

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE
OIL CONSERVATION DIVISION
PRE-HEARING DOCKET 02-20

REPORTER'S TRANSCRIPT OF PROCEEDINGS

PRE-HEARING TRANSCRIPT

JANUARY 9, 2020

SANTA FE, NEW MEXICO

BEFORE: DYLAN COSS, CHIEF EXAMINER
ERIC AMES, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS DYLAN COSS and LEGAL EXAMINER ERIC AMES, on Thursday, January 9, 2020, 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: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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1 HEARING EXAMINER COSS: Let's begin the hearing
2 this morning. It's 8:19, January 9, 2020, and we will begin
3 with the OCD Hearing Docket Number 02-20. And just to get
4 things started, I believe Kathleen Murphy has a few
5 announcements for us, so take it away.

6 MS. MURPHY: I have just a few announcements, and
7 they are good announcements. I like to announce if it's
8 good or bad to begin with, but we do have three new
9 employees, and the first one is -- Cox, and he has a
10 bachelor's in petroleum engineering from New Mexico Tech.
11 He also has a lot of experience in software engineering and
12 computer science experience. He worked as a superintendent
13 for fracking and leasing operations with Calfrac, and he is
14 our administrative permits coordinator, and we welcome him.

15 Another new employee is Kurt Simons in the back.
16 Kurt has a juris doctorate and is licensed in California.
17 And he worked for the BLM in Carlsbad for eight years as a
18 legal instrument examiner, permitting oil and gas wells on
19 federal land.

20 And our third employee is Don Garcia. He has a
21 bachelor's in petroleum engineering and a master's in
22 mechanical engineering also from New Mexico Tech. He was a
23 field engineer for Calfrac for a year and a half, and he
24 interned at the OCD in 2015 and worked in UIC and also did
25 some work on --

1 So we are very excited to have three new
2 employees, and we appreciate that they have chosen OCD. And
3 we have a lot of work, and we are starting to send them on a
4 certain path.

5 MS. MUNDS-DRY: What are their titles?

6 MS. MURPHY: In Mr. Cox is permits coordinator;
7 is that correct?

8 MR. COX: Yes.

9 MS. MURPHY: Mr. Simons and Mr. Garcia are
10 petroleum specialists.

11 MS. MUNDS-DRY: Thank you.

12 MS. MURPHY: The next topic is the exhibits, and
13 I believe I give the same talk on exhibits because the
14 exhibits are what you submit to the court reporter and to
15 the Examiner. But I always say this in case there is new
16 lawyers, you need to e-mail your PDF of the exhibits to the
17 OCD hearings e-mail and put "exhibits" in the title line,
18 and then in the actual PDF document, make sure the case file
19 number is in there.

20 Sometimes people send the document named scanned
21 from whatever scanner, and I want you to name it so I don't
22 have to do extra work when I download it.

23 MR. AMES: You might put out there's a notice on
24 OCD's website that details the procedures specifically.

25 MS. MURPHY: On the OCD website, you have noticed

1 this up there, and the exhibits -- the checklist for
2 compulsory pooling, we have a blank exhibit up there, and we
3 also have a filled-in exhibit, and you have noticed those on
4 there, and that's how compulsory pooling will be done from
5 now on.

6 And so two copies of your exhibits and two copies
7 of the checklist. You come up and essentially just lay it
8 down and say that it's complete, and we move on.

9 And because -- because of the new checklist, the
10 Exhibit A will not be needed anymore. The checklist takes
11 the place of Exhibit A. Please only use PDF. We don't want
12 jpegs or PowerPoints. You can export in this those programs
13 to a PDF.

14 And are there any questions on the new compulsory
15 pooling checklist? There was a notice on the website, and
16 also Ms. Davidson sent out an e-mail to all the lawyers.
17 And we will just have to start seeing how that goes along.
18 We need to begin somewhere.

19 And the last topic was, that I have for you, is
20 the technology and using the TV screen to do presentations.
21 As a rule of thumb, if your presentation is longer than 10
22 to 15 minutes, if it is controversial, or if it is of
23 interest to the public, it should be presented using the TV
24 screen.

25 And OCD frequently has presentations using the

1 screen, so why not us. And it's not to add work for you.
2 You use the existing PDF that you then e-mail to OCD
3 hearings, and you don't have to make extra PowerPoints or
4 anything.

5 And it's a tremendous educational opportunity
6 that we are losing out on, and it's also an opportunity to
7 educate the public when there are controversial subjects
8 here. And this is all public data, so nothing is being let
9 out that should not be. And I will hold up a fine example,
10 Mr. Adam Rankin for his final presentation for EOC in
11 December. Thank you.

12 And we need to start somewhere, and it will only
13 get easier over time, and because the compulsory pooling
14 checklist does say this sometimes, it will get smoother as
15 we go along, but I will say to you, we need to lead and
16 others will follow.

17 And here's my only suggestion to you. Please
18 watch your colleagues as they present and learn from them.
19 You can bring your own laptop and use two PDFs. You can
20 have the entire PDF that you then submit to OCD hearings and
21 the court reporter, and you can make a subset of it and use,
22 you know, 10 to 15 pertinent slides that you will present.
23 If there's follow-up questions, you will have the entire PDF
24 open and you can refer to that.

25 If I can help you in any way, please let me know

1 if you want to do a dry run during the week or come in., We
2 can meet and go over this. I'm very willing to help. And
3 are there any questions on using this?

4 (No response.)

5 MS. MURPHY: Thank you in advance to any of those
6 who are using it today.

7 And then the last topic is, we do have a map over
8 here which is the saltwater disposal applications, and it
9 comes from our Excel table of all the applications, and this
10 way you can see it graphically represented, and all the reds
11 are the protested applications, and there is also the potash
12 area in the middle. So it's an interesting map.

13 And are there any questions on any of these
14 topics?

15 MS. SHEEHAN: Is that map available on the
16 website?

17 MS. MURPHY: It's not, but there -- at this
18 moment, but we do have a GIS map that is available to the
19 public, and I believe that maybe within a week we might have
20 the -- the polygon for the applications on that.

21 MR. AMES: Thank you, Kathleen. Before Dylan
22 takes over, I would like to make an announcement. It's
23 OCD's great pleasure to have with us today Felicia Orth.
24 Felicia is an experienced attorney and a very experienced
25 hearing examiner.

1 She's worked for the Environment Department, City
2 of Albuquerque, Air Quality Board, a number of other
3 agencies both in-house and on contract. She'll be assisting
4 OCD with these hearings going forward at some point. Today
5 she is observing, but at some point she'll take over as
6 well, so we are very pleased and happy to have her aboard.

7 MS. ORTH: Thank you.

8 HEARING EXAMINER COSS: So at this time I'm going
9 to read the dismissed cases for today.

10 The first case is WPX Energy Permian, Case 20991;
11 followed by Mewbourne Oil Company, compulsory pooling, Case
12 21003; and Mewbourne Oil Company, Case Number 21004; and
13 Kaiser-Francis Oil Company, Case Number 21007 are all the
14 cases that have been dismissed from this docket.

15 The continued cases include for these cases have
16 been continued to the January 23, 2020 docket.

17 Application of XTO Delaware Basin LLC, Case
18 Number 20918; and application of XTO Delaware Basin, Case
19 20919 have been continued to the January 23rd docket.

20 The following cases have been continued to the
21 February 20, 2020 docket. They include the application of
22 Ostrich Oil and Gas LLC, Case Number 20988; application of
23 Ostrich Oil and Gas LLC, Case Number 20989; application of
24 Cimarex Energy, Case Number 21005; and application of
25 Cimarex Energy, Case Number 21006.

1 That does it for the dismissed and continued
2 cases, which brings me to the point where I will call the
3 first case for today's docket.

4 (Prehearing concluded. Cases for hearing
5 proceeded.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that the
9 foregoing pages are a true and correct transcript of those
10 proceedings that were reduced to printed form by me to the
11 best of my ability.

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

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

19 Dated this 9th day of January 2020.

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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