

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  
7 5 September 1984

8 EXAMINER HEARING

9 IN THE MATTER OF:

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

CASE  
8290

18 BEFORE: Gilbert P. Quintana, Examiner

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TRANSCRIPT OF HEARING

A P P E A R A N C E S

19 For the Oil Conservation  
20 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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22 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

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place of residence, for the record, please?

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

Q And how long have you held that position?

A Eleven years.

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

A They are.

Q All right.

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

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

MR. ROYBAL: Thank you.

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

A Yes.

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

A Yes, I am.

Q What is the purpose of this case?

A To prevent waste, protect hydrocarbons, 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

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this well cause a hazard or environmental damage?

A It would in the future, yes.

Q Could you elaborate on how this would be caused?

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

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

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

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

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

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

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

A Okay, Exhibit Number One is a tentative 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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MR. GHOLSON: Mr. Examiner, I would like to add that I would like to recommend that Mr. Cayias and other interested parties and/or other interested parties be given 120 days to begin remedial activity or plug and abandon the well.

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

If there are not any further questions of the witness he may be excused, and Case 8290 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 Division of Oil Conservation No. 8290 heard by me on SEPTEMBER 5, 1984.

Robert P. Quintana, Examiner  
Oil Conservation Division

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

15 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, et al, to appear  
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.

BEFORE: Gilbert P. Quintana, 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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MR. QUINTANA: We call next Case 8290.

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

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

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

(Hearing concluded.)

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C E R T I F I C A T E

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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

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

For the Applicant:

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

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

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

We request continuance until August the 15th, 1984.

MR. STAMETS: The case will be so continued.

(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. 8290 heard by me on Aug 8 1984.  
Richard P. Lamb, Examiner  
Oil Conservation Division