

CASE 6265: PLUGGING CASE - OCD  
BECK PRODUCING COMPANY AND OTHER INTER-  
ESTED PARTIES, HARDING COUNTY, N. MEX.

CASE NO.

6265

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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. 6265  
Order No. R-5866

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION  
DIVISION ON ITS OWN MOTION TO PERMIT BECK PRODUCING CO. AND  
ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE  
CAIN STATE WELL NO. 1 LOCATED IN UNIT B OF SECTION 16, TOWNSHIP  
15 NORTH, RANGE 33 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 July 6, 1978,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of November, 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 Beck Producing Co. is the owner and operator of  
the Cain State Well No. 1, located in Unit B of Section 16, Town-  
ship 15 North, Range 33 East, NMPM, Harding County, New Mexico.

(3) That in order to prevent waste and protect correlative  
rights said Cain 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  
January 31, 1979, or the well should be returned to active  
drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Beck Producing Co. is hereby ordered to plug and abandon the Cain State Well No. 1, located in Unit B of Section 16, Township 15 North, Range 33 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 January 31, 1979.

(2) That Beck Producing Co., 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

S E A L

fd/

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ENERGY AND MINERALS DEPARTMENT  
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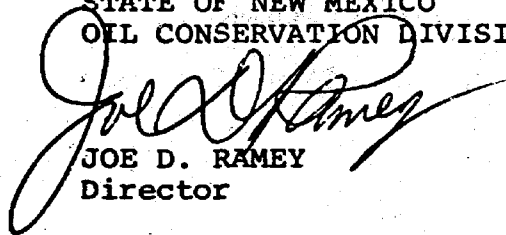
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

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OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

S E A L

fd/



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

June 20, 1978

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

CERTIFIED - RETURN  
RECEIPT REQUESTED

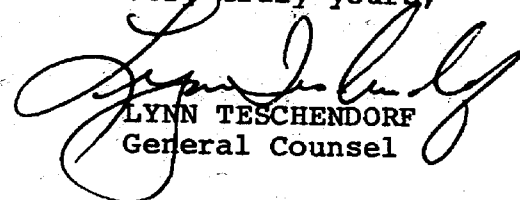
Beck Producing Company  
900 Medical Arts Avenue, NE  
Albuquerque, New Mexico 87106

Re: Cain State Well No. 1,  
located in Unit B of  
Section 16, Township 15  
North, Range 33 East,  
Harding County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the advertisement of the Examiner Hearing to be held on Thursday, July 6, 1978, at 9 o'clock a.m. in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico. Case 6265 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 JULY 6, 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 6265:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Beck Producing Co. and all other interested parties to appear and show cause why the Cain State Well No. 1 located in Unit B of Section 16, 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 6266:

Application of Harvey E. Yates Company for  
an unorthodox gas well location, Eddy County,  
New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Upper Pennsylvanian test well to be located 660 feet from the North and East lines or, in the alternative, 990 feet from the North and East lines of Section 23, Township 22 South, Range 23 East, Indian Basin-Upper

Pennsylvanian Gas Field, Eddy County, New Mexico, all of said Section 23 to be dedicated to the well.

CASE 6267:

Application of Yates Petroleum Corporation  
for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the E/2 of Section 28, Township 17 South, Range 26 East, Kennedy Farms Field, 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 6268:

Application of Southland Royalty Company for an  
unorthodox gas well location, San Juan County,  
New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Reid Well No. 25 to be drilled in the SE/4 of Section 19, Township 28 North, Range 9 West, Blanco Mesaverde Pool, San Juan County, New Mexico, said well being off-pattern for the first well on the proration unit, the S/2 of Section 19.

CASE 6269:

Application of Marathon Oil Company for  
compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the top of the San Andres thru the Abo underlying the NE/4 NW/4 of Section 25, Township 16 South, Range 38 East, Lea 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 6270:

Application of Enserch Exploration, Inc., for pool creation and special pool rules, Roosevelt County, New Mexico.

Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Fusselman formation for its Lambirth Well No. 1 located in Unit K of Section 31, Township 5 South, Range 33 East, Roosevelt County, New Mexico, and for promulgation of special pool rules, including provision for 80-acre spacing, a gas-oil ratio limitation of 3,000 to 1, and special well location requirements.

CASE 6271:

Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the S/2 SW/4 of Section 20 as a non-standard gas proration unit for a Jalmat gas well, or in the alternative, the SE/4 SW/4 of Section 20 for a Langlie Mattix oil well, all in Township 24 South, Range 37 East, Lea 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 6272:

Application of Doyle Hartman for an exception to Rule 15 of Order No. R-1670, as amended, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an exception to Rule 15 of Order No. R-1670, as amended, which will allow him to produce his overproduced Etz Well No. 1, located in Unit D of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, at 60% of its allowable until such time as the overproduction has been made up.

CASE 6273:

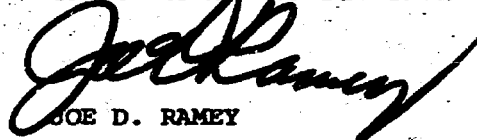
Application of Gulf Oil Corporation for  
creation of a new gas pool and special rules,  
including gas prorationing, Eddy County, New  
Mexico.

Applicant, in the above-styled cause, seeks the creation of a new Morrow  
gas pool in Eddy County comprising all, or portions of, Sections 24 and 25,  
Township 18 South, Range 24 East, and Section 18 thru 20, 28 thru 30, and 32  
and 33, Township 18 South, Range 25 East; applicant further seeks the promul-  
gation of special rules for said pool, including the prorationing of gas  
production on a straight acreage basis *and the prohibition of more than one well  
to each 320-acre proration unit.*

GIVEN Under the Seal of the New Mexico Oil Conservation Commission at  
Santa Fe, New Mexico, on this 16th day of June, 1978.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION



JOE D. RAMEY

Division Director

SEAL



NICK FRANKLIN  
SECRETARY

**December 5, 1978**

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

Beck Producing Company  
900 Medical Arts Avenue, NE  
Albuquerque, New Mexico 87106

Re: CASE NO. 6265  
ORDER NO. R-5866

**Applicant:**

OCD (Beck Producing Company)

**Dear Sir:**

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

**JOE D. RAMEY**  
**Director**

**JDR/fd**

**Copy of order also sent to:**

Hobbs OCC x  
Artesia OCC x  
Aztec OCC

**Other**

No. 705696

RECEIPT FOR CERTIFIED MAIL

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

SENT TO		
Beck Producing Co.		
STREET AND NO.		
900 Medical Arts Ave. NE		
P.O., STATE AND ZIP CODE		
Albuquerque, N.Mex. 87110		
POSTAGE \$		
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	€
	SPECIAL DELIVERY	€
	RESTRICTED DELIVERY	€
	OPTIONAL SERVICES	
	RETURN RECEIPT SERVICE	
	SHOW TO WHOM AND DATE DELIVERED	€
	SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	€
	SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	€
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	€
TOTAL POSTAGE AND FEES \$		
POSTMARK OR DATE		

PS Form 3800, Apr. 1976

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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This cause came on for hearing at 9 a.m. on July 6, 1978,  
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NOW, on this 30th day of November, 1978, the Division  
Director, having considered the testimony, the record, and the  
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FINDS:

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January 31, 1979, or the well should be returned to active  
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-2-

Case No. 6265  
Order No. R-5866

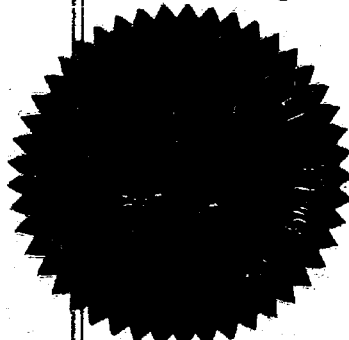
IT IS THEREFORE ORDERED:

(1) That Beck Producing Co. is hereby ordered to plug and abandon the Cain State Well No. 1, located in Unit B of Section 16, Township 15 North, Range 33 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 January 31, 1979.

(2) That Beck Producing Co., 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.



S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

fd/



PS Form 3811, Nov. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● 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:  
Beck Producing Company  
900 Medical Arts Avenue, NE  
Albuquerque, New Mexico 87106

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	705696	

(Always obtain signature of addressee or agent)  
I have received the article described above.  
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY 6/26/77 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS

**SENDER INSTRUCTIONS**

Print your name, address, and ZIP Code in the space below.  
• Complete Items 1, 2, and 3 on the reverse.  
• Moiston gummed ends and attach to front of article if space permits. Otherwise affix to back of article.  
• Endorse article "Return Receipt Requested" adjacent to number.

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



**RETURN  
TO**



**OIL CONSERVATION DIVISION**

(Name of Sender)

**POST OFFICE BOX 2088**

(Street or P.O. Box)

**SANTA FE, NEW MEXICO 87501**

(City, State, and ZIP Code)

**CASE 6265**

## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

6265  
6265

Hearing Date

JULY 6, 1978

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Quinn D. Offield	Hughes Oil Firm (for Atlantic Richfield)	Midland
Robert H. Strawn	Harvey E. Yates Company	Poswell
Q. Lopez	Loosey, Pearson & Dickerson	Carlsbad
SAEED - AFGHANI	VINEY & ASSOCIATES, INC	MIDLAND
James C. Allen	Amoco Prod. Co.	Houston
Robert Malaise	ATLANTIC Richfield	Midland
F. G. Wilcox	Enserch Exploration, Inc	Midland
Andrew Latta	Harvey E. Yates	Midland
W. J. Mullin	Phillips Pet. Co.	Odessa
K. M. Wolen	Amoco PRODUCTION CO.	HOUSTON, TX
Robert J. Pickens	MARATHON Oil Co.	HOUSTON, TX
William F. Ball	Cation, Cation and Sawtell	Santa Fe, N.M.
Tom FURTWANGLER	ATLANTIC Richfield Co.	Midland, TX
Bob Horyza	A.R. Co	Midland, TX
H. W. & Louise Benischek	Independent Mineral Owners, Petroleum Engr.	Albuquerque, NM
Jason Kellahi	Kellahi & Fox	Santa Fe.
A. W. Hanley	MARATHON OIL	MIDLAND, TX
J. A. Davidson	DOYLE HARTMAN	MIDLAND, TX
Doyle Hartman	Doyle Hartman	Midland, TX

## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date JULY 6, 1978 TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
G. J. Degenfelder	marathon oil	midland
Gene D. Blake	Southland	TX Campbell Benjamin
Arthur C. Parsons	Southland Royalty Co.	Farmington

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

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Commission on its own motion to permit Beck Producing Company and all other interested parties to appear and show cause why the Cain State Well No. 1, located in Unit B of Section 16, 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  
 6265

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

CARL ULVOG

Direct Examination by Ms. Teschendorf 3

Cross Examination by Mr. Nutter 8

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

1 MR. NUTTER: The hearing will come to order,  
2 please.

3 The first case this morning will be Case Num-  
4 ber 6265, which is in the matter of the hearing called  
5 by the Oil Conservation Division on its own motion to  
6 permit Beck Producing Company and all other interested  
7 parties to appear and show cause why the Cain State Well  
8 No. 1, located in Unit B of Section 16, Township 15 North,  
9 Range 33 East, Harding County, New Mexico, should not be  
10 plugged and abandoned in accordance with a Division-  
11 approved plugging program.

12 I'll call for appearances, please.

13 MS. TESCHENDORF: Lynn Teschendorf, appearing  
14 on behalf of the Division, and I have one witness.

15 MR. NUTTER: Are there other appearances in  
16 Case Number 6265?

17 Ms. Teschendorf, would you proceed?

18 (Witness sworn.)

19  
20 CARL ULVOG

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

23  
24 DIRECT EXAMINATION

25 BY MS. TESCHENDORF:

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 988-3404  
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

1 Q Would you state your name, by whom you're em-  
 2 ployed, and in what capacity?

3 A I'm Carl Ulvog, Senior Geologist for the Oil  
 4 Conservation Commission based here in Santa Fe.

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

7 A I have and they are.

8 Q Does District Four include that part of Harding  
 9 County involved in this case?

10 A Yes, it does.

11 Q And your duties as District Supervisor include  
 12 making recommendations to the Division as to when a well  
 13 should be plugged and abandoned?

14 A Yes, that is correct.

15 Q Have you reviewed all the reports filed with  
 16 the Division concerning the Cain State Well No. 1?

17 A Yes, I have.

18 Q And would you please refer to those records  
 19 and summarize the well's history?

20 A Yes, I will.

21 The original application for the permit to  
 22 drill, the C-101, was filed under the name of Marion B.  
 23 Edmonds and Oscar A. Peters, and that was filed on July  
 24 3rd, 1970; however, apparently the well was never spudded  
 25 by that operator, because the permit was due to expire



1 October 11, 1970. There's no correspondence to indicate  
2 that anything else was done.

3 But then on October 23rd another application  
4 for a permit to drill a well in exactly the same location  
5 was filed by Beck Producing Company, which was approved,  
6 and the first report subsequent to the filing of that C-101  
7 was a Form C-103, which is a sundry notice -- a report  
8 on that well, in which they reported setting casing.

9 We have several conflicting reports on this,  
10 so if I may, I will go through the official reports and  
11 then summarize the findings of the reports.

12 Then the next official form filed was another  
13 C-103, which was the report of the plug and abandonment,  
14 which was filed December 3rd, 1970.

15 Then the form C-105, which was the Well Com-  
16 pletion Report and Log, was filed also December 3rd, 1970,  
17 and that report says that there was 10-3/4 inch casing  
18 set at 230 feet with 130 sacks of cement; 5-1/2 inch  
19 casing set at 1,397 feet with 335 sacks of cement, the  
20 total depth being 1501.

21 Now, according to the C-105 report, 10-3/4  
22 inches set at 230 feet with 130 sacks, the 5-1/2 inches  
23 set at 1397 with 335 sacks, and total depth of 1501; how-  
24 ever, if we go back to the C-103 reports that were filed,  
25 we find that they report 220 feet of 8-5/8ths inch casing

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

1 set with 200 sacks; the 5-1/2 inch set at 1,379 with 375  
2 sacks, totaled up to 1500.

3 So there's a discrepancy here as to just what  
4 pipe was set and how deep it was and how much cement.

5 However, the final report of plugging says  
6 that 25 sacks were put in the bottom of the hole and then  
7 another 25 sacks plug was set at 1321 to the surface, and  
8 25 sacks of cement will not go from 1,321 feet to the  
9 surface. It would go to about 1100 feet.

10 I inspected, and there is a scouting report  
11 which also differs somewhat, but essentially, the hole  
12 was drilled to 1500 feet, approximately. It has either,  
13 well, 1300-some feet of 5-1/2 inch set and its got either  
14 8-5/8ths or 10-3/4 set to somewhere below 220 feet; how-  
15 ever at the surface there is about a 12-inch conductor  
16 pipe for drilling with cable tools and the 5-1/2 inch is  
17 cemented in it, so I don't really know what's below that.

18 I inspected this location on June 8th of this  
19 year. The 5-1/2 inches protruding about three feet from  
20 the surface -- or from the cement in which it's set. It  
21 has a thin steel plate welded across the top, just spot  
22 welded on, which I pried partly off, and using my rock  
23 and timing system I found that there is water there  
24 standing in the casing at approximately 100 feet of depth,  
25 and when that water is agitated --

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1 MR. NUTTER: 100 feet below the surface or  
2 100 feet from the bottom of the hole?

3 A. 100 feet from the top of the pipe, and when  
4 that water is agitated, dropping a rock in it, for example,  
5 it will make a little gas. I presume it's carbon dioxide  
6 gas because there are two other wells which we have had  
7 forced plugging cases on in the vicinity which reacted  
8 similarly to this.

9 There's a problem here because they did re-  
10 port lost circulation in several zones, so there could  
11 be lost circulation in what is the open hole.

12 Q On what day was the final plugging report  
13 approved by the Commission?

14 A That final report was approved on June 16th,  
15 1971.

16 Q Yet according to your instruction the well  
17 has not been plugged, is that correct?

18 A That is correct.

19 Q Was there a bond that covered this well?

20 A There is no bond in effect.

21 MR. NUTTER: Was there a bond?

22 A There was a bond at that time, which was can-  
23 celled about six days after this plugging report was  
24 approved.

25 Q In your opinion, could the failure to plug

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1 this well cause waste?

2 A. Yes, I believe it could for several reasons.  
3 We know that there is carbon dioxide in the area. I know  
4 that there is water standing in this casing and if, in  
5 fact, there is carbon dioxide gas, with the water we have  
6 a carbonic acid situation, which could eat out that casing.

7 Because of the conflicting reports on the  
8 cementing we really don't know how well it's cemented.

9 Q Are you prepared to recommend a plugging  
10 program at this time?

11 A. I've worked out several possible plugging  
12 programs depending upon what we find when we go into that  
13 well, so I would rather not go on record as having a  
14 fixed program at this time. There may not be cement across  
15 the bottom of the 5-1/2 inch and there certainly is not  
16 cement all the way up. I don't know whether some of the  
17 8-5/8ths -- yeah, whether there was 8-5/8ths set or  
18 10-3/4 set, or what. I don't know. I haven't seen it.

19 Q Do you have anything further you wish to  
20 add?

21 A. That's all I have.

22  
23 CROSS EXAMINATION

24 BY MR. NUTTER:

25 Q Mr. Ulvog, apparently the well was drilled and

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1 then re-entered or wasn't drilled and was drilled by the  
2 original permittee and then later drilled by another per-  
3 mitee, but a plugging report was filed on the well.

4 A. That's correct.

5 Q. And the Commission approved that plugging  
6 report and released the bond, is that correct?

7 A. That's correct.

8 Q. But now you've established that the well that  
9 you've located at this site has not been plugged.

10 A. That's correct.

11 Q. Is there any possibility that there are two  
12 wells involved here, one that was plugged and another one  
13 that was drilled without the Commission's knowledge?

14 A. That's a possibility. In this area it's a  
15 rugged sandhills country. There aren't any survey markers.  
16 I don't know where the nearest one would be. I haven't  
17 seen one for miles in the area; however, I've been by  
18 this well a number of times and I assumed that it was a  
19 Federal well. We've had a forced plugging case on some  
20 Federal wells in this area recently, and I assumed this  
21 was another one, a Federal well, and I contacted the USGS,  
22 they denied it, that it was on Federal land. The rancher  
23 doesn't know. He told me who was drilling the well but  
24 it turns out it was the driller that was working there at  
25 the time.

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1 Q The drilling contractor?

2 A The drilling contractor, and to muddy up the  
3 water a little bit more, there's a report in this file  
4 from the drilling contractor, Glenn Swarthout out of  
5 Logan, who is dead. I've established this. I was trying  
6 to find him; he's gone. And he reported drilling for  
7 Edmonds and Peters No. 1 State.

8 Q And they're the ones who got the permit ori-  
9 ginally but apparently didn't drill the well.

10 A That is correct. So it may even be that  
11 Edmonds and Peters did start drilling it. I don't know.

12 Q How about Beck Producing Company, are they  
13 in existence any more?

14 A No. Mr. Beck is Charles Beck. Charles Beck  
15 committed suicide here some years ago. So they're not  
16 in existence.

17 Q So apparently we've got a hole there, whether  
18 it's the Cain State Well No. 1 or some other well, there  
19 is a well here in Unit B of Section 16 that has not been  
20 plugged.

21 A I have driven it out cross country through  
22 the brush and everything in order to establish some -- and  
23 I've driven through the nearest point which I have as a  
24 reference point, which is the ranch house, which is sup-  
25 posedly located in a certain part of a section, and from

1 this I've established that this has got to be the well,  
2 unless the ranch house is not located right, either.

3 Which is also a possibility. Fences just run  
4 at every odd angle and so on, some north-south; some north-  
5 west-southeast, you know.

6 Q Your section lines aren't very easy to follow  
7 out there.

8 A Very, very difficult to find; however, at this  
9 point, around this well, I have not located another loca-  
10 tion within, well, at least a quarter to a half a mile  
11 that I haven't found any other indication of a well.

12 Q And apparently, since there is no bond on the  
13 Cain State Well No. 1, if it is established that this is  
14 the well, or even if it's established that it's another  
15 well, the Commission -- the Division will apparently have  
16 to plug the well out of the so-called reclamation fund  
17 that the Legislature has established.

18 A It appears that way to me.

19 Q Okay.

20 MR. NUTTER: Are there any questions of Mr.  
21 Ulvog? He may be excused.

22 Do you have anything further, Ms. Teschendorf?

23 MS. TESCHENDORF: No, sir.

24 MR. NUTTER: Does anyone have anything to offer  
25 in Case 6265? We'll take the case under advisement.  
(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. 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 the 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 W. Boyd CSR  
Sally W. Boyd, C.S.R.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
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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 hearing of Case No. 6265  
heard by me on 7/6, 1978  
[Signature] Examiner  
New Mexico Oil Conservation Commission



Dockets Nos. 23-78 and 24-78 are tentatively set for hearing on July 19 and August 2, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 6, 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 6265: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Beck Producing Co. and all other interested parties to appear and show cause why the Cain State Well No. 1 located in Unit B of Section 16, 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 6266: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Upper Pennsylvanian test well to be located 660 feet from the North and East lines or, in the alternative, 990 feet from the North and East lines of Section 23, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Field, Eddy County, New Mexico, all of said Section 23 to be dedicated to the well.

CASE 6267: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the E/2 of Section 28, Township 17 South, Range 26 East, Kennedy Farms Field, 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 6268: Application of Southland Royalty Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Reid Well No. 25 to be drilled in the SE/4 of Section 19, Township 28 North, Range 9 West, Blanco Mesaverde Pool, San Juan County, New Mexico, said well being off-pattern for the first well on the proration unit, the S/2 of Section 19.

CASE 6269: Application of Marathon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the top of the San Andres thru the Abo underlying the NE/4 NW/4 of Section 25, Township 16 South, Range 38 East, Lea 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 6270: Application of Enserch Exploration, Inc., for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Fusselman formation for its Lambirth Well No. 1 located in Unit K of Section 31, Township 5 South, Range 33 East, Roosevelt County, New Mexico, and for promulgation of special pool rules, including provision for 80-acre spacing, a gas-oil ratio limitation of 3,000 to 1, and special well location requirements.

CASE 6258: (Continued from June 21, 1978, Examiner Hearing)

Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian, McKee, and Ellenburger formations underlying the S/2 of Section 21, Township 22 South, Range 36 East, Lea 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 6262: (Continued from June 21, 1978, Examiner Hearing)

Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the SE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, Lea 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.

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*Discussion*  
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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 20, 1978

CERTIFIED - RETURN  
RECEIPT REQUESTED

Beck Producing Company  
900 Medical Arts Avenue, NE  
Albuquerque, New Mexico 87106

Re: Cain State Well No. 1,  
located in Unit B of  
Section 16, Township 15  
North, Range 33 East,  
Harding County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the advertisement of the Examiner  
Hearing to be held on Thursday, July 6, 1978, at 9 o'clock  
a.m. in the Oil Conservation Division Conference Room, State  
Land Office Building, Santa Fe, New Mexico. Case 6265 con-  
cerns the above captioned subject matter.

Very truly yours,

LYNN TESCHENDORF  
General Counsel

LT/fd  
enc.

C  
O  
P  
Y

Show Cause Hearing  
Beck Producing Co.  
Case State # 1

B - 16 - 15N - 33E, Harding County

no bond

900 Medical Arts Avenue, NE  
Albuquerque, New Mexico 87106

$dr/$ 

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

Order No. R- 5866

## ORDER OF THE DIVISION

This cause came on for hearing at 9 a.m. on July 6,  
19 <sup>78</sup>, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

**FINDS:**

(2) That Beck Producing Co. is the owner and operator of the Cain State Well No. 1 located in Unit B of Section 16, Township 15 North Range 33 East, NMPM, Harding County, New Mexico.

(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 Cain 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 Jan. 31, 19 79, or the well should be returned to active drilling status or placed on production.

**IT IS THEREFORE ORDERED:**

(1) That Beck Producing Co. is  
are hereby ordered to plug and abandon  
the Cain State Well No. 1  
located in Unit B of Section 16, Township 15 North,  
Range 33 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 Jan. 31,  
19 79.

(2) That Beck Producing Co.  
, 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.