

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. 12,437

APPLICATION OF THE OIL CONSERVATION)
DIVISION FOR AN ORDER REQUIRING SANDCO)
OIL AND GAS, INCORPORATED, TO PROPERLY)
PLUG THREE WELLS, CHAVES 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.

* * *

OIL CONSERVATION DIV.
00 JUN 29 PM 5:08

I N D E X

June 15th, 2000
 Examiner Hearing
 CASE NO. 12,437

PAGE

APPLICANT'S WITNESS:

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

3

REPORTER'S CERTIFICATE

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	4	-
Exhibit 2	5	-
Exhibit 3	6	-

* * *

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 10:28 a.m.:

3 EXAMINER CATANACH: At this time I will call Case
4 12,437, the Application of the Oil Conservation Division
5 for an order requiring Sandco Oil and Gas, Inc., to
6 properly plug three wells, Chaves 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, in this
11 case. He has previously been sworn and been accepted as an
12 expert in Case Number 12,433.

13 EXAMINER CATANACH: Call for additional
14 appearances?

15 The record shall reflect there are no additional
16 appearances at this hearing, and that Mr. Stubblefield has
17 been sworn and qualified in previous cases today.

18 MS. HEBERT: Mr. Examiner, I give you the files
19 with the three exhibits for these three 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. -- could you please describe for us the three
3 wells that are in Chaves County that you're recommending
4 being plugged in this case?

5 A. Yes, ma'am, these are the Sandco O'Brien Lightcap
6 "7" Number 1, the Sandco O'Brien Lightcap "7" Number 2, the
7 Sandco Oil and Gas, Incorporated, O'Brien Lightcap "7"
8 Number 3.

9 Q. Thank you. And can you tell us, approximately
10 when were these wells drilled, and the last date of
11 production for these wells?

12 A. Yes, ma'am, the O'Brien Lightcap "7" Number 1,
13 this well was spud June 30th, 1983. 4-1/2-inch casing was
14 ran and cemented at 2810. This well was completed with
15 perforations of 2714 to 2760. Last production date on
16 ONGARD database was July of 1986.

17 Q. Okay, thank you. And do you recommend that this
18 well be plugged, and do you have a procedure in Exhibit
19 Number 1 for this well?

20 A. Yes, ma'am, I do.

21 Q. Going to the next well, would you also give us
22 the history for that well?

23 A. Okay, my next well would be the O'Brien Lightcap
24 "7" Number 2. This well was spudded January 3th, 1984.
25 The well was completed with 4-1/2-inch casing set at 2700

1 foot. It was completed with perforations 2574 to 2592, and
2 we have no reported production on this well on our ONGARD
3 database system.

4 Q. Okay, thank you. And is it also your
5 recommendation that this well be plugged to protect the
6 waters of New Mexico?

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

8 Q. And again, is there a recommended plugging
9 procedure in Exhibit Number 1?

10 A. Yes, ma'am, there is.

11 Q. Okay, thank you. And finally, the third well in
12 this group. Would you describe that well and give us its
13 history?

14 A. Okay, yes, ma'am. This would be the O'Brien
15 Lightcap "7" Number 3. This well was spudded June 5th of
16 1980. 4-1/2-inch casing was set at 2780. This well was
17 completed with perforations from 2623 to -51, and we have
18 no reported production on our ONGARD database system.

19 Q. Thank you. And you again recommend that this
20 well be plugged, and you've included your recommended
21 procedure in the Exhibit Number 1?

22 A. Yes, ma'am.

23 Q. Thank you. Turning to Exhibit Number 2, are
24 those the three \$5000 bonds, one for each one of these
25 three wells?

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

2 Q. And those are with Western Surety Company; is
3 that correct?

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

5 MS. HEBERT: Mr. Examiner, Hearing Number 3 is
6 the affidavit of the notice that was provided in this case.
7 Western Surety Company did receive notice of this hearing.
8 They apparently are unable to locate this bond. We did, of
9 course, send them a copy of the original bond, and I don't
10 know what will happen when we attempt to collect on this
11 bond, or the three bonds, but they were given notice of the
12 hearing.

13 EXAMINER CATANACH: And it appears that Sandco
14 was -- you were unable to locate anybody with Sandco?

15 MS. HEBERT: The last known address was the
16 address in Mesilla Park, New Mexico, and it was returned
17 marked "attempted delivery" and "not known".

18 And that concludes our presentation in case
19 12,437.

20 EXAMINER CATANACH: Okay, I have no questions.
21 There being nothing further in this case, Case 12,437 will
22 be taken under advisement.

23 (Thereupon, these proceedings were concluded at
24 10:35 a.m.)

25

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 12,437
* heard by me on June 15 1900

STEVEN T. BRENNER, CCR
(505) 989-9317
Conservation Division

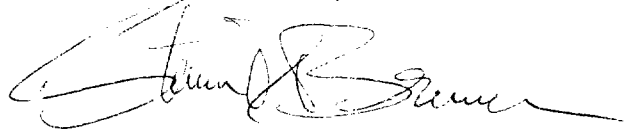
CERTIFICATE OF REPORTER

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