

Pl CASE 6191: PLUGGING CASE - *avis)*
DARYL DAVIS - STATE WELL NO. 1

Case NO.

6191

Application

Transcripts

Small Exhibits

ETC.



ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

August 11, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Edgar Lay Powell
P. O. Box 1458
Roswell, New Mexico 88201

Re: Daryl Davis State Well No. 1,
Unit K, Sec. 1, Township 4
South, Range 26 East, Chaves
County, Order No. R-5705

Dear Mr. Powell:

Mr. Daryl Davis drilled the State Well No. 1 in 1968, and our records show that it has never been plugged. I have attempted to locate Mr. Davis with no success. Therefore, I am now considering hiring a contractor at the State's expense to plug this well.

If this is acceptable to you, I would like your permission to enter your property for this purpose. It is possible that a road will have to be built to the location, and I would need permission for that also.

I hope to hear from you as soon as possible so that I can go ahead and issue an invitation to bid. I'm sure you are as anxious as we are to have this matter resolved.

Very truly yours,

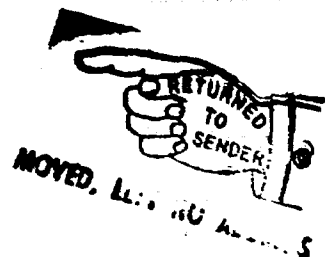
(Ms.) LYNN TESCHENDORF
General Counsel

LT/dr

cc: Bill Gressett

State of New Mexico
Oil Conservation Commission

P. O. BOX 2088
SANTA FE
87501



Mr. Daryl Davis
104 Gulf Building
Midland, Texas 79701

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 6191
Order No. R-5705

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION ON ITS OWN MOTION
TO PERMIT DARYL DAVIS AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY THE STATE
WELL NO. 1 LOCATED IN UNIT K OF SECTION 1,
TOWNSHIP 4 SOUTH, RANGE 26 EAST, CHAVES COUNTY,
NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED
IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING
PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of April, 1978, the Division
Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That Daryl Davis is the owner and operator of the State
Well No. 1, located in Unit K of Section 1, Township 4 South,
Range 26 East, NMPM, Chaves County, New Mexico.

(3) That in order to prevent waste and protect correlative
rights said State Well No. 1 should be plugged and abandoned in
accordance with a program approved by the Artesia district office
of the Division on or before June 15, 1978, or the well should be
returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Daryl Davis is hereby ordered to plug and abandon
the State Well No. 1, located in Unit K of Section 1, Township 4
South, Range 26 East, NMPM, Chaves 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 15, 1978.

(2) That Daryl Davis, 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 DIVISION


JOE D. RAMEY
Director

S E A L

jr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 6191
Order No. R-5705

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION ON ITS OWN MOTION
TO PERMIT DARYL DAVIS AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY THE STATE
WELL NO. 1 LOCATED IN UNIT K OF SECTION 1,
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Range 26 East, NMPM, Chaves County, New Mexico.

(3) That in order to prevent waste and protect correlative
rights said State Well No. 1 should be plugged and abandoned in
accordance with a program approved by the Artesia district office
of the Division on or before June 15, 1978, or the well should be
returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

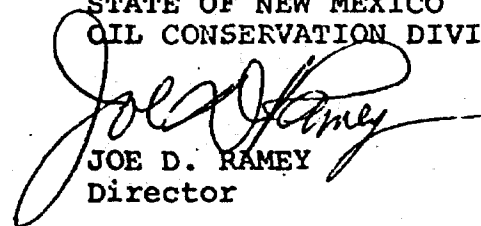
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South, Range 26 East, NMPM, Chaves County, New Mexico, or in the
alternative, to return the well to active drilling status or place
the well on production on or before June 15, 1978.

(2) That Daryl Davis, 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 DIVISION


JOE D. RAMEY
Director

S E A L

jr/

BEFORE THE
NEW MEXICO OIL CONSERVATION DIVISION
Santa Fe, New Mexico
April 5, 1978

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Case 6191

Motion to permit Daryl Davis)
and all other interested parties)
to appear and show cause why the)
State Well No. 1 should not be)
plugged and abandoned.)
)

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Division:

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

LANPHERE REPORTING SERVICE

P.O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

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MR. NUTTER: We call Case No. 6191 which is in the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Daryl Davis and all other interested parties to appear and show cause why the State Well No. 1 located in Unit K of Section 1, Township 4 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

Call for appearances in this case.

MS. TESCHENDORF: Lynn Teschendorf appearing on behalf of the Commission and I would like the record to show that my witness has been previously sworn and qualified.

MR. NUTTER: Mr. Ulvog is qualified and still under oath. Please proceed.

CARL ULVOG

the witness herein, having been previously sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MS. TESCHENDORF:

Q Mr. Ulvog, are you familiar with the subject matter of Case 6191?

A I am.

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Q What is the purpose of this case?

A This is to determine also whether the well should be plugged and abandoned in accordance with the Division approved program.

Q Have you reviewed all the reports filed with the Division concerning this program?

A I have.

Q Would you please go through the record and summarize the well's history for the Examiner.

A Yes, I will. I would like to preface my comments, Mr. Examiner, by saying that this is rather complicated. It's not a real clean deal as we would say and so if I may, I would just like to go through the most pertinent reports in chronological fashion and bring us up to the present time.

This well which is located in Section 1 of Township 4 South, Range 26 East, in Chaves County was originally drilled and the application was filed and the well was drilled as a stratigraphic test. The application for that was received December 11, 1967 in our Artesia office. That well then was drilled under the name of Daryl Davis and January 20 of 1968 we have, not an official report, but a copy of the letter from Blount Drilling

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Company to Mr. Davis in which he states that four and a half inch, nine and a half pound casing was run to a depth of 2,073 feet. It was cemented with 250 sacks of Class C cement which cement was circulated to the surface.

On February 8th of 1968 we had a form C103 submitted by Mr. Davis pertaining to the operation on the strat test which confirms this casing program that I have just referred to. And it also states that 247 feet of seven inch surface casing had been previous the setting of this four and a half inch.

Then, at the same time, on February 8th, there was a form C101 filed by Mr. Davis for the same well in which he applied for permission to work over this well, at which time he wished to perforate at 1758 to 1775.

At that time the status of the well was changed from a strat test to an oil test. On January 24, 1969 a form C103 was submitted by Mr. Davis stating that the well was perforated at 1764 to 71 and 1790 to 96, which would be in the lower san andres and at 1250 to 1256 in the upper san andres. He proposed to place 15 sacks of cement at 1700 and 15 sacks at 1200, which presumably cover the perforation.

However, this as I say was a notice of

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intent to plug that off. However, on January 29th, 1969 another C103 was filed which states that the well was not quite plugged and he was now applying for temporary abandonment. So presumably the perforations were still standing open.

In that same report he does mention that the well was never produced but that it is, "securely capped". On November 16th, a letter dated November 19, 1970 from this office to the bond company states that the bond had been cancelled. July 27, 1971 a letter from the District Supervisor in our Artesia office to Mr. Davis mentions that he had not yet filed Commission form C 105, that he had not filed their electric logs and that he was requested to supply information concerning the condition of the well and what the future plans might be.

Memo to the file by the District Supervisor in our Aztec office dated August 11, 1971 simply makes reference to the fact that the rancher, Mr. Powell had been complaining about the well and the location, that he has lost one or two head of cattle there. There's a tank standing there with oil in it and nothing has been fenced and he's complaining about this as a hazard.

A letter received here August 18, 1971,

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which is dated August 13, 1971 from the law firm of Hunker, Fredrick and Hughes in Roswell, New Mexico to Mr. Davis calls his attention to the fact that his operation on Mr. Powell's land consisted--it was a hazard and he is notifying that Mr. Powell has declared he has abandoned all the right titlement and interest in and to the 500 barrel tank, well location, all of the oil in the tank and such other equipment as may be on the premises and the letter goes on to explain that Mr. Powell is proposing to, in effect, confiscate that for damages owed him.

On August 25, 1971 a letter from Mr. Davis to Mr. Gresset says that, in effect, that he will be out there to take care of plugging the well on or about September 12, 1971. No follow up on that.

Form C 103 filed with the Artesia office on November 4, 1971 by Mr. Davis is a notice of intent to plug and abandon in which he states, repeats the casing program and the cementing program and so on and the notice of intent to plug and abandon simply states the new information will be that a bridge plug will be set at 1300 feet. This was never approved and the last information that is pertinent to this case is a letter dated October 5, 1976 from our legal department to Mr. Davis which says,

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"The official records of the Oil Conservation Commission reflect the above captioned well has never been plugged and abandoned according to the proposed program. This letter is to advise you if steps are not taken on or before November 15, 1976 to undertake the plugging of this well, the Commission will be forced to commence appropriate legal proceedings." That essentially is the situation.

Q Concerning that last letter from the legal department, that was returned to our office was it not?

A That was not received, that's right.
Address unknown.

MR. NUTTER: Now, Mr. Ulvog, I presume you mentioned at some point in the chronology of this that the bond had been cancelled. I guess that was done in error some way or another.

MR. ULVOG: As I understand it, it was cancelled because the assumption was made this was a strat test. But why it was cancelled without official notice that it had been plugged, I don't know. It had to be in error on someone's part.

MR. NUTTER: So we don't have a bond on

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this one?

MR. ULVOG: We don't have a bond.

Q (By Ms. Teschendorf) In your opinion could failure to plug this well cause waste?

A Yes, I consider it standing there with the perforations still open.

Q How would waste be caused?

A Well, there could be communications between the zones.

MR. NUTTER: Apparently there are some hydrocarbons there?

MR. ULVOG: That's correct. They are attempting to make an oil well out of it.

MR. NUTTER: It had some oil in the tank on location?

MR. ULVOG: That's right. But you see we have the upper and lower san andres in communication here.

Q (BY Ms. Teschendorf) Is there any danger of contamination of fresh waters in the area?

A I would not think so, because that casing is cemented all the way to the surface.

Q Are you prepared to recommend a plugging

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program at this time or would you rather wait?

A I could recommend a plugging program right now which would be very simple. However, I have not personally examined the well. For instance, I don't know if that outer string of casing, it was supposed to be cemented but we need to make sure that it is.

Q You would rather we leave the plugging program up to the District Supervisor in Artesia?

A I would prefer that.

MS. TESCHENDORF: I have nothing further.

MR. NUTTER: Does anyone have any questions of Mr. Ulvog? You may be excused.

Mr. Ulvog, do you know whether the rancher ever did actually confiscate all the equipment?

MR. ULVOG: That, I do not know.

MR. NUTTER: If there is no further questions, Mr. Ulvog, you may be excused.

Do you have anything further, Ms. Teschendorf?

MS. TESCHENDORF: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 6191? We will take the case under advisement.

(WHEREUPON, hearing concluded.)

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58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

REPORTER'S CERTIFICATE

I, BETTY J. LANPHERE, CSR-RPR with offices in Santa Fe, New Mexico, do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me stenographically and reduced to typewritten transcript by me or under my supervision.

DATED at Santa Fe, New Mexico, this eleventh day of April, 1978.

Betty J. Lanphere
Betty J. Lanphere, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6181, heard by me on 4-5, 19 78.

[Signature], Examiner
New Mexico Oil Conservation Commission

LANPHERE REPORTING SERVICE

P. O. BOX 449
58 SOUTH FEDERAL PLACE
SANTA FE, NEW MEXICO 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 6191
Order No. R-5705

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION ON ITS OWN MOTION
TO PERMIT DARYL DAVIS AND ALL OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY THE STATE
WELL NO. 1 LOCATED IN UNIT K OF SECTION 1,
TOWNSHIP 4 SOUTH, RANGE 26 EAST, CHAVES COUNTY,
NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED
IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING
PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of April, 1978, the Division
Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That Daryl Davis is the owner and operator of the State
Well No. 1, located in Unit K of Section 1, Township 4 South,
Range 26 East, NMPM, Chaves County, New Mexico.

(3) That in order to prevent waste and protect correlative
rights said State Well No. 1 should be plugged and abandoned in
accordance with a program approved by the Artesia district office
of the Division on or before June 15, 1978, or the well should be
returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Daryl Davis is hereby ordered to plug and abandon
the State Well No. 1, located in Unit K of Section 1, Township 4
South, Range 26 East, NMPM, Chaves 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 15, 1978.

-2-

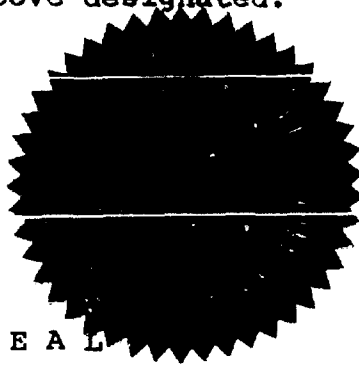
Case No. 6191

Order No. R-5705

(2) That Daryl Davis, 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 hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

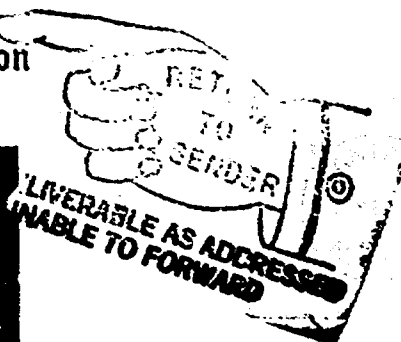
S E A L

jr/

State of New Mexico
Oil Conservation Commission
P. O. BOX 2088
SANTA FE

CERTIFIED
No. 705688
MAIL

CERTIFIED - RETURN
RECEIPT REQUESTED



Daryl Davis
2615 Simondale Drive
Fort Worth, Texas 76109

NAME
1st MAR 27
2nd APR 10

70

PS Form 3811, Nov. 1976

● **SENDER:** Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

☐ Show to whom and date delivered 25¢

☐ Show to whom, date, & address of delivery 45¢

☐ RESTRICTED DELIVERY.
Show to whom and date delivered 85¢

☐ 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:**

Daryl Davis
2615 Simondale Drive
Ft. Worth, Texas 76109

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	705688	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO
March 20, 1978



STATE GEOLOGIST
EMERY C. ARNOLD

CERTIFIED - RETURN
RECEIPT REQUESTED

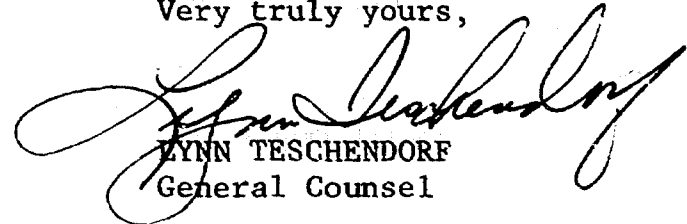
Daryl Davis
2615 Simondale Drive
Fort Worth, Texas 76109

Re: State Well No. 1, located
in Unit K of Section 1,
Township 4 South, Range 26
East, Chaves County
Plugging Bond

Gentlemen:

Enclosed is a copy of the notice of the Examiner
Hearing to be held on Wednesday, April 5, 1978, at 9:00
a.m. in the Oil Conservation Commission Conference Room,
State Land Office Building, Santa Fe, New Mexico. Case
6191 concerns the above captioned subject matter.

Very truly yours,


LYNN TESCHENDORF
General Counsel

LT/fd
enc.

NOTICE OF PUBLICATION

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following public hearing to be held at 9 o'clock a.m. on APRIL 5, 1978, at the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico, before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner, both duly appointed for said hearing as provided by law.

STATE OF NEW MEXICO TO:

All named parties and persons
having any right, title, interest
or claim in the following cases
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 6190:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Peter Siemens, Fidelity & Casualty Co. of New York, and all other interested parties to appear and show cause why the Wright Well No. 1 located in Unit F of Section 12, Township 10 North, Range 5 East, Bernalillo County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

✓CASE 6191:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Daryl Davis and all other interested parties to appear and show cause why the State Well No. 1 located in Unit K of Section 1, Township 4 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6177: (Continued & Readvertised)

Application of Texas International Corporation for directional drilling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the directional drilling of a proposed gas well, the surface location of which would be 1650 feet from the South line and 1800 feet from the East line of Section 29, Township 20 South, Range 30 East, Eddy County, New Mexico, in such a manner as to penetrate the Strawn formation within 100 feet of a point 1980 feet from the North line and 1985 feet from the West line of said Section 29, and to bottom said well in the Morrow formation within 100 feet of a point 1501 feet from the North line and 1552 feet from the West line of said Section 29. The N/2 of the section would be dedicated to the Strawn formation, Golden Lane-Strawn Gas Pool, and all of Section 29 would be dedicated to the Morrow formation, Dos Hermanos-Morrow Gas Pool.

CASE 6192:

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "DC" Well No. 1 to be located 1980 feet from the South line and 660 feet from the West line of Section 29, Township 20 South, Range 28 East, Eddy County, New Mexico, the S/2 of said Section 29 to be dedicated to the well.

CASE 6193:

Application of Zia Energy, Inc., for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Elliott Federal Well No. 1 located 2310 feet from the South line and 330 feet from the East line of Section 26, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, the N/2 SE/4 and W/2 NE/4 of said Section 26 to be simultaneously dedicated to the aforesaid well and to Well No. 2 in Unit J.

CASE 6194:

Application of Tenneco Oil Company for an unorthodox location, Rio Arriba County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla "A" Well No. 10 to be located 1190 feet from the South line and 1590 feet from the East line of Section 18, Township 26 North, Range 5 West, Tapacito-Gallup Associated Pool, Rio Arriba County, New Mexico, the SE/4 of said Section 18 to be dedicated to the well.

CASE 6195:

Application of Tenneco Oil Company for an unorthodox location, Rio Arriba County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla "A" Well No. 9 to be located 1850 feet from the North line and 1450 feet from the West line of Section 20, Township 26 North, Range 5 West, Tapacito-Gallup Associated Pool, Rio Arriba County, New Mexico, the NW/4 of said Section 20 to be dedicated to the well.

CASE 6196:

Application of Sun Oil Company for an unorthodox gas well location and a non-standard gas proration unit, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval of a 280-acre non-standard gas proration unit comprising the NE/4, W/2 NW/4 and the SE/4 NW/4 of Section 24, Township 20 South, Range 33 East, to be dedicated to applicant's Teas Federal Well No. 1, a wildcat Pennsylvanian well to be drilled at an unorthodox location 2180 feet from the North and West lines of said Section 24.

CASE 6197:

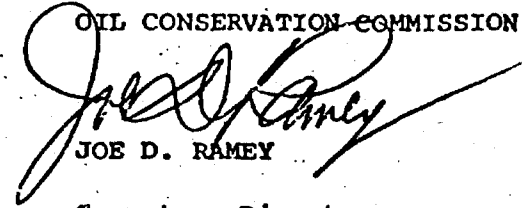
Application of Amerada Hess Corporation for a non-standard gas proration unit, an unorthodox location and simultaneous dedication, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the N/2 of Section 36, Township 23 South, Range 36 East, Jallat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its State LMT Well No. 5 at an unorthodox location in Unit A of said Section 36 and its Well No. 2 in Unit F.

GIVEN Under the Seal of the New Mexico Oil Conservation Commission at
Santa Fe, New Mexico, on this 17th day of March, 1978.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

A handwritten signature in dark ink, appearing to read "Joe D. Ramey", is written over the printed name.

JOE D. RAMEY

Secretary-Director

SEAL

Dockets Nos. 14-78 and 15-78 are tentatively set for hearing on April 19 and May 3, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 5, 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. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 6190: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Peter Siemens, Fidelity & Casualty Co. of New York, and all other interested parties to appear and show cause why the Wright Well No. 1 located in Unit F of Section 12, Township 10 North, Range 5 East, Bernalillo County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6191: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Daryl Davis and all other interested parties to appear and show cause why the State Well No. 1 located in Unit K of Section 1, Township 4 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6177: (Continued & Readvertised)

Application of Texas International Corporation for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of a proposed gas well, the surface location of which would be 1650 feet from the South line and 1800 feet from the East line of Section 29, Township 20 South, Range 30 East, Eddy County, New Mexico, in such a manner as to penetrate the Strawn formation within 100 feet of a point 1980 feet from the North line and 1985 feet from the West line of said Section 29, and to bottom said well in the Morrow formation within 100 feet of a point 1501 feet from the North line and 1552 feet from the West line of said Section 29. The N/2 of the section would be dedicated to the Strawn formation, Golden Lane-Strawn Gas Pool, and all of Section 29 would be dedicated to the Morrow formation, Doe Hermanos-Morrow Gas Pool.

CASE 6192: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "DC" Well No. 1 to be located 1980 feet from the South line and 660 feet from the West line of Section 29, Township 20 South, Range 28 East, Eddy County, New Mexico, the S/2 of said Section 29 to be dedicated to the well.

CASE 6193: Application of Zia Energy, Inc., for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Elliott Federal Well No. 1 located 2310 feet from the South line and 330 feet from the East line of Section 26, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, the N/2 SE/4 and W/2 NE/4 of said Section 26 to be simultaneously dedicated to the aforesaid well and to Well No. 2 in Unit J.

CASE 6194: Application of Tenneco Oil Company for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla "A" Well No. 10 to be located 1190 feet from the South line and 1590 feet from the East line of Section 18, Township 26 North, Range 5 West, Tapacito-Gallup Associated Pool, Rio Arriba County, New Mexico, the SE/4 of said Section 18 to be dedicated to the well.

CASE 6195: Application of Tenneco Oil Company for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla "A" Well No. 9 to be located 1850 feet from the North line and 1450 feet from the West line of Section 20, Township 26 North, Range 5 West, Tapacito-Gallup Associated Pool, Rio Arriba County, New Mexico, the NW/4 of said Section 20 to be dedicated to the well.

CASE 6196: Application of Sun Oil Company for an unorthodox gas well location and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 280-acre non-standard gas proration unit comprising the NE/4, W/2 NW/4 and the SE/4 NW/4 of Section 24, Township 20 South, Range 33 East, to be dedicated to applicant's Teas Federal Well No. 1, a wild-cat Pennsylvanian well to be drilled at an unorthodox location 2180 feet from the North and West lines of said Section 24.

No. 705688

RECEIPT FOR CERTIFIED MAIL

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

SENT TO		
Daryl Davis		
STREET AND NO.		
2615 Simondale Drive		
P.O., STATE AND ZIP CODE		
Fort Worth, Texas 76109		
POSTAGE	\$	
CONSULT POSTMASTER FOR FEES	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	¢
	OPTIONAL SERVICES	
RETURN RECEIPT SERVICE		
TOTAL POSTAGE AND FEES		\$
POSTMARK OR DATE		

PS Form 3800, Apr. 1976

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 20, 1978

CERTIFIED - RETURN
RECEIPT REQUESTED

C
O
P
Y

Daryl Davis
2615 Simondale Drive
Fort Worth, Texas 76109

Re: State Well No. 1, located
in Unit K of Section 1,
Township 4 South, Range 26
East, Chaves County
Plugging Bond

Gentlemen:

Enclosed is a copy of the notice of the Examiner
Hearing to be held on Wednesday, April 5, 1978, at 9:00
a.m. in the Oil Conservation Commission Conference Room,
State Land Office Building, Santa Fe, New Mexico. Case
6191 concerns the above captioned subject matter.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/fd
enc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Case 6191

October 5, 1976

no surety -
bond cancelled
1970.

Mr. Daryl Davis
104 Gulf Building
Midland, Texas 79701

Re: State Well No. 1-K, Section 1,
Township 4 South, Range 26 East,
Chaves County, New Mexico

Dear Mr. Davis:

The official records of the Oil Conservation Commission reflect that the above-captioned well has never been plugged and abandoned in accordance with the proposed program contained in your Form C-103, filed with the Commission October 4, 1971. This letter is to advise you that if steps have not been taken on or before November 15, 1976, to undertake the plugging of this well, the Commission will be forced to commence appropriate legal proceedings.

Very truly yours,

LYNN TESCHENDORF
Legal Division

LT/dr

cc: Mr. Bill Gressett

NO. OF COPIES RECEIVED	
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION
OCT 4 1971

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

O. C. C.
ARTESIA, OFFICE

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>	
5. State Oil & Gas Lease No. K-6183-2	
7. Unit Agreement Name	
8. Farm or Lease Name	
State	
9. Well No. #1	
10. Field and Pool, or Wildcat W.C.	
12. County Chaves	

SUNDY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL ON TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER: Neither-Temp. Abd.
2. Name of Operator Daryl Davis
3. Address of Operator 2615 Simondale Dr; Ft.Worth,Texas. 76109
4. Location of Well UNIT LETTER _____ FEET FROM THE _____ LINE AND _____ FEET FROM THE _____ LINE, SECTION #1 TOWNSHIP 4 S RANGE 26E NMPM.
15. Elevation (Show whether DF, RT, GR, etc.) 3872'

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	
		OTHER <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

4½" casing set at 2072 ft. cemented with 250 sacks cement.

7" casing set at 240 ft.

Bridge plug (Brown O.T) set at 1300 ft.

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

SIGNED Oct 3rd, 1971 Daryl Davis TITLE owner. DATE 10-4-71.

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

Centro Valley, California.

August 20, 1971

RECEIVED

AUG 25 1971

Mr. W. A. Gressett, Mgr.,
Oil Conservation Comm.,
Artesia Office, Drawer DD;
Artesia, New Mexico. 88210

D. C. C.
ARTESIA, OFFICE

Re: State #1-K, Sec 1,
T4S-R26E, Chaves
County, New Mexico.

Dear Mr. Gressett:-

I am traveling by car and have been in California since last month, and shall return to Texas thru New Mexico, on or about Sept 12, 1971., at which time I shall plug the above captioned well.

Thank you for calling this matter to my attention., and I shall call on you while there.

Yours very truly,

Daryl Davis
Daryl Davis.

P.S.: Your forwarded letter to me, has just arrived.

Castro Valley, Calif.
September 13, 1971.

Mr. W.A.(Bill) Gressett, Mgr.,
Oil Conservation office, Artesia;
Drawer DD;
Artesia, New Mexico. 88210

Chaves County,
Re: State #1-K,
1-4-26..

Dear Mr. Gressett:-

It now appears that it will be Oct 20th, or
before, that I return to Texas, passing thru your
Country to take care of the above captioned matter.

Please try to over look this unavoidable delay.

Yours truly,

Daryl Davis
Daryl Davis.

RECEIVED

SEP 15 1971

O. C. C.
ARTESIA, OFFICE



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. DRAWER DD - ARTESIA
88210

July 27, 1971

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Mr. Daryl Davis
104 Gulf Building
Midland, Texas 79701

Re: State #1-K, Sec. 1-4-26,
Chaves County, New Mexico

Dear Mr. Davis:

To date this office has not received Commission Form C-105 Well Completion or Recompletion Report and Log on the subject well. Please submit said Form C-105 and one copy of the Electric Logs and Form C-103 showing current status and future plans for this well.

If you have any questions concerning this please feel free to call upon me.

We are sending you some Form C-105s and C-103s under separate cover.

Very truly yours,

OIL CONSERVATION COMMISSION

W. A. Gressett

W. A. Gressett

WAG:jw

LAW OFFICES OF
HUNKER, FEDRIC & HUGHES

210 HINKLE BUILDING

POST OFFICE BOX 1837

ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.
DON M. FEDRIC
W. R. HUGHES, JR.
RONALD M. HIGGINBOTHAM

RECEIVED
AUG 16 1971
OIL CONSERVATION COMMISSION

TELEPHONE 822-2700
AREA CODE 505

August 13, 1971

Mr. Daryl Davis
104 Gulf Building
Midland, Texas 79701

Re: State "A" #1
Township 4 South, Range 26 East
Section 1: NE $\frac{1}{4}$ SW $\frac{1}{4}$

Dear Mr. Davis:

We represent Mr. Edgar L. Powell, the owner of a State Contract involving the purchase from the State of New Mexico of Section 1, Township 4 South, Range 26 East, N.M.P.M., Chaves County, New Mexico, and other lands. This tract is also embraced in your State of New Mexico oil and gas lease dated July 19, 1966, bearing number K-6183.

In the winter of 1968 or early spring of 1969, you were the operator involved in the drilling of a test well for oil and gas lease described as the State "A" #1. This well apparently was drilled to a total depth of 2,078 feet. Although demand has been made upon you to clean the location, remove the tank and wellhead fittings, and to otherwise place the premises in a safe condition, you have failed to do so.

This letter will constitute your notice that Edgar L. Powell, the owner of the State Purchase Contract lands, involving the subject location, has declared that you have abandoned all of your right, title and interest in and to the 500 barrel tank, the fittings and other equipment on the well location, all of the oil in the tank, and such other equipment as may be on the premises. The slush pit is unfenced and is in a dangerous condition and Powell proposes to appropriate the above described equipment to and for his own use and to use the proceeds thereof for the purpose of protecting his cattle from the inherent dangers now present.

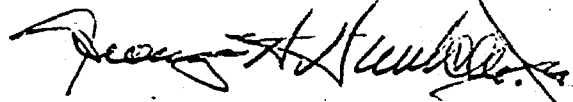
Mr. Daryl Davis
Page 2

August 13, 1971

You are further advised that Powell accepts no responsibility for the plugging and abandoning of the subject well which remains on the premises and by carbon copy of this letter, addressed to the Commissioner of Public Lands and the Secretary-Director of the New Mexico Oil Conservation Commission, is respectfully requesting that appropriate action be taken against you to compel you to properly plug and abandon the said well. If you desire a short period of time within which to correct the foregoing situation, please contact this office directly.

Very truly yours,

HUNKER, FEDRIC & HUGHES



George H. Hunker, Jr.

GHH:cd

cc: Mr. Alex J. Armijo
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

cc: Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

cc: Mr. Edgar L. Powell
P. O. Box 1458
Roswell, New Mexico 88201

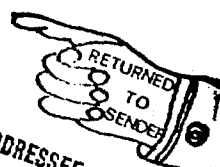
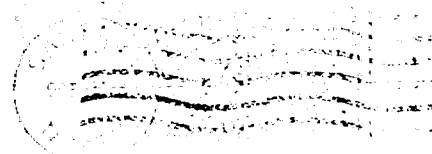
State of New Mexico
Oil Conservation Commission

P. O. BOX 2088

SANTA FE

87501

CONSERVATION 13/976



ADDRESSEE UNKNOWN

*not at
this address*

Mr. Daryl Davis
104 Gulf Building
Midland, Texas 79701



DIRECTOR
JOE D. RAMEY

OIL CONSERVATION COMMISSION

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

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

October 5, 1976

Mr. Daryl Davis
104 Culf Building
Midland, Texas 79701

Re: State Well No. 1-K, Section 1,
Township 4 South, Range 26 East,
Chaves County, New Mexico

Dear Mr. Davis:

The official records of the Oil Conservation Commission reflect that the above-captioned well has never been plugged and abandoned in accordance with the proposed program contained in your Form C-103, filed with the Commission October 4, 1971. This letter is to advise you that if steps have not been taken on or before November 15, 1976, to undertake the plugging of this well, the Commission will be forced to commence appropriate legal proceedings.

Very truly yours,

LYNN TESCHENDORF
Legal Division

LT/dr

cc: Mr. Bill Gressett

72

BEFORE THE OIL CONSERVATION DIVISION
OF THE ENERGY AND MINERALS DEPARTMENT
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

JAR

CASE NO. 6191
Order No. R- 5205

Bsk

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT DARYL DAVIS AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE STATE WELL NO. 1 LOCATED IN UNIT K OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 26 EAST, CHAVES COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this _____ day of April, 1978, the Division Director, _____ 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That Daryl Davis is the owner and operator of the State Well No. 1, located in Unit K of Section 1, Township 4 South, Range 26 East, NMPM, Chaves County, New Mexico.

(3) That _____ is the surety on the Oil Conservation Division plugging bond on which Daryl Davis 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 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 Conservation Division on or before

June 15, 1978, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Daryl Davis

is ~~(are)~~ hereby order^d to plug and abandon the State Well No. 1, located in Unit K of Section 1, Township 4 South, Range 26 East, NMPM, Chaves 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 15, 19 78.

(2) That Daryl Davis, 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JDE D RAMEY
DIRECTOR