

CASE 5004: - PLUGGING CASE (SJ)
PETTUS & ASSOCIATES - PETTUS &
ASSOCIATES HUNT WELL NO. 1

CASE No.

5004

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

PAGE 2

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

June 20, 1973

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission on its own motion to permit Pettus and Associates and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Pettus and Associates, Hunt Well No. 1 located in Unit K of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Case No. 5004

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission on its own motion to permit Pettus and Associates and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Pettus and Associates, Don Stock Well No. 1 located in Unit E of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Case No. 5005

BEFORE: State Geologist, A. L. Porter, Jr.,
Secretary-Director

I. R. Trujillo,
Member

TRANSCRIPT OF HEARING

1 MR. PORTER: Case 5004.

2 MR. CARR: Case 5004: In the matter of the hearing
3 called by the Oil Conservation Commission on its own motion
4 to permit Pettus and Associates and United States Fidelity
5 and Guaranty Company and all other interested parties to
6 appear and show cause why the Pettus and Associates, Hunt
7 Well No. 1 located in Unit K of Section 3, Township 29 North,
8 Range 16 West, San Juan County, New Mexico, should not be
9 plugged and abandoned in accordance with a Commission-approved
10 plugging program.

11 We move that Cases 5004 and 5005 be consolidated
12 for the purpose of testimony, with a separate order to be
13 issued in each case.

14 MR. PORTER: The motion will be approved.

15 MR. CARR: Case 5005: In the matter of the hearing
16 called by the Oil Conservation Commission on its own motion
17 to permit Pettus and Associates and United States Fidelity
18 and Guaranty Company and all other interested parties to
19 appear and show cause why the Pettus and Associates, Don
20 Stock Well No. 1 located in Unit E of Section 3, Township
21 29 North, Range 16 West, San Juan County, New Mexico,
22 should not be plugged and abandoned in accordance with a
23 Commission-approved plugging program.

24 Let the record show that the witness has already
25 been sworn.

1 MR. PORTER: And the record should also show that
2 there are no other appearances in these two cases.

3 * * * *

4 EMORY ARNOLD,

5 was called as a witness, and having been already duly sworn
6 according to law, testified as follows:

7 DIRECT EXAMINATION

8 BY MR. CARR:

9 Q Would you state your name and position for the record,
10 please?

11 A Emory Arnold, District supervisor for the District
12 Three Office.

13 Q Does District Three include the part of San Juan County
14 involved in this case?

15 A Yes.

16 Q Do your duties as District supervisor include making
17 recommendations to the Commission as to when wells
18 should be plugged and abandoned?

19 A Yes.

20 Q Are you familiar with the subject matter of Case 5004
21 and Case 5005?

22 A Yes, I am.

23 Q What is the purpose of these cases?

24 A The purpose of these cases is to have Pettus and
25 Associates appear and show cause why the Don Stock Well

1 No. 1 and the Hunt Well No. 1 should not be properly
2 plugged and abandoned in accordance with a Commission-
3 approved plugging program.

4 Q Are you familiar with these wells?

5 A Yes.

6 Q Have you reviewed the records on file with the Commission
7 concerning these wells?

8 A Yes.

9 Q Would you refer to the records and briefly summarize
10 the history of each for the Commission?

11 A Yes. The Don Stock Well No. 1 is located in the
12 northwest quarter of Section 3, Township 29 North,
13 Range 16 West, San Juan County, New Mexico. It was
14 originally drilled under the name of Grossman, and
15 Pettus and Associates. The name was changed to Pettus
16 and Associates in September, 1962. A C-110 was filed
17 to change the operator to Pettus and Associates. The
18 well was drilled to a total depth of 3,576 feet, and
19 completed in December, 1960. Initial potential was
20 3 barrels of oil per day. Five and five-eighth inch
21 casing was set at 581 feet, and a half-inch liner
22 was placed from 3,282 to 3,573 with 45 sacks of cement.
23 The liner was perforated from 3,519 to 3,540 to the
24 top of the Gallop formation. The well produced oil
25 until 1964, when it was shut in. Total accumulative

1 production is 824 barrels. The last correspondence
2 on file with the Commission was a Form C-110 which
3 was filed in August, 1963.

4 The Hunt Well No. 1 is in the southwest quarter
5 of Section 3, Township 29 North, Range 16 West, San
6 Juan County, New Mexico. It was originally filed
7 under the name of Grossman, and Pettus and Associates.
8 In 1962, a rider was filed changing the principal to
9 Pettus and Associates. The well was drilled to a
10 total depth of 3,576 and completed as a producing oil
11 well with a potential of 12 barrels of oil per day.
12 The casing program was 9 5/8 inches at 145 feet, with
13 100 sacks of cement, and 5 3/8 with 150 sacks of cement.
14 The well produced oil until 1965, when it was shut in,
15 and has not produced since then. Accumulative
16 production to date has been 10,080 barrels of oil.
17 The last official form filed was a Form C-110 which
18 was filed in August, 1962.

19 Q If these wells are properly plugged and abandoned, will
20 that prevent waste?

21 A Yes. It's possible that the failure to plug and abandon
22 these wells may cause waste.

23 Q Do you have a plugging program to recommend at this time?

24 A I have a plugging program in mind, but I would prefer
25 giving the plugging program to the operator at the

1 time we begin plugging operations.

2 MR. CARR: I have no further questions.

3 MR. PORTER: Mr. Arnold, do you recommend plugging
4 those wells?

5 THE WITNESS: Yes, I recommend plugging these two
6 wells, and just like the other cases, I would require
7 plugging notice within thirty days with the wells to be
8 plugged and abandoned within sixty days.

9 MR. PORTER: Are there any other questions?

10 (No response)

11 MR. PORTER: The witness may be excused.

12 (Witness excused.)

13 (Whereupon the Commission conferred.)

14 (Hearing continues.)

15 MR. PORTER: An order will be issued by the
16 Commission ordering the plugging of these wells.

17 I would also like to state that one of the owners
18 of Pettus and Associates has contacted us, and indicated
19 that they intend to plug the wells, so I anticipate no
20 problems.

21 An order will be issued ordering the wells to be
22 plugged in accordance with the recommendations of the witness.

23 There being no other cases on the docket, this
24 hearing is adjourned.

25 * * * *

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

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 *Richard E. McCormick*
 12 _____

13 CERTIFIED SHORTHAND REPORTER
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

dearnley, meier & associates

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
 1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

dearnley, meier & associates

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-0691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

I N D E X

WITNESS

PAGE

EMORY ARNOLD

Direct Examination by Mr. Carr

4

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

OFFICE DEPARTMENT
OFFICIAL BUSINESS



POSTMARK OF DELIVERING OFFICE

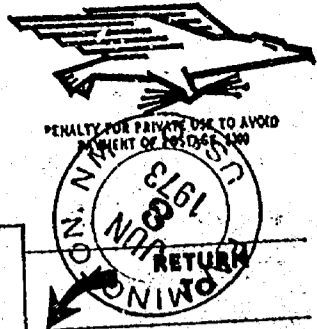
Print your name and address below. If you want to restrict delivery, or to have the address of delivery shown on this receipt, check block(s) on other side. Moisten gummed ends and attach this card to back of article.

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Case No. 5004

RETURN
TO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

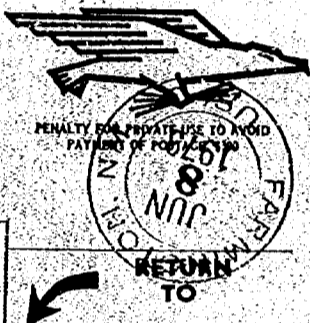


POSTMARK OF DELIVERING OFFICE

Print your name and address below. If you want to restrict delivery, or to have the address of delivery shown on this receipt, check block(s) on other side. Moisten gummed ends and attach this card to back of article.

Oil Conservation Commission
P. O. Box 2080
Santa Fe, New Mexico 87501
Case No. 5004

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS



POSTMARK OF DELIVERING OFFICE

Print your name and address below. If you want to restrict delivery, or to have the address of delivery shown on this receipt, check block(s) on other side. Moisten gummed ends and attach this card to back of article.

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Case No. 5004

RECEIPT FOR CERTIFIED MAIL—20¢

| | | |
|---|--|---------------------|
| SENT TO Pettus and Associates | | POSTMARK OR DATE |
| STREET AND NO. 611 N. Dustin | | |
| CITY, STATE, AND ZIP CODE Farmington, N.M. 87401 | | |
| If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> 50¢ fee | | |
| FEES ADDITIONAL TO 20¢ FEE | | |
| NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL | | |

POD Form 3800
July 1963

NO. 035926

RECEIPT FOR CERTIFIED MAIL—20¢

| | | |
|---|--|---------------------|
| SENT TO Mr. Gordon G. Wood | | POSTMARK OR DATE |
| STREET AND NO. 115 East Main | | |
| CITY, STATE, AND ZIP CODE Farmington, N.M. 87401 | | |
| If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> 50¢ fee | | |
| FEES ADDITIONAL TO 20¢ FEE | | |
| NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL | | |

POD Form 3800
July 1963

No. 635927

RECEIPT FOR CERTIFIED MAIL—20¢

| | | |
|---|--|---------------------|
| SENT TO U.S. Fidelity & Guaranty Co. | | POSTMARK OR DATE |
| STREET AND NO. 301 San Mateo Blvd., S.E. | | |
| CITY, STATE, AND ZIP CODE Albuquerque, N.M. 87108 | | |
| If you want a return receipt, check which <input type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> 50¢ fee | | |
| FEES ADDITIONAL TO 20¢ FEE | | |
| NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL | | |

POD Form 3800
July 1963

No. 635928

OIL CONSERVATION COMMISSION

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

June 7, 1973

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Pettus and Associates
c/o John M. Pettus
611 N. Dustin
Farmington, New Mexico 87401

CERTIFIED - RETURN
RECEIPT REQUESTED

Mr. Gordon G. Woods
Wood Insurance Service
115 East Main
Farmington, New Mexico 87401

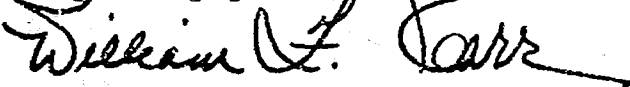
United States Fidelity and Guaranty Company
c/o Mr. Pete DiGangi, State Manager
301 San Mateo Blvd., S. E.
Albuquerque, New Mexico 87108

Re: Pettus and Associates Hunt Well
No. 1, Unit K, Section 3, Township
29 North, Range 16 West, San Juan
County, New Mexico, United States
Fidelity and Guaranty Company \$10,000
Blanket Bond No. 47602-13-238-61

Gentlemen:

Enclosed is a copy of the docket of the Examiner.
Hearing to be held on Wednesday, June 20, 1973, at 9:00 a.m.
in the Oil Conservation Commission Conference Room, State
Land Office Building, Santa Fe, New Mexico. Case No. 5004
concerns the subject matter.

Very truly yours,



WILLIAM F. CARR
Special Assistant Attorney General
Oil Conservation Commission

WFC/ac
enclosure

cc: Oil Conservation Commission - Aztec

Docket No. 16-73

DOCKET: REGULAR HEARING - WEDNESDAY - JUNE 20, 1973

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

CASE 4990: In the matter of the hearing called by the Oil Conservation Commission of New Mexico upon its own motion to consider the application of Thriftway Company, operator of a petroleum refinery in Bloomfield, New Mexico, for certification to the Commissioner of Public Lands as a small business enterprise within the state not having an adequate supply of charge stocks and eligible to be granted a preference, pursuant to Chapter 34, New Mexico Laws of 1967, for the purchase of state royalty oil. The Commission will consider the application and such pertinent evidence as may be submitted concerning the capacity of the refinery, the source and grade of all refinery charge stocks currently available to the applicant, the minimum amount and grade of additional refinery charge stocks needed to meet existing refinery commitments or existing refinery capacity, and the efforts made by applicant to purchase refinery charge stocks on the open market.

CASE 4991: Application of El Paso Natural Gas Company for the amendment of the prorated gas pool rules promulgated by Order No. R-1670, as amended.

Applicant, in the above-styled cause, seeks the amendment of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico and Southeast New Mexico, as promulgated by Commission Order No. R-1670, as amended. Applicant proposes:

1. That Rule 9 (B) of the Northwest New Mexico Gas Proration Rules and 10 (A) of the Southeast New Mexico Gas Proration Rules each be amended to provide that the monthly allowable assigned to a marginal well would be equal to its latest available monthly production.

2. That Rule 13 of the Northwest New Mexico and Southeast New Mexico Gas Proration Rules be amended to provide that the proration period would be the 12-month period from 7:00 a.m. April 1 of each year to 7:00 a.m. April 1 of the following year. (The current proration period, due to terminate at 7:00 a.m. January 1, 1974, would be extended to 7:00 a.m. April 1, 1974).

3. That Rule 16 (A) of the Northwest New Mexico and Southeast New Mexico Gas Proration Rules be amended to provide that each proration period consist of four classification periods for the purpose of classifying wells marginal, each such classification period being of three months duration; and to provide that after production data is available for the last month of each such classification period, any well which had an underproduced status at the beginning of the gas proration period would be classified marginal.

(Case 4991 continued from Page 1)

if its highest single month's production during the classification period is less than its average monthly allowable for the classification period, unless within 15 days after receipt of notice of classification of a well as marginal, the operator of the well or other interested person presents satisfactory evidence to the Commission showing that the well is not of marginal character and should not be so classified.

Applicant, in addition to the above-requested specific rule changes, further requests such additional word changes in other orders and/or Rules of the Commission (including but not limited to Order No. R-333-F-1) as may be necessary to effectuate the substantive rule changes proposed herein.

CASE 4992: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Corinne Grace and the Travelers Indemnity Company and all other interested parties to appear and show cause why the Ranger Lake Wells Nos. 1 and 3 located in Unit N of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4993: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Corinne Grace and the Travelers Indemnity Company and all other interested parties to appear and show cause why the T. P. State Well No. 1 located in Unit A of Section 17, Township 10 South, Range 33 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4994: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Glenn Petroleum Corporation and United States Fire Insurance Company and all other interested parties to appear and show cause why the Crosby Well No. 1 located in Unit O of Section 26, Township 7 South, Range 30 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4995: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Glenn Petroleum Corporation and United States Fire Insurance Company and all other interested parties to appear and show cause why the Sanders Well No. 1 located in Unit N of Section 25, Township 7 South, Range 30 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

- CASE 4996: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit C. H. Brockett Inc. and the Indemnity Company and all other interested parties to appear and show cause why the Lazy J State "A" Well No. 1 located in Unit A of Section 3, Township 14 South, Range 33 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4997: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Jal Fishing Tool Company and United States Fidelity & Guarantee Company and all other interested parties to appear and show cause why the H. Whitten Well No. 1 located in Unit C of Section 4, Township 24 South, Range 36 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4998: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit E. P. Campbell and Aetna Casualty and Surety Company and all other interested parties to appear and show cause why the E. P. Campbell Christmas Well No. 1 located in Unit C of Section 6, Township 23 South, Range 36 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 4999: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Standard Production Company and Aetna Life & Casualty and all other interested parties to appear and show cause why the Brown Lease Wells Nos. 1, 2, 3, 4, 5, and 5-A, located in Units F, D, C, F, E, and E, respectively, of Section 25, Township 25 South, Range 36 East, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program, and why the location of Well No. 6 in Unit L and No. 7 in Unit M of said Section 25 should not be cleaned and levelled.
- CASE 5000: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Aztec Total Unit Wells Nos. 17 and 18, located in Unit E of Section 20, and Unit H of Section 19, respectively, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5001: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tamanaco Oil Corporation and Continental Casualty Company and all other interested parties to appear and show cause why the El Poso Ranch "N" Well No. 11 located in Unit N of Section 11, Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5002: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Tamanaco Oil Corporation and Continental Casualty Company and all other interested parties to appear and show cause why the Pound Ranch "B" Well No. 27 located in Unit B of Section 27, Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5003: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Dan M. Lockie and Hartford Fire Insurance Company Group and all other interested parties to appear and show cause why the Dan M. Lockie, Gersbach Com #1 located in Unit J of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5004: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Pettus and Associates and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Pettus and Associates, Hunt Well No. 1 located in Unit K of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5005: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Pettus and Associates and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Pettus and Associates, Don Stock Well No. 1 located in Unit E of Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5006: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Southeast Cha Cha Unit Well No. 1 located in Unit M of Section 32, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4989: (Continued from the June 6, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of the general rules governing prorated gas pools in Northwest and Southeast New Mexico as promulgated by Order No. R-1670, as amended. Rule 15 of the aforesaid general rules would be amended to provide that if a well is overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months (or, in the case of a newly connected well or a well in a newly prorated pool, six times its average monthly allowable for the months available), it shall be shut in during that month and each succeeding month until it is overproduced in an amount less than six times its average monthly allowable, as determined above.

Rule 15 would be further amended to permit the Secretary-Director of the Commission to grant a pool-wide moratorium of up to three months on the shutting in of gas wells during periods of high demand emergency if a significant number of the wells in the pool are subject to being shut in.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5004
Order No. R-4578

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT PETTUS AND ASSO-
CIATES AND UNITED STATES FIDELITY AND
GUARANTY COMPANY AND ALL OTHER INTER-
ESTED PARTIES TO APPEAR AND SHOW CAUSE WHY
THE PETTUS AND ASSOCIATES HUNT WELL NO. 1
LOCATED IN UNIT K OF SECTION 3, TOWNSHIP
29 NORTH, RANGE 16 WEST, SAN JUAN 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 June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 Pettus and Associates is the owner and operator of the Pettus and Associates Hunt Well No. 1, located in Unit K of Section 3, Township 29 North, Range 16 West, NMPM, San Juan County, New Mexico.
- (3) That in order to prevent waste and protect correlative rights said Pettus and Associates Hunt Well No. 1 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before August 1, 1973.

-2-

Case No. 5004
Order No. R-4578

IT IS THEREFORE ORDERED:


(1) That Pettus and Associates and United States Fidelity and Guaranty Company are hereby ordered to plug and abandon the Pettus and Associates Hunt Well No. 1, located in Unit K of Section 3, Township 29 North, Range 16 West, NMPM, San Juan County, New Mexico, on or before August 1, 1973.

(2) That Pettus and Associates and United States Fidelity and Guaranty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

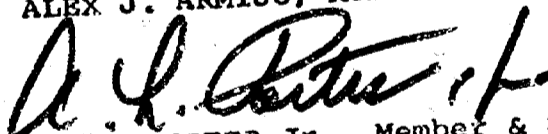
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

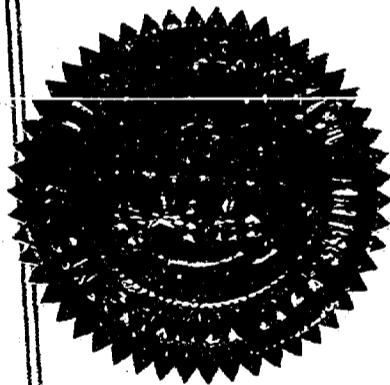
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


A. L. PORTER Jr., Member & Secretary



S E A L

ac/

Case 5004 - Lettus and Associates

TESTIMONY FOR SHOW CAUSE HEARINGS

Make appearance for Oil Conservation Commission

one witness: Emery Arnold

1. Name, position, place of residence.
2. Does district III include San Juan County?
3. Does it include the part of San Juan County involved in this case?
4. Would you briefly describe your duties as district supervisor as they relate to this case?
(recommendations to the Commission as to when wells should be plugged and abandoned)
5. Are you familiar with subject matter of Case No. 5004?
6. What is the purpose of this case?
(be sure wells are identified)
7. Are you familiar with these wells?
8. Have you reviewed all reports filed with the Commission concerning this ~~these~~ wells and visited the well site ()?
9. Do you have these records with you?
10. Please refer to these records and give us the history of the ~~each~~ well as reflected by the official records:
 - A. application to drill and date
 - B. operator
 - C. location and dedicated acreage (C-102)
 - D. well depth
 - E. formation completed in
 - F. information from other forms
11. The date of the last official form.
12. Other communication
(any which is relative to this case that should be called to the examiner's attention)
13. ~~How recently have you visited these wells?~~
14. ~~Would you tell us what you found at the site:~~
 - A. ~~abandoned~~
 - B. ~~a dry hole~~
 - C. ~~any sign of present production~~
15. Would there be any danger in leaving this well in its present condition?
16. ~~Could it be a safety problem?~~
17. Do you have any opinion as to whether or not the well should be plugged?

18. Do you have a recommended plugging program to submit to the Commission at this time?

(if there is a recommended plugging program:

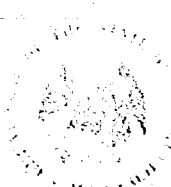
1. What should be pulled from the well?

2. Where should plugs be set and why?

3. How many sacks of cement needed?)

19. Do you have true and correct copies of all Commission forms for inclusion in the record of this case?

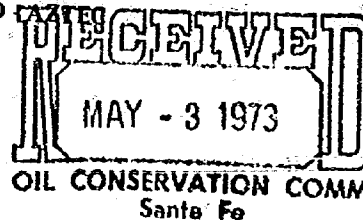
20. Offer forms as exhibits.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD
87410

May 1, 1973



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

Mr. William Carr, Attorney
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Case 5004
Case 4504

Re: Plugging and Abandonment
Pettus & Associates, Hunt #1
1980 ft. from the south line and 1980 ft. from the west line
Section 3, Township 29 North, Range 16 West, San Juan County, New Mexico

Dear Mr. Carr:

The above well was completed in 1961 as a producing oil well in the Gallup Formation. It produced oil until 1965 but has reported no production since that time.

I am requesting that a hearing be set to have the operator and the bonding company show cause why this well should not be plugged and abandoned in accordance with a Commission approved plugging program.

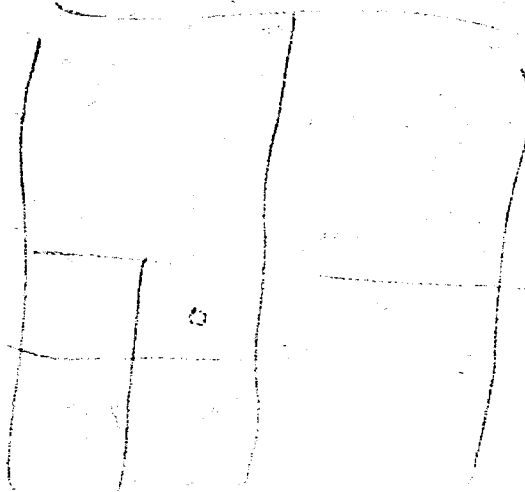
Thank you.

Yours very truly,
Emery C. Arnold
Emery C. Arnold
Supervisor, District #3

ECA:mc

cc: Pettus and Associates
c/o John M. Pettus
611 N. Dustin
Farmington, New Mexico

Mr. Gordon G. Woods
Woods Insurance Service
115 East Main
Farmington, New Mexico



DRAFT

dr/

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 PETTUS AND ASSOCIATES AND UNITED STATES FIDELITY AND GUARANTY COMPANY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE PETTUS AND ASSOCIATES HUNT WELL NO. 1 LOCATED IN UNIT K OF SECTION 3, TOWNSHIP 29 NORTH, RANGE 16 WEST, SAN JUAN COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE NO. 5004

Order No. R-

4578

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this _____ day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 Pettus and Associates is the owner and operator of the Pettus and Associates Hunt Well No. 1 located in Unit K of Section 3, Township 29 North, Range 16 West, NMPM, San Juan County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said Pettus and Associates Hunt Well No. 1 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before ^{August 1,} ~~July~~ 19, 1973.

IT IS THEREFORE ORDERED:

(1) That Pettus and Associates and United States Fidelity and Guaranty Company are hereby ordered to plug and abandon the Pettus and Associates Hunt Well No. 1

located in Unit K of Section 3, Township 29 North, Range 16 West, NMPM, San Juan County, New Mexico, on or

before ^{August 1,} ~~July 19,~~ 1973

-2-

Case No.

Order No. R-

(2) That Pettus and Associates and United States Fidelity and Guaranty Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec Office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

(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.