CASE NO.

7686

APPlication, Transcripts, Small Exhibits,

ETC.

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

November 8, 1932

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

Energetics Corporation F. O. Box 1596 Lovington, New Mexico 88260		CASE NO. ORDER NO	7686 • R-7121		
	i	Applican	t:		
		OCD	(Energet	ics Corp	oration)
Dear Sir:					
Enclosed herewith are two copi Division order recently entere					,
Yours very truly, JOE D. RAMEY Director					
DIT ec cor		· .			
JDR/fd					
Copy of order also sent to:					
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Other_U. S. Fidelity & Guaranty	y Co.				:

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

CASE NO. 7686 Order No. R-7121

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT ENERGETICS CORPORATION, UNITED STATES FIDELITY AND GUARANTY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE HANES CORPORATION WELL NO. 1, LOCATED IN UNIT F OF SECTION 9, TOWNSHIP 24 SOUTH, RANGE 2 FAST, DONA ANA COUNTY, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 27, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>8th</u> day of November, 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 Energetics Corporation is the owner and operator of the Hanes Corporation Well No. 1, located in Unit F of Section 9, Township 24 South, Range 2 East, NMPM, Dona Ana County, New Mexico.
- (3) That United States Fidelity and Guaranty is the surety on the Oil Conservation Division plugging bond on which Energetics Corporation is principal.
- (4) That the purpose of said bond is to assure the state that the subject well will be properly plugged and abandoned when not capable of commercial production.
- (5) That in order to prevent waste and protect correlative rights said well should be plugged and abandoned in accordance with a program approved by the Santa Fe District Office of the New Mexico Oil Conservation Division on or before January 1, 1983, or the well should be returned to active drilling status or placed on production.

-2-Case No. 7686 Order No. R-7121

IT IS THEREFORE ORDERED:

- (1) That Energetics Corporation and United States Fidelity and Guaranty are hereby ordered to plug and abandon the Hanes Corporation Well No. 1, located in Unit F of Section 9, Township 24 South, Range 2 East, NMPM, Dona Ana County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before January 1, 1983.
- (2) That Energetics Corporation and United States Fidelity and Guaranty Company, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Santa Fe office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY, Director

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NEW MEXICO OIL CONSERVATION COMP

EXAMINER HEARING SANDA VE , NEW

Hearing Date OCTOBER

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2	MR. STAMETS: We'll call next Case 7686
3	in the matter of the hearing called by the Oil Conservation
4	Division on its own motion to permit Energetics Corporation,
5	United States Fidelity and Guaranty Company, and all other in-
6	terested parties to appear and show cause why the Hanes Cor-
7	poration Well No. 1 in Unit F of Section 9, Township 24 South,
8	Range 2 East, Dona Ana County, should not be plugged and aban-
9	doned in accordance with a Division-approved plugging program.
10	MR. PEARCE: May it please the Examiner
11	I am W. Perry Pearce, appearing in this matter on behalf of
12	the New Mexico Oil Conservation Division.
13	I have one witness who needs to be
14	sworn.
15	
16	(Witness sworn.)
17	
18	CARL ULVOG
19	being called as a witness and being duly sworn upon his oath,
20	testified as follows, to-wit:
21	
22	DIRECT EXAMINATION
23	BY MR. PEARCE:
24	Q. For the record would you state please

your name, your place of employment, and your place of resi-

4 2 dence, and your position of employment? Yes, sir. Carl Ulvog, Senior Geologist 3 λ. for the Oil Conservation Commission and Geothermal Inspector. đ 5 I'm stationed here in Santa Fe. And how long have you held this position, 6 Q. 7 Mr. Ulvoq? 8 Approximately ten years. 9 Have you in the course of that employ-Q. 10 ment previously testified before the Commission or one of 11 its Examiners and had your credentials made a matter of record? 12 A. I have. And does the Division -- the District 13 0. for which you are responsible include that part of Dona Ana 14 County where the well at issue in this case is located? 15 That is correct. 16 17 And do your duties include making re-Q. 18 commendations to the Division and Commission as to when wells 19 should be plugged and abandoned? 20 A. Yes, sir. 21 Q. And are you familiar with the subject 22 matter of Case 7686? 23 I am. A. 24 Will you briefly summarize for the Q. 25 Examiner what is the purpose of this case?

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Yes, sir. It is to determine whether or not this well should be plugged in accordance with New Mexico statutes.

And have you reviewed the well history of this record?

I have.

A,

And will you please summarize for the Q. Examiner the status of this well in issue?

Yes, sir. The well was drilled some-A. time previous to May 20th, 1981. There were no permits, no applications for permit, or any kind of papers filed with the Oil Conservation Division prior to that.

It was completed, however, on May 20th of 1981 -- 1980, pardon me. I had heard unofficially that this well had been drilled and met with -- and the well, incidentally, is known as the Energetics Corporation No. 1 Hanes Corporation Well, located in Unit F, Section 9, 24 South, and 2 East in Dona Ana County.

This well is located on property owned by the Hanes Corporation and I met with the Hanes officials at the L'Eggs Plant on November 18th, 1980, and at that time I learned of the arrangements that had been made for drilling the well, et cetera, et cetera, and of the Hanes Corporation rejection of using the well for any purpose.

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There was a one and one-half inch iron pipe suspended in an open, uncased hole, approximately nine inches in diameter at the surface, as I said, on one edge of the plant property.

Approximately 100 feet to possibly 120 feet to the northwest is a large electric motor and pump on an irrigation well. Somewhat further, approximately 500 feet to the south is another large irrigation well, which supplies both the plant with water for its use, and also, for irrigation purposes; a joint ownership type of well.

The nearest private irrigation well, about 100 - 150 feet away, is identified by the State Engineer's Office as LRG-489, and has an official depth of 232 feet.

The combination L'Eggs water well plant and irrigation well is identified by the State Engineer as LRG-486. It's 510 feet deep.

The water quality of both of these wells is approximately equal and is rated potable.

On November 20th, 1980, the Energetics Corporation was notified that the Oil Conservation Division had knowledge of the foregoing, and we knew about the irrigation wells, and so on and so forth, the well had not been permitted, and so on.

On November 25th, 1980, I advised the

Energetics Corporation that they must file all the forms required, including bonds, and so on, and at that time I advised that the well could not be abandoned as it was equipped; it would have to be cased or plugged, and it would have to be done in accordance with the Conservation Division's requirements.

After considerable correspondence and telephone calls, the proper forms were eventually obtained as of June 1, 1981, C-101, 102, and so on, and according to these forms, and other information previously acquired, the well is 1,890 feet deep. It was drilled with a 6-inch bit, and has the 1-1/2 inch iron pipe suspended to total depth; otherwise, the hole is open.

On the first inspection, November 18th, 1980, neither of the two nearby water wells were being pumped and it was apparent that water was standing in the annulus of the Energetics well at approximately 25 feet.

A later inspection, February 17th,

1981, found both of the irrigation wells being pumped at high
rate, and the water level in the subject well was much lower,
possibly below 200 feet, although the caving at the open hole
prevented reaching the water by sounding.

Yesterday, October 26th, 1982, I met with the L'Eggs Plant Manager. We jointly inspected the well

and again it was established the Hanes Corporation does not want the well for any purpose; desires to have it plugged and the location restored, because it is a nuisance and so on.

The well is located beside the road that used by service vehicles; trucks hauling raw materials into the plant and finished products out; by employees going to and from a parking lot.

Yesterday's inspection found the surface hole has eroded, or caved to approximately three feet in diameter. The timbers from which the 1-1/2 inch iron pipe was initially suspended have sunk to where they no longer support the pipe, and at approximately five feet from the surface the hole is about twelve inches wide by eighteen inches long, and appears to be that size from there on down, as far as I could determine with a flashlight.

That's the condition of the well.

In your opinion, Mr. Ulvog, what is the possible result of failure to adequately plug this well at this time?

The cause, perhaps, of not only pollution of the shallow water, but possibly even a loss from the upper water zone, due to other porous intervals that were encountered by this well. And I have here a diagram and pictures which will show you the condition of the well, possible water

zones, and this was the earlier picture of the surface of thewell. Of course, now, as I say, the hole is caved where those

4 timbers are falling into it.

radioactivity logs, and that sort of thing, run in the hole. I have not been able to get them, but I have gotten an analysis of them, which is shown on that illustration, and according to those logs, and according to the driller, with whom I've conversed, there was caving in those zones; there was lost circulation in those zones, and so on, to substantiate the log information that suggests very porous zones from which waters could be coming up the hole in contact with the fresh water, or if not water there, then water from the upper zones could be lost to those zones.

At this time, Mr. Ulvog, are you prepared to recommend a plugging program for this well, or would you prefer that the actual description of a plugging program be delayed until the actual time of plugging?

A. I am prepared. I have recommended a plugging program on August 31st, 1981, to Energetics Corporation, to several different contractors, on at least three different occasions, and again to the Energetics Corporation on two more occasions, and it's identical with the program that I have in mind right now.

10 2 Q. Would you describe that plugging pro-3 gram? 4 Yes, I will. A. 5 The option to either cement the hole 6 from total depth to the surface or, to place plugs, minimum 7 plugs, to be placed at 1,660 to 1,530; from 900 feet to 800 feet; from 500 feet to 340 feet; and a top plug with a marker. Ω Do you have anything further to add in 10 this matter? 11 No, sir. A. 12 MR. PEARCE: Mr. Examiner, the witness 13 presented to you a previously taken photograph of the well, 14 along with the schematic diagram. If it meets with the ac-15 ceptance of the Examiner, I would like to have those marked 16 as Exhibits One and Two, respectively, and subsequently substi 17 tute copies of those documents for the originals presently 18 in the Examiner's possession. 19 MR. STAMETS: That's fine. They will 20 be accepted with those provisions -- provisos. 21 MR. PEARCE: With that in mind, I move 22 the admission of the exhibits and we have nothing further on 23 direct at this time. 24

MR. STAMETS:

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The exhibits are admitted.

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3	CROSS EXAMINATION
4	BY MR. STAMETS:
5	Q Mr. Ulvog, with the location of the
6	well being such as it is, is this perhaps an area where we
7	should not require the standard surface marker?
8	A. Yes. I would think that could be dis-
9	pensed with, although in the past I have approved plugging of
10	similar type wells that would be an obstruction by a plate
11	being embedded in the concrete with the location shown by
12	welding on the plate and that be embedded in the concrete at
13	approximately the surface of the ground. That way the well
14	can always the location can always be found again, if ne-
15	cessary.
16	MR. STAMETS: Any other questions of
17	the witness? He may be excused.
18	Anything further in this case?
19	MR. PEARCE: No.
20	MR. STAMETS: The case will be taken
21	under advisement.
22	If there is nothing further, the hearing
23	is adjourned.
24	

(Hearing concluded.)

CERTIFICATE

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.

Saly W. Boyd CSR

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Oil Conservation Division. Exemple.

SALLY W.
Rt. 1.
Santa Fe, No. 1.

1 2 STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 29 September 1982 5 EXAMINER HEARING 6 7 IN THE MATTER OF: 8 The hearing called by the Oil Conservation Division on its own motion to 9 permit Energetics Corporation, United States Fidelity and Guaranty Company, CASE 10 at al, to appear and show cause why 7686 a certain well in Dona Ana County, New Mexico should not be plugged and aban-11 doned in accordance with a Divisionapproved plugging program. 12 13 Richard L. Stamets BEFORE: 14 15 TRANSCRIPT OF HEARING 16 17 APPEARANCES 18 19 For the Oil Conservation W. Perry Pearce, Esq. Legal Counsel to the Division Division: 20 State Land Office Bldg. Santa Fe, New Mexico 87501 21 22 For the Applicant: 23 24 25

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MR. STAMETS: The hearing will please come to order.

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Call first this morning Case 7686, in the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energetics Corporation, U. S. Fidelity and Guaranty Company, and other interested parties to appear and show cause why the Hanes Corporation Well No. 1 should not be plugged and abandoned.

MR. PEARCE: May it please the Examiner, I am W. Perry Pearce, appearing in this matter on behalf of the New Mexico Oil Conservation Division, and we request that this matter be continued until the hearing presently scheduled for October the 27th, 1982.

MR. STAMETS: Case 7686 will be continued to October 27th.

(Hearing concluded.)

CERTIFICATE

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.

Saly W. Boyd Core

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7686, heard by me on 2-29 19.87

icher d. Stann , Examiner

Oil Conservation Division

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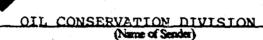
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BRUCE KING GOVERNOR LARRY KEHOE SECHETARY

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

December 3, 1982

POST OFFICE BOX 2088 STATE LAND OFFICE BUX.0:NG SANTA FE, NEW MEXICO 87501 (505) 827-2424

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Dale Clark Energetics Corporation 833 East Arapahoe Road Suite 202 Richardson, Texas 75081

> Re: Energetics Corporation, Hanes Corporation Well No. 1-F, Sec. 9, T-24-S, R-2-E, Dona Ana County

Dear Mr. Clark:

For the past several months the Oil Conservation Division has been attempting to cooperate with you to cause the above-referenced well to be properly plugged and abandoned. Since the Division has been unsuccessful in having Energetics Corporation voluntarily cause the appropriate plugging procedures to be performed upon this well, the Division proceeded with its noticed and scheduled hearing on the forced plugging of this well. Attached to this letter is a copy of the order entered at that hearing which order requires Energetics Corporation and/or its bonding company, United State Fidelity and Guaranty Company, to plug the subject well. You will note that by the terms of this order, this well must be properly plugged or brought into production on or before January 1, 1983.

Thank you for your prompt attention to this matter.

Sincerely,

JOE D. RAMEY, Director

JDR/WPP/dr



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY December 3, 1982

POST OFFICE BOX 2009 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 15031 887-2434

CERTIFIED - RETURN RECEIPT REQUESTED

U. S. Fidelity & Guaranty Co. P. O. Box 3566
Albuquerque, New Mexico 87190

Energetics Corporation
Hanes Corporation Well
No. 1-F, Sec. 9, T-24-S,
R-2-E, Dona Ana County
Bond No. 01-0130-10807-819

Gentlemen:

Attached please find a letter with enclosures which was recently sent to Energetics Corporation involving the subject well and subject bend. Please be advised that should Energetics fail to properly plug the referenced well and fully comply with its responsibilities prior to January 1, 1983, the New Mexico Oil Conservation Division will cause this well to be plugged and will look to United States Fidelity & Guaranty Company on its bonding obligation.

Sincerely,

JOE D. RAMEY, Director

JDR/WPP/dr

enc.

Dockets Nos. 35-82 and 36-82 are tentatively set for November 10 and November 23, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY = OCTOBER 26, 1982

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

CASE 7656: (Continued from September 22, 1982, Commission Hearing)

Application of Cities Service Company for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to the provisions of Section 70-2-17 C, NMSA, 1978 Comp., and Paragraph (5) of Divsion Order No. R-6781, seeks a determination of reasonable well costs for two wells drilled under the provisions of said Order No. R-6781 by Doyle Hartman on lands pooled by said order.

Docket No. 34-82

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 27, 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:

CASE 7703: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cortez Corporation, United States Fire Insurance Company and all other interested parties to appear and show cause why the Fair Well No. 1, located in Unit D of Section 24, Township 18 South, Range 26 East, Eddy County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7638: (Continued from October 13, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cibola Energy Corporation, American Employers Insurance Company and all other interested parties to appear and show cause why the Simms Ranch Well No. 1, located in Unit N, Section 9, the Clyde Berlier Well No. 1, located in Unit K and the Clyde Berlier Well No. 2, located in Unit F, both in Section 21, the Mora Ranch Well No. 3 located in Unit M and the Mora Ranch Well No. 4 located in Unit M, both in Section 5, all in Township 21 North, Range 21 East, Mora County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7686: (Coutinued from September 29, 1982, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Energetics Corporation, United States Fidelity and Guaranty Company, and all other interested parties to appear and show cause why the Hanes Corporation Well No. 1, located in Unit F of Section 9, Township 24 South, Range 2 East, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7710: Application of Getty Oil Company for a unit agreement, Sierra County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the West Elephant Butte Unit Area, comprising 25,968 acres, more or less, of State, Federal, and fee lands in Townships 12 and 13 South, Ranges 4 and 5 West.

CASE 7704: Application of Mesa Petroleum Co. for an unorthodox well location, Chaves County, New Mexico.

Applicant, in the above-etyled cause, seeks approval of an unorthodox location 158 feet from the South line and 2055 feet from the East line of Section 33, Township 5 South, Range 25 East, Undesignated Abo Pool, the SE/4 of said Section 33 to be dedicated to the well.

CASE 7705: Application of Johnson and Price for an unorthodox location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval of an unorthodox location 1500 feet from the North line and 1980 feet from the East line of Section 22, Township 15 South, Range 38 East, Medicine Rock-Devonian Pool, the W/2 NE/4 of said Section 22 to be dedicated to the well.

Application of Johnson and Price for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Devonian formation underlying the W/2 NE/4 of Section 22, Township 15 South, Range 38 East, to be dedicated to a well to be drilled at an unorthodox location 1500 feet from the North line and 1980 feet from the East line of said Section 22. 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 7693: (Continued from September 29, 1982, Examiner Hearing)

Application of Forister & Sweatt for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Southeast Chaves Queen Gas Area underlying the E/2 of Section 5, Township 13 South, Range 31 East, to be dedicated to a well to be drilled at an unorthodox location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof us 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 7707: Application of Yates Petroleum Corporation for salt water disposal, Chaves 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 4,009 feet to 4,217 feet in its Champlin "UL" Federal

Well No. 1 located in Unit F of Section 12, Township 8 South, Range 31 East.

CASES 7708 and 7709: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.

Applicant, in each of the following cases, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas provation 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 the unit 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 7708: NE/4 Section 9, Township 5 South, Range 24 East

CASE 7709: SE/4 Section 22, Township 6 South, Range 25 East

CASE 7711: Application of Julian Ard for the amendment of Bivision Order No. R-6903, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6903 which said order pooled all mineral interests in the Morrow formation underlying the E/2 of Section 23, Township 20 South, Range 33 East, to provide that all of the Wolfcamp and Pennsylvanian formations would be pooled thereunder.

CASE 7681: (Continued and Readvertised)

Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a gas well for any formation down to and including the Ordovician formation to be drilled 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, with the NE/4 or the E/2 of said Section 13 to be dedicated to the well as appropriate.

CASE 7696: (Continued from October 13, 1982, Examiner Hearing)

Application of Arco Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian through Ellanburger formations underlying the E/2 of Section 31, Township 20 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 silocation 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.

CASES 7712, 7713, and 7714: Application of Sanders Oil & Gas Company for compulsory pooling, Chaves County, New Mexico.

Applicant, in each of the following cases, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the lands specified in each case, each 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 in each case will be the cost of drilling and completing the unit 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 7712: SE/4 Section 21

CASE 7713: SW/4 Section 21

CASE 7714: SE/4 Section 31

All in Township 8 South, Range 26 East.

1.

CASES 7528 and 7529: (Continued from September 29, 1982, Examiner Hearing)

Application of JJ-CC, Limited for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underling 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 7528: NH/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7667: (Continued from September 15, 1982, Examiner Hearing)

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 down through the Abo formation underlying the AW/4 of Section 4, Township 5 South, Range 24 East, to form a standard 160-acre gas spacing and protation 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 7652: (Continued from September 15, 1982, Examiner Bearing)

Application of Conoco, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco formation underlying all of partial Sections 34 and 35, Township 20 1/2 South, Range 23 East, underlying a previously approved 688-acre non-standard proration unit, to be dedicated to a well at a previously approved unorthodox location which is to be re-entered. Also to be considered will be the cost of re-entering said well and the allocation of the cost thereof as well as actual operating costs and charges for supervsion, designation of applicant as operator of the well and a charge for risk involved in re-entering said well.

CASE 7594: (Continued from August 18, 1982 Framiner Hearing)

Application of Harvey E. Yates Company for statutory unitization, Les County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing for the purposes of a secondary recovery project, all mineral interests in that portion of the Bone Spring formation described as the Carbonate unit between the first and second Bone Spring Sands underlying the Young Deep Unit, encompassing 560 acres, more or less, of Federal lands underlying portions of Sections 3, 4, 9 and 10, Township 18 South, Range 32 East.

Dockets Nos. 32-82 and 33-82 are tentatively set for Actaber 13 and Octaber 27, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

SOCKET: EXAMINER HEARING - NEWNESDAY - SEPTEMBER 29, 1982 9 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

- CASE 7686: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Emergetics Corporation, United States Fidelity and Guaranty Company, and all other interested parties to appear and show cause why the Hanes Corporation Well No. 1, located in Unit F of Section 9, Township 24 South, Range 2 East, Don Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7687: Application of Amoco Production Company for salt water disposal, Union County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to dispose of produced sult water into the Glorieta formation in the perforated interval from 1718 feet to 1780 feet in its former State FI Well No. 2 (2034 362P) located 660 feet from the South line and 1320 feet from the East line of Section 36, Township 20 North, Range 34 East.
- CASE 7388: Application of Mountain States Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the North and East lines of Section 19, Township 15 South, Range 28 East, Buffalo Valuey-Penn Gas Pool, the N/2 of said Section 19 to be dedicated to the well.
- Application of Tesoro Petroleum Corporation for a tertiary oil recovery project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Hospah Sand Unit Waterflood Project to a polymer-augmented waterflood and, pursuant to Section 212.78 of the U.S. Department of Energy Regulations and Section 4993 of the Internal Revenue Code, seeks certification of said project as a qualified tertiary oil recovery project.
- Application of C & K Petroleum, Inc. for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the E/2 SW/4 of Section 27, Township 16 South, Range 37 East, Casey-Strawn Pool, 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 7679: (Continued from September 15, 1982, Examiner Hearing)

Application of C & K Petroleum, Inc. for the amendment of Order No. R-4857-A and for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4857-A to provide that the lands pooled by said order shall be the W/2 SE/4 of Section 27, Township 16 South, Range 37 East, dedicated to its Shipp 27 Well No. 2 located in Unit O in said Section 27. Applicant, further seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 SE/4 of the aforesaid Section 27, to be dedicated to a well to be drilled in Unit ? of said Section 27. 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 7680: (Continued and Readvertised)

Application of Unichem International, Inc. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit the commercial disposal of produced brine into several unlined surface pits located in Section 2, Township 23 South, Range 29 East.

CASE 7691: Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico.
Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota
Pool underlying the W/2 of Section 5, Township 24 North, Range 9 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 7692: Application of Forister & Sweatt for an unorkhodox well location, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval of an unorthodox location 990 feet from the North line and 1650 feet from the fast line of Section D, Township 13 South, Range 31 East,

 Southeast Chaves Queen Gas area, the E/2 of said Section 5 to be dedicated to the well.
- CASE 7693: Application of Forister's Sweatt for compulsory pooling, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Southeast Chaves Queen Gas Area underlying the E/2 of Section 5, Township 13 South, Range 31 East, to be dedicated to a well to be drilled at an unorthodox 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 of applicant, as operator of the well and a charge for risk involved in drilling said well.
- CASE 7681: (Continued from September 15, 1982, Examiner Hearing)

Application of Gibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Ordovician gas well to be drilled 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South. Range 27 East, the E/2 of said Section 13 to be dedicated to the well.

CASE 7682: (Concinued from September 15, 1982; Examiner Hearing)

Application of Cibola Energy Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Mississippian gas well drilled 330 feet from the North line and 330 feet from the West line of Section 34, Township li South, Range 28 East, the W/2 of said Section 34 to be dedicated to the well.

Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico.

Applicant, in each of the following two cases, seeks an order pooling all mineral interests from the surface 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 7694: NW/4 Section 21; and

CASE 7695: NE/4 Section 21

Both in Township 5 South, Range 25 East.

CASE 7696: Application of Arco Oil and Gas Company for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian through Ellenburger formations underlying the 2/2 of Section 31, Township 20 South, Range 36 East, to be dedicated to a well to be drilled at a standard Incation 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.

CASES 7528 and 7529: (Continued and Readvertised)

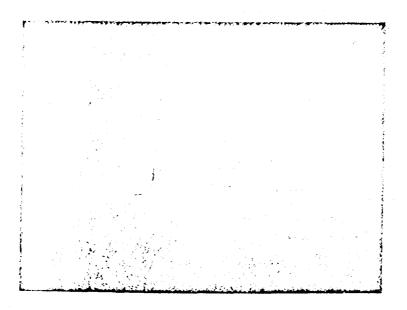
Application of JJ-CC, Limited for compulsory pooling, Chaves County, New Mexico. Applicant, in each of the following two cases, seeks an order pooling all mineral interests down through the Abo formation underlying the lands specified in each case, each to form a standard 160-acre gas spacing and protation 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 7528: NW/4 Section 4, Township 5 South, Range 24 East

CASE 7529: NE/4 Section 4, Township 5 South, Range 24 East

CASE 7697: Application of Oxoco Production Corp. for designation of a tight formation, San Juan County, New Mexico.

Applicant, in the above-styled cause, seeks the designation of the Mesaverde formation underlying Sections 7, 8, 17, 18, 19 and 20, Township 32 North, Range 8 West, containing 3160 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Cas Policy Act and 18 CFR Section 271.701-705.



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Gara H Vade



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR LARRY KEHDE SECRETARY

July 20, 1981

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

Energetics Corporation 833 E. Arapaho Road Suite 202 Richardson, Texas 75081

Attention: Mr. Bryan D. Kaiser

Gentlemen:

All necessary forms have been received for your Hanes Corporation Well No. 1 located in Unit F of Section 9, Township 24 South, Range 2 East, Dona Ana County, New Mexico. It also appears that all testing that will be done has been done at this time and that the well should be plugged and abandoned.

Please forward, as soon as possible, form G-103 showing your proposed plugging program on this well. Also, please indicate when you intend to commence the plugging and abandoning work.

Yours very truly,

JOE D. RAMEY Director

JDR/fd

cc: Carl Ulvog

George Scudella

P 331 614 771

RECEIPT FOR CERTIFIED MAR.

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

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STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS FOSTAGE. CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

- if you want this receipt postmarked, stick the gummed stub on the left portion of the addices side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
- 2. If you do not want this receipt postmarked, stick the guitimed stub on the left portion of the address side of the article, date idetach and refain the receipt, and mail the article.
- if you want a return receipt, write the certified mail number and your name and address on a return receipt card. Form 3811, and attach it to the front of the article by means of the gunnied ends if spapermist. Otherwise, affor to back of article. Endorse front of article RETURN RECEIPT REQUESTED adjacent to the number.
- it you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse RESTRICTED BELIVERY on the front of the article.
- Enter rees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
- 6. Save this receipt and present if it you make inquiry.

≈GPO: 1980 331-003



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

September 20, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87101
(503) 827-2434

CERTIFIED - RETURN RECEIPT REQUESTED

Energetics Corporation P. O. Box 1596 Lovington, New Mexico 88260

U. S. Fidelity & Guaranty Co. P. O. Box 3566
Albuquerque, New Mexico 87190

Re: Hanes Corporation Well No. 1, located in Unit F of Section 9, Township 24 South, Range 2 East, Dona Ana County Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, September 29, 1982, at 9 o'clock a.m. in Morgan Hall, State Land Office Building, Santa Fe, New Mexico. Case 7686 concerns the above captioned subject matter.

Sincerely,

W. PERRY PEARCE General Counsel

WPP/fd enc.



BRUCE KING LARRY KEHOE SECRETARY

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

June 10, 1981

POST OFFICE BOX 2089 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Cas 7656

Energetics Corporation P. O. Box 1596 Lovington, New Mexico 88260

Edicated for Lierann

Attention: Jackie J. Fuson

\$2,000 One-Well Low-Temperature Re:

Geothermal Well Bond

Energetics Corporation, Principal

United States Fidelity and Guaranty Company, Surety Sec. 9, T-24-S, R-2-E

Bond No. 01-0130-10807-81-9

Gentlemen:

The Oil Conservation Division hereby approves the above-referenced geothermal bond effective this date.

Sincerely,

JOE D. RAMEY, Director

dr/

cc: Oil Conservation Division Artesia, New Mexico

U. S. Fidelity & Guaranty Co.

P. 0. Box 3566

Albuquerque, New Mexico 87190

W. 52/

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

CASE NO. 7686 Order No. R-7121

BA

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT ENERGETICS CORPORATION,
UNITED STATES FIDELITY AND GUARANTY COMPANY, AND ALL OTHER
INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE HANES
CORPORATION WELL NO. 1, LOCATED IN UNIT F OF SECTION 9, TOWNSHIP
24 SOUTH, RANGE 2 EAST, DONA ANA COUNTY, SHOULD NOT BE PLUGGED
AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING
PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 27, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of November, 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 Energetics Corporation is the owner and operator of the Hanes Corporation Well No. 1, located in Unit F of Section 9, Township 24 South, Range 2 East, NMPM, Dona Ana County, New Mexico.
- (3) That United States Fidelity and Guaranty is the surety on the Oil Conservation Division plugging bond on which Energetics Corporation is principal.
 - (4) That the purpose of said bond is to assure the state that the subject well will be properly plugged and abandoned when not capable of commercial production.

IT IS THEREFORE ORDERED:

- (1) That Energetics Corporation and United States Fidelity And Guaranty are hereby ordered to plug and abandon the Hanes Corporation Well No. 1, located in Unit F of Section 9, Township 24 South, Range 2 East, NMPM, Dona Ana County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before January, 1983.
- (2) That Energetics Corporation and United States Fidelity and Guaranty Company, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Santa Fe office of the date

and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

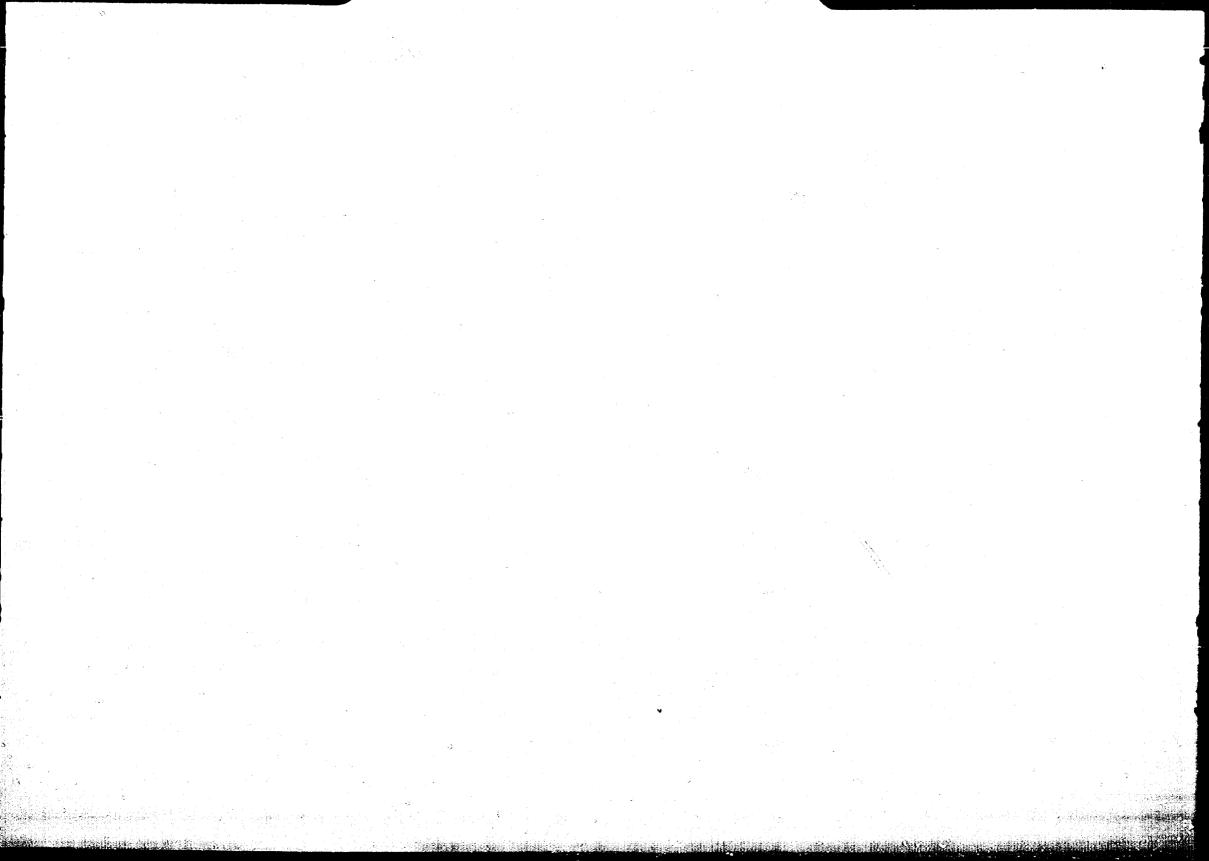
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY,
Director

SEAL



DOCKET MAILED