

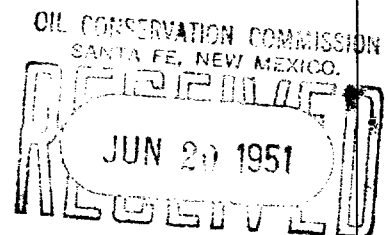
BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

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TRANSCRIPT OF HEARING

Case No. 276.

May 23, 1951.



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ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION

May 23, 1951

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CASE NO. 276: (This is an application of the Oil Commission, upon its own motion for T. W. Bailes to show cause whe he should not plug a well known as San Clemente No. 1, SE/4 SE/4 Section 32, T. 7N, R. 1E, for lack of compliance with the Oil Conservation Commission Rules and Regulations.)

MR. GRAHAM: Case 276. The record will show the witness was sworn and the notice read.

ELVIS A. UTZ,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. GRAHAM:

Q Case 276 is the San Clemente No. 1 in Section 32, SE/4 SE/4, Township 7N, Range 1 E, in Valencia County. Because of the connection between these two cases, I will ask Mr. Utz to state whether or not he made an investigation to determine whether the same rig that was over the hole in Section 5-6N-1E is the same rig that is now located in Section 32-7N-1E?

A Yes, it is definitely the same rig.

Q There is nothing in the record to indicate they obtained the authority of the Commission to move that rig or to file a location at the site of the rig in Section 32?

A No, we have received no application for a permit to drill, bond, or any other request to drill this well. I also have a statement here that might simplify the thing if you want me to read it.

Q If you have a statement, Mr. Utz, please make it.

A The statement is in regard to the San Clemente No. 1 in Section 32, SE/4 SE/4, Township 7N, 1E. This case and location is as reported by the Oil News of April 5, 1951. As there are no records available as to either case or location in the Commission's office. Also, according to the Oil News, this well was spudded March 15th, 1951. An inspection of this well on April 8, 1951, confirmed it had been spudded and 10 and 3/4 inch surface casing was in the process of being set. From the amount of drill pipe stacked in the derrick, I estimated the total depth to be about 180 feet. In view of the breach of the Oil Commission's rules, the well was shut down by posting proper notice on the rig floor, April 8, 1951. The specific reasons for this shut down order was no plugging bond has been filed with the Commission, no C-101 notice of intention to drill was filed, no surveys plat was filed as is required for all wildcat wells. Specific notes regarding the location as follows: A standard rig which is capable of drilling to at least 5000 feet and which is the same rig located or the one used to drill the Rio Grande Community No. 1 in Section 5-6N-1E,

was set up at this location. There is approximately 4800 feet of 3 and 1/2 inch drill pipe on the rack. Approximately 6600 feet of new 7 inch OD casing at the location. There was no prepared in the pits or any evidence that cement had been used in the well bore. That is all.

Q Mr. Utz, what about the surface casing again. What was set there?

A There were in the process of setting 10 and 3/4 inch OD at the time they were shut down.

Q Was anyone present at the time you nailed the notice?

A There was a lady present, whom I took to be the wife of the watchman. And I gave her the story as to why I was shutting them down and posted the notice.

Q Mr. Utz, you have no official information as to the legal difficulties of the purported operators of this project, no Court records from California, do you?

A No, I don't have any official records.

Q All the information you might have--

A (Interrupting) Was either hearsay or it is of record in the Los Angeles Times dated April 26, 1951, to the effect that T. W. Bailes and Elizabeth Y. Sketchley were sentenced to six months in the County Jail with four years probation.

Q That information is based wholly on newspaper reports?

A That is correct. It states in the newspaper report that the pair were accused of selling shares in the Bailes Oil

Company which is the operation under consideration here.

Q Correspondence indicates that these people operated under several different names?

A Yes, they did operate under several different names.

I have here some letters which were apparently--lease forms-- used in his selling of leases which shows the Rio Grande Oil and Gas Lease, which covers an area of Section 5-6N-1E. Another lease form which shows the <sup>Community</sup> Bailes/Oil and Gas lease.

Q Those were merely supplemental copies?

A That is correct. Incidentally, if I may quote one section from this lease. It states that the number of wells to be drilled under this lease shall be one well to 4 acres or as close thereto as may be permitted by the laws of the State of New Mexico and of the U.S.A.

Q In order to prevent the possibility of fire. Mr. Utz, one more question. The files disclose numerous letters from one T. W. Bailes. Is it possible to be sure he wrote them himself? And how were they signed?

A I could, by requesting from the party who furnished me with copies of these letters, photostatic copies of the originals, if that is desired.

Q But any direct correspondence to this office was usually signed by the typewriter, wasn't it.

A Well some of it, not all of it.

MR. GRAHAM: I have nothing further. One more question, Mr. Utz.

Q I hand you here a letter from the Commission. Will you state what that is?

A This letter is a notice from the Commission that she was summoned to this hearing; that the letter is addressed to Elizabeth Y. Sketchley, 106 W. Court Street, Room 363, Los Angeles 15, California, which is the last known address of this person. The letter was registered and returned unopened. Marked, "Moved, no address."

Q Any response in the files from T. W. Bailes?

A We have no response from the notice of this hearing whatsoever.

Q But no return of the notice?

A No.

MR. GRAHAM: Let the record show that these last two cases will be taken under advisement. I have nothing else. Let the record show the letter applies to Case 277.

(Whereupon, the hearing adjourned.)

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STATE OF NEW MEXICO     )  
                              :  
COUNTY OF BERNALILLO   )

I HEREBY CERTIFY that the foregoing and attached transcript before the Oil Conservation Commission in Case No. 276, on May 23, 1951, at Santa Fe, is a true and correct record to the best of my knowledge, skill and ability.

Dated at Albuquerque this 20<sup>th</sup> day of June, 1951.

G. E. Guilson  
Reporter

My commission expires  
August 4, 1952.