

Pl CASE 6168: PLUGGING CASE - OCC *lbranks*
RUTTER AND WILBANKS BROTHERS, *is)*
MARYLAND CASUALTY COMPANY

Case NO.

6168

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 6, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of the Oil Conservation Commission on its own motion to permit Rutter and Wilbanks Brothers, Maryland Casualty Company and others to show cause on the Magruder State Well No. 1, Eddy County, New Mexico. CASE 6168

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

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

sid morrison reporting service
General Court Reporting Service
823 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E X

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

1 MR. NUTTER: Call Case 6168, which is in the matter
2 of the hearing called by the Oil Conservation Commission on
3 its own motion to permit Rutter and Wilbanks Brothers,
4 Maryland Casualty Company, and all other interested parties
5 to appear and show cause why the Magruder State Well No. 1,
6 located in Unit E of Section 36, Township 17 South, Range
7 27 East, Eddy County, New Mexico, should not be plugged and
8 abandoned in accordance with a Commission-approved plugging
9 program.

10 Call for appearances in this case?

11 MS. TESCHENDORF: Lynn Teschendorf appearing on
12 behalf of the Commission and I have one witness.

13 (THEREUPON, the witness was sworn.)

14 MR. NUTTER: Are there other appearances? Ms.
15 Teschendorf?

16
17 W. A. GRESSETT

18 was called as a witness by the Commission, and having been
19 first duly sworn, testified upon his oath as follows, to-wit:

20
21 DIRECT EXAMINATION

22 BY MS. TESCHENDORF:

23 Q Would you please state your name and place of
24 residence and occupation?

25 A W. A. Gressett, Supervisor for the Commission in

sid merrish reporting service
General Court Reporting Service
825 Calle Mojia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 District Two in Artesia, New Mexico.

2 Q How long have you held this position?

3 A Approximately twelve years.

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

6 A Yes.

7 Q Does District Two include that part of Eddy County
8 involved in this case?

9 A Yes.

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

13 A Yes.

14 Q Are you familiar with the subject matter of Case
15 6168?

16 A Yes, I am.

17 Q And what is pertinent to that case?

18 A The case was called on the motion of the Commission
19 to permit Rutter and Wilbanks Brothers and Maryland Casualty
20 Company, and all other interested parties to appear and show
21 cause why the Magruder State Well No. 1, located in Unit E
22 of Section 36, Township 17 South, Range 27 East, Eddy County,
23 New Mexico, should not be plugged and abandoned in accordance
24 with a Commission-approved plugging program.

25 Q Have you reviewed all reports filed with the

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General Court Reporting Service
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Phone (505) 982-9112

1 Commission concerning this well?

2 A. Yes, I have.

3 Q. Would you please summarize the well history?

4 A. Permit to drill this well was approved on October
5 3rd, 1941, and at that time it was filed as Frank B. Haddack.
6 The well was spudded on 11/8/1941, and drilled to a total
7 depth of four hundred and sixty-four feet. They set seven
8 inch casing at four hundred and thirty-two feet with twenty-
9 five sacks of cement.

10 The well was completed from open hole four hundred
11 and thirty-two feet to four hundred and sixty-four feet.

12 It was completed on 12/29/41. The operator named
13 on the well was changed to Randolph Johnson in 1950, and to
14 J. C. Davis in 1951, Pat Evans in 1953, and to Rutter and
15 Wilbanks Brothers effective 3/1/1960.

16 The well produced -- the last production reported
17 was in May and June of 1963, and the well has been shut in
18 since that time.

19 MR. NUTTER: What pool is this in, Mr. Gressett?

20 A. This is in the Empire Yates Seven Rivers.

21 MR. NUTTER: How much has the well pumped?

22 A. Cumulative to 1/1/64, is five thousand seven hundred
23 and ninety-four barrels.

24 Q. (Ms. Teschendorf continuing.) The last official
25 form filed with the Commission was in 1963, is that correct?

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1 A. That is correct.

2 Q. Is there a bond covering this well?

3 A. Yes, they have a ten thousand dollar blanket bond.

4 Q. Do you have any other communications relative to
5 this case which should be called to the Examiner's attention?

6 A. No, I do not.

7 Q. Are you aware of the possibility of someone taking
8 this well over and re-working it and putting it on production?

9 A. Yes. I have understood that one or two people are
10 attempting to obtain this well and attempt to put it back
11 on production.

12 Q. Would you recommend that a Commission order give
13 a sufficient time period or a deadline for putting the well
14 back on production instead of plugging it so as to give
15 someone plenty of time to take over the well and put it back
16 on production?

17 A. Yes.

18 Q. In your opinion could the failure of either plugging
19 the well or putting it back on production cause waste?

20 A. Yes, it could.

21 Q. How could that waste be caused?

22 A. By allowing the petroleum products to leak out into
23 the water bearing formation in the area and also the possibility
24 of the water getting into the oil zone.

25 Q. Are you prepared to recommend a plugging program at

1 this time or do you prefer to describe the program at the
2 time the plugging takes place?

3 A I would prefer to describe it at the time of the
4 plugging.

5 MS. TESCHENDORF: I have nothing further.

6 MR. NUTTER: Are there any questions of this
7 witness? He may be excused.

8 Do you have anything further, Ms. Teschendorf?

9 MS. TESCHENDORF: No.


10 MR. NUTTER: Does anyone have anything they wish
11 to offer in Case 6168? We will take the case under advisement.

12 (THEREUPON, the case was concluded.)
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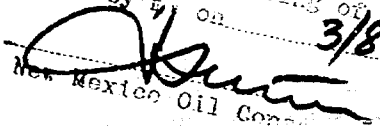
sid morrish reporting service
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Phone (505) 982-9212

REPORTER'S CERTIFICATE

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


Sidney F. Morrish, C.S.R.

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General Court Reporting Service
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Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6168
heard by me on 3/8, 1978.

Examiner
New Mexico Oil Conservation Commission

Bill Gressett

6-22-78

Ignor

(R-5695)

The Rutter + Wilbanks Magnesian
State #1-E-36-17-27

has been purchased by
W.E. Jeffers and returned
to production as of 6-20-78.

Case 6168

6-4-78

T/C Bill Putter
915-683-1824

Said Bill Putter
is taking over the
well.



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 6168
Order No. R-5695

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT RUTTER AND WILBANKS BROTHERS, MARYLAND CASUALTY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE MAGRUDER STATE WELL NO. 1 LOCATED IN UNIT E OF SECTION 36, TOWNSHIP 17 SOUTH, RANGE 27 EAST, EDDY 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 March 8, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of April, 1978, 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 Rutter and Wilbanks Brothers is the owner and operator of the Magruder State Well No. 1, located in Unit E of Section 36, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That Maryland Casualty Company is the surety on the Oil Conservation Commission plugging bond on which Rutter and Wilbanks Brothers is principal.

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

(5) That in order to prevent waste and protect correlative rights said Magruder State Well No. 1 should be plugged and abandoned in accordance with a program approved by the Artesia District Office of the Oil Conservation Division of the New Mexico Energy and Minerals Department on or before June 30, 1978, or the well should be returned to active drilling status or placed on production.

Case No. 6168
Order No. R-5695

IT IS THEREFORE ORDERED:

(1) That Rutter and Wilbanks Brothers is hereby ordered to plug and abandon the Magruder State Well No. 1, located in Unit E of Section 36, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before June 30, 1978.

(2) That Rutter and Wilbanks Brothers, prior to plugging and abandoning the above-described well, shall obtain from the Artesia office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Artesia office of the date and hour said work is to be commenced whereupon the Division may, at its option, witness such work.

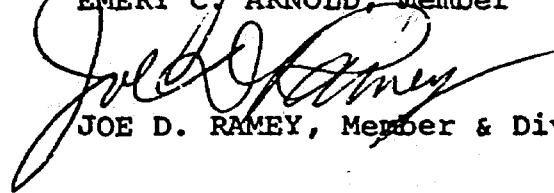
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Division Director

S E A L

jr/

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OF THE STATE OF NEW MEXICO

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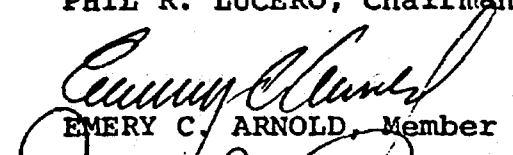
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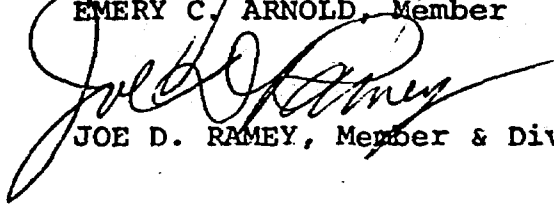
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OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


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S E A L

jr/

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-2-

Case No. 6168
Order No. R-5695

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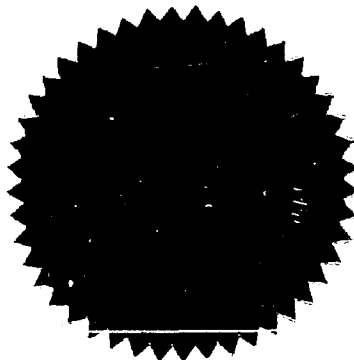
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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Division Director

S E A L

jr/

PS Form 3811, Nov. 1976

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Add your address in the "RETURN TO" space on envelope.

1. The following service is requested (check one).
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☐ Show to whom, date, & address of delivery45¢
☐ RESTRICTED DELIVERY.
Show to whom and date delivered85¢
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery ..\$1.05
(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
Rutter and Wilbanks Brothers
500 N. Big Spring
Midland, Texas 79701

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
705683

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Paul Warren Rutter

4. DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆ GPO: 1976-O-203-456

No. 705684

RECEIPT FOR CERTIFIED MAIL

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

SENT TO
T.W. Scales & Company
STREET AND NO.
713-21 El Paso Nat.Bk.
P.O., STATE AND ZIP CODE
El Paso, Texas

POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$
POSTMARK OR DATE	

PS Form 3800, Apr. 1976

No. 705683

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
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(See Reverse)

SENT TO
Rutter and Wilbanks
STREET AND NO.
500 N. Big Spring
P.O., STATE AND ZIP CODE
Midland, Texas 79701

POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$
POSTMARK OR DATE	

PS Form 3800, Apr. 1976

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OFFICIAL BUSINESS

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 - Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



**RETURN
TO**



OIL CONSERVATION COMMISSION

(Name of Sender)

P. O. BOX 2088

(Street or P.O. Box)

SANTA FE, NEW MEXICO 87501

(City, State, and ZIP Code)

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

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

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State of New Mexico
Oil Conservation Commission

P. O. BOX 2088
SANTA FE

CERTIFIED

No. 705684

MAIL

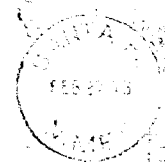
CERTIFIED - RETURN
RECEIPT REQUESTED

NAME

1st Notice MAR 7

2nd Notice

Return MAR 22



Not in Directory

T. W. Scales & Company
713-21 El Paso National Bank Building
El Paso, Texas

UNDELIVERABLE AS ADDRESS

NO FORWARDING ADDRESS
ON FILE

PS Form 3811, Nov. 1976

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Add your address in the "RETURN TO" space on reverse.

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T. W. Scales & Company
713-21 El Paso National Bk. Bld
El Paso, Texas

3. **ARTICLE DESCRIPTION:**

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4.

DATE OF DELIVERY	POSTMARK
------------------	----------

5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:**

★ **RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL**

★ **GO P: 1976-000-456**



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 27, 1978

CERTIFIED - RETURN
RECEIPT REQUESTED

Rutter and Wilbanks Brothers
500 N. Big Spring
Midland, Texas 79701

✓ Maryland Casualty Company
T. W. Scales & Company
713-21 El Paso National Bank Building
El Paso, Texas

Re: Magruder State Well No. 1,
located in Unit E of Section
36, Township 17 South, Range
27 East, Eddy County
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, March 8, 1978, at 9:00
a.m. in the Oil Conservation Commission Conference Room,
State Land Office Building, Santa Fe, New Mexico. Case
6168 concerns the above captioned subject matter.

Very truly yours,

LYNN TESCHENDORF
General Counsel

L.T/fd
enc.

C
O
P
Y

Dockets Nos. 11-78 and 12-78 are tentatively set for hearing on March 22 and April 5, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 8, 1978

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 6167: 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 Tenneco Santa Fe Well No. 1 located in Unit D of Section 31, Township 18 North, Range 8 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6168: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Rutter and Wilbanks Brothers, Maryland Casualty Company, and all other interested parties to appear and show cause why the Magruder State Well No. 1 located in Unit E of Section 36, Township 17 South, Range 27 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6169: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Petroleum Products Refining and Producing Company, and all other interested parties to appear and show cause why the Santa Fe Pacific Wells Nos. 1 and 2 located in Units F and K, respectively, of Section 21, Township 21 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6170: Application of Aminoil USA, Inc., for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Westlake Unit Area comprising 1920 acres, more or less, of State lands in Township 24 South, Range 34 East, Lea County, New Mexico.
- CASE 6171: Application of J. M. Huber Corporation for a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard proration unit comprising the SW/4 NE/4, W/2 SE/4 and SE/4 SE/4 of Section 10, Township 23 South, Range 26 East, Yarrow-Delaware Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the East line of said Section 10.
- CASE 6172: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 22, Township 19 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6173: Application of Harvey E. Yates Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Crosby Well No. 1 located 990 feet from the North line and 660 feet from the West line of Section 34, Township 7 South, Range 30 East, Cato Field, Chaves County, New Mexico, the W/2 of said Section 34 to be dedicated to the well.
- CASE 6174: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Moore "JD" Well No. 1 to be located 660 feet from the South and East lines of Section 34, Township 17 South, Range 26 East, Kennedy Farms Field, Eddy County, New Mexico, the S/2 of said Section 34 to be dedicated to the well.
- CASE 6096: (Continued from February 8, 1978, Examiner Hearing)
- Application of Texas Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 14, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to applicant's South Wilson State Well No. 1 to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Memo

El Paso Co.

From

Case
6168

LYNN
TESCHENDORF

To Florene

Please docket a
show cause hearing for
Rutter & Wilbanks
Brothers, Maryland
Casualty Company, etc.

Magruder State Well No. 1
Unit E, 36, T17S, R27E

W T. W. Scales & Company
713 - 21 El Paso Nat'l Bk Bldg
El Paso, Tx

Jan 3-8

OIL CONSERVATION COMMISSION-SANTA FE

3-6-78

Bill Rutter
Case 6168

Someone wants to buy
the well.

Don't continue the
Case.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 27, 1978

CERTIFIED - RETURN
RECEIPT REQUESTED

Rutter and Wilbanks Brothers
500 N. Big Spring
Midland, Texas 79701

Maryland Casualty Company
T. W. Scales & Company
713-21 El Paso National Bank Building
El Paso, Texas

Re: Magruder State Well No. 1,
located in Unit E of Section
36, Township 17 South, Range
27 East; Eddy County
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner
Hearing to be held on Wednesday, March 8, 1978, at 9:00
a.m. in the Oil Conservation Commission Conference Room,
State Land Office Building, Santa Fe, New Mexico. Case
6168 concerns the above captioned subject matter.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/fd
enc.

C
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P
Y

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSIONREPORT THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION
ON ITS OWN MOTION TO PERMIT RUTTER AND WILBANKS BROTHERS, MARYLAND
CASUALTY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW
CAUSE WHY THE MAGRUDER STATE WELL NO. 1 LOCATED IN UNIT E OF SECTION
36, TOWNSHIP 17 SOUTH, RANGE 27 EAST, EDDY COUNTY, NEW MEXICO, SHOULD
NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A COMMISSION-APPROVED
PLUGGING PROGRAM.

CASE NO. 6168

Order No. R-5695

PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 8,
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of March, 19 78, 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 Rutter and Wilbanks / Brothers is the owner and
operator of the Magruder State Well No. 1
located in Unit E of Section 36, Township 17 South,
Range 27 East, NMDM, Eddy County, New Mexico.

(3) That Maryland Casualty Company is the
surety on the Oil Conservation Commission plugging bond on which
Rutter and Wilbanks Brothers 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 Magruder State Well No. 1 should
be plugged and abandoned in accordance with a program approved by
the Artesia District Office of the New Mexico Oil
Division of the New Mexico Energy and Minerals Department
Conservation Commission on or before June 30, 19 78,
or the well should be returned to active drilling status or placed
on production.

IT IS THEREFORE ORDERED:

(1) That Rutter and Wilbanks Brothers and Maryland
Casualty Company ^{is} ~~are~~ hereby ordered to plug and abandon
the Magruder State Well No. 1,
located in Unit E of Section 36, Township 17 South,
Range 27 East, NMPM, Eddy County, New Mexico,
or in the alternative, to return the well to active drilling
status or place the well on production on or before June 30,
19 78.

(2) That Rutter and Wilbanks Brothers
, prior to plugging and abandoning the above-
described well, shall obtain from the Artesia office of the
~~Division, a Division -~~
~~Commission, a Commission~~ approved program for said plugging and
abandoning, and shall notify said Artesia office of the
date and hour said work is to be commenced whereupon the ^{Division} ~~Commission~~
may, at its option, witness such work.

(3) That jurisdiction of this cause is retained for the
^{Division}
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
Lucero Chairman
Arnold Member
Famey Member and
Division Director*