

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. : 14666

APPLICATION OF BASIC ENERGY  
SERVICES FOR AUTHORIZATION TO  
INJECT, EDDY COUNTY, NEW MEXICO

**COPY**

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING

BEFORE:           DAVID K. BROOKS, Legal Examiner  
                    WILLIAM JONES, Technical Examiner

DATE:   June 23, 2011  
          Santa Fe, New Mexico

2011 JUL 12 A 9:10  
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This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Legal Examiner, and WILLIAM JONES, technical Examiner, on Thursday, June 23, 2011, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY:   Irene Delgado  
                    Paul Baca Professional Court Reporters  
                    500 Fourth Street, NW, Suite 105  
                    Albuquerque, NM 87103

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A P P E A R A N C E S

FOR THE APPLICANT:

SCOTT HALL  
MONTGOMERY & ANDREWS  
325 Paseo De Peralta  
Santa Fe, NM 87501

I N D E X

EXHIBIT 6 ADMITTED

05

1                   EXAMINER JONES: We'll take a break at 11:45,  
2 and let's call Case 14666, Basic Energy Services LP for  
3 authorization to inject in Eddy County, New Mexico.  
4 Call for appearances.

5                   MR. HALL: Mr. Examiner, Scott Hall of  
6 Montgomery and Andrews appearing on behalf of the  
7 applicant, and I have one witness this morning.

8                   EXAMINER JONES: Any other appearances?

9                   (No response.)

10                  EXAMINER JONES: Will the witness please  
11 stand and state your name.

12                  EXAMINER BROOKS: Witness?

13                  MR. ALVARADO: David Alvarado from Artesia,  
14 New Mexico.

15                  EXAMINER JONES: Will the court reporter  
16 please swear the witness?

17                  (Witness duly sworn.)

18                  MR. HALL: Mr. Examiner, I have a proposal  
19 for you. This case started its life as an  
20 administrative application for an injection well, and  
21 the reason we are before you here today is that after  
22 notice, comprehensive notice, in fact, there were  
23 objections received from three area surface owners.  
24 They have written to the Division, and we have exhibits  
25 for those letters if needed. They haven't appeared

1 here today, and we do have a witness prepared to  
2 testify. We do have a full suite of exhibits, but as a  
3 suggestion, in view of the non-appearance of those  
4 objecting parties, one option available to you is to  
5 dismiss the hearing aspect of the case and refer the  
6 matter back for administrative approval, which would  
7 enable you to approve it this afternoon.

8 EXAMINER JONES: I thought about that before  
9 this hearing, and they -- the Tabers, is that correct?

10 MR. HALL: Yes. And also Mr. Hinds, we have  
11 a waiver letter from Mr. Hinds, but --

12 EXAMINER JONES: I think -- are you  
13 Mr. Alvarado?

14 MR. ALVARADO: Yes.

15 EXAMINER JONES: Oh. I've talked to you on  
16 the phone quite a bit.

17 MR. ALVARADO: Yes.

18 EXAMINER JONES: Yes. I think Mr. Alvarado  
19 has already supplied me several things iteratively  
20 before this case was set, and I think we're pretty much  
21 set on this one. I would have to -- I would have to  
22 look it over again, but I think we can remand it back  
23 to the administrative docket, if it's all right with  
24 legal counsel.

25 EXAMINER BROOKS: I think it's acceptable,

1 and I think protesters have, in effect, waived their  
2 protest by not showing up here. Back when Mr. Catanach  
3 was here, we used to have a procedure of styling cases  
4 such that in the absence of objection, they would be  
5 taken under advisement. That -- that procedure seems  
6 to have vanished with Mr. Catanach's retirement, but I  
7 think it might be a good idea to revive it for  
8 situations like this.

9 EXAMINER JONES: Okay, I would say --

10 MR. HALL: Is that pretty efficient?

11 EXAMINER JONES: Yes.

12 MR. HALL: If you like, we can -- we do have  
13 the notice. It's in here, I believe. If you would  
14 like to make that a part of the record, our notice of  
15 the adjudicatory hearing.

16 EXAMINER JONES: Yes, let's do that, make it  
17 a part of the record. That would be Exhibit 1?

18 MR. HALL: That would be Exhibit Number 6.

19 EXAMINER JONES: We will admit Exhibit  
20 Number 6.

21 (Exhibit 6 admitted.)

22 MR. HALL: It's the notice for the  
23 adjudicatory hearing, the notice for the administrative  
24 application. It's part of the C-108, and Mr. Alvarado  
25 does have all the green cards here today if anyone is

1 interested in seeing those, but I think notice has been  
2 comprehensive.

3 EXAMINER JONES: Yes, this is the new one?

4 MR. ALVARADO: Do you want to see them?

5 EXAMINER JONES: No, I don't.

6 MR. HALL: Very good.

7 EXAMINER JONES: Okay. We will remand this  
8 back to the administrative docket.

9 MR. HALL: Very good.

10 EXAMINER JONES: This was Case 14666. Thank  
11 you for coming up here.

12 MR. ALVARADO: You are welcome.

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
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heard by me on \_\_\_\_\_

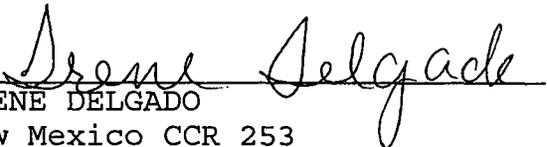
\_\_\_\_\_, Examiner  
Oil Conservation Division

REPORTER'S CERTIFICATE

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I, IRENE DELGADO, NM CCR 253, DO HEREBY CERTIFY that on June 23, 2011, I did, in stenographic shorthand transcribe the proceedings set forth herein, and that the foregoing pages are a true and correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by nor related to nor contracted with (unless excepted by the rules) any of the parties or attorneys in this matter, and that I have no interest whatsoever in the final disposition of this matter.

  
IRENE DELGADO  
New Mexico CCR 253  
License Expires: 12-31-11

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19 \_\_\_\_\_, Examiner  
Oil Conservation Division

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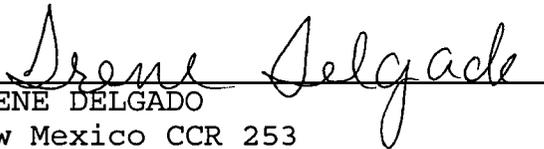
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IRENE DELGADO  
New Mexico CCR 253  
License Expires: 12-31-11



**EXHIBIT A**

Mr. John Hines  
P.O. Box 1011  
Loving, NM 88256

Ms. Carolyn A. Taylor  
Mr. Harvey R. Taylor  
1702 Curry Road  
Carlsbad, NM 88220