

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
15 December 1983

EXAMINER HEARING

IN THE MATTER OF:

The application of Energy Reserves CASE
Group for an unorthodox location, 8032
San Juan County, New Mexico.

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
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For the Applicant:

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I N D E X

WILLIAM J. FIANT

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2 MR. STOGNER: We'll call next
3 Case Number 8032.

4 MR. PEARCE: That case is on
5 the application of Energy Reserves Group for an unorthodox
6 location, San Juan County, New Mexico.

7 MR. BRUCE: Mr. Examiner, my
8 name is Jim Bruce from the Hinkle Law Firm in Santa Fe, and
9 I have one witness to be sworn.

10 MR. PEARCE: Are there other
11 appearances?

12 (Witness sworn.)

13 WILLIAM J. FIANT,
14 being called as a witness and being duly sworn upon his
15 oath, testified as follows, to-wit:

16
17 DIRECT EXAMINATION

18 BY MR. BRUCE:

19 Q Would you please state your name and city
20 of residence?

21 A My name is William John Fiant. I'm from
22 Casper, Wyoming.

23 Q Would you please state your occupation
24 and by whom you're employed?

25 A I am the Administrator of Field Services
for Energy Reserves Group.

1
2 Q Have you ever testified before the New
3 Mexico OCD before?

4 A No, I have not.

5 Q What are your responsibilities at Energy
6 Reserves Group?

7 A My primary function is liaison between the
8 Federal government and our company. I handle all of the
9 well permitting and construction.

10 Q How long have you been doing this for
11 Energy Reserves Group?

12 A I've been doing this for seven years with
13 Energy Reserves Group.

14 Q Are you familiar with Energy Reserves
15 Group's application 8032?

16 A Yes, I am.

17 Q Have you handled similar matters for
18 Energy Reserves Group in the past?

19 A Yes.

20 MR. BRUCE: Mr. Examiner, I
21 would ask that the witness be qualified for purposes of this
22 hearing.

23 MR. STOGNER: He is so quali-
24 fied.

25 Q What -- in brief, what is Energy Reserves
Group seeking by the application?

A We have filed an unorthodox location for
our Gallegos Canyon Well No. 331. The primary purpose for

1
2 the unorthodox location was due to landowner conflicts, as
3 well as other conflicts.

4 Q Okay. Would you please look at Exhibit
5 Number One and describe what that is for the examiner?

6 A Exhibit Number One is our letter of ap-
7 plication for the unorthodox well location.

8 Q And what do the exhibits to the applica-
9 tion show?

10 A The application indicates that our re-
11 quest for unorthodox location is based upon conflicts with
12 the San Juan River channel; also with a subdivision, which
13 is located to the north.

14 Q So this is a residential area?

15 A It is on the edge of a residential area.

16 Q And the main reason for seeking this ap-
17 plication is for the -- for the nonstandard location is
18 topographical reasons?

19 A That is correct.

20 Q Do the exhibits to -- does Exhibit Number
21 One and the maps included therein show the topographical
22 reasons for --

23 A That is indicated on the survey plat.

24 Q Okay.

25 A Unfortunately, the topographic maps that
are available in that particular area are not -- are not
able to identify the problems, other than the fact that
there are conflicts with the river.

1
2 Q Okay, and I've also handed to the exa-
3 miner Exhibit Number Two, which contains the same exhibits
4 as Exhibit Number One, but is a letter from the New Mexico
5 OCD attaching conditions to the application, is that true?

6 A That is true.

7 Q And Energy Reserves Group has no problem
8 with complying with those conditions?

9 A No.

10 Q In your opinion would the granting of
11 this application be in the interest of conservation and pre-
12 vention of waste?

13 A Yes, it would.

14 MR. BRUCE: Mr. Examiner, I
15 have no further questions, and I would move for the admis-
16 sion of Exhibits One and Two.

17 MR. STOGNER: Exhibits One and
18 Two will be admitted into evidence.

19 CROSS EXAMINATION

20 BY MR. STOGNER:

21 Q Mr. Fiant, I have here a map. I believe
22 this is a U. S. Geological Survey map, is that right?

23 A That is correct.

24 Q Okay. I'm sorry, I don't know the exhi-
25 bit number one it, but your well is --

A They're all included as Exhibit Number

1
2 One. They were all filed with the OCD as -- and I have just
3 included them as one exhibit.

4 Q The well marked 331, which is due south
5 of all the little streets, I assume is the housing develop-
6 ment, that is your proposed location?

7 A That is correct.

8 Q How close are these to present houses in
9 the area?

10 A Roughly 550 feet.

11 Q How far is it from the riverbed itself at
12 high water?

13 A 250 feet.

14 Q How far above is it presently from the --
15 from the high water mark?

16 A Well, the area was elevated. Amoco Pro-
17 duction Company has a well location that would be right ad-
18 jacent to this location, and it's been elevated approximate-
19 ly three to four feet.

20 Q Okay, so it's, I assume it's on a Amoco
21 well pad.

22 A That's correct.

23 Q Do you know the name of that?

24 A It's Amoco 173. That's a Gallegos Canyon
25 Unit. 173-E, excuse me.

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

Does anybody else have any

questions of Mr. Fiant? Mr. Chavez.

QUESTIONS BY MR. CHAVEZ:

Q Mr. Fiant, if this well were moved to a standard location at 1850 feet from the north line and 790 feet from the west line, how close would it be then to the nearest constructed well in that subdivision?

A I can't honestly say what the exact distance would be. The surface is owned by Tom Bolack and Tom Bolack -- another reason which I did not mention was that Tom Bolack wanted the well location where it is, an extension of the 173 pad, so we did not pursue moving a location from where he had suggested it.

I say we did not pursue it. We did not -- we did not pursue it because of the other conflicts involved, but we did not stick a stake and measure the actual distance to the residences.

Q How close would -- what would be the closest that you would locate a well to a residence?

A Well, normally we try to stay to a minimum of 500 feet.

MR. STOGNER: Mr. Chavez, what was the standard location that you meant?

MR. CHAVEZ: 1850 from the north, 790 from the west line.

CROSS EXAMINATION CONT'D

BY MR. STOGNER:

Q That would put it, Mr. Fiant, closer to the river, would it not?

A That is correct.

Q Is this -- is this within Mr. Bolack's game refuge or wildlife --

A No, it is not.

Q That standard location, would that put you further elevationwise down than what the present Amoco pad is?

A I'm not -- I'm not sure of the actual footage of the Amoco location. It's, or the well itself is approximately 100 -- 100 feet west of the location identified on the survey plat.

Moving it -- moving it to its legal location would move it closer to the subdivision.

MR. CHAVEZ: But further from the river.

A Well, the river runs through, actually, on a little bit of an angle. It doesn't run due east and west through there. We're actually moving a little bit closer to the river as well as closer to the subdivision.

MR. CHAVEZ: Mr. Fiant, did Energy Reserves Group look for other locations for a well-site that might lie within the subdivision and yet be, say,

1
2 no closer than 200 feet to any dwellings?

3 A We looked for other locations within this
4 -- within this 160-acre spaced area, yes, we did.

5 One of the problems that we have in the
6 Gallegos Canyon Unit is water disposal, and when we stake a
7 location we have to take into consideration the water dis-
8 posal pipelines.

9 In the area east of Farmington there is a
10 great deal of industrial development, as well as residential
11 development, so that is a primary concern of ours when we
12 stake a location, whether we will have the ability to pipe-
13 line our water to a disposal site, instead of very expensive
14 trucking the water.

15 MR. CHAVEZ: I have no further
16 questions.

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

19 Does anybody else have any
20 questions of Mr. Fiant this morning?

21 If not, he may be excused.

22 Is there anything further in
23 Case Number 8032 this morning?

24 If not, this case will be taken
25 under advisement.

(Hearing concluded.)

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. 8032
heard by me on Dec. 15 1983.

Michael E. Stogner, Examiner
Oil Conservation Division