

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:)

CASE NO. 12,822

APPLICATION OF THE NEW MEXICO OIL)
CONSERVATION DIVISION FOR AN ORDER)
AUTHORIZING THE DIVISION TO PLUG ONE)
WELL, SAN JUAN COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

February 21st, 2002

Santa Fe, New Mexico

OIL CONSERVATION DIV.
02 MAR - 7 AM 8:07

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, February 21st, 2002, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

February 21st, 2002
Examiner Hearing
CASE NO. 12,822

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<u>CHARLIE PERRIN</u> (Senior Field Oil and Gas Inspector, Aztec District Office, District 3, NMOCD)	
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A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS
 Attorney at Law
 Energy, Minerals and Natural Resources Department
 Assistant General Counsel
 1220 South St. Francis Drive
 Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 8:22 a.m.:

3 EXAMINER STOGNER: All right, this hearing will
4 come to order. Please note today's date, February 21st,
5 2002. We're here to consider Docket Number 06-02.

6 At this time I will call Case 12,822, which is
7 the Application of the New Mexico Oil Conservation Division
8 for an order authorizing the Division to plug one -- that's
9 one -- well in San Juan County, New Mexico.

10 Call for appearances.

11 MR. BROOKS: Mr. Examiner, David Brooks, Energy,
12 Minerals and Natural Resources Department, State of New
13 Mexico, appearing for the New Mexico Oil Conservation
14 Division.

15 EXAMINER STOGNER: Any other appearances?

16 MR. BROOKS: We have one witness.

17 EXAMINER STOGNER: No other appearances, witness
18 is standing. Sir?

19 (Thereupon, the witness was sworn.)

20 MR. BROOKS: Mr. Examiner, one matter I would
21 like to raise on this case. We discovered within the last
22 couple of days that there is a lien on this property, the
23 lienholder has not been notified.

24 Now, the lien is dated 1969, and it purports to
25 secure a mortgage -- or a note that's payable and final

1 maturity in 1971, and the probability is that it's barred
2 by limitations. However, my search of New Mexico law has
3 not revealed that New Mexico has any kind of protective
4 statute, such as Texas has and Colorado also has, which
5 protects people dealing with real estate against the
6 possibility that liens that have not been released of
7 record may have been extended -- the debt may have been
8 extended and renewed by some agreement between the land
9 owner and the mortgagee that's not of record, and I need to
10 do some more investigation of that.

11 However, since we've already brought Charlie up
12 here, I request to go ahead and present our case in this
13 case, and if we determine in the next week that it needs to
14 be renoticed, then we'll request to reopen and renotice it,
15 and we would hope that we would not have to re-present our
16 case unless somebody else appears, which I regard as most
17 unlikely.

18 EXAMINER STOGNER: So be it.

19 MR. BROOKS: Okay, with that said I'll call
20 Charlie Perrin.

21 Just a few brief introductory remarks about this
22 case.

23 This is a situation where there is a well that
24 was drilled in 1928 that is presently located under a house
25 in the City of Farmington, and the records of the OCD do

1 not identify the operator with sufficient precision that he
2 could be found, even if you could find somebody to drill
3 the well in 1928. And therefore we are simply requesting,
4 not as usual, an order that the operator plug the well, but
5 simply that the OCD be authorized to proceed to plug the
6 well with the funds from the reclamation fund.

7 Very good. May I proceed?

8 EXAMINER STOGNER: Please.

9 CHARLIE PERRIN,
10 the witness herein, after having been first duly sworn upon
11 his oath, was examined and testified as follows:

12 DIRECT EXAMINATION

13 BY MR. BROOKS:

14 Q. State your name, please.

15 A. Charlie Perrin.

16 Q. And how are you employed?

17 A. I'm the senior field rep in Aztec District.

18 Q. And by whom are you employed?

19 A. The New Mexico Oil Conservation Division.

20 Q. Okay, and what are your duties as senior field
21 rep?

22 A. We locate and identify plugged and abandoned
23 wells or wells that need to be plugged and abandoned or
24 reclaimed.

25 Q. Okay, and have you testified before the Hearing

1 Examiners of the New Mexico Oil Conservation Division
2 before?

3 A. Yes, I have.

4 Q. And you have a background in inspection of wells?

5 A. Yes, I do.

6 Q. And have you made a study of the well in this
7 case?

8 A. Yes, I have.

9 Q. And will your testimony reflect your
10 conclusions --

11 A. Yes.

12 Q. -- about the well in this case?

13 A. Yes, it will.

14 MR. BROOKS: We submit Mr. Perrin as an expert
15 well inspector, Mr. Examiner.

16 EXAMINER STOGNER: Mr. Perrin is so qualified.

17 Q. (By Mr. Brooks) Very good. Okay, Mr. Perrin, if
18 you would begin with the second exhibit here, Exhibit
19 Number 2 in the exhibit stack, and I'll ask you to identify
20 Exhibit Number 2.

21 A. Number 2 is the original Oil Conservation
22 Division Aztec record. It's a field card indicating the
23 original information on the well.

24 Q. And have you examined the records of the New
25 Mexico Oil Conservation Division in an effort to ascertain

1 if there is any other information within the files and
2 records of the Division, other than this card --

3 A. Yes.

4 Q. -- concerning this particular well?

5 A. Yes, I have.

6 Q. And have you found anything?

7 A. No, sir.

8 Q. And did you also examine -- I didn't put this in
9 evidence because I didn't think it was particularly
10 relevant, but did you also examine the archives of the
11 daily newspaper?

12 A. Yes, I did.

13 Q. Was that in Farmington or in Aztec?

14 A. In Farmington.

15 Q. And did you find some reference to this well?

16 A. Yes, sir, I did.

17 Q. I didn't put it in the exhibit stack, but
18 basically did it indicate anything about who the operator
19 might have been, with any kind of detail?

20 A. The information it provided listed Cross Black
21 well, and Jack Cross and Bob Blacklock were the people that
22 it indicated.

23 Q. Okay. Does the New Mexico Oil Conservation
24 Division have -- Well, first of all I'll call your
25 attention to the date completed shown on this card, and

1 would you read that date, please?

2 A. It's 9-1-1928.

3 Q. And were the newspaper articles you found about
4 this well approximately contemporary with that date?

5 A. Yes, they were.

6 Q. And have you been able to locate any information
7 that would give you an idea who these people might have
8 been or where they would now be, other than the assumption
9 they're probably in the graveyard?

10 A. No, sir, I haven't.

11 Q. Okay. Now, there are handwritten notations on
12 Exhibit Number 2 that give a GPS location for this well.
13 Are those your notations?

14 A. Yes, sir, they are.

15 Q. And did you physically locate this well?

16 A. Yes, sir, we did.

17 Q. Okay, where is it actually located?

18 A. In a closet in the middle of the house.

19 Q. And this house is at what address? I don't know
20 that I put that in the record either, but --

21 A. It's at 1013 East Cedar, in Section 15, Township
22 29 North, Range 13 West.

23 Q. And that's in the northeast quarter of the
24 southwest quarter of that section, correct?

25 A. I believe that's correct.

1 Q. If you'll look at Exhibit Number 7, I'll ask you
2 to identify that, please, for the record.

3 A. 7 is a plat from the Farmington City -- It's a
4 San Juan County, New Mexico, property identification map.

5 Q. And is this a copy of a portion of the assessor's
6 plat from the tax office up there?

7 A. Yes, sir, it is.

8 Q. And while this plat doesn't show what quarter
9 section it is, did you and I look at the full plat
10 yesterday and verify that this is, in fact, the northeast
11 quarter of the southwest quarter of Section 15?

12 A. Yes, sir, we did.

13 Q. And the point where it says Quad 1, Quad 2, Quad
14 4 and shows two crossbars, is that the northeast quarter of
15 the southwest quarter of Section 15?

16 A. Yes.

17 Q. Okay. And where -- If you move three lots over
18 from the east line there, the lot that's labeled "Triplett,
19 Olen 282-242", is that the lot where the well is located?

20 A. Yes, sir, it is.

21 Q. And the mark there with the -- just by that
22 label, just beyond the words "ET AL", is that the location
23 of the well?

24 A. Yes, sir, it is.

25 Q. Okay. Next I will call your attention to OCD

1 Exhibit Number 4. Is that a picture of the residence where
2 this well is located?

3 A. Yes, it is.

4 Q. And did you take that picture?

5 A. Yes, I did.

6 Q. And does that fairly and accurately depict the
7 present situation of that residence?

8 A. Yes, sir, it does.

9 Q. Approximately when was it taken?

10 A. Early January.

11 Q. Of this year?

12 A. Yes, sir.

13 Q. 2002?

14 A. Yes, sir.

15 Q. Next call your attention to what's been
16 identified as Exhibit Number 5, OCD Exhibit Number 5, and
17 ask you to identify it.

18 A. This is a picture in the house of the well, in
19 the immediate area.

20 Q. Okay, does that show that somebody apparently has
21 tried to -- Well, tell me what that shows.

22 A. If you look close, you can see a copper tubing
23 coming off the black pipe sticking up out of the ground.
24 The copper tubing ran through the house to a hot water
25 heater and to the kitchen stove. The white pipe that comes

1 down and crosses over that goes to the wall heater has an
2 outlet on the back like it had been piped directly into the
3 wellhead.

4 Q. Okay. Now I call your attention to what has been
5 identified as OCD Exhibit Number 6 and ask you to identify
6 it.

7 A. That's a close-up picture that's been blown up.

8 Q. And does that show the copper tubing coming out
9 of the wellhead?

10 A. Yes, sir, it does.

11 Q. Okay. Exhibits Numbers 5 and 6, were those
12 photographs taken by you?

13 A. Yes, sir, they were.

14 Q. And do they fairly and accurately represent the
15 wellhead of this well that we're talking about?

16 A. Yes, sir, they do.

17 Q. And were they taken about the same time as --

18 A. Yes, sir.

19 Q. -- Exhibit Number 4? Very good.

20 Okay, next call your attention to OCD Exhibit
21 Number 8, and since these are copies of instruments of
22 record, Mr. Examiner, I believe that we can probably just
23 read the identification of the exhibits into the record,
24 and it's probably not necessary to have the witness
25 identify them, but I will for the sake of connecting this

1 up.

2 Exhibits Numbers 8, 9 and 10, were these
3 instruments that you obtained from the Office of the County
4 Clerk of San Juan County, New Mexico?

5 A. They are.

6 Q. Okay, we'll let the record reflect, then, that
7 OCD Exhibit Number 8 is a certified copy of a warranty deed
8 from Caroline Triplett to Olen Triplett, dated March the
9 22nd of 1942, recorded in Book 207 at page 28 of the Deed
10 Records of San Juan County, New Mexico, and I will
11 represent to the Examiner that I have plotted the legal
12 description on there and that it does appear by the
13 assessor's plat, which is Exhibit 7, to include the
14 property in question.

15 Let the record reflect that OCD Exhibit Number 9
16 is a certified copy of a warranty deed from Olen Triplett
17 and Jennie Lee Triplett to Olen Triplett and/or Jennie Lee
18 Triplett, joint tenants with right of survival and/or their
19 children Jean Bixler and/or Duane Triplett and/or Troy
20 Triplett with rights of survival, dated August 8th, 1996,
21 recorded in Book 1223 at page 915, Deed Records of San Juan
22 County, New Mexico. And again, I will represent to the
23 Examiner that I have plotted this description by the
24 assessor's plat, and it appears to include the land in
25 question.

1 Let the record also reflect that OCD Exhibit
2 Number 10 is a copy of a warranty deed from William Olen
3 Triplett and Jennie Lee Triplett to William Olen Triplett
4 and/or Jennie Lee Triplett and/or Jean Bixler and/or Duane
5 Triplett and/or Troy Olen Triplet, joint tenants with
6 rights of survival, dated August 8th, 1996, recorded Book
7 1223, page 916, Deed Records of San Juan County, New
8 Mexico, and I will represent to the Examiner that I have
9 plotted the description contained in Exhibit Number 10.

10 Going back and referring to OCD Exhibit Number 7,
11 the deed in Exhibit Number 10 appears to describe the 66-
12 foot lot labeled Triplett, William, et al., on the plat,
13 which is the second lot to the left or to the west of the
14 lot where the well is located, and it's probably not
15 necessary for purposes of this proceeding.

16 However, I would note the rules of evidence
17 permit an instrument to be authenticated by lay comparison
18 of signatures. I would invite the Examiner to compare the
19 signature of William Olen Triplett on the deed dated -- on
20 Exhibit Number 9 and that on Exhibit Number 10. Note that
21 Exhibit Number 9 is in the name of Olen Triplett and
22 conveys the property conveyed in 1942 to Olen Triplett, and
23 the signature -- it not only includes the name William but
24 appears to be the same signature as that on Exhibit Number
25 10, and it would appear that it would be a logical

1 conclusion, we would submit, that William Olen Triplett and
2 Olen Triplett are, in fact, probably one and the same
3 person.

4 This conclusion, I would submit, is reinforced by
5 the fact that the two deeds both refer to Olen Triplett in
6 one case and William Olen Triplett in another and Jennie
7 Lee Triplett as being husband and wife and to the named
8 persons Jean Bixler and Duane Triplett and Troy Triplett as
9 being their children.

10 I would next submit Exhibit Number 11, and I
11 won't ask the witness to identify Exhibit Number 11,
12 because this was furnished to me by counsel for the
13 Triplettts and was not procured by the witness. Exhibit
14 Number 11 is a copy of a mortgage from Olen and Jennie Lee
15 Triplett to Beneficial Finance Company of Farmington, New
16 Mexico, dated the 16th of January, 1969, recorded at Book
17 670, page 241, Records of San Juan County, New Mexico.

18 Okay, Mr. Perrin, have you examined the well in
19 question?

20 A. Yes, I have.

21 Q. In your professional opinion as a well inspector,
22 does this well need to be plugged?

23 A. Yes, it does.

24 Q. And do you know of this well having been produced
25 at any time within recent memory, other than possibly when

1 it was used to fuel some of these appliances in this house?

2 A. No, I do not.

3 Q. And the house is presently unoccupied, correct?

4 A. Correct.

5 Q. Do you know how long it's been unoccupied?

6 A. No, sir, I do not.

7 Q. Okay. Do you believe that this well represents a

8 hazard to the environment in its present condition?

9 A. Yes, sir, I do.

10 Q. Now, in order to plug that well, will it be

11 necessary to demolish the residence?

12 A. Yes, sir, it will.

13 Q. It would be pretty hard to get a pulling unit

14 into the house without breaking it down, right?

15 A. Absolutely.

16 Q. And do you believe that it's necessary to

17 demolish this residence in order to plug this well, and

18 it's necessary to plug this well in order to protect the

19 environment of the State of New Mexico?

20 A. I do.

21 Q. Have you tested this well to see if gas comes out

22 of the wellhead when you open it up?

23 A. We did open the well, we did detect gas with our

24 meter, and it was a real small blow, but it wasn't a

25 constant blow.

1 Q. So in your opinion, is there any reason to
2 believe this well would be capable of commercial
3 production?

4 A. No, sir.

5 Q. On the other hand, the presence of gas, do you
6 regard that as presenting a danger of fire?

7 A. Yes, sir, I do.

8 Q. Do you also believe that leaving this well open
9 entails the risk of wasted --

10 A. Absolutely --

11 Q. -- natural gas?

12 A. -- yes, sir.

13 MR. BROOKS: Very good. At this time, Mr.
14 Examiner, I will offer into evidence OCD Exhibits 2 through
15 11, inclusive.

16 Oh, I forgot to have him identify Exhibit Number
17 3.

18 Q. (By Mr. Brooks) Would you look at Exhibit Number
19 3 and identify it, please?

20 A. 3 is a plugging procedure that I put together to
21 enter the well and properly plug it.

22 Q. And in your opinion, if this procedure were
23 followed by a contractor would the well be properly plugged
24 in accordance with the Rules of the New Mexico Oil
25 Conservation Division?

1 A. Yes, sir, it will.

2 MR. BROOKS: Very good, I again tender OCD
3 Exhibits 2 through 11.

4 EXAMINER STOGNER: Exhibits 2 through 11 will be
5 admitted into evidence at this time.

6 MR. BROOKS: Pass the witness.

7 EXAMINER STOGNER: Before we do that, let's go
8 back to Exhibit Number 8. You kept referring to the date
9 of this as 1942; is that correct?

10 MR. BROOKS: 1952, I'm sorry.

11 EXAMINER STOGNER: Okay, so -- and I believe you
12 referenced that several times. So that should have been
13 1952?

14 MR. BROOKS: That appears to be correct, it
15 appears to be 1952.

16 EXAMINER STOGNER: Thank you.

17 EXAMINATION

18 BY EXAMINER STOGNER:

19 Q. Let's see, Mr. Perrin, on Exhibit Number 2 you
20 show a GPS coordinate?

21 A. Yes, sir.

22 Q. Now, was that inside the house at the wellbore
23 itself?

24 A. We took four corners of the house and then cross-
25 referenced it.

1 Q. Okay.

2 A. We couldn't get a reading, couldn't get enough
3 satellites in the house.

4 Q. Okay. Now, the location, you show it to be 2697
5 from the north, 2847 from the east --

6 A. Yes, sir.

7 Q. -- in Unit G. Is this an oddball-size section
8 or --

9 A. Yes, sir, it is.

10 Q. Ah, it is, okay. Let's see, do you know what the
11 coordinates of that section is, by chance?

12 A. No, sir, I don't.

13 Q. Okay, but it is an irregular section in itself?

14 A. Yes, sir.

15 Q. When I look at the description of the property on
16 Exhibit Number 8, it talks about the north -- or I'm sorry,
17 the south 50 feet of the southeast quarter of the northwest
18 quarter. So that well is actually within that south 50
19 feet, as described there?

20 MR. BROOKS: Your Honor, I believe not. I
21 believe that if you look at the description, it says all
22 that part of the north half of the northeast quarter of the
23 southwest quarter lying north of the center line of the
24 Animas River, and the south 50 feet of the southeast
25 quarter of the northwest quarter, and I believe that the

1 well is within the first part of that description. That
2 is, it's in the north half of the northeast quarter of the
3 southwest.

4 EXAMINER STOGNER: Okay. Well, Unit G would not
5 be in the southwest quarter. We have a map and everything,
6 I just want to make sure that when we get the description
7 here --

8 THE WITNESS: The description on Exhibit 2, Mr.
9 Examiner, and the footage on Exhibit 3.

10 Q. (By Examiner Stogner) Exhibit 2 and 3?

11 A. Yes, sir.

12 Q. Let me find 3. Okay, yes.

13 A. I'm showing two separate problems.

14 Q. Okay.

15 A. I'm showing 2843 east and 2600 west on Exhibit
16 3 --

17 Q. Uh-huh.

18 A. -- and I need to re-check that footage, Mike.

19 Q. Okay, if you all will get back on -- Okay, now,
20 in talking about these footages, you've got the GPS
21 coordinates?

22 A. Correct.

23 Q. Were the coordinates on either one of these
24 calculated back to correspond with one of these legal
25 descriptions?

1 A. Yes, sir, the coordinates, yes.

2 EXAMINER STOGNER: Okay. Mr. Brooks, if you'll
3 get back with me on what the approximate -- or which one is
4 proper.

5 MR. BROOKS: I will attempt to reconcile these
6 descriptions, Mr. Examiner.

7 Q. (By Examiner Stogner) All right, let's see. In
8 referring to Exhibit Number 6, now when I look at this one
9 -- You've been there and everything. Of course, I'm
10 looking at kind of a two-dimensional view. I see that
11 copper pipe coming down, and it looks like a swage fitting?

12 A. Yes, sir.

13 Q. Now, when I see that, it looks like it has been
14 pulled off and is just hanging out there.

15 A. Yes, sir.

16 Q. Is there another spigot or another outlet coming
17 in off of that wellhead?

18 A. Yes, that's a T -- or actually a four-way. On
19 the back side there's another outlet. There's an outlet on
20 the front and the one on the top.

21 Q. Okay. How did those outlets appear? Were they
22 corroded? Were they packed? Were they sealed properly?
23 What was your opinion of --

24 A. Yeah, they were very tight, like they had been
25 sealed.

1 Q. Okay. And looking at Exhibit Number 4, it looks
2 like there is a utility meter going into the house, so did
3 they have also a heat source from outside?

4 A. Yes, sir, they did. The gas meter in front does
5 go to the house.

6 Q. They weren't selling the gas, were they?

7 A. No, sir.

8 Q. Okay. Now, did you talk to any of the people
9 that actually lived in the house when it was actually used
10 as the heat source?

11 A. Yes, sir, I have.

12 Q. And what was -- Tell me a little bit about that.

13 A. Ms. Bixler indicated to me that when she was a
14 young child her father had driven a piece of pipe into the
15 ground and used to light it and get about a six-inch flame
16 out of it for the children to play in the yard and to feed
17 the chickens. They -- That's the history that I was told.

18 Q. Now, was the house initially built over the well,
19 or is there an add-on to this house?

20 A. There's an add-on to it.

21 Q. Okay. Was the add-on built over it, or the
22 initial part of the house?

23 A. It was built over it, the add-on. The property
24 was transferred in the early 1970s on a promissory note, I
25 guess. The gentleman that took it built the chicken house

1 and the house together, poured the flooring, included them.
2 And then they got the property back in the 1970s in that
3 condition.

4 Q. Okay, so when you talk about the children and the
5 piece of pipe stuck into the ground, that was before the
6 house was built over the well?

7 A. Yes, sir.

8 Q. Okay. And you said the second portion of the
9 house was a poured foundation?

10 A. Yes, sir, it is.

11 Q. So there's not a crawl space?

12 A. No, it's all concrete.

13 Q. So there wouldn't be any chance of cumulative --
14 Well, there's no place for it to accumulate under a house?

15 A. We probed around the edges of it and got no
16 detection of gas.

17 Q. Oh, okay. You were alluding to some newspaper
18 articles. What paper was that out of?

19 A. It was the *Farmington Daily Times*, 1928. There
20 were two articles. One said that the well east of
21 Farmington, close to the fairgrounds, was -- continued to
22 be drilling. Another one said that they were increasing
23 the gas production.

24 EXAMINER STOGNER: Okay. Mr. Brooks, is there
25 anything further?

1 MR. BROOKS: Just, Mr. Examiner, that we are in
2 negotiations with the landowners and -- Well, first of all,
3 let me identify Exhibit Number 1, which is the notice
4 affidavit.

5 Exhibit Number 1 reflects that notice has been
6 given to the people named in those deeds, namely Olen
7 Triplett, Jennie Lee Triplett, Jean Triplett Bixler and
8 Dale Triplett, who is -- I'm told is the wife of Troy
9 Triplett, who is deceased, and also Duane Triplett.

10 And if you'll compare the spelling in the
11 affidavit and the spelling in the deed, you'll find that I
12 misspelled Duane Triplett's name, apparently. He actually
13 spells it D-u-a-n-e. The deed is correct, however.

14 All of those people did receipt for the notice,
15 as you will see on the attachments to Exhibit Number 1.

16 Furthermore, we have been in communication with
17 Farmington attorney John Dean who represents these people,
18 and while we are asking for authorization to proceed in the
19 public interest on the ground of public necessity, I will
20 not recommend to the Director that we let a contract to
21 plug this well until we have a release of liability from
22 the owners of the property. We are in negotiation for
23 that. They have indicated they will give us such a
24 release, but nothing has been signed as of this date.

25 We'll tender Exhibit Number 1.

1 EXAMINER STOGNER: Exhibit Number 1 will be
2 admitted into evidence.

3 Okay, Mr. Brooks, should I take this under
4 advisement at this time, or do you wish to continue this
5 matter to another date in which we will revisit it, or how
6 do you suggest we proceed at this point?

7 MR. BROOKS: I suggest, Mr. Examiner, that you
8 take it under advisement, and if I determine that it's
9 necessary to notice this finance company I will request it
10 be reopened and renoticed.

11 EXAMINER STOGNER: Okay. Now, since there's
12 going to be, probably, some different findings than I'm
13 used to, as opposed to just plugging the well and re-
14 seeding, if you'll provide me a rough draft order -- I
15 don't -- We're not going to build them a new house, are we?

16 MR. BROOKS: No, we are simply going to demolish
17 the existing house, and what they do with the property is
18 up to them.

19 EXAMINER STOGNER: Okay, so no reclamation to the
20 degree that --

21 MR. BROOKS: No, sir.

22 EXAMINER STOGNER: Okay, good. If you'll provide
23 me a rough draft --

24 MR. BROOKS: I will --

25 EXAMINER STOGNER: -- order in this case?

1 MR. BROOKS: -- be happy to do so, your Honor.

2 EXAMINER STOGNER: And if there's nothing further
3 in Case 12,822, and Mr. Perrin, if you'll get with Mr.
4 Brooks on the description there, which one is proper.
5 Thank you.

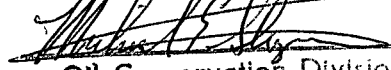
6 MR. BROOKS: We'll submit an affidavit by Mr.
7 Perrin, I hope, the location.

8 EXAMINER STOGNER: Thank you.

9 (Thereupon, these proceedings were concluded at
10 8:52 a.m.)

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16 I do hereby certify that the foregoing is
17 a complete record of the proceedings in
the Examiner hearing of Case No. 12822
18 heard by me on 21 February 2002.

19  , Examiner
Oil Conservation Division

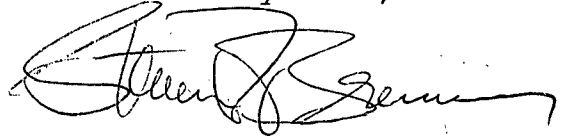
CERTIFICATE OF REPORTER

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 February 26th, 2002.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002