

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:

APPLICATION OF SOLARIS WATER MIDSTREAM, CASE NO. 20733  
LLC FOR APPROVAL OF A SALTWATER DISPOSAL  
WELL, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 19, 2019

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER  
KATHLEEN MURPHY, TECHNICAL EXAMINER  
DANA Z. DAVID, LEGAL EXAMINER

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Phillip Goetze,  
Chief Examiner; Kathleen Murphy, Technical Examiner; and  
Dana Z. David, Legal Examiner, on Thursday, September  
19, 2019, at the New Mexico Energy, Minerals and Natural  
Resources Department, Wendell Chino Building, 1220 South  
St. Francis Drive, Porter Hall, Room 102, Santa Fe, New  
Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR  
New Mexico CCR #20  
Paul Baca Professional Court Reporters  
500 4th Street, Northwest, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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# APPEARANCES

FOR APPLICANT SOLARIS WATER MIDSTREAM, LLC:

JAMES G. BRUCE, ESQ.  
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FOR INTERESTED PARTY NGL WATER SOLUTIONS PERMIAN, LLC:

DEANA M. BENNETT, ESQ.  
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# EXHIBITS OFFERED AND ADMITTED

No exhibits.

1 (8:24 a.m.)

2 EXAMINER GOETZE: We'll start with the  
3 saltwater disposals. First up is Case Number 20733,  
4 application of Solaris Water Midstream for approval of a  
5 saltwater disposal well, Eddy County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of  
8 Santa Fe representing the Applicant.

9 I have two witnesses.

10 MS. BENNETT: Deana Bennett on behalf of  
11 NGL.

12 EXAMINER GOETZE: Very good.

13 Mr. Bruce, take a center seat. We're going  
14 to have a discussion about your application. Okay?

15 MR. BRUCE: Okay.

16 EXAMINER GOETZE: So this is for the Maley  
17 No. 7.

18 MR. BRUCE: Uh-huh.

19 EXAMINER GOETZE: It was brought to the  
20 Director's attention where the location of this  
21 application is. And at this point, the Division has  
22 been directed to deny this application at this time in  
23 light of its location and proximity to a very sensitive  
24 subject both to the governor and the legislature, which  
25 is the I&W remediation project on the brine well. At

1    this point the feeling is the issuance of a permit here  
2    would not be beneficial and that we are going to deny it  
3    and dismiss and say that at a later period, you can make  
4    application again. And we will provide you with the  
5    necessary information on how the progress of the  
6    remediation of the brine well is going, and at that time  
7    you may apply.

8                   MR. BRUCE: How far away is the brine well?

9                   EXAMINER GOETZE: It is --

10                  EXAMINER MURPHY: 0.85 miles.

11                  EXAMINER GOETZE: How far is the governor  
12    away from it?

13                         (Laughter.)

14                  EXAMINER GOETZE: So at this time, with the  
15    concern for it and the effort being so close to  
16    remediation, the Director will not sign an order. So we  
17    ask that you re-apply. And we are going to make you  
18    knowledgeable as to how the remediation is going.  
19    Injection is going on now. Drilling is going on now.  
20    And that's what I've been told.

21                  MR. BRUCE: Okay. Let me ask you: Is  
22    that -- the I&W, is that in the Capitan Reef?

23                  EXAMINER GOETZE: It is in the Solano. But  
24    there's been too much -- if that intersection goes down,  
25    everyone in this room will feel it, and it will go from

1    being a \$59 million remediation project to over 200  
2    million, along with visitation, I would say, of a lot of  
3    attorneys looking for people to associate some sort of  
4    blame for it.

5                   At this point our concerns, though not  
6    supported by testimony at this point, we're going to say  
7    back off, come back in, apply again.  Okay?

8                   Thank you very much.

9                   MR. BRUCE:  When did this come to light, by  
10   the way?

11                  EXAMINER GOETZE:  I don't know.  Let's see.  
12   The 300 permits that I'm looking at --

13                  EXAMINER MURPHY:  350.

14                  EXAMINER GOETZE:  -- well, 350 now, and  
15   then having a director out of town and then having phone  
16   calls, it was probably a week ago we brought it to.  It  
17   wasn't finalized until two days ago, I would say.

18                  I apologize for the inconvenience this may  
19   have put to your folks, but at the same time, you can go  
20   to Commission --

21                  MR. BRUCE:  I understand.

22                  EXAMINER GOETZE:  -- and you can go from  
23   the Commission to anything else you wish, but I have a  
24   feeling that at this point, the response will be the  
25   same.

1 MR. BRUCE: Yup.

2 EXAMINER GOETZE: So there are only a few  
3 of us doing the shop. We're going through these. Yours  
4 was brought up. We knew about it, but we made a formal  
5 presentation, and with that, the decision was made.

6 MR. BRUCE: I just regret that my witnesses  
7 had to come out.

8 EXAMINER GOETZE: I understand. I regret  
9 I'm up here today because I was not supposed to be here,  
10 so --

11 Case Number 20733 has been dismissed.

12 (Case Number 20733 concludes, 8:29 a.m.)  
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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO  
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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court  
6 Reporter, New Mexico Certified Court Reporter No. 20,  
7 and Registered Professional Reporter, do hereby certify  
8 that I reported the foregoing proceedings in  
9 stenographic shorthand and that the foregoing pages are  
10 a true and correct transcript of those proceedings that  
11 were reduced to printed form by me to the best of my  
12 ability.

13 I FURTHER CERTIFY that the Reporter's  
14 Record of the proceedings truly and accurately reflects  
15 the exhibits, if any, offered by the respective parties.

16 I FURTHER CERTIFY that I am neither  
17 employed by nor related to any of the parties or  
18 attorneys in this case and that I have no interest in  
19 the final disposition of this case.

20 DATED THIS 9th day of October 2019.  
21

22  
23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2019