

N. CASE 6055: PLUGGING CASE - OCC  
HAN-SAN, INC.

Case

2/10/12  
at  
Conf

Case Number

6055

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
12 October, 1977

EXAMINER HEARING

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 ac-  
cordance with a Commission-approved  
plugging program.

CASE  
6055

BEFORE: Richard L. Stamets.

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

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

I N D E X

A. R. KENDRICK

Direct Examination by Ms. Teschendorf 4

Cross Examination by Mr. Stamets 8

TESTIMONY OF KENNETH HAND

(Including questions by Mr. Stamets and  
comments by Mr. Kendrick.) 10

E X H I B I T S

Commission Exhibit 1, Photograph 8

Hand Exhibit 1, Notice 14

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Phone (505) 982-9212

1 MR. STAMETS: Call next Case 6055. In the matter  
2 of the hearing called by the Oil Conservation Commission on  
3 its own motion to permit Han-San, Inc., and all other in-  
4 terested parties to appear and show cause why the Grevey  
5 Well No. 4, located in Unit E of Section 26, Township 26  
6 North, Range 1 East, Rio Arriba County, New Mexico, should  
7 not be plugged and abandoned in accordance with a Commission-  
8 approved plugging program.

9 Call for appearances at this time.

10 MR. HAND: This where I come? Kenneth Hand, Han-  
11 San, Inc.

12 MR. STAMETS: Kenneth Hand. Okay, and what is  
13 your relationship to this case, Mr. Hand?

14 MR. HAND: Well, I drilled the well and I'm presi-  
15 dent of Han-San, Incorporated.

16 MR. STAMETS: Okay. Now, Mr. Hand, the Commission  
17 will put on its case first and then you'll be permitted to  
18 cross examine the Commission witness or put on your present-  
19 ation.

20 MR. HAND: Do I go back over there, then?

21 MR. STAMETS: Just have a seat on the side.

22 MR. HAND: This is all new to me.

23 MS. TESCHENDORF: Lynn Teschendorf, appearing on  
24 behalf of the Commission and I have one witness.

25 MR. STAMETS: Mr. Hand, do you intend to present

1 some evidence in this case?

2 MR. HAND: Yes, sir.

3 MR. STAMETS: Okay. I'd like to have all the  
4 witnesses in this case stand and be sworn, then, at this time,  
5 including you, sir.

6 (Witnesses sworn.)

7  
8 A. R. KENDRICK

9 being called as a witness by the Commission, and having been  
10 duly sworn upon his oath, testified as follows, to-wit:

11  
12 DIRECT EXAMINATION

13 BY MS. TESCHENDORF:

14 Q Would you state your name, position, and place of  
15 residence for the record?

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

18 Q And how long have you held this position?

19 A A little over two years.

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

22 A I have and they are.

23 Q Does District III include that part of Rio Arriba  
24 County involved in this case?

25 A It does.

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

4 A They do.

5 Q Are you familiar with the subject matter of Case  
6 Number 6055?

7 A Yes.

8 Q And what is the purpose of this case?

9 A To allow the owners and interested parties in this  
10 well to make this well a useful well or to plug and abandon  
11 the well.

12 Q Have you reviewed all the reports filed with the  
13 Commission concerning the well?

14 A I have.

15 Q Do you have these records with you?

16 A Yes.

17 Q Please refer to the records pertaining to this  
18 well and summarize its history.

19 A The well was -- Intent to Drill was filed in 1964  
20 under the name of Doctor Sam G. Dunn. A revised Intent to  
21 Drill was filed in 1976 under the name of Han-San, Incorpor-  
22 ated.

23 The well was drilled. In March of 1977 we re-  
24 ceived a report that the well had been drilled and the casing  
25 hung in the well. A notice was sent March 21st to Han-San,

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1 Incorporated, advising them that our rules required that the  
2 casing be cemented, and that wells which were abandoned for  
3 a period of sixty days or more were to be considered as candi-  
4 dates for plugging and abandonment.

5 There was no response to my letter of March 21st  
6 and on August the 29th I sent a letter to the legal depart-  
7 ment here in Santa Fe, a copy to the operator, requesting  
8 that this case be docketed, and the only subsequent report  
9 to that I have received is one phone call; the gist which  
10 was that they had drilled the well and would like to make a  
11 commercial well out of it.

12 I was on the location yesterday and, apparently,  
13 nothing was done since our field man was out on September  
14 the 20th and took pictures of the location at that time and  
15 the photograph I got yesterday indicate that the junk being  
16 about the same place as it was on September the 20th.

17 Q What was the date of that phone call, do you re-  
18 member?

19 A The date prior to the docketed case, which would  
20 have been about two weeks ago yesterday.

21 Q Is that all the records on the well?

22 A Yes.

23 Q Is there a bond on this well running to the State  
24 of New Mexico?

25 A I don't think there's a bond wherein the State of



1 New Mexico is the beneficiary; this is on a federal lease.

2 Q Do you have any other communications relative to  
3 the case that should be called to the Examiner's attention?

4 A I sent a letter on September the 30th advising  
5 the operator that the case had been continued at his request  
6 and that in the absence of further reports reaching my office  
7 by last Friday, testimony would be taken today.

8 It was received in their office in Albuquerque on  
9 October the 3rd, it says here, in Roswell.

10 Q In your opinion would the failure to plug this  
11 well cause waste?

12 A It could.

13 Q Would you elaborate on that, please?

14 A This well is offsetting another well which is pro-  
15 ducing. The well is producing with gas from the well to  
16 operate the pumping unit. Failure to produce this well in  
17 a business-like manner, cement the casing, can either allow  
18 water to penetrate the pay zone and flood out the producing  
19 interval, or to allow the gas and oil from the pay zone to  
20 penetrate into possible shallower water sands in the area.

21 Q Are you prepared to recommend a plugging program  
22 at this time or would you prefer to describe the program  
23 at the actual time of plugging?

24 A I'd prefer to work out the plugging program with  
25 the operator and the USGS, since this is on a federal lease.

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1 Q Did you bring any exhibits with you?

2 A Yes. We can make an exhibit out of the photograph  
3 taken on September the 20th.

4 Q That will be Exhibit 1.

5 MS. TESCHENDORF: At this time I'll offer Exhibit  
6 1, and I have nothing further.

7 MR. STAMETS: Exhibit 1 will be admitted.

8

9 CROSS EXAMINATION

10 BY MR. STAMETS:

11 Q Mr. Kendrick, you indicated that the Intent to  
12 Drill was received in '65 - '66 and then a report in 1977.

13 Were there any intervening reports or any reports  
14 indicating when the drilling took place?

15 A The revised Intent to Drill by Han-San, Incorporated,  
16 was filed in 1976.

17 Q '76.

18 A In August.

19 Q Is there any surface casing in the hole?

20 A There's an indication on the Miscellaneous Notice  
21 that 8-5/8ths inch, 55 pound new surface casing was cemented  
22 with 18 sacks of cement.

23 Q What depth?

24 A 50 feet.

25 Q Okay, and then what's the next string, the one

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1 that's hung in the hole?

2 A 5-1/2 inch. And I don't know how long it is.

3 This hill is -- or excuse me, this well is on a little hill  
4 and the 50 feet of surface pipe would not go to the base of  
5 the hill.

6 Q Okay. What's the TD?

7 A 1780 feet.

8 Q And what formation or formations are -- what's the  
9 pay zone in that area?

10 A I think in that area that would be the Menares (sic)  
11 and Dakota.

12 Q And these do produce in the immediate vicinity of  
13 the well?

14 A Yes, sir.

15 Q Okay.

16 MR. STAMETS: Mr. Hand, do you have any questions  
17 of Mr. Kendricks?

18 MR. HAND: No, sir.

19 MR. STAMETS: Okay. Any other questions of the  
20 witness? Mr. Ramey?

21 MR. RAMEY: Did the operator on his notice of Intent  
22 to Drill indicate that he was going to cement the pipe in  
23 the well?

24 A Yes, sir.

25 MR. RAMEY: So the operator hasn't conformed to his

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1 Notice of Intent to Drill?

2 A According to the records we have, no.

3 MR. STAMETS: If there are no further questions,  
4 the witness may be excused.

5 Mr. Hand, is there anything you'd like to offer  
6 in this case?

7 MR. HAND: Yes, sir.

8 MR. STAMETS: You may take the witness stand.

9 Please identify yourself once again for the record.

10

11

TESTIMONY OF KENNETH HAND

12

13 MR. HAND: Kenneth Hand. President of Han-San,  
14 Incorporated, Deming, New Mexico.

15 That last question that you asked Mr. Kendrick  
16 about the Intent to -- was that on the application to drill,  
17 supposed to have been on that, about --

18 MR. STAMETS: Yes.

19 MR. HAND: -- cementing the pipe?

20 MR. KENDRICK: He asked if you had identified  
21 that you would cement the pipe when you filed an Intent to  
22 Drill, and I said that you had, based on the Intent that we  
23 have.

24 MR. HAND: Let's see, I'm just wanting that for  
25 my own information because I didn't file that. K. C. Hamlett

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1 from Roswell done all that for me.

2 Well, apparently I failed to send in a form here  
3 that should have been sent in after I talked with Mr. Kendrick  
4 which is a Sundry Notice and Report on Wells.

5 See, all this is new to me and I just kind of  
6 got caught up in this and trying to bog my way through the  
7 best way I can, but I think that well will make a producing  
8 well, and I'd like to try it. And I've talked to Dowell  
9 Chemical and they've got a chemical frac deal that I've been  
10 wanting to try, and I've got here these papers on the Intent  
11 Notice of Intention, if I could introduce those and let Mr.  
12 Kendrick look at them.

13 Now the technical terms, I don't know how they  
14 word them and I just done the best we could on that.

15 MR. STAMETS: Mr. -- is it H-A-N-D?

16 MR. HAND: H-A-N-D.

17 MR. STAMETS: Is it your intention to cement the  
18 casing in the hole as is required if you're going to produce  
19 the well?

20 MR. HAND: Yes, sir.

21 MR. STAMETS: And you indicate here on this Sundry  
22 Notice that you intend to run a packer and treat with chem-  
23 icals solution forcing in under pressure. I presume this  
24 would be after the well -- after the casing is cemented?

25 A. Well, however it's supposed to be. I don't know.

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1 I thought that was why they was running the packer.

2 MR. STAMETS: Is it an open hole packer or --

3 MR. HAND: Yes, open hole.

4 MR. STAMETS: Mr. Kendrick, we might as well make  
5 a triangle out of this thing.

6 Mr. Hand has proposed to -- a procedure here to  
7 try and see if the well can be put back on production. Do  
8 you feel that this is a good procedure or not a good proce-  
9 dure and why?

10 MR. KENDRICK: If the casing is cemented and he  
11 is intending to acid-treat or fracture-treat the formation,  
12 this would be in the realm of normal operation, and there is  
13 a possibility of making a commercial, producable well out of  
14 this.

15 MR. STAMETS: How much cement would be required  
16 on this casing before this work should proceed?

17 MR. KENDRICK: We have to get some more records  
18 because we don't know what the hole size is outside the  
19 casing to calculate the fill-up.

20 MR. STAMETS: Normally what would you require, a  
21 couple hundred feet above the pay zone?

22 MR. KENDRICK: I believe the rules and regulations  
23 require a minimal 500 feet above the zone of interest and  
24 until we learn the hole size outside the casing, we can't  
25 calculate the amount of cement necessary to properly cement

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1 the casing in place.

2 MR. STAMETS: Mr. Hand, if you were given the  
3 period of time, say 120 days after the date of this hearing,  
4 in which to -- perhaps 90 days would be a better time -- in  
5 which to either put this well on production in accordance  
6 with Commission Rules and Regulations, and that would include  
7 cementing the casing, or plug the well, would that give you  
8 enough time to do one of these operations?

9 MR. HAND: I think it will, because Dowell, they  
10 said they'd only need a couple of days notice; just get my  
11 rig and the equipment. He's promised -- well, he promised  
12 me on the 4th and now he says the 17th.

13 MR. STAMETS: You do understand Mr. Kendrick feels  
14 that this casing must be cemented before --

15 MR. HAND: Before we treat it.

16 MR. STAMETS: Before you treat it, that's correct.

17 MR. HAND: Well, we could do that, yeah.

18 MR. KENDRICK: Maybe you'd better stay with 120  
19 days, because his location out there, if there comes a good  
20 shower he's not going to get there the same day, or he's not  
21 going to get back.

22 MR. STAMETS: Okay.

23 MR. KENDRICK: It's pretty sorry dirt up there.

24 MR. STAMETS: So if I understand the situation,  
25 now, both of you feel that the Applicant should be given 120

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*General Court Reporting Service*  
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 Phone (505) 982-9212

1 days to either put the well to commercial production or to  
 2 plug the hole.

3 MR. KENDRICK: That's agreeable to me.

4 MR. HAND: That's agreeable.

5 MR. STAMETS: Okay. Mr. Hand, we will keep one  
 6 copy of this notice, Sundry Notice, for our records as an  
 7 exhibit in the case, and we will label it your Exhibit  
 8 Number 1, Hand Exhibit Number 1 in this particular case and  
 9 you may have the rest of them back for filing purposes, and  
 10 do you have anything further you wish to -- do you have any-  
 11 thing further you wish to state in this case?

12 MR. HAND: No, sir.

13 MR. STAMETS: Do you have any questions, Mr.

14 Hand? You may be excused.

15 Anything further in this case?

16 The case will be taken under advisement.

17 MR. RAMEY: Mr. Hand, would you get together with  
 18 Mr. Kendrick and see what is lacking in the well file so  
 19 that we can have a complete record of the well?

20 MR. HAND: Yeah, I intend to do that when he gets  
 21 a chance.

22 (Hearing concluded.)

23

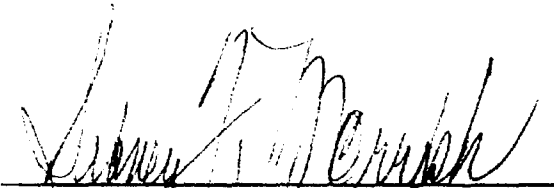
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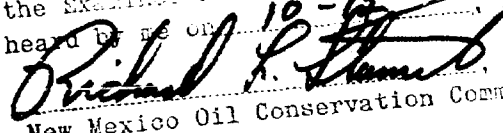
## REPORTER'S CERTIFICATE

1  
2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
3 do hereby certify that the foregoing and attached Transcript  
4 of Hearing before the New Mexico Oil Conservation Commission  
5 was reported by me, and the same is a true and correct record  
6 of the said proceedings to the best of my knowledge, skill and  
7 ability.

8  
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11   
12 Sidney F. Morrish, C.S.R.  
13  
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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6053  
heard by me on 10-13, 1927.  
  
Richard L. Hamel, Examiner  
New Mexico Oil Conservation Commission

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 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, Town-  
ship 26 North, Range 1 East, Rio Arriba County,  
New Mexico, should not be plugged and abandoned  
in accordance with a Commission-approved plug-  
ging program.

CASE  
6055

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

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

1 MR. NUTTER: Call Case 6055, which is in the matter  
2 of the hearing called by the Oil Conservation Commission on  
3 its own motion to permit Han-San, Inc., and all other inter-  
4 ested parties to appear and show cause why the Grevey Well  
5 Number 4 located in Unit E of Section 26, Township 26 North,  
6 Range 1 East, Rio Arriba County, New Mexico, should not be  
7 plugged and abandoned in accordance with a Commission-approved  
8 plugging program.

9 MS. TESCHENDORF: Mr. Examiner, the operator in the  
10 case has requested that we continue it to the October 12th  
11 hearing.

12 MR. NUTTER: Case Number 6055 will be continued to  
13 the Examiner Hearing scheduled to be held at this same place  
14 at 9:00 o'clock a. m. October 12th, 1977.

15 (Hearing concluded.)  
16  
17  
18  
19  
20  
21  
22  
23  
24  
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  
Sally Walton Boyd, C. S. R.

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I do hereby certify that the foregoing is  
a complete and correct transcript of the proceedings in  
the Matter of the hearing of Case No. 6056  
heard by me on 9/28, 19 77.

[Signature], Examiner  
New Mexico Oil Conservation Commission



# OIL CONSERVATION COMMISSION

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



DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
November 7, 1977

STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. Kenneth Hand  
Han-San, Inc.  
P. O. Box 1936  
Roswell, New Mexico 88201

Re: CASE NO. 6055  
ORDER NO. R-5567

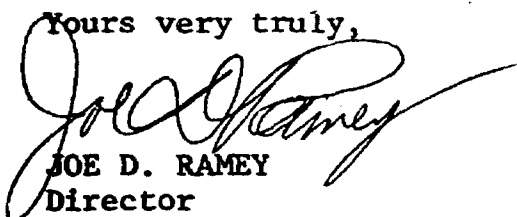
Applicant:

OCC (Han-San, Inc.)

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 \_\_\_\_\_



JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

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

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-8178

June 5, 1978

Mr. Kenneth Hand  
Han-San, Inc.  
P. O. Box 1936  
Roswell, New Mexico 88201

Re: Order R-556/

Dear Mr. Hand:

The subject order required your Grevey #4 well to be completed or plugged on or before January 31, 1976.

We have received no reports of action since your visit early this year.

If a rig is not on the well by June 26, 1978, we shall turn the matter to our legal department.

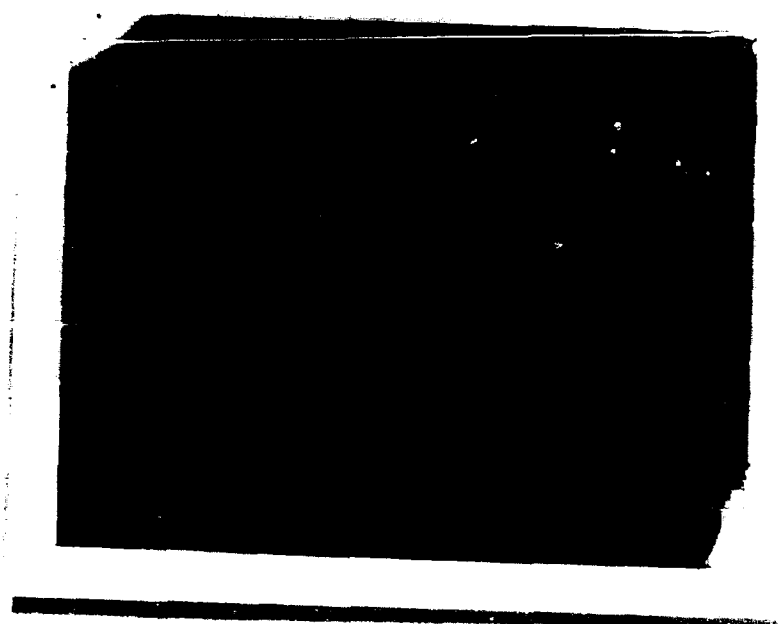
If there are questions, please contact us.

Yours very truly,

A. R. Kendrick  
District Supervisor

xc: Oil Conservation Division, Santa Fe  
U.S.G.S., Durango Colorado

ARK:no



6-27-78

4/AN. SAN GREVEY #4

N/W 26-26N-1E

C.G.





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

JERRY APODACA  
GOVERNOR  
NICK FRANKLIN  
SECRETARY

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-8178

June 28, 1978

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

*Case 6055*

Re: Han-San, Inc.  
Grevey #4  
E-26-26N-1E  
Rio Arriba County

Dear Lynn:

The subject well has not been brought into compliance with Order R-5567.

There is no evidence that the casing has been cemented. The well has not been plugged and abandoned.

The old rig has been removed from the location.

Mr. Charles Gholson of this office was on the location yesterday and took the enclosed photograph.

The case was heard November 1, 1977; the order required completion by January 31, 1978; I granted an oral 60 day extension due to wet weather; and, because of no action I set a completion date of June 26, 1978.

Please initiate the appropriate legal action.

Yours very truly,

*A. R. Kendrick*  
A. R. Kendrick  
District Supervisor

Enclosure: Photograph

xc: Han-San, Inc.

Mr. Kenneth Hand

ARK:no

*Lynn*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

(Other instructions on  
reverse side)

Budget Bureau No. 42 R1426

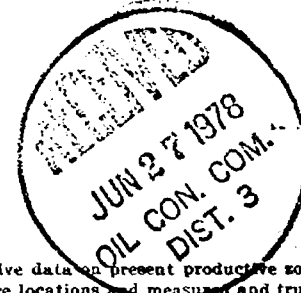
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. <i>N.M. 012833</i>
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR <i>Larson, Inc.</i>		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR <i>1110 S. Tupper Building, N.M. 88100</i>		8. FARM OR LEASE NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface <i>1110 S. Tupper Bldg, N.M. 88100</i>		9. WELL NO. <i>Survey # 4</i>
At proposed prod. zone <i>same as above</i>		10. FIELD AND POOL, OR WELDCAT <i>Puerto Chiquito</i>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <i>3 miles north of Cuba, N.M.</i>		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <i>Sec. 25 T 26N R1E</i>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)	16. NO. OF ACRES IN LEASE <i>640</i>	12. COUNTY OR PARISH <i>San Juan</i>
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH <i>2000 ft</i>	13. STATE <i>N.M.</i>
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <i>7023 ft.</i>	20. ROTARY OR CABLE TOOLS <i>rotary</i>	22. APPROX. DATE WORK WILL START* <i>Upon approval</i>

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

Propose to deepen well from 1780 ft. to approximately 2000 ft. to test granular formation. If oil or gas production is encountered, set an approved liner to production zone. If hole is dry, to plug and abandon with approved plugging program.

The existing location and roads will be adequate, so no environmental change will be necessary.



RECEIVED  
JUN 26 1978

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNATURE *David R. Jones* TITLE *Drilling Contractor* DATE *June 20, 1978*  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

ST.  
\*See Instructions On Reverse Side

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. 6055  
Order No. R-5567

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, RIO ARRIBA 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 October 12, 1977,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of November, 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 Han-San, Inc., is the owner and operator of the  
Grevey Well No. 4, located in Unit E of Section 26, Township  
26 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That in order to prevent waste and protect correlative  
rights said Grevey Well No. 4 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 31, 1978, or the well should be returned to  
active drilling status or placed on production.

-2-  
Case No. 6055  
Order No. R-5567

IT IS THEREFORE ORDERED:

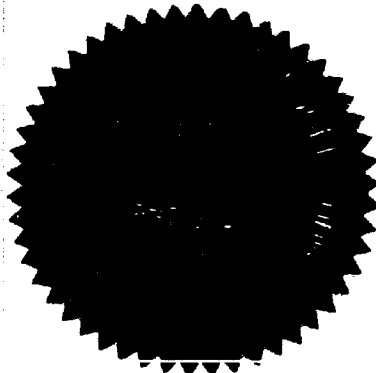
(1) That Han-San, Inc., is hereby ordered to plug and abandon the Grevey Well No. 4, located in Unit E of Section 26, Township 26 North, Range 1 East, NMPM, Rio Arriba County, New Mexico, on or before January 31, 1978, or return the well to approved active drilling status or place the well on production.

(2) That Han-San, Inc., 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



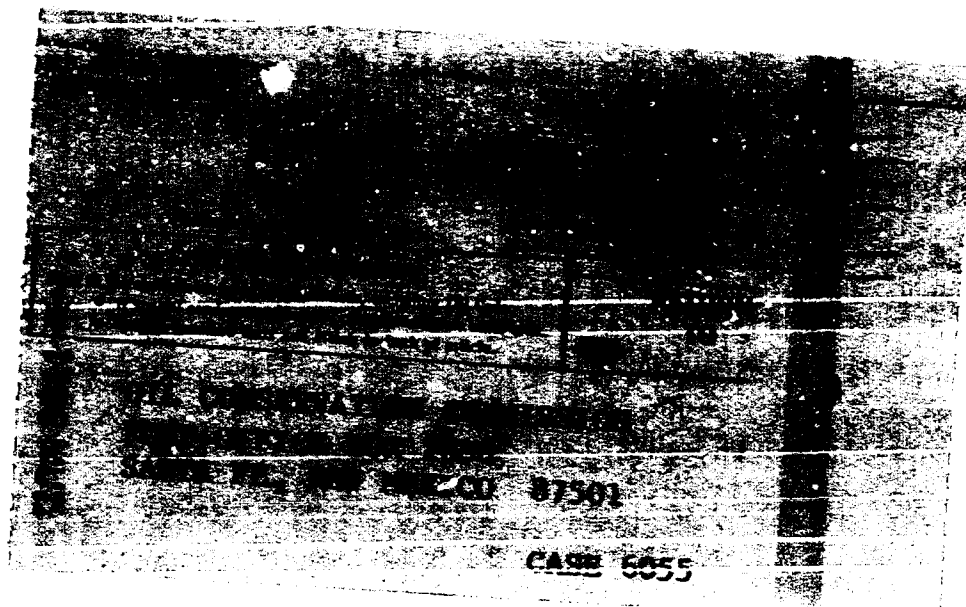
S E A L

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

hr/



No. 481757

RECEIPT FOR CERTIFIED MAIL--30¢

SENT TO <b>Han-San, Inc.</b>		POSTMARK OR DATE
STREET AND NO. <b>1112 South Copper</b>		
P. O., STATE, AND ZIP CODE <b>Deming, New Mexico 88030</b>		
EXTRA SERVICES FOR ADDITIONAL FEES		
Return Receipt		
Shows to whom and date delivered	Shows to whom, date, and where delivered	Deliver to Addressee Only
<input type="checkbox"/> 10¢ fee	<input type="checkbox"/> 35¢ fee	<input type="checkbox"/> 50¢ fee

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

P.O. Form 3800  
Mar. 1956

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 1  
CASE NO. 6055  
Submitted by \_\_\_\_\_  
Hearing Date \_\_\_\_\_

[illegible]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEYSUBMIT IN TRIPLICATE\*  
(Other instructions on re-  
verse side)Form approved.  
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

N.M. 012833

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

## SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Han-San, Inc.	8. FARM OR LEASE NAME
3. ADDRESS OF OPERATOR 1112 So. Copper, Deming, New Mexico, 88030	9. WELL NO. Grevey #4
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface  2055' FNL x 510' FWL of Sec. 26	10. FIELD AND POOL, OR WILDCAT Puerto Chiquito
14. PERMIT NO.	11. SEC., T., R., W., OR BLK. AND SURVEY OR AREA Sec. 26-T26N-R1E
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 7023 ft.	12. COUNTY OR PARISH Rio Arriba
	13. STATE N.M.

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input checked="" type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Move Rig in around 18th of October. Pull rods & tubing sometime during week between 18th and 24th. Run baker packer & treat with Chemical Solution, forcing it in under pressure.

18. I hereby certify that the foregoing is true and correct

SIGNED \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

### Instructions

**General:** This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 17:** Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

GPO 680-379

BEFORE EXAMINER STATEMENTS	
OIL CONSERVATION COMMISSION	
CASE NO.	44-541 EXHIBIT NO. 1
Submitted by	6055
Hearing Date	10-12-77





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. Kenneth Hand  
Han-San, Inc.  
P. O. Box 1936  
Roswell, New Mexico 88201

CERTIFIED MAIL

Re: Case No. 6055  
Han-San, Inc.  
Grevey #4  
C-26-26N-1E

Dear Mr. Hand:

The subject case was continued to October 12, 1977, as you requested by telephone on September 27, 1977.

Testimony will be taken on that date regarding the well unless records are received in this office prior to October 9, 1977, showing the well to be a commercially producible well or a proposal to plug and abandon the well including a proposed date of plugging.

If there are questions, please contact us.

Yours very truly,

*A. R. Kendrick*

A. R. Kendrick  
Supervisor, District #3

ARK:mc

xc: Oil Conservation Commission  
Santa Fe, New Mexico

U. S. G. S.  
Durango, Colorado

Dockets Nos. 33-77 and 34-77 are tentatively set for hearing on October 26 and November 9, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 12, 1977

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

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

- ALLOWABLE:** (1) Consideration of the allowable production of gas for November, 1977, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for November, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6053: (Continued & Readvertised)

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 21, 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 6025: (Continued & Readvertised)

Application of Roger C. Hanks for a special gas-oil ratio limitation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, retroactive to August 22, 1977.

CASE 6052: (Continued from September 28, 1977, Examiner Hearing)

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 6055: (Continued from September 28, 1977, Examiner Hearing)

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 6057: Application of Aminoil USA Inc., for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Willow Lake Well No. 3 to be located 1980 feet from the South line and 1940 feet from the West line of Section 15, Township 24 South, Range 28 East, Willow Lake Field, Eddy County, New Mexico, the S/2 of said Section 15 to be dedicated to the well.

CASE 6058: Application of Atlantic Richfield Company for the amendment of Order No. K-5430, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5430, which order approved an unorthodox Justis-Fusselman location for its Wimberly WN Well No. 11 in Section 24, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant now requests that the unorthodox location for said well be extended to include the Montoya formation.

CASE 6059: Application of Dome Petroleum Corporation for pool creation, an oil discovery allowable, and a special depth bracket allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Leggs Entrada Oil Pool in Section 11, Township 21 North, Range 10 West, San Juan County, New Mexico, the assignment of approximately 750 barrels of oil discovery allowable to its Santa Fe-Leggs Well No. 1 located in Unit O of said Section 11, and the establishment of a special depth bracket allowable of 750 barrels of oil per day for said pool.

CASE 6060: Application of J. Cecil Rhodes for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Blinbry formation into the perforated interval from 5252 feet to 5448 feet in his Corrigan Well No. 1 located in Unit M of Section 11, Township 25 South, Range 37 East, Justis-Blinbry Pool, Lea County, New Mexico.

Han-Sau, Inc.

9-3-31

Kenneth Hand

#

Al Hendrick

U.S.S. in Durang never  
sent forms.

546-9431

Deming

6055

Clark III - IR

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. Rutter, 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, 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.
- 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 G 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. C. 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 H/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.



DIRECTOR  
JOE D. RAMEY

# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
1000 RIO BRAZOS RD. - AZTEC

87410

LAND COMMISSIONER

PHIL R. LUCERO

August 29, 1977



STATE GEOLOGIST  
EMERY C. ARNOLD

AUG 30 1977  
OIL CONSERVATION COMM.  
SANTA FE, N.M.

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

Re: Han-San, Inc.

Grevey #4

E-26-26N-1E

Rio Arriba County

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*

A. R. Kendrick  
Supervisor, District #3

xc: Operator:

*Federal Lease*

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 19, 1977

CERTIFIED - RETURN  
RECEIPT REQUESTED

C  
Han-San, Inc.  
1112 South Copper  
Deming, New Mexico 88030

Re: Grevey Well No. 4, located  
in Unit E of Section 26,  
Township 26 North, Range 1  
East, Rio Arriba County  
Plugging Bond

O  
P  
Y  
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 6055 concerns the above captioned subject  
matter.

Very truly yours,

LYNN TESCHENDORF  
General Counsel

LT/fd  
enc.

$\partial \tau /$ 

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

CASE NO. 605

Order No. R- 5567

XX

## ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 12, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ 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 Han-San, Inc. is the owner and operator of the Grevey Well No. 4, located in Unit E of Section 26, Township 26 North Range 1 East, NMPM, Rio Arriba County, New Mexico.

(3) That \_\_\_\_\_ is the surety on the Oil Conservation Commission plugging bond on which Han-San, Inc. \_\_\_\_\_ is principal.

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

(5) That in order to prevent waste and protect correlative rights said Grevey Well No. 4 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 31, 1978, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Han-San, Inc. is

xxx hereby ordered to plug and abandon the  
Grevey Well No. 4

located in Unit E of Section 26, Township 26 North,  
Range 1 East, NMPM, Rio Arriba County, New Mexico, on or  
before January 31, 19 78, or return

*the well to approved active drilling status or place the  
well on production.*

(2) That Han-San, Inc.

, 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.