

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. 12,719

APPLICATION OF THE NEW MEXICO OIL )  
CONSERVATION DIVISION, THROUGH THE )  
SUPERVISOR OF DISTRICT III, FOR AN )  
ORDER REQUIRING ROBERT AND MARJORIE )  
WILKINSON TO PROPERLY PLUG ONE WELL )  
IN MCKINLEY COUNTY, NEW MEXICO, )  
AUTHORIZING THE DIVISION TO PLUG )  
SAID WELL AND ORDERING A FORFEITURE )  
OF APPLICABLE PLUGGING BOND, IF ANY )

ORIGINAL  
SEP 26 AM 10:10  
OIL CONSERVATION DIV.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

September 6th, 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, September 6th, 2001, 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

September 6th, 2001  
 Examiner Hearing  
 CASE NO. 12,719

## PAGE

## APPLICANT'S WITNESS:

CHARLIE T. PERRIN (Senior Field Oil  
 and Gas Inspector, Aztec District  
 Office, District 3, NMOCD)

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REPORTER'S CERTIFICATE	13
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## E X H I B I T S

Applicant's	Identified	Admitted
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## A P P E A R A N C E S

## FOR THE DIVISION:

DAVID 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 8:15 a.m.:

3  
4 EXAMINER CATANACH: At this time I'll call Case  
5 12,719, which is the Application of the New Mexico Oil  
6 Conservation Division, through the Supervisor of District  
7 III, for an order requiring Robert and Marjorie Wilkinson  
8 to properly plug one well in McKinley County, New Mexico,  
9 authorizing the Division to plug said well and ordering a  
10 forfeiture of applicable plugging bond, if any.

11 Call for appearances at this time.

12 MR. BROOKS: May it please the Examiner, I'm  
13 David Brooks, legal department of the Department of Energy,  
14 Minerals and Natural Resources of the State of New Mexico,  
15 appearing for the New Mexico Oil Conservation Division.

16 EXAMINER CATANACH: Mr. Brooks.

17 Call for additional appearances.

18 MR. PERRIN: Charlie Perrin, Aztec District, OCD.

19 MR. BROOKS: He's my witness.

20 EXAMINER CATANACH: Okay.

21 MR. BROOKS: I should have stated I have one  
22 witness.

23 EXAMINER CATANACH: Okay, any other additional  
24 appearances?

25 MR. BROOKS: And your Honor, the exhibits are

1 there to the chair to the right. I put them before you  
2 came in.

3 EXAMINER CATANACH: Okay.

4 (Thereupon, the witness was sworn.)

5 MR. BROOKS: May it please the Examiner.

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 DIRECT EXAMINATION

10 BY MR. BROOKS:

11 Q. Would you state your name, please, Mr. Perrin?

12 A. Charlie Perrin.

13 Q. And where do you reside?

14 A. Aztec, New Mexico.

15 Q. And by whom are you employed?

16 A. The State of New Mexico; Energy Minerals, Natural  
17 Resources; Oil Conservation Division.

18 Q. And in what capacity?

19 A. I'm a deputy oil and gas inspector.

20 Q. Mr. Perrin, are you familiar with the Jaco Well  
21 Number 60 in McKinley County, Texas, in Section 32,  
22 Township 20 North, Range 9 West, Unit D?

23 A. It's McKinley, New Mexico. Yes, I am.

24 Q. Excuse me, McKinley, New Mexico. Well, when  
25 you've lived in one state 50 years getting accustomed to a

1 new one is -- You have some lapses.

2 Mr. Perrin, I will show you what has been marked  
3 as OCD Exhibit 1 and ask you to identify it, please.

4 A. This is the well file history of the well.

5 Q. And if you look at the first page after the cover  
6 sheet there, is that the application for permit to drill?

7 A. Yes, sir, it is.

8 Q. And does it identify the operator?

9 A. Yes, sir, it does.

10 Q. And who is the operator of that well?

11 A. Robert M. Wilkinson.

12 Q. Now, is there any change of operator reflected in  
13 that --

14 A. No, sir, there's not.

15 Q. Okay. Is that well currently productive?

16 A. No, sir, it's not.

17 Q. And has it been off of production for a period of  
18 time in excess of one year?

19 A. Yes, sir, it has.

20 Q. And looking at that well history file that's been  
21 identified as Exhibit 1, is there anything in there to  
22 indicate that there's ever been an application for  
23 temporary abandonment of the Jaco 60?

24 A. No, sir.

25 Q. And are you familiar with the location of the

1     Jaco 60 on the ground?

2             A.     Yes, I am.

3             Q.     And -- Well, let me back up a minute.  You  
4 testified that you are a well inspector for the Oil  
5 Conservation Division; is that correct?

6             A.     Yes, sir.

7             Q.     And have you testified before the New Mexico Oil  
8 Conservation Division previously?

9             A.     Yes, sir, I have.

10            Q.     And have your credentials as an expert in well  
11 inspection been accepted by the Division?

12            A.     Yes, sir, they have.

13            MR. BROOKS:  I tender Mr. Perrin as an expert  
14 witness.

15            EXAMINER CATANACH:  Mr. Perrin is so qualified.

16            Q.     (By Mr. Brooks)  Okay, Mr. Perrin, would you  
17 look at what has been marked as OCD Exhibit 3 for me?  Can  
18 you identify that as a photograph depicting the present  
19 condition of the -- location of the Jaco 60?

20            A.     Yes, sir, I can.

21            Q.     Now, Mr. Perrin, in your professional opinion as  
22 an oil and gas inspector, does the Jaco 60 need to be  
23 plugged and the location remediated in order to prevent  
24 fluids from migrating from the strata in which they are  
25 found into other strata and to protect the environment?

1 A. Yes, sir, it does.

2 Q. Would you then look at what has been marked as  
3 OCD Exhibit Number 4? Can you identify what OCD Exhibit  
4 Number 4 is?

5 A. Yes, sir, it's a plug-and-abandonment procedure  
6 written by the Department.

7 Q. Was that prepared by you or under your direction?

8 A. Yes, sir, it is.

9 Q. And in your professional opinion, if that  
10 procedure were followed by a capable contractor, would that  
11 satisfactorily plug and abandon the Jaco 60 well and  
12 prevent the fluids therein from migrating to other strata?

13 A. Yes, sir, it will.

14 Q. Have you made any efforts to contact Mr.  
15 Wilkinson to get him to plug and abandon that well?

16 A. Yes, sir, there's been several contacts  
17 attempted.

18 Q. Has there been any success?

19 A. No, sir, none.

20 MR. BROOKS: Very good, thank you.

21 I will at this time, Mr. Examiner, tender OCD  
22 Exhibits 1, 3 and 4.

23 EXAMINER CATANACH: OCD Exhibits 1, 3 and 4 will  
24 be admitted as evidence.

25 MR. BROOKS: And Mr. Examiner, with that I'll

1 pass the witness.

2 EXAMINATION

3 BY EXAMINER CATANACH:

4 Q. Mr. Perrin, you said there's been several  
5 attempts to contact him. Have you spoken to him at all?

6 A. No, sir.

7 Q. Have you been able to send him any letters that  
8 he has received?

9 A. No, sir.

10 Q. He's not received any, or you've not sent them --

11 A. We get them back unaccepted.

12 Q. And you're using the last known address that we  
13 show on this?

14 A. Yes, sir.

15 Q. Do you know if that's the correct address?

16 A. To the best of our knowledge.

17 Q. This well was drilled in approximately 1987; is  
18 that --

19 A. Yes, sir.

20 Q. And I notice on one of the letters that Geo-  
21 Engineering actually drilled the well?

22 A. Yes, sir, and the reports were very lacking.

23 In our contact to get the reports updated, we  
24 received replies to that but never full reports, so Mr.  
25 Wilkinson sent us a letter back, telling us that the well



1 had been drilled to approximately 800 feet with no casing  
2 or cementing program attached to it. Sundry notice dated  
3 June 2nd, 1987.

4 Q. Okay. And there's no casing in the well?

5 A. Well, there's casing, but we don't know how deep  
6 it is or anything about it.

7 Q. And to your knowledge, this well never produced?

8 A. No, sir, not to my knowledge.

9 Q. Mr. Perrin, is there a plugging bond on this  
10 well?

11 A. No, sir, there's not.

12 Q. Was there ever a plugging bond, or --

13 A. There was a plugging bond, and there was -- the  
14 insurance company that had the plugging bond filed for  
15 bankruptcy, so a letter was sent to them to update their  
16 bond, and no reply has ever been received since then.

17 Q. This was Allied Fidelity, is that what you're  
18 referring to?

19 A. Yes, sir.

20 Q. Mr. Perrin, is there any remediation at the  
21 surface that's going to need to be done in this well?

22 A. Not that we can tell at this time.

23 Q. Basically just plugging the well?

24 A. Just plugging the well.

25 Q. And basically you're just talking about filling

1 it up with cement?

2 A. Well, if we can get in it, if cement is down to  
3 the -- I mean if casing is down to the 800-foot, be cleaned  
4 out till we get new formation or reach the 800 foot and  
5 then plugging the well, yes.

6 EXAMINER CATANACH: Okay, I have nothing further.

7 Do you have anything further, Mr. --

8 MR. BROOKS: Well, I was going to ask him about  
9 the bond, but you asked him, so I think that's covered on  
10 the record.

11 I will excuse Mr. Perrin or request Mr. Perrin be  
12 excused then.

13 EXAMINER CATANACH: Actually, we're going to do  
14 the next case, and I think he's involved in that.

15 MR. BROOKS: Yes, he is.

16 Before I rest, though, I want to present Exhibit  
17 Number 2 as well, which I will present on my own statement.

18 EXAMINER CATANACH: Okay.

19 MR. BROOKS: Exhibit Number 2 is a letter by  
20 which we notified Robert and Marjorie Wilkinson of this  
21 hearing. It was directed to them at Post Office Box 3659,  
22 Northridge, California 91323, it was sent by certified  
23 mail, return receipt requested, and the postal receipt is  
24 included in Exhibit Number 2.

25 It was also sent to them at 17319 Rayen,

1 R-a-y-e-n, Street, Northridge, California 91325, and the  
2 postal receipt is included in Exhibit 2.

3 As you will note from page 1 of Exhibit 2, the  
4 letter sent certified to P.O. Box 3659 was returned to the  
5 OCD. The letter sent to the address on Rayen Street was  
6 not returned to the OCD, however we were unable to find a  
7 return receipt in the OCD files, so I don't know what  
8 happened to the return receipt, but we do have the postal  
9 receipt as evidence that it was mailed to them at that  
10 address.

11 EXAMINER CATANACH: We just don't have evidence  
12 that it was received by them?

13 MR. BROOKS: Right, we have no evidence that it  
14 was received.

15 EXAMINER CATANACH: But we didn't get it back?

16 MR. BROOKS: We did not get it back.

17 In conversations with our bond administrator at  
18 the Oil Conservation Division it was suggested to me that  
19 perhaps the departure of the receptionist at the OCD caused  
20 the return receipt to be misrouted when it came in.

21 EXAMINER CATANACH: Okay.

22 MR. BROOKS: With that I will offer OCD Exhibit  
23 2.

24 EXAMINER CATANACH: Okay, Exhibit 2 will be  
25 admitted as evidence.

1 Anything further?

2 MR. BROOKS: OCD rests.

3 EXAMINER CATANACH: Okay, there being nothing  
4 further in this case, Case 12,719 will be taken under  
5 advisement.

6 (Thereupon, these proceedings were concluded at  
7 8:30 a.m.)

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 12719,  
heard by me on September 4, 1960.  
David L. Catanach, Examiner  
Oil Conservation Division

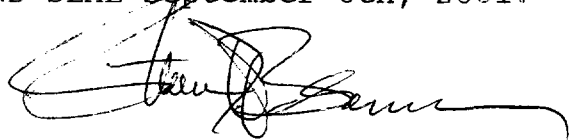
CERTIFICATE OF REPORTER

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 September 6th, 2001.




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STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 2002