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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

27 February 1985
EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conservation Division on its own motion to permit Basin Company, et al, to appear and show cause why a certain well in San Juan County should not be plugged and abandoned. CASE
8491

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:	Jeff Taylor Attorney at Law Legal Counsel to the Commission State Land Office Bldg. Santa Fe, New Mexico 87501
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For the Applicant:

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I N D E X

ERNIE BUSH

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MR. STOGNER: We will now call Case No. 8491.

MR. TAYLOR: Mr. Examiner, my name is Jeff Taylor. I'm counsel for the Oil Conservation Commission and I have one witness who's already been sworn.

MR. STOGNER: Mr.--was there any opposition to this or any other appearances?

MR. TAYLOR: No, there wasn't. Mr. Jennings believed he was in this but it was a different case.

MR. STOGNER: Okay. Please continue then, Mr. Taylor.

ERNIE BUSH,
being called as a witness and having been previously sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. TAYLOR:

Q Okay. You've already--we'll skip your name and your qualifications because you've already been qualified to testify.

Does District Three include the part of San Juan County that's involved in Case 8491?

A Yes, it does.

Q And do your duties as District Three geologist include making recommendations to the Commission or

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its hearing officers as to when wells should be plugged and abandoned?

A Yes.

Q Would you generally state the purpose of Case 8491?

A Yes. To show cause why this well should not be plugged and abandoned according to New Mexico Oil Conservation Division approved plugging procedures.

Q And is the well and its location properly stated in the advertisement for this hearing?

A Yes, it is.

Q Have you reviewed the well files maintained by the Commission on this well including all the reports filed?

A Yes, I have.

Q And have you brought copies of those with you?

A Yes, I have.

Q Would you please go through those and explain to us the various items in the Commission files?

A Yes. Referring to Case 8491 Exhibit Number One, the Ted White No. 78. Exhibit Number One is a map locating the well within the Farmington city limits, and also a photograph of the wellhead equipment.

Q Is this the well--the picture appears to indicate that the well is located in someone's yard. Is that correct?

1
2 A That's correct. It's located approxi-
3 mately 5 feet from a house.

4 Exhibit Number Two is a copy of the no-
5 tice of intention to drill, or our Form C-101, with the in-
6 formation of the location, the operator, well name, loca-
7 tion, the West Kutz Pool, San Juan County, landowner, Agnes
8 Eaton, with an address, proposed that it be drilled with
9 cable tools that the bonding company is--let's see the
bonding--the status of the plugging bond is statewide bond.

10 Drilling contractor, E. E. Barrett
11 Drilling Company, Farmington, and with an intent to com-
12 plete the well in the PC--Picture Cliffs--at approximately
13 1000 feet.

14 Also with a location plat showing the
15 well in Unit H.

16 Also a casing program showing the hole
17 size to be 12 inches, the size of the casing being 8-5/8,
18 weight 32 pounds, set at a depth of 95 feet with 40 sacks of
cement.

19 The long string, 8-inch hole, 5-1/2 inch
20 casing, 15.5 pounds, set at a depth of 1000 feet; 75 sacks
of cement.

21 Approved July 7, 1960.

22 On the second page of Exhibit Number One
23 is a copy of our Form C-128, which is now C-102, showing the
24 location and the dedicated acreage for the well, the dedi-
25 cated acreage being 160 acres.

1
2 Also an elevation of 5248.6 feet.

3 Page three of Exhibit Number One. A copy
4 of a letter to Mr. Emory C. Arnold, who was the district
5 supervisor of District Three at that time, confirming--"Dear
6 Mr. Arnold: Confirming our telephone conversation of this
7 date, I am mailing you Form C-101 replacing the forms which
8 were mistakenly sent to you June 18, C-103 for notice of in-
tention to drill."

9 Referring to Exhibit Number Three, which
10 is a sundry report on the well indicating that the surface
11 casing was set at 99 feet, 8-5/8 cemented with 40 sacks.

12 Drilled out cement at 7-6, 1960. Water
13 shut off. Drilling 7-8, 1960. 200 feet.

14 Exhibit Number Four is C-105, our Form C-
15 105, indicating that important water sands were encountered,
16 985-990, water rose 800 feet.

17 The casing record shows that the 8-5/8
18 was run at 99 feet, cemented with regular cement. Long
19 string, 5-1/2, set at 960 feet, regular cement.

20 Mud and cementing record, size of hole
21 10-inch, 8-5/8, 99, 50 sacks of cement, pumped. Size of the
22 long string there, the hole, 8-inch, 5-1/2 inch casing set at
23 960 with 75 sacks of cement.

24 Record of production and stimulation, 5-
25 1/2 inch pipe was set on top of Pictured Cliffs sands at 960
feet. No electric logs were run. No gas. Salt water was
encountered from 985 to 990.

1
2 On the back of this form, cable tools
3 were used from 0 to 990 feet. The production for the first
4 24 hours, none. Liquid hydrocarbons, none.

5 Length of time shut--temporarily aban-
6 doned.

7 Kirtland formation. Kirtland-Fruitland,
8 350--350 feet. Pictured Cliffs, 955 feet. Total thickness
9 of 35 feet Pictured Cliffs, it indicates here.

10 Exhibit Number Five is a copy of our sun-
11 dry report C-103 indicating that the pool was the West Kutz-
12 Pictured Cliffs.

13 Temporarily abandoned, waiting on orders.

14 Hydromite plug was set at 990 to 985;
15 pumped 10 sacks of cement to bottom of hole at 985; fill-up
16 was to 959. Top of casing was capped.

17 Exhibit Number Six is a copy of -- of our
18 Cardex card out of our Cardex file, indicating the location,
19 the elevation, that the well was spudded in 7-1-60,
20 completed 8-20-1960, with the -- with the casing record.

21 IP, zero; shut in pressure, zero. Tops.
22 That we received two sundry reports; that there was a well
23 log which we do not have. And also a plat was submitted.
24 Temporarily abandoned 8-20, 1960. Hydromite plug 985-990.
25 10 sacks cements--10 sacks of cement, 959-985. Top casing
was capped. 160 acres dedicated acreage. And that's about
everything in Exhibit Number Six.

Exhibit Number Seven is a copy of a 3x5

1
2 card which we have in our files, indicating essentially the
3 same information as we've covered before, and showing that
4 it's temporarily abandoned.

5 Exhibit Number Eight is a schematic drawn
6 up by me showing 8-5/8 set at 99 feet with 50 sacks of ce-
7 ment, presumed circulation. 5-1/2 inch set at 960 with 75
8 sacks of cement. And I calculated 75% fill to 790 feet.

9 Cement filled to 959; hydromite plug set
10 at 990 to 985.

11 Exhibit Number Nine is a copy of the cer-
12 tified letter which we sent to Basin Company at 142 Truman
13 NE, Albuquerque, New Mexico, which I'm not aware that we've
14 received any reply, asking them to show up at the hearing.

15 Exhibit Number Ten again is a Division
16 approved plugging program prepared by me.

17 Q Okay. Looking at your exhibits, it ap-
18 pears that we've had no communications from the owner/oper-
19 ator of this well since about 1960, when it was drilled. Is
20 that correct?

21 A That's correct.

22 Q Our letter to them is dated Jan--February
23 18, 1985, is that the date?

24 A That's correct.

25 Q So it's been approximately 25 years with
no information in the file on this well?

A That's right.

Q In your opinion, could a failure to plug

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this well cause waste, contaminate fresh water resources, or present a safety hazard?

A Yes, indeed. As to the--especially as to the hazard question, as the well is located very very close to the back door of the residence.

Q And you're recommending therefore that this well be plugged?

A Yes.

MR. TAYLOR: Okay. That's all the questions I have.

I'd like to move the admission of our EXhibits One through Ten in this case.

MR. STOGNER: Exhibits One through Ten will be admitted into evidence.

CROSS EXAMINATION

BY MR. STOGNER:

Q Mr. Bush, in your photograph on Exhibit One, that shows to be a valve, is that correct?

A That's correct.

Q Has that been turned on with the nipple taken off?

A No, the handle is broken off and is skinned out so bad that it has not been turned on. In other words, it's still off. And I've--

Q Did you notify the--who owns the house that this...?

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A Mr. Phil Harris, Mr. Examiner.

Q Have you talked to him?

A Yes, indeed.

Q Was he concerned?

A No, he wasn't really all that concerned until we started telling him some horror stories about some of the other wells that we've had experience with.

Q What kind of business is he in?

A He's a farmer.

Q I notice going through the other exhibits here--that Basin Company, what ever happened to them? Do you know? Are they operating up there? And how about the C. E. Steward? He seems to be the agent that signed a bunch of these documents back in '60.

A I'm not familiar with the company or Mr. C. E. Steward.

Q They just seem to have disappeared?

A It appears so.

MR. STOGNER: Okay. I have no further questions of this witness.

Is there anything further in Case No. 8491?

MR. TAYLOR: Mr. Examiner, I would just like to, as in the other cases, request that a minimum amount of time be allowed before this plugging program is undertaken.

MR. STOGNER: Do you have an

1
2 approximate minimum time that you--

3 MR. TAYLOR: --I--

4 MR. STOGNER: --would like to
5 suggest?

6 MR. TAYLOR: Oftentimes we wait
7 60 to 120 days, but I would recommend, especially with those
8 that are leaking gas and water, that no more than 30 days be
9 provided for the owner/operators to slow up before we
10 undertake to plug the wells ourselves.

11 MR. STOGNER: Thank you, Mr.
12 Taylor. Does this 30 days minimum hold true for the other
13 cases?

14 MR. TAYLOR: Well, I would re-
15 commend 30 days on all the cases, although because of con-
16 tract and lead time that we'll need we won't get them all
17 --we couldn't get them all done in 30 days. But I would
18 certainly recommend on the wells that are leaking that we
19 commence a plugging program immediately after 30 days is up.

20 MR. STOGNER: Thank you, Mr.
21 Taylor.

22 Does anybody else have anything
23 in Case No. 8491?

24 If not, the witness may be ex-
25 cused and this 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. 8491, heard by me on 27 February 1985.

Michael J. Sawyer, Examiner
Oil Conservation Division