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CASE 6049: PLUGGING CASE - OCC  
DOUGLAS KENASTON  
MINTS-KENASTON DRILLING COMPANY

*nastron*

Case Number

6049

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
28 September, 1977

EXAMINER HEARING

IN THE MATTER OF:

The Hearing called by the Oil Conservation  
Commission on its own motion to permit  
Saguaro Oil Company and all other interested  
parties to appear and show cause why the  
Moran State Well No. 1 located in Unit A  
of Section 36, Township 18 North, Range 9  
West, McKinley County, New Mexico, should  
not be plugged and abandoned in accordance  
with a Commission-approved plugging program.

CASE  
6048

6049  
6050  
6051  
6054  
6056

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

(The hearings of Cases Number 6049, 6050, 6051,  
6054, and 6056 are incorporated in this tran-  
script.)

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I N D E X

The Witness, A. R. Kendrick

6048

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I N D E X

6056

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1 MR. NUTTER: The hearing will come to order, please.  
2 The first case we'll call this morning will be Case Number  
3 6048, which is a case the Commission called on its own motion  
4 to permit Saguaro Oil Company and all other interested parties  
5 to appear and show cause why the Moran State Well Number 1,  
6 located in Unit A of Section 36, Township 18 North, Range 9  
7 West, McKinley County, New Mexico, should not be plugged and  
8 abandoned in accordance with a Commission-approved plugging  
9 program.

10 Also, at this time call Case 6049, which is in the  
11 matter of the hearing called by the OCC on its own motion to  
12 permit Douglas Kenaston, Mints-Kenaston Drilling Company, and  
13 all other interested parties to appear and show cause why the  
14 Masden-Selby Well Number 1 located in Unit I of Section 21,  
15 Township 29 North, Range 11 West, San Juan County, New Mexico,  
16 should not be plugged and abandoned in accordance with a  
17 Commission-approved plugging program.

18 Also call Case 6050, which is in the matter of  
19 the hearing called by the Oil Conservation Commission on its  
20 own motion to permit J. Felix Hickman and all other inter-  
21 ested parties to appear and show cause why the Malco State  
22 Com Well Number 1 located in Unit G of Section 16, Township  
23 26 North, Range 8 West, San Juan County, New Mexico, should  
24 not be plugged and abandoned in accordance with a Commission-  
25 approved plugging program.

1 Also call at this time Case Number 6051, which is  
2 in the matter of the hearing called by the Oil Conservation  
3 Commission on its own motion to permit B. G. West and N. W.  
4 McIntosh and all other interested parties to appear and show  
5 cause why the Rollins and Dodgen Well Number 2 located in  
6 Unit D of Section 28, Township 18 North, Range 3 West, San-  
7 doval County, New Mexico, should not be plugged and abandoned  
8 in accordance with a Commission-approved plugging program.

9 We'll also at this time call Case Number 6054,  
10 which is in the matter of the hearing called by the OCC on  
11 its own motion to permit John F. Staver and all other inter-  
12 ested parties to appear and show cause why the Paperthin Well  
13 Number 1 located in Unit F of Section 26, Township 19 North,  
14 Range 5 West, McKinley County, New Mexico, should not be  
15 plugged and abandoned in accordance with a Commission-approved  
16 plugging program.

17 We'll also call at this time Case 6056, which is  
18 in the matter of the hearing called by the Oil Conservation  
19 Commission on its own motion to permit Julius Chodorow,  
20 American Employers' Insurance Company, and all other inter-  
21 ested parties to appear and show cause why the Ute Well Num-  
22 ber 1 located in Unit F of Section 20, Township 31 North,  
23 Range 15 West, San Juan County, New Mexico, should not be  
24 plugged and abandoned in accordance with a Commission-ap-  
25 proved plugging program.

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1 For purposes of testimony and hearing, these cases  
2 will be consolidated. I'll call for appearances, please.

3 MS. TESCHENDORF: Lynn Teschendorf, appearing on  
4 behalf of the Commission. I have one witness.

5 MR. NUTTER: Are there any other appearances, please?  
6 Are there any other appearances in these cases?

7 Yes, sir. Are you entering an appearance in a case?

8 MR. REYNOLDS: In Case 6048, yes, sir.

9 MR. NUTTER: Yes, sir. 6048, in relation to Saguaro  
10 Oil Company?

11 MR. REYNOLDS: Yes, sir.

12 MR. NUTTER: Okay.

13 (At this time the Commission's witness was sworn.)

14 MR. NUTTER: Would you enter your name in the re-  
15 cord, please?

16 MR. REYNOLDS: My name is Noel Reynolds, Farmington,  
17 New Mexico. In Case 6048 I'm a one-third owner of the property;  
18 Saguaro Oil Company is the operator, and I would like to re-  
19 quest additional time to test this well and see if it is not  
20 capable of producing oil in paying quantities.

21 MR. NUTTER: All right, sir. We'll call for your  
22 statement at the conclusion of this witness' testimony, please.

23 Ms. Teschendorf.  
24  
25

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A. R. KENDRICK

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

DIRECT EXAMINATION

BY MS. TESCHENDORF:

Q State your name, position, and place of residence  
for the record, please.

A A. R. Kendrick, District Supervisor for the Oil  
Conservation Commission. I reside in Aztec, New Mexico.

Q And how long have you held this position?

A About two years.

Q Have you previously testified before the Commission  
and are your credentials a matter of record?

A They are.

Q Does District III include that part of McKinley,  
San Juan, and Sandoval Counties involved in these cases?

A Yes.

Q Do your duties as District Supervisor include making  
recommendations to the Commission as to when wells should be  
plugged and abandoned?

A They do.

Q Are you familiar with the subject matter of Cases  
6048, 6049, 6050, 6051, 6054, and 6056?

A Yes.

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1 Q And what is the purpose of these cases?

2 A These cases are called to allow the owners and in-  
3 terested parties in these wells to appear and show why these  
4 wells should not be made as useful wells or to be plugged and  
5 abandoned in accordance with the Commission Rules and Regu-  
6 lations, or plugged in a manner approved by the Oil Conserva-  
7 tion Commission.

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

10 A Yes.

11 Q Do you have these records with you?

12 A Yes, I do.

13 Q Would you please refer to the records on Moran State  
14 Well Number 1 and summarize it's history?

15 A The intention to drill, Form C-101, was approved  
16 subject to final approval of the bond on December the 9th,  
17 1974. A cover letter with that intent to drill said that an  
18 application had been made for a bond and the bond would be  
19 submitted upon its approval by the bonding company. The well  
20 was drilled and no bond was submitted back in 1974.

21 On March the 11th, 1975, a form letter was sub-  
22 mitted from the District Office to the operator requesting  
23 further information about the well. There was no reply.

24 On May the 2nd, 1975, the operator was contacted  
25 by phone and on May the 6th, Forms C-104 and C-105 were filed.

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1 C-105 had to be supplemented in May because of  
2 failure to complete the form.

3 The shutin letter was sent to the operator on April  
4 the 23rd, 1976, for failure to comply with Commission Rules  
5 and Regulations. There was no response.

6 The letter requesting this case was sent on August  
7 the 22nd, 1977, and it came to our attention at that time that  
8 the bond had not been approved. A consultant who had done  
9 some work for the company was contacted and he contacted the  
10 company again and they advised us they were applying for a  
11 bond immediately, and that they would plug and abandon the  
12 well before today.

13 On August the 14th or August the 15th, a note was  
14 delivered by me -- to me saying that a bond for the Moran  
15 State Well was approved by the Reliance Insurance Company in  
16 the name of Saguaro Oil Company, and bond number was quoted.  
17 I called the agency handling the bonding and was advised  
18 orally that the bond was approved and was awaiting signature  
19 and corporate seal; that it would be delivered to us imme-  
20 diately upon approval by the company. No one from Saguaro  
21 Oil Company has applied the signature and the corporate seal  
22 to that bond, which was approved by the bonding company,  
23 let's see, that date would have been September the 14th in-  
24 stead of August the 14th; so in the last ten days there has  
25 been insufficient time for the -- anyone from the company to

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1 get his bond in shape.

2 The well was approved for production in 1975. It  
3 produced from April to July, 1975; produced a total of 771  
4 barrels of oil. There has been no reported production since  
5 that time.

6 Q Any other communications relative to this case which  
7 should be called to the Commission's attention?

8 A None.

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

11 A Yes, it could.

12 Q And in what way?

13 A Allowing the intermingling of water or oil or the  
14 escape of oil from the producible formation.

15 Q Are you prepared to recommend a plugging program  
16 at this time or would you prefer to describe the program at  
17 the actual time of plugging?

18 A I'd rather sit down and work out a plugging program  
19 with the operator of the well at a later date.

20 Q And do you have Exhibits One and Two with you?

21 A I have two photographs of the wellsite. The tank's  
22 removed from the wellsite and oil was allowed to run about  
23 300 feet down an arroyo. There is about 100 barrels, plus or  
24 minus, of oil and BS in the pit; it is unfenced; the situation  
25 is very sloppy; and my field man took pictures of that on

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1 September the 20th; he had made a prior field trip on June  
2 the 20th.

3 MR. NUTTER: Mr. Kendrick, these dates, June the  
4 20th and September the 20th, they were in 1977, were they?

5 A Yes, sir, they were, this year, and when he was  
6 back on September the 20th, apparently no one had been to the  
7 location to attempt any clean-up or remedial action on the  
8 well from the time he was there in June until he was back in  
9 September the 20th, which is some 28 days after the letter  
10 went out advertising for this case.

11 MS. TESCHENDORF: At this time I would offer Ex-  
12 hibits One and Two in this case.

13 MR. NUTTER: Exhibits One and Two in Case 6048  
14 will be admitted in evidence.

15  
16 CROSS EXAMINATION

17 BY MR. NUTTER:

18 Q Were there tanks present at the well at one time,  
19 Mr. Kendrick?

20 A Yes, sir, the tanks were drained to be moved, is  
21 the reason the oil is on the ground and in the pit.

22 Q I see. Do you have any idea when those tanks were  
23 moved?

24 A No, sir.

25 MR. NUTTER: Are there any questions of Mr. Kendrick?

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1 Mr. Reynolds, did you have any questions of this witness.

2 MR. REYNOLDS: No, I don't have any questions of  
3 him.

4 I am, as I stated, part owner in this lease.  
5 Saguaro Oil Company had been the operator, and I agree with  
6 Mr. Kendrick that the lease has been neglected, and I am now  
7 in the process of acquiring the interest of Saguaro Oil Com-  
8 pany and intend to test this well if I can get my negotiations  
9 completed to see if it will not make some oil, and I think  
10 it will.

11 MR. NUTTER: How long do you think it's going to be  
12 before you'll know whether you've got a viable producing  
13 well here?

14 MR. REYNOLDS: I imagine, sir, it will take six  
15 months to adequately test it, to get the equipment back on  
16 the ground, and adequately test it.

17 MR. NUTTER: You mean it's going to take six months  
18 before you can commence testing the well?

19 MR. REYNOLDS: No, no, no. No, I can start within  
20 thirty days, but I think it will probably, because it is ad-  
21 joining a waterflood, I think we're going to have to pump  
22 excessive amounts of water off before we can know for sure  
23 what it will produce in oil. In the beginning it made some  
24 oil and looked like it was capable of making pretty good  
25 production. Then it was allowed to be shut down for some time

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1 and of course the water encroached and it was -- it needs to  
2 be pumped now and tested.

3 MR. NUTTER: In other words, you feel like if you  
4 install tanks out there and you -- apparently there is a  
5 pumping jack on the well.

6 MR. REYNOLDS: Yes, sir.

7 MR. NUTTER: Is there a motor there on that pumping  
8 jack?

9 MR. KENDRICK: Yes, sir.

10 MR. REYNOLDS: It is electric.

11 MR. NUTTER: So all you'd need would be the in-  
12 stallation of the tanks; maybe separation facilities.

13 MR. REYNOLDS: Right, and separation facilities  
14 will be somewhat difficult there because we do not make any  
15 gas and we may have a little problem there and would have to  
16 have a heat -- heat separation process and we don't have any  
17 gas. Maybe we can arrange some method of getting some gas  
18 from our neighbors there; looks like maybe we can.

19 MR. NUTTER: And then you feel like you'd have to  
20 put the well on pump and pump it for some time and producing  
21 probably only water initially?

22 MR. REYNOLDS: Yes, sir.

23 MR. NUTTER: And that maybe later it would commence  
24 producing oil.

25 MR. REYNOLDS: Yes, sir.

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1 MR. NUTTER: And you feel like you could commence  
2 these tests within thirty days?

3 MR. REYNOLDS: I believe so, yes, sir.

4 MR. NUTTER: Are there any questions of Mr. Reynolds  
5 from any of our staff?

6 MR. REYNOLDS: I might like to make the statement  
7 that Saguaro, I understood, just this last week had acquired  
8 their bond that was -- that Mr. Kendrick was talking about  
9 here. I believe they have acquired that now.

10 MR. NUTTER: The Commission hasn't received the  
11 bond yet, though, Mr. Reynolds.

12 MR. REYNOLDS: I believe not.

13 MR. NUTTER: Now, you're a third owner, I think you  
14 stated --

15 MR. REYNOLDS: Yes, sir.

16 MR. NUTTER: -- of Saguaro Oil Company. Is this a  
17 corporation or is it --

18 MR. REYNOLDS: Saguaro, they're a corporation; I'm  
19 not. My interest is a private owner; they're the operator.

20 MR. NUTTER: Well, you're a part owner of the well  
21 but Saguaro Corporation is also an owner, is that it?

22 MR. REYNOLDS: Yes, sir, that's right.

23 MR. NUTTER: And it's your intent to buy out Saguaro's  
24 interest in the well?

25 MR. REYNOLDS: Yes, sir.



1 MR. NUTTER: And then it would be solely yours, is  
2 that it?

3 MR. REYNOLDS: That's right.

4 MR. NUTTER: Now, who's getting the bond? Are you  
5 getting a bond or is Saguaro getting a bond?

6 MR. REYNOLDS: Well, as of now they have a bond.  
7 I will acquire one if it becomes my property; then I under-  
8 stand it becomes my responsibility.

9 MR. NUTTER: Would you assume ownership of the well  
10 prior to the time you tested it?

11 MR. REYNOLDS: Yes, sir.

12 MR. NUTTER: Are there any other questions of Mr.  
13 Kendrick? Do you have any questions of Mr. Kendrick? Mr.  
14 Kendrick may be excused. Does anyone else have anything they  
15 wish to offer in Case Number 6048?

16 Proceed with the others.

17  
18 A. R. KENDRICK

19 being recalled to the witness stand, testified as follows,  
20 to-wit:

21  
22 DIRECT EXAMINATION

23 BY MS. TESCHENDORF:

24 Q Mr. Kendrick, would you now refer to the record on  
25 the Masden-Selby Well Number 1 and summarize its history?

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1 A The Masden-Selby Well was drilled in 1952 and Form  
2 C-105 was received in 1952, showing the well being completed  
3 as a very low producible well or dry hole.

4 In September, 1953, we received an intent to plug  
5 and abandon, which was approved. The subsequent report of  
6 abandonment was approved on September the 28th, 1953, wherein  
7 the operator signed a certificate swearing that the plugs had  
8 been set and that a marker had been set on the surface of the  
9 hole.

10 A real estate developer called me and asked me if  
11 I'd check about a wellhead in a piece of property that he  
12 wanted to subdivide into town lots, and the well happens to  
13 have a wellhead on it instead of a marker, and it does need  
14 to be plugged and abandoned.

15 There is a very little bit of gas at the surface on  
16 the tubinghead and the bradenhead will flow a little bit of  
17 oil, so the well does need to be plugged.

18 Q Do you have a picture, which is Exhibit 1, showing  
19 that well?

20 A I have. The bond was released on this well in June  
21 the 5th, 1956.

22 MR. NUTTER: And this is a well, Mr. Kendrick, that  
23 was supposedly plugged and a plugging report was filed on it?

24 A Yes.

25 MR. NUTTER: But there it is with the bradenhead.

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1 sticking out of the ground and a wellhead on that.

2 A Yes, sir.

3 Q (Ms. Teschendorf continuing.) Do you have any other  
4 communications relative to this case that should be called to  
5 the Examiner's attention?

6 A I don't think so.

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

9 A It could.

10 Q And how would it do that?

11 A Since there is oil on the bradenhead it would be  
12 available to any formation behind the casing and there is a  
13 bit of gas on the tubing so that if the long string develops  
14 a leak, the gas may enter shallow water sand.

15 MS. TESCHENDORF: At this time I'll offer Exhibit 1  
16 in evidence.

17 MR. NUTTER: Exhibit 1 in Case 6049 will be admitted  
18 in evidence.

19 Take the next case.

20 Q (Ms. Teschendorf continuing.) Mr. Kendrick, would  
21 you now refer to the record on the Malco State Com Well Number  
22 1 and summarize its history?

23 A The Malco State Well Number 1 was drilled in 1956.  
24 The last production from this well was in 1968. It was com-  
25 pleted as a Pictured Cliffs producible gas well. In 1968 it

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1 produced 129 Mcf in April; 84 Mcf in May; 9 Mcf in August.  
2 The cumulative production was 153,532 Mcf.

3 The well has not been attended. The operator failed  
4 to respond to our reports requesting those abandoned wells to  
5 be classed as temporary abandoned over the last couple of years,  
6 so this case was requested on August the 22nd, 1977.

7 The bond for this operator was cancelled on July  
8 the 29th, 1958, in error. The well had not been plugged.  
9 There's no indication that a plugging attempt has been re-  
10 quested or made.

11 I have a photograph of the wellhead which was buried  
12 by another operator as they drilled a well on the same loca-  
13 tion to a different formation.

14 Q Is that Exhibit 1 in this case?

15 A It is.

16 Q In your opinion, Mr. Kendrick, could a failure to  
17 plug this well cause waste?

18 A Yes. Since the well did produce we know the well  
19 is completed in the reservoir containing petroleum products  
20 and should a casing failure occur, it could lose some gas  
21 from the Pictured Cliffs formation into the shallower sands.

22 MS. TESCHENDORF: At this time I'll offer Exhibit 1  
23 in evidence.

24 MR. NUTTER: Mr. Kendrick, you mean under all that  
25 sand there where that sign is there's a wellhead?

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1 A They uncovered enough to show a bit of the wellhead  
2 itself so they'd know where to put the sign.

3 MR. NUTTER: And a bulldozer, apparently, has pushed  
4 that sand over there in clearing a location for the other  
5 well.

6 A Yes, sir.

7 MR. NUTTER: But you can find this well and get it  
8 plugged?

9 A Yes, sir.

10 MR. NUTTER: Exhibit Number 1 in Case 6050 will be  
11 admitted.

12 For the record, we do have a letter relating to  
13 this case from James E. Sperling of Albuquerque, New Mexico,  
14 attorney for Mr. J. Felix Hickman. The letter reads as  
15 follows: "The captioned matter is set for hearing on Sep-  
16 tember 28th, 1977. On behalf of J. Felix Hickman, please be  
17 advised that Mr. Hickman agrees that the well is subject"--  
18 "that the well which is the subject of the hearing and located  
19 in Unit G of Section 26, Section 16, should be plugged and  
20 abandoned. Mr. Hickman will undertake to salvage such down-  
21 hole equipment as is feasible and will arrange for the plug-  
22 ging of the well. A report of the plugging of the well will  
23 be filed with the Commission on the prescribed form, C-103.  
24 It is my understanding that Form C-105 has already been filed  
25 with the Commission following the original completion of the

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1 well." Signed by James E. Sperling.

2 Does anyone have anything they wish to offer in  
3 Case Number 6050? We'll take the case under advisement and  
4 call 6051.

5  
6 Q (Ms. Teschendorf continuing.) Mr. Kendrick, would  
7 you now refer to the records on the Rollins and Dodgen Well  
8 Number 2 and summarize its history?

9 A The well was approved for production in 1962 with  
10 Rollins and Dodgen as the operator and the operation was  
11 changed to B. G. West and N. W. McIntosh on August the 13th,  
12 1964.

13 In July of 1969 the USGS sent an intent to cancel  
14 their lease because of no production. Our files do not re-  
15 flect that that answer -- that there was an answer to that  
16 letter. Excuse me. Our files do show an answer to that  
17 letter, filed August the 17th, an intent to rework and retest  
18 the well.

19 In September of 1969 the USGS issued an extension  
20 of time to October the 1st of 1969 for this rework and re-  
21 testing.

22 On October the 17th the operator finally filed an  
23 intent to rework and replaced the pump. Their same report  
24 showed that the pump replacement was unsatisfactory and they  
25 intended to repair other trouble. There was no further re-

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1 sponse from the operator or from the USGS since that commun-  
2 ication in late 1969.

3 This is on a Federal lease and the USGS may have a  
4 bond; we have no bond wherein we are the beneficiary.

5 This well produced last -- or the last production  
6 shown was in May, 1972, one barrel of oil; in June, 1972, one  
7 barrel of oil, with a cumulative production of 2,251 barrels.

8 On September the 12th our field man, Mr. Golson,  
9 inspected the location and advised me that the engine was  
10 gone from the pumping unit; there is a tank on location; and  
11 he provided me with a colored photograph.

12 I visited the location yesterday and what appeared  
13 to be oil staining the tank in his photograph is rust staining  
14 the tank.

15 The tank never ran over with oil; apparently hasn't  
16 had enough oil to fill it.

17 I would submit two photographs as exhibits, both  
18 showing that the flowline from the wellhead to the tank does  
19 not go to the tank but goes to the pit and there is no head  
20 on the pumping unit.

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

23 A Yes, it could. The well has produced, which identi-  
24 fies it being into -- in communication with the producible  
25 zone. It is in the pool with some other wells and there could

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General Court Reporting Service  
625 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

1 be the loss or the contamination of oil by failure of the  
2 casing.

3 MS. TESCHENDORF: At this time I'll offer Exhibits  
4 1 and 2 in evidence.

5 MR. NUTTER: Exhibits 1 and 2 in Case 6051 will be  
6 admitted in evidence.

7  
8 CROSS EXAMINATION

9 BY MR. NUTTER:

10 Q When is the last actual correspondence that the  
11 Commission or the GS has had with these operators, Mr. Ken-  
12 drick?

13 A I sent them a copy of the letter on August the 22nd  
14 requesting this hearing and have not heard any response from  
15 the operator.

16 Q Do you know when the last time we heard from them  
17 was, though?

18 A Other than that, no. The last information in the  
19 well file was in 1969.

20 Q That's when they asked for that extension of time  
21 to work on the well with the GS, I think, wasn't it?

22 A Yes.

23 MR. NUTTER: Does anyone have any comment to make  
24 on this well? We'll take that case under advisement and  
25 proceed to Case Number 6054.

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1 Q (Ms. Teschendorf continuing.) Mr. Kendrick, would  
2 you now refer to the records on the Paperthin Well Number 1  
3 and summarize its history?

4 A This well is also on a Federal lease. If there is  
5 a bond it is to the USGS and not to the Oil Conservation Com-  
6 mission.

7 The C-104 was approved on this well as a producible  
8 well with Eastern Petroleum Corporation as the operator. In  
9 December of 1972 an intent to plug and abandon was filed by  
10 the Eastern Petroleum Corporation.

11 A C-104 showing a change of ownership was filed by  
12 John F. Staver, which was approved May the 8th, 1974.

13 There is no further correspondence in this file  
14 since 1974. The 1973 production was zero; the 1974 production  
15 was 51 barrels during the month of May. The cumulative  
16 production is 923 barrels.

17 Q And do you have two exhibits related to this case?

18 A I have two photographs of this location.

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

21 A Yes, it could.

22 Q And would you elaborate in how it could cause waste?

23 A In a similar manner that should the casing fail in  
24 the wellbore, the pollution of the oil or the pollution of  
25 the water, or both, could occur.

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Phone (505) 982-9212

1 MS. TESCHENDORF: I'll now offer Exhibits 1 and 2.

2 MR. NUTTER: Exhibits 1 and 2 in Case 6054 will be  
3 admitted in evidence.

4  
5 CROSS EXAMINATION

6 BY MR. NUTTER:

7 Q Mr. Kendrick, there's no pumping unit on this well.  
8 Was this a hydraulically lifted well or was it a flowing well,  
9 or what?

10 A I don't know whether the well flowed or whether  
11 there was at one time a pumping unit on it.

12 Q What is that that's sticking up out of the top of  
13 the thing? Is that a polished rod or is that a pipe or just  
14 what would that be?

15 A That would be a polished rod.

16 Q Where there had been a pumping unit installed.

17 A Yes, sir, there had been a pumping unit at one time.

18 Q Okay. And there was zero production in 1973. The  
19 well made 51 barrels in '74, and that was the end of the  
20 production, as far as you know?

21 Q That's the last reported production, yes.

22 MR. NUTTER: Are there any questions of this wit-  
23 ness regarding this well? Are there any comments regarding  
24 this well?

25 We'll take that case under advisement and proceed

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Phone (505) 982-9212

1 to Case Number 6056.

2  
3 Q (Ms. Teschendorf continuing.) Would you now refer  
4 to the record on the Ute Well Number 1 and summarize its his-  
5 tory?

6 A The Ute Well Number 1 operated by Julius Chodorow,  
7 the C-110 was approved for production as Keith Williams, In-  
8 corporated, Barker Dome Unit Number 1, in 1960. In February  
9 of 1962 a form C-110 changed the operator to Jacob I. Smith,  
10 Trustee, Well 9 changed to the Ute Number 1.

11 On March the 12th, 1964 there was a change of trans-  
12 porters. In May of 1971 there was a change of operators to  
13 Julius Chodorow, who took over after Jacob I. Smith was the  
14 trustee of the estate of Keith Williams, Incorporated.

15 In April of 1972 there was a change in transporters  
16 by C-104. The last entry in the well file was a letter of  
17 August 22nd calling this case. The production in the well  
18 in 1974, in April there was 6 barrels of oil; in May, 2 barrel  
19 of oil; June, 3 barrels of oil; July and August each reported  
20 1 barrel per month. The cumulative production was 12,149  
21 barrels.

22 This is on an Indian lease with the Ute Indian  
23 Reservation. We have no bond wherein we are the beneficiary.  
24 If there is a bond it would be to the USGS.

25 Q Do you have an exhibit relating to this case?

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 Phone (505) 982-9212

1 A I have two photographs -- or excuse me, one photo-  
 2 graph of this well location. Charles Golson visited the  
 3 location on June the 21st and reported all production equip-  
 4 ment still on the location. I visited the location on Sep-  
 5 tember the 12th and noted that the engine was gone from the  
 6 pumping unit. There is no apparent to the well readily and  
 7 weeds have grown up in the road, so it's not real easy to  
 8 find. So someone removed that engine from the pumping unit  
 9 had to know how to get there.

10 Q Please identify Charles Golson for the record.

11 A Charles Golson is an Oil Commission employee in  
 12 District III as a Field Representative.

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

15 A It could. It has been drilled into a producible  
 16 formation and therefore is part of the reservoir in the  
 17 Horseshoe-Gallup Pool and a casing failure could allow con-  
 18 tamination of the oil or the water in that proximity.

19 MS. TESCHENDORF: I will offer Exhibit 1 in evidence.

20 MR. NUTTER: Exhibit 1 in Case 6056 will be admit-  
 21 ted in evidence.

22  
 23 CROSS EXAMINATION

24 BY MR. NUTTER:

25 Q Mr. Kendrick, you mentioned that the well in 1974

1 had produced 12 or 14 barrels in the summer months there. Is  
2 that the last production there has been from that well?

3 A Yes, sir, and the total cumulative production  
4 through the present is 12,149 barrels, and that was the last  
5 production in August of 1974.

6 Q Now, prior to that production in '74, had there  
7 been a long spell there where the well had not produced at  
8 all?

9 A No, the well seemed to produce pretty good up until  
10 about April and then it then it really went on a very rapid  
11 decline.

12 Q Then a decline set in and 2 barrels one month and  
13 finally got down to 1 barrel per month and then zero.

14 A Yes.

15 MR. NUTTER: Are there any questions of Mr. Kendrick  
16 regarding this well? Does anyone have any comments on this  
17 well?

18 Does anyone have anything to offer -- Mr. Kendrick  
19 may be excused.

20 Does anyone have anything to offer in Case Number  
21 6048, 6049, 6050, 6051, 6054 or 6056?

22 We'll take these cases under advisement and call  
23 now Case Number 6052.

24 (Hearing concluded.)  
25

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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, 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.

Sally Walton Boyd, C.S.R.

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825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 962-9212

I do hereby certify that the foregoing is  
a complete and true record of the proceedings in  
the said hearing of the New Mexico Oil Conservation  
Commission held on 9/28, 1977.

*[Signature]*, Examiner  
New Mexico Oil Conservation Commission

6048  
6049  
6050  
6051  
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6056



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. 6049  
Order No. R-5553

IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION COMMISSION ON ITS  
OWN MOTION TO PERMIT DOUGLAS KENASTON,  
MINTS-KENASTON DRILLING CO., AND ALL OTHER  
INTERESTED PARTIES TO APPEAR AND SHOW CAUSE  
WHY THE MASDEN-SELBY WELL NO. 1 LOCATED IN  
UNIT I OF SECTION 21, 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.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 28,  
1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of October, 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 Douglas Kenaston and Mints-Kenaston Drilling Co.  
are the owners and operators of the Masden-Selby Well No. 1,  
located in Unit I of Section 21, Township 29 North, Range 11 West,  
NMPM, San Juan County, New Mexico.

(3) That in order to prevent waste and protect correlative  
rights said Masden-Selby 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  
December 1, 1977, or the well should be returned to active  
drilling status or placed on production.



IT IS THEREFORE ORDERED:


(1) That Douglas Kenaston and Mints-Kenaston Drilling Co. are hereby ordered to plug and abandon the Masden-Selby Well No. 1, located in Unit I of Section 21, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, or, in the alternative, to return the well to active drilling status or place the well on production on or before December 1, 1977.

(2) That Douglas Kenaston and Mints-Kenaston Drilling Co., 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.

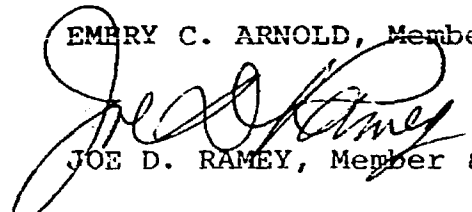
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

S E A L

jr/

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. 6049  
Order No. R-5553

IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION COMMISSION ON ITS  
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INTERESTED PARTIES TO APPEAR AND SHOW CAUSE  
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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 Douglas Kenaston and Mints-Kenaston Drilling Co. are the owners and operators of the Masden-Selby Well No. 1, located in Unit I of Section 21, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said Masden-Selby 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 December 1, 1977, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Douglas Kenaston and Mints-Kenaston Drilling Co. are hereby ordered to plug and abandon the Masden-Selby Well No. 1, located in Unit I of Section 21, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, or, in the alternative, to return the well to active drilling status or place the well on production on or before December 1, 1977.

(2) That Douglas Kenaston and Mints-Kenaston Drilling Co., 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 herein-above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

S E A L

jr/



# OIL CONSERVATION COMMISSION

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



DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
October 26, 1977

STATE GEOLOGIST  
EMERY C. ARNOLD

Douglas Kenaston  
1618 North Las Palmas Avenue  
Hollywood, California

Re: CASE NO. 6049  
ORDER NO. R-5553

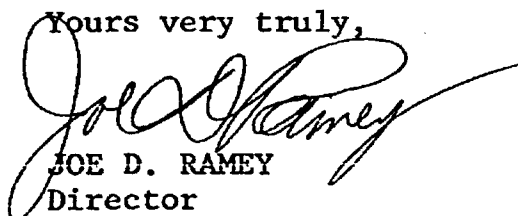
Applicant:

OCC (Mints-Kenaston Drilling Company)

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently 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

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

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. 6049  
Order No. R-5553

IN THE MATTER OF THE HEARING CALLED BY  
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11 WEST, SAN JUAN COUNTY, NEW MEXICO, SHOULD NOT  
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ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 28, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of October, 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 Douglas Kenaston and Mints-Kenaston Drilling Co. are the owners and operators of the Masden-Selby Well No. 1, located in Unit I of Section 21, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.
- (3) That in order to prevent waste and protect correlative rights said Masden-Selby 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 December 1, 1977, or the well should be returned to active drilling status or placed on production.

-2-

Case No. 6049  
Order No. R-5553

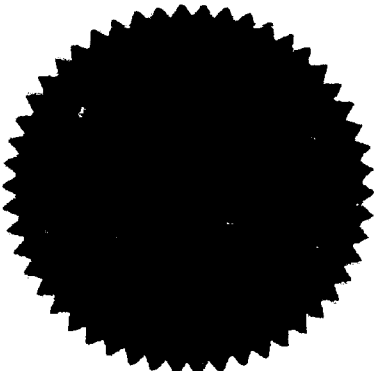
IT IS THEREFORE ORDERED:

(1) That Douglas Kenaston and Mints-Kenaston Drilling Co. are hereby ordered to plug and abandon the Mazden-Selby Well No. 1, located in Unit I of Section 21, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, or, in the alternative, to return the well to active drilling status or place the well on production on or before December 1, 1977.

(2) That Douglas Kenaston and Mints-Kenaston Drilling Co., 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*  
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

jr/

**OIL CONSERVATION COMMISSION**

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



STATE GEOLOGIST  
EMERY C. ARNOLD

DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
September 19, 1977

CERTIFIED - RETURN  
RECEIPT REQUESTED

Douglas Kenaston  
Mints-Kenaston Drilling Company  
Box 471  
Aztec, New Mexico

Re: Masden-Selby Well No. 1,  
located in Unit I of  
Section 21, Township 29  
North, Range 11 West,  
San Juan County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner  
Hearing to be held on Wednesday, September 28, 1977, at  
9 o'clock a.m. in the Oil Conservation Commission Con-  
ference Room, State Land Office Building, Santa Fe, New  
Mexico. Case 6049 concerns the above captioned subject  
matter.

Very truly yours,

  
LYNN TESCHENDORF  
General Counsel

LT/fd  
enc.

No. 481750

RECEIPT FOR CERTIFIED MAIL—30¢

SENT TO <b>Douglas Kenaston</b>		POSTMARK OR DATE
STREET AND NO. <b>Box 471</b>		
P. O., STATE, AND ZIP CODE <b>Aztec, New Mexico</b>		
EXTRA SERVICES FOR ADDITIONAL FEES		
<small>Return Receipt</small> Shows to whom and date delivered <input type="checkbox"/> 10¢ fee	<small>Shows to whom, date, and where delivered</small> <input type="checkbox"/> 35¢ fee	<small>Deliver to Addressee Only</small> <input type="checkbox"/> 50¢ fee
POD Form 3800 Mar. 1966		

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





DIRECTOR  
JOE D. RAMEY

## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
1000 RIO BRAZOS RD. - AZTEC

87410

LAND COMMISSIONER  
PHIL R. LUCERO



STATE GEOLOGIST  
EMERY C. ARNOLD

September 30, 1977

Mr. Dan Nutter  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Re: Plugging cases heard on September 28, 1977

Dear Dan:

Proposed time schedules for completion or plugging of the wells is listed below:

Case No. 6048: Noel Reynolds should own well in his name within 30 days if he intends to test it for a sustained period. If he does initiate a test he should be required to test continuously until he determines the well to be either an oil producer or a water well. No piddling around. Six months should be the limit.

Case No. 6049: Since the bond has been cancelled and we are going to do the plugging, 30 days should suffice.


Case No. 6050: Since J. Felix Hickman plans to plug, 60 or 90 days should be ample time. If he runs into trouble we can stall a bit.

Case No. 6051, No. 6053, No. 6054, and No. 6056: All these wells are on Federal leases. We only have a bond for No. 6056. We will probably have to let these for bid and collect the hard way. Sixty days should be sufficient time to contract for plugging at an early date.

We will need the plugging rigs next summer for other holes; so, let's get these done this fall.

If there are other remarks, I will call.

Yours very truly,

  
A. R. Kendrick  
Supervisor, District #3

ARK:mc

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 19, 1977

CERTIFIED - RETURN  
RECEIPT REQUESTED

C  
Douglas Kenaston  
Mints-Kenaston Drilling Company  
Box 471  
Aztec, New Mexico

Re: Masden-Selby Well No. 1,  
located in Unit I of  
Section 21, Township 29  
North, Range 11 West,  
San Juan County  
Plugging Bond

P  
Gentlemen:

Y  
Enclosed is a copy of the docket of the Examiner  
Hearing to be held on Wednesday, September 28, 1977, at  
9 o'clock a.m. in the Oil Conservation Commission Con-  
ference Room, State Land Office Building, Santa Fe, New  
Mexico. Case 6049 concerns the above captioned subject  
matter.

Very truly yours,

LYNN TESCHENDORF  
General Counsel

LT/fd  
enc.

Dockets Nos. 31-77 and 32-77 are tentatively set for hearing on October 12 and 26, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 28, 1977

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 Richard L. Stamets, Alternate Examiner:

- CASE 6048: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Saguaro Oil Company and all other interested parties to appear and show cause why the Moran State Well No. 1 located in Unit A of Section 36, Township 18 North, Range 9 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6049: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Douglas Kenaston, Nints-Kenaston Drilling Co., and all other interested parties to appear and show cause why the Masden-Selby Well No. 1 located in Unit I of Section 21, 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.
- CASE 6050: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit J. Felix Hickman and all other interested parties to appear and show cause why the Malco State Com Well No. 1 located in Unit C of Section 16, Township 26 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6051: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit B. G. West and N. W. McIntosh and all other interested parties to appear and show cause why the Rollins and Dodgen Well No. 2 located in Unit D of Section 28, Township 18 North, Range 3 West, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6052: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Western Energy Corporation and all other interested parties to appear and show cause why the Ute Well No. 2 located in Unit O of Section 23, Township 31 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6053: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Noel Reynolds and all other interested parties to appear and show cause why the Torreon Water Well No. 1 located in Unit J of Section 28, Township 18 North, Range 3 West, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6054: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John F. Staver and all other interested parties to appear and show cause why the Paperthin Well No. 1 located in Unit F of Section 26, Township 19 North, Range 5 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6055: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Han-San, Inc., and all other interested parties to appear and show cause why the Grevey Well No. 4 located in Unit E of Section 26, Township 26 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6056: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Julius Chodorow, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Ute Well No. 1 located in Unit F of Section 20, Township 31 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6021: (Readvertised)
- Application of Yates Petroleum Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the interval from 963 feet to 1560 feet in its Federal HJ Well No. 1 located in Unit A of Section 31, Township 6 South, Range 26 East, Linda-San Andres Pool, Chaves County, New Mexico.
- CASE 5983: (Continued from September 14, 1977, Examiner Hearing)
- Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the R/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.

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

Case 6089

September 2, 1977

C Mr. Al Kendrick  
Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Re: Douglas Kenaston  
Madden-Selby Well No. 1,  
Unit I, Section 21,  
T-29-N, R-11-W

O Dear Al:

P We will have to call a show-cause hearing on this  
well and then contract for its plugging, since the bond  
was cancelled in 1956. I'll set it for September 28 with  
your other plugging cases.

Very truly yours,

LYNN TESCHENDORF  
General Counsel

Y LT/dr

# Memo

8-26-77

From

A. R. KENDRICK  
Supervisor

To

Lynn:

The pipe from the wellhead to the Bradenhead valve broke when Charley checked for an oil flow. It didn't separate so it just drips oil now.

At

41



DIRECTOR  
JOE D. RAMEY

# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
1000 RIO BRAZOS RD. - AZTEC

87410

LAND COMMISSIONER  
PHIL R. LUCERO



STATE GEOLOGIST  
EMERY C. ARNOLD

August 26, 1977

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

Re: Douglas Kenaston  
Madden-Selby #1  
1650/S; 990/E  
1-21-29N-11W

Dear Lynn:

The captioned well is in the town of Bloomfield.

The current surface owner is in the process of subdividing into residential lots.

This well makes a small amount of gas on the casinghead and flows oil on the bradenhead.

Please check the attachments to see whether we can:

1. Call a case to have someone replug the well,
2. Sue for false certificate and replugging, or
3. Let a contract for plugging under the new system.

If option 3 is the result, do you need a request from the surface owner?

If there are questions, please call.

Yours very truly,

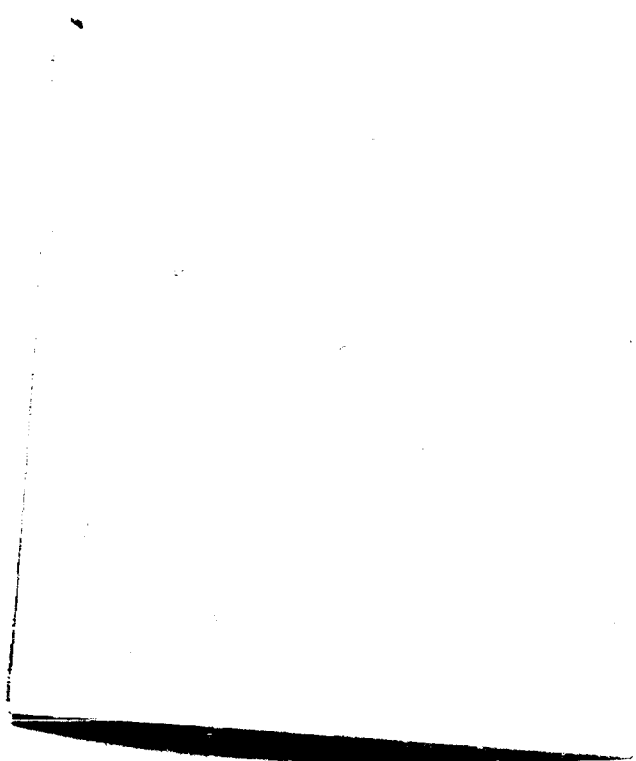
*AK*  
A. R. Kendrick  
Supervisor, District #3

Attachment

ARK:no



1096110



1086110

9-19-77

MINTS - KENASTON

MASDEN - SELBY PAPER UNIT #

I-21-29N-11W

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	1
CASE NO.	6049



Case 6049

I

COUNTY	San Juan	STATE	New Mexico
FIELD OR AREA	Widcat	SEC.	21 T. 29N R. 11W
LEASE	Hasden-Jelly Pooled Unit	LOCATION	1650/S; 990/E
COMPANY	Watts-Kenaston	WELL NO.	1
ELEV.	5427.5 GL	SPD.	7-8--52 COMPLETED 2-24-53
CASING	8-5/8" @ 100' w. 50 sx; 5 1/2" @ 1603' w. 195 sx.	T.D.	1692' P.B.
SHOT OR ACID Shot 120 qts. 1610-1692'.			
PERF.			
I.P.			
PRODUCING FORM. Temporarily Abandoned. May skid & redrill.			
PRODUCTIVE DEPTH OR INTERVAL			

REMARKS:

Top Pictured Cliffs, 1603'.

Case 6049

NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

MISCELLANEOUS NOTICES

Submit this notice in TRIPLICATE to the District Office, Oil Conservation Commission, before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the rejection by the Commission or agent, of the plan submitted. The plan as approved should be followed, and work should not begin until approval is obtained. See additional instructions in the Rules and Regulations of the Commission.

Indicate Nature of Notice by Checking Below

NOTICE OF INTENTION TO CHANGE PLANS		NOTICE OF INTENTION TO TEMPORARILY ABANDON WELL		NOTICE OF INTENTION TO DRILL DEEPER	
NOTICE OF INTENTION TO PLUG WELL	X	NOTICE OF INTENTION TO PLUG BACK		NOTICE OF INTENTION TO SET LINER	
NOTICE OF INTENTION TO SQUEEZE		NOTICE OF INTENTION TO ACIDIZE		NOTICE OF INTENTION TO SHOOT (Nitro)	
NOTICE OF INTENTION TO GUN PERFORATE		NOTICE OF INTENTION (OTHER)		NOTICE OF INTENTION (OTHER)	

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Asted, N. M. Mexico

September 18, 1953

Gentlemen:

Following is a Notice of Intention to do certain work as described below at the.....

.....  
(Company or Operator)  
NE 1/4 SE 1/4 of Sec. 21, T. 29, R. 11, NMPM, Fulcher-Luts Pool  
San Juan County.

FULL DETAILS OF PROPOSED PLAN OF WORK  
(FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS)

Spot cement plug of 30 sacks neat cement in 6-3/4 inch open hole and 7 inch OD casing. 30 sacks neat cement yielding a fillup of 103 feet. Spot second cement plug of 5 sacks neat cement from 10 to 30 feet in casing. Haynes & V. T. Drilling Co., 1725 No. Grant St., Odessa, Texas, plugging well under blanket bond.



Approved....., 1953  
Except as follows:

Haynes & V. T. Drilling Co.  
Company or Operator

By: E. P. Deason

Position: Supt.  
Send Communications regarding well to:

Approved  
OIL CONSERVATION COMMISSION

By: [Signature]

Name: Haynes & V. T. Drilling Co.

Title: [Signature]

Address: 1725 N. Grant St., Odessa, Texas

Case 6049

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS REPORTS ON WELLS

Submit this report in TRIPLICATE to the District Office, Oil Conservation Commission, within 10 days after the work specified is completed. It should be signed and filed as a report on Beginning Drilling Operations, Results of test of casing shut-off, result of plugging of well, result of well repair, and other important operations, even though the work was witnessed by an agent of the Commission. See additional instructions in the Rules and Regulations of the Commission.

Indicate Nature of Report by Checking Below

REPORT ON BEGINNING DRILLING OPERATIONS		REPORT ON RESULT OF TEST OF CASING SHUT-OFF		REPORT ON REPAIRING WELL	
REPORT ON RESULT OF PLUGGING WELL	X	REPORT ON RECOMPLETION OPERATION		REPORT ON (Other)	

September 26, 1953

Astec, New Mexico

(Date)

(Place)

Following is a report on the work done and the results obtained under the heading noted above at the

Minto-Kenaston Drilling Co.

Madison-Selby Pooled Unit

(Company or Operator)

(Lease)

Haynes & V. T. Drilling Co.

Well No. 1 in the NE 1/4 SE 1/4 of Sec. 21

(Contractor)

T 29N, R 11W, NMPM, Fulcher-Rutz Pool, San Juan County.

The Dates of this work were as follows: September 25, 1953

Notice of intention to do the work (was) ~~was~~ submitted on Form C-102 on September 18, 1953.

(Cross out incorrect words)

and approval of the proposed plan (was) ~~was~~ obtained.

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

Spotted cement plug of 50 sacks neat cement on bottom yielding of fillup of 100 feet in 4 3/4 inch open hole and 5 1/2 inch casing. Remainder of hole filled with mud. Left marker at least 4 inches in diameter extending at least 6 feet above ground.



Witnessed by F. D. Deason Haynes & V. T. Drilling Co. Supt.

(Name)

(Company)

(Title)

Approved: OIL CONSERVATION COMMISSION  
Original Signed Emory C. Arnold

(Name)

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

Name F. D. Deason

Position Supt

Representing Haynes & V. T. Drilling Co.

Address 1728 N. Grant, Odessa, Texas

Oil and Gas Inspector Dist. #3.

(Title)

(Date)

Case 6049

C  
O  
P  
Y

ECHLIN-IRVIN-CROWELL & CO.  
355 Myrtle Ave.  
El Paso, Texas  
November 18, 1955

Mr. W. B. Macey  
Secretary - Director  
New Mexico Oil Conservation Commission  
P.O. Box 871  
Santa Fe, New Mexico

Re: American Employers' Insurance Company Bond No.  
SY-201523 - Douglas Kenaston, Laguna Beach, Cal-  
ifornia - Blanket Drilling Bond to State of New  
Mexico - \$10,000.00 - 6-17-52

Dear Mr. Macey:

Thank you very much for your letter of November 4, 1955,  
in regards to the above captioned bond.

Do you have a record of the wells drilled by Mr. Kenaston  
which were covered under the bond? If so, we would appre-  
ciate receiving a list of them so that we can make the  
necessary arrangements to have Mr. Kenaston furnish us with  
the affidavit required.

Thank you in advance for your assistance.

Very truly yours,

ECHLIN-IRVIN-CROWELL & CO.

By /s/ R. M. Parsons

Case 6049

New Mexico

LAND COMMISSIONER E. S. WALKER  
MEMBER

OIL CONSERVATION COMMISSION

STATE GEOLOGIST W. B. MACEY  
SECRETARY - DIRECTOR



P. O. Box 871  
SANTA FE, NEW MEXICO

November 21, 1955



Mr. Emery Arnold  
Oil Conservation Commission  
P.O. Box 697  
Aztec, New Mexico

Dear Emery:

Enclosed is a copy of a letter from Echlin-Irvin-Crowell  
& Co. regarding the Douglas Kenaston blanket bond.

Can you furnish the list of wells drilled by Kenaston under  
the blanket bond that they asked for?

Very truly yours,

*Bobby R. Postlewaite*

Bobby R. Postlewaite

71 Buena Vista NE 21, 29N-11W  
71 Buena Vista NE 21, 29N-11W  
71 Buena Vista NE 21, 29N-11W  
71 Buena Vista NE 21, 29N-11W  
71 Buena Vista NE 21, 29N-11W  
71 Buena Vista NE 21, 29N-11W

Case 6049

NEW MEXICO  
OIL CONSERVATION COMMISSION  
AZTEC, NEW MEXICO

November 30, 1955

Mohlin-Irvin-Crowell & Co.  
355 Myrtle Ave.  
El Paso, Texas

Gentlemen:

Mr. W.B. Macey of the State Office of the Oil Conservation Commission has forwarded a copy of a letter written by you on November 18, 1955, in which you request a list of the wells drilled by Douglas Kenaston, Laguna Beach, California.

Following is a list of the wells, with their locations, drilled in the San Juan Basin under Douglas Kenaston's bond. These wells have all been plugged according to Oil Conservation Commission regulations and are eligible for cancellation of the plugging bond.

Douglas Kenaston #1 Bergin Estate, NE 21-29N-11W  
Douglas Kenaston #1 Bergin, NW 21-29N-11W  
Douglas Kenaston #1 Masden-Solby, SE 21-29N-11W  
Douglas Kenaston #2 Masden-Solby, NE 28-29N-11W  
Douglas Kenaston #3 Masden-Solby, NE 28-29N-11W (Farmington SS)

Yours very truly

Emery C. Arnold  
Supervisor, District #3

ECA:ks

cc: W.B. Macey, OOC, Santa Fe, N.M.

1618 North Las Palmas Ave.  
Hollywood 28, California

February 9, 1956

New Mexico Oil Conservation Commission  
Aztec, New Mexico

Re: Blanket Drilling Bond  
SY-201528  
American Employers Ins. Co.  
Dated: 6/17/52

Gentlemen:

I have plugged all of the wells  
which were covered by the above bond and  
hereby request that the same be cancelled.

Very truly yours,



DOUGLAS A. KENASTON.

DAK:P



Case 6049

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 5, 1956

C  
O  
P  
Y

Echlin-Irvin-Crowell & Co.  
P.O. Drawer 1739  
El Paso, Texas

Re: Douglas Kenaston, \$10,000  
Blanket Bond SY-201523

Gentlemen:

The Oil Conservation Commission on this date approves termination of the above-captioned \$10,000.00 blanket plugging bond.

Very truly yours,

A. L. Porter, Jr.  
Acting Secretary - Director

ALP:brp

CC-Douglas Kenaston

Oil Conservation Commission:  
Artesia  
Aztec  
Hobbs





dr/

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

Order No. R- 5553

### ORDER OF THE COMMISSION

This cause came on for hearing at 9 a.m. on September 28,  
19 77, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

**FINDS:**

(2) That Douglas Kenaston and Mints- Kenaston Drilling Co. are ~~is~~ the owners and

(3) That \_\_\_\_\_ is the  
\_\_\_\_\_ company on the Oil Conservation Commission plugging bond on which  
\_\_\_\_\_ is Kenaston and Mints-Kenaston Drilling Co. are ~~is~~ principal.

(9) That in order to prevent waste and protect correlative rights said Masden-Selby 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 ~~January~~ December 1, 1977, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

~~on or before December 1, 1977~~  
(1) That Douglas Kenaston and Mints-Kenaston Drilling Co.

are hereby ordered to plug and abandon the  
Masden-Selby Well No. 1

located in Unit I of Section 21, Township 29 North  
Range 11 West, NMPM, San Juan County, New Mexico, ~~or~~

~~on or before January 1, 1977~~  
or, in the alternative, to return the well to active  
drilling status or place the well on production  
on or before December 1, 1977.

(2) That Douglas Kenaston and Mints-Kenaston Drilling Co.

, 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.