

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. 12,495

APPLICATION OF THE OIL CONSERVATION)
DIVISION FOR AN ORDER REQUIRING BK)
PETROLEUM, INC., TO PROPERLY PLUG SEVEN)
WELLS, SAN JUAN COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

September 21st, 2000

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner on Thursday, September 21st, 2000, 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.

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I N D E X

September 21st, 2000
 Examiner Hearing
 CASE NO. 12,495

PAGE

APPLICANT'S WITNESS:

CHARLIE T. PERRIN (Deputy oil and gas inspector,
 Aztec, OCD)

Direct Examination by Ms. Hebert 5

REPORTER'S CERTIFICATE 8

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A P P E A R A N C E S

FOR THE DIVISION:

LYN S. HEBERT
 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 10:18 a.m.:

3 EXAMINER STOGNER: Okay, at this time I'll call
4 Case Number 12,495, which is the Application of the Oil
5 Conservation Division for an order requiring BK Petroleum,
6 Inc., to properly plug seven wells in San Juan County, New
7 Mexico.

8 This case was advertised that in the absence of
9 objection that this case would be taken under advisement.

10 There's been information submitted by the
11 Division on these wells, their status and their operator
12 status.

13 I'll call for appearances at this time. Please
14 note no parties are in the room other than the Division.

15 Ms. Hebert, do you have anything to add in this
16 matter?

17 MS. HEBERT: Yes, in this one again we only had
18 one address -- we had two addresses for BK Petroleum, and
19 one of the addresses has come back again undeliverable, and
20 the other has not been returned, but it probably will be
21 returned.

22 MR. PERRIN: I did.

23 MS. HEBERT: Pardon?

24 MR. PERRIN: I received a call from Brad Walls
25 saying that he hadn't got it. Did Brad contact you?

1 MS. HEBERT: No, no one contacted me.

2 MR. PERRIN: Okay. I was contacted earlier this
3 week by Brad, who was surprised that he wasn't notified.
4 His attorney notified him, and he was surprised and
5 indicated that he might be interested in doing something
6 about it.

7 He didn't show up like he indicated he might.

8 MS. HEBERT: So he did have notice through his
9 attorney. One of those addresses must have been to the
10 attorney.

11 MR. PERRIN: Well, his attorney picked it up in
12 the docket.

13 MS. HEBERT: Oh, okay.

14 EXAMINER STOGNER: Okay, you're going to have to
15 come forward. You just now testified.

16 Let the record show that the party that just
17 spoke -- Would you please identify yourself?

18 MR. PERRIN: Charlie Perrin.

19 EXAMINER STOGNER: Charlie Perrin, and what is
20 your job title, classification, and your place of
21 employment?

22 MR. PERRIN: Deputy oil and gas inspector, Aztec,
23 OCD.

24 EXAMINER STOGNER: Okay, let's go ahead and swear
25 Mr. Perrin in at this time.

1 MS. HEBERT: Mr. Examiner --

2 EXAMINER STOGNER: Yeah, I'll tell you what.

3 Since Mr. Perrin -- and I didn't quite follow that line of
4 thought there. So now that we're making it official, let's
5 go ahead and get this on the record.

6 CHARLIE T. PERRIN,

7 the witness herein, after having been first duly sworn upon
8 his oath, was examined and testified as follows:

9 MR. PERRIN: I received a call from Brad Walls --

10 MS. HEBERT: Lyn Hebert on behalf of the Oil
11 Conservation Division.

12 Q. (By Ms. Hebert) Mr. Perrin, could you tell us
13 what kind of contact you had with any representatives for
14 BK Petroleum, Inc.?

15 A. Mr. Brad Walls with BK contacted us earlier this
16 week, Monday I believe it was, and was wondering why he
17 didn't receive notification. We did verify the address we
18 sent him to, the post office box is his address where the
19 information was sent to. He indicated that he was
20 surprised.

21 He also indicated that he might want to try to
22 re-get the lease from the tribe, since these are tribal
23 wells.

24 In contact with the BLM, I've got paperwork where
25 they were issued a citation of \$30,000 in 1998. No contact

1 from Mr. Brad Walls back to the BLM has been noted as of
2 this date.

3 In talking with Steve Mason with the BLM, he
4 indicated that we should go ahead with the case and the
5 plugging order, that he didn't feel that the lease would be
6 reissued.

7 Q. And did you have any contact with his attorney?

8 A. No, his comment to Frank Chavez and myself, when
9 he called, was that he was notified through his attorney
10 that the case was going to hearing.

11 Q. So Mr. Walls wasn't aware through his attorney
12 and through his conversation with you that the hearing was
13 set for today's date?

14 A. Yes, ma'am.

15 MS. HEBERT: I have no other questions for this
16 witness.

17 EXAMINER STOGNER: Well, Ms. Hebert, with this
18 new information that's been provided, do you feel that BK
19 Petroleum was adequately notified?

20 MS. HEBERT: Yes, I believe that we sent the
21 notice to the addresses we had. They were -- As my
22 affidavit will show, it was sent to 501 Airport Drive,
23 Suite 165. That was the address that was returned marked
24 "vacant".

25 We also sent registered mail to their Post Office

1 Box 826 in Farmington. We have not received any kind of a
 2 return green card or the envelope back. I don't have an
 3 explanation for that, but he was notified at the addresses
 4 that the Division had for BK Petroleum.

5 And from the testimony that we've just received
 6 from Mr. Perrin, we know he had actual notice of this
 7 hearing.

8 EXAMINER STOGNER: And we'll make note that
 9 nobody's in the room to oppose.

10 In that case, I will take Case Number 12,495
 11 under advisement.

12 I'm going to take about a five-minute recess. At
 13 that time I'll call the next case, and perhaps you might
 14 want to consult with Mr. Perrin if there's anything. I
 15 don't want to be surprised in the next one.

16 (Thereupon, these proceedings were concluded at
 17 10:26 a.m.)

18 * * *

19
 20 I hereby certify that the foregoing
 21 is a true and correct record of the proceedings
 22 the hearing of Case No. _____
 23 heard by me on _____ 19____.

24
 25 _____, Examiner
 Off Conservation Division

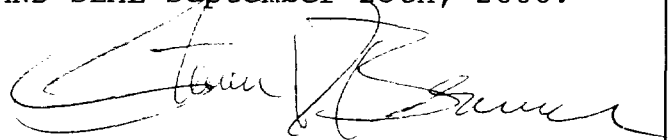
CERTIFICATE OF REPORTER

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 ~~September~~ 25th, 2000.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002