

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)
CONSERVATION DIVISION FOR AN ORDER)
REQUIRING M&G OIL, INC., TO PROPERLY)
PLUG FOUR WELLS, IMPOSING CIVIL)
PENALTIES IN EVENT OF FAILURE TO COMPLY,)
AUTHORIZING THE DIVISION TO PLUG SAID)
WELLS IN DEFAULT OF COMPLIANCE BY M&G)
OIL, INC., OR ITS SURETY, AND ORDERING)
A FORFEITURE OF APPLICABLE PLUGGING)
BOND, LEA COUNTY, NEW MEXICO)

CASE NO. 12,823

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

February 21st, 2002

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, February 21st, 2002, 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.

* * *

02 MAR -7 AM 8:07
OIL CONSERVATION DIV

I N D E X

February 21st, 2002
 Examiner Hearing
 CASE NO. 12,823

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A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS
 Attorney at Law
 Energy, Minerals and Natural Resources Department
 Assistant General Counsel
 1220 South St. Francis Drive
 Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 1:15 p.m.:

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7 EXAMINER STOGNER: Hearing will come to order.
8 At this time I'll call Case Number 12,823, which is the
9 Application of the Oil Conservation Division for an order
10 requiring M&G Oil, Inc., to properly plug four certain
11 wells in Lea County, New Mexico.

12 At this time I'll call for appearances.

13 MR. BROOKS: Mr. Examiner, I'm David Brooks,
14 Assistant General Counsel, Energy, Minerals and Natural
15 Resources Department of the State of New Mexico, appearing
16 for the Oil Conservation Division.

17 I have three witnesses.

18 EXAMINER STOGNER: Any other appearances in this
19 matter?

20 Will all three witnesses please stand at this
21 time to be sworn?

22 (Thereupon, the witnesses were sworn.)

23 MR. BROOKS: Okay, may I proceed?

24 EXAMINER STOGNER: You may.

25 MR. BROOKS: Call Jane Prouty.

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JANE E. PROUTY,

the witness herein, after having been first duly sworn upon her oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BROOKS:

Q. State your name for the record, please.

A. Jane Prouty.

Q. And by whom are you employed?

A. The Oil Conservation Division.

Q. And in what capacity?

A. As manager of the production and permitting area.

Q. Okay, and what are your duties with regard production reporting and so forth?

A. I manage the staff that keys in the reports and receives and electronically processes the reports.

Q. And the Oil Conservation Division has a computer system called ONGARD, does it not?

A. Uh-huh.

Q. And the ONGARD system, does that keep track of who is the operator of each well?

A. Yes.

Q. And of how much production is reported from each well every month by the operator?

A. Yes.

Q. And is it possible to obtain from the ONGARD

1 system a printout of an operator's well showing the
2 production that that operator has reported from each of
3 those wells for each month?

4 A. Yes.

5 Q. Did I ask you to prepare such a printout for M&G
6 Oil, Inc.?

7 A. Yes.

8 Q. And if you'll take the exhibit folder there, or
9 the exhibit clip there, and look at Exhibit Number 2, which
10 is the second document --

11 A. Uh-huh.

12 EXAMINER STOGNER: Mr. Brooks, do you have a copy
13 for me?

14 MR. BROOKS: I think I -- Oh, I put it by my
15 side, by my seat instead of yours.

16 EXAMINER STOGNER: -823, here it is, okay.

17 MR. BROOKS: Sorry about that.

18 EXAMINER STOGNER: Thank you. You may proceed.

19 Q. (By Mr. Brooks) Would you state what Exhibit
20 Number 2 is?

21 A. That is a list of the production and injection
22 reporting for all the wells owned by M&G, that I showed
23 owned by M&G, that were not plugged from January, 1997,
24 through the present date.

25 Q. And you said "owned", but actually that -- you

1 meant to say "operated"?

2 A. I meant to, thank you.

3 Q. And this is a printout that you made pursuant to
4 my request from the ONGARD system, correct?

5 A. Yes.

6 Q. And what does it show about the production from
7 the six wells listed here?

8 A. It shows that they are -- they were reporting
9 volumes on one of the wells through October of 1998, and
10 the other five we do not receive the well -- the completion
11 listed on a C-115.

12 Q. In other words, they did not report any
13 production, they did not file any production reports that
14 showed those wells, period?

15 A. Correct.

16 Q. And has there been any production -- The one you
17 referred to of which there is a production report, that's
18 the Santa Fe Number 1, correct?

19 A. Yes.

20 Q. And is the last production reported from the
21 Santa Fe Number 1 October of 1998?

22 A. Yes.

23 MR. BROOKS: Okay. I believe that is all my
24 questions of this witness.

25 I will offer OCD Exhibit Number 2 at this time.

1 EXAMINER STOGNER: Exhibit Number 2 will be
2 admitted into evidence.

3 Let's see, Mr. Brooks, before I ask Ms. Prouty a
4 question here, there's four wells advertised, but you have
5 six wells on this exhibit?

6 MR. BROOKS: Yes, I'm going to go into the other
7 two with my next witness.

8 EXAMINER STOGNER: Okay, I'm just jumping ahead
9 here. Ms. Prouty --

10 MR. BROOKS: The Examiner might have some
11 questions.

12 EXAMINER STOGNER: Yes, I do.

13 EXAMINATION

14 BY EXAMINER STOGNER:

15 Q. Ms. Prouty, that Santa Fe Number 1, that one that
16 had production and then -- It had production through 1997
17 down to 10 of 1998, and then there's zero production to
18 2000. Now, were they submitting C-115s for those months
19 that they didn't have any production in those, what, five
20 to eight months, or eight months there?

21 A. Yes, and first of all, I only ran the report from
22 January, 1997, forward. They probably had production prior
23 to that, I was just -- That's how it's set up for a
24 default. And yes, if the month and the year appear, that
25 means they reported zero production or injection for that

1 well.

2 If nothing appears, like if the month -- let me
3 see -- Okay, you see the difference between June of 1999
4 through December of 2000?

5 Q. Yes.

6 A. Those months we did not receive a C-115 at all
7 with this well on it.

8 Q. Nor did you receive one from, what, all of 2001?

9 A. Correct, right, this does not cut off, yes.

10 Q. Okay. Let's see, in looking at this, can I tell
11 if these are completed as producers or injectors if they
12 don't show any fluids either injecting or producing?

13 A. I did bring a report of their wells, which is not
14 in evidence, but they're all listed as oil wells, it looks
15 like. Let me just make sure. 9792, the top well is a
16 saltwater disposal well, according to our records, but the
17 others are oil.

18 Q. And so when you say the top well, you're talking
19 about the Martha Forrest Number 1?

20 A. Correct, right.

21 EXAMINER STOGNER: Okay. Thank you, Ms. Prouty,
22 I have no other questions.

23 THE WITNESS: Okay.

24 MR. BROOKS: Very good. Chris Williams was to be
25 my next witness, but he wanted to go get his cheat sheet,

1 so at this time to avoid wasting time here I'll go ahead
2 and call Ms. Phillips, whose testimony I think will be
3 brief.

4 EXAMINER STOGNER: And also I see that notation
5 down there, after I had asked Ms. Prouty the question about
6 the months. She didn't note that on the bottom of this
7 page, and I failed to see it. I'm sorry about that.

8 MR. BROOKS: Well, I failed to ask that question,
9 as I have done in previous hearings.

10 Okay, may I proceed, Mr. Examiner?

11 EXAMINER STOGNER: Yes, please.

12 DOROTHY L. PHILLIPS,

13 the witness herein, after having been first duly sworn upon
14 her oath, was examined and testified as follows:

15 DIRECT EXAMINATION

16 BY MR. BROOKS:

17 Q. Ms. Phillips, would you state your name for the
18 record, please?

19 A. Dorothy Phillips.

20 Q. And by whom are you employed?

21 A. By the Oil Conservation Division.

22 Q. And in what capacity?

23 A. I am the plugging bond administrator.

24 Q. And as plugging bond administrator, are you
25 responsible for maintaining the files in the Oil

1 Conservation Division that include and relate to bonds
2 submitted by operators to secure their responsibility to
3 plug wells?

4 A. That's correct.

5 Q. Okay. I'm going to give you for reference the
6 Oil Conservation Division bond file on M&G Oil, Inc., which
7 you produced for me, and I will ask you to look in the
8 exhibit stack which was in front of you when you sat down,
9 at Exhibit Number 7, which is the legal size sheet there,
10 and I will ask you to identify that. Exhibit Number 7 is
11 what?

12 A. That is a copy of the \$15,000 blanket bond,
13 plugging bond, for M&G Oil, Inc.

14 Q. And just scanning the original bond -- it is from
15 your file -- does that appear to be a true and correct copy
16 of the bond that is on file with the OCD?

17 A. Yes, sir, that's correct.

18 Q. And the surety named in that bond is Lumbermen's
19 Mutual Casualty Company; is that correct?

20 A. That's correct.

21 Q. Now I'll call your attention to OCD Exhibit
22 Number 8 and ask you to identify that.

23 A. That's the letter signed by Mr. William LeMay,
24 then the Director of the Oil Conservation Division, on
25 April 14th, 1987, for -- a request for cancellation. The

1 surety is requesting cancellation of the bond.

2 Q. Okay, and I will read from Exhibit Number 8 the
3 last sentence. It said, "It should be noted, however, that
4 the subject bond will remain in effect as to any property
5 or wells acquired, started, or drilled prior to May 11,
6 1987"; is that correct?

7 A. That's correct.

8 Q. And is Exhibit Number 8 a true copy of the letter
9 that is contained in the OCD bond file for M&G Oil, Inc.?

10 A. Yes, sir.

11 MR. BROOKS: Thank you. Offer in evidence OCD
12 Exhibits Number 7 and 8.

13 EXAMINER STOGNER: Exhibits Number 7 and 8 will
14 be admitted into evidence.

15 MR. BROOKS: Pass the witness.

16 EXAMINATION

17 BY EXAMINER STOGNER:

18 Q. Let's see, this bond became active when, Ms.
19 Phillips? I show it received on June 26th, I can't tell
20 what year.

21 MR. BROOKS: 1984, I believe. The note that
22 the -- the attorney for the surety acknowledged it on June
23 13th, 1984.

24 EXAMINER STOGNER: Okay, that was the date I was
25 looking for.

1 Q. (By Examiner Stogner) Is that your
2 understanding, Ms. Phillips, that that's the date it
3 becomes active?

4 A. Yes, sir. And also, there's also a letter in the
5 file from Mr. Ramey, who was then the Director, where they
6 approved the bond, the blanket plugging bond in the file.

7 EXAMINER STOGNER: Thank you. No other questions
8 for Ms. Phillips. You may be excused.

9 MR. BROOKS: Very good, we'll call Chris
10 Williams.

11 EXAMINER STOGNER: You may proceed.

12 MR. BROOKS: Okay, I have one more exhibit here
13 which I'm in the process of marking.

14 CHRIS WILLIAMS,
15 the witness herein, after having been first duly sworn upon
16 his oath, was examined and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. BROOKS:

19 Q. Mr. Williams, would you state your name for the
20 record, please?

21 A. Chris Williams.

22 Q. And by whom are you employed?

23 A. Oil Conservation Division.

24 Q. In what capacity?

25 A. District Supervisor, District 1.

1 Q. And what area of the state is District 1?

2 A. It's Lea, Roosevelt, Curry and part of Chaves
3 Counties.

4 Q. As District Supervisor, are you responsible for
5 overseeing the wells that are located within that district?

6 A. Yes.

7 Q. Have you testified before the Oil Conservation
8 Division Hearing Examiners before?

9 A. Yes.

10 Q. And have your credentials as a well inspector and
11 well examiner been accepted by the Division?

12 A. Yes.

13 MR. BROOKS: We will ask that Mr. Williams be
14 accepted as an expert in well inspection.

15 EXAMINER STOGNER: Mr. Williams' qualifications
16 are satisfactory.

17 MR. BROOKS: Very good.

18 Q. (By Mr. Brooks) Mr. Williams, are you familiar
19 with M&G Oil, Inc.?

20 A. Yes.

21 Q. And can you tell us what you know about M&G Oil,
22 Inc.?

23 A. M&G Oil, Inc., was owned by Bill Grossbeck, and
24 Mr. Grossbeck died about a year ago, and his wife has died.
25 I know that we have sent him several letters and talked to

1 him personally about repairing some of these wells and
2 bringing them back into production or plugging them, and he
3 was always a very cooperative operator. He did a little
4 bit, but he didn't do enough to take care of this.

5 Q. I call your attention to OCD Exhibit Number 2,
6 which was identified by Ms. Prouty. You will note that
7 there are six wells listed on OCD Exhibit Number 2.

8 A. Uh-huh.

9 Q. Now, that includes the State K Number 1, the
10 Santa Fe Number 1, the Morton Federal Number 2 and the
11 Walker 686 LTD Number 1, which are the subject of this
12 proceeding. It also includes the Martha Forrest Number 1,
13 and the Mounsey Number 1, which are not the subject of this
14 proceeding, but also appear not to be producing wells. Can
15 you tell the Examiner what the status of those wells is?

16 A. In the inspection reports, I think the State K
17 Number 1 --

18 Q. And you're now referring to what has been marked
19 as OCD Exhibit Number 9, correct?

20 A. Right, right. I think the State K Number 1, when
21 we went to inspect it we couldn't find it.

22 Q. The State K Number 1 is one of the listed wells.

23 A. Oh, is it? Okay.

24 Q. We're asking -- I was inquiring about the Martha
25 Forrest Number 1 and the Mounsey Number 1.

1 A. Right. Okay, the Mounsey Number 1, the well is
2 plugged, but the location has not been cleaned up and
3 there's a lot of junk left on the location, tank battery
4 site hasn't been cleaned up. And in that case we do not
5 release the bonds until the sites are cleaned up or the
6 junk is removed off of the well locations.

7 Q. But in this case the bond is probably going to be
8 exhausted in plugging these other four wells, right?

9 A. Correct, correct.

10 Q. Okay. What about the status of the Martha
11 Forrest Number 1?

12 A. Okay, Martha Forrest Number 1, that's the one we
13 went out and inspected, and what we found was, in its
14 location was -- it was supposed to be a saltwater disposal
15 well, but we found a windmill, and they're pumping fresh
16 water out of that -- we think, that particular well,
17 because it fits all the approximate footages for that well,
18 and we can't find the location out there for the Martha
19 Forrest at all.

20 Q. And based on the fact that the Mounsey has
21 actually been plugged and that you're unable to
22 definitively locate the Martha Forrest, did you make a
23 decision not to request me to proceed as to those two
24 wells?

25 A. Yes, yes.

1 Q. Very good. Do you know when these wells were
2 drilled?

3 A. No, I don't.

4 Q. Do you have any idea?

5 A. I could -- Probably in the 1950s, sometime.
6 Without the well file I can't tell you for sure.

7 Q. Well, the matter that is critical, are you in a
8 position to assure the Examiner that they were drilled
9 prior to May 11th, 1987?

10 A. No, I'm not, not without the well files.

11 Q. Okay. Well, we'll have to supplement the record,
12 then, on that.

13 A. Okay. I believe they were drilled in the 1950s,
14 but that's --

15 MR. BROOKS: I should have asked the Examiner
16 those questions in advance of the hearing -- I mean the
17 witness this question in advance of this hearing, but I
18 will have to request permission to supplement the record on
19 that subject.

20 EXAMINER STOGNER: Or I can take administrative
21 notice on the well records here.

22 MR. BROOKS: Well, that will move things along if
23 you can take administrative notice of what's recorded in
24 the well files.

25 EXAMINER STOGNER: I will take administrative

1 notice of the -- Santa Fe's files on the four wells in
2 question today.

3 MR. BROOKS: Okay, very good.

4 Q. (By Mr. Brooks) I'll call your attention to what
5 has been marked as Exhibits Numbers 3, 4 and 5 and ask you
6 to look at them.

7 A. These are plugging procedures written by Billy
8 Prichard, a field inspector that works for me, for those
9 three particular wells to be plugged.

10 Q. And in your opinion, if these wells were plugged
11 in accordance with these procedures, would they be properly
12 plugged and abandoned in accordance with OCD Rules and
13 Regulations?

14 A. Yes.

15 Q. I will now ask you to look at OCD Exhibit Number
16 6, which appears to be an e-mail from Billy Prichard to me
17 with regard to the Walker 686 LTD Number 1.

18 A. Okay.

19 Q. And apparently very limited work is needed on
20 that?

21 A. Right, right.

22 Q. And do you believe that if the work were
23 accomplished that Mr. Prichard has specified, that this
24 well would be plugged in accordance with OCD Rules and
25 Regulations?

1 A. Yes.

2 Q. Very good. Mr. Williams, in your opinion as a
3 well inspector, do these wells need to be plugged in order
4 to confine fluids to the strata in which they're
5 encountered and prevent their migrating to other strata,
6 and for the protection of the environment and public health
7 and safety?

8 A. Yes.

9 Q. Were OCD Exhibits 3 through 6 prepared by you or
10 under your direction?

11 A. They were prepared under my direction.

12 Q. And also OCD Exhibit Number 9?

13 A. Yes, under my direction.

14 MR. BROOKS: Very good. At this time I will
15 offer OCD Exhibits 3, 4, 5 and 6 and 9.

16 EXAMINER STOGNER: Exhibits 3, 4, 5 and 6 and 9
17 will be admitted into evidence at this time.

18 MR. BROOKS: Pass the witness.

19 EXAMINATION

20 BY EXAMINER STOGNER:

21 Q. Is there an M&G Oil, Inc., operating any other
22 wells in the State at this time?

23 A. The wells that we have listed, there were nine
24 wells total. I think that's right. There's ten wells, but
25 I think four those of those wells are plugged, and now

1 they're not operating any wells right now.

2 Q. Are these wells located in a particular section
3 or area of northern Lea County?

4 A. Yes, they are.

5 Q. What pool, where are they near, what's --

6 A. They're near -- most -- the Crossroads-Devonian
7 Pool.

8 Q. That would be the Community of Crossroads, just a
9 little bit east of there, I believe?

10 A. Right, just north of Tatum.

11 Q. And there is fresh water in that area, is there
12 not?

13 A. Yes.

14 Q. Thus the water well. Oh, by the way, okay, I
15 want to go back to that.

16 A. The water well?

17 Q. Yes, the water well. You didn't have a record
18 that that was ever converted --

19 A. Right.

20 Q. -- but it looks like one of your field personnel
21 did talk to the rancher?

22 A. Yes.

23 Q. Was this his water well?

24 A. Carl Johnson?

25 Q. I don't see a name.

1 A. Okay.

2 Q. Referring to Exhibit 6.

3 A. Exhibit 6.

4 Q. This is the e-mail from --

5 A. Oh, okay. That was probably -- the guy's name
6 was James Williams, who now owns that ranch.

7 Q. Did he not want to keep it as a water well?

8 A. Yeah, he did want to keep it as a water well, but
9 he figured if we decided to go ahead and plug it, that he
10 wasn't -- He has water wells there, external.

11 Q. Okay, so we're going to go back in, or you're
12 proposing at this time that we go back in and plug this
13 well from top to bottom?

14 A. No, we -- it's one of the -- The feds' records
15 and our records of this well are real sketchy. Probably
16 the best way for us to do it would be to go in and drill
17 out and go all the way to bottom and then plug back.

18 Q. And that's what you're proposing to do?

19 A. No, this is proposing to go in and tag 300-foot
20 plug and fill it with cement. After seeing -- I missed
21 that the first time. I think I would like to research the
22 well files a little bit and see if we've ever gotten a
23 plugging procedure in on this. And if we have, then the
24 only safe way to do this would be to drill back through it.

25 Q. Okay, now this is a well on federal lands. Now,

1 our plugging bond doesn't cover this, does it?

2 A. Yes, it does. Well, but the federal, they will
3 have a bond --

4 MR. BROOKS: Yeah, my understanding, Mr.
5 Examiner, is that while a person can operate wells on
6 federal lands without providing a plugging bond, that if
7 they, in fact, have a plugging bond in force, that we have
8 the right -- and if the OCD is forced to plug those wells,
9 we have the right to resort to that bond for any wells they
10 may have that are operated in the State of New Mexico,
11 including wells on federal land.

12 I can't say that that's definitively established
13 by any authority, any case law, but just reading the terms
14 of the bond, it would appear to so provide.

15 EXAMINER STOGNER: Well, is there a federal bond
16 on this now or not?

17 MR. BROOKS: We haven't researched that. I would
18 have to assume there probably is, because -- It would not
19 necessarily be by the same person, though, because the feds
20 get their bonds from the owner of record title, rather than
21 the operator. It's not always the same person, as you
22 know.

23 EXAMINER STOGNER: But in this particular
24 instance of being a federal bond, or assuming a federal
25 bond is in place, would the OCD contact the feds for -- to

1 take money out of that bond, or what's the procedure?

2 MR. BROOKS: Yes, we definitely would after we
3 have plugged the well, then we will contact the BLM and
4 attempt to recover on that bond. Usually they -- In the
5 past, they have been reasonably cooperative. Slow, but
6 cooperative.

7 EXAMINER STOGNER: I have no other questions of
8 Mr. Williams. You may be excused.

9 Do you have anything further in this matter?

10 MR. BROOKS: Yes, Mr. Examiner, I would like to
11 offer Exhibit Number 1, which is affidavit of notice. If
12 you will look at the attachments to Exhibit Number 1, it
13 appears that a return receipt was received from the surety
14 company Lumbermen's Mutual Casualty Company. You will
15 notice also that the certified mail notice to M&G Oil was
16 returned with a handwritten notation, "refused", and a
17 postal stamp with a check, "addressee unknown". I guess if
18 I were to speculate, I would have to assume somebody else
19 is now at that address, because that's what it shows.

20 Tender Exhibit Number 1.

21 EXAMINER STOGNER: Exhibit Number 1 will be
22 admitted into evidence at this time also.

23 MR. BROOKS: Okay, Mr. Examiner, in view of Mr.
24 Williams' testimony concerning the Walker 6, I believe it
25 is, the Walker 686 LTD Number 1, we would request to hold

1 this record open. I don't know just -- I'm not sure just
2 how to do this administratively -- you presumably would
3 know more how to do it than I -- but in case Mr. Williams
4 wants to submit a -- after reviewing the matter, wants to
5 submit a revised plugging procedure for the Walker 686, as
6 indicated by his last testimony.

7 Q. (By Examiner Stogner) How much time do you think
8 you would need, Mr. Williams?

9 A. If the well files are here upstairs --

10 Q. Yes.

11 A. -- I can do it this afternoon.

12 EXAMINER STOGNER: I'll tell you what, why
13 don't -- I'll hold the record open, pending your written
14 response through your attorney on this. As I understand
15 it, Mr. Brooks, it's going to be plugged one way or the
16 other.

17 MR. BROOKS: That's what we're asking, and of
18 course my request here was based on Mr. Prichard's response
19 to my inquiry as to what we should do about this well, and
20 based on Mr. Williams' testimony, it appears that maybe I
21 need to review that determination. But yes, it would be
22 plugged in one way or the other.

23 EXAMINER STOGNER: I think to clarify on the
24 record just what is available at this point on this
25 particular well, if more is going to be needed such as you

1 suggested as drilling out, if there is nothing on the
2 record, which in itself is a record -- so I'll just leave
3 the record open pending any written comments, and a copy of
4 the pertinent data out of the well file.

5 MR. BROOKS: Okay, would I need to present this
6 again at the next hearing to have it taken under advisement
7 or --

8 EXAMINER STOGNER: No, I don't think so. What
9 I'm going to do is just hold the record open.

10 MR. BROOKS: Okay.

11 EXAMINER STOGNER: When I adjourn today, I will
12 just hold it open until I get that written response. And
13 at that time if I feel it necessary to re-open -- but at
14 this point I don't anticipate the need to do that.

15 MR. BROOKS: Thank you, Mr. Examiner.

16 EXAMINER STOGNER: Thank you, Mr. Brooks.

17 MR. BROOKS: That concludes our presentation on
18 this case.

19 Oh, did you note for the record that Exhibit
20 Number 1 was admitted? I don't recall.

21 EXAMINER STOGNER: Yes, I did.

22 MR. BROOKS: Okay, thank you.

23 (Thereupon, these proceedings were concluded at
24 1:44 p.m.)

25 I do hereby certify that the foregoing is
a complete and true record of the proceedings in
the case of *12823*
hearing No. *1092* February 2002

Michael J. Stogner, Examiner
STEVEN BRENNER, CCR
Oil Conservation Division
(505) 989-9317

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 March 2nd, 2002.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002