Location of Well	UNIT LETTER <u>660</u> FEET FROM THE <u>North</u> LINE AND <u>1380</u> FEET FROM THE <u>West</u> LINE, SECTION <u>2</u> TOWNSHIP <u>1N</u> RANGE <u>2E</u> RMP-2.
15. Elevation (Show whether DF, RT, GR, etc.)	G. L. 8342

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPER. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1105.

Squeez at 1380 deet then pump cement to top of casing
and set 4 inch iron marker with 43 sacks class A cement
and one sack calcium chloride.

Location and pits cleaned up.

All casing left in hole.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.		
SIGNED <u>A. L. Chapp</u>	TITLE <u>Agent</u>	DATE <u>11-29-69</u>
APPROVED BY _____	FILE _____	DATE _____
CONDITIONS OF APPROVAL, IF ANY:		

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

10 AM 8 28
Form C-103
Revised 1-1-55
C-102 and C-103
Revised 1-1-55

<p>SUNDY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO REPAIR OR TO BACK TO A DIFFERENT RESECTOR. USE APPLICATION FOR PERMIT - (Form C-101) FOR SUCH PROPOSALS.)</p>		<p>1. Name of Operator Rio Associates Inc.</p>	<p>2. Name of Lease Little Chama Valley</p>
<p>3. Address of Operator 3333 W. Coast Hiway Newport Beach, Calif.</p>		<p>4. Location of Well NS/4</p>	<p>5. Well No. Sargent 1 (Reentry)</p>
<p>6. Unit Letter NS/4</p>		<p>7. Unit Agreement No.</p>	
<p>8. Line, Section 2</p>		<p>9. Township NS/4</p>	
<p>10. Elevation (Show whether LF, RT, CR, etc.) 8296 G. L.</p>		<p>11. County Rio Arriba</p>	

<p>14. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data</p>			
<p>NOTICE OF INTENTION TO:</p>		<p>SUBSEQUENT REPORT ON:</p>	
<p>PERFORM REMEDIAL WORK <input type="checkbox"/></p>	<p>PLUS AND ABANDON <input type="checkbox"/></p>	<p>REMEDIAL WORK <input type="checkbox"/></p>	<p>ABANDON CASING <input type="checkbox"/></p>
<p>TEMPORARILY ABANDON <input type="checkbox"/></p>	<p>CHANGE CLASS <input type="checkbox"/></p>	<p>CONVERSE EXISTING CASING <input type="checkbox"/></p>	<p>PLUS AND ABANDON CASING <input type="checkbox"/></p>
<p>PULL OR ALTER CASING <input type="checkbox"/></p>	<p>OTHER <input type="checkbox"/></p>	<p>CASING TEST AND CEMENT JOBS <input type="checkbox"/></p>	<p>OTHER <input type="checkbox"/></p>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, including estimated date of starting any proposed work) SEE RULE 1708.

Plug at 1675 and plugged with 48 sacks to surface.
One sack Calcium Chloride. Set 4 inch iron marker.
All casing left in hole. Location and pits cleaned up.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED H. L. [Signature] TITLE Owner DATE 11-1-57

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

Rio Trust
3333 W. Coast Highway, Suite 504
Newport Beach, California

STREET AND PRIVATE USE TO AVOID
PAYMENT OF POSTAGE

POSTMARK OF
DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

REGISTERED NO.	NAME OF SENDER	
	OIL CONSERVATION COMMISSION	
CERTIFIED NO.	STREET AND NO. OR P. O. BOX	
635819	P. O. BOX 2088	GME
INSURED NO.	CITY, STATE, AND ZIP CODE	
	SANTA FE, NEW MEXICO 87501	

RETURN TO

LBR 7-27-70 - Case 4397

CSB-16-7154A-2-T

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver **ONLY** to addressee

☐ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED

SHOW WHERE DELIVERED (only if requested)

JUL 3 1970

CAS-18-71844-S-P 000



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX. J. ARMIJO
MEMBER

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

July 27, 1970

CERTIFIED - RETURN
RECEIPT REQUESTED

Rio Trust
3333 W. Coast Highway, Suite 504
Newport Beach, California

Re: Case 4397 - Rio Trust Little Chama Valley Co. Well No. 1, located 660 feet from the North line and 1380 feet from the West line, and Rio Trust Sargent Well No. 1, located 1445 feet from the South line and 925 feet from the West line, both in Section 2, Township 1 North, Range 2 East, NMPM, Rio Arriba County, New Mexico - General Insurance Company of America \$10,000 Blanket Plugging Bond No. 729561

Gentlemen:

I am enclosing a copy of the docket of the Examiner Hearing that will be held on Wednesday, August 5, 1970, at 9 a.m., in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico, concerning the subject matter.

Very truly yours,

George M. Hatch

GEORGE M. HATCH
Attorney

GMH/esr
Enclosure

cc: General Insurance Company of America
13730 Roscoe Boulevard
Panorama City, California 91409
Attention: Mr. R. W. Clayton

General Insurance Company of America
Surety Claim Department
Clinton P. Anderson Agency
P. O. Drawer A
Albuquerque, New Mexico

Mr. Gerald L. O'Dell
3333 W. Coast Highway,
Suite 504
Newport Beach, California

Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Docket No. 18-70

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 5, 1970

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4385: (Continued from the July 15, 1970 Examiner Hearing)

Application of King Resources Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Brokeoff Mountain Unit Area comprising 37,747 acres, more or less, of Federal, State and Fee lands in Townships 24, 25, and 26 South, Ranges 19 and 20 East, Otero County, New Mexico.

CASE 4388: Application of Humble Oil & Refining Company for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Florence B. Lusk, DeSmet Federal, and Hesse Federal leases located in Sections 6 and 7 of Township 15 South, Range 30 East, Double L Queen Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said leases in unlined surface pits located in the vicinity of said wells.

CASE 4389: Application of Coastal States Gas Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Upper Pennsylvanian formation through the perforated interval from 9789 to 9924 feet in its State "27" Well No. 2 located in Unit P of Section 27, Township 14 South, Range 32 East, Tulk-Pennsylvanian Pool, Lea County, New Mexico.

CASE 4390: Application of Murphy H. Baxter for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North E-K Queen Unit Area comprising 978 acres, more or less, of State lands in Township 17 South, Range 33 East, and Township 18 South, Ranges 33 and 34 East, E-K Yates-Seven Rivers-Queen Pool, Lea County, New Mexico.

Examiner Hearing - August 5, 1970

Docket No. 18-70

-2-

- CASE 4391: Application of Murphy H. Baxter for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its North E-K Queen Unit Area by the injection of water into the Queen formation through 4 wells located in Units A, D, F, and G of Section 7, Township 18 South, Range 34 East, E-K Yates-Seven Rivers-Queen Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 4392: Application of Southwestern Natural Gas, Inc. for the assignment of back allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of back allowable to its Merston Gas Comm Well No. 1 located in Unit A of Section 21, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, for the period from the date of completion of said well on September 22, 1969, to the date of connection of said well on June 4, 1970.
- CASE 4393: Application of Mobil Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the open-hole interval from 12,240 feet to 12,463 feet in its Santa Fe Pacific Well No. 3 located in Unit M of Section 26, Township 9 South, Range 36 East, Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 4394: Application of Phillips Petroleum Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Plata Deep Unit Area comprising 5,600 acres, more or less, of Federal and State lands in Sections 8, 9, 10, 11, 14, 15, 16, 22 and 23 of Township 20 South, Range 32 East, Lea County, New Mexico.
- CASE 4395: Application of Consolidated Oil & Gas, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the perforated interval from 8915 to 8926 feet in its Shipp Well No. 1-17 located in Unit H of Section 17, Township 17 South, Range 37 East, Midway Abo Pool, Lea County, New Mexico.

Examiner Hearing - August 5, 1970

Docket No. 18-70

-3-

CASE 4396: Application of Klabzuba, Munson and Seaman for a dual completion and salt water disposal, Chaves County, New Mexico. Applicants, in the above-styled cause, seek authority to dually complete its (Varel) Avalanche Journal Well No. 1 located in Unit N of Section 18, Township 10 South, Range 28 East, Chaves County, New Mexico, in such a manner as to produce gas from the San Andres formation in the perforated interval from 2186 to 2204 feet of the Race Track (San Andres) Pool through the casing-tubing annulus and dispose of produced salt water through tubing into the San Andres formation of said pool in the perforated interval from 2262 to 2289 feet.

CASE 4397: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Rio Trust and all other interested persons to appear and show cause why the following Rio Trust wildcat wells located in Section 2, Township 1 North, Range 2 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Little Chama Valley Co. Well No. 1
located 660 feet from the North line
and 1380 feet from the West line;

Sargent Well No. 1 located 925 feet
from the West line and 1445 feet from
the South line.

CASE 4267: (Reopened)

In the matter of Case No. 4267 being reopened by the Oil Conservation Commission on its own motion to permit Edward M. Kriss and all other interested parties to appear and show cause why the Edward M. Kriss Little Chama Valley Company Well No. 1, a wildcat well, located 545 feet from the North line and 1530 feet from the West line of Section 2, Township 1 North, Range 2 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4398: Application of Michael P. Grace and Corinne Grace for compulsory pooling and unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2

Examiner Hearing - August 5, 1970

Docket No. 18-70

-4-

(Case 4398 continued)

and the S/2 of Section 2, Township 23 South, Range 26 East, Eddy County, New Mexico, to form two 320-acre proration units for the production of gas from any or all zones of the Pennsylvanian formation. Said N/2 and S/2 to be dedicated to wells to be drilled respectively, at unorthodox locations 2500 feet from the North line and 330 feet from the East line of said Section 2 and 990 feet from the South line and 660 feet from the East line of said Section 2.

Also to be considered will be the costs of drilling said wells, a charge for the risk involved, provisions for the allocation of actual operating costs, and the establishment of charges for supervision of said wells.

CASE 4354: (Continued from the July 1, 1970, Examiner Hearing)

Application of Michael P. Grace and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 11, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, said acreage to be dedicated to a well to be drilled in either the NE/4 NW/4 or the NW/4 NE/4 of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

No. 635819

RECEIPT FOR CERTIFIED MAIL—20¢

SENT TO

Rio Trust

POSTMARK
OR DATE

STREET AND NO.

3333 W. Coast Highway, Suite 504

CITY, STATE, AND ZIP CODE

Newport Beach, California

7-27-70

If you want a return receipt, check which
☐ 10¢ shows to whom and when delivered
☐ 35¢ shows to whom, when, and address where delivered

If you want delivery only to addressee, check here

☐ 50¢ fee

FEES ADDITIONAL TO 20¢ FEE

POD Form 3800
July 1973

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

Ltr 7/27/70 - Case 4397

OIL CONSERVATION COMMISSION

P.O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 27, 1970

**CERTIFIED - RETURN
RECEIPT REQUESTED**

**Rio Trust
3333 W. Coast Highway, Suite 504
Newport Beach, California**

**Re: Case 4397 - Rio Trust Little Chama Valley Co. Well No. 1,
located 660 feet from the North line and 1380 feet from
the West line, and Rio Trust Sargent Well No. 1, located
1445 feet from the South line and 925 feet from the West
line, both in Section 2, Township 1 North, Range 2 East,
NMPM, Rio Arriba County, New Mexico - General Insurance
Company of America \$10,000 Blanket Plugging Bond No. 729561**

Gentlemen:

**I am enclosing a copy of the docket of the Examiner Hearing
that will be held on Wednesday, August 5, 1970, at 9 a.m., in the
Oil Conservation Commission Conference Room, State Land Office
Building, Santa Fe, New Mexico, concerning the subject matter.**

Very truly yours,

**GEORGE M. HATCH
Attorney**

**GMH/esr
Enclosure**

**cc: General Insurance Company of America
13730 Roscoe Boulevard
Panorama City, California 91409
Attention: Mr. R. W. Clayton**

**General Insurance Company of America
Surety Claim Department
Clinton P. Anderson Agency
P. O. Drawer A
Albuquerque, New Mexico**

**Mr. Gerald L. O'Dell
3333 W. Coast Highway,
Suite 504
Newport Beach, California**

**Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico**

Docket No. 18-70

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 5, 1970

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4385: (Continued from the July 15, 1970 Examiner Hearing)

Application of King Resources Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Brokeoff Mountain Unit Area comprising 37,747 acres, more or less, of Federal, State and Fee lands in Townships 24, 25, and 26 South, Ranges 19 and 20 East, Otero County, New Mexico.

CASE 4388: Application of Humble Oil & Refining Company for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Florence B. Lusk, DeSmet Federal, and Hesse Federal leases located in Sections 6 and 7 of Township 15 South, Range 30 East, Double L Queen Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said leases in unlined surface pits located in the vicinity of said wells.

CASE 4389: Application of Coastal States Gas Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Upper Pennsylvanian formation through the perforated interval from 9789 to 9924 feet in its State "27" Well No. 2 located in Unit P of Section 27, Township 14 South, Range 32 East, Tulk-Pennsylvanian Pool, Lea County, New Mexico.

CASE 4390: Application of Murphy H. Baxter for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North E-K Queen Unit Area comprising 978 acres, more or less, of State lands in Township 17 South, Range 33 East, and Township 18 South, Ranges 33 and 34 East, E-K Yates-Seven Rivers-Queen Pool, Lea County, New Mexico.

- CASE 4391: Application of Murphy H. Baxter for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its North E-K Queen Unit Area by the injection of water into the Queen formation through 4 wells located in Units A, D, F, and G of Section 7, Township 18 South, Range 34 East, E-K Yates-Seven Rivers-Queen Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 4392: Application of Southwestern Natural Gas, Inc. for the assignment of back allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of back allowable to its Mershon Gas Comm Well No. 1 located in Unit A of Section 21, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, for the period from the date of completion of said well on September 22, 1969, to the date of connection of said well on June 4, 1970.
- CASE 4393: Application of Mobil Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the open-hole interval from 12,240 feet to 12,463 feet in its Santa Fe Pacific Well No. 3 located in Unit M of Section 26, Township 9 South, Range 36 East, Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 4394: Application of Phillips Petroleum Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Plata Deep Unit Area comprising 5,600 acres, more or less, of Federal and State lands in Sections 8, 9, 10, 11, 14, 15, 16, 22 and 23 of Township 20 South, Range 32 East, Lea County, New Mexico.
- CASE 4395: Application of Consolidated Oil & Gas, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the perforated interval from 8915 to 8926 feet in its Shipp Well No. 1-17 located in Unit H of Section 17, Township 17 South, Range 37 East, Midway Abo Pool, Lea County, New Mexico.

Examiner Hearing - August 5, 1970

Docket No. 18-70

-3-

CASE 4396: Application of Klabzuba, Munson and Seaman for a dual completion and salt water disposal, Chaves County, New Mexico. Applicants, in the above-styled cause, seek authority to dually complete its (Varel) Avalanche Journal Well No. 1 located in Unit N of Section 18, Township 10 South, Range 28 East, Chaves County, New Mexico, in such a manner as to produce gas from the San Andres formation in the perforated interval from 2186 to 2204 feet of the Race Track (San Andres) Pool through the casing-tubing annulus and dispose of produced salt water through tubing into the San Andres formation of said pool in the perforated interval from 2262 to 2289 feet.

CASE 4397: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Rio Trust and all other interested persons to appear and show cause why the following Rio Trust wildcat wells located in Section 2, Township 1 North, Range 2 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Little Chama Valley Co. Well No. 1
located 660 feet from the North line
and 1380 feet from the West line;

Sargent Well No. 1 located 925 feet
from the West line and 1445 feet from
the South line.

CASE 4267: (Reopened)

In the matter of Case No. 4267 being reopened by the Oil Conservation Commission on its own motion to permit Edward M. Kriss and all other interested parties to appear and show cause why the Edward M. Kriss Little Chama Valley Company Well No. 1, a wildcat well, located 545 feet from the North line and 1530 feet from the West line of Section 2, Township 1 North, Range 2 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4398: Application of Michael P. Grace and Corinne Grace for compulsory pooling and unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2

Examiner Hearing - August 5, 1970

Docket No. 18-70

-4-

(Case 4398 continued)

and the S/2 of Section 2, Township 23 South, Range 26 East, Eddy County, New Mexico, to form two 320-acre proration units for the production of gas from any or all zones of the Pennsylvanian formation. Said N/2 and S/2 to be dedicated to wells to be drilled respectively, at unorthodox locations 2500 feet from the North line and 330 feet from the East line of said Section 2 and 990 feet from the South line and 660 feet from the East line of said Section 2.

Also to be considered will be the costs of drilling said wells, a charge for the risk involved, provisions for the allocation of actual operating costs, and the establishment of charges for supervision of said wells.

CASE 4354: (Continued from the July 1, 1970, Examiner Hearing)

Application of Michael P. Grace and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 11, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, said acreage to be dedicated to a well to be drilled in either the NE/4 NW/4 or the NW/4 NE/4 of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

~~IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING~~

CASE No. 4397

Order No. R- 4006

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT RIO TRUST AND ALL OTHER INTERESTED PERSONS TO APPEAR AND SHOW CAUSE WHY THE FOLLOWING RIO TRUST WILDCAT WELLS LOCATED IN SECTION 2, TOWNSHIP 1 NORTH, RANGE 2 EAST, NMPM, RIO ARriba COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM: LITTLE CHAMA VALLEY CO. WELL NO. 1 LOCATED 660 FEET FROM THE NORTH LINE AND 1380 FEET FROM THE WEST LINE, AND SARGENT WELL NO. 1 LOCATED 1445 FEET FROM THE SOUTH LINE AND 925 FEET FROM THE WEST LINE ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 5, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of August, 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 the subject wells have been plugged and abandoned to the satisfaction of the Commission.

(3) That the subject case should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 4397 is hereby dismissed.

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

CASE 4398: APPLI. OF MICHAEL P.
& CORINNE GRACE FOR COMPULSORY
POOLING & UNORTH. GAS WELL LOCS.