

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 THE NEW MEXICO OIL CONSERVATION DIVISION COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER AGAINST KEVIN O. BUTLER & ASSOCIATES, INC., FOR WELLS OPERATED IN CHAVES, EDDY, AND LEA COUNTIES, NEW MEXICO. CASE NO. 16047

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

May 17, 2018

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER
MICHAEL McMILLAN, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Scott Dawson, Chief Examiner, Michael McMillan, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, May 17, 2018, 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
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APPEARANCES

FOR APPLICANT NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU:

KEITH W. HERRMANN, ESQ.
STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL
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EXHIBITS OFFERED AND ADMITTED

NMOCD Compliance and Enforcement Bureau Exhibit Numbers 1 through 5A	4
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1 (8:28 a.m.)

2 EXAMINER DAWSON: So we will go forward
3 with the compliances cases, page 9 of 12, 16042. Again,
4 it was continued to May 31st.

5 Number 35 on the list, 16047, will be
6 submitted by affidavit.

7 MR. HERRMANN: Yes, if you would like
8 to call for appearances.

9 EXAMINER DAWSON: So Case Number 35, Number
10 16047, is application of New Mexico Oil Conservation
11 Compliance and Enforcement Bureau for a compliance order
12 against Kevin O. Butler & Associates, Inc., for wells
13 operated in Chaves, Eddy, and Lea Counties, New Mexico.

14 Call for appearances.

15 MR. HERRMANN: Mr. Examiner, Keith Herrmann
16 representing the Oil Conservation Division Compliance
17 and Enforcement Bureau.

18 EXAMINER McMILLAN: Are there any other
19 appearances?

20 EXAMINER DAWSON: Any witnesses?

21 MR. HERRMANN: No, Mr. Examiner.

22 We have -- we have five exhibits. They are
23 simply an Inactive Well List, an additional financial
24 assurance report and a violation letter notice we
25 submitted to the operator, an affidavit of Compliance

1 and Enforcement Manager, Mr. Daniel Sanchez, and an
2 Affidavit of Notice provided by myself showing that we
3 did provide adequate notice as required by rules for
4 this case.

5 We have been in contact with this operator
6 and believe that the relief requested, that producing
7 wells be shut in and that compliance be done in 45 days,
8 is not completely necessary. We would just request that
9 the Division issue an order stating that compliance be
10 issued -- or required within 45 days, and should he not
11 comply, then we would consider the additional sanctions
12 of shutting in wells. But we believe this operator will
13 be able to comply within that 45-day time period.

14 EXAMINER DAWSON: Okay.

15 MR. HERRMANN: If you wish, I will provide
16 with you a draft order.

17 EXAMINER DAWSON: Thank you very much,
18 Mr. Herrmann.

19 MR. HERRMANN: I would move that Exhibits 1
20 through 5 be admitted to the record.

21 EXAMINER DAWSON: Okay. Exhibits 1 through
22 5 will be admitted to the record at this time.

23 (NMOCD Compliance and Enforcement Bureau
24 Exhibit Numbers 1 through 5 are offered and
25 admitted into evidence.)

1 EXAMINER DAWSON: Is that all,
2 Mr. Herrmann?

3 MR. HERRMANN: That is all.

4 EXAMINER DAWSON: Thank you very much,
5 Mr. Herrmann.

6 On the other case, Mr. Herrmann --

7 MR. HERRMANN: Yes.

8 EXAMINER DAWSON: -- number 37, Case Number
9 16075, which is application of the New Mexico Oil
10 Conservation Division Compliance and Enforcement Bureau
11 for a compliance order against Cross Timbers Energy,
12 LLC, for wells operated in Rio Arriba and Lea Counties,
13 New Mexico, are you going to request a continuance to
14 May 31st on that one?

15 MR. HERRMANN: Yes.

16 EXAMINER DAWSON: That will be continued to
17 May 31st.

18 MR. HERRMANN: Mr. Hall, who represents
19 Cross Timbers, is also present.

20 MR. HALL: And we agree to that.

21 EXAMINER DAWSON: Okay. On page 9 of 12,
22 number 35, Case Number 16047, will be taken under
23 advisement.

24 MR. HERRMANN: Thank you.

25 EXAMINER DAWSON: Thank you, Mr. Herrmann.

1 (Case Number 16047 concludes, 8:31 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 19th day of June 2018.
21

22
23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters