

Case No.

7176

Application

Transcripts

Small Exhibits

ETC



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

M E M O R A N D U M

TO: GLORIA LITHGOW
FROM: W. PERRY PEARCE
SUBJECT: RECLAMATION FUND REIMBURSEMENT

Attached is a check from Security Insurance Company of Hartford in the amount of \$10,000. This check is in payment of a surety obligation on a plugging bond issued by Security's predecessor covering an oil and gas operator, Majorie M. Grier.

The Oil and Gas Reclamation Fund was used to plug some Grier wells and therefore, this check should be deposited in that fund as a reimbursement.

Thanks.

MARCH 3, 1983



February 17, 1983

W. Perry Pearce, Esquire
General Counsel
Oil Conservation Division
Energy & Minerals Department
State of New Mexico
P.O. Box 2088
Sante Fe, NM 87501

Re: Claim No.: 66-1640
Marjorie M. Grier

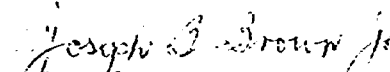
Dear Mr. Pearce:

I enclose settlement draft in the amount of \$10,000.

If you have a release form would you kindly send us an executed copy.
In any event we request an acknowledgment of the draft.

Very truly yours,

SECURITY INSURANCE COMPANY OF HARTFORD


Joseph B. Brown, Jr.
Examiner--Bond Claims

JBB:jmm
Enclosure

FORM 51021-2

DATE 2-17-83PAYABLE AT PAR THROUGH HARTFORD NATIONAL BANK
AND TRUST COMPANY, HARTFORD, CONNECTICUT51-44
119AT SIGHT UPON ACCEPTANCE
PAY TO THE ORDER OF

State of New Mexico

DRAFT NOBD 7330

TAXPAYER'S NAME
TAXPAYER'S ID NO.
OR SOCIAL SECURITY NO.

DATE LOSS PAID

DOLLARS

PAY → \$ ++10,000.00++

SECURITY
INSURANCE
GROUP

MAILING NAME AND ADDRESS

FOR MAILING PURPOSES ONLY

PARTICULARS OF ABOVE CLAIM OR ACCOUNT (IF INCORRECT RETURN WITHOUT ALTERATION)

BOND PRINCIPAL

Marjorie M. Grier

CLAIM NO.

66-001640

BOND OBLIGEE

State of New Mexico

AGENT'S NAME

Ketchum

POLICY NO.

999999

NATURE OF PAYMENT—IN FULL SATISFACTION OF

all claims—Red Mountain Wells 6,7,10

DATE OF OCCURRENCE

02-02-55

AUTHORIZED SIGNATURE

⑈007330⑈ ⑈011900445⑈

1899⑈

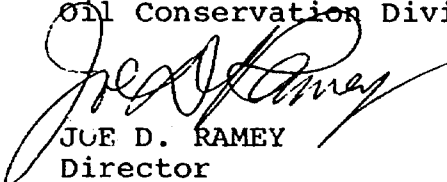
RELEASE

Release executed on March 3rd, 1983, by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico, herein referred to as releasor to Security Insurance Company of Hartford, a corporation having its principal place of business at Farmington, Connecticut, herein referred to as company.

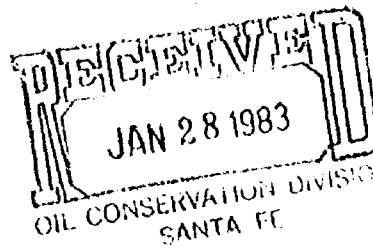
In consideration of Ten Thousand Dollars (\$10,000.00) paid to releasor by company, receipt of which is hereby acknowledged, releasor, releases and discharges company, its successors and assigns, of and from all claims, demands, actions and causes of action of any kind based upon that 10,000.00 Blanket Bond Form 39-A-1 issued by company's predecessor on September 28, 1954, having Marjorie M. Grier as its principal, a copy of which is attached.

Done at Santa Fe, New Mexico, this 3rd day of March, 1983.

State of New Mexico
Energy and Minerals Department
Oil Conservation Division


JOE D. RAMEY
Director

ORION GROUP, INC.



EBI Companies
Security Insurance Group

January 25, 1983

W. Perry Pearce, Esquire
General Counsel
Oil Conversation Division
Energy & Minerals Department
State of New Mexico
P.O. Box 2088
Santa Fe, N.M. 87501

Re: Marjory M. Grier

Dear Mr. Pearce:

We acknowledge your letter of January 18 with enclosures.

Security Insurance Company of Hartford is successor by merger to United States Casualty Company.

We cannot locate a record of the bond. Perhaps it was cancelled in accordance with the cancellation clause.

So far as I am concerned we never received notice of the March 11, 1981 hearing. Can you send me a copy of the notice including the address to which it was mailed? We should also appreciate the address you have Marjory M. Grier so that we can attempt contact with her.

Very truly yours,

SECURITY INSURANCE COMPANY OF HARTFORD

Joseph B. Brown, Jr.
Joseph B. Brown, Jr.
Examiner--Bond Claims

JBB:jmm



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

February 8, 1983

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Orion Group, Inc.
9 Farm Springs Drive
Farmington, Connecticut 06032

Attention: Joseph B. Brown, Jr.
Examiner - Bond Claims
Security Insurance Company of Hartford

Re: Marjorie M. Grier

Dear Mr. Brown:

Thank you for your letter of January 25, 1983, relating to the United States Casualty Co. bond on Marjorie M. Grier. I hope the following information is of some help.

You mentioned that the bond in question for Marjorie M. Grier, initially issued by United States Casualty Co., might have been cancelled in accord with the cancellation clause. That cancellation clause, at the bottom of the first page of the bond, provides that the bond shall be cancelled no more than 30 days after receipt of a written notice from the surety for cancellation of that bond. However, that paragraph continues that it will continue in effect as to any property or wells "theretofore acquired, drilled, or started." It appears that the three wells in question were drilled while the bond was still in effect and therefore, even if the bond was cancelled so that it could not be used as surety for any future drilling, it remained in effect as to those previously drilled wells which were the subject of the plugging procedures.

As to the notice provided, I am enclosing with this letter a copy of Section 70-2-7 of the New Mexico Statutes Annotated, 1978 Compilation, which is the statute governing notice presently in effect on these proceedings. In addition, I am enclosing copies of the published notice, and proof of publication of such notice, which the Division maintains in its files. The Oil Conservation Division files did not contain a valid address. For your information, the last address available for Marjorie M. Grier, 5324 Fourth Street, Albuquerque, New Mexico. As I said, this address proved to be incorrect. In addition, the list of insurance

and surety companies operating in the State of New Mexico, which was published by the State Department of Insurance did not contain a listing for United States Casualty Company and did not show an address where any contact could be made with that company. Therefore, notice of this proceeding was given by publication as provided for in the attached section of the New Mexico Oil and Gas Act.

If I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

W. PERRY PEARCE
General Counsel

WPP/dr



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

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

December 28, 1982

Mr. Perry Pearce
General Counsel
Oil Conservation Division
Post Office Box 2088
Santa Fe NM 87501

Re: ~~/~~Elvis Roberts Bergin #1, F-21-29N-11W
~~/~~BMNS Co. Wyper #2, O-29-30N-12W
~~/~~BMNS Co. Brown #2, M-29-30N-12W
~~/~~EPROC Associates Monsanto State H #1, E-2-30N-16W

Dear Perry,

The above-referenced wells were plugged with the Reclamation Fund during the past year. All have valid bonds.

Our records indicate the Marjory E. Greer Red Mountain
✓ 6, 7, and 10, B-29-20N-9W, which were plugged by us in
September, 1981 have a \$10,000 blanket bond with U. S.
Casualty Company of New York. We do not have a copy of
this bond nor do our records show it was ever cancelled.

Yours truly,

Charles Gholson
Deputy Inspector

CG:gc

cc: Richard Stamets
Reading File
Well Files



BRUCE KING
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 18, 1983

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

Security Insurance Company
of Hartford
P. O. Box 420
Hartford, Connecticut 06141

Re: \$10,000 Surety Bond

Gentlemen:

I understand that the Security Insurance Company of Hartford is the successor agency through two mergers to a company known as the United States Casualty Company. Records indicate that United States Casualty Company was initially merged into the New Amsterdam Casualty Company and that merged entity was subsequently merged with Security Insurance Company of Hartford. This agency is the holder of a surety bond issued in 1954 by United States Casualty Company which bond shows a Marjory M. Grier, an individual, as principal.

The purpose of this bond, a copy of which is attached, was to secure the adequate plugging of certain oil and gas wells within the State of New Mexico. Three wells covered by this bond were abandoned and inadequately plugged and the New Mexico Oil Conservation Division, the beneficiary of the above-referenced bond, was forced to enter into a contract to properly plug these three wells. The wells were by name, the Red Mountain Wells Nos. 6, 7, and 10 in McKinley County, New Mexico. On March 11, 1981, the New Mexico Oil Conservation Division, successor to the Oil Conservation Commission, on its own motion held a hearing to allow Marjory M. Grier and the United States Casualty Company of New York, and all other interested parties, to appear and show cause why the Red Mountain Wells Nos. 6, 7, and 10 in McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

On April 7, 1981, the Division entered Order No. R-6628, which required that these wells be properly plugged or returned to production on or before April 15, 1981. This order was not complied with.

January 18, 1983

In order to meet the necessity found in Order No. R-6628, the Division contracted to have these wells plugged and the State has expended the sum of \$25,899 to have these three wells plugged. These plugging operations were performed by Bloomfield Oil Field Service Company on contract to the State and for your information, I am enclosing copies of Invoices Numbered 2028, 2030 and 2031, all dated October 20, 1981, which evidenced the billing for plugging operations conducted on each of these wells.

The Oil Conservation Division regrets that this expenditure was necessary, but continued prudent operations require that demand now be made to partially reimburse the State for these sums expended. Therefore, formal demand is hereby made on Security Insurance Company of Hartford, as successor to United States Casualty Company of New York, in the amount of Ten Thousand Dollars (\$10,000) which is the amount of the bond issued by United States Casualty Company on September 28, 1954, for the benefit of the New Mexico Oil Conservation Commission with Marjory M. Grier, an individual, as the principal.

Thank you for your attention to this matter.

Sincerely,

W. PERRY PEARCE
General Counsel

WPP/dr

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
11 March 1981

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Con-
servation Division on its own motion:

CASE
7176

To permit Marjory M. Grier, U.S.
Casualty Company of New York, and
other interested parties to appear
and show cause why the Red Mountain
Wells Nos. 6, 7, and 10 in McKinley
County, New Mexico, should not be
plugged and abandoned in accordance
with a Division-approved plugging
program.

To permit Henry S. Birdseye and all
other interested parties to appear
and show cause why the State Well
No. 10-2 in McKinley County, should
not be plugged and abandoned in ac-
cordance with a Division Approved
plugging program.

CASE
7177

To permit Noland and Wells and all
other interested parties to appear and
show cause why the Reinhardt Well No. 1
in San Juan County, should not be
plugged and abandoned in accordance
with a Division-approved plugging
program.

CASE
7178

To permit "26" Oil Company and all
other interested parties to appear and
show cause why the Jackson Well No. 1
in San Juan County, should not be
plugged and abandoned in accordance
with a Division-approved plugging
program.

CASE
7179

To permit Vincent and Goodrum and all
other interested parties to appear and
show cause why the Refinery Hare Well
No. 1 in San Juan County, should not
be plugged and abandoned in accordance
with a Division-approved plugging pro-
gram.

CASE
7180

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

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I N D E X

FRANK CHAVEZ

Direct Examination by Mr. Padilla	5
Cross Examination by Mr. Stamets	14

E X H I B I T S

CASE 7176

Exhibit Number One, Well File	6
Exhibit Number Two, Well File	6

CASE 7177

Exhibit Number One, Well File	9
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CASE 7178

Exhibit Number One, Well File	12
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CASE 7179

Exhibit Number One, Well File	13
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CASE 7180

Exhibit Number One, Well File	14
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2 MR. STAMETS: We'll call next Case 7176.

3 MR. PADILLA: Mr. Examiner, Ernest L.
4 Padilla on behalf of the Oil Conservation Division, and for
5 purpose of testimony I think it would be best to consolidate
6 Cases 7176 through Case 7180.

7 MR. STAMETS: Any objection to this
8 consolidation?

9 I'll call those cases, then. 7176 --
10 all of these will be in the matter of the hearing called by
11 the Oil Conservation Division on its own motion -- and 7176
12 being to permit Marjory M. Grier, U.S. Casualty Company of
13 New York, and other interested parties to appear and show
14 cause why the Red Mountain Wells Nos. 6, 7, and 10 in
15 McKinley County, New Mexico, should not be plugged and aban-
16 doned in accordance with a Division-approved plugging program.

17 In 7177 the affected well will be the
18 Henry S. Birdseye State Well No. 10-2 in McKinley County.

19 In 7178 it will be the Noland and Wells
20 relative to the Reinhardt Well No. 1, San Juan County.

21 Case 7179 it will be "26" Oil Company
22 relative to the Jackson Well No. 1 in San Juan County.

23 And in 7180 it will be Refinery -- no,
24 I'm sorry. It's Vincent and Goodrum relative to the Refinery
25 Hare Well No. 1, San Juan County.

(Witness sworn.)

FRANK CHAVEZ

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

DIRECT EXAMINATION

BY MR. PADILLA:

Q. Mr. Chavez, for the record will you please
state your name, by whom you're employed, and in what capacity?

A. I am District Supervisor of the Oil
Conservation Division Office in Aztec.

Q. Have you testified before this Commission
previously, have you not?

A. Yes, I have.

Q. Do your duties include recommending to
the Division plugging of certain wells in the State in your
district?

A. That's correct.

Q. Are you familiar with the subject matter
of these cases today?

A. Yes, I am.

Q Starting out with the Case 7176, would you please state why it is necessary to plug the wells contained in that case?

A Okay. What we have here is three wells that were drilled by a Marjory M. Grier in the early '50's in the Red Mountain Mesaverde Oil Pool. These wells were later temporarily abandoned and as of now the operator, Mrs. Grier, or Marjory M. Grier, is defunct to the best of our knowledge and efforts to contact her have not been able to -- have not succeeded.

Exhibit Number One shows the locations of the three wells in question, the No. 10, the No. 7 and No. 6, along with photos of the present conditions of the surface where these wells are located.

The Well No. 10 was converted to an injection well at one time and was used to inject water for a waterflood. At this time at that location there is just a small piece of surface pipe just below ground level. It's not discernable in the photograph.

Well No. 7 is in the same condition at the surface except that it was not used as an injection well.

And if either 10 or 7 have been plugged we show no records of it.

Well No. 6 shows a piece -- the photo

1
2 of Well No. 6 shows a section of casing sticking up out of
3 the ground.

4 The reason these wells need to be plugged
5 is that they're in an area which is possibly -- which could
6 possibly be used as a tertiary recovery area and the conditions
7 of the wells now as they are would make them unsuitable as
8 either injectors or producers in the area.

9 Also there are some shallow water sands
10 in this area. It's not very good quality water; it's not
11 human -- it's not used for human consumption but it can be
12 used for livestock. It could possibly be endangered if there
13 should be casing failures or communication of some other kind
14 downhole in these wells.

15 Q Could waste result by not plugging
16 these wells?

17 A Yes, it could. The Mesaverde producing
18 interval in this area is several scattered sands and the
19 efficiency of any recovery project in this area is -- is
20 determined by how well any well is completed in these sands
21 and the particular sands that are opened up, so that there's
22 no cross flow of, say, oil or water, just between the zones
23 themselves.

24 Exhibit Number Two shows that we have
25 no records of any of the casing being cemented in the holes

1
2 except for the surface pipe -- well, no, it doesn't show the
3 surface pipe, excuse me, but we don't show any cementing was
4 ever done on any of the casing that's recorded for these
5 wells.

6 Q Are you prepared to recommend a plugging
7 program at this time or would you prefer to wait until actual
8 plugging of the wells?

9 A I'd prefer to actual plugging time on
10 these wells because of the particular problems we might come
11 up against in the No. 10 and the No. 7, because we don't know
12 if there might be a surface plug set in those two.

13 MR. PADILLA: Mr. Examiner, I --

14 Q Do you have anything else to present on
15 this --

16 A Not on this case.

17 MR. PADILLA: Mr. Examiner, I offer Ex-
18 hibits One and Two at this time.

19 MR. STAMETS: These exhibits will be
20 admitted.

21 Q Mr. Chavez, would you go on now to the
22 wells concerned in Case 7177 and explain why it is necessary
23 that well be plugged?

24 A Okay, the Henry Birdseye State No. 10-2
25 was drilled in 1962 and as of yet we have no records on how

1
2 this well was completed. It was intended to be drilled to
3 the Menefee formation and that area would be at approximately
4 500 feet. We have no records as to whether or not the surface
5 pipe was cemented in the hole; however, that was the standard
6 operation by this operator at the time.

7 We have no record as to the depth the
8 well was drilled to, and therefor, we need to investigate as
9 to whether or not it penetrated the oil sands and the shallower
10 water sands which are located in this area.

11 At one time we -- we feel that this well
12 may have been used as a water well. The photo on Exhibit One
13 first page, shows a small piece of pipe sticking up beside
14 the casing, and other evidence at the location shows there
15 may have been a pump at the well at one time, and it's not
16 shown in the photo, but across the road from this well there
17 is an old house that we feel may have used water from this
18 well if it had been converted.

19 Q. Would -- how would waste occur if the
20 well is not plugged?

21 A. If it's not plugged correctly, oil from
22 the Menefee sands that may have been penetrated could conta-
23 minate the shallow fresh water in the area, or vice versa,
24 the water could go into the oil formation. We don't have
25 any kind of gas evidence or history in the Menefee formation

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2 in this area, so there's no type of driving mechanism for the
3 oil. It would be just the hydrostatic pressures that would
4 be causing the cross flow.

5 Q So you actually have two problems, one
6 of waste and the other of fresh water contamination.

7 A That's correct.

8 Q Would you also prefer to wait until ac-
9 tual plugging of this well?

10 A Yes, there is --

11 Q To make a recommendation?

12 A There is a possibility that there may
13 be a bottom plug set in this well to cover the oil sands of
14 the Menefee.

15 Q Do you have anything else to add on the
16 plugging of this well?

17 A No, I don't.

18 MR. PADILLA: Mr. Examiner, I offer Ex-
19 hibit Number One for Case 7177.

20 MR. STAMETS: This exhibit will be ad-
21 mitted.

22 Q Mr. Chavez, going on to Case 7178, would
23 you explain why it is necessary to plug and abandon the well
24 in that case, being the Reinhardt Well No. 1?

25 A The Reinhardt Well No. 1 was drilled in

1939 and completed in 1940 in the Farmington formation in the Bloomfield area.

At this time the well is located in a residential area within 100 feet of some houses. We don't find any gas leaking from the well at this time; however, we have no record that the well was ever plugged correctly.

Q So this well poses a potential health hazard?

A. That's correct. In this particular area there is little or no fresh water above the Farmington formation that is suitable for any type of use; however, our experience in this area shows that the Farmington can at times produce some gas and oil and thus pose a problem to the hazard and safety -- to the safety of the people in the area.

Q How about waste --

A. The waste could --

Q -- of hydrocarbons?

A. The waste of hydrocarbons that could occur here would be only if the -- there were a manner to produce the Farmington sandstone in that area to recover the oil, and the possibility of water. Here we have a possibility of water contaminating the oil in this area because we have the Ojo Alamo sandstone above this, and if at some later date a method could be used to recover that oil, it would be con-

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taminated with this water.

Q Do you have anything else to add in this case?

A. No, I don't.

MR. PADILLA: Mr. Examiner, I offer Exhibit One into evidence.

MR. STAMETS: Exhibit One will be admitted.

Q Mr. Chavez, with respect to Case 7179, would you explain the circumstances for why it's necessary to plug that proposed well -- that well?

A. This well, along with the previous well and the one to follow, are located in the same area, in a residential area of Bloomfield, New Mexico. The purpose of this hearing actually is to get an order. We've actually plugged the well at this time because in December the well started producing water and gas in a backyard at a point a few feet away from where the casing was.

This gas was natural gas. It was methane gas, flammable, and we set about to plug these wells and then obtain an order later.

This well was drilled in 1926 and completed in 1927 in the Farmington formation, and it was posing an imminent hazard with the water and the gas being produced

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2 from it, so we did plug the well.

3 Q And you were unable to ascertain who
4 the interest owners, if any, were?

5 A No, as best as we can find out, the "26"
6 Oil Company got its name because it was founded in 1926, and
7 all the principals are now defunct.

8 Q Do you have anything else to add in this
9 case?

10 A No, I don't.

11 MR. STAMETS: I offer Exhibit One into
12 evidence in respect to Case 7179, Mr. Examiner.

13 MR. STAMETS: Exhibit One will be ad-
14 mitted.

15 Q Mr. Chavez, now with respect to Case 7180,
16 would you explain the circumstances of that case? As to why
17 it's necessary to plug the well?

18 A The circumstances surrounding this well
19 are similar to the previous two. It's located in a backyard
20 in the residential area of Bloomfield.

21 At the time that we inspected this well
22 it was making bubbles of gas to the surface and because of
23 the proximity to the well approximately 100 feet away, which
24 was producing water and gas to the surface, we plugged this
25 one at the same time so that there would be no hazard involved

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2 in perhaps a buildup in the nearby formation.

3 This particular well was completed in the
4 Farmington sandstone a little bit deeper than the previous
5 well, about -- about 200 feet deeper, and it did have a little
6 bit of oil on the top of the water in the casing. The cir-
7 cumstances, like I say, were similar, so we did -- did plug
8 this well because it posed a hazard and the same type waste
9 potential existed.

10 Q Do you have anything further to add?

11 A No, I don't.

12 MR. PADILLA: Mr. Examiner, that's all
13 I have.

14 I'd offer Exhibit One in this case.

15 MR. STAMETS: Exhibit One will be ad-
16 mitted.

17 MR. PADILLA: And I have nothing further.

18
19 CROSS EXAMINATION

20 BY MR. STAMETS:

21 Q Has any kind of an order already been
22 issued relative to 7179 and 7180?

23 MR. PADILLA: No, sir, we just felt that
24 it was unnecessary to issue an order since it would at some
25 point become (inaudible) -- so we decided just to hold a

1
2 hearing and plug the wells, with permission from the Secretary
3 of Energy, and also later obtain an order.

4 MR. STAMETS: Okay.

5 Any questions of the witness? He may
6 be excused.

7 Anything further in any of these cases?

8 All of the cases, then, will be taken
9 under advisement.

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11 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the Ex. No. 7176, 7177, 7178, 7179
heard by me on 3-11-1981.
Richard L. Starnes Examiner
Oil Conservation Division

7176, 7177, 7178, 7179
and 7180

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date MARCH 11, 1981 Time: 9:00 A.M.

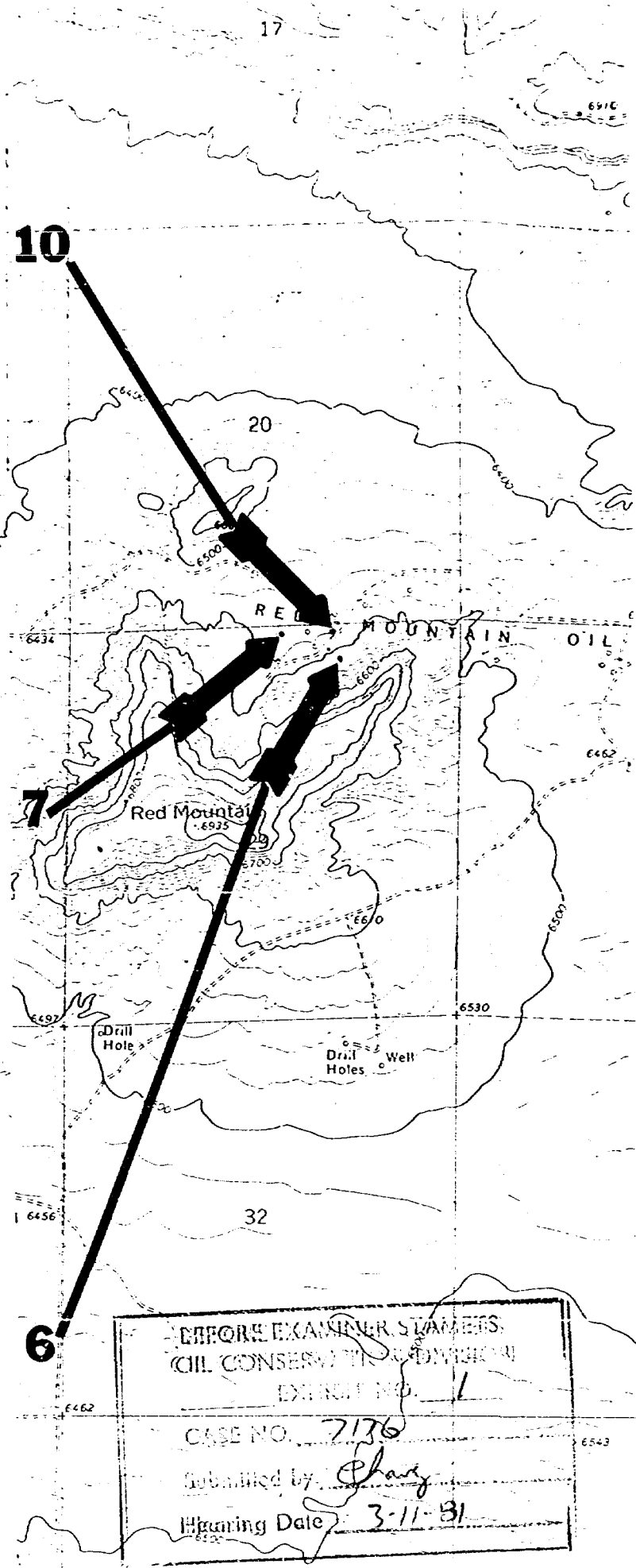
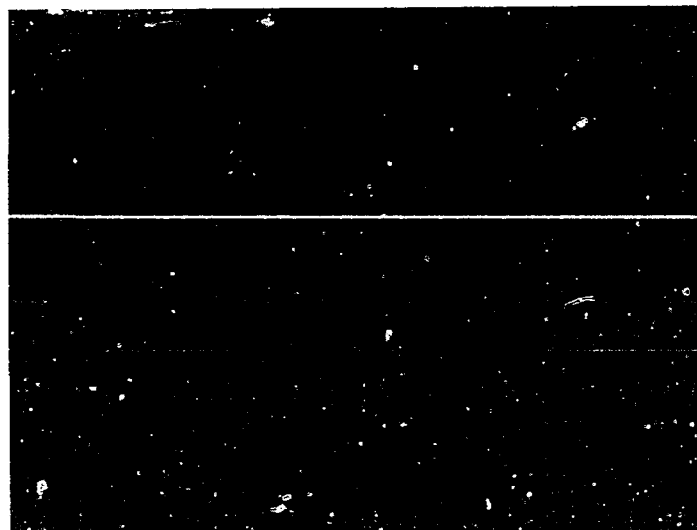
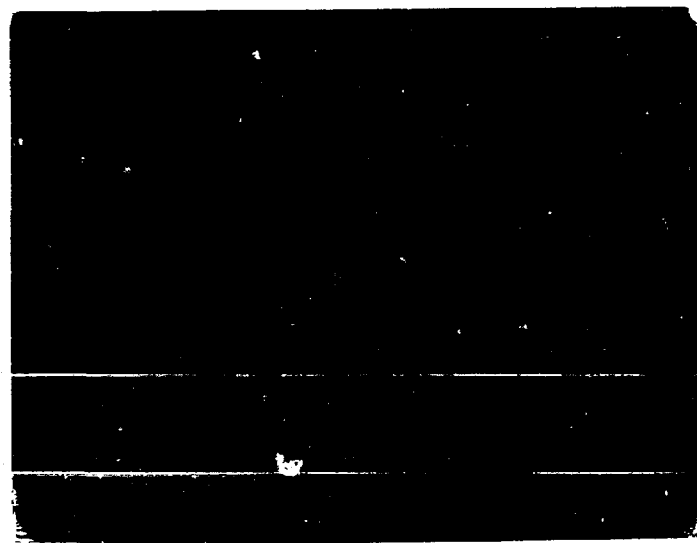
NAME	REPRESENTING	LOCATION
Paul W. Burchell	El Paso Natural Gas Co.	El Paso, TX
DAVID T. BORTSON	EL PASO NATURAL GAS CO.	El Paso, TX
DE LASSO LOOS	BLACKWOOD & NICHOLS CO., LTD.	DURANGO, CO.
W. F. Kellahin	Kellahin & Kellahin	Santa Fe NM
William L. Egan	Campbell + Byrd + Black	Santa Fe, N.M.
R. M. Kihlstrom	Roeck & Stenson	Roswell, NM
David S. Harle	Head & Stevens	Roswell, NM
Harry H. Luccock	U.S.G.S.	Albuquerque
Hugh Ingram	Conoco Inc.	Hobbs
Larry Scott	Conoco, Inc.	Hobbs
Jesoe Sprague	Conoco, Inc.	Hobbs
Levy Lippman	El Paso Natural Gas	El Paso, TX
East Bank	El Paso Exploration Co.	Farmington, NM
East Matherale	El Paso Natural Gas	El Paso, TX
Levy R. Kipatov	Montgomery & Anderson	Fort St. NM
Huan Pham	ARCO	Midland, TX
Thomas D. Mitrani	ARCO	Midland, TX
Scott J. Glaser	Sun Texas Co.	Midland TX

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date MARCH 11, 1981 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Chung	OCD	Albuquerque
Larry Brooks	OCD	ARTESIA,
Allen Harvey	ARCO	Midland
Ed Jones	SOUTHLAND ROYALTY	MIDLAND
Royce E. Lawson Jr	Dinero Operating Co.	"
Russel Ransland	" "	"
Bill Simmons	" "	"
Ed Welling	SOUTHLAND ROYALTY	MIDLAND
Wm. P. Aycock	Radtke, Aycock & Assoc. Inc	Midland
D. H. Pace	Threshold Development Co.	Midland Tx
Robert D. Higgins	U.S.G.S	Albuquerque



Re-Spd 7/7/54
F. Loc. 75/N; 120/E Elev. Spd. 11/4/53 Comp. 4/21/54 TD. 456 PB
Casing S. 8 @ 140 W set. Sx. Int. @ W Sx. Pr. 7 @ 445 W set. Sx. T. @
Csg. Perf. Plugged and Abandoned

Plugged and Abandoned

I.P.	RO/D MCF/D After	Hrs. Sic. P.	PSI After	Days GOR	Grav.	1st Del.						
	TOPS	NITD		Well Log		TEST			DATA			
Kirtland		C-102		Plat		Schd.	PC	Q	PW	PD	D	AIL
Fruitland		C-103		Electric Log								
Pictured Cliffs		C-104		C-110								
Cliff House												
Menefee				Remarks								
Point Lookout				Plugged and Abandoned 4/21/54								
Mancoas				Re-spudded 7/7/54. May drill to 1000'.								
Tecito												
Dakota												
Morrison												
Entrada												

No. Drilling
if well
is spudded.

Red Mtn MV McKinley S 29 T 20N R 9W U B Oper. Grier Lse. Red Mtn No. 10

F. Loc. 100/N; 2475/E Elev. Spd. 12-24-54 Comp. 5-25-55 ID. PB.
Casing S. @ W Sx. Int. @ W Sx. Pr. 5 1/2 @ 439 W Sx. 1.2 @ 443
Csg. Perf. Prod. Stim.

A
A
N
S

80/D																					
I.P.		MCF/D After		Hrs.		SICP		PSI After		Days GOR		Grav.		1st Del.							
TOPS		NITD		X		Well Log		TEST DATA													
Kirtland		C-103				Plat		Schd.		PC		Q		PW		PD		D		Ref.No.	
Fruitland		C-104				Electric log															
Pictured Cliffs						C-122															
Cliff House		Ditr				Dfo															
Menefee		Dolr				Dac															
Point Lookout		T. A.																			
Moncos																					
Gallup																					
Sandoz																					
Greenhorn																					
Dakota																					
Morrison																					
Entrada																					

Red Mt. Co. McK S 29 T 20N R 9W U B Oper. Marjory M. Grier Lse. Red Mountain No. 7

F. Loc. 450/N; 1530/E Elev. 6500 DF. Spd. 10/2/54 Comp. 10/18/54 ID. 503 PB.
Casing S. 5 1/2 @ 459 W Sx. Int. @ W Sx. Pr. @ W Sx. T. @
Csg. Perf. Prod. Stim. T. A.

RO/D
MCF/D After

Hrs. Sic. P.

PSI After

Days GOR

Grav.

1st Del.

f
a
n
s

TOPS	NITD	/	Well Log	TEST	DATA						
				Schd.	PC	Q	PW	PD	D	AIL	
Kirtland	C-102		Plat								
Fruitland	C-103		Electric Log								
Pictured Cliffs	C-104		C-110								
Cliff House											
Menefee											
Point Lookout											
Mancoas											
Tecito											
Dakota											
Morrison											
Entrada											

Remarks

S. H.

BEFORE EXAMINER STATE'S

OIL CONSERVATION DIVISION

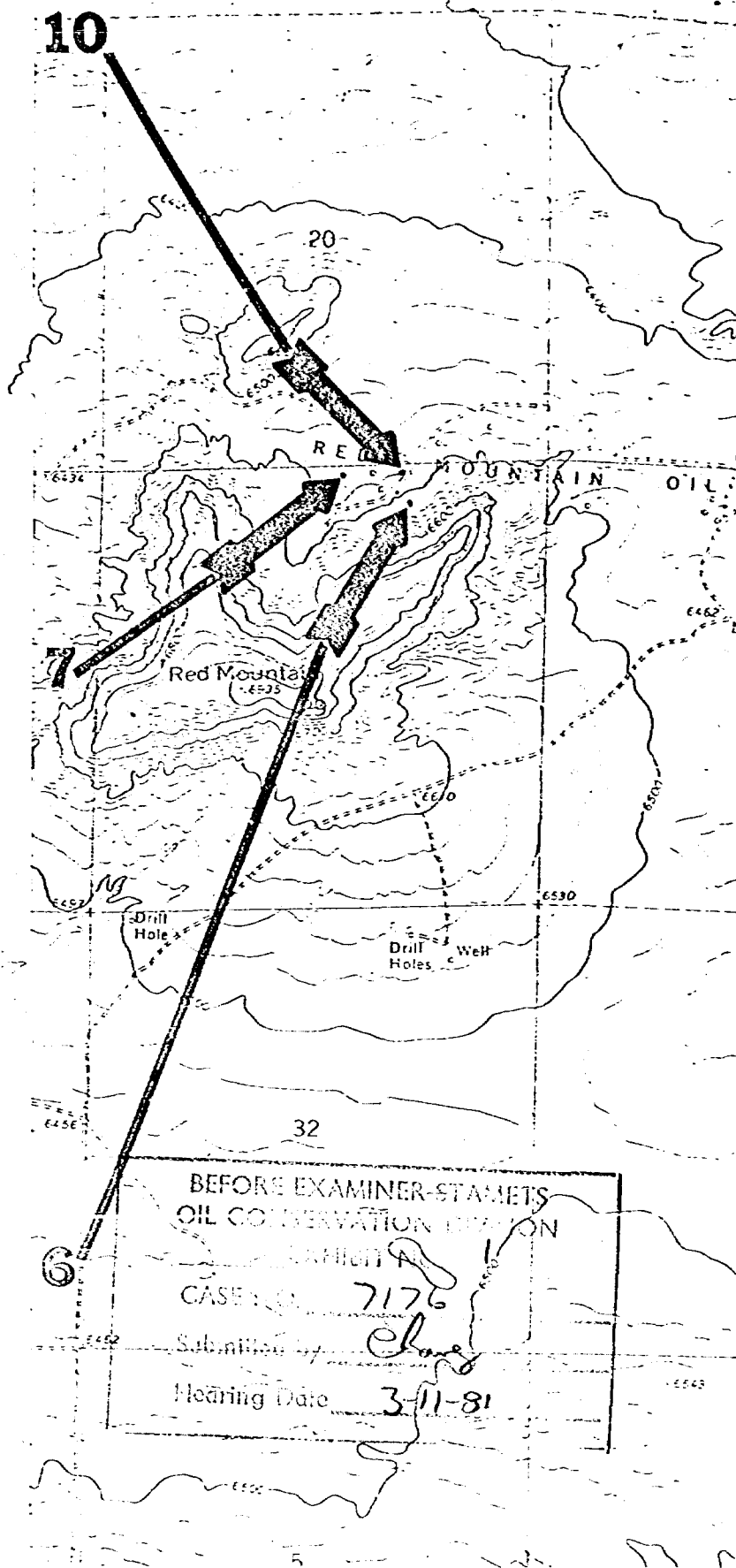
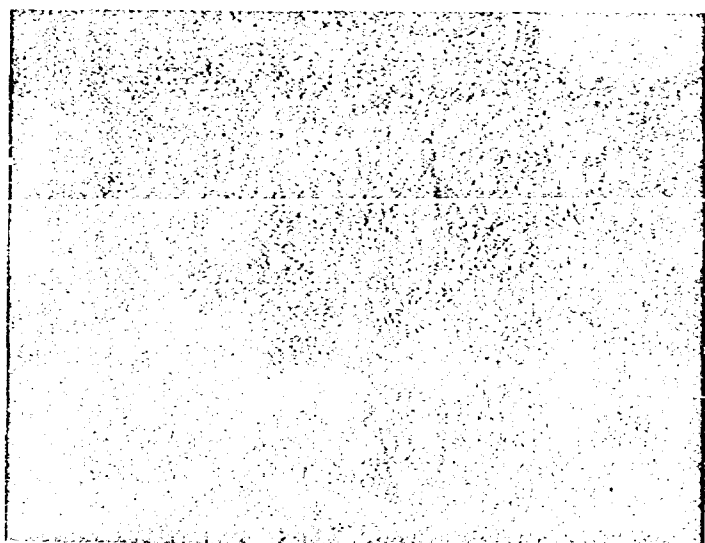
EXHIBIT NO. 2

CL. NO. 7176

C. H. Grier

11-81

Red Mt. Co. McK S 29 T 20N R 9W U B Oper. Marjory M. Grier Lse. Red Mountain No. 7



75/N; 1720/E Elev. 11/4/53 Spd. 4/21/54 TD. 456 PB
Casing S. 8 @ 140 W set Sx. Int. @ W Sx. Pr. 7 @ 145 W set Sx. T. @
Csg. Perf. Plugged and Abandoned

BO/D MCF/D After Hrs. Sic. P. PSI After Days GOR Grav. 1st Del.

TOPS	NITD	Well Log	TEST				DATA			
			Schd.	PC	Q	PW	PD	D	AIL	
Kirtland	C-102	Plat								
Fruitland	C-103	Electric Log								
Pictured Cliffs	C-104	C-110								
Cliff House										
Menefee										
Point Lookout										
Manco										
Tecito										
Dakota										
Morrison										
Entrada										

Remarks: Plugged and Abandoned 4/21/54
Re-spudded 7/7/54. May drill to 1000'.
*no. Plugging
11/4/53
re-spud.*

Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.
Red Mtn MV McKinley 29 20N R 9W IL B Oper. 10 Grier Red Mtn No. 10

100/N; 2475/E Elev. 12-24-54 Comp. 5-7-55 TD. PB
Casing S. @ W Sx. Int. @ W Sx. Pr. 5 1/2 @ 439 W Sx. T. 2 @ 1443
Csg. Perf. Prod. Stim.

BO/D MCF/D After Hrs. SICP PSI After Days GOR Grav. 1st Del.

TOPS	NITD	Well Log	TEST DATA					
			Schd.	PC	Q	PW	PD	D
Kirtland	C-103	Plat						
Fruitland	C-104	Electric Log						
Pictured Cliffs		C-122						
Cliff House	Ditr	Dfo						
Menefee	Datr	Dac						
Point Lookout								
Manco								
Gallup								
Sonossee								
Greenhorn								
Dakota								
Morrison								
Entrada								

Remarks: T. A.

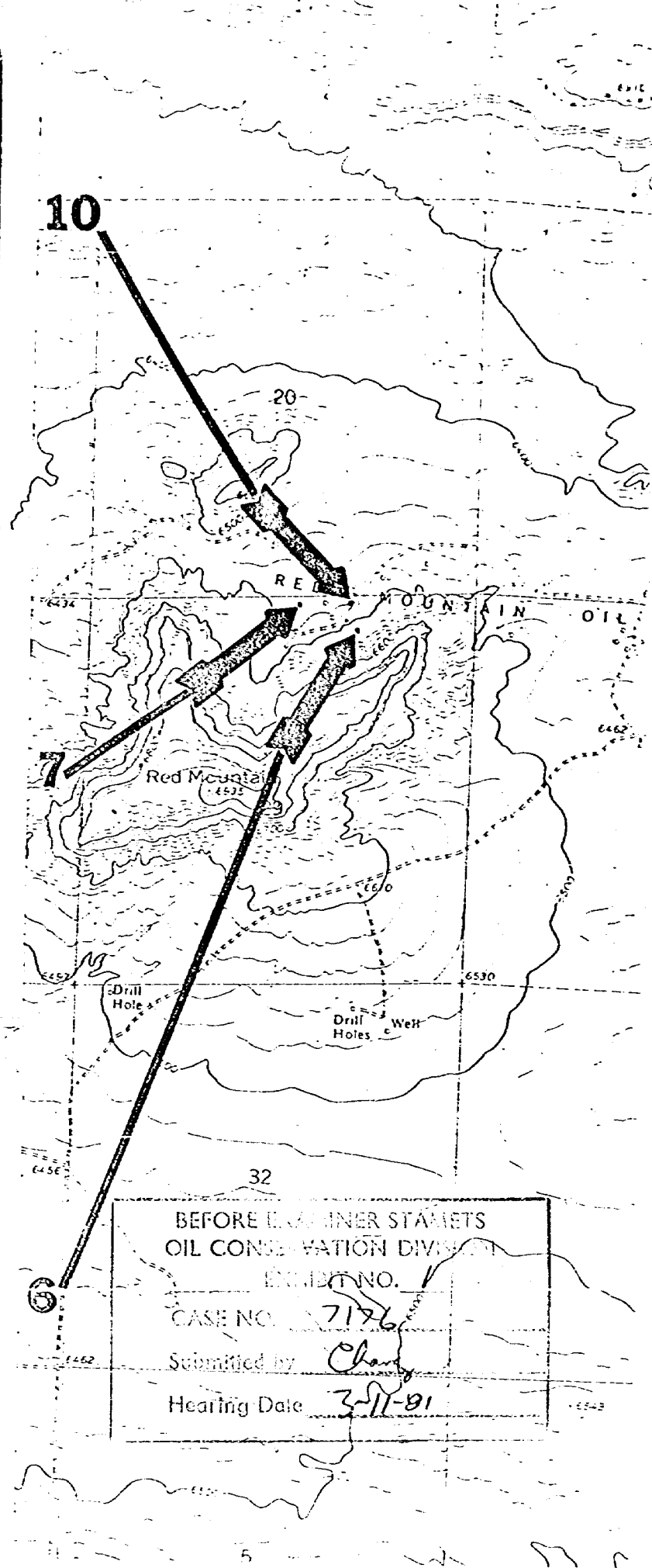
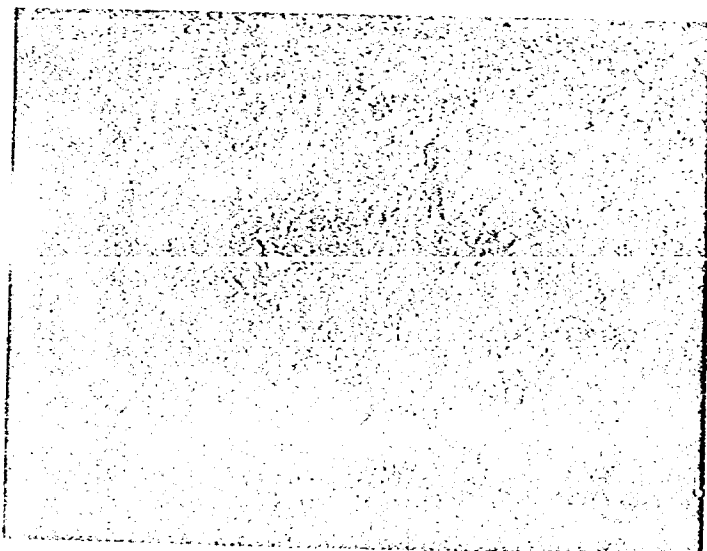
Red Mt. Co. MCK 29 20N R 9W UB Oper. Marjory M. Grier Red Mountain No. 7

150/N; 1530/E Elev. 6500 DE Spd. 10/2/54 Comp. 10/18/54p 503 PB
Casing S. 5 1/2 @ 459 W Sx. Int. @ W Sx. Pr. @ W Sx. T. @
Csg. Perf. Prod. Stim.

BO/D MCF/D After Hrs. Sic. P. PSI After Days GOR Grav. 1st Del.

TOPS	NITD	Well Log	TEST				DATA			
			Schd.	PC	Q	PW	PD	D	AIL	
Kirtland	C-102	Plat								
Fruitland	C-103	Electric Log								
Pictured Cliffs	C-104	C-110								
Cliff House										
Menefee										
Point Lookout										
Manco										
Tecito										
Dakota										
Morrison										
Entrada										

Remarks: BEFORE EXAMINER'S USE
OIL COMPANY VARIATION
EXHIBIT NO. 2
CASE NO. 7176
Submitted by [Signature]
Receiving Date 7-11-31



Exhibits 1 and 2

0770

Re-Spd 7/7/54

F. Loc. 75/N; 120/E Elev. 12-4-54 Spd. 4/21/54 Comp. 456 PB.
 Casing S. 8 @ 140 W set St. Int. @ W St. Pr. 7 @ 445 W set St. T. @
 Csg. Perf. Prod. Stim.

Plugged and Abandoned

I.P. BO/D MCF/D After Hrs. Sic. P. PSI After Days GOR Grav. 1st Del.

TOPS	NIID	Well Log	TEST	DATA
Kirland	C-102	Plot	Schd.	PC Q PW PD D AIL
Fruitland	C-103	Electric Log		
Pictured Cliffs	C-104	C-110		
Cliff House				
Mendee				
Point Lookout				
Mancos				
Tocito				
Dakota				
Morrison				
Entrada				

Remarks
 Plugged and Abandoned 4/21/54
 Re-spudded 7/7/54. May drill
 to 1000'.

*No. Plugging
 after
 re-spud.*

Red Mtn MV McKinley 29 20N 9W 11 B Grier Red Mtn No. 10

F. Loc. 100/N; 2475/E Elev. 12-24-54 Spd. 5-25-55 Comp. 443 PB.
 Casing S. @ W St. Int. @ W St. Pr. 5 1/2 @ 439 W St. T. 2 @ 443
 Csg. Perf. Prod. Stim.

I.P. BO/D MCF/D After Hrs. SICP PSI After Days GOR Grav. 1st Del.

TOPS	NIID	Well Log	TEST DATA
Kirland	C-103	Plot	Schd. PC Q PW PD D Ref. No.
Fruitland	C-104	Electric Log	
Pictured Cliffs		C-122	
Cliff House	Ditr	Dfo	
Mendee	Dotr	Doc	
Point Lookout			
Mancos			
Gallup			
Sonstee			
Greenhorn			
Dakota			
Morrison			
Entrada			

T. A.

Red Mt. Co. McK 29 20N 9W 11 B Grier Red Mountain No. 7

F. Loc. 450/N; 1530/E Elev. 6500 DE Spd. 10/2/54 Comp. 10/18/54 503 PB.
 Casing S. 5 1/2 @ 459 W St. Int. @ W St. Pr. @ W St. T. @
 Csg. Perf. Prod. Stim.

I.P. BO/D MCF/D After Hrs. Sic. P. PSI After Days GOR Grav. 1st Del.

TOPS	NIID	Well Log	TEST	DATA
Kirland	C-102	Plot	Schd.	PC Q PW PD D AIL
Fruitland	C-103	Electric Log		
Pictured Cliffs	C-104	C-110		
Cliff House				
Mendee				
Point Lookout				
Mancos				
Tocito				
Dakota				
Morrison				
Entrada				

BEFORE MAINER STAMPS
 OIL CONSERVATION DIV
 EXHIBIT NO. 2

CASINO 7176

Sealed by [Signature]

Dec 11 1951

Dockets Nos. 12-81 and 13-81 are tentatively set for March 25 and April 8, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 11, 1981

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:

ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for April, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7176: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Marjory M. Grier, U. S. Casualty Company of New York, and all other interested parties to appear and show cause why the Red Mountain Wells Nos. 6, 7, and 10, all located in Unit B of Section 29, Township 20 North, Range 9 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7177: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Henry S. Birdseye and all other interested parties to appear and show cause why the State Well No. 10-2 in Unit G of Section 10, Township 19 North, Range 10 West, McKinley County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7178: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Noland and Wells and all other interested parties to appear and show cause why the Reinhardt Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7179: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit "26" Oil Company and all other interested parties to appear and show cause why the Jackson Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7180: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Vincent and Goodrum and all other interested parties to appear and show cause why the Refinery Hare Well No. 1 in Unit A of Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 7181: Application of Read & Stevens, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Hernandez Draw Unit Area, comprising 2,560 acres, more or less, of Federal, State, and Fee lands in Townships 4 and 5 South, Ranges 26 and 27 East.

CASE 7182: Application of Wiser Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Downes A Well No. 5 to be drilled in the approximate center of the SW/4 of Section 32, Township 21 South, Range 3' East, Penrose Skelly Pool.

CASE 7183: Application of Flag-Redfern Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Osudo St. Com Well No. 2 at an unorthodox location 990 feet from the North and East lines of Section 18, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool.

CASE 7147: (Readvertised)

Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to test all Pennsylvanian formations to be drilled 1650 feet from the South line and 660 feet from the East line of Section 35, Township 18 South, Range 25 East, the S/2 of said Section 35 to be dedicated to said well and to applicant's "JX" Well No. 2 located in Unit N.

CASE 7184: 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 Morrow formation underlying the E/2 of Section 13, Township 17 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7185: Application of El Paso Exploration Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco Mesaverde and Basin-Dakota production in the wellbore of its Turner Hughes Well No. 17 located in Unit II of Section 10, Township 27 North, Range 9 West.

CASE 7161: (Continued from February 25, 1981, Examiner Hearing)

Application of John Yuronka for four compulsory poolings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations 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, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 7164: (Continued from February 25, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Ellenburger formations, Custer Field, underlying the N/2 of Section 6, Township 25 South, Range 37 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7165: (Continued from February 25, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langley-Ellenburger Pool underlying the N/2 of Section 33, Township 22 South, Range 36 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7175: (Continued from February 25, 1981, Examiner Hearing)

Application of Conoco Inc. for compulsory pooling and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Ellenburger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location and dually completed in the Devonian and Ellenburger formations. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7186: Application of Sun Texas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the interval from 10,856 feet to 11,370 feet in its State C Account 1 Well No. 3 in Unit L of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool.

CASE 7187: Application of Blackwood & Nichols Co., Ltd. for four non-standard proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following four Fruitland and Pictured Cliffs non-standard gas proration units: a 185.68-acre unit comprising the SW/4 of Section 1, Township 31 North, Range 7 West; a 181.4-acre unit comprising the SE/4 of said Section 1; a 176.68-acre unit comprising the SW/4 of Section 6, Township 31 North, Range 6 West; and a 175.21-acre unit comprising the SE/4 of said Section 6. All units are to be dedicated to wells drilled at standard locations thereon.

CASE 7188: Application of Blackwood & Nichols Co., Ltd. for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Northeast Blanco Unit Well No. 26-A, the surface location of which is 1160 feet from the North line and 60 feet from the West line of Section 8, Township 30 North, Range 7 West, and directionally drill said well in such a manner as to bottom it in the Mesaverde formation within 100 feet of a point 1190 feet from the North line and 790 feet from the West line of said Section 8, the W/2 of the section to be dedicated to the well; applicant further seeks authority to drill its Northeast Blanco Unit Well No. 32-A, the surface location of which is 1450 feet from the North line and 990 feet from the East line of Section 7, Township 30 North, Range 7 West, and directionally drill said well in such a manner as to bottom it in the Mesaverde formation within 100 feet of a point 1850 feet from the South line and 990 feet from the East line of said Section 7, the E/2 of the section to be dedicated to the well.

CASE 7170: (Continued from February 25, 1981, Examiner Hearing)

Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East.

CASE 7189: Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Conoco 7 State Well No. 1 in Unit N of Section 7, Township 19 South, Range 29 East.

CASE 7190: Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka formation for its Conoco 10 State Com. Well No. 1 in Unit I of Section 10, Township 19 South, Range 29 East.

CASE 7191: Application of Southland Royalty Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location in the Potash-Oil Area of its State "14-A" Com. Well No. 1 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, Turkey Track Field.

CASE 7192: Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Parkway A State Com. Well No. 1 in Unit H of Section 15, Township 19 South, Range 29 East.

CASE 7193: Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Com. Well No. 1 in Unit E of Section 14, Township 19 South, Range 29 East.

CASE 7194: Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Parkway State Well No. 1 located in Unit K of Section 15, Township 19 South, Range 29 East.

CASE 7195: Application of Southland Royalty Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its State 14 Well No. 1-A in Unit B of Section 14, Township 19 South, Range 29 East.

CASE 7196: Application of Dinero Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 1980 feet from the North line and 660 feet from the West line of Section 15, Township 22 South, Range 28 East, Pennsylvania formation, the N/2 of said Section 15 to be dedicated to the well.

CASE 7153: (Readvertised)

Application of C & E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7197: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Bilbrey-Morrow Gas Pool. The discovery well is Getty Oil Company Getty 32 State Com Well No. 1 located in Unit G of Section 32, Township 21 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 32: E/2

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the East Grama Ridge-Strawn Gas Pool. The discovery well is Minerals, Inc. Llano "J" State Com Well No. 1 located in Unit H of Section 3, Township 22 South, Range 34 East, NNPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NNPM
Section 3: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Lera-Morrow Gas Pool. The discovery well is John L. Cox Proctor Well No. 1 located in Unit D of Section 7, Township 11 South, Range 32 East, NNPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NNPM
Section 7: W/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the East Triste Draw-Wolfcamp Pool. The discovery well is Getty Oil Company State 29 J Well No. 1 located in Unit J of Section 29, Township 24 South, Range 33 East, NNPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NNPM
Section 29: SE/4

(e) EXTEND the Airstrip-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NNPM
Section 36: NW/4

(f) EXTEND the Arkansas Junction-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NNPM
Section 30: NW/4

(g) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NNPM
Section 1: SE/4 SW/4

(h) EXTEND the Bunker Hill-Penrose Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NNPM
Section 13: SW/4 SW/4

(i) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NNPM
Section 10: NE/4

(j) EXTEND the vertical limits of the Comanche Stateline Tansill-Yates-Seven Rivers Pool in Lea County, New Mexico, to include the Queen formation and redesignate said pool to Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NNPM
Section 27: SW/4

(k) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NNPM
Section 26: NW/4
Section 27: S/2 NE/4

(l) EXTEND the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NNPM
Section 22: W/2 SW/4 and SW/4 NW/4
Section 27: NW/4 NW/4

- (m) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy and Chaves Counties, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 34: S/2

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 15: N/2
Section 16: N/2

- (n) EXTEND the Diamond Mound-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 6: Lots 1, 2, 7, 8, 9, 10,
15 and 16

- (o) EXTEND the Dublin Ranch-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 21: E/2
Section 28: All

- (p) EXTEND the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 8: E/2
Section 9: W/2
Section 16: W/2
Section 17: All

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 23: W/2

- (r) EXTEND the L.E. Ranch-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM
Section 29: S/2 NW/4
Section 30: S/2 NE/4

- (s) EXTEND the Linda-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
Section 30: NW/4 SE/4 and SW/4 NE/4

- (t) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 24: S/2

- (u) EXTEND the East Millman-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 22: W/2 SE/4
Section 27: NW/4 NE/4 and NE/4 NW/4

- (v) EXTEND the Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 14: All

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 30: S/2
Section 31: All

- (x) EXTEND the Penasco Draw Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 2: E/2

(y) EXTEND the Railroad Mountain-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM
Section 35: SW/4 SW/4

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 2: W/2 NW/4

(z) EXTEND the East Siete-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 10: SE/4
Section 11: SW/4

(aa) EXTEND the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 32: W/2 SW/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM
Section 12: N/2 NE/4

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM
Section 6: N/2 N/2

(bb) EXTEND the Warren-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 29: SE/4
Section 32: E/2

(cc) EXTEND the Weir-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 15: NE/4



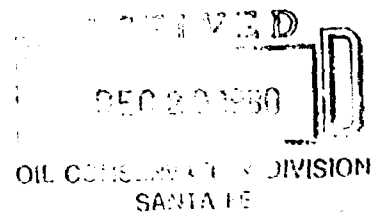
BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

December 19, 1980

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

Mr. Ernest Padilla
Oil Conservation Division
P.O. Box 2088
Santa Fe, N.M. 87501



Re: Forced plugging cases

Dear Ernie:

Case 7176

Please docket the following forced plugging cases:

- ✓ 1. A case calling Marjory M. Grier, U.S. Casualty Company of New York and all other interested parties to appear and show cause why the Red Mountain #6, #7 and #10, all in Unit B, Section 29, Township 20 North, Range 9 West, McKinley County, should not be plugged and abandoned in accordance with a Division approved plugging program.
2. A case calling Henry S. Birdseye and all other interested parties to appear and show cause why the State #10-2 located in Unit G, Section 10, Township 19 North, Range 10 West, McKinley County, should not be plugged and abandoned in accordance with a division approved plugging program.
3. A case calling Noland and Wells and all other interested parties to appear and show cause why the Reinhardt #1 located in Unit A, Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a division approved plugging program.
4. A case calling "26" Oil Company and all other interested parties to appear and show cause why the Jackson #1 located in Unit A, Section 21, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a division approved plugging program.

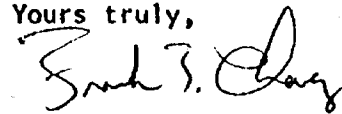
Please docket
ZH

Mr. Ernest Padilla - continued

5. A case calling Vincent and Goodrum and all other interested parties appear and show cause why the Refinery Hare #1 located in Unit A, Section 21, Township 29 North, Range 11 West, San Juan County should not be plugged and abandoned in accordance with a division approved plugging program.

If you have any questions please contact this office.

Yours truly,

A handwritten signature in cursive script, appearing to read "Frank T. Chavez".

Frank T. Chavez
District Supervisor

FTC/ls

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. 7176

Order No. R- 6628

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT MARJORY M. GRIER, U. S.
CASUALTY COMPANY OF NEW YORK, AND ALL OTHER INTERESTED PARTIES
TO APPEAR AND SHOW CAUSE WHY THE RED MOUNTAIN WELLS NOS. 6, 7,
AND 10, ALL LOCATED IN UNIT B OF SECTION 29, TOWNSHIP 20 NORTH,
RANGE 9 WEST, MCKINLEY COUNTY, 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 March 11
1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of March, 19 81, 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 Marjory M. Grier is the owner and
operator of the Red Mountain Wells Nos. 6, 7, and 10, all xxx
located in Unit B of Section 29, Township 20 North
Range 9 West, NMPM, McKinley County, New Mexico.

(3) That U. S. Casualty Company of New York is the
surety on the Oil Conservation Division plugging bond on which
Marjory M. Grier 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 Red Mountain Wells Nos. 6, 7, and 10 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 June 1 April 15, 19 81, or the well should be returned to active drilling status or placed on production.

IT IS THEREFORE ORDERED:

(1) That Marjory M. Grier and U. S. Casualty Company of New York are hereby ordered to plug and abandon the Red Mountain Wells Nos. 6, 7, and 10, all located in Unit B of Section 29, Township 20 North Range 9 West, NMPM, McKinley County, New Mexico, or in the alternative, to return the well to active drilling status or place the well on production on or before June 1 April 15, 19 81.

(2) That Marjory M. Grier and U. S. Casualty Company of New York, 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.

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

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. 7176
Order No. R-6628

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO PERMIT MARJORY M. GRIER, U. S.
CASUALTY COMPANY OF NEW YORK, AND ALL OTHER INTERESTED PARTIES
TO APPEAR AND SHOW CAUSE WHY THE RED MOUNTAIN WELLS NOS. 6, 7,
AND 10, ALL LOCATED IN UNIT B OF SECTION 29, TOWNSHIP 20 NORTH,
RANGE 9 WEST, MCKINLEY COUNTY, SHOULD NOT BE PLUGGED AND ABAN-
DONED 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 March 11, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of April, 1981, 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 Marjory M. Grier is the owner and operator of the
Red Mountain Wells Nos. 6, 7, and 10, all located in Unit B of
Section 29, Township 20 North, Range 9 West, NMPM, McKinley
County, New Mexico.

(3) That U. S. Casualty Company of New York is the surety
on the Oil Conservation Division plugging bond on which Marjory
M. Grier 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. 7176
Order No. R-6628

(5) That in order to prevent waste and protect correlative rights said Red Mountain Wells Nos. 6, 7, and 10 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 April 15, 1981, or the wells should be returned to active drilling status or placed on production.

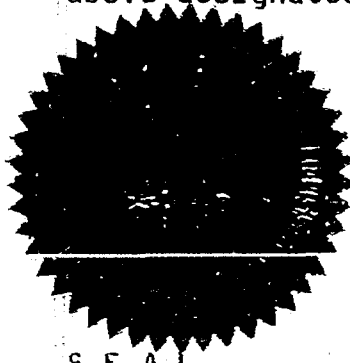
IT IS THEREFORE ORDERED:

(1) That Marjory M. Grier and U. S. Casualty Company of New York are hereby ordered to plug and abandon the Red Mountain Wells Nos. 6, 7, and 10, all located in Unit B of Section 29, Township 20 North, Range 9 West, NMPM, McKinley County, New Mexico, or in the alternative, to return the wells to active drilling status or place the wells on production on or before April 15, 1981.

(2) That Marjory M. Grier and U. S. Casualty Company of New York, 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.

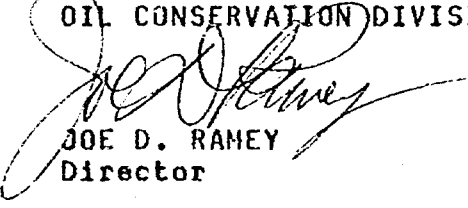
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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