CASE 6422: PLUGGING CASE - GCD
HELTON ENGINEERING & GEOLOGICAL SER.,
INC., TRAVELERS INDEMNITY CO., SANDOVAL
COMMITY NEW MEXICO

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CASE NO.

6422

APPlication, Transcripts, Small Exhibits,

ETC.



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

JERRY APODACA

NICK FRANKLIN SECRETARY

Aztec OCC

Other Travelers Indemnity Company

June 14, 1979

Re: CASE NO.

6422

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

Mr. Jerome Weber Helton Engineering & Geolog Services, Inc.	ORDER NO. R-6015	
860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202	Applicant:	
	OCD (Helton Engineering & Geological	
Dear Sir:	Services, Inc.)	
	copies of the above-referenced entered in the subject case.	
Yours very truly,		
Jacob Lar -	rajo (f.). 1984 (1982), kultur kalendari kan di Kushilika kalendari kalendari. Historia (1982), kultur kalendari kan kalendari kan kalendari kalendari kalendari kalendari kalendari.	
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/JOE D. RAMEY / Director		
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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. 6422 Order No. R-6015

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT HELTON ENGINEERING & GEOLOGICAL SERVICES, INC., TRAVELERS INDEMNITY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE BRENT WELL NO. 1 LOCATED IN UNIT M OF SECTION 29 AND THE BRENT WELL NO. 3 LOCATED IN UNIT G OF SECTION 19, BOTH IN TOWNSHIP 13 NORTH, RANGE 6 EAST, SANDOVAL 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 23, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of June, 1979, 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 Helton Engineering & Geological Services, Inc. is the owner and operator of the Brent Well No. 1 located in Unit M of Section 29, and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, NMPM, Sandoval County, New Mexico.
- (3) That Travelers Indemnity Company is the surety on the Oil Conservation Division plugging bond on which Helton Engineering & Geological Services, Inc. is principal.
- (4) That the purpose of said bond is to assure the state that the subject wells will be properly plugged and abandoned when not capable of commercial production.

-2-Case No. 6422 Order No. R-6015

(5) That in order to prevent waste and protect correlative rights said Brent Wells Nos. 1 and 3 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 August 1, 1979, or the wells should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

- (1) That Helton Engineering & Geological Services, Inc. and Travelers Indemnity Company are hereby ordered to plug and abandon the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, NMPM, Sandoval County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before August 1, 1979.
- (2) That Helton Engineering & Geological Services, Inc. and Travelers Indemnity Company, prior to plugging and abandoning the above-described wells, 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.

Director

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OLL CONSERVATION DIVISION
JOE D. RAMEY

SEAL

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION State Land Office Building Santa Fe, New Mexico 23 May 1979

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological) Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 and Brent Well No. 3, Sandoval County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel for the Division State Land Office Bldg. Santa Fe, New Mexico 87503

CASE 6422

SALLY WALTON BOYD
CENTRED HORTHAND REPORTER
1018 Plant Bluton (616) 471-1413
Sents Pt. Hew Mexico 51101

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MR. STAMETS: Call next Case 6422, in the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering and Geological Services, Inc., Travelers Indemnity Company, and other interested parties to appear and show cause why the Brent Well No. 1 should not be approved -- plugged and abandoned in accordance with a Division-approved plugging program.

This case was originally heard on February 28th, 1979. I believe the record will reflect that the Division presented its case at that time and then continued the case for further testimony, evidence, by Helton Engineering and Geological Services, and such additional testimony as the Division may wish to put on.

Mr. Padilla, is there anything that you would like to offer at this time before we call on Helton Engineering?

MR. PADILLA: Mr. Stamets, we have nothing else except possibly a brief statement to the effect that Helton Engineering and Geological Services, Inc., apparently is willing and able at this time to plug and abandon the wells in accordance with the approved plan, plugging plan.

In view of that, we would ask for an order allowing Helton Engineering to go ahead with the plugging program and to give them a reasonable time in which

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to plug the wells; possibly sixty days would be sufficient time to do the plugging.

MR. STAMETS: Okay. Is there any witness here today from Helton Engineering? Is there any further testimony in this case?

> Anyone have anything they wish to offer? MR. KENDRICK: Yes, sir.

MR. STAMETS: Mr. Kendrick.

MR. KENDRICK: Would you have the record today show that this also includes the Brent Well No. 3? MR. STAMETS: Yes, that is correct. call of the case does include the Brent Well No. 3.

MR. KENDRICK: Thank you.

MR. STAMETS: All right. If there is nothing further, the case will be taken 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.

Examiner

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6422 heard by mean 05-23 1929.

Oll Conservation Division

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION State Land Office Building Santa Fe, New Mexico 23 May 1979

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological) Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 and Brent Well No. 3, Sandoval County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

6422

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel for the Division State Land Office Bldg. Santa Fe, New Mexico 87503

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MR. STAMETS: Call next Case 6422, in the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering and Geological Services, Inc., Travelers Indemnity Company, and other interested parties to appear and show cause why the Brent Well No. 1 should not be approved -- plugged and abandoned in accordance with a Division-approved plugging program.

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Anyone have anything they wish to offer?

MR. KENDRICK: Yes, sir.

MR. STAMETS: Mr. Kendrick.

MR. KENDRICK: Would you have the record today show that this also includes the Brent Well No. 3? MR. STAMETS: Yes, that is correct. The

call of the case does include the Brent Well No. 3.

MR. KENDRICK: Thank you.

MR. STAMETS: All right. If there is nothing further, the case will be taken under advisement. (Hearing concluded.)

REPORTER'S CERTIFICATE

2, 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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. heard by me on____ Examiner Oll Conservation Division

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Dockers Nos. 23-79 and 24-79 are tentatively set for hearing on June 13 and 27, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 23, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6545: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and alandoned in accordance with a Division-approved plugging program.

CASE 6422: (Continued from February 28, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other intereste parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Pange & East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6546: Application of Black River Corporation for compulsory pooling and non-standard gas proration unit,
Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SW/4 of Section 32, Township 23 South, Range 37 East, to form a 160-acre non-standard gas proration unit 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 6536: (Continued from May 9, 1979, Examiner Hearing)

Application of Black River Corporation for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 80-acre non-standard gas proration units in the Jalmat Gas Pool as follows: the N/2 SE/4 of Section 22, Township 23 South, Range 36 East, to be dedicated to apply int's well to be drilled in Unit J of said Section 22; and the S/2 SE/4 of said Section 22 to be dedicated to El Paso Natural Gas Company's Shell State Well No. 3 located in Unit P.

CASE 6535: (Continued from May 9, 1979, Examiner Hearing)

Application of Torreon 011 Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

- CASE 6547: Application of American Petrofina Company of Texas for the creation of a waterflood buffer zone,

 Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a waterflood
 buffer zone comprising the NE/4 SE/4 of Section 26, Township 17 South, Range 32 East, Maljamar
 Grayburg-San Andres Pool, to enable applicant to produce its Johns B Well No. 4 located thereon
 at an unrestricted rate.
- CASE 6548: Application of John F. Staver for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open hole interval from 1408 feet to 1412 feet in his Table Mesa Well No. 22 located in Unit N and from 1394 feet to 1400 feet in his Table Mesa Well No. 23 located in Unit O, both in Section 34, Township 28 North, Range 17 West, Table Mesa-Dakota Oil Pool.
- CASE 6549:

 Application of Gulf 0il Corporation for pool creation, discovery allowable, and special pool rules,
 Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Bone
 Springs oil pool for its Lea "YH" State Well No. 1 located in Unit 0 of Section 25, Township 18
 South, Range 34 East. Applicant also seeks a discovery allowable and promulgation of special pool rules, including a provision for 80-acre spacing.

- CASE 6550: Application of Yates Petroleum Corporation for an unorthodox gas well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the S/2 of Section 12, Township 19 South, Range 24 East, to be dedicated to its Allison Federal "CQ" Well No. 2 to be drilled at an unorthodox location 1980 feet from the South line and 660 feet from the West line of said Section 12. Also to be considered will be the cost of drilling and competing 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 6492: (Continued from May 9, 1979, Examiner Hearing)

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 San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, 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 6551: Application of Bass Enterprises Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Lower Morrow gas well location 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 28 East, the N/2 of said Section 1 to be dedicated to the well.
- CASE 6528: (Continued from April 25, 1979, Examiner Hearing)

Application of Bass Enterprises Production Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Morrow test well location to be drilled 660 feet from the North and West lines of Section 10, Township 21 South, Range 32 East, Lea County, New Mexico, the W/2 of said Section 10 to be dedicated to the well.

- CASE 6552: Application of Maddox Energy Corporation for compulsory pooling, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the R/2 of Section 3. Township 24 South, Range 28 East, 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 6553: Application of The Atlantic Richfield Company for approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Empire Abo Unit located in Townships 17 and 18 South, Ranges 27, 28 and 29 East, which could not be so drained by the existing wells.
- CASE 6554: Application of The Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all royalty interests in the Devonian, McKae, and Ellenburger formations underlying the E/2 of Section 20, Township 22 South, Range 36

 East, Langlie Field, to be dedicated to a well to be drilled at a standard location thereon.
- Application of Jake L. Hamon for an unorthodox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for an unorthodox location 660 feet from the North line and 560 feet from the East line of Section 30, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, all of said Section 30 to be dedicated to the well.
- CASE 6556: Application of Curtis Little for the amendment of Order No. R-5962, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks the amendment of Order No. R-5962 to provide for the unorthodox location of a well to be drilled 1000 feet from the South line and 50 feet from the East line of Section 11, Township 28 North, Range 12 West, Basin-Dakota Pool, and for the extension of the date to commence drilling.
- CASE 6435: (Continued from February 28, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26; Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the provation unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

- CASE 6559: Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his Morton Solid State Unit Area, comprising 1,480 acres, more or less, of State lands in Township 15 South, Range 34 East.
- CASE 6487: (Continued from February 28, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6471: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the provation unit which cannot be so drained by the existing well.

CASE 6472: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated 011 & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6473: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section II, Township 26 North, Range 4 West, Basin-Dakola Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that polition of the proration unit which cannot be so drained by the existing well.

CASE 6474: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6475: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

DOCKET: COMMISSION HEARING - TUESDAY - MAY 29, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6557: Application of Getty 0:11 Company for pool creation and special pool rules, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks an order creating a new Morrow gas pool for its State
35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, and its Getty Two
State Well No. 1 located in Unit F of Section 2, Township 22 South, Range 34 East, and for promulgation of special pool rules, including provision for 640-acre gas well spacing.

CASE 6497: (DE NOVO)

Application of Liano, Inc. for an unorthodox gas well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 1650 feet from the South line and 660 feet from the East line of Section 34, Township 21 South, Range 34 East, Grama Ridge-Morrow Gas Pool, the E/2 of said Section 34 to be dedicated to the well.

Upon application of Getty 011 Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6558: Application of Llano, Inc. for a non-standard gas proration unit, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approvil for a 320-acre non-standard gas proration unit comprising the E/2 of Section 34, Township 21 South, Range 34 East, to be dedicated to its Llano 34 State Com Well No. 1 located in Unit I of said Section 34.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc.,
Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Lynn Teschendorf, Esq. Legal Counsel for the Division State Land Office Bldg. Santa Fe, New Mexico 87503

CASE 6422

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ALLY WALTON BOYD ENTERED SHOMMAND REPORTER 36.74 a.z. Diamos (865) 411-348 Smits Ps. New Marico 8161 MR. STAMETS: At this time we'll call Case 6422, being in the matter of a hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all otherinterested parties to appear and show cause why the Brent No. 1 Well should not be plugged and abandoned.

MS. TESCHENDORF: Lynn Teschendorf, appearing on behalf of the Division. We would ask that this case be continued to the Examiner Hearing to be held on May 23rd.

MR. STAMETS: The case will be so continued.
(Hearing concluded.)

SALTY CENTRO SOLEMA SERVA

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.

I do hereby certify that the foregoing to a complete record of the proceedings in the Examiner hearing of Case No. 6422 Oil Conservation Division Examiner

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION State Land Office Building Santa Fe, New Mexico 28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent, Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved) plugging program.

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Lynn Teschendorf, Esq. Legal Counsel for the Division State Land Office Bldg. Santa Fe, New Mexico 87503

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MR. STAMETS: At this time we'll call Case 6422, being in the matter of a hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all otherinterested parties to appear and show cause why the Brent No. 1 Well should not be plugged and abandoned.

MS. TESCHENDORF: Lynn Teschendorf, appearing on behalf of the Division. We would ask that this case be continued to the Examiner Hearing to be held on May 23rd.

> MR. STAMETS: The case will be so continued. (Hearing concluded.)

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, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6422 heard by jie on 2-2 Examiner

Oli Conservation Division

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Dockets Nos. 9-79 and 10-79 are tentatively set for hearing on March 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

Docket No. 7-79

DOCKET: COMMISSION HEARING - FRIDAY - PEBRUARY 23, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205 STATE LAND OFFICE BUILDING, SANTA PE, NEW MEXICO

Mayor Eddie Armenta, the Village of Jemez Springs, and all other interested parties to appear and show cause why the Jemez Well No. 1 located in Unit A of Section 26, Township 18 North, Range 2 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit

Docket No. 8-79

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 28, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6422: (Continued from January 31, 1979, Examiner Hearing)

CASE 6461;

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6434: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, les County, New Mexico.

Applicant, in the above-styled course seeks a finding that the drilling of its State "O" Well No. 5
to be located in Unit H of Section 30, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the provation unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6435: (Continued from February 14, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling; Lea County, New Mexico.
Applicant, in the above-styled cause, seeks a finding that the drilling of the U. A. Veir than Well
No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County,
New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit
which cannot be so draited by the existing well, and further seeks approval of a waiver of existing
well-spacing requirements.

CASE 6436: (Continued from January 31, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its State "U" Gas Com Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6462: Application of McClellan Oil Corporation for an unorthodox well location, Chaves County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marlisue
State Well No. 3 to be located 1155 feet from the North line and 1485 feet from the West line of
Section 24, Township 14 South, Range 29 East, Double "L" Queen Associated Pool, Chaves County, New
Mexico, the NE/4 NW/4 of said Section 24 to be dedicated to the well.

CASE 6463: Application of Orville Slaughter for pool and lease commingling, San Juan County, New Mexico.

Applicant, in the above-styled cause, seeks authority to commingle Oswell-Farmington Pool production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from his Sangre de Cristo Well No. 2, both located in Unit D of Section 34, Township 30 North, Range 11 West, San Juan County, New Mexico.

- CASE 6464: Application of Dallas McCasland for clarification of Orders Nos. R-2789 and R-2794, Lea County, New Mexico. Applicant, in the above-styled cause, seeks clarification of Orders Nos. R-2789 and R-2794 to determine what formations have been unitized and what formations are subject to a waterflood project under the South Penrose-Skelly Unit, Sections 6 and 7, Township 22 South, Range 37 East, Lea County, New Mexico, and of the vertical limits of the Eumont and Penrose-Skelly Pools in said sections.
- Application of Getty Oil Company for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its J. W. Sherrell Well No. 9 located 2250 feet from the South line and 1650 feet from the East line of said Section 31.
- CASE 6466: Application of Getty Uil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Wolfcamp pool and gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.
- CASE 6467: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico.

 Applicant, in the above-styled cause, secks an order creating a new oil pool in the Wolfcamp formation for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing.
- CASE 6468: Application of Dome Petroleum Corporation for an exception to Order No. R-1069, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2 of Order No. R-1069, as amended, for the Bisti-Lower Gallup Oil Pool to approve the following 13 non-standard proration units: the W/2 NW/4, W/2 NE/4, E/2 SW/4, and the E/2 SE/4 of Sections 3, 4, and 9, and the W/2 NW/4 of Section 10, all in Township 26 North, Pange 14 West, San Juan County, New Mexico.
- CASE 6469: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Fed. 34 Well No. 1 located in Unit N of Section 34, Township 20 South, Range 26 East, Eddy County, New Mexico, to produce gas from the Springs-Upper Pennsylvanian Pool and an undesignated Morrow pool through parallel strings of tubing.
- Application of Phillips Petroleum Company for approval of infill drilling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements to permit an infill drilling program in its East Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and a finding that such infill wells are necessary to effectively and efficiently drain that portion of their proration units which is not presently being drained by any existing well.

 Applicant specifically seeks such waivers and findings now for ten wells, all in Township 17 South, Range 35 East, and located as follows: Unit K of Section 27; Units M and O, Section 28; Units B, I, and M of Section 32; Units C, H, and M of Section 33; and Unit C of Section 34.
- CASE 6471: Application of Consolidated 0il & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6472: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba Gounty, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6473: Application of Consolidated 0il & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6474: Application of Consolidated 0il & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

- CASE 6475: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6476: Application of Pennzoil Company for an unorthodox gas well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the South line and 990 feet from the West line of Section 24, Township 17

 South, Range 28 Past, Aid-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 24 to be dedicated to the well.
- CASE 6477: Application of Sun Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Millman Pool Unit Area by the injection of water into the Queen and Grayburg formations through eleven wells located in Sections 12 and 13 of Township 19 South, Range 28 East, East Millman Pool, Eddy County, New Mexico.
- CASE 6437: (Continued and Readvertised)

Application of Curtis Little for compulsory pooling, approval of infill drilling, and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-4556 and approval of an order pooling all mineral interests in the Dakota formation underlying all of Section 11 and Lot 4 and the SW/4 SW/4 of Section 12, Township 28 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, to form a 344.36-acre non-standard gas proration unit to be dedicated to a well to be located 1085 feet from the South line and 285 feet from the West line of said Section 12. 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.

Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the provation unit which cannot be so drained by the existing well.

- CASE 6478: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NU/A SP/A of Section 26, Township 10 South, Range 20 cast, Unaves County, New Mexico, to be dedicated to a well to be located 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 6479: Application of Coronado Exploration Corp. for compulsory pooling, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 SE/4 of Section 5, Township 10 South, Range 28 East, Chaves County, New Mexico, to be dedicated to a well to be located 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 6480: Application of Narvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its State 22 Well No. 1 located in Unit P of Section 22, Township 18 South, Range 35 Fast, Queen formation, Lea County, New Mexico.
- CASE 6481: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Hanlad State Well No. 1 located in Unit K of Section 2, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6482: Application of Harvey E. Yates Company for an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir or in the alternative a new onshore production well determination for its Mobil 27 State Well No. 1 located in Unit A of Section 27, Township 18 South, Range 35 East, Queen formation, Lea County, New Mexico.
- CASE 6483:

 Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 8, Township 14 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 6484: Application of Harvey E. Ystes Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the E/2 of Section 28, Township 16 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 6485: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Pennsylvanian, and Mississippian formations underlying the S/2 of Section 13, Township 18 South, Range 28 East, 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 6486: Application of Depco Inc. for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and East lines of Section 21, Township 13 South, Range 30 East, undesignated Morrow pool, Chaves County, New Mexico, the E/2 of said Section 21 to be dedicated to the well.
- CASE 6487: Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Town-ship 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

EXAMINER HEARING

31 January 1979

IN THE MATTER OF:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6422

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

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A. R. KENDRICK

Direct Examination by Ms. Teschendorf

Cross Examination by Mr. Stamets

JEROME WEBER

Direct Examination by Mr. Stamets

EXHIBITS

Division Exhibit One, Letter Division Exhibit Two, Notice Division Exhibit Three, Report Division Exhibit Four, Notice Division Exhibit Five, Report Division Exhibit Six, Desk note Division Exhibit Seven, Letter Division Exhibit Eight, Letter Division Exhibit Nine, Letter Division Exhibit Ten, Letter

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MR. STAMETS: Call next Case 6422, being in the matter of a hearing called by the Oil Conservation Division on its own motion to permit the Helton Engineering and Geological Service, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1, Sandoval County, Sandoval County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Call for appearances in this case.

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

MR. STAMETS: Any other appearances? like to have the witness stand and be sworn.

Yes, sir.

MR. WEBER: My name is Jerome leber and I'm appearing for Helton Engineering.

MR. STAMETS: Do you have a witness, sir?

MR. WEBER: I am my own witness.

I'd like to have both MR. STAMETS: Okay.

of you stand.

(Witnesses sworn.)

A. R. KENDRICK

being called as a witness and having been duly sworn upon his oath, testified as follows, towit:

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DIRECT EXAMINATION

BY MS. TESCHENDORF:

Will you state your name, by whom you are employed, and in what capacity?

A. R. Kendrick, employed by the Oil Conservation Division as District Supervisor at Aztec, New Mexico.

Have you previously testified before the Division and are your credentials a matter of record?

Yes.

Does District Three include that part of Sandoval County involved in this case?

Tt does.

And do your duties as District Supervisor include making recommendations to the Division as to when wells should be plugged and abandoned?

Yes.

Are you familiar with the subject matter of G. Case 6422?

Yes,

MS. TESCHENDORF: Is the witness considered qualified?

MR. STAMETS: Yes, he is.

(Ms. Teschendorf continuing.) What is the purpose of this case?

SIALLY WALTON BOY CINTERD HOTHAKO REPORT 2010 Fluxa Binos (845) 411-6 Sente Fr. 27or Mexico 371 A. The purpose of this case is to cause the Helton Engineering and Geological Services, Incorporated, or their clients, to properly plug and abandon two wells, the Brent No. 1 and Brent No. 3 in Sections 29 and 19, respectively, Township 13 North, Range 6 East.

The wells were plugged prior to advice of the formation tops or the porosity intervals in the well-bores and I disagree with the geologic picks of the tops of the formations.

Q. When were these wells drilled? Could you just briefly review the drilling of the wells?

A. The wells were drilled in the early part of 1978 or the first half of 1978. Reports were not filed timely and the -- a representative of Helton Engineering phoned me and told me that he had just returned to their office from an extended stay away from the office and that he had learned that one well had been plugged without prior approval and that they were to be pumping cement that day on the second well, and I asked him did he have the geological information available that I might consider approval at that time, and he said no, he did not have it but that he did know the position of the cement plugs to be set that day.

I advised him that the cement plugs in both holes would be subject to removal and replacement based on

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FRAM SINGS (845) 471-44.
Mit Pe, New Mario 471-41.

the geological information when it was submitted.

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I did not date my office note. I do have
my office desk note that I made, and based on the reports
filed subsequent to that time, I think we can date the note,
based on the reports, dates shown on the reports.

Q Let's go through the exhibits chronologically here.

Would you please refer to Exhibit One and describe what that is?

A Exhibit One is a letter I sent to Helton Engineering describing my disagreement with their geologic picks and setting positions where in my opinion cement plugs would be necessary to properly plug and abandon the well.

It's supported by copies of the wireline logs submitted by the operator with the positions where they showed formation tops picked; the positions where I showed the top of the geologic elements; the positions they showed cement to be set; the positions where I require cement.

Q Would you now refer to Exhibit Two and explain that?

A. Exhibit Two is the notice of intention to plug and abandon the Brent Well No. 1, received in my office on June the 12th.

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Q Would you give the location of that well, please, Mr. Kendrick?

A. The Brent Well No. 1 is located 80 feet from the west line, 1100 feet from the south line, of Section 29, of Township 13 North, Range 6 East, Sandoval County.

- Q Now refer to Exhibit Three.
- A. Exhibit Three is the subsequent report of plugging of the Brent No. 1 Well showing the well to have been plugged on May the 18th, and this subsequent report was received in my office on June the 22nd.
- Q I note that on both the notice of intent
 to plug and the report of -- subsequent report of plugging
 that you have marked these not approved, is that correct?
- A. That is correct. I did not approve these reports.
- Q Now refer to what has been marked as Exhibit
 Number Four.
- A. Exhibit Number Four is the intent to plug and abandon the Brent Well No. 3, which is located 2200 feet from the east line, 2550 feet from the north line, of Section 19, Township 13 North, Range 6 East.

This report was received in my office June the 22nd. It is also not approved.

Exhibit Five is the subsequent report of plugging on the Brent Well No. 3. It was received in my office on June the 22nd. It says that the well was plugged on May the 30th, 1978.

I think that May the 30th could very well be the date that I was talking to someone on the phone when he told me that the cement would be pumped that day, which would be the date of my desk scratch sheet on which I identified the cement positions for that well.

That is marked as Exhibit Six.

Okay, you're getting ahead of me a little bit, Mr. Kendrick.

I'd like to point out, also, on Exhibit Five, the subsequent report of plug and abandonment, you also have marked that not approved, is that true?

- That is true.
- Would you go through this desk note that's marked as Exhibit Six and describe what that shows?
- It shows that I was speaking to someone about Diamond Trail Ranch Well No. 6 to be located at a particular position from Well No. 2, and that they intended, or had drilled one well to the Entrada and one well to the Dakota. It shows formation -- the -- my note of cement tops or cement plugs from -- for the Entrada formation from 2070 feet to 1947 feet, to be set with 40 sacks. The Dakota

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plug would be set from 1100 feet to 867 feet with 70 sacks, and a surface plug in the 8-5/8ths inch casing with 10 sacks.

Mr. Kendrick, I think that the top half of your note concerns Wells Nos. 6 and 2. Those are not the subject wells in this hearing, is that correct?

That is correct, but the cement information in the center of the page would be the cement to be set in a well to be pumped today, and that matches the information submitted on the plugging report, showing the plug set May the 30th in Well No. 3, which was the second well that they plugged in that series of wells on that ranch.

- So this information about the cement tops that you wrote down relates to the Well No. 3.
 - Yes, sir. Yes, ma'am.
- Please refer to the next exhibit which is marked Exhibit Seven and describe what that is.
- Exhibit Seven is a letter which I sent to Mr. Weber relating to a phone call that he had placed to me after I had sent my letter back in August demanding the replugging of the wells and suggested that we try to get on with this and get the plugging done before winter set in. This letter is dated November the 20th.
- Please refer to Exhibit Eight and describe what that shows.

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STALLY WALTON BOY CENTRED HYMMAND REPORT 2018 Place (545) 171-4 Smit. 7, 110W MAXIO 271-4 A Exhibit Eight is a reply letter dated December the 4th to me from Mr. Weber in which he offered some porosity calculations and some information about where the cement plugs were set and some information that he did not agree with my geology, as he had submitted on his earlier reports, which I disagreed with.

On Exhibit Number Eight it appears that Mr. Weber says, "Dear Mr. Kendrick, We apologize for not communicating with you sconer on the subject item. As we discussed some time ago, we did call your office for approval prior to plugging the wells. Unfortunately, we did not record the name of the person we spoke to."

Keeping that in mind, would you refer to what I have marked as Exhibit Nine and describe that?

A. Exhibit Nine is a letter dated December the 15th that I sent to Mr. Weber, and my initial paragraph states that none of the employees of this office have any recollection of a call from anyone regarding the plugging of Well No. 1 in the subject drilling program.

The second paragraph I related that I had discussed with someone at the Denver office the plugging of the No. 3 Well and also stated that I had advised that person that cement plugs in both wells will need to be removed and replaced to place them at the positions we think appropriate.

And will you refer to Exhibit Ten and describe that?

A Exhibit Ten is the letter I sent to this office in Santa Fe asking that this case be called because I had received no further communication from Helton Engineering regarding this operation. This is dated on January the 5th, 1979.

And did you read into the record, Mr. Kendrick, the second to the last paragraph concerning the hond coverage on these two wells?

A. From the letter dated January the 5th,
Travelers Indemnity Company Bond Number 491E518-6 covers
Well Number 1 and Bond Number 491E812-7 covers Well No. 3.

Q In your opinion, Mr. Kendrick, could the failure to replug these wells cause waste?

A. Yes.

Q. And in what way could that happen?

A. The wells have penetrated some formations which may contain fresh water. They've penetrated formations that cannot contain fresh water or domestic water, potable water. They are -- have mineralization which cannot contain fresh water and by the failure to place plugs in the proper places, these waters can interchange and thereby cause waste of fresh water.

There was no report of any known petroleum

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products within the wells.

O So it's your opinion that as the plugs are now set, there's a possibility that fresh water will be contaminated.

A. Yes.

And the plugging program that you have recommended is contained on Exhibit One, is that correct?

A. Yes.

Q. Are all these exhibits either letters which were written by you or by Helton Engineering or official forms that have been filed with the Division?

A. Yes, except for my desk note, which is a scratch paper I had on my desk and just happened to still have available.

Q. Is there anything else you wish to offer?

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MS. TESCHENDORF: At this time I'll offer Exhibits One through Ten.

MR. STAMETS: These exhibits will be admitted.

MS. TESCHENDORF: And I have nothing further.

CROSS EXAMINATION

BY MR. STAMETS:

0. Mr. Kendrick, on Exhibit Number Six, your note, you have three plugs noted. Is this the extent of the plugging that you've indicated to the operator that he should perform, putting a plug across the top of the Entrada, the Dakota, and at the surface?

No, this is the information that was relayed to me that was to be applied to the well that day, and when I spoke to the person in Denver, I explained that these plugs could not be approved until we had the geological information, which he did not have, and he said it's too late. The service companies have already gone to the field to set the plugs and we have no communications, so the plugs will have to be set and be subject to whatever.

Q So your note is not a plugging program that you approved and gave to the operator in this case, but only a note as to what the operator reported to you had been done or was in the process of taking place.

A. This was what was in the process of taking place that day at their own plan.

And if you had had the information available you would have required the same type of plugging program which is outlined on page one of Exhibit One?

A. Yes.

Q. Okay. Now, going on to -- back to Exhibit
Number One, I'd like to go through that a page at a time

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and clarify some of these things.

The third page of Exhibit One is the first page of the log section. Now, we're looking at Well No. 1 or Well No. 2?

A. That page is Brent Well No. 1, I believe.

I can pull the staple through the number at the top of the page.

That is Brent Well No. 1.

- Q All right. Now the top plug that you have there is 170 to 130, is that correct?
 - Yes.
 - Q All right, what is that plug to accomplish?
- A. That plug is at the base of the surface casing, and would prevent anything from downhole coming up to enter the surface casing or to flow through the surface casing.
- Q Okay, then the next plug from 350 to 550, what's the purpose of that plug?
- A Based on the geologic information on this log and on the supporting logs, showing the geological interval change there, it's my interpretation that fresh waters can exist in the zones between 200 and 300 feet, and possibly other fresh water between 550 and 1500 feet, but below 1500 feet or actually below 1600 feet, there is no fresh water available and to make sure that the water be-

SALLY WALTON BY ERNFEDS HOWTHAM GREAT STATES THANKS (601) 471 Santa Te, New Mexico 31

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tween 200 feet, or the interval of water between 170 feet and 200 -- or 350 feet are not contaminated by waters that might be contaminated in that deeper range, we'd set a plug there to keep those waters isolated, to maintain the freshness of the water above that plug.

Okay, now if you said fresh water below 550, did you mean fresh water or brakish water?

- Well, either.
- But a different -- different set of waters, either --
 - Yes.
- -- they might be fresh or they might be brakish.

A, Yes, and since their report did not contain any information about those waters, we set plugs in this manner to prevent contamination of waters we think would be fresh from those that may or may not be fresh.

Okay. Then what about the plug that you have set right on top of the plug that exists in the well at 1600 feet?

The plug that's shown to be lacking about 10 feet coming to the top of the geologic unit, which is a gypsum formation. There is no hydrostatic head. There's no indication of any squeeze and their plug is based on 100 percent fill-up to come to the point at 1600 feet. I want

ALLY WALTON BOYD
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a plug on top of that to have a hydrostatic head to squeeze the top of that formation because it does contain gyp waters to protect any waters above it.

Okay, I presume, then, the same circumstances then apply to No. 3, as well.

A. Yes. In Well No. 3 there was an intermediate plug which had been set from somewhere around 875 feet to 1100 feet, which I think it needs to be removed so that we can get additional cement downhole on top of the bottom plug that they had set in that hole and then replace that plug with additional cement on top to cause a higher fill-up in that wellbore.

Now why do you have no plug set at the 350 to 500 foot interval in that No. 3?

A The wells were drilled on opposite sides of a fault and the geologic formations are very much different relative positions.

Q Okay.

A. The 300 to 500 foot interval would be above ground at that location.

Q. And is this the more or less standard type plugging programs you use in this area?

A. Yes, this is the type of program that all operators are subjected to in my district.

MR. STAMETS: Are there any other questions

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of this witness? He may be excused.

Mr. Weber, do you have something you wanted to say about this or put on in this case?

MR. WEBER: Yes, I do.

MR. STAMETS: Would you identify yourself, please, sir?

MR. WEBER: My name is Jerome Weber, W-E-B-E-I I'm the operations manager for Helton Engineering and Geologic Services, Incorporated, at Denver, Colorado.

MR. STAMETS: Mr. Weber, are you an owner of the company?

MR. WEBER: Yes, I am, I am a stockholder in the company.

MR. STAMETS: Mr. Weber, we have an Attorney General's opinion that says that if someone is re representing a corporation they must be represented by a New Mexico resident counsel in order to present testimony, which leaves us with a problem and we can't accept your testimony unless you are so represented.

MR. WEBER: Can I testify from the operations standpoint only, then?

MR. STAMETS: You can't represent the company at all.

> Let's go off the record. (There followed a discussion

off the record.)

MR. STAMETS: We'll go back on the record.

Mr. Weber, considering the situation where you are not represented by counsel, we will continue this case until

February the 28th, and we will then accept testimony from the Helton Engineering and Geological witness.

MR. WEBER: Thank you.

MR. STAMETS: All right.

(Hearing concluded.)

SALLY WALTON BOYD
ERTHED SHORTHAND REPORTER
928 Place Bis and (\$65) 411-3-(65)
84114 Pl., New Mondon \$7781

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the fore-oing 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 W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6423 heard by me on 1979.

Michael Raminer Management of Conservation Division

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BEFORE:

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION State Land Office Building Santa Fe, New Mexico 31 January 1979

EXAMINER HEARING

IN THE MATTER OF:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6422

Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

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

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MR. STAMETS: Call next Case 6422, being in the matter of a hearing called by the Oil Conservation Division on its own motion to permit the Helton Engineering and Geological Service, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1, Sandoval County, Sandoval County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

Call for appearances in this case.

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

MR. STAMETS: Any other appearances? I'd like to have the witness stand and be sworn.

Yes, sir.

MR. WEBER: My name is Jerome Weber and I'm appearing for Helton Engineering.

MR. STAMETS: Do you have a witness, sir?
MR. WEBER: //I am my own witness.

MR. STAMETS: Okay. I'd like to have both of you stand.

(Witnesses sworn.)

A. R. KENDRICK

being called as a witness and having been duly sworn upon his oath, testified as follows, towit:

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DIRECT EXAMINATION

BY MS. TESCHENDORF:

Q Will you state your name, by whom you are employed, and in what capacity?

A. A. R. Kendrick, employed by the Oil Conservation Division as District Supervisor at Aztec, New Mexico.

Q Have you previously testified before the Division and are your credentials a matter of record?

A. Yes.

Q Does District Three include that part of Sandoval County involved in this case?

A. It does.

Q And do your duties as District Supervisor include making recommendations to the Division as to when wells should be plugged and abandoned?

A. Yes.

Q. Are you familiar with the subject matter of Case 6422?

A. Yes.

MS. TESCHENDORF: Is the witness considered qualified?

MR. STAMETS: Yes, he is.

Q (Ms. Teschendorf continuing.) What is the purpose of this case?

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 A. The purpose of this case is to cause the Helton Engineering and Geological Services, Incorporated, or their clients, to properly plug and abandon two wells, the Brent No. 1 and Brent No. 3 in Sections 29 and 19, respectively, Township 13 North, Range 6 East.

The wells were plugged prior to advice of the formation tops or the porosity intervals in the well-bores and I disagree with the geologic picks of the tops of the formations.

- Q When were these wells drilled? Could you just briefly review the drilling of the wells?
- A. The wells were drilled in the early part of 1978 or the first half of 1978. Reports were not filed timely and the -- a representative of Helton Engineering phoned me and told me that he had just returned to their office from an extended stay away from the office and that he had learned that one well had been plugged without prior approval and that they were to be pumping cement that day on the second well, and I asked him did he have the geological information available that I might consider approval at that time, and he said no, he did not have it but that he did know the position of the cement plugs to be set that day.

I advised him that the cement plugs in both holes would be subject to removal and replacement based on

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the geological information when it was submitted.

I did not date my office note. I do have my office desk note that I made, and based on the reports filed subsequent to that time, I think we can date the note, based on the reports, dates shown on the reports.

Let's go through the exhibits chronologically here.

Would you please refer to Exhibit One and describe what that is?

Exhibit One is a letter I sent to Helton Engineering describing my disagreement with their geologic picks and setting positions where in my opinion cement plugs would be necessary to properly plug and abandon the well.

It's supported by copies of the wireline logs submitted by the operator with the positions where they showed formation tops picked; the positions where I showed the top of the geologic elements; the positions they showed cement to be set; the positions where I require cement.

Would you now refer to Exhibit Two and explain that?

Exhibit Two is the notice of intention to plug and abandon the Brent Well No. 1, received in my office on June the 12th.

Q Would you give the location of that well, please, Mr. Kendrick?

A. The Brent Well No. 1 is located 80 feet from the west line, 1100 feet from the south line, of Section 29, of Township 13 North, Range 6 East, Sandoval County.

Q Now refer to Exhibit Three.

A Exhibit Three is the subsequent report of plugging of the Brent No. 1 Well showing the well to have been plugged on May the 18th, and this subsequent report was received in my office on June the 22nd.

Q I note that on both the notice of intent to plug and the report of -- subsequent report of plugging that you have marked these not approved, is that correct?

A. That is correct. I wid not approve these reports.

Q Now refer to what has been marked as Exhibit
Number Four.

A. Exhibit Number Four is the intent to plug and abandon the Brent Well No. 3, which is located 2200 feet from the east line, 2550 feet from the north line, of Section 19, Township 13 North, Range 6 East.

This report was received in my office June the 22nd. It is also not approved.

 ϱ Please refer to Exhibit Five and describe that.

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Exhibit Five is the subsequent report of plugging on the Brent Well No. 3. It was received in my office on June the 22nd. It says that the well was plugged on May the 30th, 1978.

I think that May the 30th could very well be the date that I was talking to someone on the phone when he told me that the cement would be pumped that day, which would be the date of my desk scratch sheet on which I identified the cement positions for that well.

That is marked as Exhibit Six.

Okay, you're getting ahead of me a little bit, Mr. Kendrick.

I'd like to point out, also, on Exhibit Five, the subsequent report of plug and abandonment, you also have marked that not approved, is that true?

- That is true.
- Would you go through this desk note that's marked as Exhibit Six and describe what that shows?
- It shows that I was speaking to someone about Diamond Trail Ranch Well No. 6 to be located at a particular position from Well No. 2, and that they intended, or had drilled one well to the Entrada and one well to the Dakota. It shows formation -- the -- my note of cement tops or cement plugs from -- for the Entrada formation from 2070 feet to 1947 feet, to be set with 40 sacks. The Dakota

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plug would be set from 1100 feet to 867 feet with 70 sacks, and a surface plug in the 8-5/8ths inch casing with 10 sacks.

- Mr. Kendrick, I think that the top half of your note concerns Wells Nos. 6 and 2. Those are not the subject wells in this hearing, is that correct?
- A. That is correct, but the cement information in the center of the page would be the cement to be set in a well to be pumped today, and that matches the information submitted on the plugging report, showing the plug set May the 30th in Well No. 3, which was the second well that they plugged in that series of wells on that ranch.
- Q So this information about the cement tops that you wrote down relates to the Well No. 3.
 - A. Yes, sir. Yes, ma'am.
- Q Please refer to the next exhibit which is marked Exhibit Seven and describe what that is.
- A. Exhibit Seven is a letter which I sent to Mr. Weber relating to a phone call that he had placed to me after I had sent my letter back in August demanding the replugging of the wells and suggested that we try to get on with this and get the plugging done before winter set in. This letter is dated November the 20th.
- Q Please refer to Exhibit Eight and describe what that shows.

WHILE STORY

A Exhibit Eight is a reply letter dated December the 4th to me from Mr. Weber in which he offered some porosity calculations and some information about where the cement plugs were set and some information that he did not agree with my geology, as he had submitted on his earlier reports, which I disagreed with.

Q On Exhibit Number Eight it appears that Mr. Weber says, "Dear Mr. Kendrick, We apologize for not communicating with you sooner on the subject item. As we discussed some time ago, we did call your office for approval prior to plugging the wells. Unfortunately, we did not record the name of the person we spoke to."

Keeping that in mind, would you refer to what I have marked as Exhibit Nine and describe that?

A. Exhibit Nine is a letter dated December the 15th that I sent to Mr. Weber, and my initial paragraph states that none of the employees of this office have any recollection of a call from anyone regarding the plugging of Well No. 1 in the subject drilling program.

The second paragraph I related that I had discussed with someone at the Denver office the plugging of the No. 3 Well and also stated that I had advised that person that cement plugs in both wells will need to be removed and replaced to place them at the positions we think appropriate.

SALLY WALTON BO CENTIFIED SHOTOTAND REPORT 305 0 Than 1 House (645) 471-4 And will you refer to Exhibit Ten and describe that?

A. Exhibit Ten is the letter I sent to this office in Santa Fe asking that this case be called because I had received no further communication from Helton Engineering regarding this operation. This is dated on January the 5th, 1979.

And did you read into the record, Mr. Ken-drick, the second to the last paragraph concerning the bond coverage on these two wells?

A. From the letter dated January the 5th,
Travelers Indemnity Company Bond Number 491E518-6 covers
Well Number 1 and Bond Number 491E812-7 covers Well No. 3.

Q In your opinion, Mr. Kendrick, could the failure to replug these wells cause waste?

A. Yes.

Q And in what way could that happen?

A. The wells have penetrated some formations which may contain fresh water. They've penetrated formations that cannot contain fresh water or domestic water, potable water. They are -- have mineralization which cannot contain fresh water and by the failure to place plugs in the proper places, these waters can interchange and thereby cause waste of fresh water.

There was no report of any known petroleum

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products within the wells.

g So it's your opinion that as the plugs are now set, there's a possibility that fresh water will be contaminated.

A. Yes.

And the plugging program that you have recommended is contained on Exhibit One, is that correct?

A. Yes.

Are all these exhibits either letters which were written by you or by Helton Engineering or official forms that have been filed with the Division?

A. Yes, except for my desk note, which is a scratch paper I had on my desk and just happened to still have available.

Q Is there anything else you wish to offer?

A. No.

MS. TESCHENDORF: At this time I'll offer Exhibits One through Ten.

MR. STAMETS: These exhibits will be admitted.

MS. TESCHENDORF: And I have nothing further.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Kendrick, on Exhibit Number Six, your note, you have three plugs noted. Is this the extent of the plugging that you've indicated to the operator that he should perform, putting a plug across the top of the Entrada the Dakota, and at the surface?

A. No, this is the information that was relayed to me that was to be applied to the well that day, and when I spoke to the person in Denver, I explained that these plugs could not be approved until we had the geological information, which he did not have, and he said it stoo late. The service companies have already gone to the field to set the plugs and we have no communications, so the plugs will have to be set and be subject to whatever.

Q So your note is not a plugging program that you approved and gave to the operator in this case, but only a note as to what the operator reported to you had been done or was in the process of taking place.

A. This was what was in the process of taking place that day at their own plan.

And if you had had the information available you would have required the same type of plugging program which is outlined on page one of Exhibit One?

A Yes.

Q Okay. Now, going on to -- back to Exhibit
Number One, I'd like to go through that a page at a time

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and clarify some of these things.

The third page of Exhibit One is the first page of the log section. Now, we're looking at Well Yo. or Well No. 2?

That page is Brent Well No. 1, I believe. I can pull the staple through the number at the top of the page.

That is Brent Well No. 1.

All right. Now the top plug that you have there is 170 to 130, is that correct?

Yes.

All right, what is that plug to accomplish?

That plug is at the base of the surface casing, and would prevent anything from downhole coming up to enter the surface casing or to flow through the surface casing.

Okay, then the next plug from 350 to 550, what's the purpose of that plug?

Based on the geologic information on this log and on the supporting logs, showing the geological interval change there, it's my interpretation that fresh waters can exist in the zones between 200 and 300 feet, and possibly other fresh water between 550 and 1500 feet, but below 1500 feet or actually below 1600 feet, there is no fresh water available and to make sure that the water be-

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Okay, now if you said fresh water below 550, did you mean fresh water or brakish water?

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- -- they might be fresh or they might be brakish.

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Okay, I presume, then, the same circumstances then apply to No. 3, as well.

Yes. In Well No. 3 there was an intermediate plug which had been set from somewhere around 875 feet to 1100 feet, which I think it needs to be removed so that we can get additional cement downhole on top of the bottom plug that they had set in that hole and then replace that plug with additional cement on top to cause a higher fillup in that wellbore.

Now why do you have no plug set at the 350 to 500 foot interval in that No. 3?

The wells were drilled on opposite sides of a fault and the geologic formations are very much different relative positions.

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The 300 to 500 foot interval would be above ground at that location.

And is this the more or less standard type plugging programs you use in this area?

Yes, this is the type of program that all operators are subjected to in my district.

MR. STAMETS: Are there any other questions

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of this witness? He may be excused.

Mr. Weber, do you have something you wanted to say about this or put on in this case?

MR. WEBER: Yes, I do.

MR. STAMETS: Would you identify yourself,

please, sir?

MR. WEBER: My name is Jerome Weber, W-E-B-E-1. I'm the operations manager for Helton Engineering and Geologic Services, Incorporated, at Denver, Colorado.

MR. STAMETS: Mr. Weber, are you an owner of the company?

MR. WEBER: Yes, I am, I am a stockholder in the company.

MR. STAMETS: Mr. Weber, we have an Attorney General's opinion that says that if someone is here representing a corporation they must be represented by a New Mexico resident counsel in order to present testimony, which leaves us with a problem and we can't accept your testimony unless you are so represented.

MR. WEBER: Can I testify from the operations standpoint only, then?

MR. STAMETS: You can't represent the company at all.

Let's go off the record.

(There followed a discussion

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off the record.)

MR. STAMETS: We'll go back on the record. Mr. Weber, considering the situation where you are not represented by counsel, we will continue this case until February the 28th, and we will then accept testimony from the Helton Engineering and Geological witness.

> MR. WEBER: Thank you. MR. STAMETS: All right. (Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the fore-oing 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.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case 110. 6422heard by rije on Examiner

Oil Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

JERRY APODACA

NICK FRANKLIN

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-8178

BEFORE EXAMINER STAMETS

OIL CONSERVATION DIVISION

CASE NO.

Submitted by ___

Hearing Daie_

EXHIBIT NO. ___/_

6422

August 23, 1978

Mr. Jerome B. Weber Helton Engineering & Geological Services, inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Re: Brent #1, M-29-13N-6E Brent #3, G-19-13N-6E

Dear Mr. Weber:

I have your requests for approval of forms C-103 for the subject wells as Subsequent Report of Abandonment.

I have been studying the plugging reports and find that neither of the wells has been plugged in a satisfactory manner.

The enclosed copies of well logs identify zones where cement will have to be placed to obtain plugging approval.

Additional plugging will be as follows:

Brent #1:

- Tag top of cement plug at 1600'.
- Set cement plug 1600' to 1540'.
 Set a cement plug from 550' to 350'.
- 4. Set a cement plug from 170' to 130'.
 - Set marker.
 - 6. Clean and level location.

Brent #3:

- 1. Tag cement top at 1937'.
- 2. Set cement plug from 1937' to 1810'.
- 3. Set a cement plug from 1100' to 830'.
 4. Set a cement plug from 220' to 120'.
- Set marker.
- Clean and level the location.

Advise this office 48 hours in advance of the reentry of these wells so that we may provide a witness at our option.

Mr. Jerome B. Weber August 23, 1978 Page 2

All future abandonment programs shall be approved prior to abandonment. None will be approved prior to knowing the formation tops.

If there are questions, please contact this office.

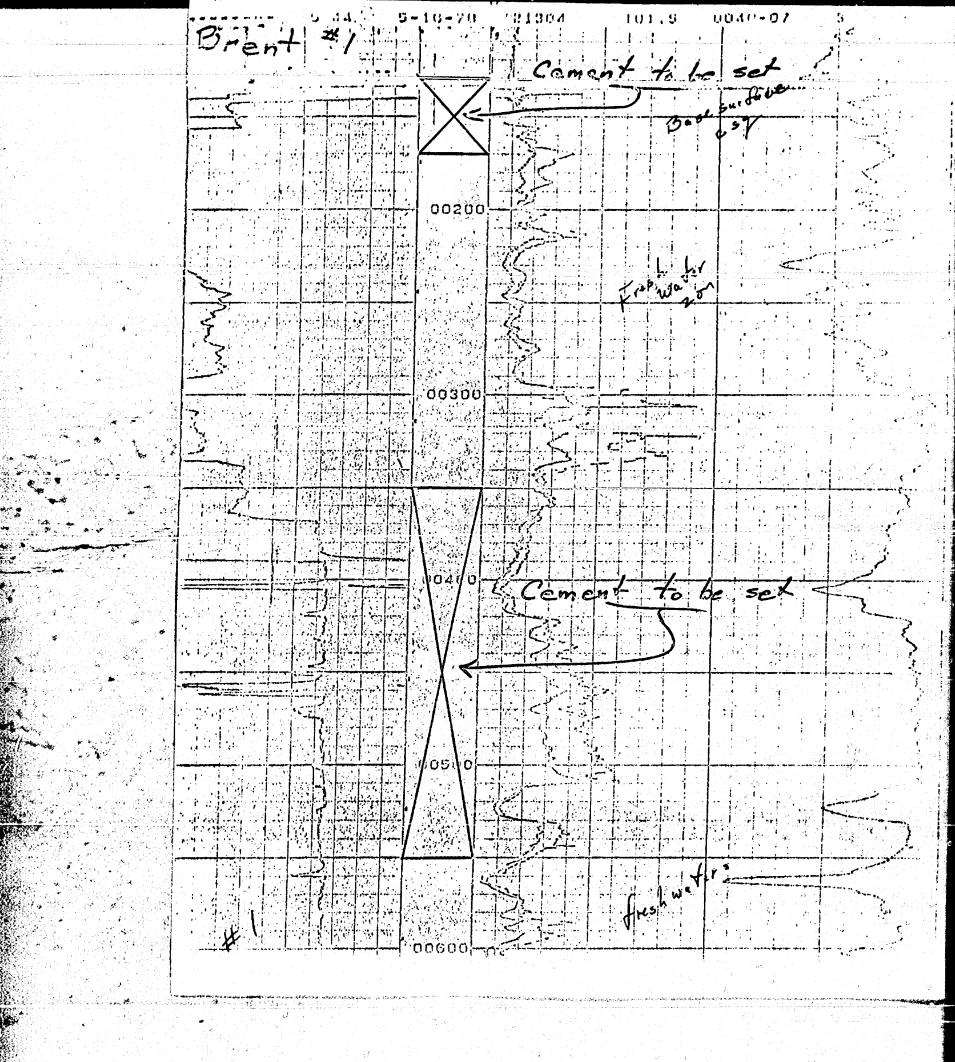
Yours very truly,

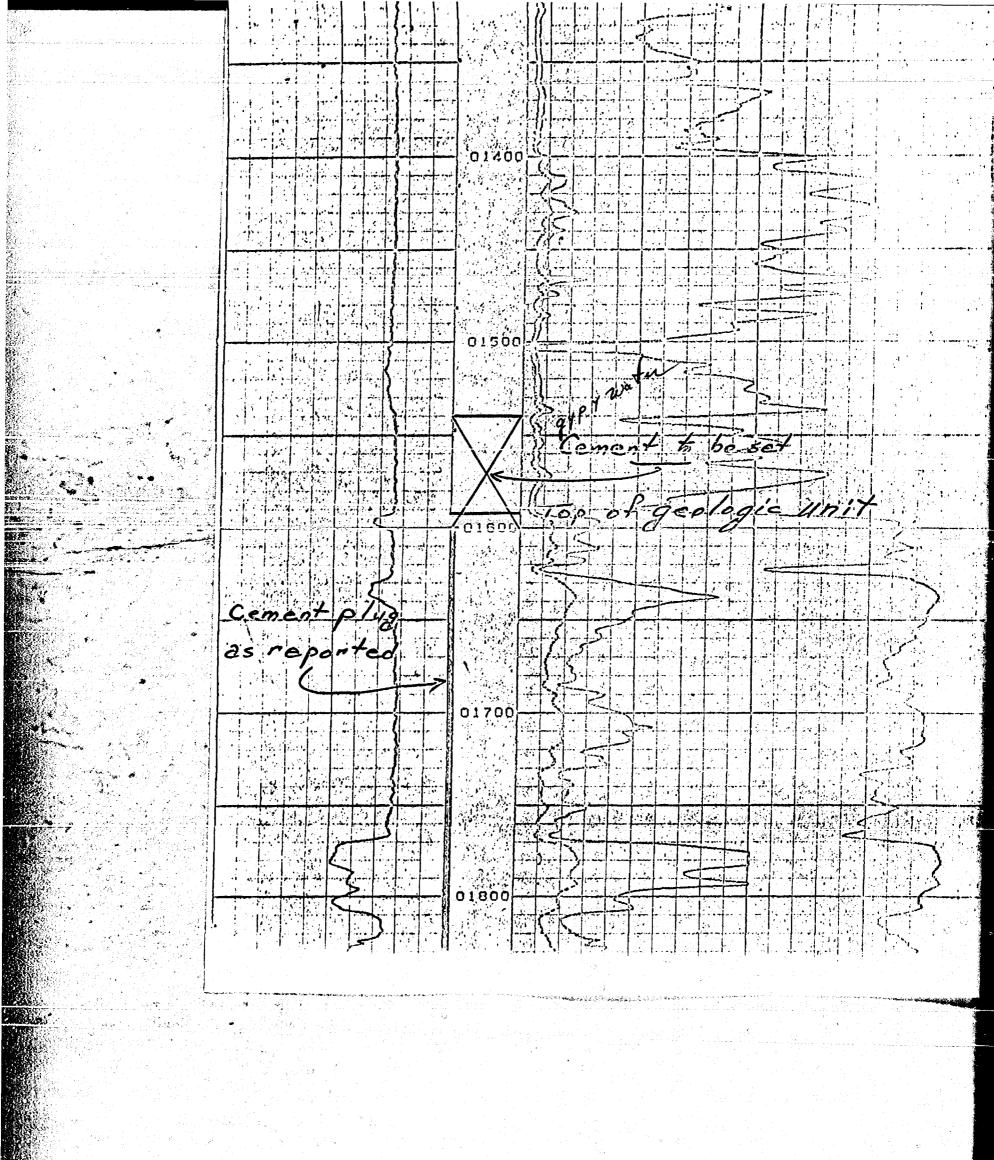
A. R. Kendrick District Supervisor

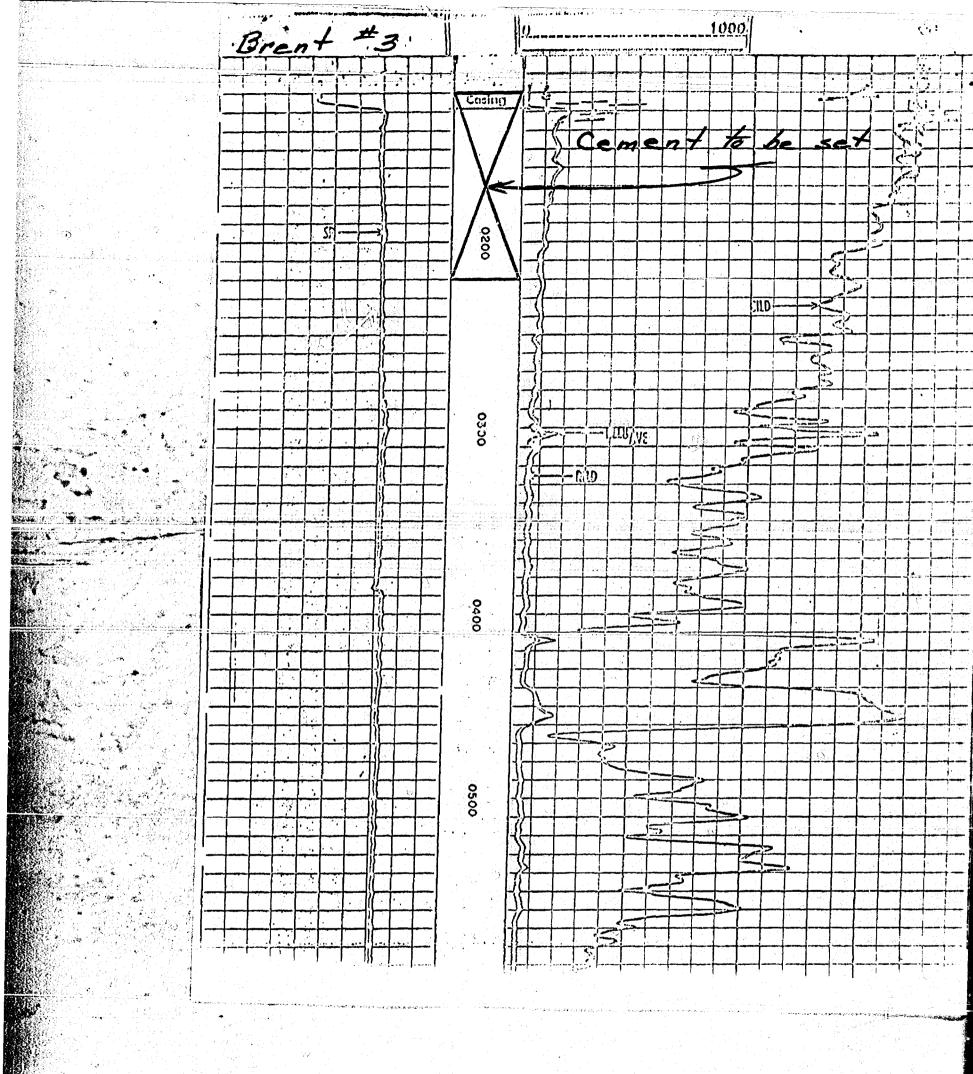
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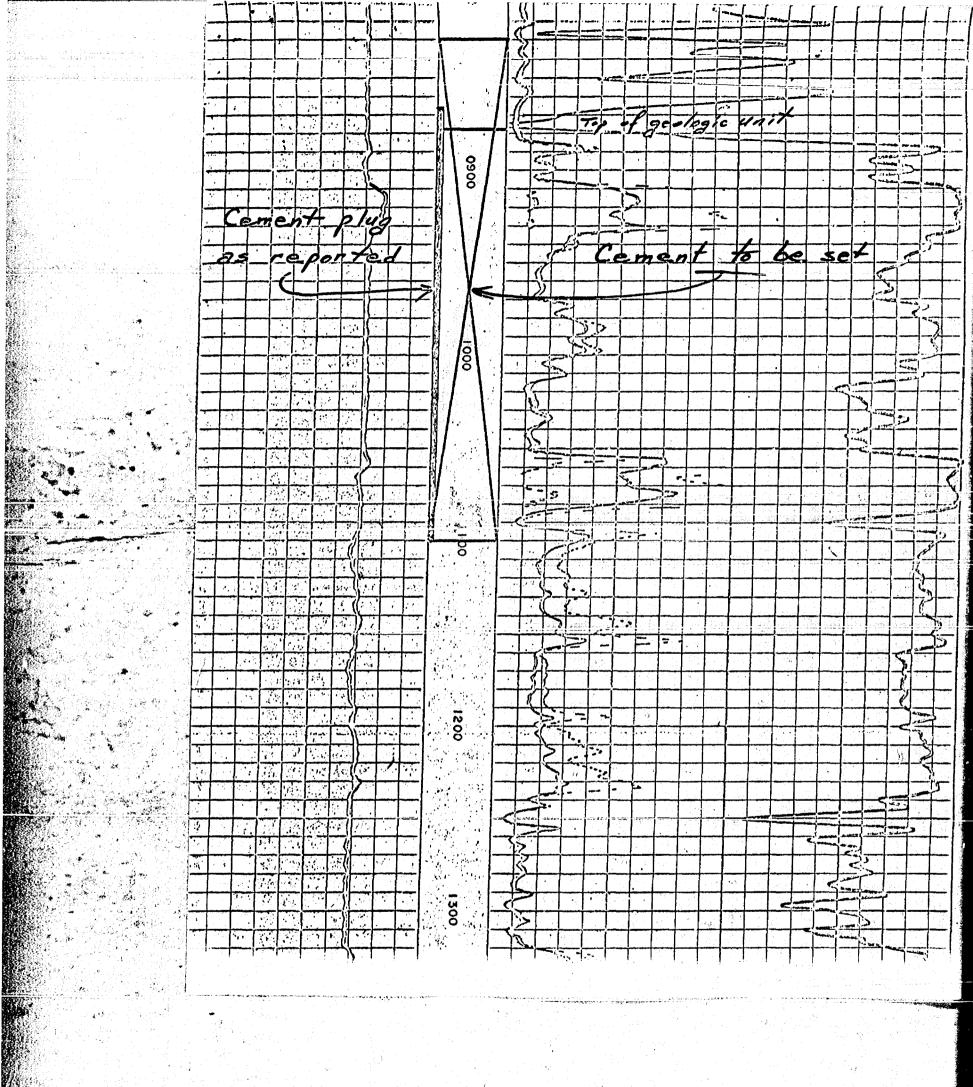
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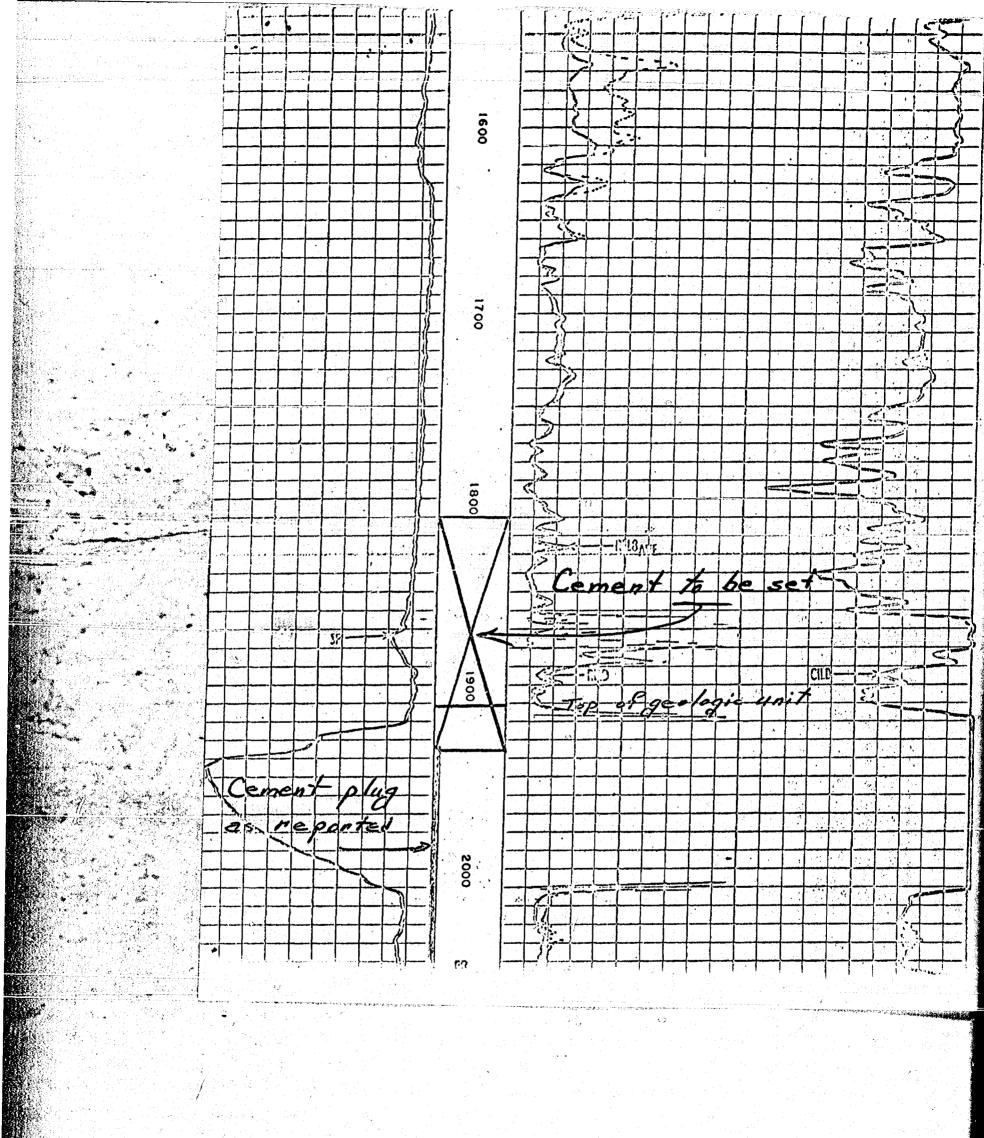
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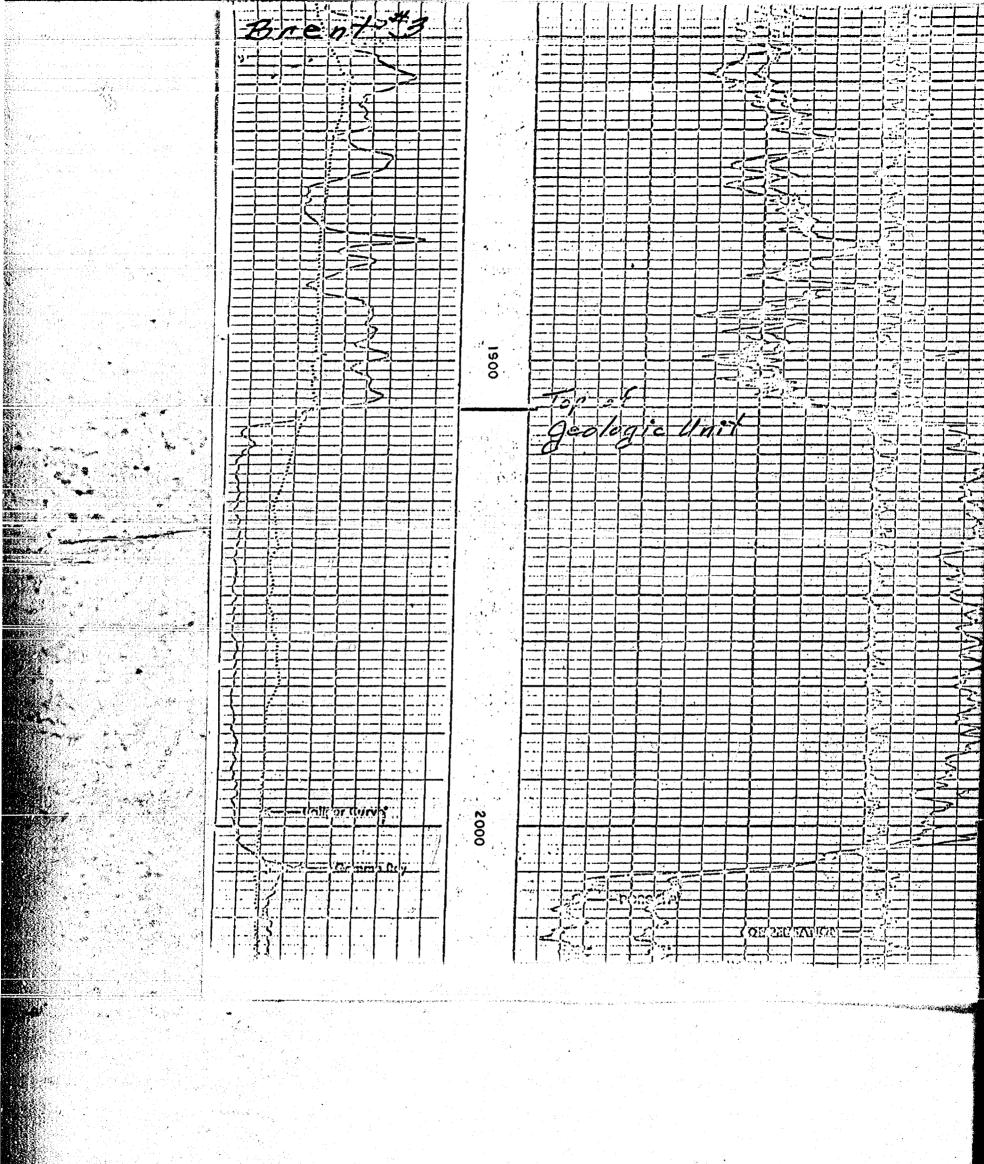


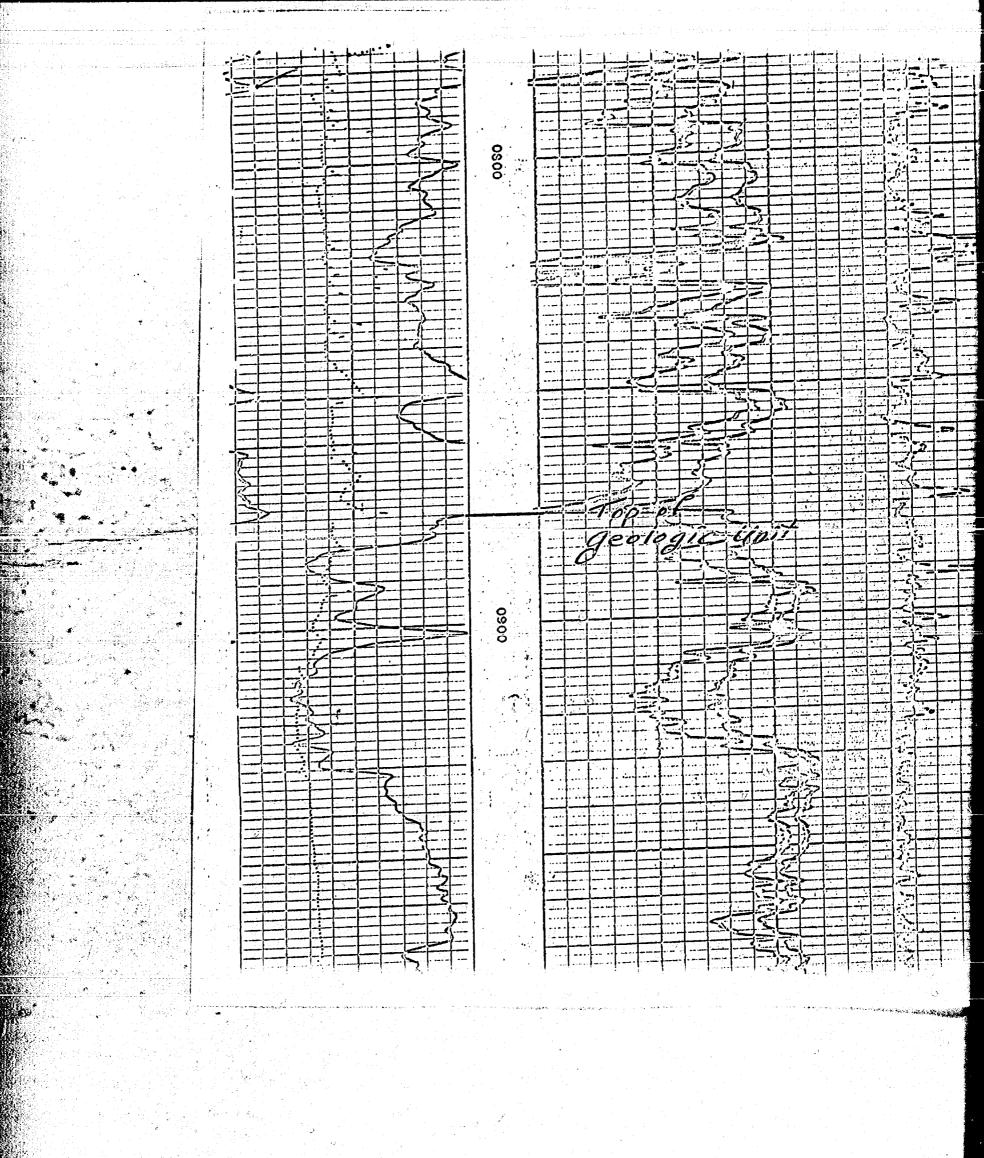












FILE		NEW MEXICO OIL CONSERVATION COMMISSION	C-192 und C-103	
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Helton Engineer	ing a Georg	ogical Services. Inc.	9, Well No.	Marien
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· · · · · · · · · · · · · · · · · · ·		form C-103
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Address of Operator		9. Well No.
D Anaconda Tower, 555	- 17th St., Denver, CO 80202	Brent No. 1
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DISTRIBUTION	3		Form C - 103 Supersedes Old C-102 and C-103
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Diamond Trial Ranch #6 462°W 468' from #2 (# to Entraly) 4024 BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION - MARTINO. 6. CASE NO. CYLZ Submitted by OCO Flearing Date___

16



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

JERRY APODACA GOVERNOR

> NICK FRANKLIN BECRETARY

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-8178

November 20, 1978

Mr. Jerome B. Weber Helton Engineering & Geological Services, Inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Re: Brent wells on the Diamond Trail Ranch

Dear Mr. Weber:

Attached is a copy of my letter of August 23, 1978.

We discussed by phone the possibility of plugging these wells before winter set in; but, we have not heard from you in more than 60 days.

Please file intentions to plug these wells on form C-103 showing the approximated date of entry for each.

In the absence of the forms C-103 on December 15, 1978, a case will be docketed to allow all interested parties to appear and show why these wells should not be properly plugged and abandoned.

Yours very truly,

A. R. Kendrick

District Supervisor

Attachments:

xc with Attachments: Oil Conservation Division, Santa Fe

BEFORE EXAMINER STAMETS
OIL CONST VATION DIVISION
CASE NO. QX 2 2
Submitted by QCD
Hearing Date

Helton Engineering & Geological Services, Inc.

CONSULTING PETROLEUM ENGINEERS AND GEOLOGISTS

860 ANACONDA TOWER • 555 SEVENTEENTH STREET • DENVER, COLORADO 80202

TELEPHONE (303) 571-1026

State of New Mexico
Energy and Minerals Department bemilled by
Oil Conservation Division
Oil Conservation Division
Hearing Dale
Attention: Mr. A. R. Kendrick

Re: Brent Wells on Diamond Trail
Ranch

Dear Mr. Kendrick:

We apologize for not communicating with you sooner on the subject item. As we discussed sometime ago, we did call your office for approval prior to plugging the wells. Unfortunately, we did not record the name of the person we spoke to; however, my notes reflect that I was told, on May 15, 1978, to cover the Dakota and the top of the Morrison on the No. 1 well and the top of the surface casing only. I relayed these orders to the rig immediately after and the field notes reflect this because it is not common to not have to plug the bottom of the surface pipe.

The orders for the No. 3 well were received on May 29, and were to cover the Dakota and Entrada. Once again, we failed to record the name of the person we spoke to.

The wells have been reviewed, and we offer the following to show the wells were plugged in a satisfactory manner!

Brent No. 1

Tops		Porosity Interval Plugged
Surface pipe	0-125	10 sacks on top 0-30
Mancos	440	6 - 8 (samples)
Greenhorn	1589	10 - 12
Dakota	1621	10 - 21
Morrison	1809	11 - 15 to
	n de Lastino e il estimatori Portugnica de Lastino de la companio della companio della companio della companio della companio della compani	1840

The sample log for the Mancos describes it as very poor porosity, and is estimated to be the 6-8% shown above. The only show was at \pm 400', and was described as a dead oil stain.

The Greenhorn was described as a shale with sand stringers to a maximum of 50%, and no shows were recorded. Although the Greenhorn log analysis shows 10-12% porosity, the sample log and drilling time curve indicate very little capacity in the section.

		Brent No. 3	
Tops		Porosity	Interval Plugged
Surface pipe	0-124		O - 30
Greenhorn	875	8	867
Dakota	911	20	to
Summerville	1815		1107
Todilto	1890	4 - 8	
Entrada	2010		1937
			to
			2070

Both the Summerville and Todilto formations are very tight from the logs, sample description and drilling time.

To summarize the above, we feel that all potential fluid bearing zones were plugged. We did call for permission and we did plug in good faith.

We hope this will satisfy your requirements. Please contact us if you have any questions.

Very truly yours,

HELTON ENGINEERING & GEOLOGICAL SERVICES, INC.

Jerome B. Weber

JBW: vbs

DEC 7 1978 OIL CON. COM. DIST. 3



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

> AZTEC NEW MEXICO 87410 (505) 334-8178

JERRY APODACA

NICK FRANKUN SECRETARY

December 15, 1978

Mr. Jerome B. Weber Helton Engineering & Geological Services, Inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Re: Brent wells drilled on the Diamond Trail Ranch

Dear Mr. Weber:

None of the employees of this office have any recollection of a call from anyone regarding the plugging of well #1 in the subject drilling program.

I did receive a call from someone in the Denver office who advised me that he had just returned to Denver and learned that the first well had been plugged without prior approval. He also advised me that plugging of the #3 well would take place that day. He did not know the formation tops, but he did say that plugs would be set from 2070' to 1947', from 1100' to 867' and 10 sacks to be placed in the 8 5/8" casing. He was advised that all cement plugs may have to be modified when we learned of the formation tops. (We had not received any report of drilling on either of the wells at the time.)

We cannot approve any plugging program before we learn the formation tops.

My letter of August 23, 1978, outlines how I differ with your opinion on formation tops and lack of cement.

I will not approve the plugging of Brent wells #1 and #3 as they were plugged in May, 1978.

> Yours very truly, BEFORE EXAMINER STAMETS Kendrick District Superviside CONSE VATION DIVISION

ARK:no

Submitted by OCO

CASE NO. 6422

Hearing Dale



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410

NICK FRANKLIN SECRETARY

JERRY APODACA

January 5, 1979

Ms. Lynn Teschendorf 011 Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Helton Engineering & Geological Services, Inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Dear Ms. Teschendorf:

xc: Operator as shown

ARK:no

Please docket a case to allow the captioned operator and all other interested parties to appear and show cause why the following wells should not be properly plugged and abandoned:

> Helton Engineering & Geological Services, Inc. Brent #1 M-29-13N-6E Sandoval County

Helton Engineering & Geological Services, Inc. Brent #3 G-19-13N-6E Sandoval County

Travelers Indemnity Company bond number 491 E518-6 covers well #1 and number 491 E812-7 covers well #3.

If there are questions, please contact us.

Vours very truly,

Kendrick A. R. Kendrick

DISTRICT SUPERINES STAMETS

CIL CONSE VATION DIVISION

EXHIST NO. 70

CASE NO. 6422

Submitted by OCO

Hearing Date_



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

JERRY APODACA

NICK FRANKLIN BECRETARY

1000 RIO BRAZOS ROAD AZTEC, NEW MIEDICO 8741U (505) 334-6178

January 17, 1979

Ms. Lynn Teschendorf 011 Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Case No. 6422 January 31, 1979

Dear Lynn:

Sonta Fo

My planned approach to the captioned case is through the attached letters and reports as follows:

Letter dated August 23, 1978, with copies of logs. Exhibit #1:

Exhibit #2: Intent to P & A well #1

Exhibit #3:

Subsequent report of P & A of well #1
Note dates of work and dates of reporto
Intent to P & A well #3

Exhibit #4:

Exhibit #5: Subsequent report of P & A of well #3 note dates

Exhibit #6: Copy of my desk note made during a conversation with someone at Helton's office who was concerned that the #1 well had been plugged without permission CONSERVATION CON.

and that they were going to pump that day, also without approval, in the #3 well. He was advised by phone that all the cement might have to be replaced. He gave me the plug positions, but he did not know the formation tops. I believe late to be 5/30.

Exhibit #7: Letter of November 20, 1978.

Exhibit #8: Letter of December 4, 1978.

Exhibit #9: Letter of December 15, 1978.

Exhibit #10: Letter of January 5, 1979.

Ms. Lynn Teschendorf January 17, 1979 Page 2

If there are questions, please call.

Yours very truly,

A. R. Kendrick District Supervisor

Enclosures stapled in order.

ARK:no

OIL CONSERVATION CO.



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT



OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

JERRY APODACA

NICK FRANKLIN

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-8178

August 23, 1978

Mr. Jerome B. Weber Helton Engineering & Geological Services, Inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Re: Brent #1, M-29-13N-6E Brent #3, G-19-13N-6E

Dear Mr. Weber:

I have your requests for approval of forms C-103 for the subject wells as Subsequent Report of Abandonment.

I have been studying the plugging reports and find that neither of the wells has been plugged in a satisfactory manner.

The enclosed copies of well logs identify zones where coment will have to be placed to obtain plugging approval.

Additional plugging will be as follows:

Frent #1:

Tag top of cement plug at 1600! 2 \ Set coment plug 1600' to 1540'.

3. Set a cement plug from 550' to 350'.
4. Set a cement plug from 170' to 130'.
5. Set marker.

Set marker.

Set marker.

Clean and level location.

CONSERVATION 6. Clean and level location. Tag cement top at 1937'.

Set cement plug from 1937' to 1810'.

3. Set a cement plug from 1100' to 830'.

Set a cement plug from 220' to 120'.

Set marker.

Clean and level the location.

Advise this office 48 hours in advance of the reentry of these wells so that we may provide a witness at our option.

Mr. Jerome B. Weber August 23, 1978 Page 2

All future abandonment programs shall be approved prior to abandonment. None will be approved prior to knowing the formation tops.

If there are questions, please contact this office.

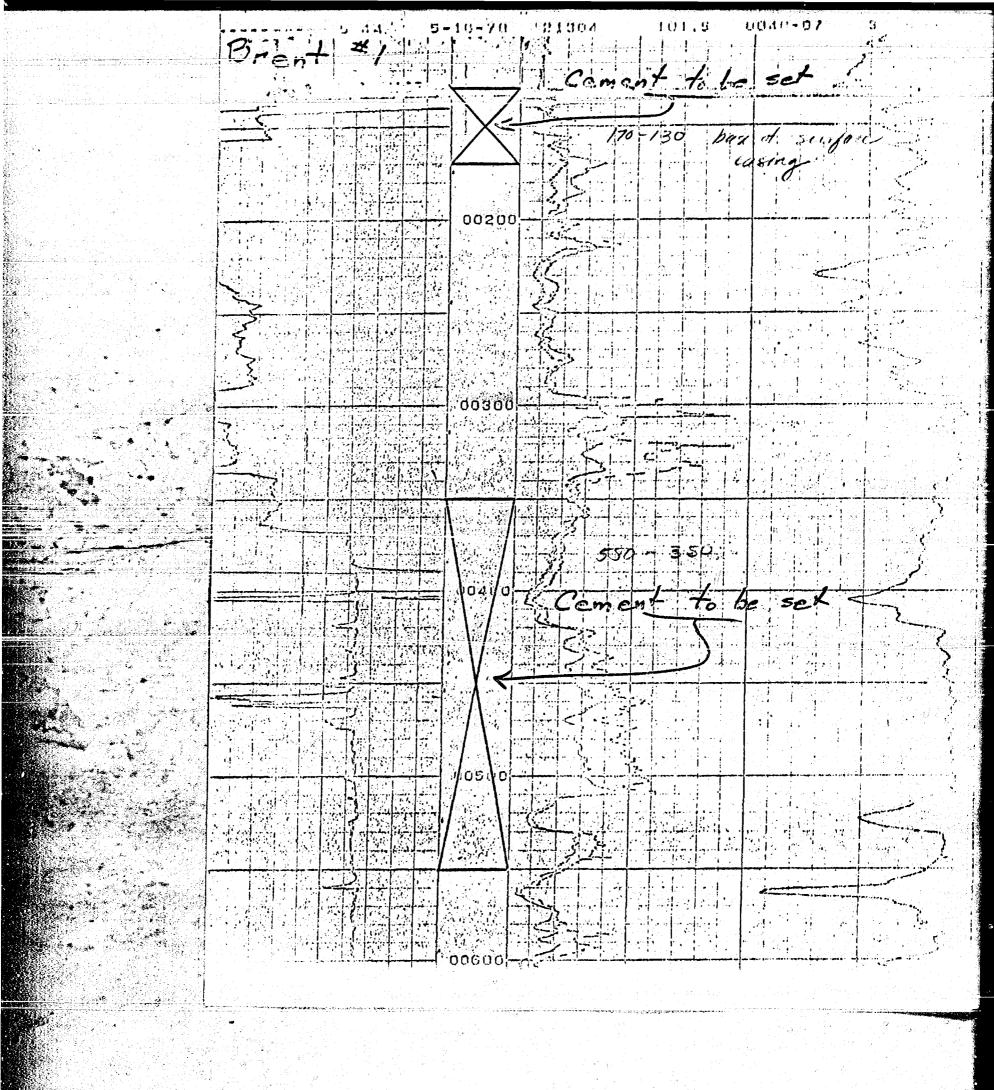
Yours very truly,

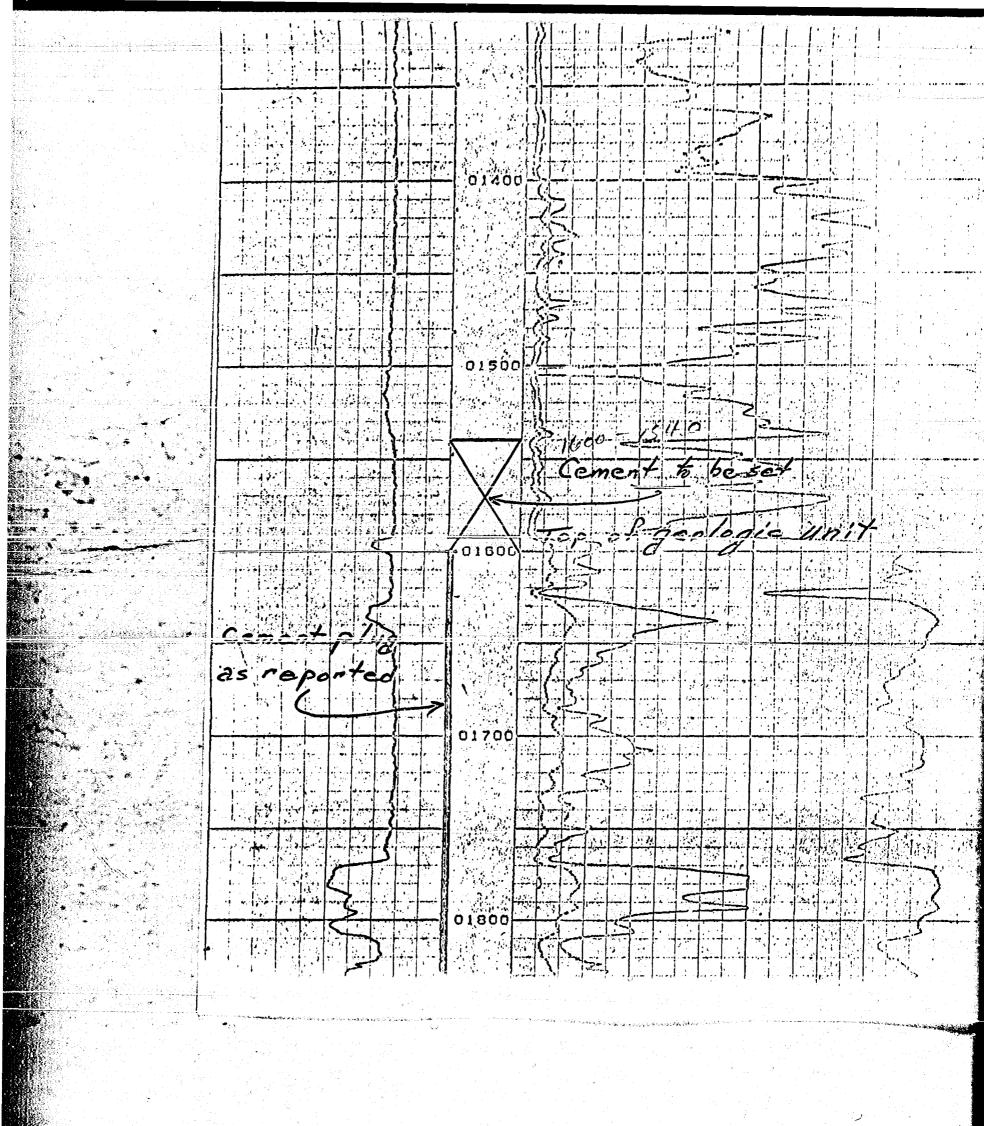
A. R. Kendrick District Supervisor

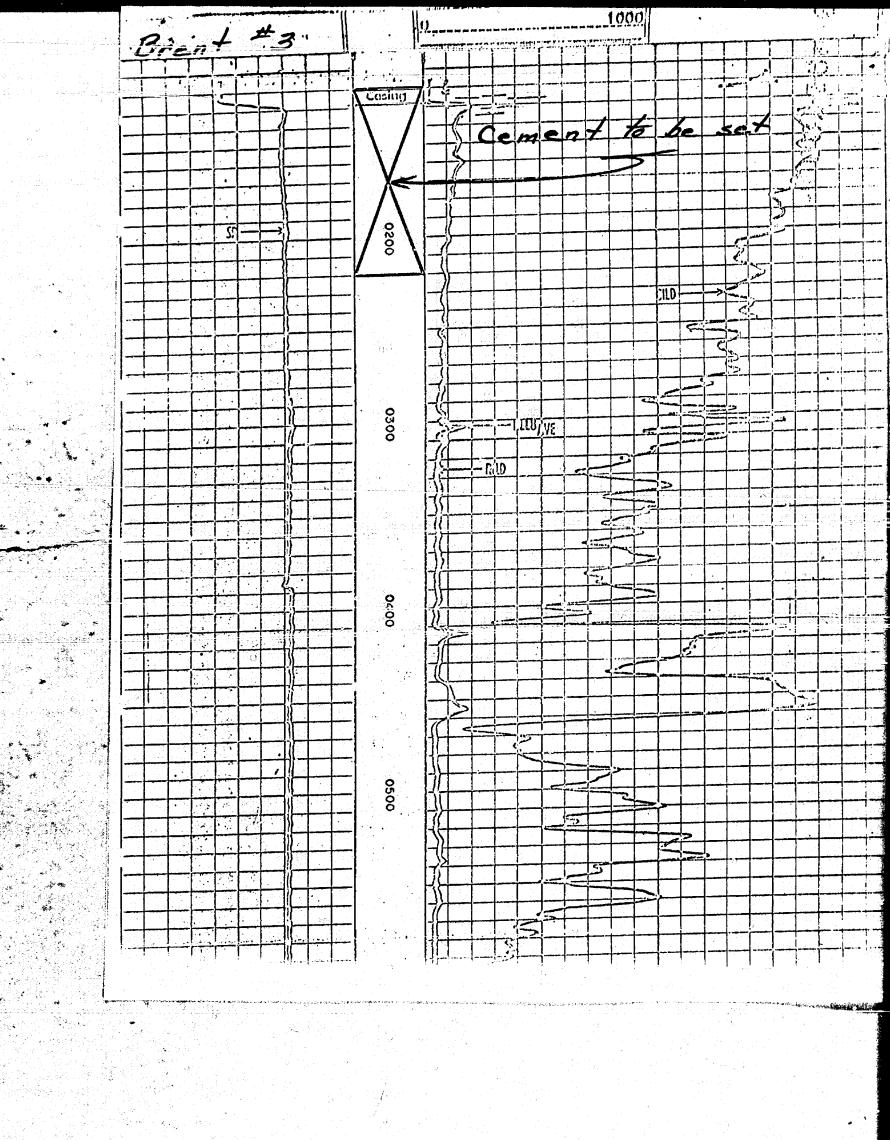
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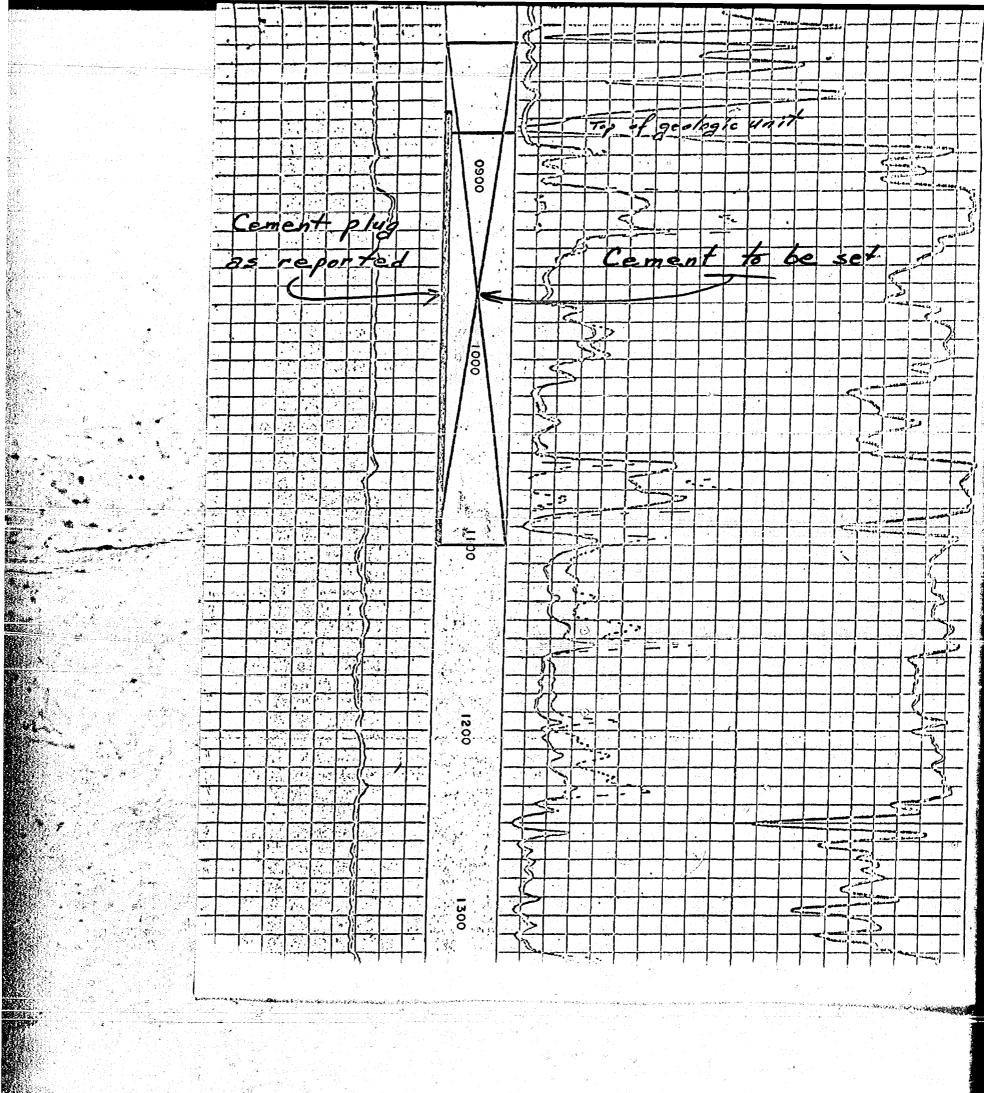
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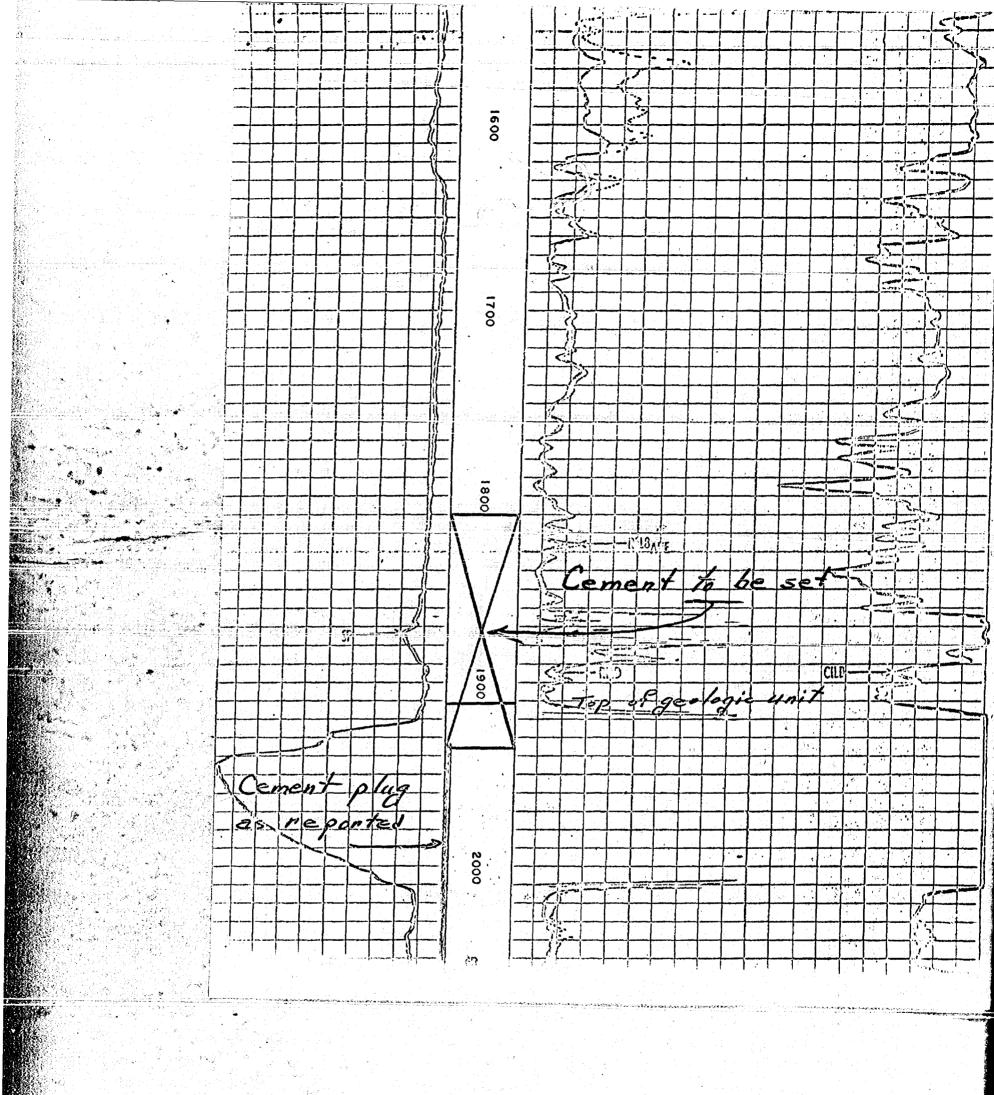


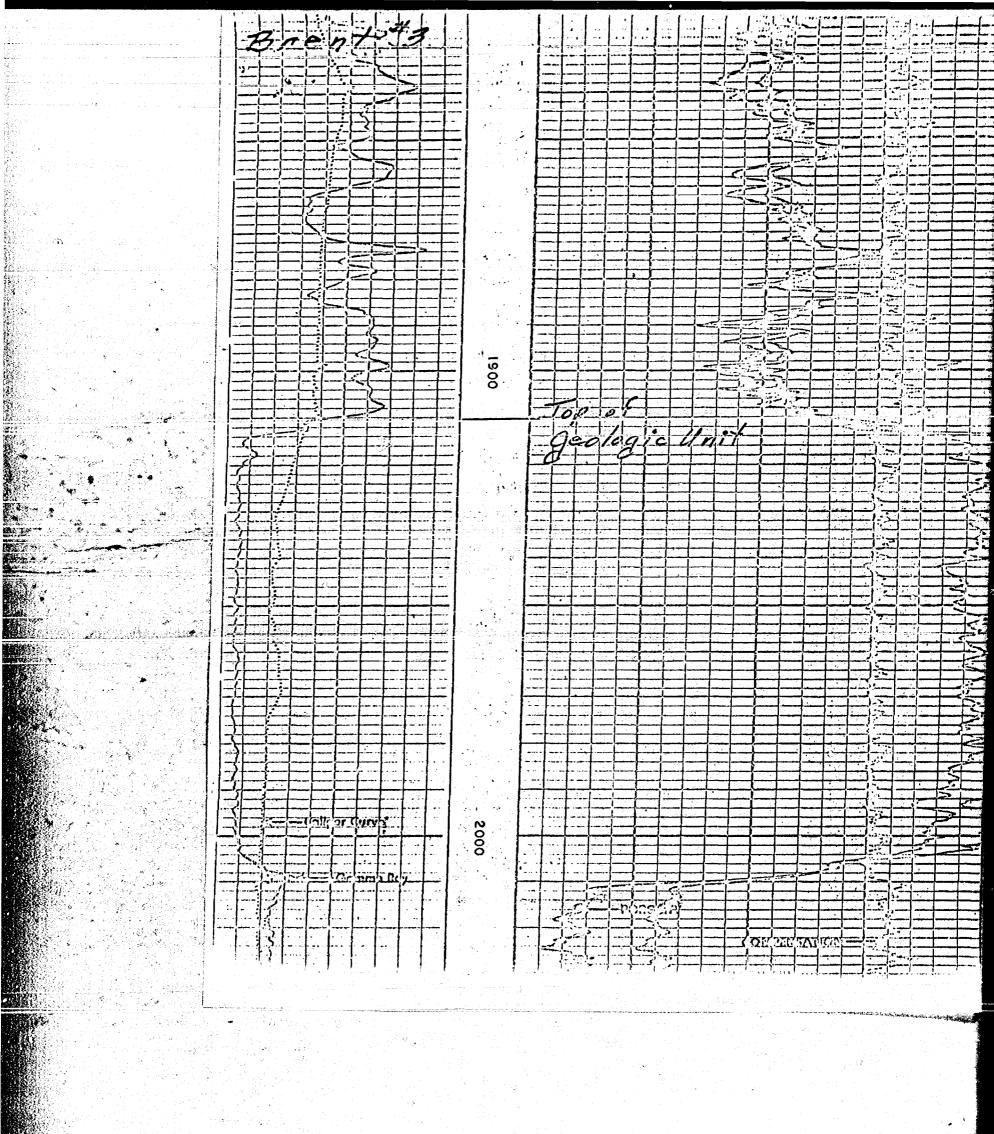


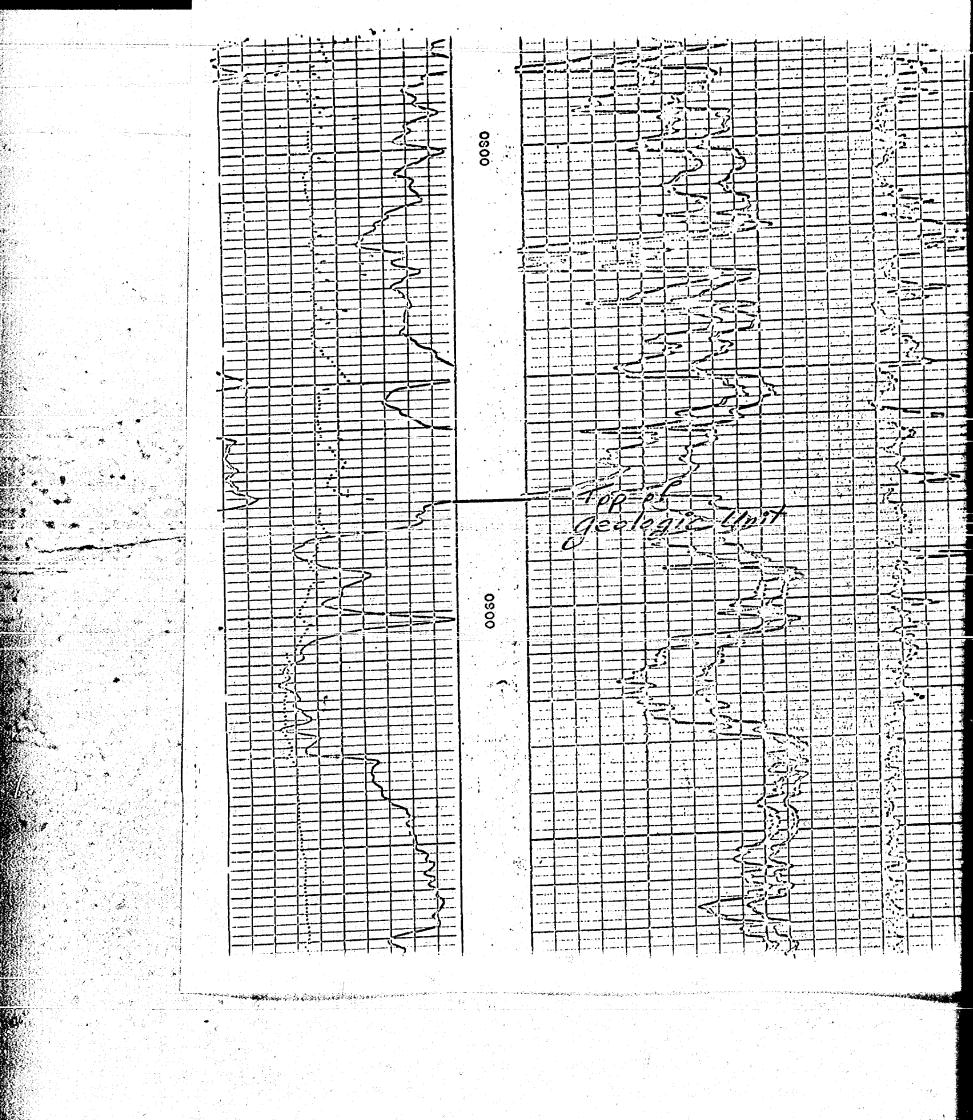












DISTRIBUTION				Supersedes Old
SANTA FE	7		NEW MEXICO OIL CONSERVATION COMMISSION	C-102 and C-103 Eliective 14-65
FILE				<u> </u>
U.S.O.S.		<u> </u>		5a. Indicate Type of Lease
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OPERATOR			en e	5, State Oil 6 Gas Lease No.
				30-043-20330
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Helton Enginee	ring	S Geold	ogical Services, Inc.	Diamond Trail Ranci
860 Approvide To	OT 10 = .	. 555 1	17th Street Dogwood CO 80202	Brent No. 1
Location of Well	ower .	· 222 1	7th Street, Denyer, CO 80202	10, Field and Pool, or Wildcat
		90	1 1100 Walk	Entrada Wildcat
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			15. Elevation (Show whether DF, RT, GR, etc.)	12. County
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Diamond Trail Resolventer of Conception & Geological Services, Inc. Diamond Trail Resolventer					nt Name
Address of Operators 50 Anaconda Tower, 555 - 17th St., Denver, CO 80202 Secret No. 1 10. Field one Pool, or Wildow Entrada, Wildow Entr	and the second s	1			
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	hereby certify that the information The Clie	1840 - 1600' (Dakota and of surface pipe.	Morrison) If my knowledge and belief.	OIL CON	f. 3

Mil. OF COPIES ALCEIVED 2		Form C•103
DISTRIBUTION		Supersedes Old
SANTA FE	NEW MEXICO OIL CONSERVATION COMMISSION	C-102 and C-103 Effective 1-1-65
FILE		
U.S.G.S.		5a. Indicate Type of Lease
LAND OFFICE		State Fee 30
OPERATOR //		5, State Oil 6 Gas Lease No. 30-045-20328
SUNDRY NO	TICES AND REPORTS ON WELLS	minimum
(DO NOT USE THIS FORM FOR PROPOSAL!	S TO DRICL OR TO DEEPEN OF PLUS BACK TO A DIFFERENT RESERVOIM.	
		7, Unit Agreement Name
OIL WELL OT 2. Name of Operator	HER-	NA NA
	gina dimmalai sala	8, Form of Legae Hame
Helton Engineering & Geolog	ical services, inc.	Diamond Trail Ranch
860 Anaconda Tower 555 - 1	7th Street Denver, CO 80202	Brent #3
4. Location of Weli	7th Offeet Denvel, CO 60202	10, Field and Pool, or Wildcat
UNIT LETTER G 2200	FEET PROM THE East LINE AND 2550 FEET P	Wildcat - Entrada
THE North LINE, SECTION	19 TOWNSHIP 13N RANGE 6E NM	
mmmmmmmmm		
	15, Elevation (Show whether DF, RT, GR, etc.) 56681 GL	12. County Sandoval
Check Appro	priate Box To Indicate Nature of Notice, Report or	
NOTICE OF INTEN	TION TO: SUBSEQUE	NT REPORT OF:
PERFORM REMEDIAL WORK	PLUS AND ABANDON XX REMEDIAL WORK	ALTERING CASING
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PULL OR ALTER CASING	CHANGE PLANS CASING TEST AND CEMENT JOS	
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18. I hereby certify that the information above is	true and complete to the best of my knowledge and belief.	
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Jan Swellen	Operations Manager	DATE 6/7/78
Weber		
1-21-1	1 Days of	
PPROVED BY // CON AS	1010 VICE	DATE
ONDITIONS OF APPROVAL, IF ANYI		

SANTA FE			Form C-103 Supersedes Old
TOTAL CE		NEW MEXICO OIL CONSERVATION COMMISSION	C-102 and C-103 Elfective 1-1-65
FILE	7717		T.145(048 14-03
U,\$,G.S.			Sa. Indicate Type of Lease
LAND OFFICE			State Fee X
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			30-045-20328
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, Name of Operator			8, Farm or Lease Hame
elton Engineering. Address of Operator	ng & Geologic	cal Services, Inc.	Diamond Trail Ranch 9. Well No.
	er, 555 - 17t	ch Street, Denver, CO 80202	Brent No. 3
. Location of Well			10. Field and Pool, or Wildcat
UNIT LETTER G	2200	FEET FROM THE EAST LINE AND 2550	Entrada, Wildcat
THE North	LINE, SECTION1	9 TOWNSHIP 13N RANGE 6E	MILLIAM MARKET TO THE MARKET
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		5668 GL	Sandoval
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work) SEE RULE 1103.			
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	on top of su		그 동안 이 상태를 하는 것 같아 하는 이 시간에 되었다.
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I hereby certify that the in	nformation above is to SUE 67 Wabar Happ	rue and complete to the best of my knowledge and belief.	

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Sinnoud Time Ranch #6

N62°W

468' from #2 (#, to Entraly)

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Sinhada 2070 - 1967 Yorga

Dak 1100 - 867 7000

Surface 88'009)

Surface 88'009)

Etjy)



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

JERRY APODACA

NICK FRANKLIN SECRETARY 1000 RIO BRAZOS ROAD AZTEG, NEW MEXICO 87410 (505) 334-6178

November 20, 1978

Mr. Jerome B. Weber Helton Engineering & Geological Services, Inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Re: Brent wells on the Diamond Trail Ranch

Dear Mr. Weber:

Attached is a copy of my letter of August 23, 1978.

We discussed by phone the possibility of plugging these wells before winter set in; but, we have not heard from you in more than 60 days.

Please file intentions to plug these wells on form C-103 showing the approximated date of entry for each.

In the absence of the forms C-103 on December 15, 1978, a case will be docketed to allow all interested parties to appear and show why these wells should not be properly plugged and abandoned.

Yours very truly,

A. R. Kendrick District Supervisor

& Kendinde

Attachments:

xc with Attachments: Oil Conservation Division, Santa Fe

CALGARY OFFICE TELE: (403) 263-0884

Helton Engineering & Geological Services, Inc.

CONSULTING PETROLEUM ENGINEERS AND GEOLOGISTS

860 ANACONDA TOWER • 555 SEVENTEENTH STREET • DENVER, COLORADO 80202

TELEPHONE (303) 571-1026

December 4, 1978

DEC 7 1978 OIL CON. COM. DIST. 3

State of New Mexico Energy and Minerals Department Oil Conservation Division 1000 Rio Brazos Road Axtec, New Mexico 87410

Attention: Mr. A. R. Kendrick

Re: Brent Wells on Diamond Trail

Ranch

Dear Mr. Kendrick:

We apologize for not communicating with you sooner on the subject item. As we discussed sometime ago, we did call your office for approval prior to plugging the wells. Unfortunately, we did not record the name of the person we spoke to; however, my notes reflect that I was told, on May 15, 1978, to cover the Dakota and the top of the Morrison on the No. 1 well and the top of the surface casing only. I relayed these orders to the rig immediately after and the field notes reflect this because it is not common to not have to plug the bottom of the surface pipo.

The orders for the No. 3 well were received on May 29, and were to cover the Dakota and Entrada. Once again, we failed to record the name of the person we spoke to.

The wells have been reviewed, and we offer the following to show the wells were plugged in a satisfactory manner:

		Brent No. 1	
Tops		Porosity	Interval Plugged
Surface pip	e 0-125 440	6 - 8 (samples)	10 sacks on top 0-30
Greenhorn	1589	10 - 12	
Dakota	1621	10 - 21	1600
Morrison	1809	11 - 15	to
			1840

State of New Mexico Page Two

December 4, 1978

The sample log for the Mancos describes it as very poor porosity, and is estimated to be the 6-8% shown above. The only show was at $\pm~400^{\circ}$, and was described as a dead oil stain.

The Greenhorn was described as a shale with sand stringers to a maximum of 50%, and no shows were recorded. Although the Greenhorn log analysis shows 10-12% porosity, the sample log and drilling time curve indicate very little capacity in the section.

Brent No. 3

<u>Tops</u>		Porosity	Interval Plugged
Surface pipe Greenhorn Dakota	0-124 875 911	8 20	0 - 30 867 to
Summerville Todilto Entrada	1815 1890 2010	4 - 8	1107
Dictaua		and the second s	1937 to 2070

Both the Summerville and Todilto formations are very tight from the logs, sample description and drilling time.

To summarize the above, we feel that all potential fluid bearing zones were plugged. We did call for permission and we did plug in good faith.

Wo hope this will satisfy your requirements. Please contact us if you have any questions.

Very truly yours,

HELTON ENGINEERING & GEOLOGICAL SERVICES, INC.

Jerome B. Weber

JBW: vbs

DEC 7 1978 OIL CON. COM. DIST. 3



ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

JERRY APODACA GOVERNOR

NICK FRANKLIN

1000 RIO BRAZOB ROAD AZTEC, NEW MEXICO 87410 (505) 334-8178

December 15, 1978

Mr. Jerome B. Weber Helton Engineering & Geological Services, Inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Re: Brent wells drilled on the Diamond Trail Ranch

Dear Mr. Weber:

None of the employees of this office have any recollection of a call from anyone regarding the plugging of well #1 in the subject drilling program.

I did receive a call from someone in the Denver office who advised me that he had just returned to Denver and learned that the first well had been plugged without prior approval. He also advised me that plugging of the #3 well would take place that day. He did not know the formation tops, but he did say that plugs would be set from 2070' to 1947', from 1100' to 867' and 10 sacks to be placed in the 8 5/8" casing. He was advised that all cement plugs may have to be modified when we learned of the formation tops. (We had not received any report of drilling on either of the wells at the time.)

We cannot approve any plugging program before we learn the formation tops.

My letter of August 23, 1978, outlines how I differ with your opinion on formation tops and lack of cement.

I will not approve the plugging of Brent wells #1 and #3 as they were plugged in May, 1978.

Yours very truly,

A. M. Kendrick District Supervisor

ARK:no



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

JERRY APODACA

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

January 5, 1979

Ms. Lynn Teschendorf 011 Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Helton Engineering & Geological Services, Inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Dear Ms. Teschendorf:

Please docket a case to allow the captioned operator and all other interested parties to appear and show cause why the following wells should not be properly plugged and abandoned:

Helton Engineering & Gcological Scrylcas, Inc. Brent #1 M-29-13N-6E Sandoval County

Helton Engineering & Geological Services, Inc. Brent #3 G-19-13N-6E Sandoval County

Travelers Indemnity Company tond number 491 E518-6 covers well #1 and number 491 E812-7 covers well #3.

If there are questions, please contact us.

Yours very truly,

A. R. Kendrick District Supervisor

xc: Operator as shown

ARK:no

Dockets Nos. 5-79 and 6-79 are tentatively set for hearing on Pebruary 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 31, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6422: In the matter of the hearing called by the 0il Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6415: (Continued from January 17, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Devonian formations underlying the W/2 of Section 20, Township 14 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 6419: (Continued from January 17, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico.
Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its
Lanning JC Well No. 1 located in Unit B of Section 7, Township 18 South, Range 26 East, Eagle Creek
Field, Eddy County, New Mexico, to produce gas from the Strawn formation through the casing-tubing
annulus and from the Morrow formation through tubing.

- CASE 6/23: Application of Vates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jackson AT

 Well No. 9 located 650 feet from the South and West lines of Section 13, Township 17 South, Range 25

 East, Eddy County, New Mexico, to test the Wolfcamp, Pennsylvanian, and Mississippian formations,

 the S/2 of said Section 13 to be dedicated to the well.
- CASE 6424: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Superior

 Fed. KJ Well No. 1 located 990 feet from the North and West lines of Section 7. Township 20 South.

 Runge 29 Edgy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the N/2 of said Section 7 to be dedicated to the well.
- CASE 6425: Application of T. B. Knox Estate for exception to Order No. R-111-A, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks an exception to the casing/cementing rules for the OilPotash Area as promulgated by Order No. R-111-A to permit its Lucia Brookes Well No. 2 located in
 Unit K of Section 14, Township 18 South, Range 30 East, Eddy County, New Mexico, to be completed in
 the following manner: set surface casing and circulate cement; climinate salt protection string;
 and do not circulate cement on production casing.
- CASE 6426: Application of C. W. Trainer for an unorthodox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the North and Hest lines of Section 24, Township 20 South, Range 32 East, South Salt Lake-Morrow Pool, Lea County, New Mexico, the N/2 of said Section 24 to be dedicated to the well.
- CASE 6427: Application of Caribou Four Corners, Inc., for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Caribou/Kirtland Well No. 1 to be located 1214 feet from the North line and 650 (seet from the East line of Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Pool, San Juan County, New Mexico, the E/2 NE/4 to be dedicated to the well.
- CASE 6428: Application of Mobil Oil Corporation for the amendment of Order No. R-5801, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks the amendment of Order No. R-5801 to delete the requirements for lined tubing in injection wells in the North Vacuum Abo East Pressure Maintenance Project, Lea County, New Mexico.

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- Application of Zia Energy, Inc., for approval of infill drilling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks a finding that the drilling of its Elliott State Well

 No. 2 to be located in Unit B of Section 34, Township 20 South, Range 36 East, Eumont Gas Pool,

 Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the

 proration unit which cannot be so drained by the existing well, and further seeks approval of a

 waiver of existing well-spacing requirements.
- CASE 6430: Application of Phoenix Resources Company for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for its Buckhorn Canyon Unit Area comprising 23,009 acres, more or less, of Federal and state lands in Township 19 South, Ranges 19 and 20 East, Chaves County, New Mexico.
- CASE 6431: Application of HNG Oil Com any for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 35, Township 23 South, Range 28 East, 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 6432: Application of John Yuronka for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the NE/4 NW/4 and the SE/4 NW/4 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico, to form two 40-acre units, each 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 wells 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 wells and a charge for risk involved in drilling said wells.
- CASE 6433: Application of Cities Service Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the S/2 of Section 8, Township 23 South, Range 28 East, Eddy County, New Nexico, 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 main well.
- CASE 6434: Application of America Hess Corporation for approval of infill drilling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks a finding that the drilling of its State "O" Well No.

 5 to be located in Unit H of Section 30, Township 19 South, Range 37 East, Eumont Gas Pool, Lea
 County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration
 unit which cannot be so drained by the existing well, and further seeks approval of a waiver of
 existing well-spacing requirements.
- CASE 6435: Application of Amerada Hess Corporation for approval of intill drilling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well

 No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County,

 New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit

 which cannot be so drained by the existing well, and further seeks approval of a waiver of existing

 well-spacing requirements.
- CASE 6436:

 Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks a finding that the drilling of its State "U" Gas Com

 Well No. 2 to be located in Unit C of Section 32, Township 19 South, Range 37 East, Eumont Gas Pool,

 Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the

 provation unit which cannot be so drained by the existing well, and further seeks approval of a

 waiver of existing well-spacing requirements.
- CASE 6437: Application of Curtis Little for approval of infill drilling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of a well to be located 1085 feet from the South line and 285 feet from the West line of Section 12, Township 28 North, Range 13 West, Dasin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well. Applicant further seeks rescission of Order No. R-4556 and approval of a 344.36-acre non-standard gas proration unit comprising all of Section 11, and Lot 4 and the SW/4 of Section 12 for said well.
- CASE 6438: Application of Caulkins 011 Company for dual completions and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech Well No. 812 located in Unit N of Section 18, Township 26 North, Range 6 West, and its Breech Well No. 224-A located in Unit B of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, to produce gas from the Dakota formation through a separate string of tubing and to commingle Chacra and Messaverde production in the wellbores of said wells.

#

- CASE 6439: Application of Caulkins 011 Company for downhole commingling, Rio Arriba County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbore of its Breech A Well No. 229 located in Unit D of Section 17, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6440: Application of Caulkins 011 Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Breech F Well No. 8 located in Unit A of Section 34, Township 27 North, Range 6 West, Rio Arriba County, New Mexico, to produce gas from the Pictured Cliffs formation through a separate string of tubing and to commingle Mesaverde and Dakota production in the wellbore of said well.
- CASE 6441: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Mesaverde production in the wellbore of its Breech F Well No. 12 located in Unit A of Section 35, Township 27 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6442: Application of Caulkins 011 Company for downhole commingling, Rio Arriba County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs, Chacra and Mesaverde production in the wellbore of its Breech E Wel! No. 109 located in Unit M of Section 3, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6443: Application of Caulkins 011 Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approved for the dual completion (conventional) of its Breech B Well No. 220-R located in Unit B of Section 14, Township 26 North, Range 7 West, to produce gas from the Dakota formation through a separate string of tubing and to commingle Pictured Cliffs, Chacra and Messaverde production in the wellbore of said well.
- CASE 6444: Application of Caulkins 0il Company for downhole commingling, Rio Arriba County, New Mexico.

 Applicant, in the above-styled cause, seeks ap roval for the downhole commingling of Pictured Cliffs, Mesaverde, Chacra and Greenhorn production in the wellbore of its Breech Well No. 224 located in Unit A of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

OIL CONSERVATION DIVISION P. C. BOX 2088 SANTA FE. NEW MEXICO 87501

January 12, 1979

Helton Engineering & Geological Services, Inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Travelers Indemnity Company 101 University Boulevard Denver, Colorado 80206

> Re: Brent Well No. 1, located in Unit M of Section 29 and Brent Well No. 3, located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County Plugging Bond

Gentlemen:

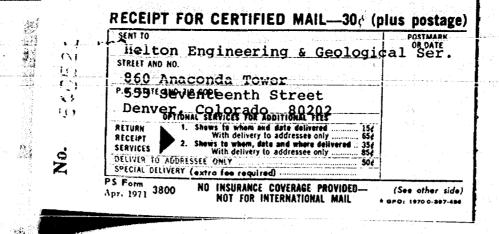
Enclosed is a copy of the advertisement of the Examiner Hearing to be held on Wednesday, January 31, 1979, at 9:00 a.m. in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico. Case 6422 concerns the above captioned subject matter.

Very truly yours,

LYNN TESCHENDORF General Counsel

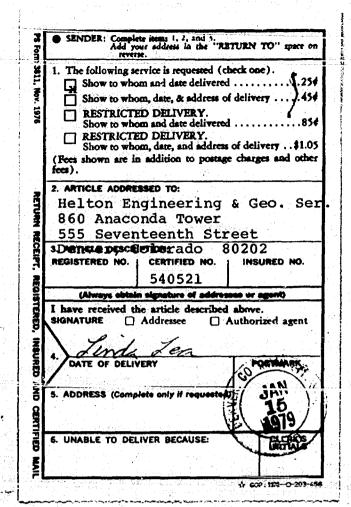
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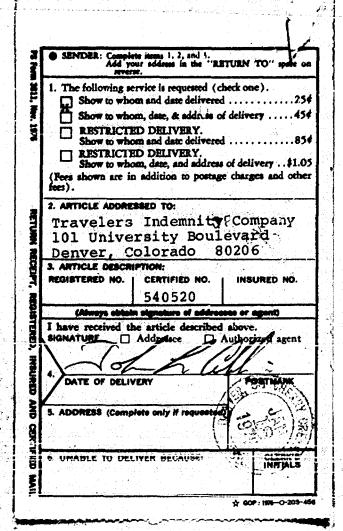
OIL CONSERVATION DIVISION
(Name of Sender)

POST OFFICE BOX 2088 (Street or P.O. Box)

SANTA FE, NEW MEXICO 87501

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SANTA FE, NEW MEXICO 87501
(City, State, and ZIP Code)



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

JERRY APODACA

(2000 6 422 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-8178

January 5, 1979

Moren-please

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

JAN - 8 1979

Rc: Helion Engineering & Geological Services, Inc. 860 Anaconda Tower 555 Seventeenth Street Denver, Colorado 80202

Dear Ms. Teschendorf:

Please docket a case to allow the captioned operator and all other interested parties to appear and show cause why the following wells should not be properly plugged and abandoned:

> Helton Engineering & Geological Services, Inc. Brent #1 M-29-13N-6E Sandoval County

Helton Engineering & Geological Services, Inc. Srent #3 G= 19= 13N-6E Sandoval County

Travelers Indemnity Company bond number 491 E518-6 covers well #1 and number 491 E812-7 covers well #3.

If there are questions, please contact us.

Yours very truly,

A. R. Kendrick District Supervisor

a restrict Birth the second second second second second second

xc: Operator as shown

ARK':no

Bonding es: Travelers Indemnity Co 101 Upriversity Boulevard Denver 80206

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.

Order No. R- (0/5

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO PERMIT HELTON ENGINEERING & GEOLOGICAL SERVICES, INC., TRAVELERS INDEMNITY COMPANY, AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE BRENT WELL NO. 1 LOCATED IN UNIT I OF SECTION 29 AND THE BRENT WELL NO. 3 LOCATED IN UNIT G OF SECTION 19 BOTH IN TOWNSHIP 13 NORTH, RANGE 6 EAST, SANDOVAL COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED IN ACCORDANCE WI'TH A DIVISION-APPROVED PLUGGING PROGRAM.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on 19 79 , at Santa Fe, New Mexico, before Examiner Richard L. Stamets. NOW, on this day of March, 19 79, 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.

Services, Inc. (2) That Helton Engineering & Geologicali/s the owner and operator of the Brent Well No. / 1 located in Unit M of Section 29 both in and the Brent Well No. 3 located in Unit G of Section 19/ xx Township 13 North Range 6 East , NMPM, Sandoval County, New Mexico.

- (3) That Travelers Indemnity Company is the surety on the Oil Conservation Division plugging bond on which Helton Engineering & Geological Services,/ 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 Brent Wells Nos. 1 and 3 be plugged and abandoned in accordance with a program approved by

andre in the second	theAztecDistrict Office of the New Mexico Oil
	Conservation Division on or before Through 1, 1979.
	or the well should be returned to active drilling status or placed
	on production.
The second second	IT IS THEREFORE ORDERED:
	(1) That Helton Engineering & Geological Services, Inc. and
Travelers I	demnity Company are hereby ordered to plug and abandon
	the Brent Well No. 1 located in Unit M of Section 29 and the
ja Ja	Brent Well No. 3 both in located in Unit G of Section 19/, Township 13 North
	Range 6 East , NMPM, Sandoval County, New Mexico,
	or in the alternative, to return the well to active drilling
## ## 	status or place the well on production on or before Thugust,
	19_77
	(2) That Helton Engineering & Geological Services, Inc. and
Travelers I	demnity Company , prior to plugging and abandoning the above-
	described wells, shall obtain from the Aztec office of
Najarang palawan angkan <mark>aki</mark>	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.