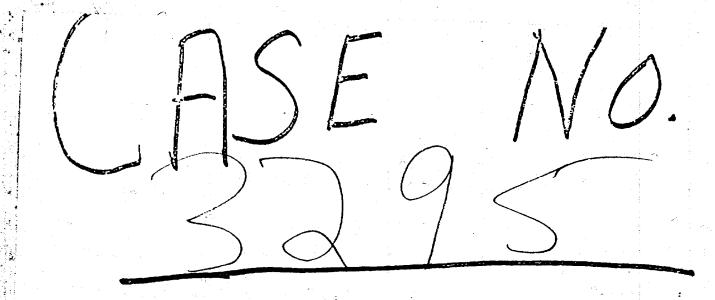
CAUE 3295: Hearing on motion of OCC. Permit W.C. POWERS & J. E. MARSHALL to plug well.



APPlication,
Transcripts,
SMAIL Exhibits
ETC.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico September 22, 1965

EXAMINER HEARING

IN THE MATTER OF: In the matter of the hearing called by the Oil Conservation Commission on) its own motion to permit W.C. Powers and J.E.) Marshall, dba Powers Marshall Company, and all other interested parties to show cause why the Powers-Marshall Company Well No. 1, a/k/a the)
W. Perry Smith Well No. 1 located in the NW/4) Case No. SE/4 of Section 34, Township 21 North, Range 30 East, Harding County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

3295

D. S. NUTTER- Chief Engineer BEFORE:

TRANSCRIPT OF HEARING



P.O. BOX 10

MR. NUTTER: We'll call the next Case, Number 3295
which is the matter of the hearing called by the Oil Conservation
Commission on it's own motion to permit W.C. Powers and J.E.
Marshall, doing business as Powers Marshall Company, and all
other interested parties to show cause why the Powers-Marshall
Company Well No. 1, a/k/a the W. Perry Smith Well No. 1 located
in the NW/4 SE/4 of Section 34, Township 21 North, Range 30 East,
Harding County, New Mexico, should not be plugged in accordance
with a Commission-approved plugging program.

MR. DURRETT: If the Examiner, Please, Jim Durrett

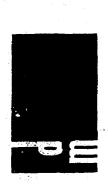
MR. DURRETT: If the Examiner, Please, Jim Durrett appearing on behalf of the Commission and it's Staff and I'll have one witness, Mr. Kapteina.

JAMES E. KAPTEINA

called as a witness herein, having been first duly sworn on oath, was examined and testified as follows:

BY MR. DURRETT:

- Q Please state your name and position for the record?
- A James E. Kapteina, Petroleum Engineer, New Mexico Oil Conservation Commission.
- Q Are you the supervisor of District 4 of the Commission Mr. Kapteina?
 - A Yes, sir.
- Q Are you familiar with the well known as the W.C. Powers and J.E. Marshall, Powers Marshall Company Well Number 1, which



dearniey-meier reporting service, inc.

CIALIZING IN. DEPOSITIONS, HEARINGS, STATE MENTS, EXPERT TESTIMONY, DAILY COPY, CONVEN-SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-669] • AISUQUERQUE, NEW MEXICO is also known as the W. Perry Smith Well Number 1 and located in the Northwest Quarter, Southeast Quarter of Section 34, Township 21 North, Range 30 East in Harding County?

- A Yes, sir, I am.
- Q Is that well located as I have described it?
- A Southwest Quarter, wasn't it, Northwest Quarter or Northwest Quarter?
- Q Northwest Quarter of the Southeast Quarter of Section 34.
 - A Could I see that Well File, please?
- Q Mr. Kapteina, I hand you here, what purports to be a Well File, and ask you if that is the Commission's Official Well File concerning this well?
 - A Yes, sir, it is.
- Q Will you please refer to that file and state to the Examiner the exact location of that well?
- A 190 feet from the South line and 1980 feet from the East line.
- Q Would that be in the Northwest Quarter of the Southeast Quarter?
 - A That's correct, yes, sir.
- Q Of Section 34,21 North, 30 East, is that correct, in Harding County?
 - A Yes, sir.



dearnley-meier reporting service, inc.

SIMMS BLDG. . P.O. BOX 1092 . PHONE 243-6691 . ALBUQUEROUE, NEW MEXICO PIER NATIONAL BANK EAST . PHONE 256-1784. A ALBUQUEROUE, NEW MEXICO

Q Now, referring to that well file, Mr. Kapteina, will you please state to the Examiner when that well was drilled from the Commission's records?

A The form C-101, Notice of Intention to Drill, is dated April 13, 1954, approved April 19, 1954.

Q According to your file and the official reports filed therein, Mr. Kapteina, who was the operator that drilled that well?

A Powers Marshall Company, and the form is signed by Mr. W.C. Powers, partner, Colorado Springs, Colorado.

Q Now, was that well completed, Mr. Kapteina, according to your information you have in the file?

A Yes, sir, it was completed as a CO well.

Q As a CO_2 well?

A Yes, sir.

Q What was the approximate date of the completion?

A June 7, 1954.

Q Have you had any production reported from that well?

A No, sir, we have no production reported from this well.

Q And you have never had any production reported from that well, is that correct?

A That's correct.

Q When was the last report that you received concerning the well, indicating that there was any activity other than just



completion?

A This is by record. The last report we have on this well is by letter of June 24, 1954 from the Paul Revere Life Insurance Company, Worcester, Massachusetts, and William C. Powers Agency, Supervisor, Colorado Springs, and it states that the well had been completed to a total depth of 1980 feet and the well was not connected at that time due to the fact that the carbon dioxide plant of Timmons was shut down waiting equipment for the plant.

- Q And from that date in 1954 you have received no further correspondence or reports, is that correct?
 - A That's correct.
- Q Would you please refer to your file and inform the Examiner the manner in which this well is completed? What's the total depth and the casing, from your records?
- A The total depth is 1980 feet, 5 3/4 s casing set to depth of 1857 feet. Cemented by Halliburton with 325 sacks. It was then, the well was then, I believe it was shot with the 50 pounds of dynamite on June 2, 1954, from 1870 to 1890 and the well was shut-in and the surface pressure was 625 pounds.
- Q And this well was capable of producing CO₂ as far as we know from our reports, is that correct?
 - A That's correct.
 - Q Is it your opinion, Mr. Kapteina, that this well had



been abandoned?

- A Yes, it is.
- Q You're basing that opinion upon your Official Well File and the reports filed therein?
- A That's right and also the fact that he, W.C. Powers or Marshall cannot be located.
- Q And have you attempted to contact him or has the Oil Conservation Commission attempted to contact Mr. Powers or the Company?
- A Yes, sir, I believe on two occasions, and both letters were returned undelivered.
- Q Do you have a suggested plugging program, Mr. Kapteina for this well?
 - A Yes, sir, I have.
 - Q Would you please give that to the Examiner?
- A The well needs a 50 sack plug from 1980 to 1606 feet; from 1606 to 375 filled with heavy mud; at 375 feet to the surface with 50 sack plug, and a regulation marker errected in the cement at the surface.
- Q Is it your opinion, Mr. Kapteina, that the plugging program that you have recommended will confine the oil, gas, and other hydrocarbons in water to the strata in which they were originally contained?
 - A Yes, sir.



- Q And do you feel that the adoption of this plugging program and an order ordering this well to be plugged will prevent waste and protect correlative rights?
 - A Yes, sir, I do.

MR. DURRETT: If the Examiner please, that will conclude my examination of Mr. Kapteina.

MR. NUTTER: Thank you.

CROSS-EXAMINATION

BY MR. NUTTER:

- Q Mr. Kapteina, this is in the vicinity of the old Timmons Carbon Dioxide Plant, is that correct?
 - A Yes, sir, that is correct.
 - Q Is that Plant in operation at the present time?
 - A No, it isn't.
 - O Are any wells in the vicinity producing carbon dioxide?
- A Not in the immediate vicinity of Timmons' Plant.

 There are in the area. There are the other CO₂, that's the Adams

 Magahee operation and Carbonic Chemical, I believe, in the area

 still operating.
 - Q By area, what distance away would that be.
- A Well, some of the Adams Magahee wells are within a mile of the Timmons' plant.
 - Q And they are producing?
 - A Yes, sir, they are.



- Q What plants do they go into, Carbonic Chemicals?
- A No, they have their own plant.
- Q They have their own plant?
- A Yes.
- Q Has this well ever produced at all?
- A We have no report of this well having ever been produced.
- Q It was supposed to have been produced into the Timmons Plant but Timmons Plant was never reactivated?
 - A That's right.
- Q And as I understand your plugging program, you'd use cement from the surface to 375 and mud from 375 to 1606 and cement from 1606 to the total depth?
 - A That's correct.
 - Q And set a marker?
 - A Right.

MR. NUTTER: Does anyone have any questions of Mr. Kapteina? He may be excused. Does anyone have anything they wish to offer in Case 3295?

MR. DURRETT: We would like to ask the Examiner to take administrative notice of the Commission's Well File and contents therein.

MR. NUTTER: I'll take notice. If there's nothing further in Case 3295 we'll take that Case under advisement and



call Case 3304.

STATE OF NEW MEXICO COUNTY OF BERNALILLO)

I, ADA DEARLNEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 28th day of September, 1965.

Notary Public-Court Reporter.

My Commission Expires June 19, 196/

I do hereby certify that the foregoing is a complete record of the proceedings in the Exesteer hearing of Case No. 3245

lies Moxico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION CONMISSION ON ITS OWN MOTION TO PERMIT W. C. POWERS AND J. E. MARSHALL, DBA POWERS MARSHALL COMPANY, AND ALL OTHER INTERESTED PARTIES TO SHOW CAUSE WHY THE POWERS-MARSHALL COMPANY WELL NO. 1, A/K/A THE W. PERMY SMITH WELL NO. 1 LOCATED IN THE NW/4 SE/4 OF SECTION 34, TOWNSHIP 21 MORTH, RANGE 30 BAST, HMPM, HARDING COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE No. 3295 Order No. R-2970

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 22, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of October, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises.

FINDS !

- (1) That due public notice having been given as required by law, the Coumission has jurisdiction of this cause and the subject matter thereof.
- (2) That W. C. Powers and J. E. Marshall, dba Powers
 Marshall Company, are the owners and operators of the PowersMarshall Company Well No. 1, also known as the W. Perry Smith
 Well No. 1, located in the HW/4 SE/4 of Section 34, Township 21
 Worth, Range 30 East, HMPM, Harding County, New Mexico.
- (3) That the subject well has been abandoned and should be plugged in order to confine permanently all oil, gas, carbon dioxide, and water in the separate strata originally containing them and to otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That W. C. Powers and J. E. Marshall, dba Powers
Marshall Company, are hereby ordered to plug the Powers-Marshall

-2-CASE No. 3295 Order No. R-2970

Company Well No. 1, also known as the W. Perry Smith Well No. 1, located in the NW/4 SR/4 of Section 34, Township 21 North, Range 30 East, NMPM, Harding County, New Mexico, in accordance with the following minimum plugging requirements:

- 1. Set a 50-sack cement plug at total depth.
- 2. Set a 50-sack cement surface plug.
- 3. Fill the interval between plugs with mud weighing not less than ten pounds per gallon.
- 4. Set in the surface plug a regulation steel marker not less than four inches in diameter and extending at least four feet above mean ground level.
- (2) That W. C. Powers and J. E. Marshall, dba Powers
 Marshall Company, shall complete plugging operations on or before
 Movember 1, 1965, and shall notify the District Supervisor, District 4, Oil Conservation Commission, Santa Fe, New Mexico, of
 the exact date and time plugging operations are to commence.
- entry of such further orders as the Commission may deem necessary.

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

TATE OF NEW MEXICO TL COMEREVATION CONCLESS!

JACK M. CAMPBELL, Chairman

GUYTON B. BAYS. Member

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

esr/

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING

CALLED BY THE CIL CONSERVATION

COMMISSION OF NEW MEXICO FOR

THE PURPOSE OF CONSIDERING:

CASE No. 3295

Order No. R-Z IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT W. C. POWERS AND J. E. MARSHALL, DBA POWERS MARSHALL COMPANY, AND ALL OTHER INTERESTED PARTIES TO SHOW CAUSE WHY THE POWERS-MARSHALL COMPANY WELL NO. 1, A/K/A THE W. PERRY SMITH WELL NO. 1 LOCATED IN THE NW/4 SE/4 OF SECTION 34, TOWNSHIP 21 NORTH, RANGE 30 EAST, NMPM, HARDING COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for boung at 9 o'clock a.m. on September 22, 1965, at Sant New Mexico, before Examiner Daniel S. Nutter

NOW, on this day of Sestember, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That W. C. Powers and J. E. Marshall, dba Powers

 Marshall Company, are the owners and operators of the PowersCompany

 Marshall/Well No. 1, also known as the W. Perry Smith Well No. 1,
 located in the NW/4 SE/4 of Section 34, Township 21 North, Range

 30 East, NMPM, Harding County, New Mexico.
- and should be plugged in order to confine permanently all oil,

 Carbon Aligida
 gas, and water in the separate strata originally containing them
 and to otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That W. C. Powers and J. E. Marshall, dba Powers

Marshall Company, are hereby ordered to plug the Powers-Marshall

Company Well No. 1, also known as the W. Perry Smith Well No. 1, located in the NW/4 SE/4 of Section 34, Township 21 North, Range 30 East, NMPM, Harding County, New Mexico, in accordance with the following minimum plugging requirements:

- 1. Set a **50** -sack cement plug at total depth.
- 2. Sot a ____ sack cement plug at ____ feet.
- 2. Set a **D**-sack cement surface plug.
- 3. Fill the interval between plugs with mud weighing not less than ten pounds per gallon.
- Set in the surface plug a regulation steel marker not less than four inches in diamater and extending at least four feet above mean ground level.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

- 2 - AUGUST 25, 1965 EXAMINER HEARING

CASE 3299: Application of Sinclair Oil & Gas Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order No. R-2268-A which authorized the expansion of applicant's Keel-West Waterflood Project, Township 17 South, Range 31 East, Grayburg Jackson Pool, Eddy County, New Mexico, in four stages; applicant seeks said amendment to permit the commencement of Stage IV prior to the completion of Stage III.

CASE 3269 (Continued from the June 30th Examiner Hearing):

Application of Shell Oil Company for an amendment to Order R-2182, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to the special pool rules for the Henshaw-Wolf-camp Pool, Eddy County, New Mexico, as promulgated by Order R-2182 and Order R-2182-B, to include a provision for a gas-oil ratio limitation of 6,000 to 1.

CASE 3271 (Continued from the June 30th Examiner Hearing):

Application of Shar-Alan Oil Company for the creation of a new pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Gallup-Mesaverde Gas Pool for its Rosa Unit Well No. 49 located in Unit M of Section 27, Township 31 North, Range 4 West, Rio Arriba County, New Mexico, which well is perforated in the Gallup formation from 6895 feet to 7025 feet, and the Mesaverde formation from 6115 feet to 6275 feet.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 25, 1965

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 3295:

CASE 3294: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Harold J. Sechler, dba S. & S. Oil Producers, and all other interested parties to show cause why the Bond Well No. 1 located in the SW/4 NE/4 of Section 17, Township 9 North, Range 14 West, Valencia County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. C. Powers and J. E. Marshall, dba Powers Marshall Company, and all other interested parties to show cause why the W. Perry Smith Well No. 1 located in the NW/4 SE/4 of Section 34, Township 21 South, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 3296: Application of Pan American Petroleum Corporation for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in its Horton Well No. 31 located in Unit M of Section 29, Township 8 South, Range 35 East, Milnesand-San Andres Pool, Roosevelt County, New Mexico.

CASE 3297: Application of Southland Royalty Company for a dual completion and salt water disposal authority, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion of its J. D. Guye Well No. 5 located in Unit N of Section 12, Township 11 South, Range 33 East, Lea County, New Mexico, to produce oil from the Inbe-Pennsylvanian Pool through 2 7/8 inch tubing set in 5 1/2 inch casing and to dispose of produced salt water into the San Andres formation through the intermediate casing annulus.

CASE 3298: Application of Sunray DX Oil Company for the creation of an oil and gas pool and for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Todd-San Andres Oil and Gas Pool in Sections 22 through 28 and Sections 34 through 36, Township 7 South, Range 35 East, and Sections 30 and 31, Township 7 South, Range 36 East, Roosevelt County, New Mexico. Applicant further seeks the promulgation of temporary special pool rules, including a provision for 80-acre oil proration units and 320-acre gas proration units; applicant also requests a provision for limiting withdrawals from gas cap wells to the volumetric equivalent of wells in the oil portion of the reservoir. Applicant further requests an administrative procedure to permit the transfer of allowables among wells on the same lease while conducting pressure interference tests.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 22, 1965

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 3294: (Continued from the August 25 and September 8, 1965 Examiner Hearings)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Harold J. Sechler, dba S.& S. Oil Producers, and all other interested parties to show cause why the Bond Well No. 1 located in the SW/4 NE/4 of Section 17, Township 9 North, Range 14 West, Valencia County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 3295: (Continued and Readvertised from the August 25th Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. C. Powers and J. E. Marshall, dba Powers Marshall Company, and all other interested parties to show cause why the Powers-Marshall Company Well No. 1, a/k/a the W. Perry Smith Well No. 1 located in the NW/4 SE/4 of Section 34, Township 21 North, Range 30 East, Harding County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

- CASE 3304:

 Application of Amerada Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Warren-McKee Unit Area comprising 1800 acres, more or less, of Fee lands in Township 20 South, Range 38 East, Lea County, New Mexico.
- CASE 3305: Application of Amerada Petroleum Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Warren-McKee Unit by the injection of water into the McKee formation through four wells located in Sections 7 and 8, Township 20 South, Range 38 East, Warren-McKee Pool, Lea County, New Mexico.
- CASE 3306: Application of Amerada Petroleum Corporation for a dual completion and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Fred Turner, Jr., "A" Well No. 2 located in Unit K of Section 18, Township 20 South, Range 38 East, Lea County, New Mexico, to produce oil from the Skaggs Grayburg-San Andres Oil Pool and gas from the Eumont Gas Pool through 1 1/2 inch tubing and through the casing-tubing annulus respectively. Applicant further seeks the creation of a 320-acre non-standard Eumont gas proration unit comprising the SE/4 NW/4, S/2 NE/4, NE/4 SW/4, N/2 SE/4, and SE/4 SE/4 of Section 18, and the NE/4 NE/4 of Section 19, all in Township 20 South, Range 38 East, Lea County, New Mexico, to be dedicated to said well.

- CASE 3307: Application of Arwood Stowe & Company for the creation of a pool, special pool rules, and a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the creation of an oil pool for Mesaverde production in Section 33, Township 18 North, Range 3 West, Sandoval County, New Mexico, and the establishment of special pool rules governing well spacing of less than 40 acres and special well locations; or in the alternative, for the extension of the San Luis-Mesaverde Pool to include portions of said Section 33. Applicant further seeks authority to institute a waterflood project in said Section 33 by the injection of water into the Mesaverde formation through four wells.
- CASE 3308: Application of Continental Oil Company for an administrative procedure, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an administrative procedure whereby low marginal production from dually completed Gallup-Dakota oil wells in Rio Arriba County, New Mexico, may be commingled in the well bore by means of a dual-flow downhole choke assembly.
- CASE 3309: Application of Consolidated Oil & Gas, Inc. for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its McIntyre Well No. 1 at an unorthodox location 1730 feet from the North line and 1450 feet from the West line of Section 11, Township 26 North, Range 4 West, Rio Arriba County, New Mexico. Said well is planned as a Mesaverde-Dakota dual completion.
- CASE 3310:

 Application of Cima Capitan, Inc., Ryder-Scott Management Company, Stallworth Oil and Gas Company, and Newmont Oil Company for a waterflood project, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to conduct a cooperative water flood project by the injection of water into the Grayburg-San Andres formations through 16 injection wells to be drilled at unorthodox locations in Sections 25 and 36, Township 16 South, Range 30 East, and Sections 30, 31 and 32, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico.
- CASE 3311: Application of Martin Yates III & S. P. Yates for the creation of an oil pool and for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of an oil pool for Seven Rivers production in Section 12, Township 20 South, Range 26 East, Eddy County, New Mexico, and the establishment of special pool rules governing well spacing of less than 40 acres and special well locations.
- CASE 3312: Application of Sinclair Oil & Gas Company for a non-standard unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4 of Section 18 and the NE/4 of Section 19, Township 23 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Duthie-Andrews Well No. 1 located 1980 feet from the South and East lines of said Section 18.

OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

Date 9/23/65

CASE NO. 3295

My recommendations for an order in the above numbered case(s) are

the Powers-Marshall Co where ho!

See 34 T 21 N R 30 E Harding Co

When he flugged in accordance with

Clean at & program

So sasks or clear from 1980's

Amed Meany much (at least 10 #/gal)

approximately 375' to surface

Regulation marker 4"x 41' at surface

Clean location, clear of junt.

Staff Member

GOVERNOR JACK M. CAMPBELL CHAIRMAN

State of New Mexico

Bil Conservation Commission

LAND COMMISSIONER GUYTON B. HAYS MEMBER



P.O.BOX 2088 SANTA FE

May 14, 1965

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

LEGAL DIVISION PHONE 827-2741

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. W. C. Powers and Mr. J. E. Marshall dba Powers-Marshall Co. 326 Independence Building Colorado Springs, Colorado

Hanover Insurance Company 111 John Street New York, New York Mr. W. C. Powers Powers-Marshall Co. Bueyeros, New Mexico

Re: W. Perry Smith Well No. 1, NW/4 SE/4 of Section 34,
Township 21 South, Range 30 East, NMPM, Harding County,
New Mexico
Massachusetts Bonding and Insurance Company, One-Well
Plugging Bond No. 75993

Gentlemen:

Mr. J. E. Kapteina, Engineer and Inspector, District 4, Oil Conservation Commission, Santa Fe, has advised this office that the above well has been abandoned for a considerable length of time and should be plugged or placed on production in the near future.

If satisfactory arrangements to plug the well or place it back on production have not been made with Mr. Kapteina by June 14, 1965, the Commission will docket a case to require that the well be plugged in accordance with a Commission-approved plugging program.

Very truly yours,

J. M. DURRETT, Jr.

Special Assistant Attorney General

JMD/esr

cc: Mr. J. E. Kapteina
Engineer and Inspector, District 4
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

GOVERNOR

JACK M. CAMPBELL

CHAIRMAN

State of New Mexico

Bil Conservation Commission

LAND COMMISSIONER GUYTON B. HAYS MEMBER



P. O. BOX 2088 SANTA FE

May 14, 1965

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

LEGAL DIVISION PROME 827-2741

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. W. C. Powers and Mr. J. E. Marshall dba Powers-Marshall Co. 326 Independence Building Colorado Springs, Colorado

Manover Insurance Company 111 John Street New York, New York Mr. W. C. Powers Powers-Harshall Co. Bueyeros, New Mexico

Ne: W. Perry Suith Well No. 1, MW/4 SE/4 of Section 34, Township 21 South, Range 30 East, MM2M, Harding County, New Mexico Massachusetts Bonding and Insurance Company, One-Well Flugging Bond No. 75993

Gentleman:

Mr. J. B. Kapteina, Engineer and Inspector, District 4, Oil Conservation Commission, Santa Fe, has advised this office that the above well has been abandoned for a considerable length of time and should be plugged or placed on production in the near future.

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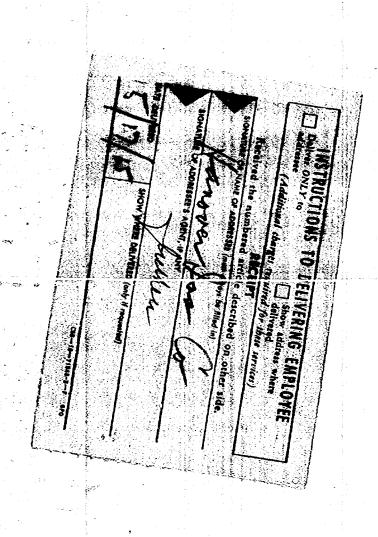
Very truly yours,

J. M. DURRETT, Jr.

Special Assistant Attorney General

JMD/esz

cc: Mr. J. E. Kapteina
Engineer and Inspector, District 4
Oil Conservation Commission
F. O. Box 2088
Santa Fe, New Mexico



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RECEIPT FOR SERTIFIED MAIL—206

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

LUGAL DIVISION PROME \$27-2741

May 14, 1965

CEMPIFIED - RETURN RECEIFT REQUESTED

Mr. W. C. Powers and Mr. J. E. Marshell Ma Powers-Harshell Co. 326 Independence Building Colorado Springs, Colorado

Mr. W. C. Powers Pewers-Marshall Co. Benyeros, Hew Mexico

Hamever Insurance Company 111 John Street New York, New York

> Re: W. Perry Smith Well No. 1, MM/4 SE/4 of Section 34, Township 21 South, Range 30 East, MMPM, Harding County, New Mexico Nassachusetts Bonding and Insurance Company, One-Well Plugging Bond No. 75993

Soutlemen:

servation Commission, Santa Fe, has advised this office that the above well has been abandoned for a considerable length of time and should be plugged or placed on production in the near future.

If satisfactory arrangements to plug the well or place it back on production have not been made with Mr. Kapteina by June 14, 1965, the Commission will docket a case to require that the well be plugged in accordance with a Commission-approved plugging program.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JID/ees

cc: Mr. J. E. Kapteina Engineer and Inspector, District 4 Oil Conservation Commission P. O. Box 2088 Santa Fe. New Mexico Pewers - Waranall Co. W. Perry Smith Stell "1 NW14 SE/K Sic 34, T215, R30E, NMPM Harding County, NM. To be plugged as follows: Coment Ply / 1800' to TD (1980')
Fill to 200' of heavy mud
200' to surface of coment
Exist regulation 4" x 4' marker in coment Call lips Swrety Co to plug well. Swrety is may breate peratre Alexand letter to . W.C. Powers + & E. marshall dba Powers marshall Co. 326 Andependree Building Colo Apringo Colo W.C. Pawers - formers marshall Co. Bueyeros, new prepio massachusette Bonking and Onomerce Co (address from Coye Comm)



May 18, 1965

NEW YORK, N. Y. 10038

Mr. J. M. Barrett Jr. Spec. Asst. Attorney General Oil Conservation Commission Legal Division State of New Mexico

Re: Claim 7037 - Bd. MSC 722266
W. Perry Smith Well #1, NW/4 SE/4 of Section 34,
Township 21 South, Range 30 East, NMPM, Harding
County, New Mexico

Dear Mr. Barrett:

Thank you for sending us a copy of your letter of May 14, addressed to Powers-Marshall Co.

We are at this time attempting to contact Powers-Marshall Co. and you can rest assured that we will give this matter our prompt and immediate attention.

Very truly yours,

J. A. Harvey, Atty. Surety Claim Dept.

JAH: tmb

DOCKET MAILED

Date 8-12-6

INCORPORATED 1852

Memo Secretary activation S. E. KAPTEINA
Remark Secretary
Remark Secretary My Che Co. St. 7218 Harding Co. 11. M.

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO

August 12, 1965

VIA AIR MAIL

The Hanover Insurance Group 111 John Street New York, New York 10038

Attention: Mr. J. A. Harvey, Attorney, Surety Claim Department

Re: Claim 7037 - Bd. MSC 722266
W. Perry Smith Well No. 1, NW/4 SE/4
of Section 34, Township 21 South, Range
30 East, NMPM, Harding County, New Mexico

Gentlemen:

I am enclosing a copy of the docket of the Examiner Hearing that will be held on Wednesday, August 25, 1965, at 9 a.m., in the Oil Conservation Commission Conference Boom, State Land Office Building, Santa Fe, New Mexico. Case No. 3295 concerns the Massachusetts Bonding and Insurance Company One-Well Plugging Bond No. 75993.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure

OIL CONSERVATION COMMISSION P. O. BOX 954 2088 SANTA FE. NEW MEXICO

LEGAL DIVISION PROME 827-2741

September 1, 1965

The Hanover Insurance Group 111 John Street New York, New York 10038

Attention: Mr. J. A. Harvey, Attorney Surety Claim Department

> No: Claim 7037 - Bd. MSC 722266 W. Perry Smith Well No. 1, WW/4 SE/4 of Section 34, Township 21 South, Range 30 East, NHPM, Harding County, New Mexico

Gentlemen:

At the Examiner Mearing on Wednesday, August 25, 1965, Case No. 3295 concerning the Massachusetts Bonding and Insurance Company One-Well Plugging Bond No. 75993 was continued due to an error in advertising the case for hearing. The case will be readvertised and heard at an Examiner Hearing on Wednesday, September 22, 1965.

We will forward a copy of the September 22, 1965, docket to you prior to the hearing.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JW/esr

OIL CONSERVATION COMMISSION P. O. BOXXXXI 2088 SANTA FE. NEW MEXICO

LEGAL DIVISION PHONE 627-2741

September 10, 1965

The Manover Insurance Group 111 John Street New York, New York 10038

Attention: Mr. J. A. Marvey, Attorney Surety Claim Department

No: Claim 7037 - Bd. MBC 722266
W. Perry Smith Well No. 1, NM/4 SE/4
of Section 34, Township 21 South, Range
30 East, NMPM, Harding County, New Mexico

Gentlemen:

Reference is made to our letter of September 1, 1965, regarding the subject matter and Case No. 3295.

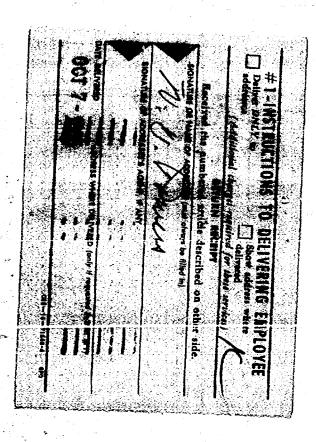
I am enclosing a copy of the docket of the September 22, 1965, Examiner Hearing.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure





RECEIPT FOR CERTIFIED MAIL OF TOP STATE OF THE POWERS OF T

OIL CONSERVATION COMMISSION

P. O. SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

October 5, 1965

VIA AIR MAIL CERTIFIED - RETURN RECEIPT REQUESTED

Mr. W. C. Powers
P. O. Box 10
Colorado Springs, Colorado

Re: Case No. 3295 Order No. R-2970

Dear Mr. Powers:

As we discussed during our telephone conversation on September 30, 1965, I am enclosing a certified copy of the above order concerning plugging of the Powers-Marshall Company Well Mo. 1.

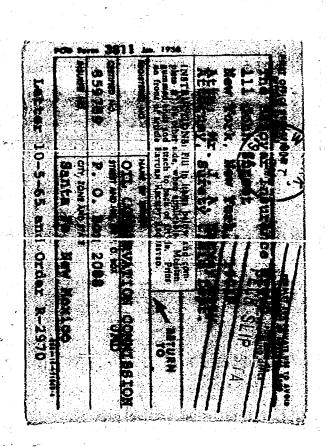
Please note that plugging operations must be completed on or before Movember 1, 1965, and that the District Supervisor, District 4, Oil Conservation Commission, Santa Fe, New Mexico, must be notified of the exact date and time plugging operations are to commence.

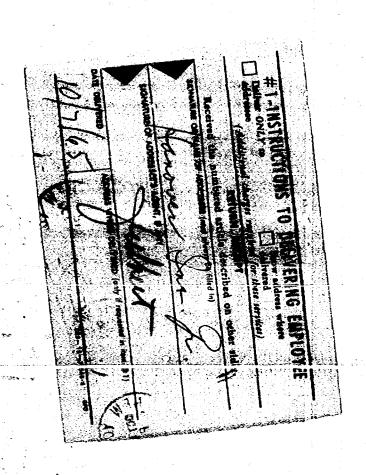
Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure

CC: Mr. J. E. Kapteina
Supervisor, District 4
Oil Conservation Commission
D. O. Box 2088
Santa Fe, New Mexico





RECEIPT FOR CERTIFIED MAIL—206

RECEIPT FOR CERTIFIED MAIL—206

STREET AND THE Hanover Insurance Groupging

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ON NATURE WYORK, New York 10038

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OIL CONSERVATION COMMISSION

P. O. SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

October 5, 1965

VIA AIR MAIL CHRTIPING - RHTURN RECEIPT REQUESTED

The Manover Insurance Group 111 John Street New York, New York 10038

Attention: Mr. J. A. Harvey, Attorney Surety Claim Department

Re: Claim 7037 - Bd. MSC 722266

Powers-Marshall Company Well Mo. 1, also known as the W. Perry Smith Well Mo. 1, MW/4 SE/4 of Section 34, Township 21 Morth, Range 30 East, MMPM, Harding County, New Mexico

Gentlemen:

I am enclosing a certified copy of Order No. R-2970 which requires the above well to be plugged on or before November 1, 1965.

Mr. Powers called me from Colorado Springs on September 30, 1965, concerning this case. I have today forwarded a certified copy of Order No. R-2970 to Mr. Powers. He advised me that his address is P. O. Box 10, Colorado Springs, Colorado.

OIL CONSERVATION COMMISSION P. O. TOTAL BOX 2008 SANTA FE, NEW MEXICO

-2-

October 5, 1965

The Hanover Insurance Group 111 John Street New York, New York 10038

Attention: Mr. J. A. Harvey, Attorney Surety Claim Department

I am, by copy of this letter, requesting the District Supervisor, District 4, Oil Conservation Commission, Santa Fe, New Mexico, to forward a list of plugging contractors to you and to Mr. Powers.

Very truly yours.

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure

CC: Mr. J. E. Rapteina
Supervisor, District 4
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO

LEGAL DIVISION PEOME 827-2741

September 20, 1965

The Hanover Insurance Group 111 John Street New York, New York 10038

Attention: Mr. J. A. Harvey, Attorney Surety Claim Department

Re: Claim 7037 - Bd. MSC 722266

Powers-Marshall Company Well No. 1, also known as the W. Perry Smith Well No. 1, NW/4 5E/4 of Section 34, Township 21 North, Range 30 East, HMPM, Harding County, New Mexico

Gentlemen:

we have your letter of September 14, 1965. Please accept our apology for neglecting to enclose a copy of the September 22, 1965, Examiner Hearing docket. I am enclosing a copy of the docket herewith. As I advised Mr. Harvey by telephone, Case Mo. 3295 will be heard on September 22, 1965, and a copy of the order will be forwarded to you following the hearing. If the Commission orders the well plugged, we will also forward a list of plugging contractors for your convenience.

In May, 1965, we forwarded letters by certified mail to Mr. W. C. Powers and Mr. J. E. Marshall, dba Powers Marshall Company, 326 Independence Building, Colorado Springs, Colorado, and to Mr. W. C. Powers, Powers Marshall Company, Bueyeros, New Mexico. These letters were returned unclaimed. We have no other address concerning your principal.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure Memo

From

JAMES M. DURRETT.

GENERAL COUNSEL

9-20-65

Tharvey Delivered

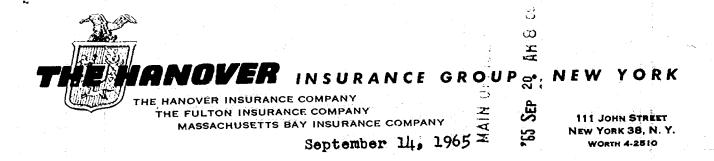
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Mr. J. M. Durrett, Jr.
Special Assistant, Attorney General
Legal Division
State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: W. Perry Smith Well No. 1, NW/4 Se/4 Section 34, Township 21 South, Range 30 East, NMPM, Harding County, New Mexico Claim 7037

Dear Mr. Durrett:

We have your letter of September 10, 1965 in which you stated you were enclosing a copy of the Docket of September 22, 1965, Examiner Hearing. However, there was no enclosure in your letter and we would appreciate your sending us a copy of the Docket at this time.

It is our understanding that our Principal is Powers Marshall Company and we are wondering if you have made any effort to make collection from them? Do you by any chance have the address of Powers Marshall Company?

Very truly yours,

A. Harvey, Atty. Surety Claim Dept.

JAH: tmb

P. O. SOLUTION COMMISSION P. O. SOLUTION BOX 2002 SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

October 14, 1965

The Hanover Insurance Group 111 John Street New York 38, New York

Attention: Mr. John A. Harvey, Attorney Surety Claim Department

> Re: Powers-Marshall Company Well No. 1, HW/4 SR/4, Section 34, Township 21 Worth, Range 30 Rast, HMPM, Harding County, New Mexico

Gentlemen:

We have your letter of October 7, 1965, concerning the above well and Commission Order No. R-2970. When Mr. Powers called me concerning Case No. 3295, he mentioned most of the matters contained in your letter of October 7th; however, he did not state that the well had been plugged, and it is our understanding that the well is not plugged.

It is our position that Powers-Marshall Company, as the operator of this well, is responsible to the State of New Mexico to properly plug the well in accordance with the Commission's Rules and Regulations regardless of whether or not the well has been sold to another individual unless the purchaser has assumed operation of the well, so notified the Commission, and has a plugging bond on file with the Commission. Our records reflect that Powers-Marshall Company is

OIL CONSERVATION COMMISSION P. O. TOTAL BOX 2028 SANTA FE, NEW MEXICO

-2-

October 14, 1965

The Hanover Insurance Group 111 John Street Maw York 38, New York

Attention: Mr. John A. Harvey, Attorney Surety Claim Department

the operator of this well. We have not received a notice of change of operator and therefore must proceed against Powers-Marshall Company and your company under the plugging bond.

Mr. Kapteina will forward a list of plugging contractors to you in the immediate future.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

Jim/esr

CC: Mr. J. H. Kapteina Supervisor, District 4 Oil Conservation Commission P. O. Box 2088 Santa Pe, New Mexico



THE FULTON INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY

October 7, 1965

111 JOHN STREET NEW YORK 38, N. Y. WORTH 4-2810

J.M. Durrett, Jr., Esq.
Special Assistant Attorney General
Legal Division
State of New Mexico
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico

Dear Mr. Durrett:

Re: W. Perry Smith Well No. 1 N.W/4, S.E/4, Section 34, Township 21 South, Range 30 East, N.MP.M, Harding County, New Mexico Claim #7037

This is to acknowledge receipt of your Certified letter of 10/5/65 enclosing a copy of The Order of The Commission ordering the above well to be capped.

We also recently heard from Mr. Powers in which he advised:

1. This well has already been plugged. It has an 8" valve in accordance with New Mexico specifications for wells of this type. Actually, it is a producing well, having been rated by the Colorado Interstate Gas Co. of some 3,000,000 cu. feet.

2. This well is located on a piece of property which was sold at public auction and Powers never received notice. Powers says further he never received a tax notice and he feels the land and the well legally belong to the individual who bought the property at public auction. He is of the opinion that any attempt to cap this well would result in a law suit by the now legal owner.

In your letter of 10/5/65 you state Powers was in touch with you. Did he bring up the points which I have mentioned in this letter? Is there any merit in these contentions? Naturally, we, Powers-Marshall and I am sure the State of New Mexico, would not desire being parties to a suit by the present owner of the property.

Would you please let us know your reactions? We will await further word from you. I note that you are in the process of obtaining for us a list of plugging contractors.

Very truly yours

JAH/1s

John A. Harvey, Attorney Surety Claim Department

INCORPURATED 1852

July

TENNIE MAE PATTERSON

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VIOLA ANDRADA

SPECIAL MASTER'S DEED

BILLY FRANK HARLAN

9:20

SEAL

This indenture made and entered into at Bueyeros, Harding County, New Mexico, by and between Lynn Crosthwait,

Special Master, and Billy Frank Herlan; WITNESSETH:

WHEREAS, Gavenda Brothers did file suit on a promissory

* note in which Gavenda Brothers was Plaintiff and Timmons

*

* Carbonic Company, et al, were defendants, and

* WHEREAS, in said suit it was determined that Reeves and

* Chilcote had a mortgage against Timmons Carbonic Company's

******************************** minerals hereinafter described, and

WHEREAS, said mortgage was determined to be a first lien against said minerals and judgment entered against said Timmons Carbonic Company, which judgment foreclosed the mortgage lien of Reeves and Chilcote upon Timmons Carbonic Company and the minerals hereinafter described, and ordered the undersigned Special Master to sell all the right, title and interest of said Timmons Carbonic Company in and to said minerals at public auction in order to satisfy said judgment and others, and

WHEREAS, pursuant to proper notice and in accordance with the judgment herein, a public auction was held June 7, 1958 at 3:00 o'clock p.m., at the plant site of Timmons Carbonic Company on Section Thirty-four (34), Township Twnety-one (21) North, Range Thirty (30) East, NMPM, Harding County, New Mexico, and said minerals struck-off and sold to Billy Frank Harlan, he having been the highest and best bidder therefor, and

WHEREAS, the time and place of said sale was duly advertised according to law, and WHEREAS, said sale under the direction of the undersigned was duly reported to the court and by the court confirmed, ratified, and approved, and the execution and delivery of a Special Master's Deed of conveyance to the purchaser authorized and directed,

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That, I, Lynn Crosthwait, the duly appointed Special Master herein, in consideration of the premises and the money so bid by Billy Frank Harlan, have granted, bargained, sold, and conveyed and by this do grant, bargain, sell, and convey to Billy Frank Harlan all of the right, title, and interest of Timmons Carbonic Company in and to the following described real property, to-wit:

All of the oil, gas, and other minerals in, under, and upon the Southeast Quarter (SE $_4^1$) North Half of the Southeast Quarter of the Northeast Quarter (N $_2^1$ SE $_4^1$ NE $_4^1$), Northeast Quarter of the Northeast Quarter (W $_2^1$ NE $_4^1$), East Half of the Northeast Quarter (W $_2^1$ NE $_4^1$), East Half of the West Half (E $_2^1$ W $_2^1$), and Southwest Quarter of the Southwest Quarter (SW $_4^1$ SW $_4^2$) of Section Twenty-six , (26), all of the Section Thirty-five (35), Southeast Quarter of the Southeast Quarter of the the Southeast Quarter (SE $_4^2$ SE $_4^1$), of Section Twenty-seven (27), East Half

of the East Half (e_2^1 e_2^1), West Half of the Southeast Quarter (W_2^1 SE $_4^1$), Southwest Quarter of the Northeast Quarter (SW_4^1 NE $_4^1$), and West Half (W_2^1) of Section Thirty-four (34), East Half of the West Half (E_2^1 W $_2^1$) of Section Twenty-eight (28), Township 21 North, Range Thirty (30) East, NMPM, Harding County, New Mexico;

Seven Eighths (7/8) of the oil, gas, and other minerals in, under, and upon the East Half (E2), and the East Half of the West Half ($(E_2^1W_2^1)$) of Section Thirty-three (33), West Half of the East Half ($(W_2^1E_2^1)$) of Section-Twenty-eight, Township Twenty-one (21) North, Range Thirty (30) East, NMPM, Harding County, New Mexico.

TO HAVE AND TO HOLD the same unto Billy Frank Harlan his heirs and assigns forever, subject, however, to be redeemed agreeably to the law in such case made and provided.

WITNESS my hand this 24th day of June, 1958.

/s/ Lynn Crosthwait Special Master

STATE OF NEW MEXICO)

(COUNTY OF HARDING)

The foregoing instrument was acknowledged before me this 24th day of June, 1958, by Lynn Crosthwait, as Special Master herein.

/s/ Jimmie Ray Hazen Notary Public

SEAL My commission expires: August 1, 1961.

(Documentary Stamps attached hereto in the amount of \$5.85 and cancelled L.C. - 6-24-58

MAIN OFFICE OF

765 OCT 13 PH 2 SE

TROTT, KUNSTLE AND O'LEARY

321 FIRST NATIONAL BANK BUILDING

BERNARD L.TROTT HOWARD J.KUNSTLE B.J.O'LEARY Colorado Springs, Colorado 80902 October 8, 1965

MAIN OF

'65 Oct 13 PH 2 5

Mr. J. M. Durrett, Jr. Special Assistant Attorney General P. O. Box 2088 Santa Fe; New Mexico

Re: Case No. 3295 Order No. R-2970

Dear Mr. Durrett:

Please be advised that this office has been retained by Mr. Powers to represent him in the above styled matter.

We are enclosing herewith a copy of a special master's deed which was executed and delivered to the Grantee named therein in June of 1958. We feel that because of this deed and the terms of the original lease that the Powers-Marshall Co. had with The Timmons Carbonic Co. any interests that the Powers-Marshall Co. may have had was terminated under and by virtue of this document in June of 1958.

There are other ramifications of this matter which we feel would preclude Mr. Powers from volunteering to plug the well in question.

I am this date by letter notifying the Hanover Insurance Group, the bonding company involved, of Mr. Powers' decision in this regard.

If I may be of any further assistance in any manner, please feel free to contact me at your earliest convenience.

Very truly yours,

B. J. O'Leary

BJO/ad Enc.



IANOVER INSURANCE GROUP . NEW YOR

THE HANOVER INSURANCE COMPANY
THE FULTON INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY

111 JOHN STREET NEW YORK, N. Y. 10038 WORTH 4-2510

October 19, 1965

AH 8

Mr. J. E. Kapteina Supervisor, District No. 4 Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico

> Re: Powers-Marshall Company #1, NW/4 SE/4 Section 34, Township 21 North, Range 30 East, NMPM, Harding County, New Mexico.

Dear Mr. Kapteina:

Thank you kindly for your letter of October 15, 1965. We very much appreciate your cooperation.

Very truly yours,

John A. Harvey, Attorney Surety Claim Department

JAH:cls

LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico

Gil Conservation Commission



P. O. BOX 2088 SANTA FE

October 15, 1965

The Hanover Insurance Group 111 John Street New York 38, New York

Attention: Mr. John A. Harvey

Re: Powers-Marshall Company #1, NW/4 SE/4 Section 34, Township 21 North, Range 30 East, NMPM, Harding County, New Mexico.

STATE GEOLOGIST

A. L. PORTER, JR. SECRETARY - DIRECTOR

Gentlemen:

A request has been made of this office to supply you with a list of drilling contractors that might be interested in a contract for plugging the subject well. There is one operator in the immediate vicinity of the well who may still have a rig and would possibly be interested in the operation; Mr. R. W. Adams, 1407 West 6th Avenue, Amarillo, Texas.

Below, is listed licensed water well drilling contractors who may be contacted concerning the work. They are the closest drilling contractors that this office is aware of.

E. R. Carter 1201 N. Abilene Portales, New Mexico H. D. Carter
DBA Carter Drilling Co.
205 N. M. Drive
Portales, New Mexico

The Hanover Insurance Group October 15, 1965

Louis Carter West Star Route Portales, New Mexico

D. C. Dial West Star Route Portales, New Mexico

Doyle R. Usrey 600 North Avenue J Portales, New Mexico James Davis 508 North Avenue A Portales, New Mexico

Irrigation Supply 301 East First Street Portales, New Mexico

Walter Watson 730 West 17th Lane Portales, New Mexico

Very truly yours,

J. E. KAPTEINA Supervisor, District #4

JEK/og cc: Mr. J. M. Durrett, Jr. Special Assistant Attorney General Santa Fe, New Mexico

OIL CONSERVATION COMMISSION P. O. SEX PROPERTY BOX. 2323 SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

October 14, 1965

Trott, Kunstle and O'Leary Attorneys at Law 321 First Mational Bank Building Colorado Springs, Colorado 80902

Attention: Mr. B. J. O'Leary

Ret Case No. 3295 Order No. R-2970

Gentlemen:

We have your letter of October 8, 1965.

If the provisions of Order No. R-2970 have not been fully complied with by November 1, 1965, the Commission will file suit against Powers-Marshall Company and The Hanover Insurance Group.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr

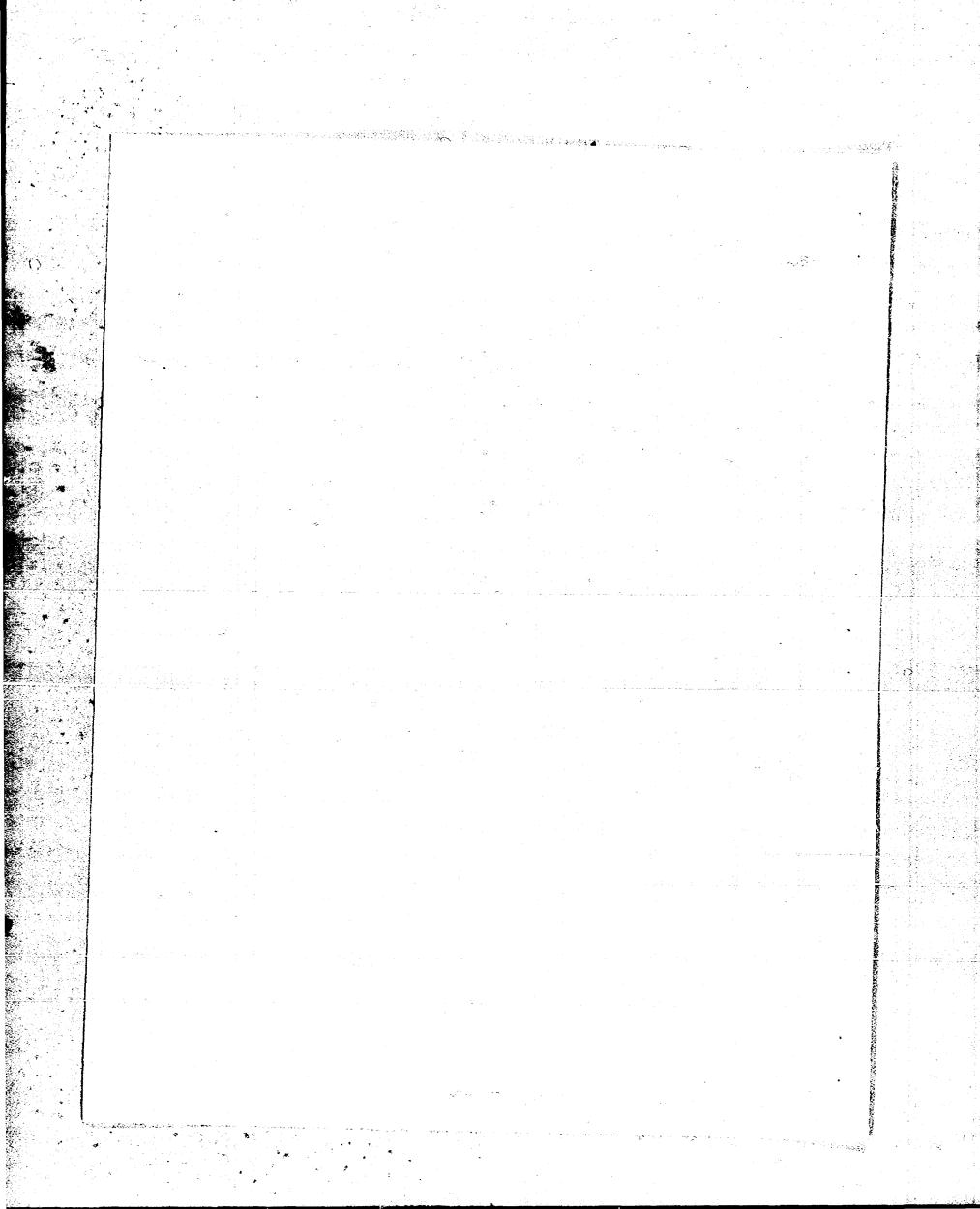
CC: The Hanover Insurance Group

111 John Street

New York 38, New York

Attention: Mr. John A. Harvey, Attorney

Surety Claim Department



MR. DURRETT: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. C. Powers and J. E. Marshall, dba Powers Marshall Company, and all other interested parties to show cause why the W. Perry Smith Well No. 1 located in the NW/4 SE/4 of Section 34, Township 21 South, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

MR. NUTTER: Do you have a witness in this case, Mr. Durrett?

MR. DURRETT: Yes, sir. The Commission will call Mr. James E. Kapteina.

(Witness sworn.)

JAMES E. KAPTEINA

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

DIRECT EXAMINATION

BY MR. DURRETT:

- Q Will you please state your name and position for the record?
- A James E. Kapteina, Petroleum Engineer for the New Mexico Oil Conservation Commission.
 - Q Mr. Kapteina, are you also a District Supervisor



for the Oil Conservation Commission?

- A Yes, sir, I am, District IV.
- Q Does that district include Harding County, New Mexico?
 - A It does.
- Q Are you familiar with the well known as the W. Perry Smith Well No. 1?
 - A I am.
- Q Is that well located in the Northwest Quarter of the Southeast Quarter of Section 34, Township 21 South, Range 30 East?
 - A 21 North, 30 East.

MR. DURRETT: Mr. Examiner, I would like to request at this time, in view of the witness's testimony, that the Examiner examine the Commission file in this matter to determine whether this advertisement advertised the well as being located in Township 21 South or 21 North. There may be an error there.

MR. NUTTER: We will call a three-minute recess.

(Whereupon, a recess was taken.)

MR. NUTTER: Mr. Durrett, it appears that the legal notice for Case No. 3295 is in error. I don't feel we have jurisdiction at this time in this case, so I believe that we will retain the same case number but will readvertise



the case and call it for hearing at a later date.

MR. DURRETT: We concur with the Examiner's ruling in this matter and agree that the case should be dismissed. MR. NUTTER: And your witness is excused. Thank you (Witness excused.)

STATE OF NEW MEXICO COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 2nd day of September, 1965.

Jela Dearnley NOTARY PUBLIC

My Commission Expires: June 19, 1967.

the Exerciser hearing of Case No. 3295, heard by me on 6/26, 1965. 011 Conservation Commission

I do hereby certify that the foregoing is a complete record of the proceedings in

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO

March 22, 1966

MEMORANDUM

TO:

MELL PILE

J. M. DURRETT, Jr., ATTORNEY

SUBJECT: POWERS-MARSHALL COMPANY WELL NO. 1, UNIT J, SECTION 34, TOWNSHIP 21 NORTH, RANGE 30 BAST

The attorney for Powers-Marshall Company has advised that this well was plugged on January 12, 1966, in accordance with Order No. R-2970-A. See OCC case file, Case 3295.

J. M. DURRETT, Jr.

DRAFT
JMD/esr
Nov. 18, 1965

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

THE PURPOSE OF MINISTERS OF THE TEARING OF THE OFFICE O



CASE No. 3295

Order No. R-2970-A

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT W. C. POWERS AND J. E. MARSHALL, DBA POWERS MARSHALL COMPANY, AND ALL OTHER INTERESTED PARTIES TO SHOW CAUSE WHY THE POWERS-MARSHALL COMPANY WELL NO. 1, A/K/A THE W. PERRY SMITH WELL NO. 1 LOCATED IN THE NW/4 SE/4 OF SECTION 34, TOWNSHIP 21 NORTH, RANGE 30 EAST, NMPM, HARDING COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

11-2261

BY THE COMMISSION:

de novo

This cause came on for hearing/at 9 o'clock a.m. on November 17 1965, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>day of November</u>, 1965, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That W. C. Powers and J. E. Marshall, dba Powers

 Marshall Company, are the operators of the Powers-Marshall Company

 Well No. 1, also known as the W. Perry Smith Well No. 1, located

 in the NW/4 SE/4 of Section 34, Township 21 North, Range 30 East,

 NMPM, Harding County, New Mexico.
- (3) That the subject well has been abandoned and is causing or will cause waste.
- (4) That the subject well should be plugged in order to confine permanently all oil, gas, carbon dioxide, and water in the separate strata originally containing them and to otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That W. C. Powers and J. E. Marshall, dba Powers
 Marshall Company, are hereby ordered to plug the Powers-Marshall
 Company Well No. 1, also known as the W. Perry Smith Well No. 1,
 located in the NW/4 SE/4 of Section 34, Township 21 North, Range
 30 East, NMPM, Harding County, New Mexico, in accordance with the
 following minimum plugging requirements:
 - 1. Set a 50-sack cement plug at total depth.
 - 2. Set a 50-sack cement surface plug.
 - 3. Fill the interval between plugs with mud weighing not less than ten pounds per gallon.
 - 4. Set in the surface plug a regulation steel marker not less than four inches in diameter and extending at least four feet above mean ground level.
- (2) That W. C. Powers and J. E. Marshall, dba Powers

 Marshall Company, shall complete plugging operations on or before

 December 15, 1965, and shall notify the District Supervisor, District 4. Oil Conservation Commission, Santa Fe, New Mexico, of

 the exact date and time plugging operations are to commence.
 - (3) That Order No. R-2970 is hereby superseded.
- (4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

DEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMBERVATION CONNISSION ON ITS OWN MOTION TO PERMIT W. C. POMERS AND J. E. MARSHALL, DEA POWERS MARSHALL COMPANY, AND ALL OTHER INTERESTED PARTIES TO SHOW CAUSE WHY THE POWERS-MARSHALL COMPANY WELL HO. 1, A/K/A THE W. PERRY SMITH WELL NO. 1 LOCATED IN THE HW/4 SR/4 OF SECTION 34, TOWNSHIP 21 MORTH, RANGE 30 EAST, HMPM, HARDING COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE No. 3295 Order No. R-2970-A

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing de novo at 9 o'clock a.m. on Mevember 17, 1965, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

MOW, on this 23rd day of Movember, 1965, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That W. C. Powers and J. E. Marshall, dba Powers
 Marshall Company, are the operators of the Powers-Marshall Company
 Well No. 1, also known as the W. Perry Smith Well No. 1, located
 in the NW/4 SE/4 of Section 34, Township 21 North, Range 30 East,
 MMPM, Harding County, New Mexico.
- (3) That the subject well has been abandoned and is causing or will cause waste.
- (4) That the subject well should be plugged in order to confine permanently all oil, gas, carbon dioxide, and water in the separate strata originally containing them and to otherwise prevent waste and protect correlative rights.

-2-CASE No. 3295 Order No. R-2970-A

IT IS THEREFORE ORDERED:

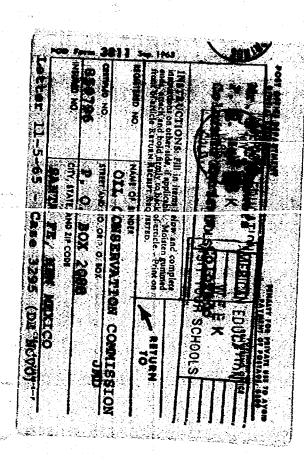
- (1) That W. C. Powers and J. E. Marshall, dba Powers
 Marshall Company, are hereby ordered to plug the Powers-Marshall
 Company Well No. 1, also known as the W. Perry Smith Well No. 1,
 located in the NW/4 SE/4 of Section 34, Township 21 North, Range
 30 East, MMPM, Harding County, New Mexico, in accordance with the
 following minimum plugging requirements:
 - 1. Set a 50-sack cement plug at total depth.
 - 2. Set a 50-sack cement surface plug.
 - Fill the interval between pluge with mud weighing not less than ten pounds per gallon.
 - 4. Set in the surface plug a regulation steel marker not less than four inches in diameter and extending at least four feet above mean ground level.
- (2) That W. C. Powers and J. H. Marshall, dba Powers
 Marshall Company, shall complete plugging operations on or before
 December 15, 1965, and shall notify the District Supervisor, District 4, Oil Conservation Commission, Santa Fe, New Mexico, of
 the exact date and time plugging operations are to commence.
 - (3) That Order No. R-2970 is hereby superseded.
- (4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

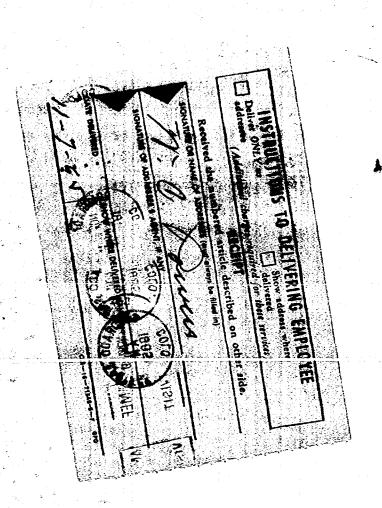
DOWN at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

M. CAMPBELL, Chairman

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





RECEIPT FOR CERTIFIED MAIL—206

STREET AND NO.

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OIL CONSERVATION COMMISSION 7. O. BOX 871 SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

November 5, 1965

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. W. C. Powers P. O. Box 10 Colorado Springs, Colorado

Dear Mr. Powers:

I am enclosing a copy of the docket of the Regular Hearing of the Commission which will be held on Wednesday, November 17, 1965, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico. Case 3295 (DE NOVO) concerns your Application for Hearing De Novo in Case No. 3295, Order No. R-2970.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure

Memo

Drom

JAMES M. DURRETT JR
GENERAL GOUNSEL

TO TO Zeary 11-17-65

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by lee 15, 1965.

Memo

JAMES M. DURRETT JR GENERAL COUNSEL

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They will plug w/in 7 days

11-17-65 7 F Jack O'Leary

Colo Springs

Docket No. 32-65

DOCKET: REGULAR HEARING - WEDNESDAY - NOVEMBER 17, 1965

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

ALLOWABLE:

- (1) Consideration of the oil allowable for December, 1965;
- (2) Consideration of the allowable production of gas for December, 1965, from thirteen prorated pools in Lea, Eddy, and Roosevelt Counties, New Mexico, and also presentation of purchasers nominations for said pools for the six-month period beginning January 1, 1966; consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for December, 1965.

CASE 3295 (DE NOVO):

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. C. Powers and J. E. Marshall, dba Powers-Marshall Company, and all other interested parties to show cause why the Powers-Marshall Company Well No. 1, A/K/A the W. Perry Smith Well No. 1 located in the NW/4 SE/4 of Section 34, Township 21 North, Range 30 East, NMPM, Harding County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program. Upon application by W. C. Powers, this case will be heard de novo under the provisions of Rule 1220.

CASE 3332: Southeastern New Mexico nomenclature case calling for an order for the creation of a pool and extension of certain pools in Lea County, New Mexico:

a) CREATE A new oil pool for Devonian production designated as the West Bronco-Devonian Pool. The discovery well is Ashmun & Hilliard, Maxwell No. 1, located in Unit F of Section 6, Township 13 South, Range 38 East, NMPM. Said pool described as:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM SECTION 6: NW/4

b) EXTEND the North Bagley-Lower Pennsylvanian Pool to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM SECTION 8: NE/4 SECTION 9: NW/4

c) EXTEND the North Bagley-Upper Pennsylvanian Pool to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM SECTION 15: SW/4

SECTION 13: SW/4 SECTION 16: S/2 SECTION 22: SW/4 d) EXTEND the Justis Gas Pool to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM SECTION 35: E/2

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM SECTION 2: NE/4

e) EXTEND the Justis-Blinebry Pool to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM SECTION 26: SE/4

f) EXTEND the Justis-Tubb Drinkard Pool to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

SECTION 26: SE/4

g) EXTEND the Lane-Wolfcamp Pool to include therein:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM SECTION 11: S/2

h) EXTEND the Lusk-Seven Rivers Pool to include therein;

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM SECTION 3: NE/4

OIL CONSERVATION COMMISSION

P. O. SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

November 24, 1965

VIA AIR MAIL

Mr. B. J. O'Leary Attorney at Law 321 First National Bank Building Colorado Springs, Colorado 80902

> Re: Case No. 3295 Order No. R-2970-A

Dear Mr. O'Leary:

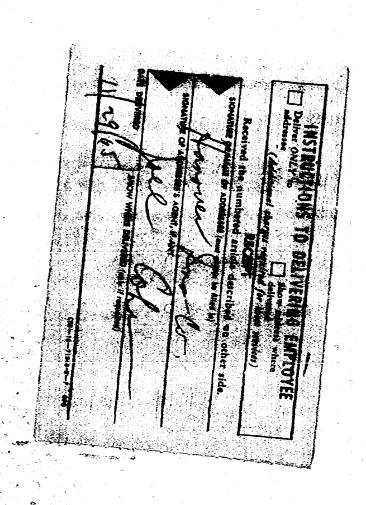
I am enclosing a copy of the above order which requires plugging of the Powers-Marshall Company well No. 1 on or before December 15, 1965.

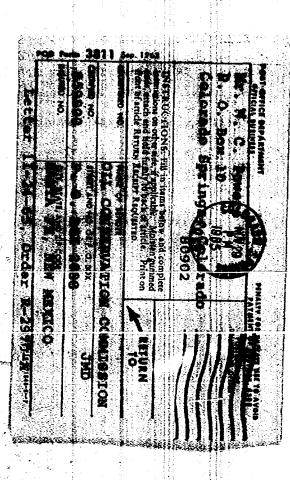
very truly yours,

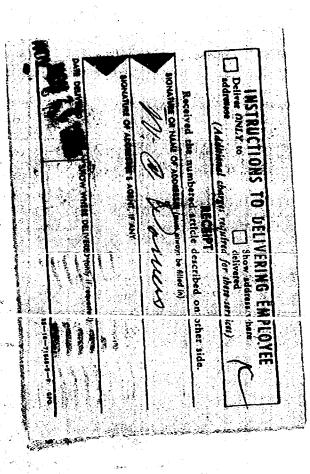
J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure









RECEIPT FOR CERTIFIED MAIL—206

SERT TO MY. W. C. POWERS

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OIL CONSERVATION COMMISSION

P. O. COLOR BOX 2089 SANTA FE, NEW MEXICO

> LEGAL DIVISION PHOME 827-2741

November 24, 1965

VIA AIR MAIL CERTIFIED - RETURN RECEIPT REQUESTED

Mr. W. C. Powers P. O. Box 10 Colorado Springs, Colorado 80902

> Re: Case No. 3295 Order No. R-2970-A

Dear Mr. Powers:

I am enclosing a certified copy of the above order. Please note that this order requires that plugging operations be completed on or before December 15, 1965, and that the District Supervisor, District 4, Oil Conservation Commission, Santa Fe, New Mexico, be notified of the exact date and time plugging operations are to commence.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure

CC: The Hanover Insurance Group 111 John Street New York, New York 10038 Attn: Mr. John A. Harvey, Attorney Surety Claim Department Mr. J. E. Kapteina Supervisor, District 4 Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico Memo

JAMES M. DURRETT JR

GENERAL COUNSEL

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JAMES M. DURRETT JR GENERAL GOUNSEL 12-21-63

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OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO

LEGAL DIVISION PROFE 827-2741

January 12, 1966

Mr. B. J. O'Leary Attorney at Law 321 First Mational Bank Building Colorado Springs, Colorado 80902

> Case No. 3295 Order No. R-2970-A

Dear Mr. O'Leary:

This will confirm our telephone conversation of January 11, 1900, wherein you advised me that a plugging contractor had a rig on the Powers-Marshall Company Well Mo. 1 location, and I authorised the commencement of plugging operations at 12 noon, January 12, 1966.

Please have the plugging contractor forward an affidavit that he plugged the well in accordance with the above order in order that we may release our plugging demand and close our case file.

Thank you for your cooperation in this matter.

Very truly yours,

J. M. Durrett, Jr. Special Assistant Attorney General

JMD/esr

cc: Hanover Insurance Group 111 John Street Hew York, New York 10038 Attn: Mr. John A. Harvey, Attorney P. O. Box 2088 Surety Claim Department

Mr. J. B. Kapteina Supervisor, District 4 Oil Conservation Commission Santa Pe, New Mexico

TROTT, KUNSTLE, O'LEARY AND RATHER MAIN OFFICE OCC

321 FIRST NATIONAL BANK BUILDING

Feb. 15, 1966

BERNARD L. TROTT HOWARD J. KUNSTLE B.J. O'LEARY HERMAN A. RATNER

COLORADO SPRINGS, COLORADO 80902

FEB 18 AH 8:07

WENDELL R. GOODBEE, ASSOCIATE

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

Attn: Mr. J. M. Durett, Jr., Special Asst.

Gentlemen:

Re: Case No. 3295 Order No. R-2970-A

I have attempted to secure the affidavit that you mentioned in your letter of February 7th from the Daco Well Drilling Co. in Borger, Texas, the outfit that did the work on the Well.

To date, I have not received the same and am writing to them again in an effort to have them either mail it directly to you or through this office to you. Just as soon as I receive it, you may rest assured, I will forward it to your office.

We appreciate your patience in this regard.

Very truly yours,

BJO:p

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

February 7, 1966

Mr. B. J. O'Leary Attorney at Law 321 First National Bank Building Colorado Springs, Colorado 80902

> Re: Case No. 3295 Order No. R-2970-A

Dear Mr. O'Leary:

Mr. J. E. Kapteina, Supervisor, District 4, Oil Conservation Commission, advises me that the Commission has not yet received the affidavit from the plugging contractor concerning the Powers-Marshall Company Well No. 1.

Will you please contact the plugging contractor and have him forward the affidavit to the Commission in the immediate future in order that we may close our case file.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr

cc: Mr. J. E. Kapteina
Supervisor, District 4
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

LEGAL DIVISION
PERCETE 827-2741

November 5, 1965

The Hanover Insurance Group 111 John Street New York, New York 10038

Attention: Mr. John A. Harvey, Attorney Surety Claim Department

> Re: Powers-Marshall Company Well No. 1 Harding County, New Mexico Your Claim 7037

Gentlemen:

We have your letter of November 1, 1965, concerning the Application for Hearing De Novo in Case No. 3295, Order No. R-2970.

The hearing de novo has been docketed for November 17, 1965, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico. Enclosed is a copy of the hearing docket.

In view of the hearing de novo, the Commission will not file suit to enforce Order No. R-2970 while the hearing de novo is pending.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure



THE FULTON INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY

111 JOHN STREET NEW YORK, N. Y. 10038 WORTH 4-2510

November 1, 1965

J. M. Durrett, Jr.; Esq. Special Assistant Attorney General Santa Fe, New Mexico

> Re: Powers-Marshall Well Plugging Operation Harding County, New Mexico

Our Claim 7037

Dear Mr. Durrett:

We did not previously reply to your letter to us of October 14, due to the fact that we have been waiting to hear from Powers-Marshall and their attorneys as to their intentions.

We have just received a letter from B. J. O'Leary, Esq. who represents Powers-Marshall. In this letter Mr. O'Leary advises that he spoke to you recently and told you that he was making an Application For Hearing De Novo and you informed him that the hearing would take place on November 17, 1965. Attorney O'Leary in a letter goes on to state "Mr. Durrett has assured me that this will result in an automatic stay of any action by his office on a suit either on the bond or against Mr. Powers directly."

Apparently then there is nothing further we can do at this time until after the hearing which is set for November 17, 1965. We have asked Mr. O'Leary to keep us informed and we shall follow this situation closely.

Rest assured of our cooperation herein.

Very truly yours,

John A. Harvey, Attorney Surety Claim Department

JAH:cls

INCORPORATED 1852

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

November 5, 1965

Mr. B. J. O'Leary Attorney at Law 321 First Mational Bank Building Colorado Springs, Colorado 80902

> Re: Case No. 3295 Order No. R-2970

Dear Mr. O'Leary:

In accordance with my letter of November 2, 1965, concerning the Application for Hearing De Novo in the above case, I am enclosing herewith a copy of the docket the Regular Hearing of the Commission.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr Enclosure

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

LEGAL DIVISION PHONE 827-2741

November 2, 1965

Mr. B. J. O'Leary Attorney at Law 321 First National Bank Building Colorado Springs, Colorado 80902

> Re: Case No. 3295 Order No. R-2970

Dear Mr. O'Leary:

Pursuant to your application for Hearing De Novo, the above case has been docketed for hearing on November 17, 1965, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico. We will forward a copy of the docket to you in the near future.

If you plan to appear on behalf of Mr. Powers it will be necessary for you to associate with a resident attorney if you are not licensed to practice law in New Mexico.

Very truly yours,

J. M. DURRETT, Jr. Special Assistant Attorney General

JMD/esr

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COM-MISSION ON ITS OWN MOTION TO PERMIT W. C. POWERS AND J. E. MARSHALL, DBA POWERS-MARSHALL COMPANY, AND ALL OTHER INTERESTED PARTIES TO SHOW CAUSE WHY THE POWERS-MARSHALL COMPANY WELL NO. 1, A/K/A THE W. PERRY SMITH WELL NO. 1 LOCATED IN THE NW/4 SE/4 OF SECTION 34, TOWNSHIP 21 NORTH, RANGE 30 EAST, NMPM, HARDING COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

> CASE No. 3295 ORDER No. R-2970

APPLICATION FOR HEARING DE NOVO

COMES NOW W. C. Powers, individually and on behalf of all other interested parties and respectfully requests the Commission to grant his and their application for a hearing de novo of the matters above described and previously heard by this Commission on September 22, 1965 at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

The applicant further states that by order of this Commission dated October 4, 1965 the applicant and other interested parties were ordered to plug the well above described.

It is respectfully submitted that the applicant and others interested have not had sufficient time or opportunity to assess their legal position in the matter and respectfully request a hearing before the Commission to determine the rights of the parties involved.

Respectfully submitted,

William C. Powers, Individually and on behalf of others similarly interested by and through his attorney

TROTT, KUNSTLE AND O'LEARY

By___

B. J[/O'Leary
321 First National Bank Building
Colorado Springs, Colorado

William C. Powers P. O. Box No. 10 Colorado Springs, Colo.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico November 17, 1965

REGULAR HEARING

IN THE MATTER OF: the hearing called by the Oil Conservation Commission on its own motion to permit W. C. Powers and J. E. Marshall, dba) Powers-Marshall Company, and all other interested parties to show cause by the Powers-Marshall Company Well No. 1, A/K/A the)
W. Perry Smith Well No. 1 located in the NW/4) Case No. 3295 SE/4 of Section 34, Township 21 North, Range 30 East, NMPM, Harding County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

(De Novo)

BEFORE: MR. A. L. PORTER, Examiner

TRANSCRIPT OF HEARING

DEARNLEY-MEHER REPORTING SERVICE, Inc.



1120 SIMMS

MR. PORTER: We will take up Case 3295.

MR. DURRETT: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. C. Powers and J. E. Marshall, dba Powers-Marshall Company, and all other interested parties to show cause why the Powers-Marshall Company Well No. 1, A/K/A the W. Perry Smith Well No. 1 located in the NW/4 SE/4 of Section 34, Township 21 North, Range 30 East, NMPM, Harding County, New Mexico should not be plugged in accordance with a Commission approved plugging program.

If the Commission please, Jim Durrett appearing on behalf of the Commission and its staff, and I would have a statement to make in this case at this time.

MR. PORTER: You may proceed, Mr. Durrett.

MP. DURRETT: The application for Hearing De Novo in this case was filed by Mr. B. J. O'Leary, Attorney at Law in Colorado Springs, Colorado, representing Mr. W. C. Powers. Mr. O'Leary contacted me on several occasions prior to filing the application for Hearing De Novo; stating, as he has pointed out in this Hearing De Novo, that they needed more time to consider their legal position in this matter, and to analyze the steps that they should take concerning the Commissions order.

Mr. O'Leary has advised me, through telephone conversations, that he has been negotiating with a Mr. Billy



Clayton, concerning this well. Mr. Harlan is supposed to be the landowner of the land involved where the well is located. There was some discussion, according to Mr. O'Leary the attorney, that Mr. Harlan might assume operation of the well and plug the well.

Now Mr. O'Leary advises me this morning that he was contacted yesterday evening, I believe, by the attorney for M Harlan who stated that if Powers-Marshall Company would give

contacted yesterday evening, I believe, by the attorney for Mr. Harlan who stated that if Powers-Marshall Company would give Harlan a bill of sale to the casing that's in this well that the well would be plugged by Billy Harlan within seven days; so Mr. O'Leary and his client have no objection to the Commission going ahead with the order to plug the well, but they would like a period of time in which to get it done. I suggested to him this morning a possible 30-day period, which he felt would be completely adequate.

Harlan and his attorney, Charles Alsup, who is an attorney in

so on the basis of those matters I would at this time move the Commission to incorporate the record of the hearing in this case on September 22, 1965; that's Mr. Kaptena's testimony as a Commission witness concerning the necessity for the plugging of this well, and the manner in which it should be plugged.

I also move the Commission at this time to take administrative notice of the official well file and the



Commission's official records concerning this well and request that the Commission issue an order requiring the well to be plugged in accordance with the plugging program that's set out in Order R-2970, and to require in the order from this hearing that this plugging be completed by December 15, 1965. That will give them right at 30 days to complete the plugging, which should be sufficient time.

MR. PORTER: Is there any objection to the counsel's motion? If not the Commission will incorporate the record of the September 22nd hearing in this record in this hearing today, and will also take administrative notice of the records mentioned by Mr. Durrett, and will enter an order requiring that the well be plugged on December 15, 1965.

(Whereupon, an off the record discussion was held.) MR. PORTER: Back on the record. Mr. Durrett, will you notify the attorney in this case of the Commission's action taken today --

MR. DURRETT: I certainly will.

MR. PORTER: -- prior to our entering the formal order so that they may proceed?

MR. DURRETT: Yes, sir, I will call him today.

MR. PORTER: If there's nothing else to come before the Commission the hearing is adjourned.



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) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 26th day of November, 1965.

Motary Public - Court Reporter

My Commission Expires:

June 19, 1967.

