

CASE NO.

6212

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 6212  
Order No. R-5722-A

IN THE MATTER OF THE HEARING CALLED BY THE  
OIL CONSERVATION DIVISION ON ITS OWN MOTION  
TO PERMIT CLAY-NEILL AND ALL OTHER INTERESTED  
PARTIES TO APPEAR AND SHOW CAUSE WHY THE  
STATE WELL NO. 1 LOCATED IN UNIT C OF SECTION  
9, TOWNSHIP 19 NORTH, RANGE 30 EAST, HARDING  
COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND  
ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED  
PLUGGING PROGRAM.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-5722, dated  
May 9, 1978, does not correctly state the intended order of  
the Division,

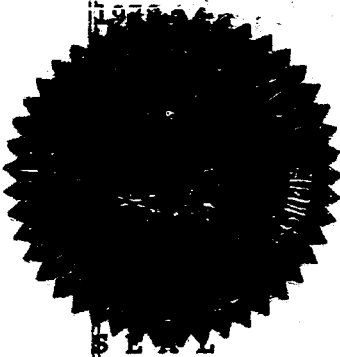
IT IS THEREFORE ORDERED:

(1) That Paragraph (3) on Page 1 of Order No. R-5722,  
dated May 9, 1978, is hereby corrected to read in its entirety  
as follows:

"(3) That Fireman's Fund Indemnity Company is the  
surety on the Oil Conservation Division plugging bond on  
which Clyde B. Neill is principal."

(2) That this order shall be effective nunc pro tunc as  
of May 9, 1978.

DONE at Santa Fe, New Mexico, this 20th day of July,



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

S E A L

fd/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 6212  
Order No. R-5722

IN THE MATTER OF THE HEARING CALLED BY THE  
OIL CONSERVATION DIVISION ON ITS OWN MOTION  
TO PERMIT CLAY-NEILL AND ALL OTHER INTERESTED  
PARTIES TO APPEAR AND SHOW CAUSE WHY THE  
STATE WELL NO. 1 LOCATED IN UNIT C OF SECTION  
9, TOWNSHIP 19 NORTH, RANGE 30 EAST, HARDING  
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 May 3, 1978,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of May, 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 Clay-Neill is the owner and operator of the  
State Well No. 1 located in Unit C of Section 9, Township 19  
North, Range 30 East, NMPM, Harding County, New Mexico.

(3) That American Employers' Insurance Company is the  
surety on the Oil Conservation Division plugging bond on which  
Clyde B. Neill 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 Santa Fe District  
Office of the New Mexico Oil Conservation Division on or before  
July 1, 1978, or the well should be returned to active drilling  
status or placed on production.

-2-

Case No. 6212

Order No. R-5722

IT IS THEREFORE ORDERED:

(1) That Clay-Neill is hereby ordered to plug and abandon the State Well No. 1, located in Unit C of Section 9, Township 19 North, Range 30 East, NMPM, Harding County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before July 1, 1978.

(2) That Clay-Neill, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Santa Fe 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  
Director

fa/

BEFORE THE  
NEW MEXICO OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO  
MAY 3, 1978

EXAMINER HEARING

-----  
IN THE MATTER OF: )  
 )  
 )

The Oil Conservation Division on )  
its own motion to permit Clay-Neill )  
and all other interested parties to )  
appear and show cause why the State )  
Well No. 1 should not be plugged and )  
abandoned. )  
 )  
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Case 6212

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

LANPHERE REPORTING SERVICE

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

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SANTA FE, NEW MEXICO 87501

MR. NUTTER: We will call Case 6212 which is the matter of the hearing called by the Oil Conservation Division on its own motion to permit Clay-Neill and all other interested parties to appear and show cause why the State Well No. 1 located in Unit C of Section 9, Township 19 North, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

I will call for appearances here please.

MS. TESCHENDORF: Lynn Teschendorf, appearing on behalf of the Commission. I have one witness, Mr. Ulvog and I would like the record to show that he has been previously sworn and qualified.

MR. NUTTER: Mr. Ulvog is qualified and he's under oath. Would you proceed, please.

CARL ULVOG

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

DIRECT EXAMINATION

BY MS. TESCHENDORF:

Q Mr. Ulvog, does District 4 include that part of Harding County involved in this case?

A It does.

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Q Are you familiar with the subject matter of Case 62127

A Yes, I am.

Q What is the purpose of this case?

A This also is to determine whether or not this well should be plugged in accordance with a Division-approved program.

Q Have you reviewed all the reports filed with the Division on this well?

A I have.

Q Would you please refer to those records and summarize the well history?

A Yes, I will. There's an application for permit to drill this well filed with the Commission on February 11, 1938. That was approved and the next report, official report, filed was the C 105, which is the well record, which states basically that 15 and 1/2 inch casing had been set at 98 feet, with five sacks of cement dumped in. Had 12 and 1/2 inch casing set at 580 feet, cemented with 26 sacks, also the dump method. That the well was completed for a total depth of 638 feet, for a potential of 783,000 MCF, carbon dioxide per day.

It was completed on May 10th, 1938. We had

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no other reports filed except there is correspondence in the file dated September 22, 1952 from, the then Chief Engineer of the Oil Conservation Commission, to the Surety in which it states--it lists a number of wells drilled by Clyde-Neill, under his bond and among those wells this well is mentioned, that as far as we knew this is a carbon dioxide well that was set in and had not been plugged.

There was a bond in effect, Fireman's Fund Bond which was cancelled as to future to liability, cancelled on January 8, 1955.

But as I pointed out, this well was completed in 1938.

Q This bond that you mentioned is in the name of Clyde B. Neill, it's not the partnership, is it?

A I'm aware of that. I mentioned that this is a well that was mentioned by the chief engineer of the Oil Conservation Commission as being covered by that bond. I will leave the legal aspects of it to someone else.

As far as I know we do not have a complete history of the well for the simple reason that on April 7, 1978 I managed to locate the well. I had assumed that the well had been plugged long ago and just simply no reports filed. But I did find it, the first time I ever saw it.

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As a matter of fact, it was reported to me by someone else and I went investigating it and found it that way. Because it is on the Mitchell Ranch and it is surrounded by carbon dioxide wells that are producing to the plant at Salono.

Nevertheless, my inspection found a four and one-half inch casing, standing by the ground, that's the only casing that I could see, equipped to the wellhead. It looks like a double valve assembly. I have a picture here that I took on that day.

So, there is no report of any four and a half inch casing in the well so I know that our reports are not complete. I have no way of knowing how far down in the well that four and a half inch extends. It could go to bottom, I don't know. That's all I know about the well.

Q In your opinion, could the failure of plugging this well cause waste?

A Yes, It could. Over that period of time it's possible that water would come in and be combined with carbon dioxide, which would form an acid, which would be corrosive, could eat out the pipe. There are water wells in the vicinity. We could have pollution of ground

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water. We could have the escape of carbon dioxide to the atmosphere or to other formations.

MR. NUTTER: Or into the ground water.

Q (By Ms. Teschendorf) Do you have anything further?

A That's all I have.

MS. TESCHENDORF: Nothing further.

MR. NUTTER: Are there any further questions of Mr. Ulvog? You may be excused.

Do you have anything further, Ms. Teschendorf?

MR. TESCHENDORF: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 6212.

I might point out for the record in this case, it's rather odd that notice of this hearing was sent to Clay Neill, he was in Kansas, by certified mail with a return receipt requested and the envelope came back marked insufficient address, unknown it says. But also the card came back indicating that the letter was received by an M. Riggs, who signed as authorized agent and it was apparently received in Huginton, Kansas on April 20th. It was postmarked in Santa Fe on April 18th. I don't understand how they received it and how we got it back both,

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that's just for the record.

MR. ULVOG: I might add that they operate from Huginton, Kansas.

MR. NUTTER: And this was the last known address we had and it was sent to that address?

MR. ULVOG: That's right.

MR. NUTTER: Okay, if nothing further, we will take that case under advisement.

(WHEREUPON, hearing was concluded.)

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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 twenty-second day of May, 1978.

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. 6212, heard by me on 5/3, 1978.  
[Signature] Examiner  
New Mexico Oil Conservation Commission

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SANTA FE, NEW MEXICO 87501



JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

April 18, 1978

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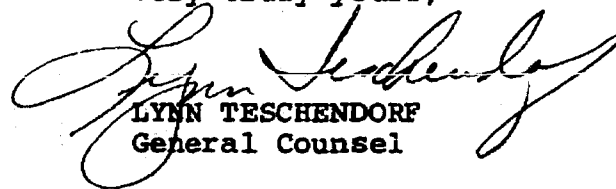
Clay-Neill  
Hugoton, Kansas

Re: State Well No. 1, located  
in Unit C of Section 9,  
Township 19 North, Range  
30 East, Harding County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the notice of the Examiner  
Hearing to be held on Wednesday, May 3, 1978, at 9  
o'clock a.m. in the Oil Conservation Division Conference  
Room, State Land Office Building, Santa Fe, New Mexico.  
Case 6212 concerns the above captioned subject matter.

Very truly yours,

  
LYNN TESCHENDORF  
General Counsel

LT/fd  
enc.

NOTICE OF PUBLICATION

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

SANTA FE, NEW MEXICO

The State of New Mexico by its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of said Division promulgated thereunder of the following public hearing to be held at 9 o'clock a.m. on MAY 3, 1978, at the Oil Conservation Division 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 6211:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Eureka Oil Company and all other interested parties to appear and show cause why the Cora B. Moore Well No. 1 located in Unit L of Section 10, Township 29 North, Range 24 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

✓ CASE 6212:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Clay-Neill and all other interested parties to appear and show cause why the State Well No. 1 located in Unit C of Section 9, Township 19 North, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6200: (Continued & Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Astro-Tex Oil Corp., American Employers' Insurance Co., and all other interested parties to appear and show cause why the Cain Well No. 2 located in Unit J of Section 22, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6201: (Continued & Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Paul Haskins and all other interested parties to appear and show cause why the Federal "17" Well No. 1 located in Unit P of Section 17, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6199: (Continued & Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Marion B. Edmonds and O. A. Peters and all other interested parties to appear and show cause why the Edmonds & Peters Federal Well No. 1 located in Unit M of Section 3, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6213:

Application of Morris R. Antweil for an unorthodox gas well location, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Rio Well No. 2 at a point 660 feet from the North and West lines of Section 29, Township 18 South, Range 25 East, Eddy County, New Mexico, the N/2 of said Section 29 to be dedicated to the well.

CASE 6214:

Application of Morris R. Antweil for an unorthodox gas well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox



location of a Morrow test well to be drilled at a point 660 feet from the North line and 1980 feet from the East line of Section 8, Township 12 South, Range 32 East, Lea County, New Mexico, the E/2 of said Section 8 to be dedicated to the well.

**CASE 6215:**

Application of Texas Oil & Gas Corporation  
for a non-standard unit and an unorthodox  
gas well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard proration unit comprising the N/2 of Section 29, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be located at an unorthodox location 660 feet from the North and West lines of said Section 29.

**CASE 6216:**

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

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to and including the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 21 South, Range 22 East, Eddy County, New Mexico, to be dedicated to applicant's Stinking Draw Unit Well No. 1 to be located at an unorthodox location 1383 feet from the South line and 695 feet from the East line of said Section 10. 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 6217:**

Application of Holly Energy, Inc., for  
an unorthodox oil well location, Eddy  
County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McIntyre B Well No. 4 to be located 1300 feet from the South line and 330 feet from the West line of Section 20, Township 17 South, Range 30 East, Eddy County, New Mexico.

CASE 6218:

Application of Inexco Oil Company for a  
unit agreement, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for its Tequilla Unit  
Area comprising 4,826 acres, more or less, of State, Federal, and fee lands  
in Townships 23 and 24 South, Ranges 22 and 23 East, Eddy County, New Mexico.

CASE 6219:

Application of H & G Oil Co., for  
compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral  
interests in the Morrow formation underlying the N/2 of Section 9, Township  
24 South, Range 28 East, West Malaga-Morrow Gas Pool, Eddy County, New Mexico,  
to be dedicated to a well to be drilled at a standard location thereon. Also  
to be considered will be the cost of drilling and completing said well and the  
allocation of the cost thereof as well as actual operating costs and charges  
for supervision. Also to be considered will be the designation of applicant  
as operator of the well and a charge for risk involved in drilling said well.

CASE 6220:

In the matter of the hearing called by the Oil Conservation Division on its  
own motion to consider:

The creation of the following pools:

North Eidson-Strawn Pool in Township 15 South,  
Range 34 East, Lea County;  
Hume-Devonian Pool in Township 16 South,  
Range 34 East, Lea County;  
Hume-Morrow Gas Pool in Township 16 South,  
Range 34 East, Lea County;  
North Lusk-Wolfcamp Pool in Township 18 South,  
Range 32 East, Lea County;  
Mescalero Sands-Mississippian Gas Pool in  
Township 12 South, Range 30 East, Chaves County;

The extension of the following pools in Eddy County:

Artesia Pool  
Atoka-Yeso Pool  
Box Canyon-Upper Pennsylvanian Gas Pool  
Crooked Creek-Morrow Gas Pool

Fren-Seven Rivers Pool  
Herradura Bend-Delaware Pool  
Little Box Canyon-Morrow Gas Pool  
South Loco Hills-Morrow Gas Pool  
West Malaga-Morrow Gas Pool  
South Millman-Morrow Gas Pool  
Penasco Draw San Andres-Yeso Pool  
Revelation-Morrow Gas Pool  
North Shugart-Morrow Gas Pool  
White City-Pennsylvanian Gas Pool  
Winchester-Morrow Gas Pool  
Winchester-Upper Pennsylvanian Gas Pool

The extension of the following pools in Lea County:

Antelope Ridge-Atoka Gas Pool  
Grama Ridge-Morrow Gas Pool  
West Kemnitz-Lower Wolfcamp Pool  
Langlie Mattix Pool  
Lusk-Morrow Gas Pool  
North Lusk-Morrow Gas Pool  
West Sawyer-San Andres Pool  
Tubb Gas Pool  
North Vacuum-Abo Pool

and the redesignation of the West Scarborough Yates Pool in Lea County as the Comanche Stateline-Yates Pool and the extension of the horizontal limits of said pool.

**CASE 6221:**

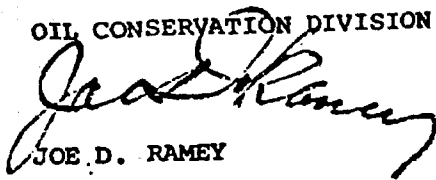
Application of Sun Oil Company for an unorthodox gas well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Teas Federal Well No. 1 to be located 1980 feet from the North and West lines of Section 24, Township 20 South, Range 33 East, Teas Pennsylvanian Gas Pool, Lea County, New Mexico, the N/2 of said Section 24 to be dedicated to the well.

GIVEN Under the Seal of the New Mexico Oil Conservation Commission at  
Santa Fe, New Mexico, on this 14th day of April, 1978.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

  
JOE D. RAMEY

Division Director

SEAL

PS Form 3811, Nov. 1975

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 Clay-Neill  
 Hugoton, Kansas

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*M. Riggs*

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6. Save this receipt and present it if you make inquiry.

Dockets Nos. 18-78 and 19-78 are tentatively set for hearing on May 17 and June 7, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 3, 1978

9 A.M. - OIL CONSERVATION DIVISION 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 6211: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Eureka Oil Company and all other interested parties to appear and show cause why the Cora B. Moore Well No. 1 located in Unit L of Section 10, Township 29 North, Range 24 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6212: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Clay-Neill and all other interested parties to appear and show cause why the State Well No. 1 located in Unit C of Section 9, Township 19 North, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6200: (Continued & Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Astro-Tex Oil Corp., American Employers' Insurance Co., and all other interested parties to appear and show cause why the Cain Well No. 2 located in Unit J of Section 22, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6201: (Continued & Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Paul Haskins and all other interested parties to appear and show cause why the Federal "17" Well No. 1 located in Unit P of Section 17, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division approved plugging program.

CASE 6199: (Continued & Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Marion B. Edmonds and O. A. Peters and all other interested parties to appear and show cause why the Edmonds & Peters Federal Well No. 1 located in Unit M of Section 3, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6213: Application of Morris R. Antweil for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Rio Well No. 2 at a point 660 feet from the North and West lines of Section 29, Township 18 South, Range 25 East, Eddy County, New Mexico, the N/2 of said Section 29 to be dedicated to the well.

CASE 6214: Application of Morris R. Antweil for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled at a point 660 feet from the North line and 1980 feet from the East line of Section 8, Township 12 South, Range 32 East, Lea County, New Mexico, the E/2 of said Section 8 to be dedicated to the well.

CASE 6215: Application of Texas Oil & Gas Corporation for a non-standard unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard proration unit comprising the N/2 of Section 29, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be located at an unorthodox location 660 feet from the North and West lines of said Section 29.

CASE 6216: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface down to and including the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 10, Township 21 South, Range 22 East, Eddy County, New Mexico, to be dedicated to applicant's Stinking Draw Unit Well No. 1 to be located at an unorthodox location 1383 feet from the South line and 695 feet from the East line of said Section 10. 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 6217: Application of Holly Energy, Inc., for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McIntyre B Well No. 4 to be located 1300 feet from the South line and 330 feet from the West line of Section 20, Township 17 South, Range 30 East, Eddy County, New Mexico.

CASE 6218: Application of Inxco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Tequilla Unit Area comprising 4,826 acres, more or less, of State, Federal, and fee lands in Townships 23 and 24 South, Ranges 22 and 23 East, Eddy County, New Mexico.

CASE 6219: Application of H & G Oil Co., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 9, Township 24 South, Range 28 East, West Malaga-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6221: Application of Sun Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Teas Federal Well No. 1 to be located 1980 feet from the North and West lines of Section 24, Township 20 South, Range 33 East, Teas Pennsylvanian Gas Pool, Lea County, New Mexico, the N/2 of said Section 24 to be dedicated to the well.

CASE 6220: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, extending, and redesignating certain pools in Chaves, Lea, and Eddy Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the North Eidson-Strawn Pool. The discovery well is the Sabine Production Company North Eidson Fee Well No. 1 located in Unit M of Section 34, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM  
Section 34: W/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Hume-Devonian Pool. The discovery well is the W. A. Moncrief, Jr. State "B" Well No. 1 located in Unit G of Section 8, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 8: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Hume-Morrow Gas Pool. The discovery well is the Mewbourne Oil Company State "E" Com Well No. 1 located in Unit L of Section 6, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 6: S/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the North Lusk-Wolfcamp Pool. The discovery well is the Petroleum Development Corporation Pedco Gulf Federal Com Well No. 1 located in Unit I of Section 33, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 33: SE/4

(e) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Mississippian production and designated as the Mescalero Sands-Mississippian Gas Pool. The discovery well is the Petroleum Development Corporation Hudson Federal Well No. 1 located in Unit M of Section 27, Township 12 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 30 EAST, NMPM  
Section 27: W/2

(f) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 26: All  
Section 35: All



- (g) EXTEND the Artesia Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 2: S/2 SW/4 and SW/4 SE/4

- (h) EXTEND the Atoka-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 28: E/2 NW/4  
Section 33: NE/4  
Section 34: W/2 NW/4

- (i) EXTEND the Box Canyon Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM  
Section 23: N/2

- (j) EXTEND the Crooked Creek-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM  
Section 4: All

- (k) EXTEND the Fren-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM  
Section 14: S/2, S/2 N/2, N/2 NE/4 & NE/4 NW/4  
Section 15: S/2 & S/2 N/2  
Section 23: All  
Section 26: N/2  
Section 27: N/2  
Section 28: N/2 & N/2 S/2

- (l) EXTEND the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 2: All

- (m) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 29: W/2 SE/4, E/2 SW/4 & SW/4 SW/4  
Section 30: SE/4 SE/4  
Section 31: E/2 E/2  
Section 32: N/2 NW/4 & NW/4 NE/4

- (n) EXTEND the West Kemnitz-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 32: NE/4

- (o) EXTEND the Langlie Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 31: NW/4

- (p) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM  
Section 12: S/2

- (q) EXTEND the South Loco Hills-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
Section 20: W/2

- (r) EXTEND the Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 10: All

- (s) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMJM  
Section 3: E/2

- (t) EXTEND the West Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMJM  
Section 9: S/2

- (u) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMJM  
Section 19: N/2  
Section 20: N/2

- (v) EXTEND the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMJM  
Section 29: SE/4 SE/4  
Section 32: NE/4 NE/4

- (w) EXTEND the Revelation-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMJM  
Section 10: W/2

- (x) EXTEND the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMJM  
Section 22: NE/4

- (y) REDESIGNATE the West Scarborough Yates Pool in Lea County, New Mexico as the Comanche Stateline-Yates Pool and EXTEND the Comanche Stateline-Yates Pool to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMJM  
Section 28: S/2

- (z) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMJM  
Section 19: E/2  
Section 20: W/2

- (aa) EXTEND the Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMJM  
Section 36: SE/4

- (bb) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMJM  
Section 16: N/2  
Section 17: N/2

- (cc) EXTEND the White City Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMJM  
Section 11: All

- (dd) EXTEND the Winchester-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMJM  
Section 28: S/2

- (ee) EXTEND the Winchester-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMJM  
Section 36: N/2

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 18, 1978

CERTIFIED - RETURN  
RECEIPT REQUESTED

Clay-Neill  
Hugoton, Kansas

Re: State Well No. 1, located  
in Unit C of Section 9,  
Township 19 North, Range  
30 East, Harding County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the notice of the Examiner  
Hearing to be held on Wednesday, May 3, 1978, at 9  
o'clock a.m. in the Oil Conservation Division Conference  
Room, State Land Office Building, Santa Fe, New Mexico.  
Case 6212 concerns the above captioned subject matter.

Very truly yours,

LYNN TESCHENDORF  
General Counsel

LT/fd  
enc.

C  
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P  
Y

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6212

Order No. R- 5722

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION  
ON ITS OWN MOTION TO PERMIT CLAY-NEILL AND ALL OTHER INTERESTED  
PARTIES TO APPEAR AND SHOW CAUSE WHY THE STATE WELL NO. 1 LOCATED  
IN UNIT C OF SECTION 9, TOWNSHIP 19 NORTH, RANGE 30 EAST, HARDING  
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 May 3,  
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of May, 19 78, 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 Clay-Neill is the owner and  
operator of the State Well No. 1  
located in Unit C of Section 9, Township 19 North,  
Range 30 East, NMPM, Harding County, New Mexico.

(3) That American Employers' Insurance Co. is the  
surety on the Oil Conservation Division plugging bond on which  
Clyde B. Neill 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 State Well No. 1 should  
be plugged and abandoned in accordance with a program approved by

the Santa Fe District Office of the New Mexico Oil Conservation Division on or before July 1, 1978, or the well should be returned to active drilling status or placed on production.

**IT IS THEREFORE ORDERED:**

(1) That Clay-Neill is

~~now~~ hereby ordered to plug and abandon the State Well No. 1

located in Unit C of Section 9, Township 19 North Range 30 East, NMPM, Harding County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before July 1, 1978.

(2) That Clay-Neill

, prior to plugging and abandoning the above-described well, shall obtain from the Santa Fe office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Santa Fe 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.

Are 6212

Slow cause hearing

Clay-Neill, a partnership

State Well #1

C, 9, 19 N, 30 E

Harding County