

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

5 September 1984

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the OCD on CASE
its own motion to permit Jack L. 8290
Cayias, Jr., et al, to appear and
show cause why the Charles M. Well
No. 1, Rio Arriba County, New Mexico
should not be plugged and abandoned
in accordance with a Division-approved
plugging program.

BEFORE: Gilbert P. Quintana, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:	Charles E. Roybal Attorney at Law Energy and Minerals Dept. 525 Camino de Los Marquez Santa Fe, New Mexico 87501
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For the Applicant:

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I N D E X

CHARLES M. GHOLSON

Direct Examination by Mr. Roybal 3

E X H I B I T S

Division Exhibit One, Program 6
Division Exhibit Two, Topo Map 7
Division Exhibit Three, Photo 7

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3 MR. QUINTANA: We'll call next
4 Case 8290. This is a case in the matter of the hearing
5 called by the Oil Conservation Division on its own motion to
6 permit Jack L. Cayias, J. R. Abraham and all other
7 interested parties to appear and show cause why the Charles
8 M. Well No. 1, located 1850 feet from the south line and 790
9 feet from the west line of Section 1, Township 27 North,
10 Range 3 West, Rio Arriba County, New Mexico, should not be
11 plugged and abandoned in accordance with a Division-approved
12 plugging program.

13 MR. ROYBAL: Mr. Hearing
14 Examiner, my name is Charles Roybal. I'm appearing as an
15 attorney for the Oil Conservation Division and I have one
16 witness who needs to be sworn.

17 MR. QUINTANA: Please stand and
18 raise your right hand.

19 (Witness sworn.)

20 CHARLES M. GHOLSON,
21 being called as a witness and being duly sworn upon his
22 oath, testified as follows, to-wit:

23 DIRECT EXAMINATION

24 BY MR. ROYBAL:

25 Q Would you state your name, position, and

1
2 place of residence, for the record, please?

3 A I am Charles Gholson. I'm with the OCD
4 in Aztec and I am a Field Representative II.

5 Q And how long have you held that position?

6 A Eleven years.

7 Q Have you previously testified before the
8 Commission and are your credentials a matter of record?

9 A They are.

10 Q All right.

11 MR. ROYBAL: Mr. Hearing
12 Examiner, we'd offer this witness as an expert witness.

13 MR. QUINTANA: He's considered
14 as an expert witness.

15 MR. ROYBAL: Thank you.

16 Q Do your duties as Field Representative II
17 include making recommendations to the Commission as to when
18 wells should be plugged and abandoned?

19 A Yes.

20 Q Are you familiar with the subject matter
21 in Case 8290?

22 A Yes, I am.

23 Q What is the purpose of this case?

24 A To prevent waste, protect hydrocarbons,
25 protect fresh water.

Q Okay, have you reviewed all reports filed
with the Commission concerning these wells?

A I have.

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Q Do you have these records with you?

A I do.

Q All right. Would you please refer to the records that pertain to this well and summarize its history?

A Well, this well was drilled. It was -- it was drilled in '66, to the best of my knowledge. That's when we got an attempt to drill. And the well was apparently re-entered in 1979; however, that is just an Intent to Re-enter, and I'm not even sure that was done.

And that's about all -- the only records we have of the well. We do have a copy of a Halliburton track that shows the total depth of the well and how it was stimulated and what not and that's about it.

Q On what date was the last official form filed with the Commission?

A January 8, 1979.

Q Do you have any other communications relative to this case which should be called to the Commission's attention?

A Well, I talked -- I've talked with Mr. Cayias and Mr. Scanlon and they -- they're not really sure if they are responsible for the well, but Mr. Cayias says we may go on with this case and get an order and then he intends to negotiate with Union Texas Petroleum, who owns the lease, to take the well, and if that works out that way, that order can be rescinded.

Q In your opinion could the failure to plug

1
2 this well cause a hazard or environmental damage?

3 A It would in the future, yes.

4 Q Could you elaborate on how this would be
5 caused?

6 A Well, by a hole in the casing it could
7 contaminate fresh water or communication between hydrocarbon
8 bearing zones.

9 Q Are you prepared to recommend a plugging
10 program at this time or would you prefer to describe the
11 program at the actual time of plugging?

12 A Well, I have a tentative plugging program
13 but I've found in the past that they hardly ever work out
14 like you intend when you enter an old hole. But we will
15 pretty well go with this program, I think.

16 Q All right. Would you now refer to the
17 records on the Charles M. 3 No. 3 Well and summarize its
18 history?

19 MR. QUINTANA: For a matter of
20 expediency I think we can -- since those records are a mat-
21 ter of record in the case file that we have, we'll forego
22 the summarizing of this record for this well.

23 MR. ROYBAL: Thank you, Mr.
24 Hearing Examiner.

25 Q Now would you list the exhibits. Tell us
26 what they are and give them a sequential number?

27 A Okay, Exhibit Number One is a tentative
28 plugging program for the well.

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2 Exhibit Number Two is simply a copy of a
3 topographical map showing the location of the well.

4 Exhibit Number Three is a copy of a pho-
5 tograph of the well.

6 That's all the exhibits I have.

7 Q Are the exhibits true and correct copies
8 of the Commission records?

9 A They are.

10 MR. ROYBAL: Mr. Hearing Exami-
11 ner, I would offer Exhibits One through Three in this mat-
12 ter.

13 MR. QUINTANA: Exhibits One
14 through Three in Case 8290 will be so accepted.

15 MR. ROYBAL: I have nothing
16 further, Mr. Hearing Examiner.

17 MR. QUINTANA: Is there any-
18 thing further in Case 8290 that anybody would like to bring
19 up at this time? Any statements or --

20 MR. CAYIAS: Well, I think the
21 only statement we'd make is the fact that the lease rights
22 at the moment are owned by Union Oil of Texas. Until we can
23 resolve some of the problems that have been created by them
24 picking up the lease rights the way they have, we don't know
25 exactly where the liability stands.

We admit that the well ought to
be -- somebody ought to make a producer out of it or plug
it, I agree.

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2 Which I really think it is a
3 producer, by the way.

4 MR. QUINTANA: Let the record
5 show that -- well, why don't you state your full name for
6 the record, sir?

7 MR. CAYIAS: Beg pardon?

8 MR. QUINTANA: Why don't you
9 state your full name for the record?

10 MR. CAYIAS: Jack L. Cayias.

11 MR. QUINTANA: We had to do
12 that for a matter -- so it could be in the hearing.

13 MR. CAYIAS: Right.

14 MR. QUINTANA: So, Mr. Cayias,
15 you intend to negotiate with did you say --

16 MR. CAYIAS: Union Oil of
17 Texas.

18 MR. QUINTANA: -- Union Oil of
19 Texas in order to try and resolve this matter?

20 MR. CAYIAS: Right.

21 MR. QUINTANA: And should you
22 be able to come up with some type of -- of possible agree-
23 ment with them, we can always rescind this order.

24 MR. CAYIAS: Right.

25 MR. QUINTANA: I have no other
questions.

If there is nothing else in

Case 8290, Case 8290 --

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2 MR. GHOLSON: Mr. Examiner, I
3 would like to add that I would like to recommend that Mr.
4 Cayias and other interested parties and/or other interested
5 parties be given 120 days to begin remedial activity or plug
6 and abandon the well.

7 MR. QUINTANA: Your reccmmenda-
8 tion will be taken under advisement.

9 If there are not any further
10 questions of the witness he may be excused, and Case 8290
11 will be taken under advisement.

12 (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 Con-
servation Division was reported by me; that the said tran-
script 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 Division of Oil Conservation No. 8290
heard by me on SEPTEMBER 5, 1984.

Robert P. Quintana Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO

6 15 August 1984

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 The hearing called by the Oil Conser- CASE
10 vation Division on its own motion to 8290
11 permit Jack L. Cayias, et al, to appear
12 and show cause why a certain well in Rio
Arriba County should not be plugged and
abandoned in accordance with a Division-
approved plugging program.

13 BEFORE: Gilbert P. Quintana, Examiner

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15 TRANSCRIPT OF HEARING

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17 A P P E A R A N C E S

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20 For the Oil Conservation Division: W. Perry Pearce
21 Attorney at Law
22 Oil Conservation Commission
State Land Office Bldg.
Santa Fe, New Mexico 87501

23 For the Applicant:
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3 MR. QUINTANA: We call next
4 Case 8290.

5 MR. PEARCE: That case is on
6 the matter of the hearing called by the Oil Conservation
7 Division on its own motion to permit Jack L. Cayias, J. R.
8 Abraham, and all other interested parties to appear and show
9 cause why the Charles M. Well No. 1 in Rio Arriba County,
10 New Mexico, should not be plugged and abandoned in
accordance with a Division-approved plugging program.

11 Mr. Examiner, the Division
12 requests that this matter be continued until September the
13 5th, 1984.

14 MR. QUINTANA: Case 8290 will
15 be so continued until September 5th, 1984.

16 (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
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script 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 and correct transcript of
the hearing of Case No. 8290,
heard by me on Aug. 15 1984.

Gilbert P. Quintana, Examiner
Oil Conservation Division

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

8 August 1984

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conser- CASE
vation Division on its own motion to 8290
permit Jack L. Cayias, J. R. Abraham
and all other interested parties to
appear and show cause why a certain
well in Rio Arriba County, New Mexico
should not be plugged and abandoned in
accordance with a Division-approved
plugging program.

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:	W. Perry Pearce Attorney at Law Oil Conservation Commission State Land Office Bldg. Santa Fe, New Mexico 87501
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For the Applicant:

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3 MR. STAMETS: The hearing will
4 please come to order.

5 We'll call first Case 8290, in
6 the matter of the hearing called by the Oil Conservation
7 Division on its own motion to permit Jack L. Cayias, J. R.
8 Abraham, and other interested parties to appear and show
9 cause why the Charles M Well No. 1 in Rio Arriba County,
10 should not be plugged and abandoned in accordance with a
11 Division-approved plugging program.

12 MR. PEARCE: Mr. Examiner, I'm
13 W. Perry Pearce appearing on behalf of New Mexico Oil
14 Conservation Division in this matter.

15 We request continuance until
16 August the 15th, 1984.

17 MR. STAMETS: The case will be
18 so continued.

19 (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 Con-
servation Division was reported by me; that the said tran-
script 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. 8290
heard by me on Aug 8 1984.
Richard P. Lamb, Examiner
Oil Conservation Division