

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. 12,438

APPLICATION OF THE OIL CONSERVATION)
DIVISION FOR AN ORDER REQUIRING SALADO)
OPERATING, L.L.C., TO PROPERLY PLUG FOUR)
WELLS, EDDY COUNTY, NEW MEXICO)

ORIGINAL

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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I N D E X

June 15th, 2000
 Examiner Hearing
 CASE NO. 12,438

PAGE

APPLICANT'S WITNESS:

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

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REPORTER'S CERTIFICATE

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1A	4	-
Exhibit 1B	5	-
Exhibit 1C	5	-

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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 10:36 a.m.:

3 EXAMINER CATANACH: At this time I will call Case
4 12,438, the Application of the Oil Conservation Division
5 for an order requiring Salado Operating, L.L.C., to
6 properly plug four wells, Eddy County, New Mexico.

7 Call for appearances in this case.

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

10 I have one witness, Mike Stubblefield. He has
11 been sworn and been accepted as an expert in Case Number
12 12,433.

13 EXAMINER CATANACH: Call for additional
14 appearances?

15 There are no additional appearances in this case,
16 and the record shall reflect that Mr. Stubblefield has been
17 properly sworn and qualified as a witness in this case.

18 MS. HEBERT: Mr. Examiner, I hand you the
19 exhibits in this case on the four wells.

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 --

1 A. Yes, ma'am.

2 Q. -- Exhibit Number 1A -- I believe these have been
3 marked 1A -- I'm not sure why this was marked 1A, I can't
4 seem to find a 1B. These are marked slightly different.
5 The exhibit is 1A, and then we have an Exhibit 1B, which is
6 the well plugging bond, and then the affidavit is marked as
7 1C.

8 In Exhibit Number 1A, Mr. Stubblefield, would you
9 give us a description of the four wells, and with each one
10 would you give us the brief history of when it was drilled
11 and the last production?

12 A. Yes, ma'am. The first well is the East Henshaw
13 Unit Tract 10 Number 4. The records show this well to have
14 been spudded June 12th, 1961. The records show the well to
15 have had 2-7/8 casing run and cemented to 3140, and last
16 production on the ONGARD system was August of 1996.

17 My second well is East Henshaw Unit Tract 15
18 Number 6. Records show this well to have been spudded
19 September 30, 1961, and 2.875-inch casing was run and
20 cemented at 3018 foot, and we have last production reported
21 on ONGARD as September of 1996.

22 My third well is East Henshaw Unit Tract 9 Number
23 7. Records show this well to have been spudded October
24 29th of 1961, and 2.75-inch casing was run and set and
25 cemented at 3007 foot. This well was completed with

1 perforations from 2968-2970, and we have no production
2 report on the ONGARD database system.

3 My final well is the East Henshaw Unit Tract 24
4 Number 1. Records show this well to have been spudded
5 August 25th of 1961. 2.875-inch casing was ran and
6 cemented at 3075 foot, and we have no reported production
7 on the ONGARD system.

8 Q. Mr. Stubblefield, for each of these four wells do
9 you recommend that they be plugged to protect the waters of
10 New Mexico, and have you included a recommended plugging
11 procedure at the last pages of each of the groups of
12 Exhibit 1A?

13 A. Yes, ma'am, I do, and I have.

14 Q. Thank you. Moving on to Exhibit Number 4 [sic],
15 are those the four one-well plugging bonds for these four
16 wells?

17 A. Yes, ma'am, they are.

18 Q. And those bonds were written by Underwriters
19 Indemnity Company; is that correct?

20 A. That is correct.

21 MS. HEBERT: Mr. Examiner, Exhibit 1C is the
22 affidavit regarding the notice that was sent in this
23 matter. There was a green card returned from the
24 Underwriters Indemnity Company, and I'm looking for some
25 indication of the notice that was provided to the operating

1 company.

2 The last known address was Hobbs, New Mexico, and
3 Exhibit 1C doesn't contain either a return envelope or a
4 receipt of a green card. The Hobbs address was the only
5 address that was in the file for this operator.

6 EXAMINER CATANACH: So Ms. Hebert, we did attempt
7 to send that to the Hobbs and --

8 MS. HEBERT: We did send it, and we have not
9 received anything in return from the Post Office, which is
10 unusual, but...

11 EXAMINER CATANACH: So we don't know at this
12 point whether or not they received it or not?

13 MS. HEBERT: No, we don't.

14 EXAMINER CATANACH: Would you suggest any remedy
15 for this?

16 MS. HEBERT: We could carry this case over. If
17 it please the Examiner, we request that we carry this case
18 over. We will send again notice to both the underwriters
19 and to the operating company at the last known address. I
20 don't know what else the Division can do, other than that.

21 EXAMINER CATANACH: Do you suggest we continue
22 this for four weeks, Ms. Hebert?

23 MS. HEBERT: I would request four weeks, yes.

24 EXAMINER CATANACH: Okay, that would give you 21
25 days to try and notify this party again.

1 We'll go ahead and continue the case to July
2 13th.

3 MS. HEBERT: Okay, thank you.

4 EXAMINER CATANACH: And anything else in this
5 case?

6 MS. HEBERT: Nothing else.

7 EXAMINER CATANACH: Okay, we'll continue this
8 case, 12,438, to the July 13th hearing.

9 MS. HEBERT: Thank you, that's all we have.

10 EXAMINER CATANACH: Okay, there appears to be
11 nothing left on this docket to hear, so we will adjourn
12 this hearing.

13 MS. HEBERT: Thank you.

14 EXAMINER CATANACH: Mike, thank you.

15 THE WITNESS: Yeah, thank you, Dave.

16 MS. HEBERT: Thank you, Mike.

17 (Thereupon, these proceedings were concluded at
18 10:42 a.m.)

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I hereby certify that the foregoing
is a complete record of the proceedings of
the Examiner hearing of Case No. 12438.
Recorded by me on June 15 1960.
David M. Catnach, Examiner
Off 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