

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 PRIMAL ENERGY CORPORATION, FOR WELLS OPERATED IN EDDY AND LEA COUNTIES, NEW MEXICO. CASE NO. 16358

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

August 9, 2018

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER
LEONARD LOWE, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Scott Dawson, Chief Examiner, Leonard Lowe, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, August 9, 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 THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU:

KEITH W. HERRMANN, ESQ.
STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
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EXHIBITS OFFERED AND ADMITTED

NMOCD Compliance and Enforcement Bureau Exhibit Numbers 1 through 6	5
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1 (8:27 a.m.)

2 EXAMINER DAWSON: Next on the docket page
3 is Case Number 16358. It's number 28 on the list. And
4 Case Number 16358 is application of New Mexico Oil
5 Conservation Division Compliance and Enforcement Bureau
6 for a compliance order against Primal Energy
7 Corporation, for wells operated in Eddy and Lea
8 Counties.

9 Mr. Herrmann, when you're ready.

10 MR. HERRMANN: Just to call for
11 appearances, Mr. Examiner, Keith Herrmann representing
12 the Oil Conservation Division Compliance and Enforcement
13 Bureau.

14 I do not believe there are any other
15 case --

16 EXAMINER DAWSON: Any protestors or
17 contestants?

18 MR. HERRMANN: -- any other appearances to
19 be entered.

20 We brought this application for a plugging
21 order on ten wells Eddy and Lea Counties. In our
22 application for hearing, we also asked that the hearing
23 examiner present the finding that the operator, Primal
24 Energy, is out of compliance with OCD Order 14388
25 requiring them to provide adequate financial assurance.

1 They did not comply with that order.

2 And also in our order, we had asked for
3 compliance within 45 days. However -- and that would be
4 with both the plugging and financial assurance rule.
5 However, we have had contact with this operator, and he
6 has requested that instead of the 45 days, we extend
7 that period to 75 days, and we do not object to that
8 request.

9 EXAMINER DAWSON: Okay.

10 MR. HERRMANN: So I have presented you with
11 what is marked as OCD Exhibits 1 through 6, 1 being a
12 copy of the Inactive Well List; Number 2 being the copy
13 of the Inactive Financial Assurance Report; Exhibit 3
14 being a copy of the Notice of Violation sent to the
15 operator pursuant to 19.15.5.9. Exhibit 4 is an
16 Affidavit of Notice of this proceeding. Exhibit 5 is a
17 copy of OCD Order R-14388, which they are noncompliant
18 with. And Exhibit 6 is an Affidavit of Daniel Sanchez
19 testifying that he has reviewed these records and
20 certifies them to be a true and accurate reproduction of
21 OCD records and were prepared by him or under his
22 direction.

23 With that, I move to admit OCD Exhibits 1
24 through 6, and that will conclude our presentation.

25 EXAMINER DAWSON: Since I see no objection

1 to Exhibits 1 through 6 being admitted to the record,
2 they will be so admitted at this time.

3 (NMOCD Compliance and Enforcement Bureau
4 Exhibit Numbers 1 through 6 are offered
5 and admitted into evidence.)

6 EXAMINER DAWSON: And that will conclude
7 16358. It will be taken under advisement at this time.

8 MR. HERRMANN: Thank you, Mr. Examiner.

9 EXAMINER DAWSON: Thank you very much,
10 Mr. Herrmann.

11 (Case Number 16358 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 16th day of August 2018.

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

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