

*rough draft*

MEMORANDUM

TO: A. L. PORTER, Jr., Secretary-Director

FROM: RICHARD S. MORRIS, Attorney

SUBJECT: Henry Etz Rice Andrews Well No. 1, NE/4 NW/4  
Section 14, Township 14 South, Range 25 East,  
Chaves County.

The following information concerning the subject well is presented in chronological order for your consideration:

8/15/60 Notice of Intention to Drill filed with Oil Conservation Commission Artesia District Office

8/11/60 Application for Permit to Drill for oil filed with Roswell office of State Engineer

8/23/60 Oil Conservation Commission approved Notice of Intention to Drill subject to State Engineer's Regulations

8/29/60 State Engineer approved Permit to Drill  
Letter of transmittal to Etz from James I. Wright, Field Engineer, contained the following paragraph:

"In the event that this well is to be abandoned, the plugging program must be approved by this office and the Oil Conservation Commission. The plugging of the well shall be witnessed by a representative of this office."

9/20/60 Form C-103 received by Oil Conservation Commission District Office showing well temporarily abandoned and plugged as follows:

January 30, 1962

Cemented from 1220' to 900' with 25 sx.  
Water string set at 950' and circulated  
with 125 sx.

6/26/61 Form C-103 received by Oil Conservation Commission  
Artesia District Office showing well plugged as  
follows:

Set 1152' of 5½" casing, circulated  
with 150 sx to surface.  
Cored 1152' to 1210'.  
30 sack plug set from bottom of hole  
up into pipe.  
5 sack plug set at 500' between surface  
and artesian water zones.  
4" marker set in top of casing.

6/29/61 Letter, Armstrong to Etz, advising that inspection  
of well made on 6/28 revealed that it had not been  
plugged. Demand was made on Etz to plug the well  
at once. The letter contains the following language:

"Also, the plugging must be witnessed by  
this office. Please notify us beforehand  
so that we may have a man there to witness  
it."

7/5/61 Letter, Etz to Armstrong, stating that well had been  
properly plugged, and that the Oil Conservation Com-  
mission had not been notified because the plugging  
operations had been performed at night.

7/10/61 Letter, Armstrong to Etz, concerning discrepancies  
in previous reports on the well, and again notify-  
ing Etz to inform the Oil Conservation Commission  
Artesia District Office before plugging the well.

8/24/61 Letter, Morris to Etz, stating that the Oil Conserva-  
tion Commission Artesia District Office was not given  
the opportunity to witness the plugging of the well,  
and demanding that the well be drilled out and re-  
plugged.

January 30, 1962

9/25/61 Letter, Etz to Morris, stating that the well had been plugged properly and attempting to explain his failure to give proper notification. Letter requests that a hearing be scheduled to consider the matter.

10/11/61 Notice of Hearing mailed to Etz.

10/25/61 Hearing held in Santa Fe before Examiner Nutter to permit Etz and all interested parties to appear and show cause why the well should not be replugged.

At this hearing, Armstrong testified for the Commission and Wright testified for the State Engineer. Both testified that no opportunity had been given to witness the plugging of the well, and Armstrong testified that even if the well had been plugged in accordance with the program reported by Etz, it would be unsatisfactory.

Etz testified in his own behalf to the effect that the well was properly plugged, that no notification to plug was given because operations were conducted at night, and that he had not intended to violate any law or disregard the Commission's instructions. On cross-examination Etz admitted filing no C-102, Notice of Intention to Plug, prior to plugging the well.

11/17/61 Pursuant to the recommendation of Examiner Nutter, the Commission entered its Order No. R-2118 in Case No. 2403 ordering the replugging of the well in accordance with a specified program by January 1, 1962.

11/20/61 Copy of Order No. R-2118 mailed to Etz.

12/17/61 Order No. R-2118 became final inasmuch as no application for a hearing de novo before the Commission was filed within 30 days from the time the order was entered. (See Section 65-3-11.1, N.M.S.A., 1953 Comp., last sentence).

Memorandum to A. L. Porter, Jr.

January 30, 1962

- 1/3/62      Letter, Morris to Etz, enclosing another copy of Order No. R-2118, requesting voluntary action in plugging the well, but stating that the Commission would take action to enforce its order if the well were not plugged by January 15, 1962.
- 1/23/62      Suit filed by the Commission against Etz to enforce Order No. R-2118.