

3.20.83

N. Dale Nichols - 12862 cont.

Time Gum:

exs. 10, 11

Remains well - packer stuck and 31 joints of tubing cut off above

fish needs to be removed down to packer

~~XXXXXXXXXXXXXXXXXXXX~~

Jim Pierce, land man for N. Dale Nichols

Nichols tried to get wells into compliance

father-son outfit -

health problems -

Julian Ard Lease - involved in,
having to deal with ex well -
hearing - increase in royalty -
860??

Lynx No. 1 - had mechanical
problems down hole - work
has been done, C-103 has
been done, waiting for
dry hole number, surface
clean up

Nichols medical records

in hospital 3 times

C-103 $\rightarrow$ being filed in Artesia

Nichols would like penalty
reduced on account of health
problems

15 wells non-compliance, now
have none out of compliance

most wells ~~now~~ in compliance
by June last year (2002)

Tim Gurn (recalled)

has not been notified of
plugging

can't tell whether well was
properly plugged

~~approved~~ P+A (approved by Artesia
- but mechanical problems resulted
notice of
no protest, no approval

Bruce: ~~15k~~ penalty recommendation is excessive

good faith, health problems

"penalty waived"

starting date should be 1-1-02

lee: should have penalty, well not
properly plugged - or proper documentation
filed and approved → can't leave tubing
in hole - need to be removed, plugs set

2/27 housekeeping
election of clerk
open meetings resolution

13013 711 Amendment -
written comments → 3-13 (Thursday)
public hearing → 3-20
adoption → 3-20

David Brooks -

~~Bob Gallagher~~

one-shot to deal w/ particular ^{situation} (C) (4) (C)
of 19.15.9.711

- non-oilfield ^{vote} only in an emergency
- this amendment would permit that

publicize deadline for written comments -

Bob Gallagher -

supports amendment

other states permit non-hazardous non-oilfield waste
- must have similar characteristics as oilfield waste
- must be generated by oil + gas or similar activity
- assist cos. to properly dispose of waste

Public hearing - 3-20

12905 Prossborn - continued to 3-20

12828 Armstrong - continued - reached verbal agreement
for one month - written agreement pending

12792 Baxter

David Brooks, 3 witnesses
Bill Carr

12862 M. Dale Nichols
Chavez County

David Brooks, 3 witnesses

Jim Bruce - continue to next docket

David: inactive well case - seeking compliance ^(production TA PA)

some changes since Division case (no notice)

of 8 wells - dismissed as to ~~the~~ one well
6 of remaining 7 in compliance

Lynx No. 1 - not in compliance

- dismissed by Examiner because
producing (but actually, mistaken)

civil penalty \$11,000

Jim Bruce: Nothing at this time

Jane Brantz -

manages group that processes monthly production reports
M. Dale Nichols - ~~at~~ 5 years report of production
re: Lynx 001 30-005-62160

no production or injection reported for five years
operator sent C-115 with well on it, but
showed no production

Tim Gunn

Chief Oil & Gas Inspector
District Supervisor

machine well program 3-11-00 statewide mail-out
to machine wells, 200 series rules - enforcement

Ex. 3

- Nichols responded and returned notice -
2nd mailing, 9-8-00 - no response to letter
60 days to address Ex. 4

Letter rec'd from Nichols, 1-8-01 Ex. 5

Division extended time for compliance - 6 mos.

Letter confirming extension from Division 1-10-01
Ex. 6

Lewis Neft #3 machine in 1997 (Ex. 2)

Lynx #1 - intent to PA 11-28-01
well problems

unofficial TA status - not
mechanically ^{pressure} tested
not in compliance

operator's
plan to PA
the well, but
ran into problems
w/ the well & did
no more work

Standard State 6-7 → PA'd (6-3-02)

State A #2 →

formula for penalties - for each year

Issue -

14 wells originally in 5-2000 letter -
now only 7 at issue (1 - bad work X 50-6)
(other wells taken care of during first 6 mo.
time period)

Bailey - PA attempt '01

Ex. 9
demonstrative

Lynx well: old well -

casing problems -

can't get to the bottom

not successful -

can't pull tubing - casing has collapsed

serious mechanical situation

significant amount of work to plug

- recover tubing - (fishing contractor - ?)

- mill casing, swedge

- tools to bottom

Nichols does as much work on his own as he can

Division - penalties for failure to comply when notified
1000/yr from date notified until
date well brought into compliance

{ penalties - all wells
{ compliance order - Lynx #1

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Continued to 3-20

4.17

Ponghera → →

* * make state land office advisory

* * don't raise surface issue at all?

→ → subsurface issues are a matter for the courts

→ leave on-air Q

* * what implications for other things like waterfloods or secondary recovery? when waterflood goes beyond the confines of the lease -

* * gentle warning on the trespass issue

* * our permit does not authorize subsurface trespass

N. Dale Nichols

~~*****~~

* Surface clean-up, 1 year -

* mention rule w/ some rationale

* Q3 - revise to eliminate reference to order for plug wells? Get Cori's copy - (better form) (more generic) ("appropriate enforcement action")

Baxter

penalties → just like N. Dale Nichols
suspended penalties

~~*****~~
~~assess penalties based on # wells that are unplugged - not on 3 that are plugged~~

track language from Division order re: penalties

if does not, the Division shall bring back
for assessment of penalty