

PL CASE 6235: PLUGGING CASE - OCD *mored*  
BLACK DIAMOND OIL COMPANY AND ALL *ny*)  
OTHER INTERESTED PARTIES

CASE NO.

6235

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

JUNE 7, 1978

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
AK Hendrick	NMOCZ	Albuquerque
Charles Harquer	Cutkins Oil Co	Farmington
Camacho, David	Base Enterprises Prod. Co.	Juddand
Steve Breball	Base Enterprises Prod. Co.	Denver
Tom Kellahan	Kellahan & Fox	Santa Fe
PT. M. Grath	U.S.G.S.	Farmington
Edward K. David	Robert M. Enfield	Roswell
Robert M. Enfield	"	Santa Fe
W. J. Hyman	Mobil Oil	Houston
W. J. Hyman	Mobil Oil	Denver
O. B. Robbins	" "	Houston
Paul Katz	Humble Perm	Roswell
Tom L. Ingram	Ingram	Roswell
HOWARD HANSEN	Germany Investment Co.	Dallas, Tex.
Paul R. Payne Jr.	Producing Royalties	Los Angeles, Calif.
STEPHEN R. PAYNE	" "	" "

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

JUNE 7, 1978

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
J. E. Sperling	Mobil	Alb.
E. R. Anderson	Heater, Heater	Alb.
Lewis D. Griffin	Exxon	Midland, Tex.
J. C. Raney	Pennzoil Co.	Midland, Tex.
E. R. FRAZIER	MOBIL OIL CORP.	HOUSTON, TX

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
7 June, 1978

EXAMINER HEARING

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IN THE MATTER OF:

The hearing called by the Oil Con-	)	
servation Division on its own motion	)	
to permit Black Diamond Oil Company	)	CASE
and all other interested parties to	)	6235
appear and show cause why the Well	)	
No. 1 should not be plugged and	)	
abandoned in accordance with a	)	
Division-approved plugging program.	)	

-----

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Lynn Teschendorf, Esq.  
Legal Counsel for the Division  
State Land Office Building  
Santa Fe, New Mexico 87501

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 988-3404  
Santa Fe, New Mexico 87501

I N D E X

A. R. KENDRICK

Direct Examination by Ms. Teschendorf 3

Cross Examination by Mr. Nutter 6

E X H I B I T S

Division Exhibit One, Card and photograph 6

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1 MR. NUTTER: The first case this morning will  
2 be Case Number 6235, which is in the matter of the hearing  
3 called by the Oil Conservation Division on its own motion  
4 to permit Black Diamond Oil Company and all other inter-  
5 ested parties to appear and show cause why Well No. 1,  
6 located in Unit C of Section 27, Township 29 North, Range  
7 11 West, San Juan County, New Mexico, should not be plugged  
8 and abandoned in accordance with a Division-approved  
9 plugging program.

10 I'll call for appearances in this case.

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

13 MR. NUTTER: Are there other appearances?  
14 Will you proceed?

15 (Witness sworn.)  
16

17 A. R. KENDRICK

18 Being called as a witness and having been duly sworn upon  
19 his oath, testified as follows, to-wit:  
20

21 DIRECT EXAMINATION

22 BY MS. TESCHENDORF:

23 Q State your name, by whom you're employed and  
24 in what capacity.

25 A A. R. Kendrick, District Supervisor for the

1 Oil Conservation Division.

2 Q Have you previously testified before the Divi-  
3 sion and are your credentials a matter of record?

4 A I have and they are.

5 Q Does District III include that part of the  
6 San Juan County that's involved in this case?

7 A Yes.

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

11 A Yes.

12 Q Are you ramiliar with the subject matter of  
13 this case?

14 A I am.

15 Q Have you reviewed all the records filed with  
16 the Division concerning the Black Diamond Well No. 1?

17 A Yes.

18 Q And do you have these reports with you?

19 A I do.

20 Q Would you please refer to those reports and  
21 summarize the well history?

22 A The only information we have about the Black  
23 Diamond Oil Company well is that it was drilled in 1930  
24 and completed in 1931. We have a scout ticket card taken  
25 from the Bureau of Mines records. We do not have any of-

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1 ficial Oil Commission or Oil Division records relating to  
2 this well.

3 The information that we have is that the well  
4 was 800 feet deep. The field inspection discloses that  
5 the well is cased and that the casing is open and the well  
6 is flowing water on the outside of this casing. We sus-  
7 pected this casing to be surface packer. It appears to  
8 be 7-inch or 8-5/8ths in the photograph that I have.

9 Q Is that scout ticket marked as Exhibit One?

10 A I have a copy of the scout ticket card and a  
11 copy of the photograph, taken by Charles Golson of our  
12 office, who is our Field Man, which I would exhibit --  
13 submit as Exhibit One.

14 Q What type of acreage is this well on?

15 A It's on fee land.

16 Q Is there a bond covering this well?

17 A No.

18 Q In your opinion could the failure to plug  
19 this well cause waste of hydrocarbons or contaminate fresh  
20 water supplies?

21 A Yes.

22 Q Will you elaborate on how that could happen?

23 A The proximity of where this well was drilled,  
24 there was shallow oil production. This well was drilled  
25 for shallow oil production. Since we have no records,

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1 we're not sure of whether or not they penetrated any oil  
2 or gas producing sands, but if those are opened, the failure  
3 of this casing would allow the contamination of water  
4 zones or oil zones or both.

5 Q Are you prepared to recommend a plugging  
6 program at this time or would you prefer to describe the  
7 program at the actual time of the plugging?

8 A I would prefer to not include the plugging  
9 program in this order.

10 MS. TESCHENDORF: At this time I'd like to  
11 offer Exhibit One in evidence, and I have nothing further.

12  
13 CROSS EXAMINATION

14 BY MR. NUTTER:

15 Q Mr. Kendrick, what size casing does it appear  
16 is in the subject well?

17 A I'm not sure. It appears to be either 7-inch  
18 or 8-5/8ths.

19 Q And you mentioned that water is flowing from  
20 the well. Is that coming from the casing or around the  
21 casing?

22 A Around the casing.

23 Q So you don't know if there's any cement on  
24 the casing or if so, how much, or the depth of the casing?

25 A No, sir, we have no casing record whatsoever.

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1 Q I see. The only record you have is this old  
2 scout ticket?

3 A Yes, sir.

4 Q Do you know anything about the Black Diamond  
5 Oil Company?

6 A No.

7 Q Are they doing business at the present time  
8 in your area?

9 A No, sir, they have not done business in our  
10 area in the last twenty-five years.

11 Q I see. Does anyone have any further questions  
12 of Mr. Kendrick?

13 MS. TESCHENDORF: Did you have anything fur-  
14 ther you wanted to add?

15 A Yes, I'd recommend that this well be plugged  
16 and abandoned or made into a useful well. I suspect that  
17 it should be plugged.

18 Q Do you know if the landowner is interested in  
19 the well for any purpose? You said it was on fee land.

20 A Mr. Golson advised me that he had visited with  
21 the landowner about it and the landowner said he would  
22 be glad to give us access to the well and to allow us to  
23 enter his property to plug and abandon the well. He  
24 did not show any interest in it, salvaging the well for  
25 a water well or anything like that.

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1 Q I see. So your remark there to either plug it  
2 or make it into a useful well, you really don't have any  
3 intention of making it any kind of a useful well?

4 A In the absence of Black Diamond Oil Company  
5 surfacing, I doubt that would be the proper approach.

6 MR. NUTTER: Thank you, Mr. Kendrick.

7 Does anyone else have anything they wish to  
8 offer in this case? We'll take the case under advisement.

9 (Hearing concluded.)  
10  
11  
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25

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REPORTER'S CERTIFICATE

I, Sally Walton Boyd, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

*Sally Walton Boyd CSR*  
Sally Walton Boyd, C.S.R.

SALLY WALTON BOYD  
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Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's Office No. *6235* heard by me on *6/7*, 19*78*.  
*[Signature]*, Examiner  
New Mexico Oil Conservation Commission

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT BLACK DIAMOND OIL COMPANY AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE WELL NO. 1 LOCATED IN UNIT C OF SECTION 27, TOWNSHIP 29 NORTH, RANGE 11 WEST, SAN JUAN COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WITH A DIVISION-APPROVED PLUGGING PROGRAM.

CASE NO. 6235  
Order No. R-5741

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 7, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of June, 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 Black Diamond Oil Company is the owner and operator of the Well No. 1, located in Unit C of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said Well No. 1 should be plugged and abandoned in accordance with a program approved by the Aztec District Office of the New Mexico Oil Conservation Division on or before July 15, 1978, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Black Diamond Oil Company is hereby ordered to plug and abandon the Well No. 1, located in Unit C of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before July 15, 1978.

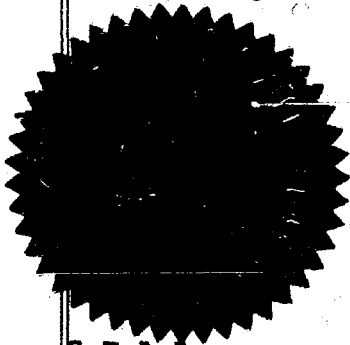
-2-

Case No. 6235  
Order No. R-5741

(2) That Black Diamond Oil Company, prior to plugging and abandoning the above-described well, shall obtain from the Aztec office of the Division, a Division-approved program for said plugging and abandoning, and shall notify said Aztec office of the date and hour said work is to be commenced whereupon the 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.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

fd/

Dockets Nos. 21-78 and 22-78 are tentatively set for hearing on June 21 and July 6, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 7, 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:

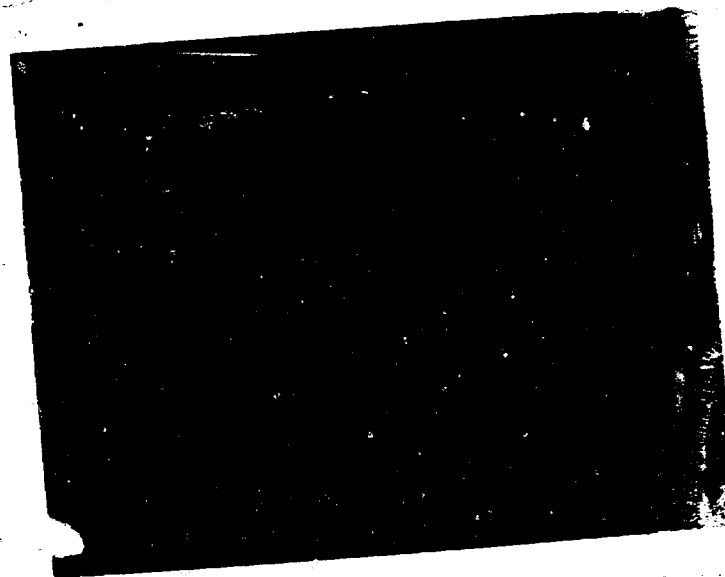
- CASE 6235: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Black Diamond Oil Company and all other interested parties to appear and show cause why the Well No. 1 located in Unit C of Section 27, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6236: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Bloomfield Oil & Gas Company and all other interested parties to appear and show cause why the C. Hare Well No. 3 located in Unit N of Section 15 and the H. D. Abrams Well No. 5 located in Unit E of Section 23, both in Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6237: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Finley & Johansen and all other interested parties to appear and show cause why the Hare Well No. 1 located in Unit C of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6238: Application of Barber Oil, Inc., for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Saladar Unit Area comprising 240 acres, more or less, of Federal and fee lands in Township 20 South, Range 28 East, Eddy County, New Mexico.
- CASE 6226: (Continued from May 17, 1978 Examiner Hearing)  
Application of Barber Oil, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Saladar Unit, by the injection of water into the Yates formation through five wells located in Units K, L, N and O of Section 33, Township 20 South, Range 28 East, Saladar-Yates Pool, Eddy County, New Mexico.
- CASE 6239: Application of Robert N. Enfield for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Lake McMillan Unit Area comprising 3194 acres, more or less, of Federal and fee lands in Township 19 South, Ranges 26 and 27 East, Eddy County, New Mexico.
- CASE 6240: Application of Bass Enterprises Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Navajo 20 Well No. 1, a Barker Creek oil test to be drilled 1190 feet from the South line and 2510 feet from the East line of Section 20, Township 27 North, Range 19 West, San Juan County, New Mexico, the SW/4 SE/4 of said Section 20 to be dedicated to the well.
- CASE 6241: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Eagle Creek Permian-Penn and West Atoka-Morrow gas production in the wellbore of its Powell DG Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.
- CASE 6242: Application of C & E Operators, Inc., for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SE/4 of Section 32, Township 32 North, Range 10 West, San Juan 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 6243: Application of Caulkins Oil Company for four unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Breech "E" Wells Nos. 104 and 587, located in Unit P of Section 5 and Unit J of Section 4, respectively; and its Breech "A" Wells Nos. 207 and 679, located in Unit J of Sections 10 and 9, respectively, all in Township 26 North, Range 6 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico.



C STATE NEW MEXICO  
COUNTY San Juan SEC. 27 T. 29N R. 11W  
FIELD OR AREA \_\_\_\_\_ LOCATION 920' N, 1620' W  
LEASE ? WELL NO. 1  
COMPANY Black Diamond Oil SPD. 9-24-30 COMPLETED 3- -31  
ELEV. 5420' T. D. 800' P. B. \_\_\_\_\_  
CASING \_\_\_\_\_  
SHOT OR ACID \_\_\_\_\_  
PERF. \_\_\_\_\_  
I. P. \_\_\_\_\_  
PRODUCING FORM \_\_\_\_\_  
PRODUCTIVE DEPTH OR INTERVAL \_\_\_\_\_

Abandoned

REMARKS:





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

JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

Case 6235

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

April 26, 1978

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

Re: Black Diamond Oil Company

(Name Unknown) #1

Unit C, Section 27, Township 29 North,

Range 11 West, N.M.P.M.

Dear Ms. Teschendorf:

Please docket a case to allow the operator of the subject well and other interested parties to appear and show why the well should not be properly plugged and abandoned.

If there are questions please contact us.

Yours very truly,

*Frank S. Dwyer*

District #3

xc: Operator :

*No bond.*

*fee land  
drilled in 30  
complet in 31  
no records  
seal card only  
800' deep  
has csg - is  
flowing w/le.*

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. 6235

Order No. R- 5741

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION  
DIVISION ON ITS OWN MOTION TO PERMIT BLACK DIAMOND OIL COMPANY  
AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY  
THE WELL NO. 1 LOCATED IN UNIT C OF SECTION 27, TOWNSHIP 29  
NORTH, RANGE 11 WEST, SAN JUAN 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 June 7,  
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of June, 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 Black Diamond Oil Company is the owner and  
operator of the Well No. 1  
located in Unit C of Section 27, Township 29 North,  
Range 11 West, NMPM, San Juan County, New Mexico.

(3) That is the  
surety on the Oil Conservation Division plugging bond on which  
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 Well No. 1 should  
be plugged and abandoned in accordance with a program approved by

