

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. 12,435
)
APPLICATION OF THE OIL CONSERVATION)
DIVISION FOR AN ORDER REQUIRING RED LAKE)
OIL COMPANY TO PROPERLY PLUG ONE WELL,) ORIGINAL
EDDY COUNTY, NEW MEXICO)
_____)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

June 15th, 2000

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, June 15th, 2000, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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OIL CONSERVATION DIV

I N D E X

June 15th, 2000
 Examiner Hearing
 CASE NO. 12,435

PAGE

APPLICANT'S WITNESS:

MIKE STUBBLEFIELD (Field Rep II, Artesia District
 Office, District 2, NMOCD; Present by Telephone)
 Direct Examination by Ms. Hebert
 Examination by Examiner Catanach

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6

REPORTER'S CERTIFICATE

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	4	-
Exhibit 2	4	-
Exhibit 3	4	-

* * *

A P P E A R A N C E S

FOR THE DIVISION:

LYN S. HEBERT
 Attorney at Law
 Legal Counsel to the Division
 2040 South Pacheco
 Santa Fe, New Mexico 87505

* * *

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

3 EXAMINER CATANACH: At this time we'll call Case
4 12,435, which is the Application of the Oil Conservation
5 Division for an order requiring Red Lake Oil Company to
6 properly plug one well, Eddy County, New Mexico.

7 Call for appearances in this case.

8 MS. HEBERT: Mr. Examiner, Lyn Hebert appearing
9 on behalf of the Oil Conservation Division.

10 I have one witness, Mike Stubblefield, previously
11 qualified in Case Number 12,433 and sworn.

12 EXAMINER CATANACH: Okay, call for additional
13 appearances.

14 There are no additional appearances in this case.

15 The record reflects that Mike Stubblefield has
16 been sworn in and qualified in previous cases.

17 And you may proceed.

18 MS. HEBERT: Mr. Examiner, I hand to you our
19 Exhibits 1 through 3 in this case.

20 MIKE STUBBLEFIELD (Present by Telephone),
21 the witness herein, after having been first duly sworn upon
22 his oath, was examined and testified as follows:

23 DIRECT EXAMINATION

24 BY MS. HEBERT:

25 Q. Mr. Stubblefield, could you tell the Examiner

1 what well is described in Exhibit 1?

2 A. Yes, ma'am, it is the Red Lake Oil Company Welch
3 State Number 1.

4 Q. Thank you. And in Exhibit Number 1, the history
5 of this well, could you briefly tell us when it was drilled
6 and when was the last date of production?

7 A. Yes, ma'am. The Welch State Number 1 was spudded
8 December 30 of 1986. 5-1/2-inch casing was run and
9 cemented at 850 foot. The well was completed with
10 perforations from 736 to -7, and no production was ever
11 reported on our ONGARD system.

12 Q. And do you recommend that this well be plugged to
13 protect the waters of New Mexico?

14 A. Yes, ma'am, I sure do.

15 Q. And in Exhibit Number 1, is your recommendation
16 procedure the procedure for plugging this well?

17 A. Yes, ma'am, I also have a plugging procedure.

18 Q. Thank you. Going to Exhibit Number 2, is that
19 the \$5000 one-well bond for this well?

20 A. Yes, ma'am, it is.

21 MS. HEBERT: That's written at First Interstate
22 Bank of Santa Fe, which I think now has become Wells Fargo.

23 Exhibit Number 3, Mr. Examiner, is my affidavit
24 indicating the notice that was provided in this matter.

25 One of the addresses, Red Lake Oil Company in

1 Houston, this was returned to the Division. Apparently no
2 forwarding address was provided. And interestingly, we
3 don't have any receipt for the First Interstate Bank. You
4 would have thought these banks would kind of keep their
5 addresses current, but I'm sure once we make a demand on
6 the bond we'll hear from them.

7 Q. (By Ms. Hebert) Have you had any communications
8 from Red Lake Oil Company regarding this well, Mr.
9 Stubblefield?

10 A. No, ma'am, I have not.

11 MS. HEBERT: Mr. Examiner, that concludes our
12 presentation of this case.

13 EXAMINER CATANACH: Ms. Hebert, there's no
14 requirement that you're aware of that would cause me to be
15 concerned about First Interstate's notice in this case, is
16 there?

17 MS. HEBERT: We provided last known address for
18 First Interstate Bank. I assume that First Interstate had
19 at the time that they were purchased by Wells Fargo some
20 method for receiving the demands made on long-term
21 involvements like a surety bond. It may be that when
22 demand is made on this bond, they may request an additional
23 hearing, at which time certainly the Division would comply
24 with any request like that. I would doubt that would
25 happen.

1 EXAMINER CATANACH: Yeah, I have not been
2 involved in my experience in a plugging case where the bond
3 company had reason to re-open the case, but I guess that's
4 always a possibility.

5 MS. HEBERT: But again, the Division provided the
6 notice to the last address that was provided by the bonding
7 company.

8 EXAMINATION
9 BY EXAMINER CATANACH:

10 Q. Okay. Mr. Stubblefield, are you aware that Red
11 Lake currently operates any wells in your district, any
12 other wells?

13 A. I'm not aware of any, Mr. Examiner.

14 Q. Do you, in fact -- You were around when Red Lake
15 was operating. Do you remember that company?

16 A. I was -- I vaguely knew some of the people, you
17 know, but not personally.

18 EXAMINER CATANACH: Okay, that's all the
19 questions I have. Anything further in this case?

20 MS. HEBERT: Nothing further, Mr. Examiner.

21 EXAMINER CATANACH: Nothing further in this case,
22 Case 12,435 will be taken under advisement.

23 (Thereupon, these proceedings were concluded at
24 10:15 a.m.)

25

I do hereby certify that the foregoing is a true and correct copy of the record of the proceedings of the Examiner hearing of Case No. 12,435, heard by me on June 15, 1960.

STEVEN T. BRENNER, CCR, *[Signature]*, Examiner
(505) 989-9317
Of Conservation Division

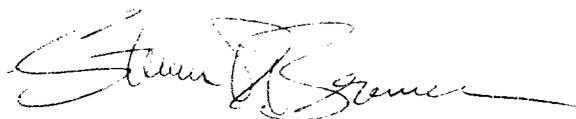
CERTIFICATE OF REPORTER

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 June 16th, 2000.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002

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OFFICIAL EXHIBIT FILE

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