

# NEW MEXICO OIL CONSERVATION DIVISION

Examiner Hearing  
Santa Fe, New Mexico  
December 2, 1999 -- 8:15 A.M.

Name	Representing	Location
Mike Brown	Manzano Oil	Roswell, NM
William A. [unclear]	Landmark, [unclear], [unclear]	Santa Fe
SCOTT HALL	MILLER LAND FIRM	SF
Steve Jordan	McElvain	SF
John Shuble	McElvain	Denver
DALE DOUBLAS	ARMINGTON	MIDLAND
Bill BAKER	"	"
Mickey O'Hare	Maralev	Ignacio
RICH CORCORAN	ENERGY RESOURCES	FARMINGTON
Dana Delventhal	Redwell Production	Farmington
Jim [unclear]	-	SF
Kerry Elger	Newburg Prod	Midland
Tim MacBain	✓	Dallas
[unclear]	✓	-
George Broome	McElvain	Santa Fe
Tom Jensen	McElvain	SF
Guy McElvain	"	"

## 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. 12,249

APPLICATION OF NAVAJO REFINING COMPANY )  
 TO MODIFY ITS DISCHARGE PLAN TO CHANGE )  
 THE LOCATION OF AN INJECTION WELL, )  
 EDDY COUNTY, NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGSEXAMINER HEARING

BEFORE: MARK ASHLEY, Hearing Examiner

December 2nd, 1999

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MARK ASHLEY, Hearing Examiner, on Thursday, December 2nd, 1999, 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

OIL CONSERVATION DIVISION  
 99 DEC 16 PM 4:43

## I N D E X

December 2nd, 1999  
Examiner Hearing  
CASE NO. 12,249

PAGE

REPORTER'S CERTIFICATE

5

\* \* \*

## A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL  
Attorney at Law  
Legal Counsel to the Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   8:20 a.m.:

3           EXAMINER ASHLEY: This hearing will come to order  
4   for today's docket, Number 36-99. Please note today's  
5   date, December 2nd, 1999. I'm Mark Ashley, appointed  
6   Hearing Examiner for today's cases.

7           Before we call the first case, I wanted to go  
8   over the docket for continuances and dismissals.

9           (Off the record)

10          EXAMINER ASHLEY: At this time the Division calls  
11   Case 12,249.

12          MR. CARROLL: Application of Navajo Refining  
13   Company to modify its discharge plan to change the location  
14   of an injection well, Eddy County, New Mexico.

15          EXAMINER ASHLEY: Call for appearances.

16          MR. CARR: May it please the Examiner, this case  
17   was heard four weeks ago and it was continued to provide  
18   Mr. Benscoter an opportunity to come in and appear. There  
19   were questions about whether or not he had received notice  
20   of that Application. It was continued to this date to give  
21   him that opportunity.

22          The record was made four weeks ago.

23          EXAMINER ASHLEY: Okay, thank you.

24          MR. CARROLL: Mr. Examiner, I had contact with  
25   Mr. Benscoter yesterday. He said he was not going to

1 appear today, but he faxed in a couple of letters he  
2 thought were already in the record. And if they're not in  
3 the record, he would ask that they be added to the record.  
4 These are letters that were sent to the Carson firm,  
5 Loseee, Carson firm.

6 EXAMINER ASHLEY: Okay, the letters that he's  
7 faxed yesterday will be made part of the record.

8 There being nothing further in this case, Case  
9 12,249 will be taken under advisement.

10 (Thereupon, these proceedings were concluded at  
11 8:21 a.m.)

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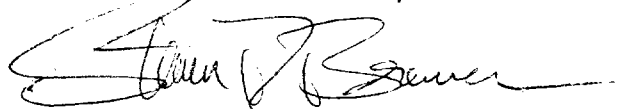
## CERTIFICATE OF REPORTER

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 December 3rd, 1999.



---

STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 2002

**Don L. Benscoter**  
6105 East Sage Drive  
Scottsdale, Arizona 85263

**FACSIMILE COVER SHEET**

Date: December 1, 1999 Total Pages w/cover: 8  
From: Don L. Benscoter To: Mr. Rand Carroll, Esq.  
Fax No.: (480) 947 7991 Company: NMOC  
Telephone: (480) 947 7928 Fax No.: (505) 8278177  
Message: Attached letter with its  
exhibits.

Re: Case # 12249

Thank you,

Don

CONFIDENTIALITY NOTICE: The documents(s) accompanying this cover page contains confidential information which is legally privileged. This information is intended only for use by the intended recipient named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or any other unauthorized actions of this telecopied information except its direct delivery to the intended recipient is strictly prohibited.

*Don L. Benscoter*  
6106 East Sage Drive  
Scottsdale, Arizona 85253

December 1, 1999

Via Fax # (505) 8278177

Mr. Rand Carroll, Esq.  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Re: Case 12249

Dear Mr. Carroll:

Thank you for your telephone call this morning. I will be unable to attend the Examiner Hearing scheduled for tomorrow, December 2, 1999.

Attached are copies of my letters as follows:

1. A transmittal letter to Ms. Lori Wrotenbery, Director, of my letter to Joel M. Carson, Esq. dated September 24, 1999. Also a copy of Mr. Carson's letter to me dated September 21, 1999.
2. My letter to the OCD dated August 23, 1999.

I would appreciate both of these referenced letters as well as this letter being entered into the record of the Examiner Hearing.

It was my future intent to reenter this well bore and attempt a commercial oil and gas well completion after Eastland Oil Company had ceased production in the upper 2012 feet. We are all aware that the cost of drilling a new well is much more expensive than reentering an existing well bore.

I have been informed that without NMOCDD approval Navajo Refining Company has reentered my well bore and completed it as a disposal well. I demand that any logs that they ran on this well bore be forwarded to me.

At this time, I can only appeal to the New Mexico Oil Conservation Division to make sure that I am treated fairly as I object to the use of my well bore as an effluent disposal well.

Thank You for your assistance.

Yours very truly,



Don L. Benscoter  
Lease holder of Federal Lease # "EA" FED NM 6852  
N 1/4 of Section 12, T 18S, R 27E



*Don L. Bensooter*  
6106 East Sage Drive  
Scottsdale, Arizona 85259

September 24, 1999

Ms. Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Re: Mr. Joel M. Carson's Motion to Dismiss my protest of Navajo  
Refining Company's application to re-enter the Chukka Federal  
Well No. 2 originally drilled to depth as the Amoco  
Production Co. Diamond Federal Gas Com No. 1.

Dear Ms. Wrotenbery:

Enclosed please find a copy of my letter to Mr. Joel M. Carson,  
Esq. of Losee, Carson, Haas & Carroll, P.A. answering his letter  
of September 21, 1999 plus a copy of his letter to me which  
forwarded a copy of his Motion to Dismiss with enclosures.

I would appreciate your forwarding a copy of my letter to the  
proper people in your Division.

Thank you for your consideration.

Sincerely,



Don L. Benscoter

Encls.

*Don L. Benscoter*  
6105 East Sage Drive  
Scottsdale, Arizona 85269

September 24, 1999

Mr. Joel M. Carson, Esq.  
Losee, Carson, Haas & Carroll, P.A.  
311 West Quay Avenue  
P.O. Box 1720  
Artesia, New Mexico 88211-1720

Re: Your letter of September 21, 1999 with reference to  
Application of Navajo Refining Company, OCD No. 12249

Dear Mr. Carson:

I am pleased to respond to your above referenced letter with the following information. It is apparent from the documents that you provided accompanying your letter, that without New Mexico Oil Conservation Division approval, your client reentered and completed this well bore as a disposal well.

I acquired this total lease, number NM 6852, from Jack Diamond and Amoco Production Company and certainly believe that control of any plugged well bores are part of the oil and gas lease.

I assigned only the upper elevations, subsurface depth of 2,012 feet, for several acres containing the Amoco Production Co. Diamond Federal Gas Com. No.1 to Fred Pool, Jr. and T. Calder Ezzell, Jr. who subsequently sold this assignment to the Eastland Oil Company. I retained an overriding royalty interest.

I also assigned from the base of the Abo formation to 100 feet below the base of the Morrow to Mewbourne Oil Company for the purpose of their drilling a prospective Gas Well which they subsequently plugged and abandoned. I retained an overriding royalty interest.

Your client, Navajo Refining Company and their agent Holly Petroleum, Inc., must have believed that I owned this well bore or they would not have requested and acquired rights to certain sections of it from my assignees (only the upper 2,012 feet and the section of 6,250 feet to 100 feet below the Morrow). I was never contacted by your client or any of his agents to request an acquisition of my rights to this well bore.

Page 2 of 2  
Joel M. Carson letter

I have a recollection that your law firm has represented me and some of my earlier associates in this lease in the past. Please review your files.

I do not appreciate your threat to me and my children's trust contained in your letter. I am only using my best efforts to protect my rights.

Sincerely,

A handwritten signature in cursive script, reading "Don L. Benscoter".

Don L. Benscoter

cc: Ms. Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

## LAW OFFICES

LOSEE, CARSON, HAAS &amp; CARROLL, P. A.

ERNEST L. CARROLL  
JOEL M. CARSON  
JAMES E. HAAS  
R. TRACY SPROULS, LL.M. (TAX)  
OF COUNSEL  
A. J. LOSEE

311 WEST QUAY AVENUE  
P. O. BOX 1780  
ARTESIA, NEW MEXICO 88211-1780  
PHONE (505) 746-3505  
FAX (505) 746-6318

ROSWELL OFFICE  
400 N. PENN., SUITE 870  
ROSWELL, NM 88201  
PHONE (505) 623-8164

PLEASE DIRECT ALL CORRESPONDENCE  
TO OUR ARTESIA OFFICE

September 21, 1999

Mr. Don L. Benscoter  
6105 East Sage Drive  
Scottsdale, Arizona 85253

Re: Application of Navajo Refining Company, OCD NO. 12249

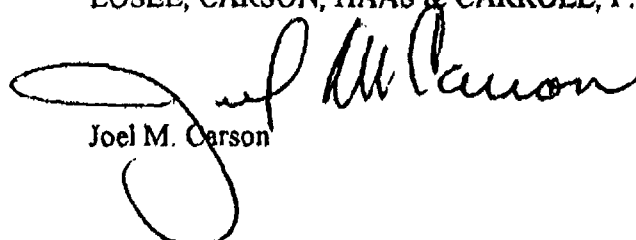
Dear Mr. Benscoter:

I am enclosing a copy of Navajo Refining Company's Motion to Dismiss your protest of its application to convert the Chukka Federal No. 2 Well to an injection well. We understand that you have operating rights in this area but have been unable to find anything in the BLM Records, OCD Records, or the County Records which indicates that you own an interest in this well bore.

If you have documentation showing that you own the well bore for this well, it would simplify matters considerably if you would share that information with us. If, on the other hand, you have no documentation and approval of Navajo's application is delayed, Navajo will hold you and your children's trust responsible for any damage caused.

Yours truly,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Joel M. Carson

JMC:bjk  
Enclosure

xc w/enc: Mr. John Glancy  
Mr. Matthew P. Clifton  
Mr. Rand Carroll (OCD)

*Don L. Benscoter*  
*6106 East Sage Drive*  
*Scottsdale, Arizona 85263*

August 23, 1999

Certified Mail Z 467 032 886

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Copy: Certified Mail Z 467 032 887

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Re: Navajo Refining Company's request to the Oil Conservation Division to modify their discharge plan # UIC-CLI-008-1 to revise the location of Navajo's proposed WDW-2 injection well to a well originally drilled as the Amoco Production Company Diamond Federal Gas Com. NO. 1, which is on my EA Fed NM 6852 Oil and Gas Lease, NW 1/4 of Section 12, T18S, R27E.

Gentlemen:

As the Lessee and holder of rights to the above identified Federal Oil and Gas Lease # EA Fed NM 6852. I totally object to my well being used as an effluent disposal well. I plan on re-entering this plugged well to endeavor to establish commercial hydrocarbon production from one of its lower zones.

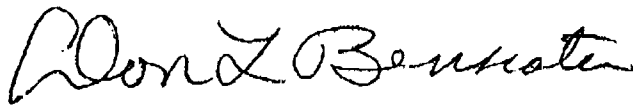
I am greatly disturbed that no one contacted me regarding Navajo Refining Company's request to use my well as a disposal well. My first notification was when I received on August 18, 1999 the enclosed 15 day notification for objection letter.

Again, I object to my well being used as an injection well, WDW-2, for Navajo Refining Company or for any one else.

Page 2 of 2  
Letter to Oil Conservation Division  
Objecting to Navajo's proposed WDW-2

Please notify me of the resolution or other action on this matter

Sincerely,



Don L. Benscoter  
Lease holder of Federal Lease # 'EA' FED NM 6852  
NW 1/4 of Section 12, T18S, R27E

ccs: Mr. Darrell Moore  
Navajo Refining Company

Mr. Robert Donnelly  
Eastland Oil Company

Mr. Geary Walbert  
Holly Energy

Oil Conservation Division District II  
Artesia, New Mexico

Attachment: Copy of Notification for Objection Letter  
with Form C-108

Don L. Benscoter  
6106 East Sage Drive  
Scottsdale, Arizona 85253

December 1, 1999

Via Fax # (505) 8278177

Mr. Rand Carroll, Esq.  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Re: Case 12249

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Yours very truly,



Don L. Benscoter  
Lease holder of Federal Lease # "EA" FED NM 6852  
N 1/4 of Section 12, T 18S, R 27E