

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 OIL CONSERVATION DIVISION)
FOR AN ORDER REQUIRING RAULT PETROLEUM)
CORPORATION TO PLUG FOUR WELLS IN)
LINCOLN, DE BACA AND CHAVES COUNTIES,)
NEW MEXICO)

CASE NO. 12,280

ORIGINAL

OIL CONSERVATION DIV.
99 DEC 16 PM 4:44

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MARK ASHLEY, Hearing Examiner

December 2nd, 1999

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MARK ASHLEY, Hearing Examiner, on Thursday, December 2nd, 1999, 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.

* * *

I N D E X

December 2nd, 1999
 Examiner Hearing
 CASE NO. 12,280

PAGE

APPLICANT'S WITNESS:

MIKE STUBBLEFIELD (Present by telephone) (Field Rep
 II, Artesia District Office, District 2, NMOCD)
 Direct Examination by Mr. Carroll 3
 Examination by Examiner Ashley

REPORTER'S CERTIFICATE 9

* * *

E X H I B I T S

Division	Identified	Admitted
Exhibit 1A	4	-
Exhibit 1B	4	-
Exhibit 1C	4	-
Exhibit 1D	4	-
Exhibit 2	7	-
Exhibit 3	7	-

* * *

A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
 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 1:30 p.m.:

3 EXAMINER ASHLEY: At this time the Division calls
4 Case 12,280, Application of Oil Conservation Division for
5 an order requiring Rault Petroleum Corporation to plug four
6 wells in Lincoln, De Baca and Chaves Counties, New Mexico.

7 Call for appearances.

8 MR. CARROLL: May it please the Examiner, my name
9 is Rand Carroll, appearing on behalf of the Oil
10 Conservation Division. I have one witness.

11 EXAMINER ASHLEY: Any additional appearances?

12 (Thereupon, the witness was sworn.)

13 MIKE STUBBLEFIELD (Present by telephone),
14 the witness herein, after having been first duly sworn upon
15 his oath, was examined and testified as follows:

16 DIRECT EXAMINATION

17 BY MR. CARROLL:

18 Q. Mr. Stubblefield, would you please state your
19 name for the record?

20 A. My name is Mike Stubblefield.

21 Q. And Mike, who do you work for, and what is your
22 job with that employer?

23 A. I work for the Oil Conservation Division, the
24 Department of Energy and Minerals, and I am currently a
25 Field Representative II, which is a supervisory position.

1 Q. And Mr. Stubblefield, as a Field Rep II are part
2 of your duties the supervision of the plugging of abandoned
3 oil and gas wells?

4 A. Yes, sir.

5 Q. Mr. Stubblefield, have you had occasion to
6 testify before this Division before regarding the plugging
7 of wells in your district?

8 A. Yes, sir.

9 MR. CARROLL: Mr. Examiner, I offer Mike
10 Stubblefield as an expert in the plugging of wells in New
11 Mexico.

12 EXAMINER ASHLEY: Mr. Stubblefield is so
13 qualified.

14 Q. (By Mr. Carroll) Mr. Stubblefield, if you'll
15 please refer to what has been marked as OCD Exhibit Numbers
16 1A through -D, could you -- First of all, the first two
17 pages of each exhibit, that constitutes your recommended
18 plugging procedure; is that correct?

19 A. Correct.

20 Q. Can you please give the Examiner a brief summary
21 of the history of these wells, the current condition of
22 these wells, in your opinion, as to what should be done?

23 A. Okay, I'll start with the Mark Isler Number 1,
24 located in M of --

25 Q. That's B.

1 A. -- 33-3-25.

2 Q. Okay, go ahead.

3 A. Okay, this well was permitted in June of 1982 by
4 Petroleum Development Corporation, and in July 2nd of 1982
5 was transferred to Rault Petroleum Corporation.

6 This well was spudded July 6th, 1982. And July
7 8th, 1982, 10 3/4 casing was cemented at 958. My records
8 also show July 17th, 1982, 4-1/2-inch casing was run and
9 cemented at 4040 foot.

10 October 7th, 1982, the well was completed with
11 perforations at 3537 and 3541, and we have had no reported
12 production on the Mark Isler Number 1.

13 May 2nd, 1991, a TA letter was sent to Rault
14 Petroleum by District Supervisor Mike Williams.

15 January 5th, 1999 [sic], a second letter was sent
16 certified to Rault Petroleum Corporation by Ray Smith, who
17 was then a Field Rep II in the District, requesting the
18 well be plugged and abandoned, and this well [sic] was
19 returned to OCD unclaimed.

20 August 2nd, 1999 [sic], a letter was sent to Rand
21 Carroll requesting the well be plugged and abandoned to
22 protect the fresh waters of the State of New Mexico, the
23 environment and correlative rights in the area.

24 And according to current information we have
25 received -- Rault Petroleum was placed in Chapter VII

1 bankruptcy by the US Bankruptcy Court on May 6th, 1985.

2 And I am recommending that this well be plugged to protect
3 the fresh water, the environment and correlative rights in
4 the area.

5 Q. Mr. Stubblefield, is it pretty much the same
6 story for the other three wells?

7 A. Yes, sir, it is.

8 Q. Were they drilled at approximately the same time
9 as the Mark Isler?

10 A. No, they were drilled at various dates, Rand.

11 Q. What years?

12 A. Well, let's see. That Ridge State Number 1,
13 which is located in G of 24-1-20, was drilled May 5th of
14 1982. The Union State 1 was spudded July 31st, 1982 --

15 Q. So they're all drilled in 1982?

16 A. Yes, sir.

17 Q. And have any of them shown any production?

18 A. No, sir, we have no reported production on any of
19 these wells.

20 Q. Mr. Stubblefield, you've already indicated that
21 the Division's efforts to reach Rault Petroleum have not
22 resulted in any contact, and we do have second-hand
23 information that Rault Petroleum is in bankruptcy?

24 A. Correct.

25 Q. Mr. Stubblefield, are you aware if there's any

1 bond on these wells?

2 A. (No response)

3 MR. CARROLL: Mr. Examiner, if you'll refer to
4 what has been marked OCD Exhibit Number 2 --

5 EXAMINER ASHLEY: Okay.

6 MR. CARROLL: -- it is the \$50,000 blanket bond
7 filed with the Division for Rault Petroleum Corporation.

8 Q. (By Mr. Carroll) Mr. Stubblefield, what's the
9 current condition of these four wells?

10 A. I show them to be shut in with no reported
11 production and to be shut in and abandoned.

12 Q. Are there any liquids escaping to the surface?
13 Is there any equipment on the sites that can be salvaged?

14 A. I believe there is no surface equipment that can
15 be salvaged except for probably downhole salvage from the
16 wells. And to my knowledge there is no liquid escaping to
17 the environment at this time.

18 Q. Mr. Stubblefield, at this time do you recommend
19 that all four of these wells be plugged and abandoned
20 according to the plugging procedures you recommend in order
21 to prevent waste, protect correlative rights and/or protect
22 public health and the environment?

23 A. Yes, I do.

24 MR. CARROLL: Mr. Examiner, I've also given you
25 what has been marked as OCD Exhibit Number 3.

1 EXAMINER ASHLEY: Okay.

2 MR. CARROLL: That shows notice was sent to Rault
3 at its address in New Orleans, Louisiana, returned as
4 undeliverable, and that the notice was received by the
5 insurance company, which is United States Fire Insurance
6 Company.

7 I have received a letter from United States Fire
8 Insurance. They cannot locate copies of the bond, and I'm
9 going to follow up and send them a copy of the bond. But
10 they have been notified.

11 EXAMINER ASHLEY: Okay.

12 Q. (By Mr. Carroll) Do you have anything else to
13 add, Mr. Stubblefield?

14 A. No, sir, I do not.

15 MR. CARROLL: That's all I have.

16 EXAMINER ASHLEY: Okay, I have nothing further in
17 this case either. Therefore, Case 12,280 will be taken
18 under advisement.

19 Thank you, Mr. Stubblefield.

20 THE WITNESS: Thank you, sir.

21 EXAMINER ASHLEY: And that concludes today's
22 hearing.

23 (Thereupon, these proceedings were concluded at
24 1:38 a.m.)

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 12280,
heard by me on 12-2 1999.

Mark R. Ashley
Examiner

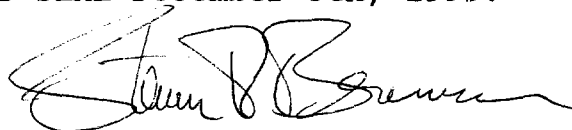
CERTIFICATE OF REPORTER

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 December 8th, 1999.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002