

CASE 7542: PLUGGING CASE - OCD  
BENSON-MONTIN-GREER DRILLING CORPORATION,  
HARTFORD ACCIDENT AND INDEMNITY COMPANY,  
SAN JUAN COUNTY, NEW MEXICO

DOCKET MAILED

Date 4/5/82  
4/30/82

CASE NO.

7542

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

April 12, 1983

TONY ANAYA  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-3800

Mr. W. Thomas Kellahin  
Kellahin and Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87501

Re: NMOCD Case No. 7542, OCD  
Order No. R-6978

Dear Tom:

In October, 1982, after the Division had issued the above-referenced order, we received a request from you and a separate request from Mr. Al Greer requesting an extension of time to perform certain tests prior to complying with the plugging deadline issued by the Division in the above-referenced order. I note that that extension has now passed and we have not, to date, received any indication from you or Benson, Montin and Greer on the status of compliance with this plugging order.

Please pursue this matter and inform us at your earliest convenience of whether or not these wells have been properly plugged or placed back on production and, if not, what steps Benson, Montin and Greer propose to take to comply with the provisions of the order.

Thank you very much for your attention to this matter.

Sincerely,

W. PERRY PEARCE  
General Counsel

WPP/dr

cc: Mr. Frank Chavez,  
Supervisor  
Aztec, New Mexico



BRUCE KING  
GOVERNOR

STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

October 29, 1982

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Al Greer  
Benson-Montin-Greer Drilling Corporation  
221 Petroleum Center Building  
Farmington, New Mexico 87401

Dear Mr. Greer:

The Division will grant the extensions requested in your letter of October 25 and Mr. Kellahin's letter of October 27, 1982.

Please keep Mr. Frank Chavez of our Aztec office apprised of the progress being made toward either producing or plugging these wells.

Yours very truly,

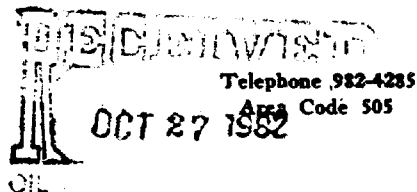
JOE D. RAMEY  
Director

JDR/fd

cc: Frank Chavez

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey  
James B. Grant

KELLAHIN AND KELLAHIN  
*Attorneys at Law*  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87501  
October 27, 1982



Mr. Joe D. Ramey  
New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501

HAND DELIVERED

Re: NMOCD Case 7542  
Division Order R-6978

Dear Mr. Ramey:

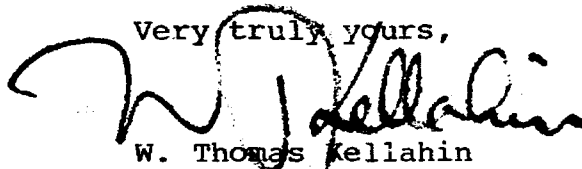
Our firm represents Benson-Montin-Greer Drilling Corporation. I have been informed by Mr. Greer that he has sent a crew to plug and abandon the Price No. 1 Well in accordance with Division Order R-6978.

However, upon physical inspection of the Price Well, Mr. Greer's crew discovered that the well was hooked into a residential pipeline for a residence and a store in the area of the well.

Mr. Greer is reluctant to simply terminate the use of the gas produced from this well by these residents and would like to pursue the possibility that they will take over responsibility for the well.

Because of the October 30, 1982, plugging deadline for this well, Mr. Greer respectfully requests a sixty day extension of the deadline in order to have enough time to contact the users of the gas from this well and arrange for their possible assumption of responsibility for its ultimate plugging.

Very truly yours,



W. Thomas Kellahin

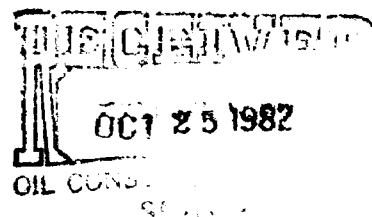
WTK:rb

cc: Mr. Al Greer

**BENSON-MONTIN-GREER DRILLING CORP.**

221 PETROLEUM CENTER BUILDING, FARMINGTON, NM. 87401 505-325-8874

October 25, 1982



Mr. Joe D. Ramey, Director  
NEW MEXICO OIL CONSERVATION DIVISION  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: NMOC CASE NO. 7542 AS TO #1 DUSTIN:  
REQUEST FOR ADMINISTRATIVE EXTENSION  
OF TIME TO PLUG

Dear Mr. Ramey:

A part of the captioned order requires the plugging of the No. 1 Dustin, Unit K, Section 6, Township 29N, Range 12W, San Juan County, on or before October 30, 1982, unless the well is completed as a producer prior to that time.

In our opinion the well warrants testing to determine if arrangements should be made to market the gas; however, until just recently we did not have complete authority to test the well because some of our leases under the well had expired. These leases have now been renewed and we are now in a position to test the well; but we do not have enough time left before October 30 to accomplish the testing, so we now request an extension of time to test this well.

We believe it will require six or eight weeks of testing to determine if the well's production will justify laying a pipeline from it to the nearest available market. We have been advised by all of the pipeline companies in the area that none of them will lay an extension from their systems to this well; but if the well produces satisfactorily we will consider laying our own line to the nearest purchaser's point of collection.

Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY:

  
Albert R. Greer, President

ARG:tb

cc: Mr. Frank Chavez, New Mexico Oil Conservation Division  
Mr. Thomas Kellahin, Attorney-at-Law

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date MAY 12, 1982 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
J. FORAN Clyde MOTE Joe Lara	J. Cleo Thompson Amoco Production Co Minerals Management Service	Dallas Houston Albuquerque
John Keesey Harold Hendrix Bob Huhner	Standard Resources Hinkle Law Firm Boyrum Co	Midland, TX Roswell, NM, Santa Fe
William J. Dean C. Q. Reservoir by Eugene G. Galt Natax Energy Services	Campbell, Boyd & Glade Independent Sun Energy, Inc Sun Production OCC	Santa Fe Albuquerque Santa Fe Dallas Socorro
Sam T. O'Byrne Lynn Nihil Paul W. Benchell Paul Smith	El Paso Natural Gas Co Hobbs, NM	El Paso, TX Hobbs, NM
Mohammed Merchant DAN KENNEDY W. J. Rhodes	Apollo Energy, Inc Anadarko Prod Anadarko Production Co.	Hobbs, NM Midland Houston
Vinny Galt Jerry Buckles	Anadarko Prod. Co. Anadarko Prod. Co.	Midland Leco Hills, NM



NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

MAY 12, 1982

Time: 9:00 A.M.

<i>George A. Hunker</i>	<i>Hunker, Fred</i>	<i>Roswell, N.M.</i>
<i>Mar E. Curry</i>	<i>Curry Resources</i>	<i>Midland Tx.</i>
NAME	REPRESENTING	LOCATION
<i>OK Stegall</i>	<i>Law Office</i>	<i>Midland</i>
<i>R. T. Hume</i>	<i>Sun. Exp. &amp; Prod.</i>	<i>Midland</i>
<i>Sammy Shaper</i>	<i>ANADARKO</i>	<i>Midland</i>
<i>Red Dinkens</i>	<i>J. Cleo Thompson</i>	<i>Artesia</i>
<i>Joe Hall</i>	<i>Harvey E. Yates Company</i>	<i>Roswell</i>
<i>Rosemary Werry</i>	<i>Harvey E. Yates Company</i>	<i>Roswell</i>
<i>Don D. MATSON</i>	<i>MGE Oil Corp</i>	<i>MIDLAND</i>
<i>Randy Smith</i>	<i>Delta Drilling Co</i>	<i>Midland</i>
<i>Steve Rowland</i>	<i>Boss</i>	<i>Midland</i>
<i>Jim Greve</i>	<i>"</i>	<i>FT Worth</i>
<i>Chris Dowling</i>	<i>Cole Links</i>	<i>Dallas</i>
<i>W. Kellahin</i>	<i>Kellahin &amp; Kellahin</i>	<i>Santa Fe</i>
<i>J. K. LAN</i>	<i>NEW MEXICO STATE LAND OFFICE</i>	<i>SANTA FE</i>
<i>Mark S. Wilson</i>	<i>EAGLE OIL &amp; GAS et al</i>	<i>Artesia, NM</i>
<i>M. Gibson</i>	<i>MGE Oil Corp</i>	<i>Midland, TX</i>
<i>James S. Smith</i>	<i>Amstar Corp</i>	<i>Midland, TX</i>
<i>Larry C. Shain</i>	<i>THE ROCK CORP.</i>	<i>DALLAS, TX</i>
<i>H. S. Davis</i>	<i>Ed. Corp.</i>	<i>Midland</i>
<i>H. S. Davis</i>	<i>Midland</i>	<i>Midland</i>

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
12 May 1982

EXAMINER HEARING

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 Dustin No. 1, the Gallegos Canyon No. 2, and the Segal No. 1, and Price No. 1 Wells, in San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE  
7542

BEFORE:

Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

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

For ~~the Applicant~~  
Benson-Montin-Greer:

W. Thomas Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
Santa Fe, New Mexico 87501

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I N D E X

FRANK CHAVEZ

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BMG Exhibit Two, Letter	15

1  
2 MR. STAMETS: Call next Case 7542, which  
3 is in the matter of the hearing called by the Oil Conservation  
4 Division on its own motion to permit Benson-Montin-Greer,  
5 Hartford Accident and Indemnity Company, and other interested  
6 parties to appear and show cause why the Dustin No. 1, the  
7 Gallegos Canyon No. 2, and the Price No. 1 Wells in San Juan  
8 County, New Mexico, should not be plugged and abandoned in  
9 accordance with a Division-Approved plugging program.

10 MR. CUNNINGHAM: If it please the Examiner,  
11 I'm Michael Cunningham, appearing in this matter on behalf  
12 of New Mexico Oil Conservation Division.

13 I have one witness.

14 MR. KELLAHIN: If the Examiner please, I'm  
15 Tom Kellahin of Santa Fe, New Mexico, appearing on behalf  
16 of Benson-Montin-Greer Drilling Corporation.

17 MR. STAMETS: Will you have any witnesses,  
18 Mr. Kellahin?

19 MR. KELLAHIN: No, sir.

20 MR. CUNNINGHAM: Okay, for the record, my  
21 witness is Frank Chavez, who has been sworn previously.

22 MR. STAMETS: Let the record show that Mr.  
23 Chavez has been previously sworn and qualified and remains so  
24 in this case.  
25

FRANK CHAVEZ

being called as a witness and being previously sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CUNNINGHAM:

Q Would you state your name and position?

A My name is Frank Chavez. I'm the Division Supervisor, District III, Aztec, of the Oil Conservation Division, located in Aztec.

A Does District III include that part of San Juan County involved in this case?

A Yes, it does.

Q Are you familiar with the subject matter of Case 7542?

A Yes, I am.

Q What is the purpose of this case?

A The purpose of this case is to permit Benson-Montin-Greer Drilling Corporation, Hartford Accident and Indemnity Company, and other interested parties to appear and show cause why the Dustin No. 1, the Gallegos Canyon No. 2, the Segal No. 1, and the Price No. 1, all located in San Juan County, should not be plugged and abandoned.

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Q Have you reviewed all reports filed with the Commission concerning these wells?

A Yes, I have.

Q Do you have these records with you?

A Yes, I do.

Q Please refer to the records which pertain to these wells and summarize their history.

A The Dustin No. 1 was drilled by Benson-Montin-Greer Drilling Corporation in 1958, and was completed as a shut-in gas well with a potential of 567 Mcf per day. The well has never produced to a pipeline and the last report received by the Division was in 1967. This report stated the well was awaiting plugging.

The well is located near the Animas River and has been open to the atmosphere the last two years that we know. It appears that plugs installed on the wellhead are being stolen by vandals.

In order to prevent deterioration of the well, which may be difficult to plug in an acceptable manner, we are requesting an order to allow the operator sixty days to make this a producible well, or to plug and abandon.

The Gallegos Canyon Unit No. 2 Well was drilled in 1951. Two strings of casing were set in the well. The deeper string was set part way through the Ojo Alamo

1  
2 aquifer in an attempt to stop some of the waterflow encountered  
3 while drilling.

4 The well was drilled to a total depth of  
5 1448 feet and has been abandoned since drilling.

6 The Farmington and Pictured Cliffs forma-  
7 tions both contain gas now exposed in the open hole, along  
8 with the lower portion of the water-bearing Ojo Alamo. Because  
9 of the trickle of water flowing from the well at the surface,  
10 the landowner has had to install a pipe from the wellhead  
11 to a small pit to evaporate the fluid.

12 We request that the operator be given sixty  
13 days to plug and abandon the well.

14 The Price No. 1 Well was drilled in 1961  
15 and was dually completed in the Mesaverde and Dakota zones.  
16 The Commission order -- the Commission entered Order MC-1103  
17 approving the completion.

18 The well produced for a time, then was  
19 temporarily abandoned in 1968. Since then there has not been  
20 a packer test conducted on this well, in violation of the  
21 referenced multiple-completion order.

22 On July 10th, 1974, Case Number 5272 was  
23 heard by the Commission Examiner, in which the Commission  
24 sought an order to plug the well. The case was dismissed  
25 because of testimony from the supervisor that the operator of

1  
2 record had changed and that the new operator was going to  
3 recomplete the well.

4 Since that hearing the operator has not  
5 recompleted the well or conducted any frac attempt. The only  
6 report we have received is a Form C-103, reporting results of  
7 a flow test, which indicates both the casing failure and com-  
8 munication between the completed zones. That's shown on  
9 Exhibit Number Three.

10 Being as the operator has known of the con-  
11 dition of the well and has made no attempt to repair the well,  
12 we recommend that he be given sixty days in which to plug the  
13 well or repair it and it make it a producer.

14 The Segal No. 1 Well was drilled in 1962  
15 by Consolidated Oil and Gas, Incorporated. They dually  
16 completed this well as authorized by Commission Order MC-1197  
17 in the Mesaverde and Dakota formations.

18 Benson-Montin-Greer Drilling Corporation  
19 took over the well in 1968 and has never filed a packer leakage  
20 test on the well, a direct violation of that order.

21 On October 22nd, 1974, the Commission  
22 entered Order R-4872 from Case 5216, directing the operator  
23 to take and report a packer leakage test on the well and recom-  
24 plete or plug the well.

25 The operator to date has not complied with



1  
2 that order, nor responded to correspondence regarding the  
3 matter.

4 Because of the length of time since the  
5 order was issued, we are requesting a new order under advice  
6 of our attorney. The new order should require that the oper-  
7 ator take and report a packer leakage test on the well and  
8 either recomplete the well with a single completion or plug  
9 and abandon the well within sixty days of the issuance of the  
10 order.

11 At this time I would request that the re-  
12 cord from Case Number 5316 be entered as -- in reference in  
13 this case.

14 MR. STAMETS: What was the Order number  
15 that issued from that case?

16 A 4872.

17 MR. STAMETS: And do you -- run the options  
18 by me again. You would like the well to have a packer leakage  
19 test, and what was the second option?

20 A Either the well recompleted as a single  
21 completion or plugged and abandoned.

22 MR. STAMETS: In essence what you seek is  
23 for the well to be returned to an acceptable production  
24 status or to be plugged and abandoned.

25 A That's correct.

MR. STAMETS: Okay.

Q On what date was the last official form filed with the Commission?

A On the Dustin No. 1 the date was 1957. On the Gallegos Canyon Unit No. 2 the date was August 1st of 1951. On the Price No. 1, September 17th of 1974. On the Segal No. 1, November 1st, 1968.

Q Do you have any other communications relative to this case that should be called to the Commission's attention?

A No, I don't.

Q In your opinion could the failure to plug this well cause waste?

A Yes. The Dustin No. 1 Well is located right next to the Animas River, a spot that's frequented by people who fish or camp out by the river, and there's a lot of litter on the location and we have heard reports that people have dropped litter into the well, being that it is open to the atmosphere.

The deterioration that occurs when a well is open to the atmosphere is caused by oxygen which enters the wellbore, being that it's not closed, and casing failure could result anywhere in the casing, causing communication between the gas producing zones and the water producing zones.

1  
2 The Gallegos Canyon Unit No. 2 Well is  
3 already open in the wellbore, the lower part of the Ojo Alamo  
4 formation and Farmington formation did show gas, and the Pic-  
5 tured Cliffs formation, which also showed gas, are all exposed  
6 through the wellbore, and at this time the well is flowing a  
7 trickle of water to the surface. We have not tested the water  
8 to determine where it comes from but the Ojo Alamo formation  
9 in that area is known to flow that -- that type of water.

10 The Price No. 1 is shown to have a casing  
11 failure and a tubing failure, which can cause communication  
12 and which does cause communication between the two zones ex-  
13 posed in the wellbore, and also could deteriorate further,  
14 causing communication between the gas productive zones and  
15 the water productive zones in the area.

16 The Segal No. 1 Well at this time we pre-  
17 sume has a casing leak based on reports that we've received  
18 verbally from people who have tested the well. We have no  
19 sundry notice or packer leakage test, or anything, but there  
20 have been no reports made on the well, and the deterioration  
21 can continue to cause contamination of the fresh water or of  
22 the gas zones by fresh water.

23 Q Are you prepared to recommend a plugging  
24 program at this time or would you prefer to describe the pro-  
25 gram at the actual time of plugging?

1  
2 A I prefer to describe the program at the  
3 actual time of plugging.

4 Q Are the exhibits true and correct copies  
5 of Commission records?

6 A Yes, they are.

7 MR. CUNNINGHAM: I offer Exhibits One, Two,  
8 and Three.

9 MR. STAMETS: These exhibits will be ad-  
10 mitted.

11 MR. CUNNINGHAM: Nothing further on direct.

12 MR. STAMETS: I would note for the record  
13 that I failed to mention the Segal Well when I issued the call  
14 of this hearing. Mr. Chavez has testified to that and that  
15 was advertised.

16 Are there any questions of the witness?

17 MR. KELLAHIN: Yes, Mr. Stamets.  
18

19 CROSS EXAMINATION

20 BY MR. KELLAHIN:

21 Q Mr. Chavez, let me direct your attention  
22 to the Gallegos Canyon No. 2 Well.

23 A Okay.

24 Q Would you tell me, Mr. Chavez, who the  
25 operator was that originally drilled this well?

1  
2 A Benson and Montin was the operator of  
3 record.

4 Q Has there been any change or notice of  
5 change of operator from Benson and Montin, to your knowledge?

6 A No, there hasn't.

7 Q Have you examined your records to determine  
8 whether there is still an effective statewide plugging bond  
9 for Benson and Montin?

10 A Yes, I have.

11 Q And what is the status thereupon?

12 A There is no plugging bond for Benson and  
13 Montin.

14 Q Is there a one well bond for Benson and  
15 Montin?

16 A No.

17 Q The records don't reflect that Benson-Montin-  
18 Greer Drilling Corporation is the operator of that well, does  
19 it?

20 A No, they don't.

21 Q Let me direct your attention to the Dustin  
22 No. 1 Well, Mr. Chavez. I believe in your testimony you have  
23 told us that this well was a shut-in gas well with an initial  
24 potential of about 567 Mcf?

25 A Yes.

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Q What would be the formation that is potentially productive in this well, Mr. Chavez?

A The Pictured Cliffs formation.

MR. STAMETS: You are talking about the Dustin Well?

MR. KELLAHIN: Yes, sir.

MR. STAMETS: Okay.

Q Do you have an opinion as to whether or not production can be obtained in this well in the Pictured Cliffs formation?

A Will you repeat that?

Q Yes, sir. Do you have an opinion as to whether or not production could be obtained in this well in the Pictured Cliffs formation at this time?

A At this time I would rather doubt it, being that the well has been sitting open in the past. There is a producing well within 200 feet of this well, a Dakota well, and the pipeline connection has been available since that Dakota well was drilled.

When a Pictured Cliffs well sits in the condition this one has, dead, supposedly with water on it, unless it was a mechanical failure that caused a casing collapse, it's very, very difficult to recover production at that time.

1  
2 Q You've recommended to the Examiner a  
3 sixty day period following the entry of the order to plug and  
4 abandon the well, or in fact, all four of the wells.

5 With regards to the Price and the Segal  
6 wells, Mr. Chavez, would you have any objection if the order  
7 provided for appropriate plugging within a ninety day period  
8 as opposed to a sixty day period?

9 A No, I would not, no.

10 Q With regards to the Dustin No. 1 Well, Mr.  
11 Chavez, would you have any objection if the order provided  
12 that the operator either restore the well to production or  
13 plug and abandon the well within 180 days of the order? Would  
14 you have any objection to that?

15 A No, but I would request the operator file  
16 the necessary reports setting out some indication of what was  
17 going to be performed within that period.

18 Q All right, sir.

19 I have no further questions of Mr. Chavez.

20 MR. KELLAHIN: If the Examiner please, at  
21 this time I have some correspondence in an effort to clarify  
22 the ownership of the Gallegos Canyon No. 2 Well.

23 We've retained Mr. Rick Tully, an attorney  
24 in Farmington, to prepare a title opinion on the ownership  
25 for that well, and I'd like to submit that to you at this time.

1  
2 MR. STAMETS: Are there any other questions  
3 of Mr. Chavez?

4 MR. KELLAHIN: No, sir.

5 MR. STAMETS: He may be excused.

6 MR. CUNNINGHAM: Mr. Examiner.  
7

8 REDIRECT EXAMINATION

9 BY MR. CUNNINGHAM:

10 Q Mr. Chavez, do you have anything further  
11 you would like to add?

12 A Well, could I look at this in case --

13 MR. STAMETS: Why don't we excuse you at  
14 this time, Mr. Chavez, and we'll discuss this and then if you  
15 have some questions on this --

16 A Okay.

17 MR. STAMETS: -- we'll allow you to ask  
18 those.

19 A Okay.

20 MR. KELLAHIN: Mr. Stamets, I have a letter  
21 from the surface owner at the well location in the Gallegos  
22 Canyon No. 2 Well, and he proposes to take over the responsi-  
23 bility for plugging and abandoning that well. I believe his  
24 desire is to file the necessary forms and to convert that well  
25 for domestic gas production, and he's requested the granting



1  
2 of the responsibility to plug the well. That's Exhibit Number  
3 Two.

4 MR. STAMETS: And that is the well that the  
5 ownership is in question about?

6 MR. KELLAHIN: Yes, sir.

7 MR. STAMETS: Okay.

8 MR. KELLAHIN: With regards to our reasons  
9 for 180-day period on the Dustin No. 1 Well, Mr. Stamets,  
10 we have some title difficulties with that proration unit and  
11 we've asked Mr. Tully to prepare the abstracts and the title  
12 opinion on that case. We are pursuing at this point voluntary  
13 agreement from the working interests that are known to us,  
14 but we anticipate it will require compulsory pooling hearing  
15 in order to designate Benson-Montin-Greer as the operator to  
16 re-enter this well and attempt to obtain production from the  
17 Pictured Cliffs formation.

18 As to the Gallegos Canyon No. 2 Well it's  
19 our position that Benson-Montin-Greer Corporation -- Drilling  
20 Corporation, is not the successor to the two individuals named,  
21 and that's not our responsibility.

22 With regards to the Price and the Segal  
23 wells, we will plug and abandon those wells within ninety days  
24 of the order.

25 MR. STAMETS: Anything further in this case?

1  
2 Mr. Chavez?

3 MR. CHAVEZ: Mr. Examiner, the correspon-  
4 dence from Mr. Tully to Mr. Greer indicates only mineral  
5 ownership. In in the past, looking at past records, the Divi-  
6 sion has noticed that there can be a difference in the owner-  
7 ship of the minerals and responsibility for a well, but for  
8 the ownership of the well, Benson-Montin is -- it's a matter  
9 of record in regards the mineral ownership.

10 Secondly, Benson and Montin, at this time  
11 we feel that it is the successor in all interests -- I'm sorry,  
12 Benson-Montin-Greer Drilling Corporation is successor in all  
13 interests of Benson and Montin, at this time and at the time  
14 the transfers were taking place on this well, and therefor,  
15 we would still say that they'd be responsible for it.

16 I also talked with Mr. Earl Hickum con-  
17 cerning this well, and the conditions simply are that he  
18 would take over responsibility for the well only if he received  
19 an assignment of the oil and gas interests to the surface --  
20 from the surface to the base of the Pictured Cliffs formation.

21 According to Mr. Tully's letter, these  
22 interests would have to be assumed by -- have to be assigned  
23 by Amoco Production Company and National Drilling Company.

24 At this time I submit that the order be  
25 entered as has been requested and that the -- should Mr. Hickum

1  
2 secure interest he desires during the time limit, he can file  
3 a change of operator with us, along with the plugging bond,  
4 at that time we will go ahead and allow him to assume opera-  
5 tions of the well.

6 MR. STAMETS: Mr. Kellahin, do you know the  
7 relationship of Benson and Montin in a broad sense with Benson-  
8 Montin-Creer?

9 MR. KELLAHIN: It's not the successor  
10 corporation; entirely different. Mr. Chavez has indicated a  
11 review of your files show that the operator is still Benson  
12 and Montin. It's not been transferred to Benson-Montin-Greer  
13 Drilling Corporation.

14 They are not the same, nor is Benson-Montin-  
15 Greer Drilling Corporation the successor.

16 MR. STAMETS: Anything further?

17 MR. KELLAHIN: No, sir.

18 MR. STAMETS: If there is nothing further,  
19 this case will be taken under advisement.  
20

21 (Hearing concluded.)  
22  
23  
24  
25

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 Conservation 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 and correct record of the proceedings in the Examiner hearing of Case No. 7542 heard by me on 5-12 19 82

Richard R. Stenn, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

El. 1 Box 195-B

Santa Fe, New Mexico 87201

Phone (505) 455-7409

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

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division to permit Benson-Montin-Greer Drilling Corporation, et al, to appear and show cause why the Dustin No. 1 Well and Segal No. 1 Well, San Juan County, should not be plugged and abandoned in accordance with a Division-Approved plugging program.

CASE  
7542

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

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

For the Applicant:

1  
2 MR. STAMETS: Call next Case 7542, also  
3 called by the Oil Conservation Division on its own motion to  
4 permit Benson-Montin-Greer Drilling Corporation, et al, to  
5 appear and show cause why the Dustin No. 1 Well and the Segal  
6 No. 1 Well, San Juan County, should not be plugged and aban-  
7 doned in accordance with a Division-approved plugging pro-  
8 gram.

9 MR. PEARCE: Mr. Examiner, W. Perry  
10 Pearce, appearing on behalf of New Mexico Oil Conservation  
11 Division in this matter.

12 I request that the matter be continued  
13 to the hearing presently scheduled for May the 12th of 1982.

14 MR. STAMETS: This case will be son con-  
15 tinued.

16  
17 (Hearing concluded.)  
18  
19  
20  
21  
22  
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25

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 Conservation 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. 75474 heard by me on 4/14 1982.  
Richard L. Ham, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 192-B  
Santa Fe, New Mexico 87501  
Phone (505) 431-7409



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

July 26, 1982

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Thomas Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 7542  
ORDER NO. R-6978

Applicant:

OCD (Benson-Montin-Greer  
Drilling Corporation)

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	<u>x</u>

Other \_\_\_\_\_  
\_\_\_\_\_



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 7542  
Order No. R-6978

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 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 PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 12, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 26th day of July, 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 Benson-Montin-Greer Drilling Corporation is the owner and operator of the Dustin No. 1, located in Unit K, Section 6, 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, New Mexico.
- (3) That Hartford Accident and Indemnity Company is the surety on the Oil Conservation Division plugging bond on which Benson-Montin-Greer Corporation is principal.
- (4) That the purpose of said bond is to assure the state that the subject wells will be properly plugged and abandoned when not capable of commercial production.
- (5) That the Gallegos Canyon Unit Well No. 2 was never transferred from the ownership of Benson-Montin and said well is covered by no plugging bond at this time.

-2-

Case No. 7542

Order No. R-6978

(6) That the current condition of each of said wells is such that waste may occur, correlative rights may be violated or fresh waters may be contaminated or lost if action is not taken to properly plug and abandon the same or return them to production.

(7) That there is some evidence that one or more of said wells may be successfully completed as producers within approximately 180 days.

(8) That in order to prevent waste and protect correlative rights said wells 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 October 30, 1982.

(9) That in the alternative the Supervisor of the Division's district office at Aztec may accept, on or before October 30, 1982, an acceptable plan to complete or recomplete any of said wells as a producer within 180 days following entry of this order.

IT IS THEREFORE ORDERED:

(1) That Benson-Montin-Greer Drilling Corporation and Hartford Accident and Indemnity Company are hereby ordered to plug and abandon the Dustin No. 1, located in Unit K, Section 6, Township 29 North, Range 12 West, and the Seal No. 1, located in Unit K of Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico on or before October 30, 1982.

(2) That Benson-Montin-Greer Drilling Corporation and Hartford Accident and Indemnity Company, prior to plugging and abandoning the above-described wells, 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 in the alternative, the Supervisor of the Division's district office at Aztec may permit any of said wells to be completed or recompleted as a producer provided that an acceptable plan for such work is filed with such office prior to October 30, 1982, provided that such work shall be completed within 180 days following entry of this order.

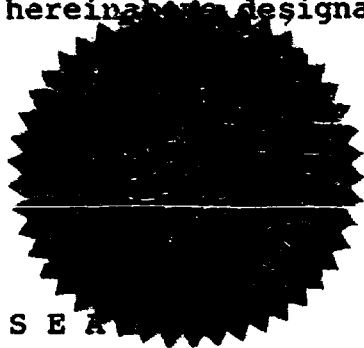
(4) Any such well failing to be completed or recompleted within such time period shall be plugged and abandoned as provided above within 60 days following the close of said 180 day period.

-3-

Case No. 7542  
Order No. R-6978

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

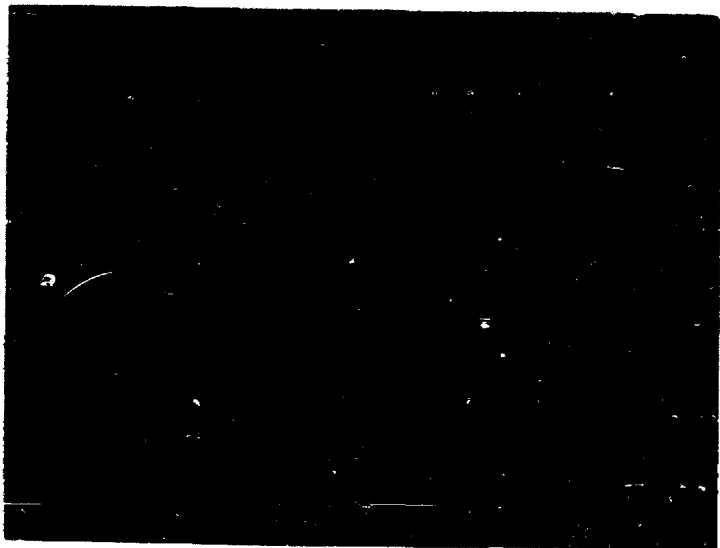
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY,  
Director

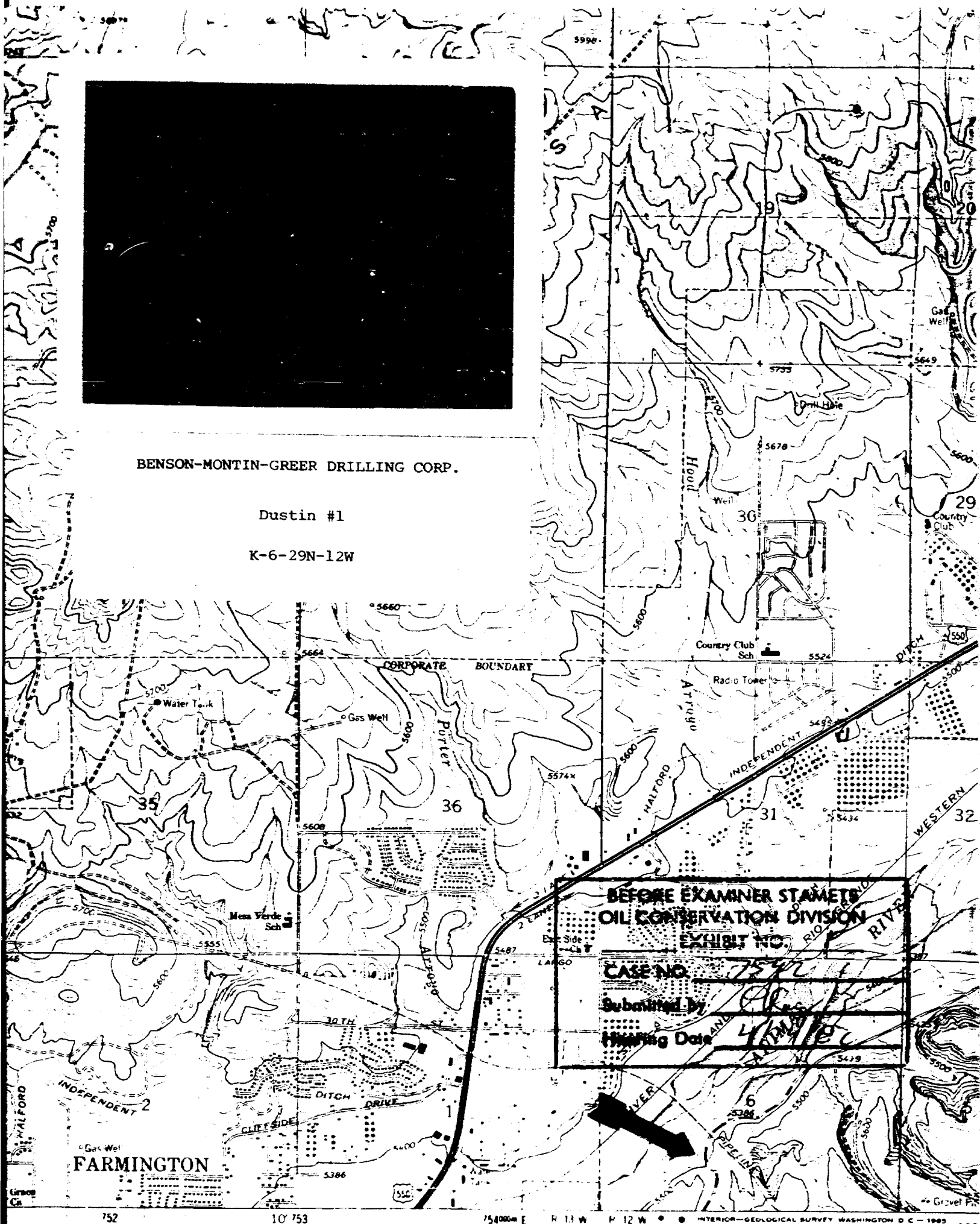
S E A



BENSON-MONTIN-GREER DRILLING CORP.

Dustin #1

K-6-29N-12W



BEFORE EXAMINER STATES  
OIL CONSERVATION DIVISION  
EXHIBIT NO.

CASE NO. 7542

Submitted by

Hearing Date 4/11/12

FARMINGTON

752

10' 753

754000 E

R 13 W

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INTERIOR—GEOLOGICAL SURVEY WASHINGTON D C—1965

108

BENSON & MONTIN  
Gallegos Canyon Unit #2  
K-35-29N-12W  
Wellbore Diagram

140'-290'  
Ojo Alamo

10 3/4" @ 102' W/100 sx

8 5/8" @ 272' W/100 sx

650'-670' Farmington-Produced  
estimated 50 MCF/D while drilling

1337'-1448' Pictured Cliffs-  
DST 500 cu. ft./ day

TD 1448'

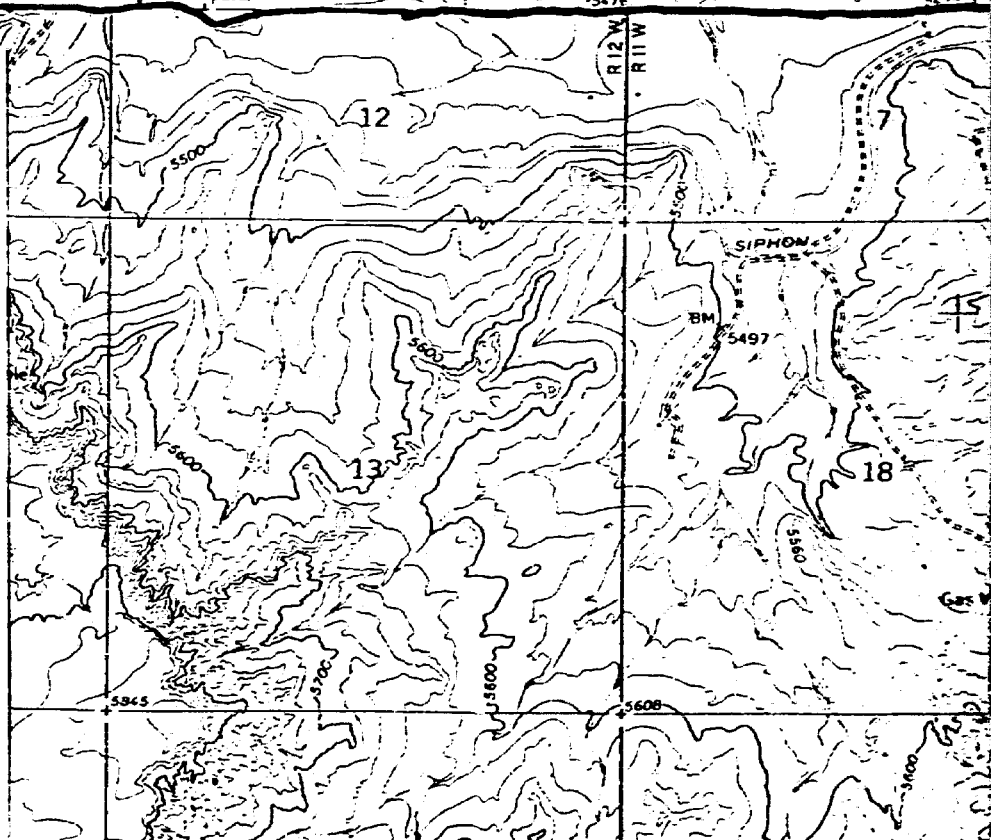
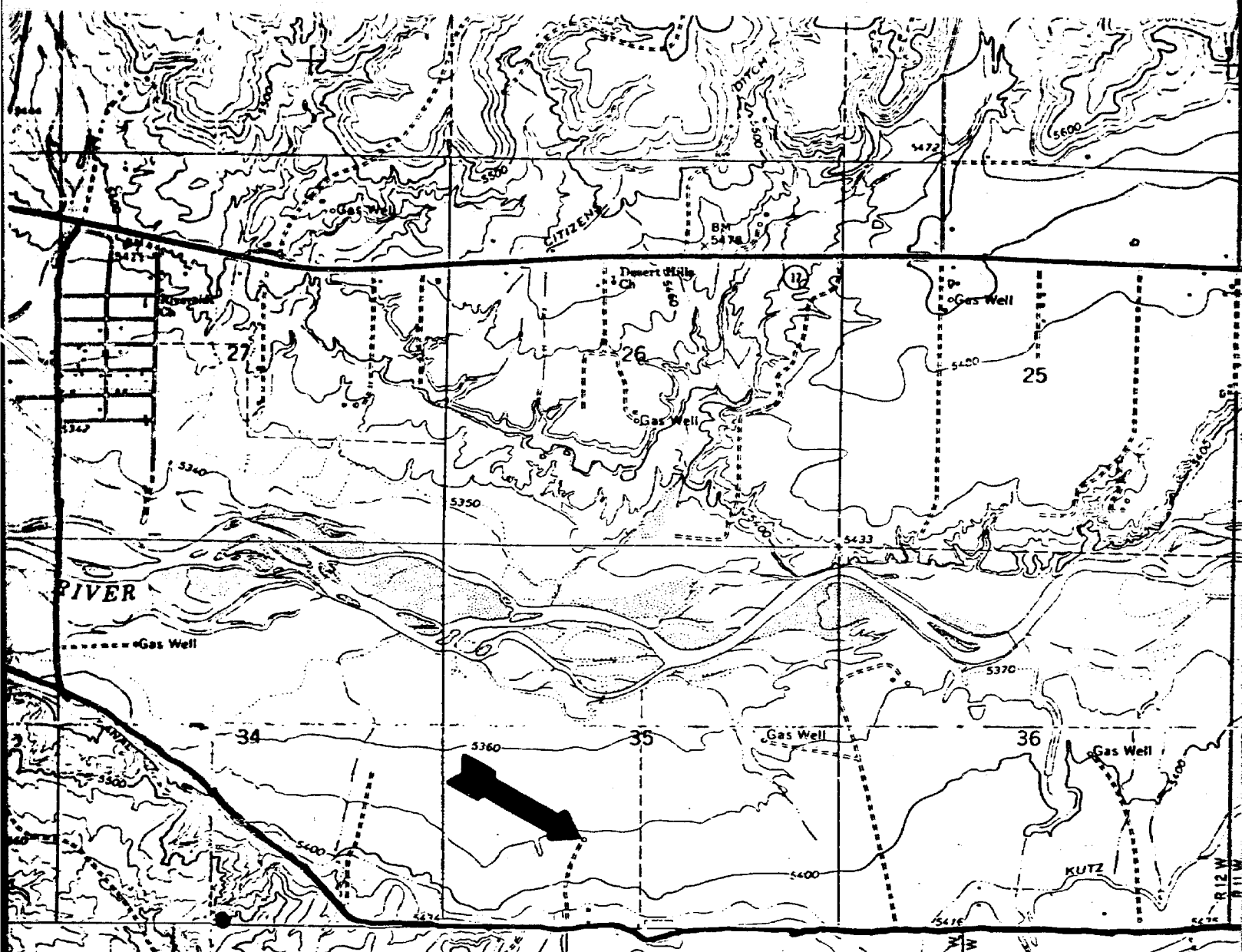
BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 7542

Submitted by Chang

Hearing Date 4/14/82



**BENSON-MONTIN-GREER DRILLING CORP.**

221 PETROLEUM CENTER BUILDING  
FARMINGTON, NEW MEXICO 87401  
PHONE: 325-8874

April 5, 1978

Mr. A. R. Kendrick  
New Mexico Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Re: BENSON-MONTIN #2 GALLEGOS  
CANYON UNIT: K 35, T-29N, R-12W

Dear Mr. Kendrick:

This is in response to your letter of March 29th regarding plugging of the captioned well.

My recollection is that this well and the Pictured Cliffs rights were sold in their entirety, along with the other Pictured Cliffs wells in the Gallegos Canyon area, about twenty years ago.

I have asked Amoco to check into its records and see if they have definite title information.

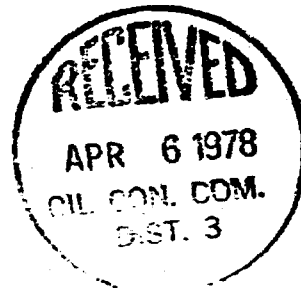
Upon word from Amoco we will advise you what steps we are taking to determine ownership of the well.

Yours very truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY: 

Albert R. Greer, President



ARG:ney



BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

February 21, 1980

Mr. Bill Fiant  
Energy Reserves Group  
P. O. Box 3280  
Casper, Wyoming 82602

Re: Gallegos Canyon Unit #2  
K-35-29N-12W

Dear Bill:

Our records show that the referenced well is still operated under the name of Benson and Martin. However, they have notified us that they no longer have responsibility for the well. Did Energy Reserves Group purchase this well? I would appreciate your looking into this matter.

If you have any questions, please call.

Yours truly,

Frank T. Chavez  
District Supervisor

FTC:dh



Energy Reserves Group, Inc.  
P.O. Box 3280  
Casper, Wyoming 82601  
Phone 307 265 7331



February 25, 1980

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
1000 Ril Brazos Road  
Aztec, New Mexico 87410

Attn: Mr. Frank Chavez

Re: Gallegos Canyon Unit Number 2  
K - 35 - 29N - 12W

Dear Frank:

We are in receipt of your letter dated February 21, 1980, concerning the operator of the above referenced well.

I checked with our land department and they assured me that Energy Reserves Group has no interest in this well. We have forwarded a copy of your letter to Amoco as they may have knowledge as to whom the operator may be.

Sorry we can't be of more assistance.

Very truly yours,  
ENERGY RESERVES GROUP, INC.

William J. Fiant  
Field Services Administrator

WJF/bac





**Amoco Production Company**

Petroleum Center Building  
501 Airport Drive  
Farmington, New Mexico 87401  
505-325-8841

R. W. Schroeder  
District Superintendent

June 10, 1980

Mr. Frank Chavez  
New Mexico Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

File: RAD-91-416

Mr. Chavez:

Amoco's Working, Royalty Interest in the Gallegos Canyon Unit Well No. 2

Pursuant to our conversation of this date, Amoco hereby notifies your office that we no longer have a working interest or royalty interest in the Gallegos Canyon Unit Well No. 2. Our interest in the subject well was sold to Clinton Oil Company in December 1969.

Yours very truly,

*R. W. Schroeder*  
RAD/tb





BRUCE KING  
GOVERNOR  
LARRY KENDE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

April 6, 1981

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

Mr. Albert Greer Jr.  
Benson-Montin-Greer Drilling Corporation  
501 Airport Drive  
Farmington, N.M. 87401

Re: Gallegos Canyon Unit #2 K-35-29N-12W

Dear Al:

I have talked to you several times since our first telephone conversation in September concerning the referenced well and as yet have not received a satisfactory response. You are therefore directed to file a notice of intention to plug and abandon the well within thirty (30) days. A plugging program for the well will include but not be limited to the following:

          cement plug from 1250' - 1448' (TD)  
          "          "          "      400' - 500'  
          "          "          "      225' - 325'  
          surface plug and marker.

After approval of the application you will have ninety (90) days to perform the work.

If you have any question please contact this office.

Yours truly,

Frank T. Chavez  
District Supervisor  
FTC/lis

Xc: Santa Fe, Ernie Padilla  
Reading file

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

## NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	
7. Unit Agreement Name	
8. Form or Lease Name	
Price	
9. Well No.	
#1	
10. Field and Pool, or Wildcat	
Basin Dakota	
12. County	
San Juan	

**SUNDY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	2. Name of Operator
	BENSON-MONTIN-GREER DRILLING CORP.
3. Address of Operator	221 Petroleum Center Bldg. Farmington NM 87401
4. Location of Well	UNIT LETTER M . 895 FEET FROM THE South LINE AND 1470 FEET FROM THE West LINE, SECTION 15 TOWNSHIP 31N RANGE 13W NMPM.
15. Elevation (Show whether DF, RT, GR, etc.)	5735' KB

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO:

PERFORM REPAIR WORK ☐  
TEMPORARILY ABANDON ☐  
PULL OR ALTER CASING ☐  
OTHER ☐

PLUG AND ABANDON ☐  
CHANGE PLANS ☒  
OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐  
COMMENCE DRILLING OPS. ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER ☐

ALTERING CASING ☐  
PLUG AND ABANDONMENT ☐  
OTHER ☐

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

Moved casing pulling unit on location to plug and abandon. Measured pressure: casing 975, tubing 1255. Rigged up to test flow tubing to atmosphere through 3/16" choke. Recovered gas, water, drilling mud and oil with gas volume decreasing to zero through tubing with 525# casing pressure. Preparing to pull tubing and attempt to evaluate potential of the well.

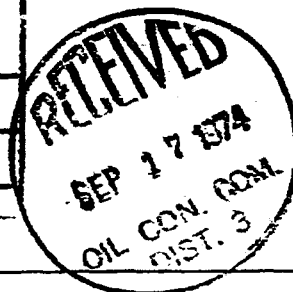
BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 3

CASE NO. 7542

Submitted by *Chavez*

Hearing Date 4/14/82



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

SIGNED *David L. Stator* TITLE Vice-President

DATE 9/16/74

APPROVED BY *Ernest C. Lane* TITLE SUPERVISOR DIST. #3

DATE SEP 17 1974

CONDITIONS OF APPROVAL, IF ANY:

**COONEY & TULLY**  
ATTORNEYS AT LAW  
811 WEST APACHE  
POST OFFICE BOX 268  
FARMINGTON, NEW MEXICO 87403-0268  
505-327-3388

RICHARD T. C. TULLY, P.A.  
RICHARD T. C. TULLY

JAMES B. COONEY, P.A.  
JAMES B. COONEY (1908-1978)

May 6, 1982

Albert R. Greer, President  
BENSON-MONTIN-GREER DRILLING CORP.  
221 Petroleum Center Building  
501 Airport Drive  
Farmington, New Mexico 87401

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
B-11-6	EXHIBIT NO. 1
CASE NO. 7542	
Submitted by _____	
Hearing Date _____	

Re: Gallegos Canyon #2 Well  
Township 29 North, Range 12 West, N.M.P.M.  
Section 35: SW/4  
Containing 160 acres, more or less  
San Juan County, New Mexico

TITLE OPINION

GENTLEMEN:

In order to ascertain the title to the oil, gas, and other minerals underlying the above-captioned lands, I have examined:

1. All instruments filed or recorded in the office of the County Clerk in and for San Juan County, New Mexico affecting the oil, gas, and mineral rights only underlying the above-captioned lands from January 31, 1947 to May 4, 1982 at 1:00 p.m.
2. Certain lease file records of Benson-Montin-Greer Drilling Corp., Farmington, New Mexico.
3. New Mexico Oil Conservation Division Docket for Case No. 7542 to be held on May 12, 1982.

From this examination, I find title to the working interests in the oil, gas, and other minerals underlying the above-captioned lands from the surface down to the base of the Pictured Cliffs Formation thereof to be vested as set forth below:

Working Interest

Amoco Production Company

50%

**BENSON-MONTIN-GREER**

Title Opinion

May 6, 1982

Page Two

National Drilling Company, Inc.

508

A hearing has been called by the New Mexico Oil Conservation Division on its own Motion to permit Benson-Montin-Greer Drilling Corp., Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why the Gallegos Canyon Unit #2 Well located in Unit K, Section 35, Township 29 North, Range 12 West, N.M.P.M., San Juan County, New Mexico should not be plugged and abandoned in accordance with a Division approved plugging program.

The examination of the San Juan County records commenced with a review of the following described Oil and Gas Leases:

1. Oil and Gas Mining Lease dated January 31, 1947 between J. S. Hartman et al. as Lessor and Charles Newbold as Lessee. This Lease was filed in the records of San Juan County, New Mexico in Book 125, Page 145, and covered the E/2 SW/4 of Section 35, Township 29 North, Range 12 West, N.M.P.M. (among other lands).

2. Oil and Gas Mining Lease dated January 31, 1947 between J. S. Hartman et al. as Lessors and Charles Newbold as Lessee. This Lease was filed in the records of San Juan County, New Mexico in Book 125, Page 149, and covered the W/2 SW/4 of Section 35, Township 29 North, Range 12 West, N.M.P.M. (among other lands).

The examination of the County records commenced with the date of these Oil and Gas Leases and continued until May 4, 1982 at 1:00 p.m.

From this examination, it is the opinion of this writer that Benson-Montin-Greer Drilling Corp. is not responsible for the plugging and abandonment of the Gallegos Canyon #2 Well since it does not own any oil and gas interests of whatsoever kind and nature from the surface down to the base of the Pictured Cliffs Formation underlying the above-captioned lands.

Finally, attached hereto are copies of the following correspondence pertaining to the blanket plugging bond of Earl A. Benson and William V. Montin:

1. Letter dated April 6, 1951 from the New Mexico Oil

BENSON-MONTIN-GREER  
Title Opinion  
May 6, 1982  
Page Three

Conservation Commission to E. A. Benson and W. V. Montin.

2. Letter dated March 24, 1958 from Benson-Montin to the New Mexico Oil Conservation Commission.

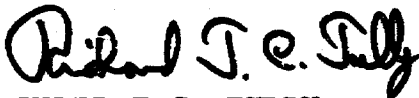
It appears from this correspondence that E. A. Benson and W. V. Montin have requested a release from their blanket plugging bond, and that only a one well bond was to be kept in force to cover the Riddle #1 Well located in the NE/4 NE/4 of Section 15, Township 28 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

It will be necessary to review the records of the New Mexico Oil Conservation Division (successor to the New Mexico Oil Conservation Commission) in order to determine that the blanket plugging bond of Mr. Benson and Mr. Montin has been released. If this blanket plugging bond has been released, and there is not a single plugging bond outstanding against the Gallegos Canyon #2 Well by Mr. Benson and Mr. Montin, then the New Mexico Oil Conservation Division is estopped from seeking to have Mr. Benson and Mr. Montin plug and abandoned this well in accordance with a Division approved plugging program.

Finally, it should be brought to the attention of the New Mexico Oil Conservation Division that Benson-Montin-Greer Drilling Corp. is not the successor in interest to Earl A. Benson and W. V. Montin as well as Benson-Montin, Inc. With the similarity of names, it is possible that the New Mexico Oil Conservation Division has inadvertently assumed that Benson-Montin-Greer Drilling Corp. is the successor in interest to Mr. Benson and Mr. Montin as well as to the Benson-Montin, Inc.

DATED: May 6, 1982

Respectfully submitted,



RICHARD T.C. TULLY

RTCT:car  
enclosures

HICKAM LAND & CATTLE CO., LTD.  
Star Route One, Box 840  
Bloomfield, New Mexico 87413

May 7, 1982

Joe D. Ramey, Director  
NEW MEXICO OIL CONSERVATION DIVISION  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: NMOCD Case No. 7542  
Hearing Date: May 12, 1982  
Gallegos Canyon #2 Well  
Township 29 North, Range 12 West, N.M.P.M.  
Section 35: SW/4  
Containing 160 acres, more or less  
San Juan County, New Mexico

Dear Mr. Ramey:

As owners of the surface land upon which the above-captioned well is located, we are interested in securing natural gas for domestic and agricultural uses for our farming and ranching operations.

We would be interested in taking over the plugging responsibility for this well if we could receive an assignment of the oil and gas interests from the surface to the base of the Pictured Cliffs Formation underlying these lands from the proper and lawful owners.

Please advise if we can provide additional information or assistance in this matter.

Sincerely,

HICKAM LAND & CATTLE CO., LTD.

*E. Earl Hickam*  
E. Earl Hickam,  
General Partner

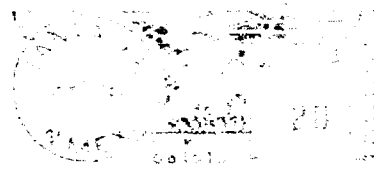
EEH:car

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION B-M-6 EXHIBIT NO. <u>2</u> CASE NO. <u>7542</u> Submitted by _____ Hearing Date _____
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**ENERGY and MINERALS DEPARTMENT**

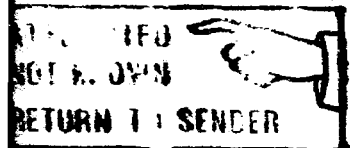
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501



Hartford Accident and Indemnity Company  
1200 Cravens Building  
Oklahoma City, Oklahoma 73102

HAR 00 030419N1 05/04/82

RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD



Dockets Nos. 14-82 and 15-82 are tentatively set for May 26 and June 9, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 12, 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 June, 1982, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1982, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7540: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Pauly-Anderson-Pritchard, William H. Pauly, and all other interested parties to appear and show cause why the Maloy Well No. 1, located in Unit P, 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 7538: (Continued and Readvertised)

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. 2, 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 7566: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Flag-Redfern Oil Co., Principal, National Surety Corporation, and all other interested parties to appear and show cause why four wells, being the Julander No. 1 located in Unit L, Section 34; Julander No. 2 located in Unit I, Section 33; Hargis No. 1 located in Unit G, Section 33; and Hargis No. 2 located in Unit J, Section 33, all in Township 30 North, Range 12 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7560: (Continued from April 28, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Charles H. Heisen, Fidelity and Deposit Company of Maryland, Surety, and all other interested parties to appear and show cause why the Crownpoint Well No. 1, located in Unit F, Section 18, Township 18 North, Range 13 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7542: (Continued from April 14, 1982, Examiner Hearing)

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 7567: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Richardson Unit Area, comprising 1,283.35 acres, more or less, of State and Fee lands in Townships 13 and 14 South, Range 36 East.

CASE 7565: (Continued from April 28, 1982, Examiner Hearing)

Application of Delta Drilling Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Mescalero Unit Area, comprising 719.77 acres, more or less, of State, Fee and Federal lands in Townships 9 and 10 South, Range 32 East.

CASE 7568: Application of Petroleum Corp. of Delaware for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Superior Federal Well No. 6 located in Unit N of Section 6, Township 20 South, Range 29 East, East Burton Flat Field, to produce oil from the Strawn formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.

Examiner Hearing - WEDNESDAY - MAY 12, 1982

CASE 7569: Application of Petroleum Corp. of Delaware for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbores of its Parkway West Unit Well No. 3, located in Unit K of Section 29, and Well No. 10, located in Unit G of Section 27, both in Township 19 South, Range 29 East.

CASE 7570: Application of J. Cleo Thompson for three unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for three unorthodox well locations, being 660 feet from the North line and 1330 feet from the West line, 660 feet from the North line and 2630 feet from the East line, and 660 feet from the North line and 1310 feet from the East line, all in Section 2, Township 17 South, Range 30 East, Square Lake Pool.

CASE 7516: (Continued from March 31, 1982, Examiner Hearing)

Application of Benson-Montin-Greer for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Canada Ojitos Unit Area, comprising 12,361 acres, more or less, of Jicarilla Apache Indian lands in Township 27 North, Range 1 West.

CASE 7571: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface through the Abo formation underlying the SE/4 of Section 9, the SW/4 of Section 10, the NW/4 of Section 15, all in Township 6 South, Range 26 East, each to form a standard 160-acre spacing and proration unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.

CASE 7551: (Continued from April 14, 1982, Examiner Hearing)

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 7572: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Ballard GSA Waterflood Project by drilling and converting ten wells located in Unit N of Section 5, Units N and P of Section 6, Units F, H, J, and P of Section 7, Units F and N of Section 8, and Unit F of Section 17, all in Township 18 South, Range 29 East, Loco Hills Pool.

CASE 7573: Application of Anadarko Production Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its West Square Lake Waterflood Project by the conversion to water injection of five wells located in Units J and N of Section 9, D and H of Section 10, and J of Section 3, all in Township 17 South, Range 30 East.

CASE 7574: Application of Sun Exploration and Production Company for two non-standard gas proration units and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 160-acre non-standard Jalmat gas proration units comprising the NW/4 of Section 21, for its Boren & Greer Com Well No. 2 in Unit C and the NE/4 of Section 20, for its Boren & Greer Com Well No. 3, to be drilled at an unorthodox location 660 feet from the North line and 940 feet from the East line of said Section 20, all in Township 22 South, Range 36 East. Applicant further seeks rescission of Order No. R-5688.

CASE 7575: Application of Eagle Oil & Gas Co. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for a Wolfcamp-Penn test well to be drilled 1500 feet from the South line and 660 feet from the East line of Section 2, Township 17 South, Range 27 East, the S/2 of said Section 2 to be dedicated to the well.

CASES 7576 and 7577: Application of Apollo Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in each of the following cases, seeks an order pooling all mineral interests from the surface through the base of the San Andres formation underlying the lands specified in each case, each to form a standard 40-acre oil spacing and proration unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:

CASE 7576: NE/4 SW/4 Section 6, Township 19 South, Range 38 East

CASE 7577: SE/4 SW/4 Section 6, Township 19 South, Range 38 East

- CASE 7578:** 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 form a standard 160-acre gas proration unit 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 7579:** 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 N/2 NW/4 of Section 5, Township 20 South, Range 39 East, to form a non-standard 80-acre gas proration unit 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 7580:** 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 to the base of the Seven Rivers formation underlying the SW/4 of Section 31, Township 19 South, Range 39 East, to form a standard 160-acre gas proration unit 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 7581:** Application of Estoril Producing Corp. for an unorthodox gas well location, Lea 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 South line and 990 feet from the East line of Section 10, Township 23 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, the S/2 of said Section 10 to be dedicated to the well.
- CASES 7582 thru 7585:** Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:
- CASE 7582:** NW/4 Section 13, Township 6 South, Range 24 East
  - CASE 7583:** NE/4 Section 13, Township 6 South, Range 24 East
  - CASE 7584:** SW/4 Section 13, Township 6 South, Range 24 East
  - CASE 7585:** NW/4 Section 24, Township 6 South, Range 24 East
- CASES 7525 thru 7534:** (Continued from April 28, 1982, Examiner Hearing)
- Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following 10 cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered in each case will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells:
- CASE 7525:** SW/4 Section 3, Township 5 South, Range 24 East
  - CASE 7526:** NW/4 Section 3, Township 5 South, Range 24 East
  - CASE 7527:** SE/4 Section 3, Township 5 South, Range 24 East
  - CASE 7528:** NW/4 Section 4, Township 5 South, Range 24 East
  - CASE 7529:** NE/4 Section 4, Township 5 South, Range 24 East
  - CASE 7530:** NW/4 Section 11, Township 6 South, Range 24 East
  - CASE 7531:** SW/4 Section 11, Township 6 South, Range 24 East
  - CASE 7532:** SE/4 Section 27, Township 6 South, Range 24 East
  - CASE 7533:** SW/4 Section 27, Township 6 South, Range 24 East
  - CASE 7534:** NW/4 Section 34, Township 6 South, Range 24 East

Examiner Hearing - WEDNESDAY - MAY 12, 1982

CASE 7513: (Continued from April 14, 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, Ranges 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 7586: Application of Standard Resources Corp. for designation of a tight formation, Chaves and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Abo formation underlying all or portions of Township 15 South, Ranges 23 through 25 East, Township 19 South, Range 20 East, and Township 20 South, Range 20 East, all in Chaves County; in Eddy County: Township 16 South, Ranges 23 through 26 East, Township 17 South, Ranges 21, 23, 24, and 25 East, and Township 18 South, Ranges 21, 23, 24 and 25 East, Township 19 South, Ranges 21, 23, and 24 East, and Township 20 South, Ranges 21, 23, and 24 East, containing 460,800 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 7587: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Draper Mill-Wolfcamp Gas Pool. The discovery well is the HMC Oil Company Vaca Draw 16 State Well No. 1 located in Unit E of Section 16, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM  
Section 16: W/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Jabalina-Morrow Gas Pool. The discovery well is the Amoco Production Company Perro Grande Unit Well No. 1 located in Unit J of Section 6, Township 26 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM  
Section 6: E/2

- (c) ABOLISH the Diamond Mound-Morrow Gas Pool in Chaves and Eddy Counties, New Mexico, as heretofore classified, defined, and described as:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM  
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 3: Lots 1 through 16  
Section 4: Lots 1 through 16  
Section 5: Lots 1 through 16  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15, 16, and S/2

- (d) EXTEND the vertical limits of the Diamond Mound-Atoka Gas Pool in Chaves and Eddy Counties, New Mexico, to include the Morrow formation, and redesignate said pool to Diamond Mound-Atoka-Morrow Gas Pool, and extend the horizontal limits of said pool to include acreage from abolished Diamond Mound-Morrow Gas Pool and one additional well as follows:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM  
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM  
Section 9: S/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 3: Lots 1 through 16  
Section 4: Lots 1 through 16  
Section 5: Lots 1 through 16  
Section 6: Lots 1, 2, 7, 8, 9, 10, 15, 16, and S/2

- (e) EXTEND the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 35: E/2  
Section 36: W/2

- (f) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 1: All  
Section 12: N/2

- (g) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 10: All  
Section 11: W/2  
Section 14: W/2  
Section 15: W/2  
Section 34: W/2

- (h) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 17: W/2

- (i) EXTEND the Golden Lane-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM  
Section 28: All

- (j) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 10: N/2

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 36: S/2

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 31: S/2

- (l) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM  
Section 18: E/2

- (m) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 11: E/2

- (n) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section : N/2

- (o) EXTEND the East Millman-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 7: NE/4

- (p) EXTEND the Millman Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 8: S/2

- (q) EXTEND the West Nadine-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 5: SW/4

- (r) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM  
Section 11: S/2  
Section 12: S/2

- (s) EXTEND the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 4 SOUTH, RANGE 24 EAST, NMPM

Section 24: S/2  
Section 25: All  
Section 26: E/2  
Section 35: W/2 and NE/4  
Section 36: N/2

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 19: SW/4  
Section 30: W/2  
Section 31: NW/4

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM

Section 2: NW/4  
Section 7: All  
Section 8: All  
Section 9: N/2 and SW/4  
Section 16: W/2  
Section 17 thru 20: All  
Section 21: W/2  
Section 28: W/2  
Section 29: All  
Section 30: All  
Section 31: N/2  
Section 32: N/2  
Section 33: NW/4

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM

Section 1 thru 5: All  
Section 6: E/2  
Section 7: SW/4 and E/2  
Section 8 thru 12: All  
Section 14 thru 22: All  
Section 23: N/2  
Section 27: N/2  
Section 28 thru 30: All  
Section 31: NE/4  
Section 32: N/2  
Section 33: All  
Section 34: All

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM

Section 2: All  
Section 11 thru 14: All  
Section 22 thru 28: All  
Section 34: E/2  
Section 35: All  
Section 36: All

Examiner Hearing - WEDNESDAY - MAY 12, 1982

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM

Section 4 thru 6: All  
 Section 7 thru 8: All  
 Section 9: N/2  
 Section 17 thru 20: All  
 Section 29 thru 32: All

TOWNSHIP 7 SOUTH, RANGE 24 EAST, NMPM

Section 1: All  
 Section 2: All  
 Section 3: E/2  
 Section 9 thru 15: All  
 Section 22 thru 27: All  
 Section 34 thru 36: All

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM

Section 6: W/2  
 Section 7: S/2  
 Section 13: SW/4  
 Section 14: S/2  
 Section 15: S/2  
 Section 18 and 19: All  
 Section 20: S/2  
 Section 22 thru 27: All  
 Section 29 thru 32: All  
 Section 34 thru 36: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM

Section 5: All  
 Section 6: All  
 Section 7 thru 10: All  
 Section 11: W/2  
 Section 15 thru 17: All  
 Section 18: N/2  
 Section 19 thru 22: All  
 Section 28 thru 32: All

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NMPM

Section 1 through 3: All  
 Section 10: E/2  
 Section 11: All  
 Section 12: All

TOWNSHIP 8 SOUTH, RANGE 25 EAST, NMPM

Section 1 through 12: All  
 Section 13 through 16: N/2

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 6: W/2

- (t) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM

Section 23: SE/4  
 Section 24: S/2 and NE/4  
 Section 25 through 27: All  
 Section 28: E/2

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM

Section 3 through 5: All  
 Section 6: N/2  
 Section 8 through 10: N/2  
 Section 17: W/2  
 Section 18: SE/4  
 Section 19: All  
 Section 20: W/2  
 Section 29: W/2  
 Section 30: All  
 Section 31: All  
 Section 32: W/2



TOWNSHIP 9 SOUTH, RANGE 23 EAST, NMPM  
Section 3: W/2  
Section 4: All  
Section 5: All  
Section 6: E/2  
Section 8: All

- (u) EXTEND the East Red Lake-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 25: E/2 NE/4 and NE/4 SE/4

- (v) EXTEND the Sand Ranch-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM  
Section 26: All

- (w) EXTEND the Sawyer-San Andres Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 38 EAST, NMPM  
Section 4: SW/4

- (x) EXTEND the Tom-Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM  
Section 7: All

- (y) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 2: W/2  
Section 7: N/2

- (z) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM  
Section 18: S/2 SE/4 and SE/4 SE/4

- (aa) EXTEND the South Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 16: SE/4

Docket No. 14-82

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DOCKET: COMMISSION HEARING - MONDAY - MAY 17, 1982

OIL CONSERVATION COMMISSION - 9 A.M.  
ROOM 205 - STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO.

CASE 7522: (DE NOVO)

Application of Santa Fe Exploration Co. for an unorthodox gas well location, Eddy County, New Mexico Applicant, in the above-styled cause, seeks approval of an unorthodox location 660 feet from the North and West lines of Section 14, Township 20 South, Range 25 East, Permo-Penn, Strawn, Atoka and Morrow formations, the W/2 of said Section 14 to be dedicated to the well.

Upon application of Chama Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7476: (DE NOVO)

Application of Jack J. Grynberg for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through and including the Abo formation, underlying two 160-acre gas spacing units, being the NE/4 and SE/4, respectively, of Section 12, Township 5 South, Range 24 East, each 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.

Upon application of Mesa Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7513: (DE NOVO)

Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the SE/4 of Section 12, Township 5 South, Range 24 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.

Upon application of Mesa Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**P 243 079 913**  
**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED—  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

SENT TO		<b>Benson-Montin-Greer</b>	
STREET AND NO.		<b>221 Pet. Center Bldg.</b>	
P.O., STATE AND ZIP CODE		<b>Farmington, N.M. 87401</b>	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE		c
	SPECIAL DELIVERY		c
	RESTRICTED DELIVERY		c
	OPTIONAL SERVICES		
	RETURN RECEIPT SERVICE		
	SHOW TO WHOM AND DATE DELIVERED		
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY		
	SHOW TO WHOM DATE AND ADDRESS OF DELIVERY		
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE			

PS Form 3800, Apr. 1976





**P 243 079 914**  
**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED--  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

SENT TO		Hartford Accident
STREET AND NO.		1200 Cravens Bldg.
P.O., STATE AND ZIP CODE		Oklahoma City, Okla.
POSTAGE		\$ 73102
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	0
	SPECIAL DELIVERY	0
	RESTRICTED DELIVERY	0
	OPTIONAL SERVICES	
	RETURN RECEIPT SERVICE	
	SHOW TO WHOM AND DATE DELIVERED	0
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	0
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	0
TOTAL POSTAGE AND FEES		\$
POSTMARK OR DATE		

PS Form 3800, Apr. 1976

**ENERGY and MINERALS DEPARTMENT**

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

**CERTIFIED**

**P 243 079 914**

**MAIL**

RETURN RECEIPT REQUESTED

CLAIM CHECK  
NO.  
**01049**

DATE

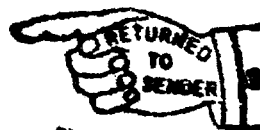
NOTE

BY NOTICE

AND NOTICE

RETURN

RECEIVED

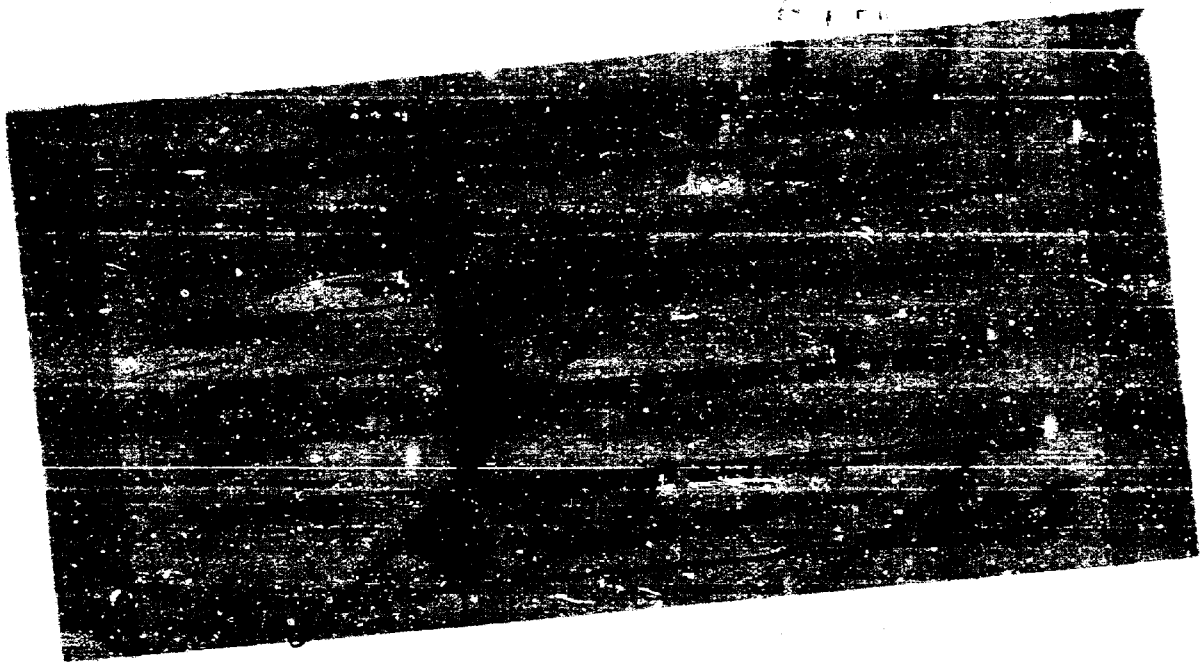


REASON CHECKED

Undelivered ☐ Return to sender ☒  
Addressed incorrectly ☐  
Insufficient postage ☐  
Do not open ☐ Do not open in view ☐  
Do not return to this address ☐

artford Accident and Indemnity Company  
200 Cravens Building  
Oklahoma City, Oklahoma 73102

*W. K. ...*  
*SS 23*







STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR  
LARRY KENGE  
SECRETARY

POST OFFICE BOX 8088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-3434

April 5, 1982

Benson-Montin-Greer Drilling Corp.  
221 Petroleum Center Building  
Farmington, New Mexico 87401

Hartford Accident and Indemnity Company.  
1200 Cravens Building  
Oklahoma City, Oklahoma 73102

Re: Dustin Well No. 1, located  
in Unit K of Section 6,  
Gallegos Canyon Unit Well  
No. 2, located in Unit K of  
Section 35, both in Township  
29 North, Range 12 West, and  
Segal Well No. 1, located in  
Unit K of Section 10, Price  
Well No. 1, located in Unit  
N of Section 15, both in Town-  
ship 31 North, Range 13 West,  
San Juan County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing  
to be held on Wednesday, April 14, 1982, at 9 o'clock a.m.  
in the Oil Conservation Division Conference Room, State Land  
Office Building, Santa Fe, New Mexico. Case 7542 concerns  
the above-captioned subject matter.

Very truly yours,

W. PERRY PEARCE  
General Counsel

WPP/fd  
enc.

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

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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-Fritchard and all other interested parties to appear and show cause why the Maloy Well No. 1, located in Unit P, 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. Niley 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 SWD 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 W/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 F 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 W/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 Merrion 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.

CASE 7520: (Continued and Readvertised)

Application of Lewis S. 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 Moran 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: W/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 HNG 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: W/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 HS 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: W/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: W/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

# Memo

*From*

**FRANK T. CHAVEZ**  
*District Supervisor*

*To Perry*

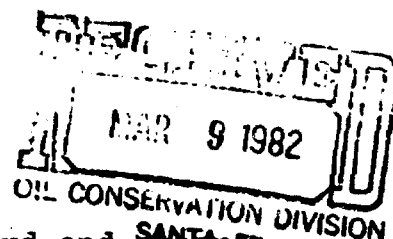
*The order to pay the BMG  
Legal #, was R-4872 of  
-case 5316*

Oil Conservation

Santa Fe, New Mexico

Case 7542

Mr. Perry Pearce  
March 4, 1982  
Page two



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.

*location N-14-29N-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.

*San Juan*

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*

Frank T. Chavez  
District Supervisor

FTC:gc

*Dustin 1 K 6-29-12*

*Gallegos Canyon  
2 K 35-29 12*

*Segal 1 K 10-31-13*

*Price 1 N 15 31 13*



DOG

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BSL

JK

CASE NO. 7542

Order No. R-6978

WBP

JGR

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 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 PROGRAM.

ORDER OF THE DIVISION

ms

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on <sup>May 12</sup> ~~April 14~~, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <sup>July</sup> ~~April~~ day of ~~April~~, 1981, 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 Benson-Montin-Greer Drilling Corporation is the owner and operator of the 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, New Mexico.~~

(3) That Hartford Accident and Indemnity Company is the surety on the Oil Conservation Division plugging bond on which Benson-Montin-Greer Corporation is principal.

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

(5) That the Gallegos Canyon Unit Well No. 2 was never transferred from the ownership of Benson-Montin and said well is covered by no plugging bond at this time.

(6) That the current condition of each of said wells is such that waste may occur, correlative rights may be violated or fresh waters may be contaminated or lost if action is not taken to properly plug and abandon the same or return them to production.

(7) That there is some evidence that one or more of said wells may be successfully completed as producers within approximately 180 days.

(8) ~~That~~ That in order to prevent waste and protect correlative rights said wells 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 August 31 Oct 30 1982, ~~or the well should be returned to active drilling status or placed on production. provided that the~~

~~That~~ That in the alternative the Supervisor of the Division's district office at Aztec may accept, on or before August 31 Oct 30, 1982, an acceptable plan to complete or recomplete any of said wells as a producer within 180 days following the ~~entry~~ <sup>entry</sup> of this order.

IT IS THEREFORE ORDERED:

and Hartford Accident and Indemnity Company

(1) That Benson-Montin-Greer Drilling Corporation, ~~are~~ <sup>are</sup> are hereby ordered to plug and abandon the Dustin No. 1, located in Unit K, Section 5, ~~and the Callegos Canyon Unit No. 2, located in Unit K, Section 35, both in Township 29 North, Range 12 West,~~ and the Seal No. 1, located in Unit K of Section 10, and the Price No. 1, located in Unit N, Section 15, both in Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico, ~~or the alternative, to return the wells to active drilling status or place the well on production on or before~~ <sup>OK</sup> August 31 Oct 30 1982.

~~(2) That Benson-Montin are hereby ordered to plug and abandon the Gallegos Canyon Unit Well No 2 located in the NE 1/4 of Section 35, Township 29 North, Range 12 West, San Juan County, New Mexico, on or before August 31, 1982~~

~~or, in the case of the Gallegos Canyon Unit Well No 2, Benson-Montin~~

(2) ~~(3)~~ That Benson-Montin-Greer Drilling Corporation and Hartford Accident and Indemnity Company, prior to plugging and abandoning the above-described wells, 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) ~~(4)~~ That in the alternative, the supervisor of the Division's district office at Aztec may permit any of said wells to be completed or recompleted as a producer provided that an acceptable plan for such work is filed <sup>with such office</sup> <sup>Oct 30</sup> prior to ~~August 31, 1982~~, provided that such work shall be completed within 180 days following entry of this order.

(4) ~~(5)~~ Any such well failing to be completed or recompleted within such time period shall be plugged and abandoned as provided above within 60 days following the <sup>close of said</sup> 180 day period. ~~provided herein.~~

(6) ~~(7)~~ 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.