

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 RUTH OIL COMPANY, LLC FOR WELLS OPERATED IN LEA AND EDDY COUNTIES, NEW MEXICO. CASE NO. 20197

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

February 21, 2019

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
TERRY WARNELL, TECHNICAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner and Terry Warnell, Technical Examiner, on Thursday, February 21, 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 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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1 (1:15 p.m.)

2 EXAMINER McMILLAN: I'd like to call this
3 hearing back to order.

4 I would like to call Case Number 20197,
5 application of the New Mexico Oil Conservation Division
6 Compliance and Enforcement Bureau for a compliance order
7 against Ruth Oil Company, LLC for wells operated in Eddy
8 and Lea Counties, New Mexico.

9 Call for appearances.

10 MR. HERRMANN: Mr. Examiner, Keith
11 Herrmann, representing the Oil Conversation Division
12 Compliance and Enforcement Bureau.

13 EXAMINER McMILLAN: Is this case going to
14 be combined?

15 MR. HERRMANN: No.

16 EXAMINER McMILLAN: Okay.

17 MR. HERRMANN: Mr. Examiner, this case is
18 unopposed. I submitted -- well, let me backtrack.

19 This is for a compliance order to return
20 five wells to compliance with 19.15.5.9.(A)(4) and 25.8
21 regarding inactive wells.

22 EXAMINER McMILLAN: Are there any other
23 appearances?

24 Please proceed.

25 MR. HERRMANN: This is regarding the

1 operator, Ruth Oil & Gas. They have five wells in Lea
2 County. We have been in contact with this operator, and
3 I reflected that in the amended prehearing statement
4 that I filed yesterday. We had agreed with that
5 operator that they would return to compliance by June
6 15th.

7 So at this time, we request -- we're
8 requesting an order directing that operator to be in
9 compliance with the rule stated by June 15th, and in
10 support of that, I'm presenting you with our exhibits:
11 Exhibit 1, an inactive well list that identifies all the
12 wells; Exhibit 2, a Financial Assurance Report showing
13 what wells have bonds on them; Exhibit 3, a Notice of
14 Violation that we sent to the operator at least 60 days
15 prior to commencing this action. Exhibit 4 is an
16 affidavit from Mr. Daniel Sanchez, our Compliance and
17 Enforcement manager showing -- stating that those wells
18 have not had production reported in excess of 15 months;
19 and Exhibit 5 showing that we have provided notice to
20 the operator at both the addresses on file with the
21 Division, the addresses on file with the Secretary of
22 State and the bank that holds their financial assurance.

23 At this time I would move to admit OCD
24 Exhibits 1 through 5.

25 EXAMINER McMILLAN: Exhibits 1 through 5

1 may now be accepted as part of the record.

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

5 EXAMINER McMILLAN: And the question there
6 being: What do these unlocatables represent, pages 9
7 and 10? Did you run a newspaper ad on it?

8 MR. HERRMANN: No. We have had direct
9 contact with Robert Stratton, though, who is on the
10 first page, and he did receive the letters.

11 EXAMINER McMILLAN: And direct contact
12 being?

13 MR. HERRMANN: Several telephone calls and
14 conversations, which is why we submitted that amended
15 prehearing statement to reflect the conversations.

16 EXAMINER McMILLAN: Emails?

17 MR. HERRMANN: No emails.

18 EXAMINER McMILLAN: Just conversations?

19 MR. HERRMANN: Yes.

20 EXAMINER McMILLAN: Okay.

21 MR. HERRMANN: At this time we request that
22 this case be taken under advisement.

23 EXAMINER McMILLAN: Case Number 20197 shall
24 be taken under advisement.

25 MR. HERRMANN: Thank you.

1 (Case Number 20197 concludes, 1:19 p.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 27th day of March 2019.

21

22

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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