CASE 5973: OCC - PLUGGING CASE

G&B OIL COMPANY, AMERICAN

EMPLOYERS INSURANCE COMPANY

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BEFORE THE NEW MEXICO OIL CONSERVAT

NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico July 6, 1977

EXAMINER HEARING

IN THE MATTER OF:

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The hearing called by the OCC on its own) motion to permit G & B Oil Company,)
American Employers Insurance Company and) all other interested parties to appear) and show cause why the Donella Well No.) l should not be plugged and abandoned.)

CASE 5973

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission:

Lynn Teschendorf, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico

SIG MOTTISE REPORTING SERVICE

General Court Reporting Service

Calle Mejia, No. 122, Santa Fe. New Mexico 87501

Phone (505) 982-9717

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A. R. KENDRICK

Direct Examination by Ms. Teschendorf

Cross Examination by Mr. Nutter

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MR. NUTTER: We will call Case Number 5973 which is in the matter of the hearing called by the Oil Conservation Commission on its own motion to permit G & B Oil Company, American Employers Insurance Company and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Call for appearances in this case.

MS. TESCHENDORF: Lynn Teschendorf appearing for the Commission. My witness is Mr. Kendrick and I would like the record to show that he is still under oath.

MR. NUTTER: Any other appearances in Case 5973?

You may proceed, Ms. Teschendorf, and Mr. Kendrick is still under oath.

A. R. KENDRICK

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

DIRECT EXAMINATION

BY MS. TESCHENDORF:

Q. Mr. Kendrick, are you familiar with the subject matter of Case 5973?

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A. Yes.

O Does the operation of the well involved in this case fall in your jurisdiction?

A. It does.

Q Do you have the Commission's records on the well in your possession?

A. Yes, I do.

Q. Please give a brief history of the well?

A. The Donella No. 1 Well was drilled to the Gallup formation in 1961 by Roy Owen and Company. The well produced for awhile and then was transferred to Elliott A. Riggs in 1967. The well was plugged and abandoned by Mr. Riggs in 1969. An intention to reenter the well was approved for the G & B Oil Company on August 20th, 1974. To date we have not received any report subsequent to the reentry. Mr. Gholson, our field representative, has advised me that the well has been reentered.

I wrote to the G & B Oil Company on June 10th, 1977 requesting delinquent reports. My letter was returned by the Post Office marked "Not Deliverable As Addressed - Unable To Forward".

On June 15th I requested this case be called.

- Q. In your opinion could failure to plug this well cause waste?
 - A. It could, the well could have a casing failure and

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could cause either loss of petroleum products into the water sands or water contamination in the producible sands.

- O Do you have any recommendations regarding this well?
- A. Yes, I recommend that the well be completed as a useful well or plugged and abandoned.
- 0. How much time should the operator be given to complete the well?
 - A. I think until about September 16th.
- Q. Would you like to propose a plugging program at this time?
- A. I prefer to work out a plugging program after we learn what the G & B Oil Company did when they reentered the hole.
 - Q Do you have anything further?
 - A. No.

CROSS EXAMINATION

BY MR. NUTTER:

- 0 Mr. Kendrick, did the Donella Well No. 1 ever produce from the Gallup?
- A. Yes, it did, it was a commercial well for a period of time when it was owned by the Roy Owens Company and was still producing oil when Mr. Riggs bought the well.
- Q Has the well ever been plugged and abandoned and then reentered?

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	Λ.	Yes,	Mr.	Riggs	proper	:1у	plug	iged	an	d al	oandoned	the
we11	and	then	it w	as reei	ntered	bу	the	G &	В	0il	Company	

- You wrote a letter to G & B Oil Company, I believe a copy of that letter -- no, we don't have a copy of that letter. I would like a copy of the letter, please?
- A. Okay, we will submit a copy of the letter in the file.
- 0. Now, is the G & B Company a local company in your area?
 - A. It was a local company in San Juan County.
- Q And the letter was returned to you as undeliverable.

 They apparently moved and left no forwarding address?
 - A. Yes.
- Q. You haven't been able to ascertain where G & B Oil Company is at the present time then, is that correct?
- A. I think G & B Oil Company as such is defunct and I think one of the last parties that was participating in the G & B Oil Company is being sued by some of the supply companies for failure to pay his bills so it is quite likely that they are not going to be in business.
- Q However, we do have a bond with the G & B Oil
 Company as principal and American Employers Insurance Company
 as the surety, is that correct, for this particular well?
 - A. I think American Employers is the insurance company.
 - Q I hope it is, that's who was named in the legal

1 notice.

MR. NUTTER: Are there any further questions of 3 Mr. Kendrick? He may be excused.

(THEREUPON, the witness was excused.)

MR. NUTTER: Do you have anything further, Ms.

6 Teschendorf?

MS. TESCHENDORF: No, sir.

MR. NUTTER: Does anyone have anything they wish to 9 offer in Case Number 5973? We will take the case under advisement.

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Sidney F. Morrish, C.S.R.

sid morrish reporting serviceGeneral Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87
Phone (505) 982-9212

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER

Re:

CASE NO.



STATE GEOLOGIST EMERY C. ARNOLD

5973

DIRECTOR PHIL R. LUCERO July 20, 1977 JOE D. RAMEY

G & B Oil Company P. O. Box 10	ORDER NO. R-5487
Farmington, New Mexico 87401	
•	Applicant:
	OCC (G & B Oil Company)
Dear Sir:	·
	copies of the above-referenced entered in the subject case.
Yours very truly, JOE D. RAMEY Director	
JDR/fd	
Copy of order also sent to:	
Hobbs OCC x	
Artesia OCC X Aztec OCC X	-
7	-

Other Schreiber Insurance Agency, Inc.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 5973 Order No. R-5487

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT G&B OIL COMPANY, AMERICAN EMPLOYERS INSURANCE COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE DONELLA WELL NO. 1, SAN JUAN COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 6, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of July, 1977, 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 G&B Oil Company is the owner and operator of the Donella Well No. 1, located in Unit P of Section 3, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico.
- (3) That American Employers Insurance Company is the surety on the Oil Conservation Commission plugging bond on which G&B Oil Company 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 Donella Well No. 1 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Commission on or before September 15, 1977, or the well should be returned to active drilling status or placed on production.

-2-Case No. 5973 Order No. R-5487

IT IS THEREFORE ORDERED:

- (1) That G&B Oil Company and American Employers Insurance Company are hereby ordered to plug and abandon the Donella Well No. 1, located in Unit P of Section 3, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico, on or before September 15, 1977.
- (2) That G&B Oil Company and American Employers Insurance Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman,

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

SEAL

NEW MEXICO OIL CONSERVATION COMMISSION	C-102 and C-103 Effective 1-1-65
U.S.G.S. LAND OFFICE OPERATOR / CFP 13 1917	State State Off & Gas Lease No.
SUNDRY NOTICES AND REPORTS ON WELLS NSEL ATT A PRINCIPLE OF PERMIT POR PROPOSALS TO CALL ON TO DEEPEN OR PLUS BACK TO A DIFFERENT AESERVOIR.	
OIL SAS WELL OTHER.	7, Unit Agreement Hume
R.A. CRANE JR.	8. Farm or Lease Hame DONELLA
P. O. Box 356 FRUITLAND, NEW MEXICO 87416	9. Well No.
D 900 Source	16. Field and Pool, or Wildcat WILDCAT
THE EAST LINE, SECTION 3 TOWNSHIP 29N RANGE 15W HMPM.	
15. Elevation (Show whether DF, RT, GR, etc.) 5156 G.	12. County SANJUAN
Check Appropriate Box To Indicate Nature of Notice, Report or Oth	
	REPORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK COMMENCE DRILLING OPHS.	ALTERING CASING PLUG AND ABANDONMENT
PULL OR ALTER CABING CHANGE PLANS CABING TEST AND CEMENT JOB OTHER RESEARCH	RV =X
OTHER RE-ENTER	
17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including work) SEE RULE 1103.	
PER OIL EGAS LEASE AGREEMENT DATED SEP	ANE . JR
· • • • • • • • • • • • • • • • • • • •	,
PER OIL EGAS LEASE AGREEMENT DATED SEP	TEMBER 14, 1977.
PER OIL & GAS LEASE AGREEMENT DATED SER 2) PLAN TO PULL RODS & PUMP. SWAB WEL	
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2) PLAN TO PULL RODS & PUMP. SWAB WELL CLEAN WELL AND FORMATION WITH 100 CLEAN WELL AND FORMATION WITH 100 CLEAN PUMP AND RODS. PUMP TEST WELL 30 DAYS. This well is to be completed as a producing oil well or plugged and abandoned prior to November 16, 1977.	SEP 14 19:

CONDITIONS OF APPROVAL, IF ANY

Catron, Catron & Sawtell.

Afforneys and Counseloids of Law The Plaza

Santa Fe, New Mexico 8750r

POST OFFICE BOX 788

OF TEMPHONE 082-10-17

September 16, 1977

Case 5973

Mr. R. A. Crans, Jr. Post Office Box 356 Fruitland, New Mexico 87416

Dear Mr. Crane:

THOMAS B. CATRON, POPULOS. FLETCHER A. CATRON, BURGOROGIE

THOMAS B. CATRON, THE JOHN 5 CATRON

WITHAM A SAWILLL OR FILLCHIER R CATRON ... WITHAM F. CARR W. ANTUGNY SAWITE

Following my conversation of this date with Ms. Anderson of your staff I contacted the Santa Fe office of the Oil Conservation Commission concerning the status of Order No. R5487 which orders the G. & B. Oil Company Donella Well No. 1 plugged and abandoned on or before September 15, 1977. Ms. Lynn Teschendorf, General Council to the Oil Commission, advised me that Al Kendrick has granted or will grant a sixty day extension to the Commission plugging order thereby giving you an additional two months within which to re-enter the Donella No. 1 and return it to active drilling status or place it on production.

If you have not already done so, you must file copies of Commission form C-103 with the Axtec office of the Commission showing not only the change of ownership, but also your intention to re-enter this well.

If you are unable to return this well to producing status by the new November 14, 1977, deadline, please notify me on or before November 1 so that I may prepare a motion to re-open the plugging case and obtain, thereby, additional time to work on the well.

If you have questions about any of the above, do not hesitate to call on se.

Very truly yours,

William F. Carr

NFC: cj

cc: Ms. Lynn Teachandorf Marvin Baggett, Esq. Mr. Al Kendrick CATRON, CATRON & SAWTELL

THOMAS B. CATRON, 18:10-1921
FLETGHER A. CATRON, 18:90-1961
THOMAS B. CATRON, ITI
JOHN S. CATRON
WILLIAM A. SAWTELL, JR.
FLETGHER R. CATRON
WILLIAM F. CARR
W. ANTHONY SAWTELL

ATTORNEYS AND COUNSELORS AT LAW
THE PLAZA
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 788
TELEPHONE 082-1947
AREA CODE 505

August 24, 1977

Cese 5973

Mr. R. A. Crane, Jr. P. O. Box 356
Fruitland, New Mexico 87416

Dear Mr. Crane,

Mr. Marvin Baggett contacted me on August 18, concerning your plans for the G & B Oil Company Donella Well No. 1 located in Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico. Following my conversation with Mr. Baggett, I discussed the status of the well with Mr. Joe D. Ramey, Director of the Oil Conservation Commission. As you know, the Commission by Order No. R-5487 has ordered this well plugged and abandoned on or before September 15, 1977. I advised Mr. Ramey that I intended to file an application for a de novo hearing in the plugging case before 5:00 P.M. on that date. Mr. Ramey was of the opinion that a de novo hearing was unnecessary and suggested that I discuss the situation with Mr. Al Kendrick, OCC District Supervisor in Aztec, New Mexico.

I contacted Mr. Kendrick and also discussed the matter with Ms. Lynn Teschendorf, the Commission's attorney. Based on these discussions, I believe the problem should be resolved as follows:

- 1. You must lease the acreage to be dedicated to the well as quickly as possible.
- 2. Once you acquire this lease, you should file an application with the Commission to reopen the plugging case. Your application should be based on the fact that you just acquired the lease, that you own the tubing and casing in the well, and that you plan to re-work the well thereby making it into a commercial producer. There are definite benefits to taking this approach instead of seeking a de novo hearing for it avoids a hearing before the full Commission and, thereby, gives us greater flexibility both in terms of what we can do to resolve any problems with the Commission's staff and also it gets us out from under the time deadlines for appealing the prior order.

Mr. R. A. Crane, Jr.

August 24, 1977 Page Two

- 3. You must obtain certain data for the Commission before they will approve any application to amend their prior order. They will require a history of the well since G & B Oil Company did the workover on the well two years ago. Hopefully you know someone with G & B who can provide this data.
- 4. The Commission believes there is a hole in the casing through which water is entering the well. Certain remedial work will have to be done, and if possible, should be commenced before September 15, 1977. The remedial work will have to be explained in detail to, and done in close coordination with, the Oil Commission personnel in Aztec.
- 5. You will also have to file with the Commission completed copies of their Form C-103, in triplicate, reflecting what remedial work has been done and indicating the change in ownership of the well. I want to caution you, however, that once you take over the well you will be responsible for plugging it should it not be a commercial producer.

I will be happy to assist you with this effort and would like for you to call me once you have had an opportunity to review the matters set out hereinabove.

William (

Very truly yours,

William F. Carr

WFC:MM

cc: Marvin Baggett, Esq. 109 Northwest Energy Building Farmington, New Mexico 87401

> Ms. Lynn Teschendorf, General Counsel / Oil Conservation Commission P. O. Box 788 Santa Fe, New Mexico 87501

Mr. Al Kendrick, District Supervisor Oil Conservation Commission 1000 Rio Brazos Road 2tec, New Mexico 87410

OIL AND GAS INASE.

THE AGREMENT, entered into this little day of september, 1977, between EVenYd GRIBLAND MELLOND, P. O. BOX 414, Preitland, New Mexico, hereinafter called Lesson, and R. A. CRAAL, JR., d/b/s Cranedo Oil and Gas, P. O. BOX 356, Fraitland, New Mexico 87416, hereinafter called Lessee,

WIRRIDS BITH

1. That Lesson, for and in consideration of the sum of One Dollar (\$1.00), in hand pair, and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted and leased and hereby grants, lease and lets unto the Lessee for the purpose of mining and operating for and producing oil and gas, casinghead gas and casinghead gasoline, laying pipelines, building tanks and storing oil and to produce, save and market the same from and on the following described tract of land in San Juan County, New Mexico, to-wit:

The SE 1/4 SE 1/4, Section 3, Township 29 North, Range 15 West, N.M.P.M., and containing 40 acres, more or less, to a depth of 4,500 feet below the surface of the earth and no deeper.

- 2. This lease shall remain in force for a term of six (6) months from and after the date hereof and so long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of them is produced.
- for the credit of the Lessor as royalty, free of all costs including transportation costs the equal one quarter (1/4) of all oil and other liquid hydrocarbons produced and saved from the leased premises, and said crude oil purchasers small make direct payment to Lessor for said one quarter (1/4) part of all such oil and other liquid hydrocarbons at the market price F.O.B. the refinery not later than the 20th day of the month following the month

during which said oil and other Liquid hydrocarbons were produced.

- 4. The measure shall pay hosson, as veguity, one quarter (1/4) of the proceeds from the sale of the natural gas or easingneshed gas produced, saved and sold from the leased premises.
- the contrary, this Lease shall terminate as to both parties unless the Lessee shall commence operations to re-enter the existing well located on the leased premises within sixty (60) days after the date hereof, and it is expressly understood and agreed that Lessee is not authorized by this Lease to drill a new well or a substitute well at any location on the leased premises without prior express permission to do so from Lessor, in writing, and Lessee shall not be authorized to occupy or use any portion of the leased premises other than that described on the plac attached hereto as Exhibit "A" and made a part hereof for all purposes, it being the understanding of the parties hereto that the sole purpose of this Lease is to permit the Lessee to re-enter the existing well on the leased premises and attempt to obtain commercial production therefrom.
- 6. Lessee agrees to fence the well location described in Exhibit "A" attached hereto in a manner satisfactory to Lessor, and Lessee further agrees to install adequate and satisfactory culverts in all irrigation ditches over which it is necessary for Lessee to gain access to the subject well location.
- 7. Lessee further agrees that the well location will at all times be kept and maintained in a neat and clean condition so as not to interfere with the surface use of the leased premises.
- 8. Lessee further agrees that upon plugging and abandoning the subject well, the well location will be cleared of all oil-field equipment and debris and restored to its original condition

so far as it is reasonably practicable to do so.

- 9. Lossae further agrees that it will not permit or allow any produced water or other oil well hy-products to go beyond the well location described in Exhibit "A" attached hereto or
 in any way adversely affect the surface use of the leased premises.
- to the land herein described; and in case said bessor owns a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said bessor only in the proportion which his interest bears to the whole and undivided fee.
- 11. When required by Lessor, the Lessee shall bury pipelines below plow depth and shall pay for damages cause by its operations to the surface of said lands. Lessee shall have the right at any time during, or thirty (30) days after the expiration of, this Lease to remove all machinery, fixtures and other personal property placed on the leased premises by Lessee.
- 12. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the royalties shall be binding on the Lessee until after notice to the Lessee and it has been furnished with the written transfer or assignment of a certified copy thereof.
- on the leased premises shall cease from any cause, this Lease shall not terminate provided Lessee commences operations within thirty (30) days after such cessation to re-work the existing well on the premises and re-establishes commercial productions within sixty (60) days thereafter. Failure of the Lessee to comply with

the provisions of this paragraph shall result in automatic termination of this bease.

14. If the leased premises shall aereafter be owned in severalty or in separate tracts, the premises, nevertheless, shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire lease acreage. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this Lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks. If at any time there be as many as four parties entitled to royalties, Lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the Lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties, and their respective successors in title.

part, nor shall Lessee be held liable in damages, for failure to comply with the express or implied covenants hereof, if compliance therewith is prevented by, or if such failure is the result of, any Federal or State laws, executive orders, rules or regulations.

IN WITNESS WHEREOF the undersigned have hereunto set their hands on the day and year first above written.

(

YW BRIMHALL NIE

STATE OF VIRGINIA)
COUNTY OF EAGY)
The foregoing instrument was acknowledged before me by Evely Brimball Hielsen, this & day of, 1977.
() Martin
My Commission Expires
My Commission Tagines April 18, 1940
STATE OF NEW MEXICO) SS. COUNTY OF SAN JUAN)
The foregoing instrument was acknowledged before me this 15-1 day of Liptumber , 1977, by R. A. Crane, Jr.
Suna Meria andura
My Cormission Expires: NOTARY PUBLIC
Vetober 22, 1979

FILED OR RECORDED

BOOK 797 PAGE 56

SAN JUAN COUNTY, NEW MEXICO

OCT. 28, 1977

AT 5:20 O'CLOCK P. M

(OUNT CLERK 263) 7.28

STATE OF NEW MEXICO COUNTY OF SAN JUAN

I hereby certify they the foregoing

is a true copy of the original on file in my senid office this day of the copy of the original on file in my senid office this day of the copy of

JUAN ENGINEERING CO. SAIV

Registered Professional Engineers And Land Survey In New Alexico, Colorado, Utah, Arixona and Oklohoma

Phone 15051-325-7535 P. O. Box 752 FARMINGTON, NEW MEXICO 87401

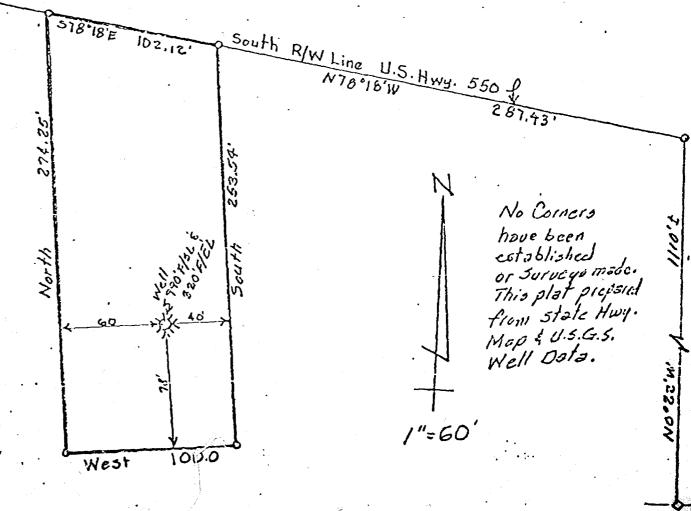
CERTIFICATE OF SURVEY

•		love of the State of New Mexico
do hereby certify that, on the 1364	doy of Bay	, 19.74., I did check the boundaries of
that certain piece of property standing in t	he nome of JOHN	BRIGHALL

and more particularly described as follows, to-vis: A tract of Land in the SE/4 SE/4 of Soc. 3, T29N, R15N, N.W.P. W., San Juan County, New Mexico, described as follows:
Beginning at a point on the South R/N line of U.S. Hwy. No. 550, which point is
1110', more or loss NO°22'N and 287.43' N78°18'H from the Southeast Corner of raid Sec. 3;

Thence South 253.541; Thence West 100.01; Thence North 274.251 more or less to a point on said R/W line; Thence along said R/W line, S7801818 · 102.12! to the point of beginning.

That no encroochment exist on said property; that, to the best of my knowledge and belief, all restrictions applicable to soid property have been complied with, and that the building....... thereon situate foll...... within the exterior boundaries thereof and in the manner set forth on the below inscribed plat, to-wit:



HES P. LEESE

Registered Professional Engineer and Land Surveyor New Mexico, Reg. No. 1463 P. E. & L. S. Coloredo, Reg. No. 1855 L. S. Uleh, Rep. No. 1472 L. S.

Atirana, Reg. 18e. 1849 L. S.

Memo 4-27-78
From

A. R. KENDRICK
Supervisor

To Lynn:

R. A. Crane, fro filed

this is an intent to

p# A the Donella #1.

This is your copy.

1-5487 Com

NEW MEXICO OIL CONSERVATION COMMISSION - AZTEC, NEW MEXICO

O-STRIBUTION SANTA FE / NEW MEXICO OIL CONSERVATION COMMISSION FILE U.S.G.S. LAND OFFICE OPERATOR	Form C-103 Supersedes Old C-102 and C-103 Effective 1-1-65 Sa. Indicate Type of Lease State Fee X 5, State Old & Gas Lease No.
SUNDRY NOTICES AND REPORTS ON WELLS	
(00 NOT USE THIS FOR FOR PROPOSALS TO ORILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.	7, Unit Agreement Name
WELL STEEL OTHER.	7, Ontr Adreement Nume
2. Name of Operator P A COANE TO	8. Farm or Lease Name
R. A. CRANE, JR.	DON ELL. 9. Well No.
P.O. BOX 356 FRUTLAND, NEW MEXICO	# /
4. Location of Well UNIT LETTER P 990 FEET FROM THE SOUTH LINE AND 330 FEET FROM	MEND and Bool, or Wildcar GALLUP
THE EAST LINE, SECTION 3 TOWNSHIP 29N RANGE 15W NAPH.	
15. Elevation (Show whether DF, RT, GR, etc.) 91. 5156 ds 5164 Kb 5166	12. County SANJUAN
Check Appropriate Box To Indicate Nature of Notice, Report or Oth	ner Data
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING CHANGE PLANS CASING TEST AND CEMENT JOB	ALTERING CASING PLUG AND ABANDONMENT
отися	
i.7. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including work) SEE RULE 1703.	estimated date of starting any proposed
PLAN TO PEA DUE TO HOLE IN 41/2" CSq. PROP THE WEEK OF MAY 1,1978. WILL LEAVE 41/2" CSq IN HOLE, PULL PUMP, RODS, WILL SPOT 10 SX CHT (110'0) ACROSS PERFS, 4220- SPOT 10 SX (110'0) AT TOP OF MESA VERIDE, 17 SPOT 15 SX AT SFC, 0-165' REMOVE TBq HEAD, LEAVE BRADEN HEAD, FILL PIT, EC	433APR 25 1978 OF ON COM. DIST. S
TO SUIT SURFACE DWHER (MRS. EVELYN BRIMHALL	NIELSEN)
SCREW H' DRY HOLE MARKER ON TOP OF CE9.	
PREVIOUS OPERATOR REPORTS THAT LONG STRING IS C.	emented at
SFC BY BRADEN HEAD SQUEEZE, 18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.	
SIGNED SERENA M. ANDERSON TITLE SECRETARY	DATE 4/25/78
Mendrich SUPERVISOR DIST. #2	APR 25 1978

Memo

4-28-78

Grom

LYNN TESCHENDORF

To all

Re: 6+B die Co's Donelle #1 P-3-29N-15W

Has Bot Orane done

Tampthing yet? 5 1. 1/2

Wo, he there week her

is brying to sell the

mill to broke the

R-5487 Pase 5973 MAY 1 STA CEL COLL COM. DIST. 3

OIL CONSERVATION COMMISSION-SANTA FE

14-Tuosday, Jac. 2, 1975 Commission (N.M.) Dully Times

Lynn; will shis will delay crane at least a week

for Melton Begay, 23, of Suskey. Funeral arrangements Naturita, Colo., is scheduled at 10 a.m. Wednesday at Christ Memorial Chapel. the King Catholic Church in Shiprock, triba Pather Slawrence Sem office of the sting, negative that home, but I . Who we he the Red Rock Country, Bough, who was employed at the Red Mine at Amarita, is survived by his wife, Mary; a son, Kerley; purents, Mr. and Mrs. Felix Begay; two brothers and four sisters. Pallbearers at the funeral will be George B. Roy, Elroy George, Edmond Begay, Arnold Begay, Kee Unico and Milvin Begay. Funerai arrangements are under the direction of Basin Mortuary.

CRANE-Funeral service for Robert Dale Crane, 28, Regina, who died in an auto accident near Cuba, is set for 10 a.m. Wednesday at Cope Memorial Chapel with Veterans of Foreign Wars Post No. 2162 Commander Art McCurry officiating. Burial will be in Regina Community Cemetery. Graveside service will be conducted at 2:30 p.m. by the Rev. Estes Hardy. The U.S. Army voteran of the Vietnam conflict served in the 101st Airborne Eagle Squadron and Tiger Force and received two purple hearts. His survivors include his wife, Vicky Crane; two daughters, Victoria Lyan of the family home and Mary Florence Crane, Phoenix, Ariz.; his father, Robert A. Crane Jr., Fruitland; his mother, Mary DeLong, Lamesa, Texas; three brothers, David Keith Crane and Mitchell Allen Crane, both of Farmington, and Darrell Clower, Phoenix; three sisters, Roberta Jane Crane, Farinington, Lyan Dianne Stuart, Broken Bow, Oxla., and Donna Crane, Phonix; his paternal grandfather, R.A. Crane Sr., Tulsa, Okha, and his maternal grandmother, Lois Smith, Punkin Coator, Texas. Active ments are being directed by pallboarers will include Pete Cuba Mortuary.

BEGAY - Funeral service Schmidt, Ed Eaton, and Herb are under the direction of Cope

> **SCHMITT** — Funeral service for Allen Bradley Schmitt, 19, and Kenneth Lyn Schmitt, 18, both of Regina, is scheduled for 2:50 p.m. Ynursday in the Cuba Mortuary Chapel, with the Rev. Forest Link officiating. Burial will be at Regina Cemetery. Visitation is scheduled at the mortuary Wednesday evening. The Schmitt brothers died Sunday morning in an accident four miles south of Regina on N.M. 96, Both natives of Cuba, the brothers are survived by their father William Clay Schmitt, and mother, Virginia Wass; a brother, Steven Clay Schmitt; and three sisters, Nancy Sue Kelley, Deloris Ann Torres and Sandra Schmitt, Memorial contributions may be made to the Schmitt Memorial Fund, P.O. Box 882, Cuba. Funeral arrangements are under the direction of Cuba Mortuary.

SANDOVAL -- Funeral service for Harry Sandoval, 51, of Johnson, who died Friday at the Gallup Indian Medical Center, is scheduled at 1 p.m. Wednesday at the Cuba Mortuary Chapel, with the Rev. David McKenzie of Cuba Baptist Church officiating. Burial will be in the Baptist Cemetery in Cuba. Sandoval was born Aug. 28, 1926, at Ojo Encino. He was employed by the Union Pacific Railroad and later by the Cuba Municipal Schools. Survivors include his mother, Helen Rico Sandoval; two brothers: Sam Platero and Raymond Platero; a sister, Baiho Sandoval; six daughters: Lucita Martinez, Lucille Sandoval, Nancy A. Sandoval, Katie S. Sandoval, Evelyn Sandoval and Ethelyn Sandoval; and a son, Harrison Sandoval. Funeral arrang-

RECEIPT FOR CERTIFIED MAIL-30¢

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RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO

G & B Oil Company

STREET AND NO.

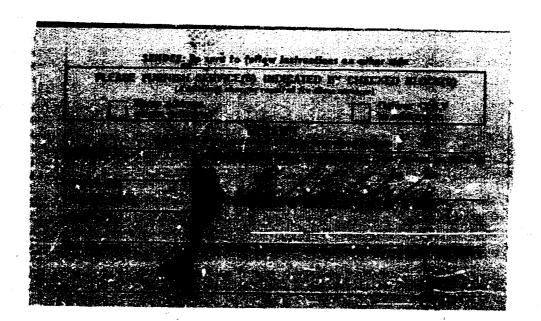
P. O. Box 10

P. O. STATE, AND ZIP CODE
Farmington, New Mexico 87401

EXTRA SERVICES FOR ADDITIONAL FEES
Return Receipt
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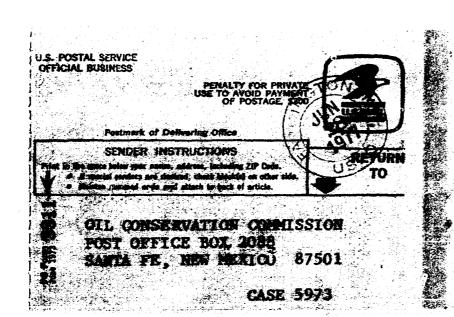
POD Form 3800 NO INSURANCE COVERAGE PROVIDED— (See other side)
Mar. 1966

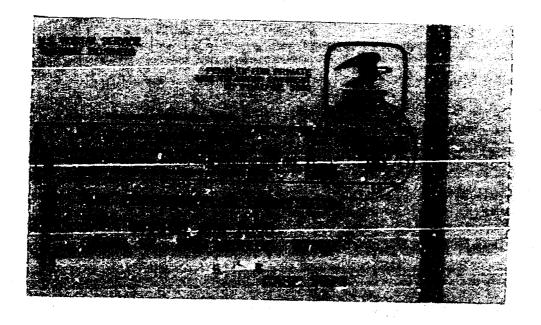
PLEA	SE FURNISH SERVICE(S) IN (Additional sharpes reg	DICATED BY CHECKED BLOCK(S) wired for these services)
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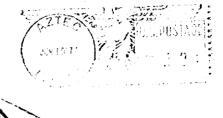
OPTIONAL SERVICES

Recommended to the action of the control of the





JUN 1 4 1977 OIL CON, COM. DIST: 3 OIL CONSERVATION COMMISSION 1000 RIO BRAZOS RD. ATTEC, M. MEY, 87/40



Unable To Forward, Addressed

G&B Oil Company 3309 North Dustin Farmington, New Mexico 87401

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO 1000 RIO BRAZOS RD. - AZTEC

87410

DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO



June 10, 1977

G & B Oil Company 3309 North Dustin Farmington, New Mexico 87401

Re: G & B Oil Company Donella #1 P-3-29N-15W

Gentlemen:

Form C-101, Application to Drill, was filed for the subject well on August 20, 1974. We have not received any subsequent report of operation.

Cause the delinquent reports of operation to be filed with this office to avoid our having to call a hearing to obtain the information.

If there are questions, please contact us.

Yours very truly,

A. R. Kendrick

Supervisor, District #3

xc: Schreiber Insurance Company P. 0. Box 10 Farmington, New Mexico 87401

ARK:no

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

June 24, 1977

CERTIFIED - RETURN RECEIPT REQUESTED

G & B Oil Company
P. O. Box 10
Farmington, New Mexico 87401

American Empoyers Insurance Company Schreiber Insurance Agency, Inc. P. O. Box 10 Farmington, New Mexico 87401

Re: G & B Oil Company Donella
Well No. 1, located in Unit
P of Section 3, Township 29
North, Range 15 West, San
Juan County
Plugging Bond

Gentlemera:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, July 6th, 1977, at 9:00 a.m. in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico. Case 5973 concerns the above captioned subject matter.

Very truly yours,

LYNN TESCHENDORF General Counsel

LT/fd

Dockets Nos. 24-77 and 25-77 are tentatively set for hearing on July 20 and August 3, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEENESDAY - JULY 6, 1977

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

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

CASE 4962: (Reopened) (Continued from June 22, 1977, Examiner Hearing)

In the matter of Case 4962 being reopened pursuant to the provisions of Order No. R-4538 which order established temporary special pool rules for the Peterson-Pennsylvanian Associated Pool, Roosevelt County, New Mexico. All interested parties may appear and show cause why said temporary special pool rules should not be rescinded.

CASE 5967: (Continued from June 22, 1977, Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 8 and in the other Pennsylvanian formations underlying the E/2 of said Section 8, Township 24 South, Range 35 East, Cinta Roja-Morrow Gas Pool, Lea County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit CASE 5971: John J. Moya, Fidelity & Casualty Company of New York, and all other interested parties to appear and show cause why the following wells in Township 30 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

> Hubbard Well No. 1 located in Unit M of Section 4; Goode Well No. 1 located in Unit P of Section 18.

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Lynn & McCoy and all other interested parties to appear and show cause why the Bishop Well No. 1 located 115 feet from the South line and 200 feet from the West line of Section 15, Township 29 North, Range 11 West, San Juan 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 G & B Oil Company, American Employers Insurance Company, and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Application of Maddox Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 9, Township 18 South, Range 26 East, Atoka-Pennsylvanian CASE 5974: Pool, Eddy County, New Mexico, 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. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Application of Bettis, Boyle, & Stovall for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers-Queen formation through the perforated and open-hole interval from 2,975 feet to 3,285 feet in its Annie L. Christmas Well No. 1 located in Unit E of Section 20, Township 25 South, Range 37 East, Jalmat Pool, Lea County, New Mexico.

Application of Coquina Oil Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the North Burton-Pennsylvanian Cas Pool, Eddy County, New Mexico, including a provision for 320-acre proration units. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian gas pools, rather than the present 160-acre spacing.

CASE 5973:

CASE 5976:



DIRECTOR

JOE D. RAMEY

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO 1000 RIO BRAZOS RD. - AZTEC

87410

LAND COMMISSIONER PHIL R. LUCERO



June 15, 1977

Ms. Lynn Teschendorf Oil Conservation Commission P. 0. Box 2088 Santa Fe, New Mexico 87501

Re: G & B Oil Company Donella #1 P-3-29N-15W

Dear Ms. Teschendorf:

Please docket a case to allow the operator of the subject well and other interested parties to appear and show why the well should not be properly plugged and abandoned.

If there are questions, please contact us.

Yours very truly,

a. R. Kendrick

Supervisor, District #3

xc: Operator: G & B Oil Company

Schreiber Insurance Company P. O. Box 10

Farmington, New Mexico 87401

dr/

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. Order No. R- 5487

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT G & B OIL COMPANY, AMERICAN EMPLOYERS INSURANCE COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE DONELLA WELL NO. 1, SAN JUAN COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:
This cause came on for hearing at 9 a.m. on July 6
19 77, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter
NOW, on this day of July , 19 77, 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 G & B Oil Company is the owner and
operator of the Donella Well No. 1
located in Unit P of Section 3 , Township 29 North ,
Range 15 West , NMPM, San Juan County, New Mexico.
(3) That American Employers Insurance Company is the
surety on the Cil Conservation Commission plugging bond on which
G & B Oil Company 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 Donella Well No. 1 should
be plugged and abandoned in accordance with a program approved by
the Aztec District Office of the New Mexico Oil
Conservation Commission on or before September 15
1977, or the well should be returned to active drilling
status or placed on production.

	S THE									!
(1)	That	G	8	В	011	Company	and	American	Employers	Insurance

· · ·		
Company	are hereby	ordered to plug and abandon the
Donella Well No	0.1	1
located in Unit_	of Section 3	3 , Township 29 North
Range 15 West	, NMPM, San J	luan County, New Mexico, on or
perore Septem	mber 15	, 1977.

- Company , prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Commission, a Commission-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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