

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPT.
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO
6 9 May 1984

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Called by the Oil Conservation Division on its own motion to permit Manvar Mining, Inc. et al, to appear and show cause why a certain well in McKinley County should not be plugged and abandoned in accordance with a Division approved plugging program. CASE 8171

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12 BEFORE: Richard L. Stamets, Examiner

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15 TRANSCRIPT OF HEARING

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18 A P P E A R A N C E S

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20 For the Oil Conservation
21 Division:

20 W. Perry Pearce
21 Attorney at Law
22 Legal Counsel to the Division
23 State Land Office Bldg.
24 Santa Fe, New Mexico 87501

25 For the Applicant:

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I N D E X

CHARLES GHOLSON

Direct Examination by Mr. Pearce	3
Cross Examination by Mr. Stamets	7

E X H I B I T S

Division Exhibit One, Plugging Program	5
Division Exhibit Two, Photos	6
Division Exhibit Three, Plat	6
Division Exhibit Four, Report	5

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2 MR. STAMETS: Call next Case
3 8171. In the matter of the hearing called by the Oil Con-
4 servation Division on its own motion to permit Manvar Min-
5 ing, Inc., Ohio Casualty Insurance Company, and all other
6 interested parties to appear and show cause why the Manvar
7 Well No. 1 in McKinley County, New Mexico, should not be
8 plugged and abandoned in accordance with a Division approved
9 plugging program.

10 MR. PEARCE: May it please the
11 Examiner, I am W. Perry Pearce appearing in this matter on
12 behalf of the New Mexico Oil Conservation Division.

13 I have one witness who needs to
14 be sworn.

15 (Witness sworn.)

16 CHARLES GHOLSON,
17 being called as a witness and being duly sworn upon his
18 oath, testified as follows, to-wit:

19 DIRECT EXAMINATION

20 BY MR. PEARCE:

21 Q For the record would you please state
22 your name, your position and place of employment?

23 A Charles Gholson, OCD, Aztec. I'm an Oil
24 and Gas Inspector.

25 Q Mr. Gholson, how long have you held that

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position?

A Eleven years.

Q And have you previously testified before the Commission or one of its examiners and had your credentials made a matter of record?

A I have.

Q And does your district include that part of McKinley County in which this well is located?

A It does.

Q Do your duties as Field Inspector include making recommendations to the Commission or its examiners as to when wells should be plugged and abandoned?

A Yes, sir.

Q And are you familiar with the subject matter of Case 8171?

A I am.

Q Would you for the Examiner and those in attendance state generally the purpose of this case?

A Okay. This well is 1200 feet deep. They encountered an uncontrolled water flow at around 700 feet, flowing to the surface outside the surface pipe, approximately 35.5 gallons per minute of fresh water, and in our opinion the well needs to be -- the water needs to be shut off before continuing out here.

Q What's the use of the land surrounding this well, sir?

A It's ranch land.

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Q Have you reviewed reports filed with the Commission concerning this well?

A I have.

Q And would you please summarize for the Commission any additional information you'd like to at this time on those files?

A No, I think everything is pretty well covered.

Q Okay. I would refer you to what has been marked as Exhibit Number Four in this proceeding and would ask you to discuss for the Examiner and those in attendance.

A Okay. This is just a sundry notice showing an attempt at a bradenhead squeeze, which was unsuccessful. Used -- pumped 225 sacks, 275 sacks of neat cement down the bradenhead. It all flowed back out.

 They pulled the tubing, pumping unit, and walked off.

Q Just very quickly, sir, would you then go through the other exhibits, One through Three, that we have prepared for this case?

A Exhibit One is a Division-approved plugging program, which is tentative because we don't know exactly what we're going to run into until we start.

Q Would -- before you move on to the next exhibit, sir, would you suggest that this suggested program be finalized at the time of plugging this well?

A Yes, sir.

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Q Thank you.

A Exhibit Two is simply photographs of the rig on the well and the water flow which runs into Miguel Creek, San Miguel Creek.

Q And Exhibit Three?

A Exhibit Three is just a copy of the plat showing the location of the well.

Q Okay. Mr. Gholson, do you have any recommendation about the amount of time that should be allowed the operator to commence plugging operations on this well?

A I think it should be immediate.

Q Okay, and could you state once again the reason that you believe there is some urgency in this matter?

A Well, this water -- this water flow is saturating the land. It's going to get worse. There's only five or six acres covered now but there will be more eventually.

Q Do you have anything further in this case?

A No, sir.

MR. PEARCE: Mr. Examiner, I would move the admission of Exhibits One through Four to this proceeding and I have nothing further on direct.

MR. STAMETS: These exhibits will be admitted.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Gholson, is the rig still on location?

A It was when I was there, Mr. Stamets, which is six weeks ago.

Q Okay. What -- what was the projected total depth on this well?

A 1200 feet.

Q Is that as deep as they intended to go?

A Yes, sir.

Q What formation or formations are open in the well?

A That would be either Hospah or Massive Gallup. I wouldn't be for sure.

Q And those do contain hydrocarbons.

A Yes, sir.

MR. STAMETS: Any other questions of the witness? He may be excused.

Anything further in this case?

MR. PEARCE: Nothing further, thank you.

MR. STAMETS: The case will be taken under advisement.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 8171 heard by me on 5-9 1984.
Richard P. Starn Examiner
Oil Conservation Division