

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
 THE OIL CONSERVATION DIVISION FOR THE)
 PURPOSE OF CONSIDERING:)

APPLICATION OF THE OIL CONSERVATION)
 DIVISION FOR AN ORDER REQUIRING I.T.)
 PROPERTIES TO PROPERLY PLUG ONE WELL,)
 EDDY COUNTY, NEW MEXICO)

CASE NO. 12,459

APPLICATION OF THE OIL CONSERVATION)
 DIVISION FOR AN ORDER REQUIRING JACK J.)
 GRYNBERG TO PROPERLY PLUG FIVE WELLS,)
 CHAVES COUNTY, NEW MEXICO)

CASE NO. 12,457

APPLICATION OF THE OIL CONSERVATION)
 DIVISION FOR AN ORDER REQUIRING D.W.)
 BERRY TO PROPERLY PLUG ONE WELL IN)
 CHAVES COUNTY AND ONE WELL IN EDDY)
 COUNTY, NEW MEXICO)

CASE NO. 12,458

(Consolidated)

REPORTER'S TRANSCRIPT OF PROCEEDINGSEXAMINER HEARING

ORIGINAL

BEFORE: DAVID R. CATANACH, Hearing Examiner

January 11th, 2001
 Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday January 11th, 2001, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
 (505) 989-9317

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**CASE NO. 12458
ORDER NO. R-11519**

IN THE MATTER OF THE HEARING CALLED BY THE NEW MEXICO OIL CONSERVATION DIVISION ("DIVISION") THROUGH THE SUPERVISOR OF DIVISION DISTRICT II IN ARTESIA, NEW MEXICO ON ITS OWN MOTION FOR AN ORDER: (I) REQUIRING DELMAR W. BERRY TO PROPERLY PLUG AND ABANDON TWO CERTAIN WELLS IN CHAVES AND EDDY COUNTIES, NEW MEXICO; OR (II) AUTHORIZING THE DIVISION TO PLUG AND ABANDON THESE WELLS.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on January 11, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of January, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) Delmar W. Berry of Alto, New Mexico is the current owner and operator of the two following-described wells:
 - (a) Quail State Well No. 1 (**API No. 30-015-22008**), located 990 feet from the South line and 1650 feet from the West line (Unit N) of Section 8, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico; and
 - (b) State "A" Well No. 1 (**API No. 30-005-60282**), located 1980 feet from the South and West lines (Unit K) of Section 2, Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico.
- (3) At this time neither well is covered by a plugging bond and both are therefore not in compliance with Section 70-2-14, NMSA 1978, and Division Rule 101.

- (a) Quail State Well No. 1 (**API No. 30-015-22008**), located 990 feet from the South line and 1650 feet from the West line (Unit N) of Section 8, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico; and
- (b) State "A" Well No. 1 (**API No. 30-005-60282**), located 1980 feet from the South and West lines (Unit K) of Section 2, Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico.

(2) Delmar W. Berry, prior to plugging and abandoning the above-described wells, shall obtain from the supervisor of the Division's district office in Artesia, an approved plugging program and shall notify the Artesia District Office of the date and time this work is to commence whereupon the Division may witness such work.

(3) Should Delmar W. Berry fail or refuse to carry out such provisions in accordance with the terms of this order, the Division shall then take such actions as are necessary to: (i) have this well properly plugged and abandoned; and (ii) recover from the operator the plugging cost incurred by the Division.

(4) Failure to comply with the provisions of this order shall subject Delmar W. Berry to a fine of \$1,000.00 per day per well until such work is completed (see Section 70-2-31, NMSA 1978).

(5) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director

I N D E X

January 11th, 2001
 Examiner Hearing
 CASE NOS. 12,459, 12,457 and 12,458 (Consolidated)

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T S

Applicant's	Identified	Admitted
Case No. 12,459		
Exhibit 1	5	-
Exhibit 2	6	-
Exhibit 3	7	-
Case No. 12,457		
Exhibit 1	5	-
Exhibit 2	6	-
Exhibit 3	6	-
Case No. 12,458		
Exhibit 1	5	-
Exhibit 2	6	-

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A P P E A R A N C E S

FOR THE DIVISION:

MICHAEL E. STOGNER, NMOCD Hearing Examiner

* * *

1 WHEREUPON, the following proceedings were had at
2 1:46 p.m:

3 EXAMINER CATANACH: Okay, at this time we will
4 call Case 12,459, which is the Application of the Oil
5 Conservation Division for an order requiring I.T.
6 Properties to properly plug one well, Eddy County, New
7 Mexico.

8 Call for appearances in this case.

9 MR. STOGNER: Mr. Examiner, I'm Michael E.
10 Stogner, appearing on behalf of the New Mexico Oil
11 Conservation Division here in Santa Fe, and at this time
12 I'd ask that Cases 12,457 and 12,458 be called and
13 consolidated with 12,459.

14 EXAMINER CATANACH: Is there any objection to
15 that?

16 There being no objection, I will call Case
17 12,457, which is the Application of the Oil Conservation
18 Division for an order requiring Jack J. Grynberg to
19 properly plug five wells in Chaves County, New Mexico.

20 And I will call Case 12,458, which is the
21 Application of the Oil Conservation Division for an order
22 requiring D.W. Berry to properly plug one well in Chaves
23 and one well in Eddy Counties, New Mexico.

24 Call for additional appearances in any of these
25 cases. There being none, Mr. Stogner, you may proceed.

1 MR. STOGNER: Again, I'm Michael Stogner
2 appearing on behalf of the OCD.

3 The commonality of these three cases are, they
4 have been reviewed by our District Office in Artesia, New
5 Mexico --

6 EXAMINER CATANACH: Pardon me, Mr. Stogner, can
7 we get you to get sworn in before you start your --

8 MR. STOGNER: I'm coming to that. I'm
9 representing the Division in these cases, not as a witness,
10 because these cases have been presented in the absence of
11 objection, and I'm merely here to act on behalf of the
12 legal division, which normally puts these together, and I'm
13 just here to introduce the exhibits and explain what each
14 one is, not as a witness but just substituting for the
15 legal counsel today, if I may.

16 EXAMINER CATANACH: And I assume that the legal
17 bureau is unavailable to do these cases today?

18 MR. STOGNER: Yes, they are, our legal staff is
19 kind of non-existent at this point.

20 EXAMINER CATANACH: I see.

21 MR. STOGNER: If you wish, I can be sworn.

22 EXAMINER CATANACH: You don't plan on giving any
23 testimony in this case.

24 MR. STOGNER: No, I am not.

25 EXAMINER CATANACH: You're just simply presenting

1 the evidence that was either put together by some of the
2 legal bureau or yourself?

3 MR. STOGNER: Not by myself.

4 EXAMINER CATANACH: Okay.

5 MR. STOGNER: It was prepared by the Artesia
6 District Office and the legal bureau.

7 EXAMINER CATANACH: I understand. Okay, there
8 are no other appearances in this case, and these cases are
9 styled such that in the absence of objection these cases
10 will be taken under advisement.

11 Do you have evidence in all three of these cases
12 to present to the Division -- not to --

13 MR. STOGNER: To --

14 EXAMINER CATANACH: To convey to the Division.

15 MR. STOGNER: To convey at this point, yes.

16 EXAMINER CATANACH: Okay.

17 MR. STOGNER: Each of the three cases are in
18 front of you at this time, and I have also given the
19 exhibits to the court reporter and other people here of
20 interest.

21 Exhibit Number 1 in each of these cases includes
22 portions of the well files on record with the Division,
23 correspondence between the District Office, being Artesia,
24 and the legal bureau here in Santa Fe. Also, they contain
25 recommended plugging procedures for each well that was

1 prepared by the District Office. That's what Exhibit 1
2 includes.

3 Exhibit 2 in Case 12,457 and 12,459 includes
4 copies of the plugging bond out of our office here in Santa
5 Fe. Both of those cases the wells are presently under a
6 plugging bond. However, in Case 12,458 neither well
7 involved has a plugging bond or has ever had a plugging
8 bond of record, so there is no copies of the plugging bond
9 in that case.

10 Exhibit 3 in Case 12,457 and 12,459 and Exhibit 2
11 in 12,458 includes notice by the Division, with each
12 operator, or the last known operator, and, if applicable,
13 the surety of each of those bonds.

14 I request at this time that administrative notice
15 be taken of the complete well file on record here in Santa
16 Fe and the Artesia Office. Usually it's my practice to
17 include complete copies of those well files, but the well
18 files are not available at this time.

19 Also I request at this time that each case be
20 taken under advisement.

21 EXAMINER CATANACH: Thank you, Mr. Stogner.
22 Administrative notice of each of these well files in these
23 cases will be reviewed in this proceeding.

24 And there being nothing further, Case 12,459,
25 Case 12,457 and Case 12,458 will be taken under advisement.

1 MR. STOGNER: For your convenience, I will
2 provide you a rough draft order.

3 EXAMINER CATANACH: Thank you. And anything
4 further, Mr. Stogner?

5 MR. STOGNER: Nothing further.

6 EXAMINER CATANACH: There being nothing further,
7 these cases will be taken under advisement, and this
8 hearing is adjourned.

9 (Thereupon, these proceedings were concluded at
10 1:50 p.m.)

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12457-SS
-2001
David R. Catanach
Off Conservation Division

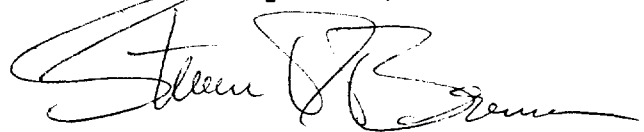
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter
and Notary Public, HEREBY CERTIFY that the foregoing
transcript of proceedings before the Oil Conservation
Division was reported by me; that I transcribed my notes;
and that the foregoing is a true and accurate record of the
proceedings.

I FURTHER CERTIFY that I am not a relative or
employee of any of the parties or attorneys involved in
this matter and that I have no personal interest in the
final disposition of this matter.

WITNESS MY HAND AND SEAL January 18th, 2001.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002