

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO



TRANSCRIPTION OF HEARING

CASE NO. 279

August 7, 1951

(DATE)

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

In Re: This case has been successively continued from hearings of June 21 and July 24. It is concerned with the Commission's application upon its own motion for an order directed to S. T. Silverstein, T. H. Donnelly, Sarah D. Ulmer and the Massachusetts Bonding and Insurance Company for plugging and abandonment of well in SE SE SW 11-12N-32E, NMPM, Quay County, New Mexico.

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(See transcript in Case 269 and 270 for register of attendance and appearances.)

MR. SHEPARD: We will take up the next case, 279.

(Mr. White reads the Notice of Publication.)

MR. WHITE: Is Mr. Silverstein present?

MR. SILVERSTEIN: Present.

MR. WHITE: Is Mr. Donnelly present?

MR. SILVERSTEIN: No, he isn't.

MR. WHITE: Anyone representing the Massachusetts Bonding and Insurance Company present?

MR. SILVERSTEIN: I put up the bond, and naturally I am looking after their interests out here.

MR. WHITE: Mr. Silverstein, do you have any engineering representative?

MR. SILVERSTEIN: Well, at the moment I don't have. I didn't think it was necessary from the circumstances of the case, which were discussed some with Mr. Utz yesterday very thoroughly.

MR. WHITE: Would you like to be sworn, and make a statement for the record?

MR. SILVERSTEIN: Yes, I would like to do that. The reason I say that, I am trying to cooperate with everyone, and do what is conscientiously right. I have done everything I can anyhow, and as a matter of fact, I want to help instead of being a detriment. That is my position.

MR. WHITE: We will have you sworn.

MR. SILVERSTEIN: Thank you. I will answer any questions you wish to ask.

(Mr. Silverstein sworn.)

MR. WHITE: Mr. Silverstein, you may proceed and make whatever statement you desire to make to the Commission.

MR. SILVERSTEIN: Yes, I will be glad to do so. We started the well as is familiar with the Commission in the office, and at 86--848 feet as I recall it--now, these facts are from memory. I ceased to be the operator and Mr. Donnelly took over. And at that time I was responsible for setting ten and three-quarter inch pipe. At that time we also put 125 sacks of cement and Halliburton placed the cement behind the above mentioned pipe with the object of eliminating any contamination of water. I promised the boys I would do that. That I would do everything in my power to do the thing in a workman-like manner. Well, it later developed that Mr. Utz tells me -- I met Mr. Utz in the geological meeting in Denver -- and he informed me at that time that the well hadn't been plugged, which was a surprise to me. Upon investigation -- I am trying to get the parties interested -- I find Mr. Donnelly had filed what would be called an application or statements to the effect that the well had been plugged. And Mr. Utz then said that according, that the surface wasn't plugged to his satisfaction. And I made the statement that of his convenience if he would get, and I would either contact Donnelly, and if I couldn't do that, that whatever would be necessary at the time the two of us would do. I think that is the extent of my statement. However, I do know there was cement purchased and the ^{bills} ~~boys~~ have been sent to Mr. Zinn and aquager was placed in the hole, and that statement

was also made by Mr. Donnelly and should be in the possession of Mr. Zinn because I lacked about 24 hours time to be able to get all these facts before the Commission. I will go on and make a statement of my own understanding. I didn't see that **done**, and that is what Mr. Donnelly states. Now, Mr. Donnelly, after all, is the operator, and so represented, and I don't believe that we would believe he purchased cement and plugged the hole when he didn't do it.

MR. WHITE: You weren't present at the time of the plugging operation?

MR. SILVERSTEIN: No, I wasn't. I definitely wasn't.

MR. WHITE: All you know is hearsay.

MR. SILVERSTEIN: The only thing I can find out is what happened to 848 feet. That I was responsible for. That I know.

MR. WHITE: You don't know whether or not the pipe is still in the hole do you?

MR. SILVERSTEIN: There is in excess of 500 feet and some odd feet of 10 and three-quarter inch pipe in that hole at the moment.

MR. WHITE: That statement is based upon the fact you saw it put in?

MR. SILVERSTEIN: No, they couldn't have pulled anymore after putting 125 sacks of cement in the hole.

MR. WHITE: Were you present?

MR. SILVERSTEIN: Well Halliburton did it. I paid for the cement.

Q (by Mr. White) But other than that all you know is what others have told you, is that correct?

A (by Mr. Silverstein) They handed a bill for so much cement and I paid the bill.

MR. SPURRIER: The answer is yes or no.

A I would say yes.

MR. WHITE: I think that is all so far as we are concerned, Mr. Silverstein.

MR. SILVERSTEIN: Thank you very much. But I want to make another statement and that is this. I want to go on record and state that any cooperation that I can show either Mr. Utz or Mr. Spurrier in completing that plugging, I will do that. I have already made three trips to Santa Fe and I think that will show my good faith, what I try to do.

MR. WHITE: We appreciate it and thank you.

ELVIS A. UTZ,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Will you state your name and position, please?

A Elvis A. Utz, Engineer for the Oil Conservation Commission.

Q Mr. Utz, have you had occasion to inspect or examine the location in question and the plugging of the well bore?

A Yes, sir, I have.

Q When did you make these inspections?

A After the well was plugged, or supposedly plugged, my first

inspection after plugging was May 14, 1951. At which time I found roughly the following:

The pits had not been molested, indicating to me there had been no mud used from the pits in plugging. A slab of cement about three feet in diameter and six inches thick was set over the well bore. A four inch steel dry hole marker placed in it. The hole had caved in underneath the slab exposing one side of the slab and also partially exposing the well bore.

Q And this cave-in led you to believe it was improperly mudded?

A Yes, sir, I did.

Q Was there a plugging program approved for this particular well bore?

A Yes, there was on a C-102. It was approved by Justin Newman Oil and Gas Inspector in Artesia, August 18, 1950.

Q Do you know what the program called for?

A Yes, sir, I do.

Q Will you state it?

A It called for a cement plug from 1665 to 1680. Another plug from 860 to 875. The surface from zero to 15 feet with a dry hole marking.

Q Did you find any surface plug?

A I did not.

Q Did you find any cement?

A Only the slab that was laid on top of the hole.

Q And how thick was that?

A About six inches.

Q Was there any evidence that they had mudded in accordance with the regulations?

A On July the 20th I made another inspection of this location. I found that the whole slab had sunk some 18 inches below the surface. I therefore dug under the slab and exposed the pipe and the well bore underneath. I dug around a piece of two-inch pipe, which was in the well bore, with my hands, which indicated to me it was cave material. There was no cement three feet below the surface.

Q I will hand you here -- did you take any photographs?

A Yes, I did.

Q When were the photographs taken?

A They were taken July 20th.

(Photographs marked "Commission's Exhibits 1 to 7" inclusive.)

Q I hand you here the Commission's Exhibits Nos. 1 to 7 and ask you to identify them.

A No. 1 is a photograph of the dry hole marker showing the cave about six feet in diameter and about 18 inches deep over the well bore. No. 2 is another view of the same. No. 3 is a view of the mud pits showing that they were not molested, in other words, showing that there was no mud taken from them. No. 4 is another view of the same. No. 5 the pits showing the indentation in the pit of the mud running from the bailer chute. Also, indicating there was no mud taken from the pits. No. 6 is another view showing the pits unmolested. No. 7 is a view showing the cement slab, the four inch dry hole marker and a

piece of two inch tubing which was inside the four inch dry hole marker. It shows the excavation and part of the well bore which was dug out by hand.

Q Do each of these exhibits reasonably portray the physical objects they represent?

A They certainly do.

MR. WHITE: If the Commission please, we move Exhibits 1 to 7 be admitted in evidence.

MR. SPURRIER: Yes.

Q Mr. Utz, will you use your projector and show these exhibits to the Commission, and explain to them what each is as you show them?

A That is a view of the well bore showing how the hole is caved in. In other words, underneath the debris around the dry hole marker is a six inch cement slab. On the second inspection, on the lefthand side here the cement slab is on the surface, and on the left side the earth had caved in down the well bore.

Q Approximately how much had the earth caved in?

A It exposed a hole underneath the cement slab about two and a half feet wide and a foot deep, going clear to the dry hole marker. No. 2 is a rather poor photograph of the same thing, showing the cave. No. 3 shows the top of the dry hole marker and also shows the pits and the cable laying across the pits --

Q Do the pits show any evidence of any mud being taken from them?

A Absolutely none. No. 4 is another view showing the cave and

the dry hole marker and a view of the pits that were unmolested. This isn't a very good picture. Showing the indentation right in this area where the mud running out of the bailer chute made an indentation in the mud pit, which wasn't disturbed. It is still there. That is another view showing the pit from the other side. The marks in the pit are tire tracks. This is a view showing the dry hole marker in the cement slab about six inches thick dug underneath. On one of his affidavits he stated -- well, anyway it shows there was no cement under the six inch slab.

Q In relation to that picture -- I don't know whether the audience can see that or not -- in relation to that picture, Mr. Utz, what has been in the record -- an affidavit reading as follows, in fact:

The well was plugged with cement to the surface. The hole was mudded to within 15 feet from the surface.

Now according to the program that was approved, the cement plug in the top was supposed to be 15 feet, is that correct?

A That is correct.

Q If those are your findings, what would be the proper method of plugging that well bore?

A I think the method outlined by Mr. Newman was sufficient if it had been followed.

Q Did the Commission receive any notice of intention to plug?

A The notice of intention to plug was the C-102, which was approved by Mr. Newman at that time or within a day or so after--

Mr. Newman notified Donnelly the Santa Fe Office would like to be present when the well was plugged. We were never notified until after it was plugged as shown in the picture.

Q What would you recommend be done in order to correct this situation?

A It would be awfully expensive in operation to drill it out and plug it correctly if it wasn't correctly plugged. I can't argue about the lower plug around 1600 and 800. But I definitely know there is no cement in the upper part of the hole, which he stated was there. The ten and five-eighths casing which was cemented with 125 sacks of cement which he states -- as he states on his C-102 -- would put the cement at about 300 feet below the surface. Mr. Donnelly stated he poured 350 feet of ten and five-eighths and we can assume that from 350 feet to 848 is probably cemented and therefore probably protected. He also states on the C-105 there was surface water from 70 to 75 feet and again from 330 to 375 feet, which would not be protected by the cemented 10 and 5/8 casing. I doubt that the hole was properly mudded from 350 to the surface.

Q In view of those facts, what corrective measures do you recommend that the Commission take?

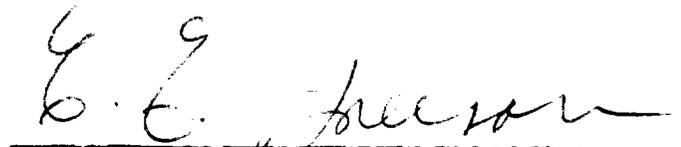
A Determine whether the hole was properly mudded. In the top 350 feet or not. And I think that it could be done by digging down **aways** and seeing if we can expose some open well bore. If we can expose open well bore, to properly mud it.

MR. WHITE: I have no further questions.

STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of proceedings in Case No. 279, before the Oil Conservation Commission, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 28 day of August, 1951.



REPORTER