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CASE 6237: PLUGGING CASE - OCD
FINLEY & JOHANSEN AND ALL OTHER
INTERESTED PARTIES

(Johansen)

CASE NO.

6237

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

EXAMINER HEARING

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
 6237

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) 968-3404
 Santa Fe, New Mexico 87501

I N D E X

A. R. KENDRICK

Direct Examination by Ms. Teschendorf 3

Cross Examination by Mr. Nutter 5

E X H I B I T S

Division Exhibit One, Scout card and photo 5

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1 MR. NUTTER: Case Number 6237, which is in the
2 matter of the hearing called by the Oil Conservation Divi-
3 sion on its own motion to permit Finley & Johansen and
4 all other interested parties to appear and show cause why
5 the Hare Well No. 1, located in Unit C of Section 22,
6 Township 29 North, Range 11 West, San Juan County, New
7 Mexico, should not be plugged and abandoned in accordance
8 with a Division-approved plugging program.

9 I'll call for appearances, if you please.

10 MS. TESCHENDORF: Lynn Teschendorf, appearing
11 on behalf of the Division. I have one witness, Mr. Kendrick,
12 who has been previously sworn and qualified.

13 MR. NUTTER: Mr. Kendrick is still under oath.
14 Would you proceed?

15
16 A. R. KENDRICK

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

19
20 DIRECT EXAMINATION

21 BY MS. TESCHENDORF:

22 Q Mr. Kendrick, have you reviewed all reports
23 either filed with the Division or obtained in some other
24 way concerning this well?

25 A I have.

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Q Do you have those records with you?

A I do.

Q Please refer to the records and summarize the well's history.

A Our records constitute one scout ticket card, the information of which was obtained from the Bureau of Mines, and a photograph taken by Charles Golson from our office.

The scout ticket indicates the well drilled in 1934; had 10-inch casing set at 87 feet; 8-inch casing set at 390 feet; and 6-inch casing at 624 feet, and that the well was plugged and abandoned.

Our photograph shows that the well is tubed and has rods and the rods are hanging on a clamp, so we disbelieve the report that the well is plugged and abandoned.

Q Does Exhibit One include the scout ticket and the photograph?

A It does.

Q What type of acreage is this well on?

A This well is on fee acreage.

Q Is there a bond covering the well?

A No.

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

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1 A. It could.
2 Q. In what way?
3 A. The well was drilled in an oil producing area.
4 It is cased deeply enough to have encountered oil zone
5 and it has penetrated water zones. A casing failure would
6 allow the interchange of products from zones.

7 Q. What are your recommendations for this well?

8 A. I recommend that the well be plugged and
9 abandoned or made into a useful well.

10 Q. Are you prepared to recommend a plugging pro-
11 gram at this time or would you prefer to wait until the
12 actual time of plugging?

13 A. I would prefer to wait.

14 Q. Do you have anything further you wish to say?

15 A. No.

16 MR. NUTTER: Do you have a TD reported on that
17 well, Mr. Kendrick?

18 A. Yes, sir, total depth at 722 feet.

19 MS. TESCHENDORF: At this time I'd like to
20 offer Exhibit One.

21 MR. NUTTER: Exhibit One will be admitted in
22 evidence.

23
24 CROSS EXAMINATION

25 BY MR. NUTTER:

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1 Q Mr. Kendrick, was any IP shown on the well?

2 A No, sir.

3 Q But the ticket shows that the well had been
4 plugged and abandoned?

5 A Yes, sir.

6 Q Is this well on fee land or what?

7 A It's on fee land. The surface at the present
8 time is used by Plateau, Incorporated, as a storage yard
9 for used equipment.

10 Q Do you know if there's any mineral lease on
11 this fee land or not?

12 A The minerals under this tract of ground is
13 dedicated to gas wells, so I'm sure there's a minerals
14 owner and a minerals lessee.

15 Q You don't know if they're interested in using
16 the well for any purpose?

17 A They have not made any attempt.

18 Q What about Finley & Johansen? Do you know
19 anything about them?

20 A No, sir.

21 Q Are they in -- they're not in operation today,
22 as far as you know?

23 A No, sir.

24 Q No water or oil or gas is apparently leaking
25 on the surface from this well?

1 A. No, sir.

2 Q. Are there any further questions of Mr. Kendrick?

3 He may be excused.

4 Does anyone have anything they wish to offer
5 in Case Number 6237?

6 We'll take the case under advisement.

7 (Hearing concluded.)
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SALLY WALTON BOYD
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Santa Fe, New Mexico 87501

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 COR
Sally Walton Boyd, C.S.R.

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6237, heard by me on 8/7, 1978.
[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 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 NO. 6237
Order No. R-5743

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 Finley & Johansen are the owners and operator of the Hare Well No. 1, located in Unit C of Section 22, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That in order to prevent waste and protect correlative rights said Hare 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 Finley & Johansen are hereby ordered to plug and abandon the Hare Well No. 1, located in Unit C of Section 22, 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-

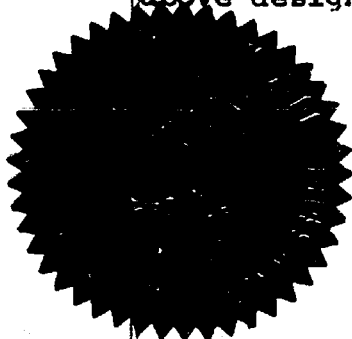
Case No. 6237

Order No. R-5743

(2) That Finley & Johansen, 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 hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

S E A L

fd/

C STATE NEW MEXICO
COUNTY San Juan SEC. 22 T. 29N R. 11W
FIELD OR AREA _____ LOCATION 176' N. 1570' W
LEASE Haro WELL NO. 1
COMPANY Finley & Johansen SPD. 7-25-34 COMPLETED 2-14-35
ELEV. 5480' T. D. 722' P. B. _____
CASING 10" @ 87' 8" @ 390' 6" @ 624'
SHOT OR ACID _____
PERF. _____
I. P. _____
PRODUCING FORM _____
PRODUCTIVE DEPTH OR INTERVAL _____

REMARKS:

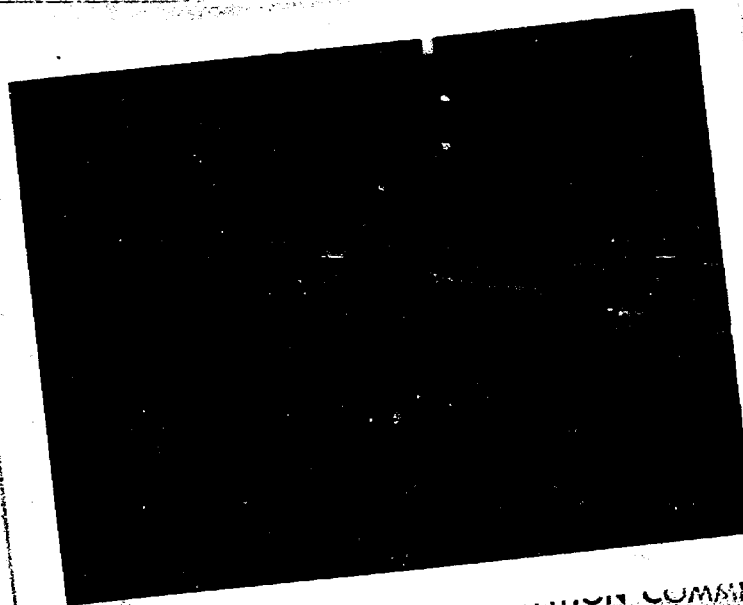
P&A

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
OCD EXHIBIT NO. 1
CASE NO. 6237

C STATE NEW MEXICO
COUNTY San Juan SEC. 22 T. 29N R. 11W
FIELD OR AREA _____ LOCATION 175' N, 1570' W
LEASE Hare WELL NO. 1
COMPANY Finley & Johansen SPD. 7-25-34 COMPLETED 2-14-35
ELEV. 5480' T.D. 722' P.B. _____
CASING 10" @ 87' 8" @ 390' 6" @ 624'
SHOT OR ACID _____
PERF. _____
I.P. _____
PRODUCING FORM _____
PRODUCTIVE DEPTH OR INTERVAL _____

REMARKS:

P&A



ER
OCD EXHIBIT NO. _____
CASE NO. 6237

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 Permo-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.

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

Case 6237

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

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: Finley & Johansen

Hare #1

Unit C, Section 22, 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 E. Long

District #3

xc: Operator :

No bond.

see land
no well fill
scout can't only
erld in '34
10" 87 TD 122
8" 390
6" 624
ticket shows
well P & A
picture shows
any, they & rods

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. 6237

Order No. R- 5743

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.

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, 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 Finley & Johansen are the owners and
operator of the Hare well No. 1
located in Unit C of Section 22, 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 Hare 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, 19 78, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Finley & Johansen
_____ are hereby ordered to plug and abandon the Hare Well No. 1 located in Unit C of Section 22, 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, 19 78.

(2) That Finley & Johansen
_____, 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 hereinabove designated.