

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:)
)
APPLICATION OF THE NEW MEXICO OIL) CASE NO. 13,714
CONSERVATION DIVISION FOR AN ORDER)
REQUIRING TENNECO OIL COMPANY TO PLUG)
ONE WELL AND ORDERING FORFEITURE OF)
APPLICABLE FINANCIAL ASSURANCE IN)
EVENT OF OPERATOR'S NONCOMPLIANCE,)
EDDY COUNTY, NEW MEXICO) ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

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

June 8th, 2006

Santa Fe, New Mexico

2006 JUN 22 AM 10 06

9/27/06 WJM

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Thursday, June 8th, 2006, 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.

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I N D E X

June 8th, 2006
Examiner Hearing
CASE NO. 13,714

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APPEARANCES	3
APPLICANT'S WITNESS:	
<u>VAN BARTON</u> (Field Supervisor, Artesia District Office, District 2, NMOCD) (Present by telephone)	
Direct Examination by Mr. Brooks	5
Examination by Examiner Jones Brooks	7
REPORTER'S CERTIFICATE	9

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E X H I B I T S

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

FOR THE APPLICANT:

DAVID K. BROOKS, JR.
 Assistant 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 2:35 p.m.:

3 EXAMINER JONES: And at this time let's call Case
4 Number 13,714, Application of the New Mexico Oil
5 Conservation Division for an order requiring Tenneco --
6 Tenneco Oil Company, to plug one well and ordering
7 forfeiture of applicable financial assurance in event of
8 operator's noncompliance, Chaves County, New Mexico.

9 Call for appearances.

10 MR. BROOKS: David Brooks, Mr. Examiner,
11 representing the OCD.

12 EXAMINER JONES: No other appearances.

13 MR. BROOKS: Okay. As we were talking about this
14 well, Mr. Examiner, the other day, it appears that when
15 Tenneco sold all their wells in New Mexico there must have
16 been one that nobody wanted.

17 Call your attention first to OCD Exhibit Number
18 1. It's a list of the wells currently operated by Tenneco
19 Oil Company. It shows the Plains SL 19 Number 1 as the
20 only well. It's been inactive since 12 of '92.

21 Call your attention to what's been marked as OCD
22 Exhibit Number 2. It's a copy of a C-101, showing the
23 Plains SL 19 Well Number 1, and the operator is shown as
24 Tenneco Oil Company.

25 Call your attention to what's been marked as OCD

1 Exhibit Number 4. It's a copy of a \$50,000 blanket bond
2 issued by the Aetna Casualty and Surety Company. It's
3 Number 61 S 33248-19-79, and the principal on that bond is
4 Tenneco Oil Company.

5 Call your attention to what's been marked as OCD
6 Exhibit Number 5, and this is a copy of a letter notifying
7 Aetna Casualty and Surety Company of this hearing.

8 I believe that although it's a principal of
9 judicial notice that judicial notice refers to facts of
10 common knowledge, not to the individual knowledge of the
11 judge, but I believe that even on the former standard you
12 could take notice of the fact that there is no more Tenneco
13 Oil Company. Therefore we did not attempt to notify
14 Tenneco Oil Company.

15 OCD Exhibit Number 6, is a copy of the affidavit
16 of publication showing that notice of this hearing was
17 published in Chaves County, New Mexico, for May 11th, 2006,
18 and we believe the record will reflect that it was
19 continued that date to the present date.

20 VAN BARTON (Present by telephone),
21 the witness herein, having been previously duly sworn upon
22 his oath, was examined and testified as follows:

23 DIRECT EXAMINATION

24 BY MR. BROOKS:

25 Q. Mr. Barton --

1 A. Yes, sir.

2 Q. -- if I asked you the questions about your name,
3 employment capacity and experience, would they be the same
4 as they were in the previous cases?

5 A. They would, sir.

6 Q. Okay. Call your attention to what's been marked
7 as OCD Exhibit Number 3. Is this the plugging procedure
8 that was prepared by you or someone acting under your
9 direction?

10 A. It is.

11 Q. And to what well does this relate?

12 A. -- Number 1.

13 Q. Is that the Plains SL 19 Number 1?

14 A. That's correct.

15 Q. And Mr. Barton, are you familiar with that well?

16 A. Yes, sir.

17 Q. And if that well were plugged in accordance with
18 this plugging procedure, would it be properly plugged and
19 abandoned in accordance with OCD Rules?

20 A. It would, sir.

21 Q. Just so we can furnish a predicate for the fact
22 that we're not pursuing any successor of Tenneco Oil
23 Company, do you believe that well could be plugged for less
24 than \$50,000?

25 A. I would --

1 Q. I realize there may be things about it you don't
2 know.

3 A. I would say it could be.

4 Q. Okay. Have you examined the well file for this
5 well?

6 A. Yes, sir.

7 Q. Can you -- I'm sorry, did you find any evidence
8 that this well is currently in approved temporary
9 abandonment status?

10 A. It is not in the TA status at this time.

11 MR. BROOKS: Thank you, tender Exhibit 3.

12 EXAMINER JONES: Exhibit 3 will be admitted.

13 MR. BROOKS: Pass the witness.

14 EXAMINATION

15 BY EXAMINER JONES:

16 Q. Van, it looks like they used a DV tool on this
17 5-1/2 inch somewhere up there. I don't know if it's on
18 this, but we used a calculated cement top on it or
19 something, it looks like.

20 Well, I have no further questions, if you think
21 this is a good plugging procedure.

22 A. We're under the impression, according to the well
23 file, that the well is plugged back --

24 Q. Okay.

25 A. -- around 2700.

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1 Q. Oh, really. All the way to 2700, okay.

2 A. In fact, I think it's 2800 or something.

3 Q. Okay. So it looks like they tried other zones,
4 and they played out, and that was it. But -- I don't know
5 when they played out, but some other operator can check
6 into it, I guess. That's all I have.

7 A. Okay.

8 EXAMINER JONES: Thank you very much.

9 Do you have any other questions?

10 MS. MacQUESTEN: No questions, thank you.

11 EXAMINER JONES: Okay, thank you very much. With
12 that, we'll take Case 13,714 under advisement.

13 (Thereupon, these proceedings were concluded at
14 2:40 p.m.)

15 * * *

16
17
18
19
20 I do hereby certify that the foregoing is
21 a complete record of the proceedings ~~by~~
the Examiner hearing of Case No. _____
22 heard by me on _____

23 _____, Examiner
24 Oil Conservation Division
25

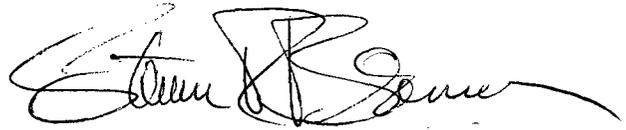
CERTIFICATE OF REPORTER

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 12th, 2006.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006