

Case Number

4884

Application
Transcripts.

Small Exhibits

ETC.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

December 19, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Colorado Plateau
Geological Services, Inc., for an
extension of Order Number R-4227,
McKinley County, New Mexico.

Case No. 4884

BEFORE: Elvis A. Utz,
Examiner.

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 4884: Application of Colorado
2 Plateau Geological Services, Inc., for an extension of
3 Order Number R-4227, McKinley County, New Mexico.

4 MR. LOPEZ: Owen Lopez, of the firm of Montgomery,
5 Federici, Andrews, Hannahs and Morris, Santa Fe, appearing
6 on behalf of the Applicant. I have one witness to be sworn.

7 MR. UTZ: Are there any other appearances?

8 (No response)

9 MR. LOPEZ: Incidentally, Mr. Examiner, I might
10 also mention that, in the event it becomes necessary, I have
11 an additional witness, Mr. Paznewski, who is the trust
12 officer for the estate, and who has agreed to come up from
13 the First National Bank in Albuquerque, where he is a trust
14 officer, to answer any questions which might arise as to the
15 status of the estate and probate.

16 MR. UTZ: We may not need him, but would you have
17 both witnesses stand and be sworn, please?

18 BRUCE A. BLACK,
19 was called as a witness, and after being duly sworn, testified
20 as follows:

21 DIRECT EXAMINATION

22 BY MR. LOPEZ:

23 Q Would you please state your name and residence?

24 A My name is Bruce Alan Black, and my residence is 206
25 West 38th Street, Farmington, New Mexico.

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1 Q Have you previously testified before this Commission?

2 A No, I have not.

3 Q Would you briefly describe your educational background
4 and work experience?

5 A Yes. I was educated in Texas, I'm a graduate of the
6 University of Texas at El Paso, it was then known as
7 Texas Western College. I graduated in 1959, receiving
8 a bachelor of science degree in geology. At that time,
9 I then served four years in the United States Navy
10 as an intelligence officer, and returned to the
11 University of New Mexico, and in 1964, received a
12 masters degree in geology from the University of New
13 Mexico. I then went to work for the Shell Oil Company
14 in California, where I served as administrative
15 assistant to the Vice-president for exploration and
16 production. I was then made district geologist for
17 new ventures, and was then transferred three years ago
18 to Farmington, New Mexico as staff geologist. I
19 terminated with Shell a year and a half ago, and formed
20 my own corporation, Colorado Plateau Geological Services.
21 I am presently President of that organization, and
22 am presently finishing my Ph.D. in geology at the
23 University of New Mexico, and should receive that
24 degree in the fall.

25 MR. LOPEZ: Are the witness's qualifications

1 acceptable?

MR. UTZ: Yes, they sure are.

2
3 Q (By Mr. Lopez) Were you hired by the Birdseye Estate
4 to manage their properties up in Northwestern New Mexico?

5 A Yes, I was. I was hired by them to act as managing
6 agent.

7 Q Then you are familiar with the application in Case 4884?

8 A Yes, I am.

9 Q Would you briefly describe what you propose to attain
10 by this application?

11 A We primarily would like to receive an extension to
12 Order Number R-4227 and Order Number R-4227-A. We ask
13 for a one-year extension to certain provisions of the
14 orders that required that certain of the Birdseye wells
15 in the Chaco Wash Mesaverde Oil Pool be placed on
16 active production, or water injection, by December 31st,
17 1972, or be plugged and abandoned.

18 Q Turning to Exhibit Number One, does that plat show
19 the wells which you have been required to plug and
20 abandon?

21 A Yes. The red circles indicate those wells in question
22 which we would like to, if possible, keep from being
23 plugged and abandoned at this time. The green wells
24 are either wells presently on production or capable
25 of production at the present time.

1 Q Now, probably a little background history and
2 information would be helpful. Prior to these orders
3 requiring plugging and abandonment, was there an order
4 approving a waterflood project?

5 A Yes, I think that was Order Number R-3199. That was
6 issued in February, 1967. Let me review the activities
7 subsequent to that approval, as I understand them from
8 reconstructing this.

9 Subsequent to Mr. Birdseye's death, he was issued
10 a lease from Santa Fe on the Chaco Wash Mesaverde Pool
11 area, as outlined on the exhibit. He received this lease
12 in March, 1967. At that time, as we understand it,
13 in 1967, he drilled the first injection well, one of
14 five wells which they had originally intended to drill.

15 The injection well turned out to be a thirty-four
16 barrel a day producer. As I understood it from Mr.
17 Birdseye, immediately prior to his death, and also from
18 his pumper, they established primary production so
19 the decision was made that instead of immediately
20 starting waterflooding, they would go ahead and let
21 these things produce in a primary manner.

22 That had taken up most of his time between 1967
23 and 1971.

24 In December of 1971, Order Number R-4227 and
25 Order Number R-4227-A were issued by the Commission to

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1 plug the various wells outlined in red on the map.
2 Of course, at the time of Mr. Birdseye's death, he
3 fully intended to initiate waterflood and get started
4 before December 31st, of this year, which was the
5 deadline for plugging.

6 By reconstructing this from the individuals
7 involved, and also from conversations I had with Henry,
8 he was actively working for the instigation of water-
9 flood, and I believe he would have had it initiated,
10 had it not been for his untimely demise.

11 The estate went into all of the things estates
12 go into, and of course, all of his plans were abruptly
13 terminated. The estate then asked me to act as agent
14 and look into this and try to see if we could initiate
15 a waterflood project, and that's what we are trying
16 to do now.

17 Q You have made a field study then, and it is your
18 opinion that a waterflood project, the waterflood project
19 as originally approved, would help with secondary
20 recovery, and you would recover additional reserves?

21 A Yes, that's correct. We feel now that the primary
22 oil has been recovered, and we feel that it is now
23 mandatory that water injection be done. On the basis
24 of the preliminary data, and the data I got from
25 Henry's records, there is ten feet of sand, and the

- 1 acreage is probably floodable with an oil saturation
2 of fifty percent, and a recovery factor of fifty
3 percent. We believe there is some 250,000 barrels of
4 oil there, perhaps this is optimistic, or perhaps it
5 is pessimistic, because at the present time, we don't
6 have enough data to say, but I feel very confident
7 that there is at least 100,000 barrels of oil.
- 8 Q Are there any producers presently?
- 9 A Yes, Well Number 6 and Well Number 3 are presently
10 producing, and we have Well Number 10, which is capable
11 of production. I believe at the present time, that
12 well has experienced the disconnection of a pumping
13 jacket.
- 14 Q Have you been given authorization by the representatives
15 of the estate to proceed with this waterflood project
16 in the event you get Commission approval?
- 17 A Yes, they have indicated this approval. Of course,
18 at the present time, they are still involved in legal
19 matters, trying to clear up the estate, and until such
20 time they give me actually written authority to begin,
21 we would avoid it.
- 22 Q And you feel a one-year extension would give you
23 adequate time to put the project on waterflood?
- 24 A Yes.
- 25 Q Is it your opinion that, if this extension is granted,

1 it will prevent waste and protect correlative rights?

2 A Yes, sir, the correlative rights will be protected.
3 Mr. Reynolds has indicated that it is necessary to
4 initiate a waterflood project, and no objections have
5 been made to it at the present time. That lease is
6 held by Mr. Bill Wagner of Albuquerque, New Mexico,
7 and we are trying to contact him to discuss this matter
8 with him.

9 Q Was Exhibit One prepared by you, or under your
10 supervision?

11 A Under my supervision. It's actually a map prepared by
12 Mr. Birdseye, and I simply altered it to show the
13 various wells.

14 MR. LOPEZ: At this time, we would like to offer
15 Exhibit One into evidence.

16 MR. UTZ: Without objection, Applicant's Exhibit
17 One will be entered into the record of this case.

18 (Whereupon Applicant's Exhibit One was entered
19 in evidence.)

20 Q (By Mr. Lopez) Do you have anything further?

21 A No.

22 MR. LOPEZ: I believe that takes care of our case.

23 * * * *

24 CROSS EXAMINATION

25 BY MR. UTZ:

1 Q Mr. Black, the green circles indicate producing wells,
2 or wells capable of producing?

3 A Yes, sir. Actually, there are other wells probably
4 capable of producing, but Well Number 10 actually, as
5 I understand it from the pumper right now, does not
6 have a pump jacket, and the Number 3 Well and the
7 Number 6 Well are producing.

8 Q Now, the wells with the red circles, what is the
9 nomenclature on those?

10 A We circled them primarily to point out those wells
11 referred to in Commission Order R-4227. Those were
12 simply to point out the wells presently cased, they
13 have caps on them. I believe Well Number 11 is not
14 cased at this time. Those are the wells that are
15 required to be plugged by this order.

16 Q Do you know now what wells you intend to use?

17 A Yes, we will probably use the Number 1 Well as an
18 injector, and probably use Wells 1, 2, 3, and 4 as
19 producers. Depending on the immediate response, we
20 will then probably step out and eventually use Wells
21 Number 7 and 11 as possible water injection wells,
22 depending on the response we get out of the pilot flood.

23 We hate to plug Wells 7 and 11 at this time,
24 because if we get immediate response, then our plans
25 would be to step out and make the peripheral flood on

1 this thing as soon as possible.

2 Q What did you say in regard to the Number 5 Well?

3 A We would like to use it as a producer ultimately.

4 Q And the Number 4 Well?

5 A It will also be used as a producer.

6 Q At the present time, your plans are to have one
7 injection well, the Number 1 Well?

8 A Yes, this is the way it was initially proposed.

9 Q Mr. Black, how long do you anticipate it might take
10 before you could convert this well to an injector and
11 make the project active?

12 A As soon as the estate is cleared up, the matters of
13 the estate are cleared up. But I feel that once we
14 get that okay, within two months, we could have-- two
15 to three months at most, we could have this thing
16 under injection.

17 MR. UTZ: Are there any other questions of the
18 witness?

19 * * * *

20 CROSS EXAMINATION

21 BY MR. KENDRICK:

22 Q To clear up Mr. Utz's record, you intend to use as an
23 injection well your current Well Number 10?

24 A Yes, sir.

25 Q And produce Wells Number 1, Number 2, Number 3 and

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Number 4?

A Yes, sir.

MR. KENDRICK: That's all.

MR. UTZ: Are there any other questions?

(No response)

MR. UTZ: If not, the witness may be excused.

(Witness excused.)

MR. UTZ: I would suggest that maybe, since the gentleman from Albuquerque is here, you might put him on for the purpose of clarifying Mr. Black's position in the case, maybe for legal reasons. Maybe we don't even need him.

CHESTER PAZNEWSKI,

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

DIRECT EXAMINATION

BY MR. LOPEZ:

Q Please state your name, please.

A My name is Chester Paznewski, I'm Vice-president and trust officer of the First National Bank in Albuquerque. We have been appointed co-executors of the estate of Henry Birdseye. We were appointed on August 14th, 1972.

Q A trust officer with which bank?

A The First National Bank in Albuquerque.

Q As co-executor, have you hired Mr. Black to manage

1 the oil properties of the Birdseye estate?

2 A Yes, we did. We hired him, I think, in September,
3 very shortly after we were appointed. Mr. Birdseye's
4 widow has some knowledge in this area, having lived
5 with her husband all these years, and she hired him,
6 and I believe it was around the first of September.

7 Q And you are familiar with the application that is on
8 file in this case?

9 A Yes, sir.

10 Q And you have discussed it at length with Mr. Black?

11 A Very much so.

12 Q And it is your feeling, as co-executor, that you want
13 this one-year extension, and if you got it, you would
14 probably get a waterflood project into existence?

15 A Yes, sir.

16 MR. LOPEZ: I have no further questions.

17 MR. UTZ: Any questions?

18 (No response)

19 MR. UTZ: You may be excused.

20 (Witness excused.)

21 MR. UTZ: Are there any statements in this case?

22 (No response)

23 MR. UTZ: The case will be taken under advisement.
24
25

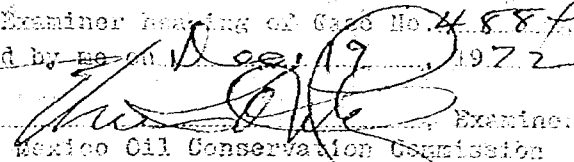
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1 STATE OF NEW MEXICO)
 2 COUNTY OF BERNALILLO } ss
 3

4 I, RICHARD E. McCORMICK, a Certified Shorthand
 5 Reporter, in and for the County of Bernalillo, State of
 6 New Mexico, do hereby certify that the foregoing and attached
 7 Transcript of Hearing before the New Mexico Oil Conservation
 8 Commission was reported by me; and that the same is a true
 9 and correct record of the said proceedings to the best of
 10 my knowledge, skill and ability.

11 
 12 CERTIFIED SHORTHAND REPORTER
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22 I do hereby certify that the foregoing is
 23 a complete record of the proceedings in
 24 the Examiner hearing of Case No. 4887
 25 heard by me on Dec. 19, 1972

 Examiner
 New Mexico Oil Conservation Commission

dearnley, meier & mc cormick reporting service inc.

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12	<u>EXHIBIT</u>		
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OIL CONSERVATION COMMISSION

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

July 20, 1973

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Colorado Plateau Geological Services, Inc.
Suite 2 D
413 West Main Street
Farmington, New Mexico 87401

Attention: Mr. Bruce A. Black

Gentlemen:

Reference is made to your letter of July 16, 1973, and also to your previous letters dated May 11 and June 6, 1973.

It is our understanding that you have commenced waterflood operations on the Birdseye properties in the Chaco Wash Pool, and that water is going into the ground in Well No. I-1 (formerly Well No. 10) and that Wells Nos. 1, 2, 3, and 4 are currently on production.

It is our further understanding that you are requesting a 90-day extension to the provisions of Commission Order No. R-4227-B in which to evaluate the effects of the water injection program before making a final determination as to ultimate disposition of Wells Nos. 5, 7, and 11.

You are hereby authorized until September 30, 1973, in which to either have Wells Nos. 5, 7, and 11 on active injection or production, or to plug and abandon same.

In the event these wells are not on active injection or production by September 20, 1973, it is requested that you contact Mr. Emery Arnold, District Supervisor of the Commission's Aztec Office by that date and obtain an acceptable plugging program from him in order that compliance with Order No. R-4227-B may be accomplished by September 30.

Very truly yours,

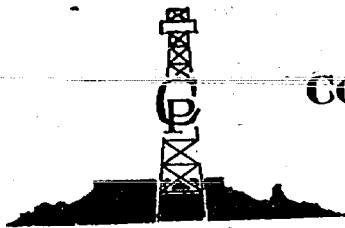
A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/ir

cc: Mr. Emery Arnold
Oil Conservation Commission
Aztec, New Mexico

Case File 4554

4884



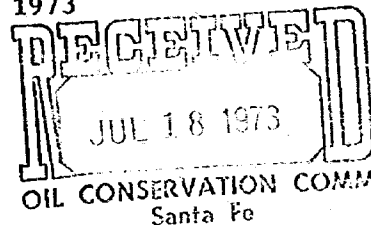
- ☆ Surface & Sub-Surface Studies
- ☆ Well Site Supervision
- ☆ Exploration Program Planning & Supervision
- ☆ Property Development and Management

COLORADO PLATEAU GEOLOGICAL SERVICES, INC.

SUITE 2D
413 WEST MAIN STREET
FARMINGTON, NEW MEXICO 87401

July 16, 1973

(505) 325-9671
(505) 325-3641
(505) 325-7855



Mr. A. L. Porter
Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

In accordance with paragraph two, Page No. 2, of Case No. 4884, Order No. R-4227-B, we wish to request an additional ninety day extension based upon our good faith efforts which we have made to comply with the provision of Order No. R-4227.

We have found that additional time is necessary for full compliance with this Order since we have initiated a water flood pilot project in the Chaco Wash Pool for the Henry S. Birdseye Estate. As indicated in my recent letter of May 11, 1973, to Mr. Daniel S. Nutter of the Oil Conservation Commission, wells Nos. 5, 7, and 11 have not as yet been plugged. This is the only outstanding requirement to Order No. R-4227. It is our desire to utilize these wells as either producers or injectors in an expanded water flood in the Chaco Wash Pool. To date the pilot flood project has showed encouraging results with a definite increase in production, and we fully intend on expanding this flood at this time.

Accordingly, and in the interests of conservation, we respectfully request the additional ninety day extension so that our evaluation work may be completed and the minimum amount of additional future repetitive drilling consistent with the correlative rights of adjacent lease hold interest may be done.

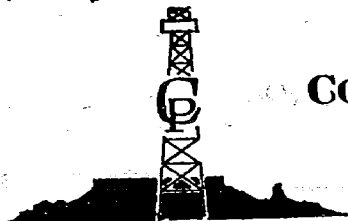
Sincerely,

Bruce A. Black,
Managing Agent for the Estate of Henry S. Birdseye

BAB:no

cc: Emery Arnold
Daniel S. Nutter
Chester Pasnewski
D. J. Walsh

July 16



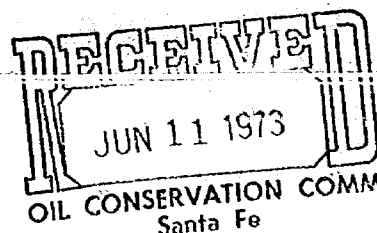
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- ☆ Well Site Supervision
- ☆ Exploration Program Planning & Supervision
- ☆ Property Development and Management

COLORADO PLATEAU GEOLOGICAL SERVICES, INC.

SUITE 2D
413 WEST MAIN STREET
FARMINGTON, NEW MEXICO 87401

June 6, 1973

(505) 325-9671
(505) 325-3641
(505) 325-7855



Mr. Daniel S. Nutter
Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Nutter:

With reference to our recent letter of May 11, 1973, we would like to inform you that we have instigated the Chaco Wash Pool Water Flood as of May 31, 1973. Inasmuch as it will take us some time to evaluate the effectiveness of this invert five-spot pilot flood we have delayed plugging the 5, 7, and No. 11 wells at this time since we may utilize these wells in the near future as injectors or producers. Presently the pilot flood is in the southeast of the southeast of Section 21, T.20N., R.9W. At present we are injecting into the I-1 (formerly well No. 10) and are pumping wells No. 1, 2, 3, and 4. By copy of this letter we are also informing Mr. Emery Arnold in Aztec, New Mexico.

We would like to take this opportunity to thank the Oil Conservation Commission for granting the extension to Order No. R4227, Case No. 4884, which has allowed us to initiate this water flood in the trying times subsequent to the unfortunate death of Henry S. Birdseye. Your consideration is greatly appreciated and we will attempt to manage and operate the water flood in a businesslike manner.

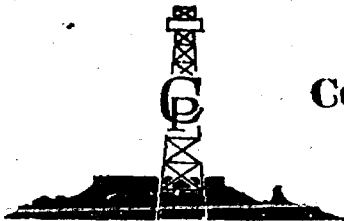
Sincerely,

Bruce A. Black,
Managing Agent for the Es-
tate of Henry S. Birdseye

BAB:nq

cc: Chester Pasnewski
Chancellor Western Oil Company
Emery Arnold

June 6



- ☆ Surface & Sub-Surface Studies
- ☆ Well Site Supervision
- ☆ Exploration Program Planning & Supervision
- ☆ Property Development and Management

COLORADO PLATEAU GEOLOGICAL SERVICES, INC.

SUITE 2D

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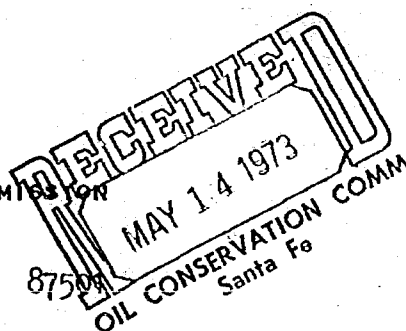
MAY 11, 1973

(505) 325-9671

(505) 325-3641

(505) 325-7855

DANIEL S. NUTTER
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
P. O. Box 2088
SANTA FE, NEW MEXICO 87504



DEAR MR. NUTTER:

ENCLOSED PLEASE FIND A MAP OF THE CHACO WASH OIL FIELD AREA UPON WHICH WE HAVE INDICATED THE LOCATION OF OUR NEW WATER LINE WHICH HAS BEEN LAID TO THE CHACO WASH FIELD IN PREPARATION FOR INSTIGATION OF THE WATER FLOODING OF THIS POOL.

WE WOULD LIKE TO ADVISE YOU THAT SUBSEQUENT TO YOUR EXTENSION OF ORDER No. R4227, CASE No. 4884, WE HAVE UNDERTAKEN TO COMPLY WITH ALL OF THE PROVISIONS OF ORDER No. R4227-B. IN ADDITION TO LAYING THE WATER LINE WE ARE PRESENTLY IN THE PROCESS OF RECONDITIONING THE No. 1, 2, 3, AND 4 WELLS IN THE CHACO WASH FIELD TO USE AS PRODUCERS AND ARE CONVERTING THE No. 10 WELL TO AN INJECTOR TO BE USED IN THE INVERT FIVE SPOT PILOT FLOOD. IF THIS PILOT FLOOD IS SUCCESSFUL IT IS OUR INTENTION TO ESTABLISH A LARGER FLOOD OF THE ENTIRE POOL AREA WORKING IN CONJUNCTION WITH THE ADJACENT OWNERS OF THE LEASES IN SECTION 28. ACCORDINGLY, WE HAVE DELAYED PLUGGING THE No. 5, 7, AND 11 WELLS AT THIS TIME INASMUCH AS WE INTEND TO UTILIZE THESE WELLS AS INJECTORS OR PRODUCERS IN THE NEAR FUTURE IF THE PILOT FLOOD IS SUCCESSFUL.

WE ARE ENCLOSING FOR YOUR INFORMATION A COPY OF THE LETTER FROM THE ADJACENT LEASE HOLD INTERESTS INDICATING THEIR APPROVAL AND CONCURRENCES WITH OUR ACTIONS IN THE CHACO WASH FLOOD AREA.

YOURS VERY TRULY,

BRUCE A. BLACK,
MANAGING AGENT FOR THE
ESTATE OF HENRY S. BIRDSEYE

BAB:NO
ENCLOSURE
CC: EMERY ARNOLD
CHESTER PASNEWSKI
SANTA FE PACIFIC

May 11

March 18, 1973

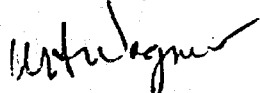
Mr. Bruce ack
Colorado P. Geological Services
P. O. Box 53,
Farmington, N. M. 87401

Dear Bruce:

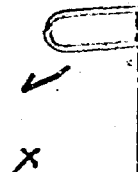
This letter will confirm our conversation regarding your use, as agent for the Birdseye estate, of the existing flow-line from the Dakota test in Section 20 to the "C" unit of Section 28. We understand you wish to extend this line to test the water-flood potential in the three quarter sections contiguous to the NE $\frac{1}{4}$ of Section 28.

We agree with your use of this line and you may be assured of our cooperation.

Sincerely,



W. H. Wagner, President
Husky Energy, Inc.
10108 Toltec NE
Abq. N.M. 87111





OIL CONSERVATION COMMISSION

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

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

January 9, 1973

Re: Case No. 4884

Order No. R-4227-B

Applicant:

Colorado Plateau Geological
Services

Mr. Owen Lopez
Montgomery, Federici, Andrews,
Hannahs & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, JR.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC X

Other

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. 4884
Order No. R-4227-B

APPLICATION OF COLORADO PLATEAU
GEOLOGICAL SERVICES, INC., FOR
AN EXTENSION OF ORDER NO. R-4227,
MCKINLEY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of January, 1973, 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 Commission Order No. R-4227, as corrected by Order No. R-4227-A, required Henry S. Birdseye, as owner and operator of certain wells in the Chaco Wash-Mesaverde Oil Pool, McKinley County, New Mexico, to take certain action concerning various wells in said pool by December 31, 1972, or to plug and abandon said wells by that date.

(3) That some of the provisions of Commission Order No. R-4227 have been complied with.

(4) That subsequent to Mr. Birdseye's death in June, 1972, Colorado Plateau Geological Services, Inc., was appointed by the Birdseye Estate to manage the Estate's oil and gas affairs.

(5) That said Colorado Plateau Geological Services, Inc., seeks an order extending for one year the time in which to comply with all of the provisions of Order No. R-4227.

(6) That an extension of one year in which to comply with said order appears to be an excessive period of time.

-2-

Case No. 4884
Order No. R-4227-B

(7) That under the circumstances, a six-month extension for compliance with all of the provisions of the subject order is not unreasonable and should be approved.

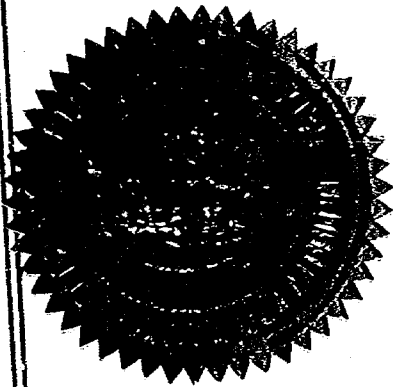
IT IS THEREFORE ORDERED:

(1) That the date for compliance with all provisions of Commission Order No. R-4227 is hereby extended to June 30, 1973.

(2) That upon a showing to the Secretary-Director of the Commission that good faith effort is being made to comply with all provisions of said Order No. R-4227, but that additional time is necessary for full compliance, the Secretary-Director of the Commission may grant an additional 90 days during which all actions required by said Order No. R-4227 must be performed or the wells plugged and abandoned.

(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.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIZO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - TUESDAY - DECEMBER 19, 1972

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for January, 1973.

CASE 4608: (Reopened) (Continued from November 14, 1972)

In the matter of Case 4608 being reopened pursuant to the provisions of Order No. R-4213 which order established special rules and regulations for the Haystack Siluro-Devonian Pool, Chaves County, New Mexico, including a provision for 80-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4860: (Continued from the November 29, 1972 Examiner Hearing)

Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4869: (Continued and Readvertised)

Application of Claude C. Kennedy for the amendment of Order No. R-4263, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4263 to prohibit the transfer of allowable to any well located closer than 1320 feet from the outer boundary of the Lone Pine Dakota "D" Unit Area, Lone Pine Dakota "D" Pool, McKinley County, New Mexico.

CASE 4874: Application of Skelly Oil Company for a dual completion and water injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Skelly Waterflood Unit Well No. 3 located in Unit D of Section 22, Township 17 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Fren-Seven Rivers Pool and the injection of water into the Grayburg-Jackson Pool through parallel strings of tubing.

CASE 4875: Application of ESH Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Lower San Andres formation in the perforated interval from 5144 feet to 5170 feet in its Hobbs State Well No. 5 located in Unit F of Section 29, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico.

CASE 4876: Application of Gulf Oil Corporation for an unorthodox oil well location and amendment of Order No. R-2248, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, West Dollarhide-Devonian Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2248 to provide for administrative approval of additional production and injection wells in the aforesaid unit at unorthodox locations.

CASE 4877: Application of Texas Pacific Oil Company, Inc. for two non-standard oil proration units and a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F of Section 2 and an 80-acre standard proration unit comprising the E/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

CASE 4878: Application of Harding Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the E/2 SE/4 of Section 10, Township 17 South, Range 37 East, Lea County, New Mexico, to be dedicated to a Humble City Field extension well to be drilled at a standard location for said pools; 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.

CASE 4879: Application of Atlantic Richfield Company for gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard proration unit comprising the N/2 of Section 30, Township 23 South, Range 37 East, to be dedicated to its Eva Blinbry Wells Nos. 2 and 7 located in Units D and G, respectively, of said Section 30; a 320-acre non-standard proration unit comprising the E/2 of Section 26, Township 22 South, Range 36 East to be dedicated to its McDonald State Wells Nos. 8 and 9 located in

(Case 4879 continued from page 2)

Units P and G, respectively, of said Section 26, and a 640-acre standard gas proration unit comprising all of Section 15, same township, to be dedicated to its McDonald State Wells Nos. 13, 14, and 15 located in Units P, G, and L, respectively, of said Section 15, Jalmat Gas Pool, Lea County, New Mexico.

CASE 4880: Application of Jake L. Hamon for the amendment of Order No. R-638-C, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-638-C which established 150 barrels of oil per day as the maximum allowable for the South Knowles-Devonian Pool. Applicant proposes that the regular 80-acre depth bracket allowable be applied to said pool.

CASE 4881: Application of Anadarko Production Company for two unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two wells at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

Applicant further seeks the adoption of a procedure for administrative approval of additional production and injection wells in its Far West Loco Hills Sand Unit at unorthodox locations.

CASE 4882: Application of Shell Oil Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through the following five wells in the Cato-San Andres Pool, Chaves County, New Mexico: Amoco Federal Wells Nos. 4, 6, 7, and 8 in Units G, O, E, and M, respectively, of Section 33 and Hodges Federal B Well No. 4 in Unit M of Section 34, all in Township 8 South, Range 30 East.

CASE 4883: Application of El Paso Natural Gas Company for non-standard gas spacing units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas spacing units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico:

A 145.6-acre unit comprising lots 9 and 10 and 15 through 18 of Section 31;

A 153.5-acre unit comprising lots 14 through 17 of Section 30 and lots 7 and 8 of Section 31;

A 156.5-acre unit comprising lots 17 and 18 of Section 19 and lots 6 through 9 of Section 30;

A 152.6-acre unit comprising lots 7 through 10 and 15 and 16 of Section 19.

CASE 4853: (Continued and Readvertised)

Application of El Paso Natural Gas Company for amendment of gas well testing procedures, San Juan Basin, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the gas well testing procedures for the San Juan Basin, New Mexico, promulgated by Order No. R-333-F, as amended, to remove the requirement for annual deliverability and shut-in pressure tests for marginal wells.

Applicant further requests the Commission to consider:

1. Other means of avoiding or minimizing the loss of pipeline availability attributable to the period wells in prorated pools are shut in in order to conduct the annually required deliverability and shut-in pressure tests;
2. Exempting wells in non-prorated pools from the annual deliverability and shut-in pressure requirements; and,
3. Exempting all wells in the San Juan Basin from the requirement for annual shut-in pressure tests as provided in the General Rules and Regulations.

CASE 4884: Application of Colorado Plateau Geological Services, Inc., for an extension of Order No. R-4227, McKinley County, New Mexico. Applicant, in the above-styled cause, as managing agent for oil and gas for the Henry Birdseye Estate, seeks a one-year extension to certain provisions of Order No. R-4227 which, as amended by Order No. R-4227-A, required that certain of the Birdseye wells in the Chaco Wash Mesaverde Oil Pool be placed on active production or water injection by December 31, 1972, or be plugged and abandoned. Applicant, or United States Fidelity and Guaranty Company, or any other interested party will be permitted to show cause why the effective date of the aforesaid order should not be enforced.

CASE 4885: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John Lemley and Juanita Franks and Aetna Casualty and Surety Company and all other interested parties to appear and show cause why the Lemley and Franks Greathouse Well No. 1, located in Unit F of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 4554
Order No. R-4227 -A

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN
MOTION TO PERMIT HENRY S. BIRDSEYE AND ALL
OTHER INTERESTED PERSONS TO APPEAR AND SHOW
CAUSE WHY THE FOLLOWING-DESCRIBED WELLS IN
THE CHACO WASH-MESAVERDE POOL IN TOWNSHIP 20
NORTH, RANGE 9 WEST, MCKINLEY COUNTY, NEW
MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED
IN ACCORDANCE WITH A COMMISSION-APPROVED
PLUGGING PROGRAM.

NUNC PRO TUNC ORDER

BY THE COMMISSION:

It appearing to the Commission that due to clerical error,
Order No. R-4227, dated December 2, 1971, does not correctly
state the intended order of the Commission,

IT IS THEREFORE ORDERED:

(1) That in order to show the correct date Finding No.
(12) as set forth on Page 2 of Order No. R-4227 is hereby
corrected to read as follows:

"(12) That each of said Wells Nos. 1, 2, 3, 4,
5, 7, and 11 should be plugged and abandoned in
accordance with a program approved by the Aztec
Office of the Commission on or before December 31,
1972, if said well has not been placed on active
production or injection by that time."

(2) That in order to show the correct date Order (5) as
set forth on Page 3 of Order No. R-4227 is hereby corrected to
read as follows:

"(5) That Henry S. Birdseye is hereby ordered
to plug and abandon each of the above-described
Wells Nos. 1, 2, 3, 4, 5, 7, and 11, on or
before December 31, 1972, if said well is not
on active production or injection at said time.

(3) That the corrections as set forth above shall be effec-
tive nunc pro tunc as of December 2, 1971.

-2-

CASE NO. 4554

Order No. R-4227

DONE at Santa Fe, New Mexico, on this 9th day of
December, 1971.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

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

S E A L

dr/

Rease 4884

Heard 12-29-72

Res. 12-20-72.

Grant Colorado Plateau
Geol. Ser. ~~and~~ a 1 year
Extension to order R-4227
as amended by R-4227-A a
Non Pro Tenc. O

Testimony indicates that
some 27,000 Bbls. more oil is
available by the flooding
of this area.

W. B. O'Neil

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 6, 1972

Colorado Plateau Geological
Services, Inc.
Suite 2D
413 West Main Street
Farmington, New Mexico 87401

Attention: Mr. Bruce A. Black

U. S. Fidelity & Guaranty
301 San Mateo Blvd., SE
Albuquerque, New Mexico

Re: Henry Birdseye
Orders R-4227 and R-4227-A
Chaco Wash Mesaverde Pool
McKinley County, New Mexico
Plugging Orders
\$10,000 Blanket Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Tuesday, December 19, 1972, at
9:00 a.m. in the Oil Conservation Commission Conference
Room, State Land Office Building, Santa Fe, New Mexico.
Case No. 4884 concerns the subject matter.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/dr

cc: Oil Conservation Commission - Aztec



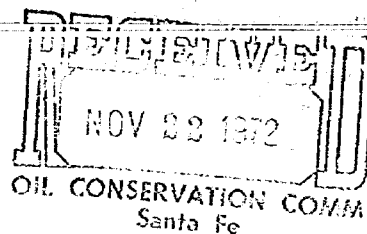
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC

87410
November 21, 1972

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

*Set for
Hearing 9/19
on Dec.*



Mr. A. L. Porter, Jr.
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

*Case 4884
4227*

Re: Orders R-4277 & R-4227A
Chaco Wash Mesaverde Pool
McKinley County, New Mexico

Dear Pete,

I am enclosing a copy of a letter written by Mr. Bruce Black of Colorado Plateau Geological Services, Inc. wherein Mr Black is requesting an extension of time for compliance with terms of the two above mentioned orders. I am sure the death of Mr. Birdseye has delayed plans which they may have had to instigate a water flood program during the past year. As you will note some of the requirements of the order have been complied with.

I have no personal objection to granting an extension of the time of compliance but I do feel that a full years extension is excessive unless we enter a stipulation that actual field work begin at a much earlier date. Perhaps we could give them six months time to start actual work toward instituting a flood in the pool and twelve months to have it in operation.

If it will be necessary for the matter to go to a hearing in order for an extension to be granted please let me know and I will notify Mr. Black.

Thank you.

*send copy of docket
to: Colorado Plateau
Geological Services Inc
Attn: Mr. Bruce R. Black*

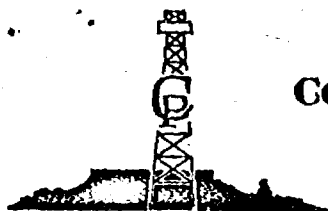
ECA:ae
Enclosure

*also: U.S. Fidelity & Guaranty Co.
301 San Mateo New Mexico
Albuquerque
Attn: Mr. Brennan
J. Brennan*

Yours very truly,
Emery C. Arnold,
Supervisor, District III

DOCKET MAILED

Date 12-6-72



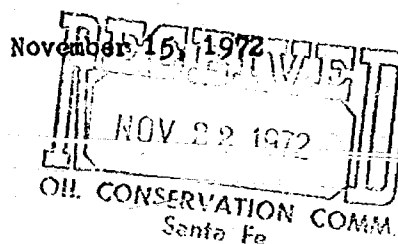
☆ Surface & Sub-Surface Studies
☆ Well Site Supervision
☆ Exploration Program Planning & Supervision
☆ Property Development and Management

COLORADO PLATEAU GEOLOGICAL SERVICES, INC.

SUITE 2D

413 WEST MAIN STREET
FARMINGTON, NEW MEXICO 87401

(505) 325-9671
(505) 325-3641
(505) 325-7855



Mr. Emery C. Arnold
New Mexico Oil Conservation Commission
1000 Rio Brazos Rd.
Aztec, New Mexico

Case 4884

Dear Mr. Arnold:

In accordance with our previous conversations and our recent telephone conversation of November 14, 1972, I am writing this letter to review with you the status of the Chaco Wash Mesa Verde Pool, McKinley County, New Mexico, and to request an extension on certain plugging orders in this pool.

As you mentioned in your letter of August 18, 1972, to the United States Fidelity and Guaranty Company in Albuquerque, New Mexico, Commission Order R-4227 and R-4227A set out certain requirements, a number of which had not at that time been complied with for this pool. These five requirements and their present status are:

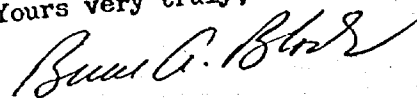
1. Wells No. 1, 2, 4, and 7 were required to be plugged and abandoned or closed in at the surface prior to December 31, 1971. These wells are and have been closed in at the surface, although none of these wells have been plugged.
2. Well No. 11 was required to be plugged and abandoned by December 31, 1971, or completed as a producing well. This well has not been plugged or completed.
3. Well No. 12 was required to have been plugged and abandoned by December 31, 1972. This well has been plugged and abandoned and commission forms to this effect are being forwarded under separate cover reflecting the pumpers and the plugging contractors assurance that this well has been plugged and abandoned.
4. Fenced pits were to be constructed at each producible well and at the lease tank by December 31, 1972. At the time of your letter a pit had been constructed and fenced at the tank but not at any of the wells. Subsequent to your letter we have undertaken and completed pit construction and fencing of same for all of the producible wells (4).
5. Wells numbered 1, 2, 4, 5, 7, and 11 were to be plugged and abandoned

by December 31, 1972, if they were not on active production or injection prior to that date. At the time of this letter none of these wells are producing nor have they been plugged.

As you are aware, Henry Birdseye was tragically killed in mid-June of this year. At the time of his death Henry was actively attempting to instigate a water flood at the Chaco Wash Mesa Verde Pool. It was, of course, his intention to utilize the wells mentioned above as water injection wells and therefore, he had not plugged or abandoned these wells in anticipation of the water flood beginning prior to December 31, 1972. Obviously, his untimely death and subsequent events involving his estate have made it impossible to meet the deadline of December 31, 1972 for the instigation of production or injection by the above wells.

The Birdseye Estate subsequent to Henry's death has appointed Colorado Plateau Geological Services, Inc. as managing agent for the Birdseye Estates oil and gas affairs. Accordingly, we are delinently attempting to follow through on Henry's plans for a water flood in the Chaco Wash Mesa Verde Pool, and as shown by our actions in No. 3 and No. 4 above, we are trying to fulfill the estates obligations in a businesslike manner. Because of Henry's untimely death and subsequent delays necessitated by this tragic event, we are therefore requesting a one year extension to the time limit imposed by No. 4 and No. 5 above until December 31, 1973 so that we will have the opportunity to assist the Birdseye Estate in its attempt to activate the water flood as originally envisioned by Mr. Birdseye.

Yours very truly,



Bruce A. Black

BAB:mg

cc: George Hatch, Attorney
Chester Pasnewski

DRAFT

DSN/dr

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. 4884

Order No. R-4227-B

APPLICATION OF COLORADO PLATEAU
GEOLOGICAL SERVICES, INC., FOR
AN EXTENSION OF ORDER NO. R-4227,
MCKINLEY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of January, 1973, 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 Commission Order No. R-4227, as corrected by
Order No. R-4227-A, required Henry S. Birdseye, as owner and
operator of certain wells in the Chaco Wash-Mesaverde Oil Pool,
McKinley County, New Mexico, to take certain action concerning
various wells in said pool by December 31, 1972, or to plug and
abandon said wells by that date.

-2-

Case No. 4884
Order No. R-

(3) That some of the provisions of Commission Order No. R-4227 have been complied with.

(4) That subsequent to Mr. Birdseye's death in June, 1972, Colorado Plateau Geological Services, Inc., was appointed by the Birdseye Estate to manage the Estate's oil and gas affairs.

(5) That said Colorado Plateau Geological Services, Inc., seeks an order extending for one year the time in which to comply with all of the provisions of Order No. R-4227.

(6) That an extension of one year in which to comply with said order appears to be an excessive period of time.

(7) That under the circumstances, a six-month extension for compliance with all of the provisions of the subject order is not unreasonable and should be approved.

IT IS THEREFORE ORDERED:

(1) That the date for compliance with all provisions of Commission Order No. R-4227 is hereby extended to June 30, 1973.

(2) That upon a showing to the Secretary-Director of the Commission that good faith effort is being made to comply with all provisions of said Order No. R-4227, but that additional time is necessary for full compliance, the Secretary-Director of the Commission may grant an additional 90 days during which all actions required by said Order No. R-4227 must be performed or the wells plugged and abandoned.

(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.