

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:)
HEARING CALLED BY THE OIL)
CONSERVATION DIVISION ON ITS)
OWN MOTION)

CASE NOS. 11,257
11,258
(Consolidated)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

May 18th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Division on Thursday, May 18th, 1995, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, before Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

I N D E X

May 18th, 1995
 Examiner Hearing
 CASE NOS. 11,257 and 11,258 (Consolidated)

PAGE

APPLICANT'S WITNESSES:

JOHNNY ROBINSON (Field Rep 2, NMOCD Artesia Office,
 Present by Telephone)

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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:

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 10:35 a.m.:

3
4 EXAMINER STOGNER: At this time I'll call Case
5 Numbers 11,257 and 11,258, which are both in the matter of
6 the hearing called by the Oil Conservation Division to
7 permit the operator, A.L. Dawsey, and all other interested
8 parties to appear and show cause why two certain wells in
9 the Tierra Amarilla Land Grant in Rio Arriba County, New
10 Mexico, should not be properly plugged and abandoned in
11 accordance with the OCD procedures.

12 At this time I'll call for appearances.

13 MR. CARROLL: Rand Carroll on behalf of the Oil
14 Conservation Division.

15 I have one witness to be sworn.

16 EXAMINER STOGNER: Any other?

17 There being none, Mr. Carroll, you have one
18 witness?

19 MR. CARROLL: Yes.

20 EXAMINER STOGNER: And he is being represented
21 here via telephone from Aztec, New Mexico; is that right?

22 MR. CARROLL: That is correct.

23 EXAMINER STOGNER: At this time I'm going to ask
24 our court reporter to swear Mr. Robinson in.

25 (Thereupon, the witness was sworn.)

1 EXAMINER STOGNER: Thank you, Johnny.

2 Mr. Carroll?

3 JOHNNY ROBINSON (Present by telephone),

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

6 DIRECT EXAMINATION

7 BY MR. CARROLL:

8 Q. Mr. Robinson, will you please state your name,
9 your employer and your position with that employer for the
10 record?

11 A. My name is Johnny Robinson, with the Aztec Oil
12 Conservation, Field Rep 2.

13 Q. Have you had a chance to testify before this
14 Division before and had your qualifications accepted as a
15 witness?

16 A. Yes, I have.

17 Q. And have you had the opportunity to review the
18 OCD files maintained in the cases before the Examiner
19 today?

20 A. Yes, sir.

21 MR. CARROLL: Are the witness's qualifications
22 acceptable, Mr. Examiner?

23 EXAMINER STOGNER: They are.

24 Q. (By Mr. Carroll) Mr. Robinson, are the files
25 that you reviewed maintained by the OCD in its ordinary

1 course of business?

2 A. Yes, sir, they are.

3 MR. CARROLL: Mr. Examiner, and Mr. Robinson, I'd
4 refer both of you to what has been marked as OCD Exhibits
5 Numbers 1 and 2.

6 Number 1 is the file maintained by the Oil
7 Conservation Division regarding the El Vado Well Number 1.

8 And Exhibit Number 2 is the file maintained on
9 the El Vado Well Number 2.

10 Q. (By Mr. Carroll) Mr. Robinson, for the Examiner,
11 could you briefly go over the well histories for these two
12 wells?

13 A. Okay, what we have is the normal paperwork as far
14 as the C-101 for the permit to drill, a 102 for the
15 dedication plat.

16 Then we have some C-103s, and they're not
17 complete. Most of the information that we have has been --
18 They were never turned in or reported, and the information
19 that we have is just kind of by word of mouth from Charles
20 Gholson to the operator.

21 And there's several inspections and some
22 noncompliance letters where we have asked for different
23 information, and the information was never turned in.

24 And then some of the notes on the -- from Charles
25 Gholson -- describes the completion of the wells, as to

1 what the company person told him.

2 Q. Mr. Robinson, when was the last production from
3 these wells?

4 A. The El Vado 1 was -- When they drilled the well
5 they logged the well, and it was determined to be a
6 dryhole.

7 So there was never any production.

8 Q. And when was it drilled?

9 A. It was first drilled in -- 1987. Let's see,
10 1986.

11 Q. And it was determined to be a dryhole at that
12 time?

13 A. Right.

14 Q. Has any further effort been made to bring this
15 well onto production?

16 A. No, sir.

17 Q. Okay. And as to the El Vado Well Number 2, when
18 is the last production from that well?

19 A. The El Vado 2 was -- As I understand it, it was
20 tested, and there was not any production.

21 Q. And when was it tested?

22 A. 198- -- Let me see, let me get that over here.
23 1987.

24 Q. And Mr. Robinson, is the current condition of
25 these wells such that the OCD recommends plugging these

1 wells in order to protect fresh water, the public health
2 and the environment and prevent waste and protect
3 correlative rights?

4 A. Due to the incomplete paperwork that's been
5 turned in, I feel like it is.

6 Q. Has the OCD come up with a recommended plugging
7 procedure to plug these wells?

8 A. Yes, sir.

9 Q. And where is that plugging procedure contained?
10 Is it contained in these exhibits?

11 A. Let's see, it's in Exhibit Number 4.

12 Q. Mr. Robinson, what I have here marked as Exhibit
13 Number 4 is the copies of the notice sent out to the
14 parties -- oh, I see what -- You're referring to the cover
15 sheet of Exhibit 1 and 2, which is part of the well file,
16 but it refers to different exhibits, so it's actually
17 Exhibit Number 1 and 2, and we will look through it to find
18 the correct pages to refer the Examiner to.

19 A. What I'm looking at, on the cover sheet it says
20 Exhibit Number 4-A, and then on the paperwork that's
21 supplied it's on page 19.

22 Q. Page 19 of Exhibit 1?

23 A. Well, my paperwork shows Exhibit 4.

24 MR. CARROLL: Mr. Examiner, it's page 19 of
25 Exhibit Number 1. Pages 18 and 19 of Exhibit Number 1.

1 EXAMINER STOGNER: And pages 19 and 20 on Exhibit
2 2.

3 MR. CARROLL: Okay.

4 Q. (By Mr. Carroll) Mr. Robinson are there bonds
5 covering these wells?

6 A. There were bonds in -- They were assigned from
7 First National Bank of Albuquerque, which is First Security
8 Bank.

9 Q. And Mr. Robinson, I'll refer both you and the
10 Examiner to what has been marked as OCD Exhibit Number 3,
11 and go on and finish your testimony regarding these bonds.

12 Mr. Robinson, were there two \$5000 bonds, one
13 \$5000 bond for each of the wells?

14 A. Yes, sir, there were. And those bonds were
15 released July the 9th, 1987.

16 Q. They were released by the bank holding?

17 A. Right.

18 Q. And why were they released? Do you know?

19 A. No, they were released without approval.

20 MR. CARROLL: Mr. Examiner, if I could refer you
21 to page 14 of Exhibit Number 3, which is correspondence
22 from First Security Bank, formerly First National Bank,
23 which states that the bank -- These bonds matured back in
24 1987, and no one claimed them, and the bonds escheated to
25 the State of New Mexico in July of 1993.

1 The bank sent the OCD documentation which would
2 allow the OCD to file the appropriate documentation with
3 the State of New Mexico Taxation and Revenue Department for
4 return of these funds.

5 So this documentation shows that this well --
6 these wells are not currently covered by bonds, but there
7 is an avenue for the OCD to pursue getting the two \$5000
8 bonds back from the State Taxation and Revenue Department.

9 Q. (By Mr. Carroll) Mr. Robinson, what efforts were
10 made by the OCD to contact Mr. Dawsey to get him to plug
11 the wells?

12 A. I sent a certified letter to him, and it was
13 received, and there was never any -- I was never contacted
14 as to what he wanted to do with the wells.

15 MR. CARROLL: Mr. Examiner, it's not part of the
16 record but the OCD did receive a call from Mr. Dawsey
17 wondering what happened to his bonds, and that's why the
18 OCD has been in contact with the First Security Bank. And
19 I just outline -- Page 14 of Exhibit Number 3 shows what
20 happened to Mr. Dawsey's bonds.

21 I'll refer the Examiner to what has been marked
22 OCD Exhibit Number 4, which are copies of certified letters
23 sent to Mr. Dawsey and First Security Bank of Albuquerque,
24 notifying those parties of today's hearing, and also copies
25 of the return receipts which were signed.

1 Q. (By Mr. Carroll) Mr. Robinson, do you have
2 anything further to add in this case?

3 A. No, I don't know of anything.

4 MR. CARROLL: With that, I have nothing further
5 of this witness, and I would move what have been marked OCD
6 Exhibit Numbers 1 through 4 into the record.

7 EXAMINER STOGNER: Exhibits 1 through 4 will be
8 admitted into evidence at this time.

9 EXAMINATION

10 BY EXAMINER STOGNER:

11 Q. Mr. Robinson, I guess I'm a little confused about
12 Mr. Dawsey's whereabouts. Have you been in contact with
13 him?

14 A. No, sir, I haven't. I've tried to call him, and
15 I couldn't get in contact with him.

16 They did receive my letter in Dallas.

17 Q. Whenever you call, what are you told?

18 A. I never did get a phone number. Evidently, it's
19 not a listed number.

20 EXAMINER STOGNER: Mr. Carroll, I don't see any
21 documentation here of our correspondence with the Taxation
22 and Revenue. Will that be forthcoming? About securing the
23 money?

24 MR. CARROLL: Yeah, that hasn't been done yet,
25 and the OCD fully intends to pursue that avenue of

1 retrieving the two \$5000 bonds which escheated to the State
2 back in 1993.

3 EXAMINER STOGNER: In looking at that, Mr.
4 Carroll, should the State of New Mexico have been named on
5 the advertisement for today's case and notified?

6 MR. CARROLL: I do not believe so, Mr. Examiner.

7 EXAMINER STOGNER: Okay.

8 MR. CARROLL: The State really -- I do not see
9 how the State of New Mexico Taxation and Revenue Department
10 has an interest in the well where they would have to be
11 notified as to why the well should not be plugged.

12 EXAMINER STOGNER: Okay. Does anybody else have
13 anything further in this case?

14 Or do you have any other questions of Mr.
15 Robinson?

16 MR. CARROLL: No, I do not.

17 EXAMINER STOGNER: Mr. Robinson, do you have
18 anything further at this time?

19 THE WITNESS: No, sir, I don't.

20 EXAMINER STOGNER: Okay, then I will excuse Mr.
21 Robinson at this time. Thank you, sir.

22 THE WITNESS: Thank you.

23 MR. CARROLL: Thanks, John.

24 EXAMINER STOGNER: Does anybody else have
25 anything further in either Case 11,257 or 11,258?

1 Then both of these cases will be taken under
2 advisement.

3 With that, hearing adjourned.

4 (Thereupon, these proceedings were concluded at
5 10:50 a.m.)

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21 I do hereby certify that the foregoing is
22 a complete record of the proceedings in
23 the Examiner hearing of Case Nos. 11257 and 11258
24 heard by me on 18 May 1995.
25 Michael P. Slom, Examiner
 Oil Conservation Division

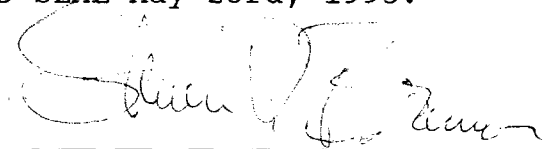
CERTIFICATE OF REPORTER

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 May 23rd, 1995.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998