

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)
) CASE NO. 13,361
APPLICATION OF THE NEW MEXICO OIL)
CONSERVATION DIVISION FOR A COMPLIANCE)
ORDER)
)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, JR., Hearing Examiner

November 4th, 2004

Santa Fe, New Mexico

2004 NOV 18 AM 10 49

Steven T. Brenner

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Thursday, November 4th, 2004, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

I N D E X

November 4th, 2004
Examiner Hearing
CASE NO. 13,361

PAGE

APPLICANT'S WITNESS:

CHRIS J. WILLIAMS (District Supervisor, Hobbs
District Office, District 1, NMOCD) (Present
by telephone)

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REPORTER'S CERTIFICATE 11

* * *

E X H I B I T S

Applicant's	Identified	Admitted
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* * *

A P P E A R A N C E S

FOR THE DIVISION:

GAIL MacQUESTEN
Deputy General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 10:50 a.m.:

3 EXAMINER JONES: And call Case 13,361, continued
4 from October 21st, Application of the New Mexico Oil
5 Conservation Division for a compliance order.

6 Call for appearances.

7 MS. MacQUESTEN: Gail MacQuesten, Energy,
8 Minerals and Natural Resources Department, appearing for
9 the Oil Conservation Division. I have one witness, Chris
10 Williams, who will be appearing by telephone.

11 EXAMINER JONES: Any other appearances?

12 Will the witness -- consider him already sworn
13 from the previous case.

14 MS. MacQUESTEN: Mr. Examiner, this is a plugging
15 case for two wells that have been inactive for an extended
16 period of time. We are asking for an order pursuant to the
17 Oil and Gas Act, Section 70-2-14.B, and OCD Rule 101.M,
18 requiring the operator to bring the well into compliance
19 with Rule 201 within 30 days by plugging, placing the well
20 on temporary abandonment status or returning the well to
21 beneficial use.

22 We are also asking the Examiner to impose
23 penalties on the operator if fails to comply with the
24 order, and authorize the Division to plug the well.

25 We are not asking to forfeit financial security

1 in this case, because there is no current financial
2 security.

3 There should be an evidence packet in front of
4 you. Exhibit 1 is an affidavit of notice, showing notice
5 to Bank of America. They are acting as executors of the
6 Millard Deck Estate. I called and spoke to Mr. Tim Walters
7 at the Bank of America to confirm this.

8 Exhibit Number 2 is an affidavit from Jane Prouty
9 showing that we have no reported production from these
10 wells for over 20 years.

11 Exhibit Number 3 is an affidavit from Dorothy
12 Phillips showing that the financial assurances that have
13 been in place for Mr. Millard Deck were released.

14 I would call Chris Williams.

15 CHRIS J. WILLIAMS (Present by telephone),
16 the witness herein, having been previously duly sworn upon
17 his oath, was examined and testified as follows:

18 DIRECT EXAMINATION

19 BY MR. MacQUESTEN:

20 Q. Would you please state your name for the record?

21 A. Chris Williams.

22 Q. And where are you employed?

23 A. Oil Conservation Division, Hobbs, New Mexico.

24 Q. And what is your title?

25 A. District Supervisor.

1 Q. Does your job as District Supervisor include the
2 enforcing Rule 201?

3 A. Yes, it does.

4 Q. Are you familiar with the two wells that are at
5 issue in this case?

6 A. Yes, I am.

7 Q. And that's the Lea 407 State Number 5 and the
8 Alexander Number 1?

9 A. Correct.

10 Q. Are they located in Lea County?

11 A. Yes.

12 Q. And in your district?

13 A. Yes.

14 Q. Do you have the packet of exhibits that I sent to
15 you?

16 A. Yes, I do.

17 Q. Would you please take a look at OCD Exhibit
18 Number 4?

19 A. It's a printout from the RBDMS system, showing
20 the wells that are under this operator.

21 Q. All right, and does that list include the two
22 wells that are at issue in this case?

23 A. Yes, the Lea 407 State Number 5 and the Alexander
24 Number 1.

25 Q. And there's one other well that's listed, but

1 that well has been plugged?

2 A. Correct.

3 Q. All right. Have you examined the well files for
4 the Lea 407 and the Alexander 1?

5 A. Yes, I have.

6 Q. Do they contain documents showing Millard Deck
7 Estate as the operator?

8 A. Yes, they do.

9 Q. All right. Would you please look at what's been
10 marked as Exhibit Number 5?

11 A. Okay. This is a sundry notice and reports on
12 wells basically saying that the Alexander Number 1 has been
13 temporarily shut in.

14 Q. All right. And is this the most recent document
15 in the well file for the Alexander Number 1?

16 A. Yes.

17 Q. And looking at the top document, because there
18 are two documents in this exhibit, it does show Millard
19 Deck Estate as the operator?

20 A. Correct.

21 Q. And the date is 1986?

22 A. Correct.

23 Q. And if you look at the next document, is this the
24 second most recent document in the file for the Alexander
25 01?

1 A. Yes.

2 Q. And this shows a change in operator?

3 A. Right.

4 Q. And what is the change?

5 A. The change went from Millard Deck, I'm assuming
6 sole proprietor, to Millard Deck Estate.

7 Q. All right. And what is the date of that change?

8 A. It's really not legible on mine. I really can't
9 read the date on it.

10 Q. All right, can you tell what the --

11 A. I can tell when it was signed by Brian P. Dixon,
12 petroleum engineer.

13 Q. Okay.

14 A. December 21st, 1981.

15 Q. All right. And if you would please look at
16 what's been marked as Exhibit Number 6 --

17 A. Okay.

18 Q. -- is this the most recent document in the file
19 for the Lea 407 well?

20 A. Yes, it is.

21 Q. And does this also show Millard Deck Estate as
22 the operator?

23 A. Correct.

24 Q. And is this a change from Millard Deck as an
25 individual?

1 A. Yes, it is.

2 Q. And what is the date on this, if you can tell?

3 A. December 21st, 1981.

4 Q. All right. When you examined the well files for
5 these two wells, was there any indication that these wells
6 has been plugged?

7 A. No.

8 Q. Any indication that they had been approved for
9 temporary abandonment status?

10 A. No.

11 Q. Please turn to what has been marked as Exhibit
12 Number 7. Are these the plugging procedures submitted for
13 these two wells?

14 A. Yeah, yes, they are.

15 Q. And have you reviewed and approved these plugging
16 procedures?

17 A. Yes.

18 MS. MacQUESTEN: All right, I have no more
19 questions of this witness. I would move to admit Exhibits
20 1 through 7.

21 EXAMINER JONES: Exhibits 1 through 7 will be
22 admitted into evidence.

23 EXAMINATION

24 BY EXAMINER JONES:

25 Q. Chris, are these wells -- Where are these wells

1 located?

2 A. One is down in -- just north of Eunice about a
3 mile, the other one is down at San Simon ranch --

4 Q. Okay.

5 A. -- which is west of Eunice about 10 miles.

6 Q. Okay, if the Division has to plug these wells,
7 when would they get to it, do you think?

8 A. Do what?

9 Q. When could they get to it, if the Division ends
10 up having to plug these wells?

11 A. As soon as we can get a bid structured and get an
12 approved contractor. I can't tell you when.

13 Q. So maybe next year?

14 A. Probably.

15 EXAMINER JONES: Probably. Okay, I have no
16 relevant questions for Chris.

17 Thank you very much, Chris.

18 THE WITNESS: Okay.

19 EXAMINER JONES: With that, we'll -- Anything
20 further?

21 MS. MacQUESTEN: No, thank you, that concludes
22 our presentation.

23 EXAMINER JONES: Okay, with that, we'll take Case
24 13,354 under advisement.

25 And since that being all the cases today, Docket

1 Number 30-04 is adjourned.

2 (Thereupon, these proceedings were concluded at
3 10:57 a.m.)

4 * * *

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6
7
8
9 I do hereby certify that the foregoing is
10 a complete record of the proceedings in
11 the Examiner hearing of Case No. _____
12 heard by me on _____

13 _____, Examiner
14 of General Inquiries
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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
 COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL November 7th, 2004.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006