

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
March 17, 1955

IN THE MATTER OF:

CASE NO. 812, 813, 814

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 17, 1955

Application of the Commission upon its own motion :
for an order directed to Roy Timmons to appear and : No. 812
show cause why the Kerlin No. 1 Well, SE/4 NW/4 :
34-21N-30E, Harding County, New Mexico, should not :
be ordered plugged. :
: :
: :

Application of the Commission upon its own motion :
for an order directed to Roy Timmons and to American :
Employers Insurance Company to appear and show cause: No. 813
why the Timmons No. 1 Well, SW/4 NE/4 33-21N-30E, :
Harding County, New Mexico, should not be ordered :
plugged. :
: :
: :

Application of the Commission upon its own motion :
for an order directed to Roy Timmons and to :
Fidelity and Deposit Company of Maryland to appear : No. 814
and show cause why the Tixier Well No. 1, SW/4 NE/4 :
2-20N-30E, Harding County, New Mexico, should not :
be ordered plugged. :
: :
: :

BEFORE:

Honorable John Simms, Jr.
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: Without objection Cases 812, 813, and 814, will
be consolidated for the purpose of taking testimony.

MR. KITTS: I have a note here that I would like to read in
the record from Oliver Seth of Seth and Montgomery stating as
follows: Seth and Montgomery appears for the bonding company,
American Employers Insurance Company, in Case No. 813, in response
to the notice of the Commission, we have no information on the
condition of the well but are prepared to carry out the directions
of the Commission as they may be entered in this case so far as

the bond is concerned. Signed Oliver Seth.

EUGENE A. CHAVEZ,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By: MR. KITTS:

Q Will you state your name and position, please.

A Eugene A. Chavez, Oil and Gas Inspector, District Four of the New Mexico Oil Conservation Commission.

Q Mr. Chavez, you are familiar, I believe with Cases 812 through 814, inclusive, is that correct?

A I am.

Q And have you inspected the records of the Commission as they pertain to the wells involved in these cases?

A Yes, I have.

Q Directing your attention first of all, Mr. Chavez, to Kerlin No. 1 Well, Southeast quarter Northwest quarter, Section 34, Township 21 North, Range 30 East, is there any data in the records to show when this well was completed?

A Yes, the well was completed May 15, 1931.

Q As a CO₂ well, carbon dioxide well?

A Yes, sir.

Q You have any further information which was furnished at that time as to the initial potential?

A Well, the well was carried to a total depth of 988 feet and tested 3656 MCF Carbon dioxide per day, the initial potential approximately 40 pounds pressure.

Q Mr. Chavez, do the records show that a plugging bond has ever been filed with the Commission in this case?

A Yes.

Q That was a bond with personal sureties, however, was it not?

A Yes, it was.

Q And when was that filed, do the records show?

A November 27, 1936.

Q Has this operator, Mr. Timmons, ever been notified of his failure to maintain a plugging bond as required by the Commission?

A Yes, he has.

Q And when was that?

A November 8, 1954.

Q And would you review the correspondence on that matter, what occurred, did you ever receive an answer from Mr. Timmons?

A Yes, we received an answer, Mr. Timmons appeared very perplexed over the whole matter, he more or less tried to stall us off.

Q Stating that he would produce a sufficient surety bond, is that right?

A Yes.

Q Now has he ever provided such a bond?

A No.

Q Now Mr. Chavez, going back to a little more history of this well as it may or may not appear in the records, were any production reports filed by this operator on C-114?

A Yes, there were.

Q And will you state how frequently and when?

A Reports were not very religiously filed, the last C-114 on this well was filed in July, 1954.

Q And none have been filed since that time?

A No.

Q And before that time they were filed more or less sporadically, as I understand it?

A Yes.

Q Has this well ever been shut down prior to this time for not reporting production?

A Yes, it has.

Q When was that?

A In April of 1954.

Q For how long a period?

A Well, that is -- at that time it was shut down and it has remained shut down ever since.

Q Since April of 1954?

A Yes.

Q Has any report ever been submitted to the Commission on the plugging or abandonment of this well?

A No.

Q Has there been any notice filed of intention to plug in compliance with Rule 201?

A No, there hasn't.

Q You have any further information as disclosed by the records of the Commission concerning this well that you care to comment on?

A I don't believe so.

Q Mr. Chavez, now turning your attention to Timmons No. 1 Well, located in the southwest quarter of the northeast quarter of Section 33, Township 21 North, Range 30 East, Harding County, was there ever a notice of intention to drill filed in this case?

A Yes.

Q And when was that?

A It was filed December 28, 1944, and approved by the Oil Commission on the same date.

Q Is there any report as to when the well was completed?

A No, we have no data as to the completion date.

Q And you have searched the record for that, have you?

A Yes.

Q Is there any data as to the filing of a plugging bond in this case, has one been filed?

A Yes, there has.

Q Do your records disclose when that was filed?

A Well, it was filed the 20th of December, 1944.

Q And the American Employers Insurance Company is the carrier, is the bonding company there?

A Yes, it is.

Q Now regarding production records on this well, do you have production records, any indication of what this well has produced?

A Well, the last report on file is the C-114 of December, 1952, and it showed a production of approximately 4,800 MCF carbon dioxide.

Q And there has been no production report filed since that time?

A No.

Q Has this deficiency been called to Mr. Timmon's attention to your knowledge?

A Yes, it has.

Q Before 1952 were production reports filed as required by our rules and regulations?

A Yes, they were, sporadically and after much persuasion.

Q But again not on a regular basis as required?

A No.

Q Has there been received by the Commission any notice of intention to plug or abandon this well?

A No.

Q And you state that he has been notified of failure to make proper reports?

A Yes.

Q Is there any further information as divulged by the records that you wish to call to the Commission's attention relative to this well?

A No, aside from the fact that although we don't have a completion date, we do have information that the well had an initial potential of 960 MCF and was carried to a total depth of 930 feet.

Q All right, Mr. Chavez, passing on to the third well involved in these three cases, the Tixier Well No. 1, located in the southwest quarter of the northeast quarter of Section 2, Township 20 North, Range 30 East, Harding County, New Mexico, first of all, when was notice of intention to drill filed in this case?

A Filed August 5, 1938 and approved August 6, 1938, with the

stipulation that a bond, that a proper plugging bond be filed and accepted.

Q Was such a plugging bond ever filed in this case?

A Yes.

Q When was that?

A August 5, 1938.

Q Do the records you have before you divulge when this well was spudded or when it was completed?

A Not definitely, I believe it was some time in August of 1938, and completion date is not known.

Q Is it your belief that the completion date was never reported?

A Yes.

Q Now turning to production reports from this well, have they been submitted and if so on any regular basis?

A They have been submitted but not very regularly.

Q When was the last one submitted approximately, do you know?

A Frankly no, I don't know.

Q Is there a record of many of them having been filed?

A No.

Q Was there ever received by the Commission a notice of intention to work over this well?

A Yes, we have a C-102 dated December of 1947, and approved May of 1948 concerning an intention to work over the well.

Q And do your records show whether the well was worked over?

A We have no records to show any results of the work over job.

Q Do you have much, if any, correspondence or record of

reports from 1947 to 1952?

A None whatsoever.

Q None whatever?

A No, sir.

Q Was this operator ever told that he was delinquent in his reports, production reports and other reports on this well?

A Yes, he was.

Q And when was that, do your records disclose, in 1951?

A No, no, it was by the same letter of March 5, 1954.

Q Do your records disclose any reports submitted in the period from '51 to '54 on this well?

A No.

Q Has there been any correspondence between the -- as divulged by your records there between the Commission and the bonding company in regard to the bond?

A Yes, the bonding company appeared very desirous of effecting a cancellation of the bond.

Q And was an answer made to the bonding company on that, were they told they couldn't cancel the bond or could not --

A (Interrupting) They were told they could not cancel the bond until the principal had complied with our rules and regulations.

Q Mr. Chavez, has there been any further correspondence in the last year to this operator asking him for his well records?

A Yes, there has.

Q And when was that, do your records show?

A The last letter was March 5, 1954.

Q And in response to that request did you receive from the operator his well records?

A Nothing very definite, we received a letter dated August 28, 1954, wherein he gave a rough, very rough summary of the history of the well and stated that he wished to retain the hole as it was at the time until such time as he could deepen or plug back to a shallower pay.

Q Did your request for well records directed to this operator, Mr. Timmons, in August of 1954, did that refer to all three wells we are concerned with here or just this one?

A Yes, it referred to all three wells.

Q And you received skimpy information as to each of them, did you?

A Yes, sir.

Q Has there been any notice of intention to plug and abandon this well?

A No, there hasn't.

Q And the records do not disclose that it has been abandoned or plugged?

A No, they do not.

MR. KITTS: I believe that is all.

MR. MACEY: Any questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. KITTS: Mr. Rhodes, please.

H. N. R H O D E S,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By: MR. KITTS:

Q Will you state your name and position, please.

A H. N. Rhodes, Engineer for the Oil Conservation Commission.

Q Mr. Rhodes, directing your attention to these three wells and first of all to Kerlin No. 1, did you make a trip to the site of this well and inspect the well and the surrounding area?

A On January 5, 1955, Mr. E. A. Chavez, the District Oil and Gas Inspector, and myself went up Bueyeros in Harding County, New Mexico, for the purpose of inspecting the operations of Timmons Carbonic Company and the three wells concerned herein, the Kerlin No. 1 well located in the southwest quarter of the northwest quarter of Section 34, Township 21 North, Range 30 East is situated immediately behind the plant operated by the Timmons Carbonic Company. The inspection of this well showed that a pump jack was in place over the hole, apparently for the purpose of removing water from the well, however, the pump jack was inoperative at the time and had apparently been inoperative for a considerable length of time.

MR. MACEY: You mean had been inoperative for a considerable length of time?

A Yes, isn't that what I said? The polish rod was found to be very badly corroded. There was no prime mover on the pump. There was a slight gas leak through the stuffing box and the well could not be operated without extensive workover operations.

MR. KITTS: The well was not producing?

A The well was definitely not producing. Now a workover

mast was permanently in place over the hole and all valves on the well were apparently closed. I have an exhibit here which consists of two photographs of this well taken from a distance of approximately 20 feet which show the rather bad state of repair in which this well was found and I would like to introduce this as Exhibit 1 in Case 812.

Q Who took that photograph, Mr. Rhodes?

A I took the photograph.

MR. KITTS: We offer in evidence Commission Staff's Exhibit No. 1.

MR. MACEY: Without objection it will be received.

MR. KITTS: Mr. Rhodes, did the well site and the plant appear to be abandoned?

A For all practical purposes they were abandoned, as I say, the Kerlin well immediately behind the plant could not be operated in its present condition. The plant, of course, was shut down and considerable equipment was in place inside the plant.

Q Will you state briefly what this plant consists of?

A It consists of a main building, dimensions approximately 60 feet by 80 feet, inside of which were facilities for the compression and refrigeration of carbon dioxide gas.

Q Was any of this carbon dioxide gas being wasted? You stated, I believe, that there was a leak.

A The leak which occurs through the stuffing box in the Kerlin No. 1 is rather slight and could be considered insignificant.

Q Do you think there is any danger of any further gas being wasted in the future?

A Over a great period of time, yes.

Q You feel this well should be plugged and you feel there is any real danger at the present time?

A I do not feel that there is any particular danger at the present time, however, the well is there, it is not being operated and the physical plant is in such poor condition that I believe it would be advisable to attempt to get Mr. Timmons to work that well over or plug it, if he does not intend to use it further, there is a possibility of danger at some time.

Q Are there any further observations that you care to make regarding this Kerlin No. 1?

A Not with regard to the Kerlin No. 1.

Q All right, Mr. Rhodes, turning your attention to the Timmons No. 1 well, at the same time you made an investigation of that well, did you not?

A Yes, I did, the Timmons No. 1 well, located in the southwest quarter of the northeast quarter of Section 33, Township 21 North, Range 30 East, was found to be in relatively good shape although at the time of inspection all the valves on the wellhead were standing open. Investigation showed that the orbit valve on the wellhead was inoperative and could not be closed. Luckily a gate valve on the flow line existed but was standing open, also. The flow line was charged and a slight leak was noted through a break in an invasion pipe section of the line. Production from this well had apparently been shut in at the master gate at the plant with no attempt to shut the well in at the wellhead. An "A" frame was permanently situated over the well. This well is capable of producing in its present condition. However, a lack

of suitable control equipment at the wellhead makes operation hazardous.

Q What is the condition of the wellhead in that connection, was that in pretty good condition?

A The physical equipment on the well was in good shape with the exception that the orbit valve which serves as your pressure control or as your control at the wellhead was inoperative and about a 75 foot section of the flow line consisted of a rubber impregnated fabric, what we used to call invasion pipe during World War II.

Q What was the condition of the meter, did you observe that?

A A meter was situated at the well, however, it was in no state to speak of, it was very much dilapidated and completely useless.

Q Here again was there anyone present on the premises?

A No one was present.

Q Now this well is very close to the Kerlin No. 1, isn't it?

A It is approximately a half a mile distant.

Q You believe there is any danger of any great leakage from the flow line of this well?

A Mr. Chavez and I shut in the gate valve on the flow line and that gate valve is situated between the well and the section of the line which is composed of invasion pipe. As I say, the wellhead is in pretty good condition and I frankly doubt, what with the low pressures which are encountered up there, that the well could cause any trouble at this time. However, it would be advisable to see to it that Mr. Timmons either repairs that valve on the wellhead or otherwise takes care of the well in such

a manner that the danger of failure in the future will be completely eliminated.

Q Mr. Rhodes, did you take any photograph of that well?

A I have here an exhibit which I wish to introduce which contains two photographs of the Timmons No. 1 well. That will be Exhibit No. 1 in Case 813.

MR. KITTS: We offer Exhibit No. 1 in Case 813.

MR. MACEY: Without objection it will be received in evidence.

MR. KITTS: You have any further comment you wish to make in regard to Timmons No. 1?

A No, I have not.

Q Now passing on to Tixier No. 1, on that same day in January you made an inspection of this well, did you not, Mr. Rhodes?

A Yes, I did. Upon arriving in the Bueyeros area Mr. Chavez took me to a well which had been pointed out to him as the Tixier No. 1 well. This supposed Tixier No. 1 well which we examined was properly plugged with the exception that the cellar or a recently or fairly recently constructed pit nearby was left open. However, after giving the matter a little thought it became apparent that the well, which was pointed out to Mr. Chavez as the Tixier No. 1, could not possibly be the well in question due to the fact that the thing turned out to be in Section 1 instead of in Section 2 of Township 20 North, Range 30 East. Therefore, I took it upon myself to do a little surveying in the area and after becoming situated, in the southwest quarter of the northeast quarter of Section 2, I found two wells in that quarter section about 150

feet apart. It then necessarily followed that one or the other of those two wells was the Tixier No. 1. However, not knowing which of the two was the particular well I have considered them both.

The northernmost of the two holes in this quarter quarter section was found to be wide open to the atmosphere with a wooden plug situated approximately three feet down into the bottom or down into the casing which protruded from the ground. The annulus between the two strings of pipe was open to the atmosphere with the exception of rocks and dirt which had fallen into it serving to plug it up to a greater or lesser degree. Concrete derrick supports were still found around the well and the pits which were employed in the original drilling of the two holes had never been filled but were not dangerous to livestock at this time due to erosion over the years.

Q Was there any leakage, Mr. Rhodes?

A No, Mr. Kitts, there was no leakage whatever. It is doubtful if this well ever contacted or ever drilled into the CO₂ zone.

The second hole in this quarter quarter section was in similar condition. Pipe was protruding some two feet from the ground but the hole had been sitting for so long that a sizeable sink hole had developed around the casing which was protruding. This hole like the other one was plugged with a piece of wood, presumably a fence post. The annulus was also open to the atmosphere and the inside string of pipe -- now I have no idea whether that was the first string, the second string or the third string of pipe -- was capped with a piece of metal which served no useful purpose. There was no sign of any cement at the surface on either

of these two holes. Neither one of these two holes was properly plugged. In fact, neither one of the holes was plugged period.

I have here an exhibit which I would like to enter as exhibit 1 in Case 814, which consists of one photograph of each of the two holes in this quarter quarter section.

Q Those photographs were taken by you?

A These photographs were taken by Mr. Chavez on January 12th. At the time that I managed to find these two holes I didn't have any more film in my camera on that day so I had to send Mr. Chavez back to take some photographs.

Q Were you present?

A No, I was not present. However, I am dead certain that these are the holes because they are readily identifiable from the photograph since I had been to them the previous week.

Q That depicts accurately the holes that you saw, is that right?

A These depict accurately the holes which I found on my first trip up there.

MR. KITTS: We offer in evidence Exhibit 1 in Case 814.

MR. MACEY: Without objection it will be received.

WITNESS: I have also a photograph which depicts the type of flow lines which are employed in this area by Mr. Timmons. I have here a photograph which shows approximately 100 feet of this invasion pipe flow line. This particular line runs from the Timmons plant to a recently drilled well approximately one quarter of a mile to the east of the plant. The entire quarter mile line consists of this, oh, eight inch, more or less, invasion pipe.

I feel that that gives a rather ready indication as to the nature of the operations up here in that this invasion pipe is a long way from being indestructible and just the use of this pipe alone as a flow line may well contribute to the waste of carbon dioxide gas at some future date.

Q Is that similar to the type of flow line used on the Timmons No. 1?

A This is exactly the same line which comprised approximately 75 feet of the half mile flow line on the Timmons No. 1.

I'd like to introduce that as Exhibit 2 in Cases 812, 813 and 814.

MR. MACEY: Without objection it will be received.

MR. KITTS: And this second well you have just spoken of, did it appear to you or could you tell whether that had ever been a producer or not?

A It had apparently never been drilled to the gas zone. I say apparently because there was no evidence to indicate that this --

Q (Interrupting) And here again the well site was abandoned, there was no one present or working around this site?

A That is correct.

MR. KITTS: That is all.

MR. MACEY: Any questions of the witness? Mr. Rhodes, the Commission is faced with the problem of having to decide this -- the Tixier No. 1, now which one do you presume that we should order plugged?

A Since these wells are in the same quarter quarter section,

it is my idea to assume that they were both drilled by friend Timmons, and that he therefore should be held responsible for plugging the wells. Now one or the other of them is apparently not covered by a bond and I should say that if it came to a choice of plugging one or the other but not both, I would plug the northern most well of the two since it appears that the most extensive operations have been carried on in that hole.

MR. MACEY: Do you know whether the well could be accurately surveyed in to determine which well was which?

A Yes, it could, providing, of course, that the well itself had been originally surveyed in accurately.

MR. MACEY: How far apart are the wells?

A Approximately 150 feet.

MR. MACEY: Anyone have anything further? You have anything further? (Witness excused.)

MR. KITTS: No.

MR. MACEY: Take the cases under advisement.

* * * * *

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } ss.

I, MARGARET McCOSKEY, Notary Public and Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 6th day of April, 1955.

My commission expires:
August 15, 1956.

Margaret McCoskey
Notary Public-Court Reporter

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 812, 813, 814

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COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Case No.
812

Case No.
813

Case No.
814

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. W. B. Macey, Secretary

TRANSCRIPT OF PROCEEDINGS

MR. MACEY: The next cases on the docket are Cases 812, 813, and 814.

MR. KITTS: If it please the Commission, on Cases 812, 813, and 814, all involving one operator on the Roy Timmons, we received this telegram yesterday from Mr. Timmons, from St. Louis. "Unable to attend hearing tomorrow on account of sickness. Would appreciate continuance for thirty days. Signed, Roy E. Timmons."

MR. MACEY: I presume Mr. Timmons means until February.

MR. KITTS: Sure, he does.

MR. MACEY: Is there objection to the continuance of Cases 812, 813 and 813 until the February 16th hearing? If not, the cases will be continued until that date.

* * * * *

STATE OF NEW MEXICO)

ss

COUNTY OF BERNALILLO)

I, HELEN PURCELL, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19th day of January, 1955.


Notary Public, Court Reporter

My Commission Expires:

~~June 19, 1955~~

Dec 18, 1957

BEFORE THE

Oil Conservation Commission

SANTA FE, NEW MEXICO

March 17, 1955

IN THE MATTER OF:

CASE NO. 812, 813, 814

*return to
case file
Case # 812*

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

ROOMS 105, 106, 107 EL CORTEZ BUILDING

TELEPHONE 7-9546

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the record from Oliver Seth of Seth and Montgomery stating as
follows: Seth and Montgomery appears for the bonding company,
American Employers Insurance Company, in Case No. 813, in response
to the notice of the Commission, we have no information on the
condition of the well but are prepared to carry out the directions
of the Commission as they may be entered in this case so far as

the bond is concerned. Signed Oliver Seth.

E U G E N E A. C H A V E Z,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By: MR. KITTS:

Q Will you state your name and position, please.

A Eugene A. Chavez, Oil and Gas Inspector, District Four of the New Mexico Oil Conservation Commission.

Q Mr. Chavez, you are familiar, I believe with Cases 812 through 814, inclusive, is that correct?

A I am.

Q And have you inspected the records of the Commission as they pertain to the wells involved in these cases?

A Yes, I have.

Q Directing your attention first of all, Mr. Chavez, to Kerlin No. 1 Well, Southeast quarter Northwest quarter, Section 34, Township 21 North, Range 30 East, is there any data in the records to show when this well was completed?

A Yes, the well was completed May 15, 1931.

Q As a CO₂ well, carbon dioxide well?

A Yes, sir.

Q You have any further information which was furnished at that time as to the initial potential?

A Well, the well was carried to a total depth of 988 feet and tested 3656 MCF Carbon dioxide per day, the initial potential approximately 40 pounds pressure.

Q Mr. Chavez, do the records show that a plugging bond has ever been filed with the Commission in this case?

A Yes.

Q That was a bond with personal ~~sureties~~, however, was it not?

A Yes, it was.

Q And when was that filed, do the records show?

A November 27, 1936.

Q Has this operator, Mr. Timmons, ever been notified of his failure to maintain a plugging bond as required by the Commission?

A Yes, he has.

Q And when was that?

A November 8, 1954.

Q And would you review the correspondence on that matter, what occurred, did you ever receive an answer from Mr. Timmons?

A Yes, we received an answer, Mr. Timmons appeared very perplexed over the whole matter, he more or less tried to stall us off.

Q Stating that he would produce a sufficient surety bond, is that right?

A Yes.

Q Now has he ever provided such a bond?

A No.

Q Now Mr. Chavez, going back to a little more history of this well as it may or may not appear in the records, were any production reports filed by this operator on C-114?

A Yes, there were.

Q And will you state how frequently and when?

A Reports were not very religiously filed, the last C-114 on this well was filed in July, 1954.

Q And none have been filed since that time?

A No.

Q And before that time they were filed more or less sporadically, as I understand it?

A Yes.

Q Has this well ever been shut down prior to this time for not reporting production?

A Yes, it has.

Q When was that?

A In April of 1954.

Q For how long a period?

A Well, that is -- at that time it was shut down and it has remained shut down ever since.

Q Since April of 1954?

A Yes.

Q Has any report ever been submitted to the Commission on the plugging or abandonment of this well?

A No.

Q Has there been any notice filed of intention to plug in compliance with Rule 201?

A No, there hasn't.

Q You have any further information as disclosed by the records of the Commission concerning this well that you care to comment on?

A I don't believe so.

Q Mr. Chavez, now turning your attention to Timmons No. 1 Well, located in the southwest quarter of the northeast quarter of Section 33, Township 21 North, Range 30 East, Harding County, was there ever a notice of intention to drill filed in this case?

A Yes.

Q And when was that?

A It was filed December 28, 1944, and approved by the Oil Commission on the same date.

Q Is there any report as to when the well was completed?

A No, we have no data as to the completion date.

Q And you have searched the record for that, have you?

A Yes.

Q Is there any data as to the filing of a plugging bond in this case, has one been filed?

A Yes, there has.

Q Do your records disclose when that was filed?

A Well, it was filed the 20th of December, 1944.

Q And the American Employers Insurance Company is the carrier, is the bonding company there?

A Yes, it is.

Q Now regarding production records on this well, do you have production records, any indication of what this well has produced?

A Well, the last report on file is the C-114 of December, 1952, and it showed a production of approximately 4,800 MCF carbon dioxide.

Q And there has been no production report filed since that time?

A No.

Q Has this deficiency been called to Mr. Timmon's attention to your knowledge?

A Yes, it has.

Q Before 1952 were production reports filed as required by our rules and regulations?

A Yes, they were, sporadically and after much persuasion.

Q But again not on a regular basis as required?

A No.

Q Has there been received by the Commission any notice of intention to plug or abandon this well?

A No.

Q And you state that he has been notified of failure to make proper reports?

A Yes.

Q Is there any further information as divulged by the records that you wish to call to the Commission's attention relative to this well?

A No, aside from the fact that although we don't have a completion date, we do have information that the well had an initial potential of 960 MCF and was carried to a total depth of 930 feet.

Q All right, Mr. Chavez, passing on to the third well involved in these three cases, the Tixier Well No. 1, located in the southwest quarter of the northeast quarter of Section 2, Township 20 North, Range 30 East, Harding County, New Mexico, first of all, when was notice of intention to drill filed in this case?

A Filed August 5, 1938 and approved August 6, 1938, with the

stipulation that a bond, that a proper plugging bond be filed and accepted.

Q Was such a plugging bond ever filed in this case?

A Yes.

Q When was that?

A August 5, 1938.

Q Do the records you have before you divulge when this well was spudded or when it was completed?

A Not definitely, I believe it was some time in August of 1938, and completion date is not known.

Q Is it your belief that the completion date was never reported?

A Yes.

Q Now turning to production reports from this well, have they been submitted and if so on any regular basis?

A They have been submitted but not very regularly.

Q When was the last one submitted approximately, do you know?

A Frankly no, I don't know.

Q Is there a record of many of them having been filed?

A No.

Q Was there ever received by the Commission a notice of intention to work over this well?

A Yes, we have a C-102 dated December of 1947, and approved May of 1948 concerning an intention to work over the well.

Q And do your records show whether the well was worked over?

A We have no records to show any results of the work over job.

Q Do you have much, if any, correspondence or record of

reports from 1947 to 1952?

A None whatsoever.

Q None whatever?

A No, sir.

Q Was this operator ever told that he was delinquent in his reports, production reports and other reports on this well?

A Yes, he was.

Q And when was that, do your records disclose, in 1951?

A No, no, it was by the same letter of March 5, 1954.

Q Do your records disclose any reports submitted in the period from '51 to '54 on this well?

A No.

Q Has there been any correspondence between the -- as divulged by your records there between the Commission and the bonding company in regard to the bond?

A Yes, the bonding company appeared very desirous of effecting a cancellation of the bond.

Q And was an answer made to the bonding company on that, were they told they couldn't cancel the bond or could not --

A (Interrupting) They were told they could not cancel the bond until the principal had complied with our rules and regulations.

Q Mr. Chavez, has there been any further correspondence in the last year to this operator asking him for his well records?

A Yes, there has.

Q And when was that, do your records show?

A The last letter was March 5, 1954.

Q And in response to that request did you receive from the operator his well records?

A Nothing very definite, we received a letter dated August 28, 1954, wherein he gave a rough, very rough summary of the history of the well and stated that he wished to retain the hole as it was at the time until such time as he could deepen or plug back to a shallower pay.

Q Did your request for well records directed to this operator, Mr. Timmons, in August of 1954, did that refer to all three wells we are concerned with here or just this one?

A Yes, it referred to all three wells.

Q And you received skimpy information as to each of them, did you?

A Yes, sir.

Q Has there been any notice of intention to plug and abandon this well?

A No, there hasn't.

Q And the records do not disclose that it has been abandoned or plugged?

A No, they do not.

MR. KITTS: I believe that is all.

MR. MACEY: Any questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. KITTS: Mr. Rhodes, please.

H. N. R H O D E S,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By: MR. KITTS:

Q Will you state your name and position, please.

A H. N. Rhodes, Engineer for the Oil Conservation Commission.

Q Mr. Rhodes, directing your attention to these three wells and first of all to Kerlin No. 1, did you make a trip to the site of this well and inspect the well and the surrounding area?

A On January 5, 1955, Mr. E. A. Chavez, the District Oil and Gas Inspector, and myself went up Bueyeros in Harding County, New Mexico, for the purpose of inspecting the operations of Timmons Carbonic Company and the three wells concerned herein, the Kerlin No. 1 well located in the southwest quarter of the northwest quarter of Section 34, Township 21 North, Range 30 East is situated immediately behind the plant operated by the Timmons Carbonic Company. The inspection of this well showed that a pump jack was in place over the hole, apparently for the purpose of removing water from the well, however, the pump jack was inoperative at the time and had apparently been inoperative for a considerable length of time.

MR. MACEY: You mean had been inoperative for a considerable length of time?

A Yes, isn't that what I said? The polish rod was found to be very badly corroded. There was no prime mover on the pump. There was a slight gas leak through the stuffing box and the well could not be operated without extensive workover operations.

MR. KITTS: The well was not producing?

A The well was definitely not producing. Now a workover

mast was permanently in place over the hole and all valves on the well were apparently closed. I have an exhibit here which consists of two photographs of this well taken from a distance of approximately 20 feet which show the rather bad state of repair in which this well was found and I would like to introduce this as Exhibit 1 in Case 812.

Q Who took that photograph, Mr. Rhodes?

A I took the photograph.

MR. KITTS: We offer in evidence Commission Staff's Exhibit No. 1.

MR. MACEY: Without objection it will be received.

MR. KITTS: Mr. Rhodes, did the well site and the plant appear to be abandoned?

A For all practical purposes they were abandoned, as I say, the Kerlin well immediately behind the plant could not be operated in its present condition. The plant, of course, was shut down and considerable equipment was in place inside the plant.

Q Will you state briefly what this plant consists of?

A It consists of a main building, dimensions approximately 60 feet by 80 feet, inside of which were facilities for the compression and refrigeration of carbon dioxide gas.

Q Was any of this carbon dioxide gas being wasted? You stated, I believe, that there was a leak.

A The leak which occurs through the stuffing box in the Kerlin No. 1 is rather slight and could be considered insignificant.

Q Do you think there is any danger of any further gas being wasted in the future?

A Over a great period of time, yes.

Q You feel this well should be plugged and you feel there is any real danger at the present time?

A I do not feel that there is any particular danger at the present time, however, the well is there, it is not being operated and the physical plant is in such poor condition that I believe it would be advisable to attempt to get Mr. Timmons to work that well over or plug it, if he does not intend to use it further, there is a possibility of danger at some time.

Q Are there any further observations that you care to make regarding this Kerlin No. 1?

A Not with regard to the Kerlin No. 1.

Q All right, Mr. Rhodes, turning your attention to the Timmons No. 1 well, at the same time you made an investigation of that well, did you not?

A Yes, I did, the Timmons No. 1 well, located in the southwest quarter of the northeast quarter of Section 33, Township 21 North, Range 30 East, was found to be in relatively good shape although at the time of inspection all the valves on the wellhead were standing open. Investigation showed that the orbit valve on the wellhead was inoperative and could not be closed. Luckily a gate valve on the flow line existed but was standing open, also. The flow line was charged and a slight leak was noted through a break in an invasion pipe section of the line. Production from this well had apparently been shut in at the master gate at the plant with no attempt to shut the well in at the wellhead. An "A" frame was permanently situated over the well. This well is capable of producing in its present condition. However, a lack

of suitable control equipment at the wellhead makes operation hazardous.

Q What is the condition of the wellhead in that connection, was that in pretty good condition?

A The physical equipment on the well was in good shape with the exception that the orbit valve which serves as your pressure control or as your control at the wellhead was inoperative and about a 75 foot section of the flow line consisted of a rubber impregnated fabric, what we used to call invasion pipe during World War II.

Q What was the condition of the meter, did you observe that?

A A meter was situated at the well, however, it was in no state to speak of, it was very much dilapidated and completely useless.

Q Here again was there anyone present on the premises?

A No one was present.

Q Now this well is very close to the Kerlin No. 1, isn't it?

A It is approximately a half a mile distant.

Q You believe there is any danger of any great leakage from the flow line of this well?

A Mr. Chavez and I shut in the gate valve on the flow line and that gate valve is situated between the well and the section of the line which is composed of invasion pipe. As I say, the wellhead is in pretty good condition and I frankly doubt, what with the low pressures which are encountered up there, that the well could cause any trouble at this time. However, it would be advisable to see to it that Mr. Timmons either repairs that valve on the wellhead or otherwise takes care of the well in such

a manner that the danger of failure in the future will be completely eliminated.

Q Mr. Rhodes, did you take any photograph of that well?

A I have here an exhibit which I wish to introduce which contains two photographs of the Timmons No. 1 well. That will be Exhibit No. 1 in Case 813.

MR. KITTS: We offer Exhibit No. 1 in Case 813.

MR. MACEY: Without objection it will be received in evidence.

MR. KITTS: You have any further comment you wish to make in regard to Timmons No. 1?

A No, I have not.

Q Now passing on to Tixier No. 1, on that same day in January you made an inspection of this well, did you not, Mr. Rhodes?

A Yes, I did. Upon arriving in the Bueyeros area Mr. Chavez took me to a well which had been pointed out to him as the Tixier No. 1 well. This supposed Tixier No. 1 well which we examined was properly plugged with the exception that the cellar or a recently or fairly recently constructed pit nearby was left open. However, after giving the matter a little thought it became apparent that the well, which was pointed out to Mr. Chavez as the Tixier No. 1, could not possibly be the well in question due to the fact that the thing turned out to be in Section 1 instead of in Section 2 of Township 20 North, Range 30 East. Therefore, I took it upon myself to do a little surveying in the area and after becoming situated, in the southwest quarter of the northeast quarter of Section 2, I found two wells in that quarter section about 150

feet apart. It then necessarily followed that one or the other of those two wells was the Tixier No. 1. However, not knowing which of the two was the particular well I have considered them both.

The northernmost of the two holes in this quarter quarter section was found to be wide open to the atmosphere with a wooden plug situated approximately three feet down into the bottom or down into the casing which protruded from the ground. The annulus between the two strings of pipe was open to the atmosphere with the exception of rocks and dirt which had fallen into it serving to plug it up to a greater or lesser degree. Concrete derrick supports were still found around the well and the pits which were employed in the original drilling of the two holes had never been filled but were not dangerous to livestock at this time due to erosion over the years.

Q Was there any leakage, Mr. Rhodes?

A No, Mr. Kitts, there was no leakage whatever. It is doubtful if this well ever contacted or ever drilled into the CO₂ zone.

The second hole in this quarter quarter section was in similar condition. Pipe was protruding some two feet from the ground but the hole had been sitting for so long that a sizeable sink hole had developed around the casing which was protruding. This hole like the other one was plugged with a piece of wood, presumably a fence post. The annulus was also open to the atmosphere and the inside string of pipe -- now I have no idea whether that was the first string, the second string or the third string of pipe -- was capped with a piece of metal which served no useful purpose. There was no sign of any cement at the surface on either

of these two holes. Neither one of these two holes was properly plugged. In fact, neither one of the holes was plugged period.

I have here an exhibit which I would like to enter as Exhibit 1 in Case 814, which consists of one photograph of each of the two holes in this quarter quarter section.

Q Those photographs were taken by you?

A These photographs were taken by Mr. Chavez on January 12th. At the time that I managed to find these two holes I didn't have any more film in my camera on that day so I had to send Mr. Chavez back to take some photographs.

Q Were you present?

A No, I was not present. However, I am dead certain that these are the holes because they are readily identifiable from the photograph since I had been to them the previous week.

Q That depicts accurately the holes that you saw, is that right?

A These depict accurately the holes which I found on my first trip up there.

MR. KITTS: We offer in evidence Exhibit 1 in Case 814.

MR. MACEY: Without objection it will be received.

WITNESS: I have also a photograph which depicts the type of flow lines which are employed in this area by Mr. Timmons. I have here a photograph which shows approximately 100 feet of this invasion pipe flow line. This particular line runs from the Timmons plant to a recently drilled well approximately one quarter of a mile to the east of the plant. The entire quarter mile line consists of this, oh, eight inch, more or less, invasion pipe.

it is my idea to assume that they were both drilled by friend Timmons, and that he therefore should be held responsible for plugging the wells. Now one or the other of them is apparently not covered by a bond and I should say that if it came to a choice of plugging one or the other but not both, I would plug the northern most well of the two since it appears that the most extensive operations have been carried on in that hole.

MR. MACEY: Do you know whether the well could be accurately surveyed in to determine which well was which?

A Yes, it could, providing, of course, that the well itself had been originally surveyed in accurately.

MR. MACEY: How far apart are the wells?

A Approximately 150 feet.

MR. MACEY: Anyone have anything further? You have anything further? (Witness excused.)

MR. KITTS: No.

MR. MACEY: Take the cases under advisement.

* * * * *

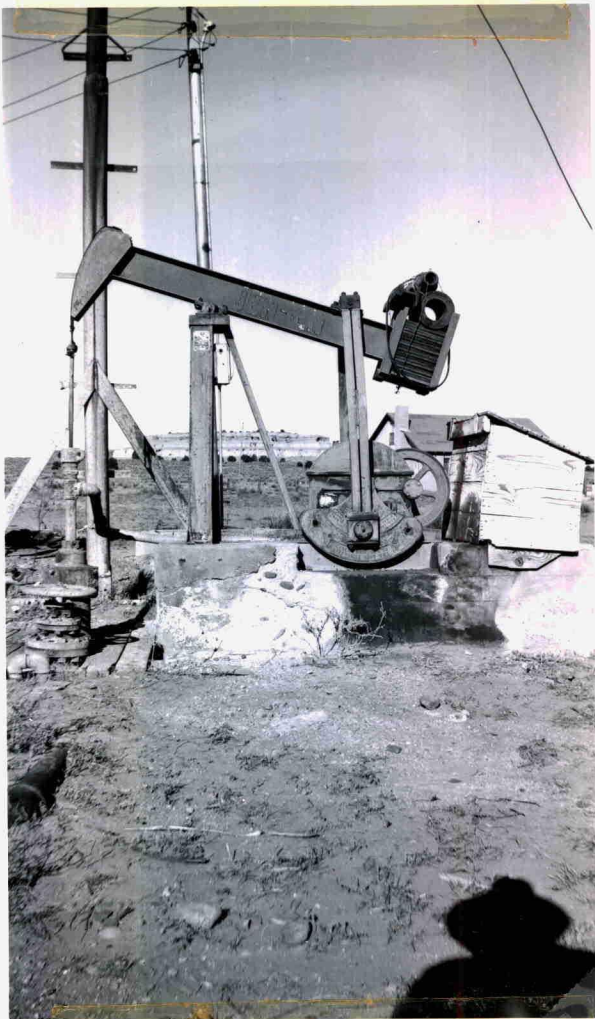
STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } SS.

I, MARGARET McCOSKEY, Notary Public and Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

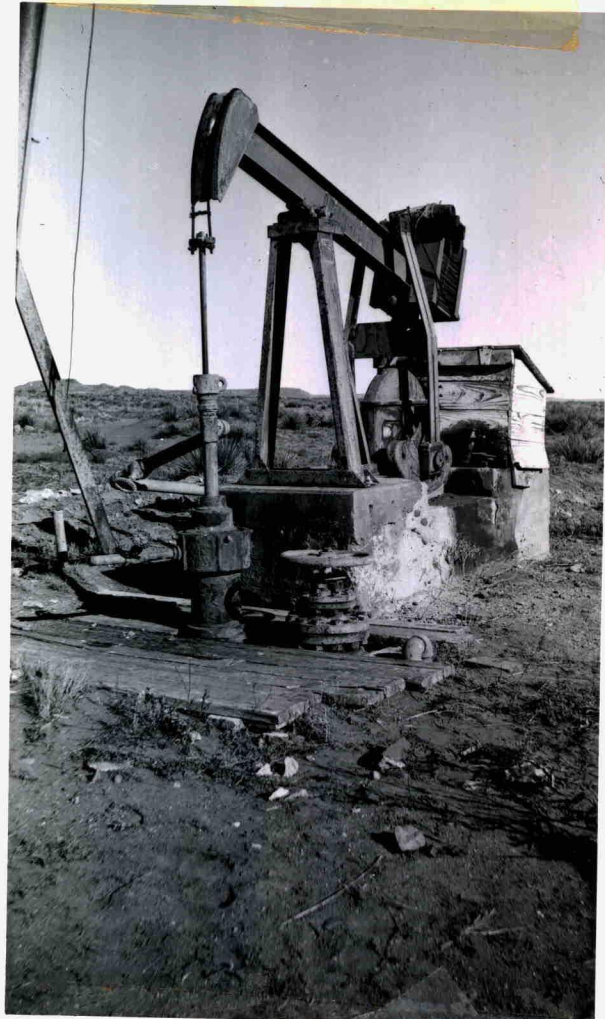
IN WITNESS WHEREOF I have affixed my hand and notarial seal this 6th day of April, 1955.

My commission expires:
August 15, 1956.

Margaret McCoskey
Notary Public-Court Reporter



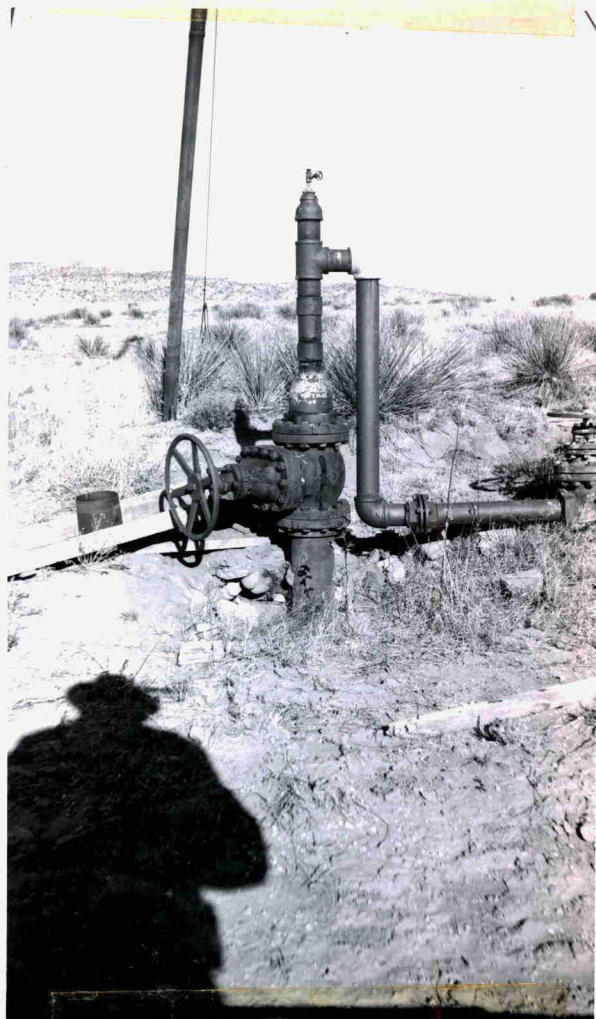
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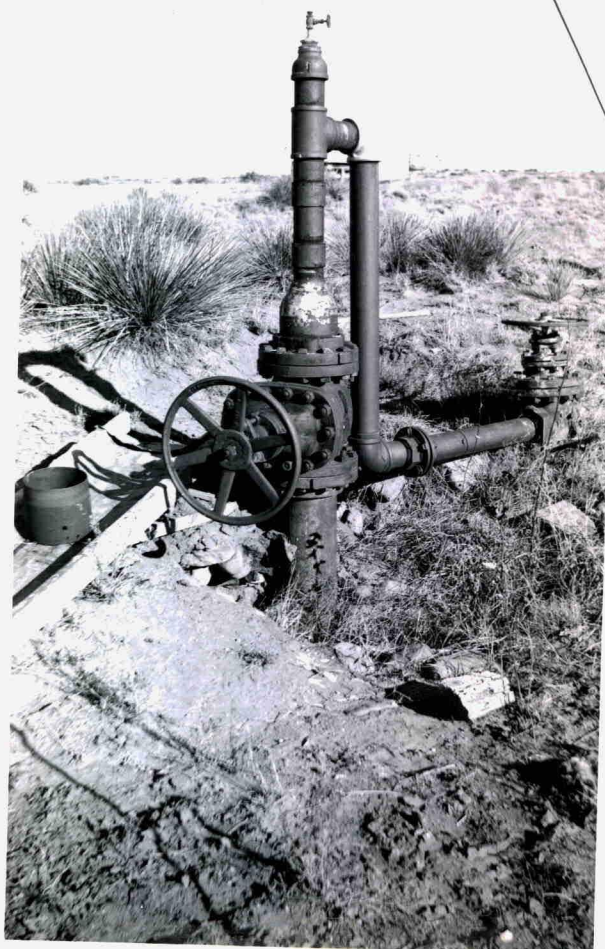
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TWO VIEWS OF KERLIN NO. 1 WELL IN SE/4 NW/4 SEC. 34, T. 21 N., R. 30 E., Harding County, New Mexico. (immediately to rear of Timmons Carbonic Co. Plant). Polish rod badly corroded. No prime mover on pump. Slight gas leak through stuffing box. Workover mast permanently in place over hole. All valves closed. It is thought this well cannot be produced unless water is artificially lifted by pump. Therefore, this well cannot be produced without extensive workover operations. Camera at approximately 20 feet looking to north.

Commission Exhibit #1 Case 812



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JAN • 55

TWO VIEWS OF TIMMONS NO. 1 WELL IN SW/4 NE/4 SEC. 33, T. 21 N., R. 30 E., Harding County, N.M. Well in good shape although all valves on wellhead were found open at time of inspection. Investigation showed that large "orbit" valve on wellhead was inoperative and could not be closed. Gate valve on flowline found open, flow line charged and leaking slightly through break in "invasion pipe" section. Production was apparently shut in at plant master valve with no attempt to shut in well at wellhead. "A" frame permanently situated over well. This well is capable of producing in its present condition. However, lack of suitable control at wellhead makes operation hazardous. Camera at 20 feet looking northward.

Commissioner Exhibit # 1

Case 813



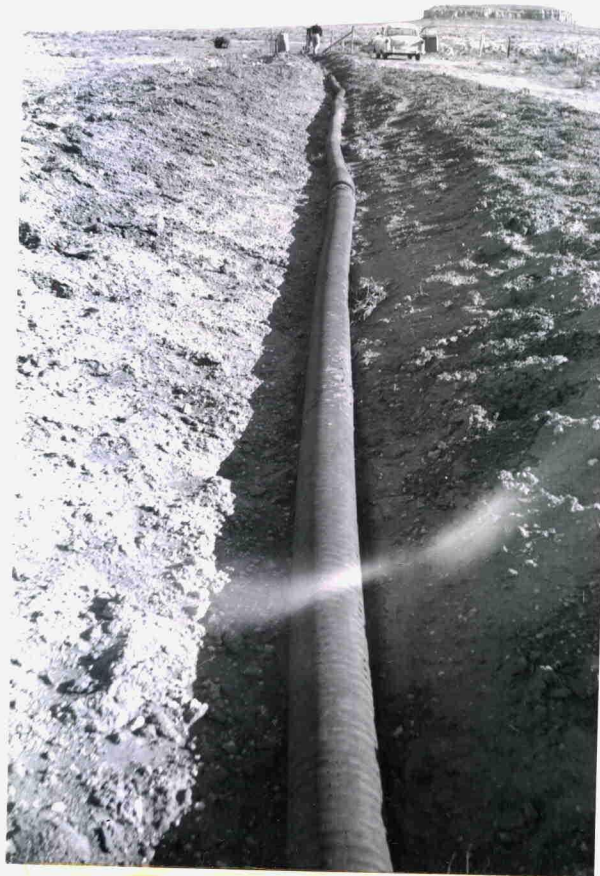
ONE OF TWO HOLES IN SW/4 NE/4 SEC. 2, T. 20 N., R. 30 E., Harding County, N.M., showing derrick foundation and protruding pipe. Hole is plugged with wood, presumably fence post. No indication of cement plug at surface. Annulus open to atmosphere. Pits open but not dangerous to livestock due to erosion over the years. Location not cleared. Camera at approximately 50 feet, looking to eastward. This hole is presumably Tixier No. 1.



SECOND OF TWO HOLES IN SW/4 NE/4 SEC. 2, T. 20 N., R. 30 E., Harding County, N.M., showing protruding pipe and sizeable "sink hole" around hole. Hole is plugged with wood, presumably fence post. No indication of cement plug at surface. Annulus open to atmosphere. Pipe is capped with piece of metal which serves no useful purpose. This hole may be Tixier No. 1. Camera at approximately 20 feet looking to east.

THESE TWO HOLES ARE APPROXIMATELY 150 FEET APART ON A NORTH SOUTH TENDING LINE. ONE OF THEM IS PRESUMABLY THE TIXIER NO. 1

Comm. Exhibit #1
Case 814



JAN • 55

VIEW LOOKING SOUTHEAST FROM TIMMONS CARBONIC CO. PLANT TO NEW WELL drilled recently at a distance of 1/4 mile. View shows "invasion pipe" flow lines employed in this area. In this case, the entire flow line from well to plant consisted of this rubber impregnated fabric. In the case of the Timmons No. 1 well, approximately 75 feet of the 1/2 mile line consists of this type pipe.

Commission Exhibit #2

Cases 812 - 813, - 814