

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 COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER AGAINST QUALITY TRANSPORT, INC. FOR WELLS OPERATED IN EDDY COUNTY, NEW MEXICO. CASE NO. 20144

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 10, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
KATHLEEN MURPHY, TECHNICAL EXAMINER
LEONARD LOWE, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner; Kathleen Murphy and Leonard Lowe, Technical Examiners; and David K. Brooks, Legal Examiner, on Thursday, January 10th, 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
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APPEARANCES

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

KEITH W. HERRMANN, ESQ.
STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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1 (11:15 a.m.)

2 EXAMINER JONES: Call Case 20144.

3 Call for appearances.

4 MR. HERRMANN: Mr. Examiner, Keith Herrmann
5 representing the Oil Conservation Division Compliance
6 and Enforcement Bureau.

7 EXAMINER JONES: Any other appearances?

8 MR. HERRMANN: Since there are no other
9 appearances, we will be submitting this case via
10 affidavit as well. And for the record, this is the
11 application -- this is Case Number 20144, application of
12 the New Mexico Oil Conservation Division Compliance and
13 Enforcement Bureau for a compliance order against
14 Quality Transport, Incorporated, for wells operated in
15 Eddy County, New Mexico.

16 Mr. Examiner, we have Daniel Sanchez
17 present, but in the interest of time, we will again be
18 submitting his testimony via affidavit, which is
19 contained in Exhibit 4. And just to summarize:

20 Exhibit 1 is an OCD record of the inactive
21 well list showing that this well has not produced -- or
22 had reported production since November of 2008.

23 It has a single-well bond of \$17,026, and
24 that is identified in Exhibit 2, which is a printout of
25 the inactive well additional financial assurance report,

1 a record regularly kept by the Division.

2 Exhibit 3 is a notice of violation that was
3 sent by the Division prior to -- or at least 60 days
4 prior to the commencement of this proceeding, as
5 required by 19.15.5.9 NMAC.

6 Exhibit 4, as I previously stated, is an
7 affidavit of Daniel Sanchez going into greater detail of
8 what I am summarizing right now.

9 And Exhibit 5 is an Affidavit of Service
10 showing that we have served above and beyond what's
11 required by the Division to all the addresses we have on
12 file with the Division for Quality Transport and those
13 identified on the New Mexico Secretary of State Web
14 site, and we have sent notice directly to First American
15 Bank in Artesia. That is the holder of their financial
16 assurance.

17 At this time I'd move to admit Exhibits 1
18 through 5.

19 EXAMINER JONES: Exhibits 1 through 5 are
20 admitted.

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

24 MR. HERRMANN: And I would request that the
25 Division issue an order requiring this subject well, the

1 Helena 25 Fee Com #1, to be plugged and abandoned within
2 45 days, and should the operator fail to comply with
3 this order, that the Division be authorized to plug and
4 abandon this well and recoup its expenses from the
5 operator's financial assurance.

6 EXAMINER JONES: To summarize, all three of
7 these cases were one well plugging cases? No bonding
8 issues?

9 MR. HERRMANN: Just that they do have bonds
10 and we have notified the surety as required. Should the
11 operator not comply with the order, we intend to call
12 that bond.

13 EXAMINER JONES: Okay. Thank you very
14 much.

15 Thank you, both.

16 Case 20144 is taken under advisement.

17 (Case Number 20144 concludes, 11:19 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 31st day of January 2019.

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

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