

CASE 7541: PLUGGING CASE - OCD
E. J. MILEY, SAN JUAN COUNTY, NEW MEXICO

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Date No Address

CASE NO.

7541

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
14 April 1982

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit F. B. Umbarger, et al, to appear and show cause why the Davis Pooled Unit Well No. 1, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE
7537

and

The hearing called by the Oil Conservation Division on its own motion to permit B.M.N.S. Company, et al, to appear and show cause why Waggoner No. 1, Brown No. 2, and Wyper No. 2, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE
7539

and

The hearing called by the Oil Conservation Division on its own motion to permit A. H. Bernstein, et al, to appear and show cause why the Allan Well No. 1, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE
7536

and

The hearing called by the OCD to permit E. J. Miley, et al, to appear and show cause why the Hare (Ransom) Well No. 1, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE
7541

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BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

**W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501**

I N D E X

FRANK CHAVEZ

Direct Examination by Mr., Pearce

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EXHIBITS

CASE 7536

Exhibit One, Records

7

CASE 7537

Exhibit One, Records

11

CASE 7539

Exhibit One, Records

15

Exhibit Two, Records

15

Exhibit Three, Records

15

CASE 7541

Exhibit One, Records

18

1
2 MR. STAMETS: We'll call next Case 7536,
3 being in the matter of the hearing called by the Oil Conserva-
4 tion Division on its own motion to permit A. H. Bernstein and
5 other interested parties to appear and show cause why the Allan
6 Well No. 1, located in Unit F, Section 23, 29 North, 13 West,
7 San Juan County, New Mexico, should not be re-entered, plugged
8 and abandoned in accordance with a Division-approved plugging
9 program.

10 MR. PEARCE: May it please the Examiner,
11 I am W. Perry Pearce, appearing in this matter on behalf of
12 the New Mexico Oil Conservation Division.

13 I have one witness who needs to be sworn.

14 And in addition, Mr. Examiner, I would
15 request that for efficiency's sake, we also call Cases 7537,
16 7539, and 7541 at this time.

17 MR. STAMETS: All right, let me call
18 those cases, then.

19 In each of these it is a hearing called
20 by the Oil Conservation Division on its own motion to permit
21 certain parties to appear and show cause why certain wells
22 should not be plugged and abandoned.

23 Case 7537 the parties are F. B. Umbarger,
24 Trustee, and the well is the Davis Pooled Unit Well No. 1 in
25 Unit I of Section 27, 29 North, 11 West, San Juan County.

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2 In 7539 the parties are B.M.N.S Company,
3 American Employers Insurance, the well is the Waggoner No. 1,
4 the Brown No. 2, the Wyper No. 2 in Unit K, M. and O, of Sec-
5 tion 29, 30 North, 12 West, San Juan County.

6 In 7541 the parties are E. J. Miley. The
7 well is the Hare (Ransom) Well No. 1 in Unit N, Section 14,
8 29 North, 11 West, San Juan County.

9 MR. PEARCE: Mr. Examiner, we have one
10 witness who will be appearing in each of these matters.

11 MR. STAMETS: Are there any other ap-
12 pearances in any of these cases?

13
14 (Witness sworn.)
15

16 FRANK CHAVEZ ,
17 being called as a witness and being duly sworn upon his oath,
18 testified as follows, to-wit:
19

20 DIRECT EXAMINATION

21 BY MR. PEARCE:

22 Q Mr. Chaves, for the record would you
23 state your name, by whom you're employed, and your position in
24 such employment?

25 A My name is Frank Chavez. I am employed --

1
2 I am the District Supervisor of the Aztec Office of the Oil
3 Conservation Division.

4 Q Have you previously testified before the
5 Commission in other matters?

6 A Yes, I have.

7 Q And have your credentials been made a
8 matter of record in those proceedings?

9 A They have.

10 Q Are you acquainted with the cases that
11 have just been called by the Hearing Examiner?

12 A Yes, I am.

13 MR. PEARCE: Mr. Examiner, are the wit-
14 ness' qualifications acceptable to testify in this matter?

15 MR. STAMETS: They are.

16 Q All right, let us begin, Mr. Chavez, with
17 case Number 7536, and would you summarize for the Examiner the
18 purpose of this case?

19 A The purpose of this case is to call A. H.
20 Bernstein and other interested parties to show cause why this
21 well should not be plugged and abandoned; the necessity to the
22 order is to formalize the spending of reclamation fund money
23 in order to plug the well.

24 Q Do you have exhibits in this matter, Mr.
25 Chavez?

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A Yes, I do. Exhibit Number One is before the Examiner.

Q Okay, would you discuss those for the Examiner, please?

A Okay. After looking through the records of the Allan No. 1 Well, I have compiled the records plus a map showing the location of the well as Exhibit One.

The Allan No. 1 was drilled and plugged during 1955 and '56. In November of 1981 gas was detected escaping from the ground in the vicinity of the well. After checking all the producing wells in the area we determined that this well was the most probable source of the gas because the method used to plug the well did not actually segregate the gas and the water zones.

We located, re-entered, and replugged the well twice in an attempt to shut off the gas flow.

The location of record for the well is Unit letter F, which would be the southeast of the northwest quarter of Section 23; however, the actual ground location was determined to be in the northwest quarter of the northwest quarter of Section 23 at approximately 1200 feet from the west line and 1100 feet from the north line of said Section 23.

Q Okay, Mr. Chavez, in your opinion is --
I suppose in this case, was there a reasonable probability that

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2 failure to plug this well might result in waste?

3 A Yes.

4 Q Could you elaborate briefly for the Exa-
5 miner how such waste might occur?

6 A The lower formations in this well were
7 the only ones that were plugged; excuse me, the Pictured Cliffs
8 formation is the only one that was adequately plugged in the
9 described plugging program, leaving the Fruitland formation
10 and the Farmington formation, which in this area do contain
11 amounts of oil and gas, exposed to the wellbore and not segre-
12 gated from shallower water-bearing formations.

13 Q And is it -- and am I correct in my recol-
14 lection at the beginning of your testimony in this matter you
15 testified that the well had been plugged in accordance with a
16 Division-approved plugging program?

17 A That is correct. The program was approved.
18 However, on re-entering the well we found that the actual pro-
19 gram used was not what had been approved.

20 Q Okay, and this well has now been replugged?

21 A Yes, it has.

22 Q And that replugging program was approved
23 by the Division, is that correct?

24 A Yes, it was.

25 Q All right, Mr. Chavez, at this time do

1
2 you have other exhibits you wish to discuss with the Examiner?

3 A Not in this case.

4 Q Do you have anything further in this
5 matter?

6 A No.

7 MR. PEARCE: Mr. Examiner, I would move
8 the admission of Exhibit One to Case 7536.

9 MR. STAMETS: Exhibit One will be admitted.
10 Are there any questions of the witness in this case?

11 Does anyone have anything they wish to
12 add to the record in this case?

13 Okay, we will go ahead, then, and have Mr.
14 Chavez testify in Case 7537.

15 MR. PEARCE: All right.

16 Q Mr. Chavez, with regard to Case 7537, as
17 a preliminary matter, have you discovered that the newspaper
18 advertisement of hearing in one of the papers in which it ap-
19 peared was incorrect in some manner?

20 A Yes. The advertisement for this case in
21 the Farmington Daily Times designated the Unit letter as 1
22 rather than as I.

23 MR. STAMETS: That certainly does not seem
24 to be a matter of extreme importance as far as this case goes.
25 Let's listen to the case and get the facts and my initial

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2 feeling is that this won't have to be readvertised.

3 Q All right, sir.

4 Mr. Chavez, are you familiar with the
5 subject matter of the case that has just been recalled?

6 A Yes.

7 Q And what is the purpose of this case,
8 briefly?

9 A The purpose of this case is to call F. B.
10 Umbarger as trustee, and other interested parties, to show
11 cause why the Davis Pooled Unit No. 1 Well should not be re-
12 entered and plugged with a Division-approved plugging program.

13 Q And have you reviewed all the reports
14 filed with the New Mexico Oil Conservation Commission or Divi-
15 sion concerning this well?

16 A Yes, I have.

17 Q And do you have copies of those records
18 with you?

19 A Yes, I do.

20 Q Would you at this time, please, Mr. Chavez,
21 refer to those records and describe briefly for the Examiner
22 the history of this well?

23 A Okay. The Davis Pooled Unit No. 1 was
24 drilled and plugged in 1953. The well has developed a gas
25 leak to the surface, which is detectable in and around the dry

1
2 hole marker.

3 Because of the possibility of fresh water
4 contamination from this -- from this gas, the well needs to
5 be re-entered and plugged.

6 The original approved plugging program
7 called only for a cement plug across the Pictured Cliffs form-
8 ation; however, the Fruitland and the Farmington formations
9 were left exposed in the wellbore to each other and to the
10 shallow fresh water sands in the area.

11 Exhibit One shows a sketch of the wellbore,
12 on page one. The casing was cut off at 960 feet and the
13 shallow Farmington gas and oil producing formation is located
14 at about that interval.

15 Page number two of Exhibit One shows the
16 location and a photograph of the dry hole marker.

17 Q Have you caused to be prepared a Division-
18 approved plugging program for this well?

19 A Yes, I have. It's page three of the
20 Exhibit One.

21 Q Will you briefly summarize for the Examin-
22 er what that proposed program entails?

23 A It -- the program would entail cleaning
24 out the hole to the top of the 5-1/2 inch casing stub and
25 setting cement plug across the Farmington formation at that

1 point. We would tag that plug to be sure it maintained -- re-
2 mained in place. Then we'd set a cement plug above the --
3 the Ojo Alamo aquifer and then another plug at the surface to
4 set the dry hole marker and plug the well off.

5 Q In your opinion, Mr. Chavez, is such a
6 plugging program necessary in order to prevent waste of natural
7 resources?
8

9 A Yes, it is.

10 Q Could you elaborate for the record how
11 that waste will be prevented?

12 A At this time there is gas escaping to the
13 surface that should be contained within the formation from
14 which it comes. The shallowest gas-producing formation in
15 this area would be the Farmington formation. There is a fresh
16 water aquifer located above that formation, which is -- could
17 be contaminated by this gas.

18 Or, in the alternative, the water from
19 this formation could itself invade the gas zone and make it
20 unusable for future development.

21 Q Mr. Chavez, were each of the pages of Ex-
22 hibit Number One to Case 7537 prepared by you or under your
23 direction and supervision?

24 A Yes, they were.

25 MR. PEARCE: Mr. Examiner, at this time we

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2 have nothing further. I would move the admission of Exhibit
3 One to this matter.

4 MR. STAMETS: Exhibit One will be admitted.

5 Mr. Chavez, is -- have you been able to
6 contact Mr. Umbarger?

7 A We have not made an attempt to because
8 the plugging program was approved by the Division, and according
9 to our attorney, they would not be liable for any -- any more
10 plugging unless their plugging program was, perhaps, not as
11 what they had described as approved.

12 MR. STAMETS: So the Division's plugging
13 fund will have to pay for this?

14 A That's right.

15 MR. STAMETS: Under those circumstances
16 a slight error in advertising certainly does not appear to be
17 important.

18 Are there any other questions of this
19 witness? He may be excused in this case.

20 Does anyone have anything further they
21 wish to add?

22 Okay, we will proceed and accept testimony
23 then in Case 7539.

24 Q Mr. Chavez, are you familiar with the
25 subject matter of the case called as 7539?

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2 A Yes, I am.

3 Q Would you briefly describe for the Examiner,
4 please, the purpose of this case?

5 A The purpose of this case is to call B.M.N.S.
6 Company and American Employers Insurance Company to show
7 cause why Wyper No. 2, Brown No. 2, and the Waggoner No. 1
8 Well, should not be plugged and abandoned in accordance with
9 a Division approved plugging program.

10 Q Okay, have you reviewed all reports filed
11 with the Commission concerning this well?

12 A Yes, I have.

13 Q Did you bring those records with you?

14 A Yes.

15 Q Would you, if necessary, refer to those
16 records and summarize the history of this well for the Exam-
17 iner?

18 A Okay. The Wyper No. 2, the Brown No. 2,
19 and Waggoner 1, were drilled and completed during 1946 and
20 1947. These wells produced gas for several years and are now
21 temporarily abandoned. The operators are deceased and the
22 only person now responsible for these wells is the bonding
23 company.

24 Presently a survivor of one of the prin-
25 cipals of the company is taking domestic gas from the Waggoner

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2 No. 1. He has told me that he is acquiring a bond and will
3 assume responsibility for the well; however, due to the pos-
4 sibility that he may change his mind, we would want the well
5 included in any order.

6 Exhibits One, Two, and Three show photos,
7 maps, wellbore sketches, and plugging programs for these three
8 wells.

9 The wells are located in an area of Farm-
10 ington which is to be developed very soon residentially, and
11 being that the operators are deceased, there is nobody to
12 maintain the wells.

13 Q Would you summarize for the record, please,
14 Mr. Chavez, how the proper plugging of these wells acts to
15 prevent waste of natural resources?

16 A Without maintenance of producing operation
17 on these wells they will deteriorate over time, and at this
18 point the shallow Farmington and Ojo Alamo formations are not
19 separated except by cement which is behind the casing, and
20 in most cases the records show there's really not even ade-
21 quate cement to segregate those.

22 The gas, of course, could, should deteriora-
23 tion occur, could escape to the surface or migrate into the
24 shallow water sands.

25 Q Have you caused proposed plugging programs

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2 to be prepared on each of these wells?

3 A Yes. The plugging program for each well
4 is the last -- is shown on the last page of the exhibits.

5 Q Okay, would you briefly for the record
6 summarize what those proposed programs entail?

7 A Those programs entail putting a plug across
8 to 50 feet to 100 feet above the Pictured Cliffs formation;
9 installing a cement plug across the Farmington formation in-
10 side and outside of the casing, if that is possible; and also
11 a plug across the base of the Ojo Alamo formation and at the
12 surface.

13 Q Okay. At this time, Mr. Chavez, do you
14 feel any further discussion of Exhibits One, Two, and Three
15 is necessary for the clarification of these matters to the
16 Examiner?

17 A No.

18 Q Okay. Do you have anything further in
19 this case?

20 A No, I do not.

21 Q Mr. Chavez, were Exhibits One, Two, and
22 Three compiled by you or under your direction and supervision?

23 A Yes, they were.

24 MR. PEARCE: At this time, Mr. Examiner,
25 we would move the admission of Exhibits One, Two, and Three

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2 to Case Number 7539.

3 MR. STAMETS: These exhibits will be ad-
4 mitted.

5 Are there any questions of the witness in
6 this case? He may be excused in this case.

7 And we will proceed, then, to his testimony
8 in Case 7541.

9 Q Mr. Chavez, are you familiar with the sub-
10 ject matter of Case 7541?

11 A Yes, I am.

12 Q Would you briefly summarize for the Exa-
13 miner the purpose of this hearing?

14 A The purpose of this hearing is to call E.
15 J. Miley and other interested parties to show cause why the
16 Hare (Ransom) No. 1 Well should not be plugged and abandoned
17 in accordance with a Division-approved plugging program.

18 Q Have you reviewed all reports filed with
19 the Commission concerning this well?

20 A Yes, I have.

21 Q And did you bring those records with you?

22 A Yes, I did.

23 Q If necessary, would you please refer to
24 those records and summarize the history of this well?

25 A The only record we have of this well is a

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2 completion card, which we acquired from the Bureau of Mines.
3 It's shown in the bottom right corner of the Exhibit Number
4 One.

5 The complete record -- well, the entire
6 record that we have on this well is on that card. It shows
7 the well was completed in 1927. It shows a total depth of
8 either 700 feet or 1021. I don't know whether that's open
9 hole or what.

10 There is no record of any casing run on
11 the well; however, at the surface there is a 7-inch piece of
12 casing sticking up about a foot and a half from the ground.

13 Q Would you please discuss for the Examiner
14 Exhibit Number One to this proceeding?

15 A Okay. Besides the well record at the
16 bottom right corner of Exhibit Number One, the map -- indicated
17 by the arrow, the well is located within the city limits of
18 Bloomfield, and there are residences built in this area.

19 This well was drilled during a time when
20 there was a lot of wildcat drilling in the Bloomfield area
21 for the Farmington formation, which produced a small amount
22 of oil. The record of this well shows that it did produce
23 three barrels of oil on initial potential. The cementing
24 programs that were used during that time varied considerably
25 and there is very good likelihood that the Ojo Alamo formation

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2 is not protected from the Farmington formation, and vice versa,
3 so this well will need to be plugged to segregate the forma-
4 tions and to prevent future gas or water flows to the surface.

5 Q In your opinion, the likely handling of
6 this well at the time it was initially abandoned, if not cor-
7 rected, is there a substantial possibility that that will
8 cause waste?

9 A Yes. We've had -- our experience in the
10 past in this area has shown that we do develop water and gas
11 flows to the surface from these old wells.

12 Q And would you elaborate for the record,
13 please, how that causes waste?

14 A The waste would be caused in two areas.
15 One, in which the formation gases or any oil which may still
16 be -- exist in that formation in that area would be produced
17 to the surface or would be lost into the shallower formations.

18 The other waste would be caused by contam-
19 ination of the Ojo Alamo aquifer by the gas and the oil.

20 Q Have you prepared a recommended plugging
21 program at this time or would you prefer to describe a pro-
22 gram at the actual time of plugging this well?

23 A We would prefer to describe a program at
24 the time of plugging this well. The experience has been in
25 the past that upon entering these wells many times we'll en-

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2 counter problems. We have no casing record for this well so
3 we don't exactly know what to expect and it would be fruitless
4 to devise a program at this time.

5 Q Okay, do you have anything further in this
6 matter at this time, Mr. --

7 A No, I have not..

8 Q Was Exhibit One compiled by you or under
9 your direction and supervision?

10 A Yes, it was.

11 MR. PEARCE: At this time, Mr. Examiner,
12 I'd move the admission of Exhibit One to Case Number 7541.

13 MR. STAMETS: The exhibit will be admitted.
14 Are there any questions of the witness? He may be excused.

15 Does anyone have anything they wish to
16 add in any of these cases?

17 The cases, then, will be taken under ad-
18 visement.

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20 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing Before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALL. J. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 7541
Order No. R-6955

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT E. J. MILEY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE HARE (RANSOM) WELL NO. 1, LOCATED IN UNIT N, SECTION 14, TOWNSHIP 29 NORTH, RANGE 11 WEST, SAN JUAN COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 14, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of April, 1982, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That E. J. Miley is the owner and operator of the Hare (Ransom) Well No. 1, located in Unit N of Section 14, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said well should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before May 15, 1982, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That E. J. Miley is hereby ordered to plug and abandon the Hare (Ransom) Well No. 1, located in Unit N of Section 14, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before May 15, 1982.

-2-

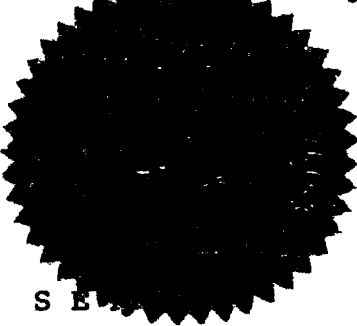
Case No. 7541

Order No. R-6955

(2) That E. J. Miley, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Division, a Division-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 Division may, at its option, witness such work.

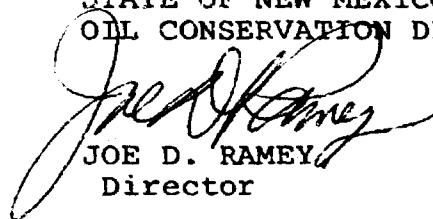
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

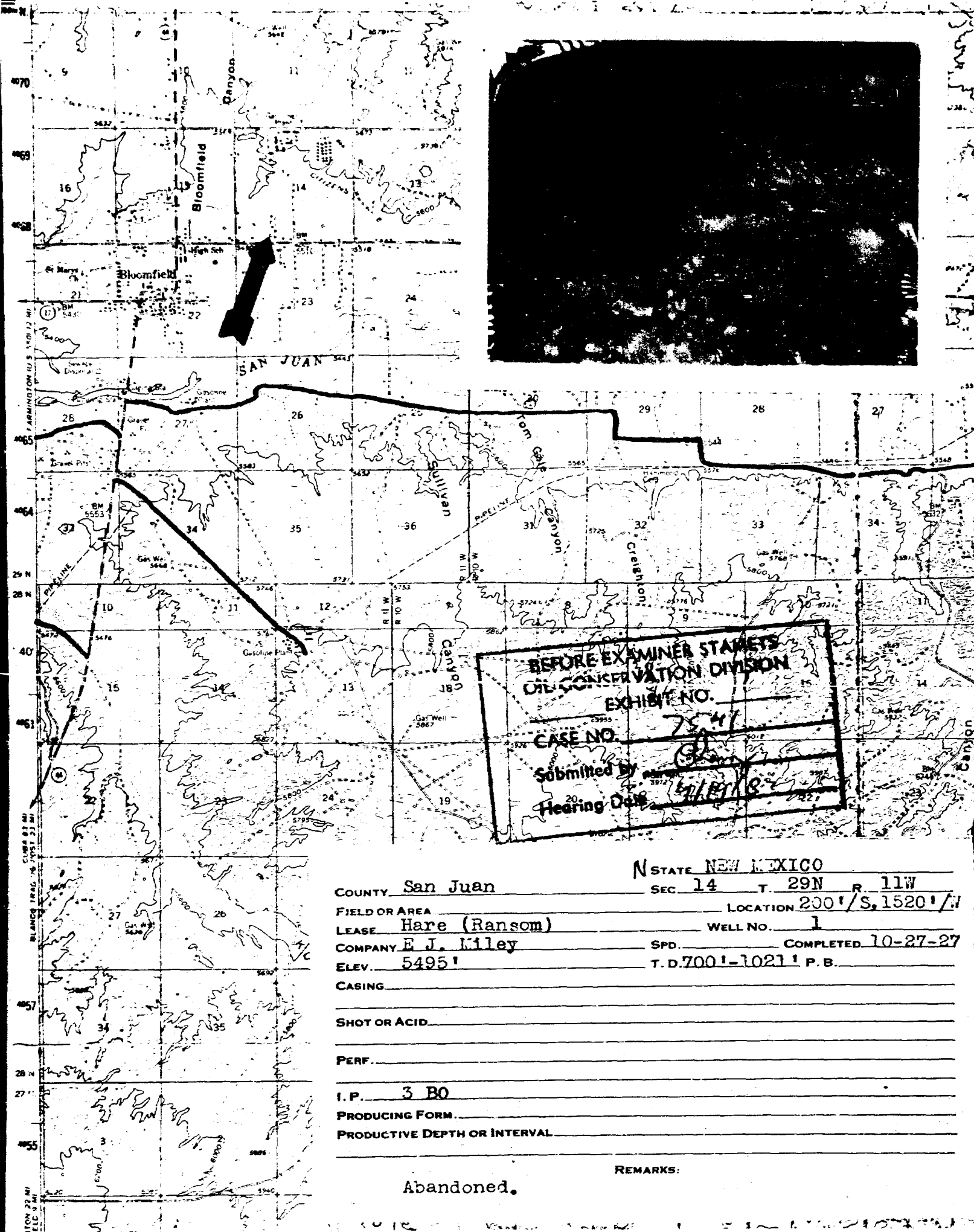
DONE at Santa Fe, New Mexico, on the day and year hereinafter designated.



S E

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director



BEFORE EXAMINER STARTS
OIL CONSERVATION DIVISION
EXHIBIT NO. _____
CASE NO. 7541
Submitted by _____
Hearing Date 7/18/82

STATE NEW MEXICO	
COUNTY San Juan	SEC. 14 T. 29N R. 11W
FIELD OR AREA	LOCATION 200' / S. 1520' / W
LEASE Hare (Ransom)	WELL NO. 1
COMPANY E. J. Kiley	SPD. _____ COMPLETED 10-27-27
ELEV. 5495'	T. D. 700' - 1021' P. B.
CASING	_____
SHOT OR ACID	_____
PERF.	_____
I. P. 3 BO	_____
PRODUCING FORM	_____
PRODUCTIVE DEPTH OR INTERVAL	_____

Abandoned.

REMARKS:

Docket No. 10-82

Dockets No. 11-82 and 12-82 are tentatively set for April 28 and May 12, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 14, 1982

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for May, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for May, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7536: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit A. H. Bernstein and all other interested parties to appear and show cause why the Allan Well No. 1 located in Unit F, Section 23, Township 29 North, Range 13 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7537: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit F. E. Umbarger, Trustee and all other interested parties to appear and show cause why the Davis Pooled Unit Well No. 1, located in Unit I, Section 27, Township 29 North, Range 11 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7538: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Francis L. Harvey and all other interested parties to appear and show cause why the Pinkstaff Estate Well No. 1, located in Unit A, Section 29, Township 29 North, Range 10 West, San Juan County, should not be re-entered and plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7539: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit B.M.N.S. Company, American Employers Insurance and all other interested parties to appear and show cause why the following wells: Waggoner No. 1, Brown No. 2, Wyper No. 2, located in Units K, M, and O, respectively, of Section 29, Township 30 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

CASE 7540: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Pauly-Anderson-Pritchard and all other interested parties to appear and show cause why the Maloy Well No. 1, located in Unit F, Section 16, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7541: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit E. J. Miley and all other interested parties to appear and show cause why the Hare (Ransom) Well No. 1, located in Unit N, Section 14, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7542: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Benson-Montin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the following wells: Dustin No. 1, located in Unit K, Section 6, and the Gallegos Canyon Unit No. 2, located in Unit K, Section 35, both in Township 29 North, Range 12 West, and the Segal No. 1, located in Unit K, Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, San Juan County, should not be plugged and abandoned in accordance with Division-approved plugging programs.

CASE 7543: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Calvin Petroleum Corporation, United States Fidelity and Guaranty Co., and all other interested parties to appear and show cause why the Kaempf SMD Well No. 1, located in Unit N, Section 19, Township 30 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

- CASE 7544:** Application of Dinero Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North and East lines of Section 20, Township 22 South, Range 28 East, Morrow formation, the N/2 of said Section 20, to be dedicated to the well.
- CASE 7545:** Application of Baker Engineering for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 258.16-acre non-standard gas proration unit for the Morrow formation comprising all of partial Section 32, Township 26 South, Range 30 East.
- CASE 7546:** Application of Sonny's Oil Field Services, Inc. for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at its salt water disposal site in the NW/4 NE/4 of Section 29, Township 18 South, Range 38 East.
- CASE 7547:** Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the SE/4 NW/4 of said Section 15 to be dedicated to the well.
- CASE 7517:** (Continued from March 31, 1982, Examiner Hearing)
Application of Anadarko Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 1450 feet from the South line and 1400 feet from the West line of Section 15, Township 22 South, Range 37 East, Penrose Skelly Pool, the NE/4 SW/4 of said Section 15 to be dedicated to the well.
- CASE 7548:** Application of Tahoe Oil & Cattle Co. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4932 feet to 4992 feet in its Schwalbe Well No. 1, located in Unit P of Section 21, Township 9 South, Range 37 East, West Sawyer-San Andres Pool.
- CASE 7549:** Application of H. L. Brown for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Pennsylvanian gas well location 609 feet from the South line and 1665 feet from the East line of Section 32, Township 15 South, Range 32 East, the S/2 of said Section 32 to be dedicated to the well, an existing well which is to be deepened.
- CASE 7550:** Application of Harvey E. Yates Company for the Rescission of Order No. R-6918, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-6918, which compulsorily pooled the Atoka-Morrow formation underlying the N/2 of Section 19, Township 8 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Applicant now seeks the rededication of the E/2 of said Section 19 to the aforesaid well without compulsory pooling.
- CASE 7551:** Application of Harvey E. Yates Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 21, Township 11 South, Range 31 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7552:** Application of Merriam Oil & Gas Company for compulsory pooling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Gallup formation underlying the S/2 SE/4 of Section 20, Township 23 North, Range 6 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 7553:** Application of Fred Pool Drilling Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Abo formation, underlying the SW/4 of Section 17, Township 6 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

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CASE 7520: (Continued and Readvertised)

Application of Lewis B. Burleson, Inc. for compulsory pooling and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Pool underlying a 30-acre non-standard oil proration unit comprising the W/2 of the Easternmost 60 acres of the NW/4 of Section 15, Township 24 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7554: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Drinkard formation underlying the NW/4 SW/4 of Section 5, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7555: Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Drinkard formation underlying the SW/4 NW/4 of Section 5, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7556: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the San Andres formation underlying the NE/4 NW/4 of Section 5, Township 20 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7557: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SW/4 of Section 32, Township 19 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7558: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down through the Seven Rivers formation underlying the SE/4 of Section 31, Township 19 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7515: (Continued from March 31, 1982 Examiner Hearing)

Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying all or portions of Townships 26 and 27 North, Range 12 and 13 West, Township 28 North, Range 13 West, Township 29 North, Ranges 13 through 15 West, and Township 30 North, Ranges 14 and 15 West, containing 164,120 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271. 701-705.

CASE 7559: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Lea and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Caudill-Mississippian Gas Pool. The discovery well is the Moren Exploration, Inc. Gann Well No. 1 located in Unit D of Section 9, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
Section 9: NW/4

(b) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the North Dora-Pennsylvanian Pool. The discovery well is the Enserch Exploration, Inc. Collier Well No. 1 located in Unit I of Section 29, Township 4 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM
Section 29: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Johnson Ranch-Morrow Gas Pool. The discovery well is the Mesa Petroleum Company Jackson Unit Well No. 1 located in Unit G of Section 22, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 22: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Triste Draw-Delaware Pool. The discovery well is the Getty Oil Company Getty 28 State Well No. 1 located in Unit J of Section 28, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 28: SE/4

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Triste Draw-Morrow Gas Pool. The discovery well is the Amoco Production Company State IG Com Well No. 1 located in Unit B of Section 32, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 32: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Vaca Draw-Wolfcamp Gas Pool. The discovery well is the HMG Oil Company Bell Lake 11 Federal Well #1 located in Unit B of Section 11, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 11: N/2

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the West Vacuum-Bone Spring Pool. The discovery well is the Amoco Production Company State BS Com Well No. 1 located in Unit K of Section 9, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 9: SW/4

(h) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Granite Wash production and designated as the South Tanneyhill-Granite Wash Gas Pool. The discovery well is the Threshold Development Company Harris 14 Well No. 1 located in Unit B of Section 14, Township 6 South, Range 33 East, NMPM, currently classified as producing from the Pennsylvanian formation and in the Tanneyhill-Pennsylvanian Gas Pool. The well has been re-evaluated and the producing interval is more correctly defined as Granite Wash. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 14: N/2

- (i) ABOLISH the Tanneyhill-Pennsylvanian Gas Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described as:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 14: All

- (j) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 7: SE/4

- (k) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 4: N/2
Section 5: NE/4

- (l) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 33: NW/4

- (m) EXTEND the Bootleg Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 17: W/2

- (n) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 9: W/2

- (o) EXTEND the North Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM
Section 16: SE/4
Section 20: NE/4

- (p) EXTEND the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 14: All

- (q) EXTEND the Sowell-Morrow Pool in Lea County, New Mexico, to include therein:

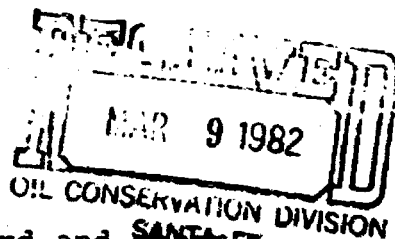
TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 11: NW/4

- (r) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 9: NE/4

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March 4, 1982
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5. A case to allow Pauly-Anderson-Pritchard and other interested parties to appear and show cause why the Maloy #1 should not be plugged in accordance with a division approved plugging program.

located in P-16 29N 11W

- ✓ 6. A case to allow E. J. Miley and other interested parties to appear and show cause why the Hare (Ransom) #1 should not be plugged in accordance with a division approved plugging program.

San Juan

location N-19-29N-11W

7. A case calling Benson-Montin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and other interested parties to appear and show cause why the Dustin #1 located in K-6-29N-12W, the Segal #1 located in K-10-31N-13W, the Price #1 located in N-15-31N-13W, and the Gallegos Canyon Unit #2 located in K-35-29N-12W should not be plugged in accordance with a division approved plugging program.

8. A case to allow Calvin Petroleum Corporation to appear and show cause why the Kaempf SWD #1 located in N-19-30N-11W should not be plugged in accordance with a division approved plugging program, ~~and why the operator should not be found in violation of Rule 101 and fined accordingly.~~

Yours truly,

Frank T. Chavez
District Supervisor

FTC:gc

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

ms
CASE NO. 7541

Order No. R-6959

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT E. J. MILEY AND ALL OTHER
INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE HARE
(RANSOM) WELL NO. 1, LOCATED IN UNIT N, SECTION 14, TOWNSHIP 29
NORTH, RANGE 11 WEST, SAN JUAN COUNTY, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING
PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 14, 1982,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of April, 1982, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That E. J. Miley is the owner and operator of the Hare (Ransom) Well No. 1, located in Unit N of Section 14, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That is the surety on the Oil Conservation Division plugging bond on which E. J. Miley is principal.

(4) That the purpose of said bond is to assure the state that the subject well will be properly plugged and abandoned when not capable of commercial production.

(3) ¹⁵ That in order to prevent waste and protect correlative rights said well should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before May 15, 1982, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That E. J. Miley is hereby ordered to plug and abandon the Hare (Ransom) Well No. 1, located in Unit N of Section 14, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before May 15, 1982.

(2) That E. J. Miley, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Division, a Division-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 Division may, at its option, witness such work.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

S E A L