## 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 PERMIAN OILFIELD PARTNERS, LLC FOR APPROVAL OF A SALTWATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO.

CASE NO. 20685

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

August 8, 2019

Santa Fe, New Mexico

BEFORE: LEONARD LOWE, CHIEF EXAMINER

MICHAEL McMILLAN, TECHNICAL EXAMINER

DANA Z. DAVID, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Leonard Lowe, Chief Examiner; Michael McMillan, Technical Examiner; and Dana Z. David, Legal Examiner, on Thursday, August 8, 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

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Page 2 1 APPEARANCES 2 FOR APPLICANT PERMIAN OILFIELD PARTNERS, LLC: 3 LARA KATZ, ESQ. ABADIE & SCHILL 4 214 McKenzie Street Santa Fe, New Mexico 87501 5 (505) 577-6178 (970) 385-4401 6 lara@abadieschill.com 7 FOR INTERESTED PARTY NEW MEXICO STATE LAND OFFICE: 8 ANDREA ANTILLON, ESQ. NEW MEXICO STATE LAND OFFICE 9 Office of General Counsel 310 Old Santa Fe Trail Santa Fe, New Mexico 87501 10 (505) 827-5702 aantillon@slo.state.nm.us 11 12 13 14 15 16 17 18 19 2.0 21 22 23 24 25

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- 1 (10:57 a.m.)
- 2 EXAMINER LOWE: We will call Case Number
- 3 20685, application of Permian Oilfield Partners, LLC for
- 4 approval of a saltwater disposal well, Lea County, New
- 5 Mexico.
- 6 Call for appearances.
- 7 MS. KATZ: Good morning. Lara Katz, from
- 8 the Santa Fe office of Abadie & Schill, on behalf of the
- 9 Applicant, Permian Oilfield Partners.
- 10 MS. ANTILLON: Andrea Antillon on behalf of
- 11 State Land Office. I do not have any witnesses to put
- 12 on today, but I just have a statement that I would like
- 13 to make.
- 14 MS. KATZ: I have two witnesses.
- 15 EXAMINER LOWE: Would you care to use in
- 16 the previous -- in the previous case, the testimony for
- 17 this case?
- 18 MS. KATZ: Yes. I can incorporate it as we
- 19 go.
- 20 MS. ANTILLON: The State Land Office
- 21 doesn't object to that.
- 22 EXAMINER McMILLAN: Thank you.
- MS. KATZ: Okay. So they've already been
- 24 sworn in. I'll call my first witness, Mr. Sean Puryear.

25

- 1 SEAN PURYEAR,
- after having been previously sworn under oath, was
- 3 questioned and testified as follows:
- 4 DIRECT EXAMINATION
- 5 BY MS. KATZ:
- 6 Q. Mr. Puryear, will you please state your name
- 7 for the record?
- 8 A. My name is Sean Puryear.
- 9 Q. And with whom do you work?
- 10 A. I work for Permian Oilfield Partners.
- 11 Q. And what are your responsibilities as CEO of
- 12 **POP?**
- 13 A. As CEO of POP, I manage the design and
- 14 development of saltwater disposal wells and the produced
- 15 water infrastructure in southeastern New Mexico,
- 16 specifically Lea and Eddy Counties.
- Q. All right. And your responsibilities include
- 18 management and oversight of the drilling of saltwater
- 19 disposal wells?
- 20 A. That is correct.
- 21 Q. And your area of responsibility includes the
- 22 area of southeastern New Mexico?
- 23 A. That is correct.
- Q. And you're familiar with the application filed
- 25 by POP in this matter?

- 1 A. Yes, I am.
- 2 O. And you're familiar with the well that is the
- 3 subject of this application?
- 4 A. I am.
- 5 Q. And you've previously testified before the
- 6 Division this morning?
- 7 A. I have.
- 8 Q. And your credentials were accepted as a matter
- 9 of record?
- 10 A. They were.
- 11 MS. KATZ: I would tender the witness as an
- 12 expert in operations and engineering matters.
- MS. ANTILLON: No objection.
- 14 EXAMINER LOWE: He is so qualified.
- 15 Q. (BY MS. KATZ) So POP originally filed this
- 16 application for the Cyclone Federal No. 1 as an
- 17 administrative application, correct?
- 18 A. That is correct.
- 19 Q. And were there protests?
- 20 A. There were.
- Q. And who were those? Who protested?
- 22 A. The State Land Office.
- Q. Was there a protest by EOG?
- A. EOG also protested.
- 25 Q. But they have not entered an appearance?

- 1 A. They did not enter an appearance.
- O. Please turn to Tab 1 of your materials. Marked
- 3 as Exhibit 1A is the application for an injection well
- 4 called the Cyclone Federal SWD No. 1, along with the
- 5 C-108 and the backup documentation; is that correct?
- 6 A. That is correct.
- Q. What is POP seeking under this application?
- 8 A. POP proposes to drill the Cyclone Federal SWD
- 9 No. 1 and utilize it to inject salt water into the
- 10 Devonian-Silurian Formation at a depth of 17,170 feet to
- 11 18,621 feet through the use of a 7-inch-by-5-1/2-inch
- 12 tapered tubing string at a maximum pressure of 3,434 psi
- and a maximum rate of 50,000 barrels per day.
- 14 Q. And if we go to page 8, this is the well
- 15 construction data. Page 8 is the well construction data
- and page 9 is the wellbore schematic. And you went
- 17 through similar schematics in the previous hearing on
- 18 the Big Suck Federal No. 1; is that correct?
- 19 A. I did.
- 20 Q. And is there any difference between that and --
- 21 your testimony there and what you would testify
- 22 regarding these schematics?
- 23 A. The only differences here are the setting
- 24 depths of each string such that the surface is set at a
- 25 depth to isolate fresh water. The remainder of this is

- 1 all corrected as for depth.
- 2 **Q.** Okay.
- 3 MS. KATZ: So I would ask to incorporate
- 4 the testimony regarding that aspect of the previous
- 5 application.
- 6 MS. ANTILLON: No objection.
- 7 EXAMINER LOWE: Okay.
- Q. (BY MS. KATZ) Is the casing that POP is
- 9 proposing for each step consistent with industry
- 10 standards?
- 11 A. It is.
- 12 Q. And is the wellbore schematic and design that
- 13 POP is proposing consistent with what you saw in your
- 14 prior experience working on deep Devonian SWD projects
- 15 for other companies?
- 16 A. It is.
- 17 Q. And it's consistent with what you understand
- 18 other operators to be proposing for similar high-volume
- 19 SWDs with similar tubing size?
- 20 A. It is.
- 21 Q. And the casing -- the casing is designed to
- 22 protect freshwater resources?
- 23 A. It is.
- Q. And what type of tubing will be used?
- 25 A. This will be a 7-inch-by-5-1/2-inch split

- 1 string composed of high-collapse P110 ultraflush joint
- 2 and high-collapse L80 ultraflush joint. It's fiberglass
- 3 lined and utilizes a permanent set Inconel packer, as
- 4 well as a SCADA monitoring system for the annular space
- 5 and the tubing.
- 6 Q. And the tubing is consistent with industry
- 7 standards?
- 8 A. It is.
- 9 Q. Are there other wells within the proposed area
- 10 of review that penetrate the Devonian Formation?
- 11 A. There are none.
- 12 Q. And looking at page 16, are there any
- 13 freshwater wells in this area?
- 14 A. There are not.
- 15 Q. And the results of the database search for the
- 16 State Engineer database are shown on pages 71 through
- 17 **91?**
- 18 A. That is correct.
- 19 Q. Okay. So turning back to page 13, this is
- 20 the -- this is an amended C-102. Does POP propose to
- 21 relocate this well after the administration --
- 22 administrative application was filed?
- 23 A. We did. We chose to locate this wellin what
- 24 we call the EOG box such that it does not cause any type
- 25 of collision issues. EOG has made that data available,

of where they would prefer these wells be, after which

- 2 time, we moved this well, requested that they drop the
- 3 protest. And they never dropped the protest, but they
- 4 never showed up here today.
- 5 Q. So presumably they didn't enter an appearance
- 6 because they were okay with the location -- new
- 7 location?
- 8 A. Correct.
- 9 Q. Turning to page 14, this shows the one-mile
- 10 area of review for this well based on that amended
- 11 location; is that correct?
- 12 A. That's correct.
- 13 Q. And did you use that map to identify wells
- 14 within a one-mile radius?
- 15 A. Yes.
- 16 Q. And those wells are listed on the following
- 17 page?
- 18 A. Yes.
- 19 Q. And page 15, that same page shows the wells
- 20 within that one-mile area of review?
- 21 A. That's correct.
- Q. And on the last page of the materials, page 61,
- 23 below that screenshot, there is discussion of where the
- 24 closest permitted or active Devonian disposal well is to
- 25 this well?

1 A. 2.08 miles away from the nearest active or

- 2 permitted Devonian well. That's the Mesquite Mel SWD
- 3 No. 1. That's in Section 25 of 23 South, 32 East.
- Q. And is that a proposed or active well?
- 5 A. I believe that's an active well.
- 6 Q. Okay. When you filed the application
- administratively, did you send notice to the affected
- 8 parties?
- 9 A. We did.
- 10 Q. And that's -- that's shown on pages 23 through
- 11 26?
- 12 A. That is correct.
- 13 Q. How did you determine to whom to send notice?
- 14 A. We followed the New Mexico Administrative Code
- 15 for the definition of an affected party within a
- 16 one-mile radius of our wellbore. That definition for
- 17 that affected party is any wellbore operator within that
- one-mile radius or any designated operator of any
- 19 acreage in that one-mile radius. In the event there is
- 20 not a designated operator, we would notify the
- 21 leaseholder. In the event there is not a leaseholder,
- 22 we would notify the mineral owner. We also notified the
- 23 surface owner, as well as the State Land Office --
- 24 O. Okay.
- 25 A. -- which is the BLM in this case, the surface

- 1 owner.
- 2 O. The surface owner.
- And then all the affected parties to whom
- 4 you sent notice are listed on page 23?
- 5 A. That's correct.
- 6 Q. And you published notice of your administrative
- 7 application, as shown on page 27?
- 8 A. We did.
- 9 Q. And did the change in the well location after
- 10 the administrative application was filed change the
- 11 affected parties entitled to notice?
- 12 A. Not to my knowledge.
- Q. And so the same parties who were given notice
- 14 of that administrative application were also given
- 15 notice of this hearing?
- 16 A. Correct.
- 17 Q. And did you consider the ability to conduct
- 18 fishing operations if necessary in the well?
- 19 A. We did. We consulted with a local fisherman,
- 20 Stephen Nave, who testified in the previous case.
- Q. And what was his opinion?
- 22 A. His conclusion was that fishing is easily
- 23 carried out through multiple different methods.
- 24 Plugging is easily carried out in the event we cannot
- 25 fish the tubing. He believes that this particular

1 design is actually easier to work inside of than what's

- 2 generally accepted in multiple producing wells in the
- 3 area.
- 4 Q. And so did you prepare a Plugging Risk
- 5 Assessment?
- 6 A. I did.
- 7 Q. And that's included on page 28 of these
- 8 materials?
- 9 A. That is correct.
- 10 Q. Why did you choose the location for this well?
- 11 A. This well is in proximity to a lot of
- 12 development in this area. It also satisfies the
- one-and-a-half-mile spacing requirement that the OCD has
- 14 requested wellbore to wellbore. We find it to be
- 15 commercially viable because of the future development
- 16 here, to park a well here and be able to take the
- 17 produced water off of those wells.
- 18 Q. Okay. And you intend to drill those wells and
- 19 operate them?
- 20 A. We do intend to drill this well.
- Q. And in your opinion, does POP have the
- 22 technical and operational and other relevant experience
- 23 to comply with the regulatory requirements that apply to
- 24 the well?
- 25 A. We do.

1 Q. And you intend to comply with those

- 2 requirements?
- A. We do.
- 4 Q. If you could turn to what is marked as Exhibit
- 5 1B on page 36, is this an affidavit that I prepared
- 6 identifying the parties to whom notice was sent for this
- 7 hearing?
- 8 A. It is.
- 9 Q. And are those parties listed on page 38?
- 10 A. They are.
- 11 Q. And does that spreadsheet show the status of
- 12 those mailings?
- 13 A. It does.
- 14 Q. And it shows that most all of them were
- 15 **delivered?**
- 16 A. That's correct.
- 17 Q. And page 39 is an Affidavit of Publication
- 18 showing that notice of this hearing was published on
- 19 July 19th, 2019?
- 20 A. That's correct.
- 21 Q. Did you help prepare the C-108 for this well?
- 22 A. I did.
- Q. And the C-108 and the application were created
- 24 by you or prepared under your supervision or direction?
- 25 A. That's correct.

1 Q. And the exhibits behind Tab 1 were compiled

- 2 from company records?
- 3 A. That's correct.
- 4 MS. KATZ: I have no further questions for
- 5 Mr. Puryear at this time.
- 6 MS. ANTILLON: No questions.
- 7 EXAMINER LOWE: No questions?
- 8 Any questions, sir.
- 9 EXAMINER DAVID: No questions.
- 10 EXAMINER LOWE: Mr. McMillan?
- 11 CROSS-EXAMINATION
- 12 BY EXAMINER McMILLAN:
- Q. Did you protest the Trove Energy well?
- 14 A. No.
- 15 Q. Okay. Why not?
- 16 A. We feel that the protest process has gotten a
- 17 little bit out of control, and we don't want to use up
- 18 too much of your time.
- 19 (Laughter.)
- 20 EXAMINER DAVID: Well, we really appreciate
- 21 that sentiment.
- 22 EXAMINER McMILLAN: That's literally how I
- 23 spend my days.
- 24 EXAMINER LOWE: That's all he does.
- 25 EXAMINER McMILLAN: Okay.

- 1 EXAMINER DAVID: Merry Christmas.
- 2 EXAMINER LOWE: Okay. I have no questions
- 3 at this time. Thank you.
- 4 MS. KATZ: All right. So I will call my
- 5 next witness, Mr. Gary Fisher.
- GARY E. FISHER,
- 7 after having been previously sworn under oath, was
- 8 questioned and testified as follows:
- 9 DIRECT EXAMINATION
- 10 BY MS. KATZ:
- 11 Q. Good morning again.
- 12 A. Morning.
- 13 Q. Please state your full name for the record.
- 14 A. Gary Edward Fisher.
- 15 Q. And for whom do you work?
- 16 A. Permian Oilfield Partners.
- Q. And how long have you worked for POP?
- 18 A. Since we founded in 2018.
- 19 Q. And what are your responsibilities for POP?
- 20 A. I'm the president in charge of general
- 21 operations. I also handle our geology and our fault
- 22 slip analysis.
- Q. And your responsibilities include managing and
- oversight of drilling saltwater disposal wells?
- 25 A. Yes.

1 Q. And your area of responsibility includes the

- 2 area of southeastern New Mexico?
- 3 A. Yes.
- 4 Q. And you're familiar with the application that
- 5 POP filed in this case?
- 6 A. Yes, I am.
- 7 Q. And you're familiar with the well that is the
- 8 subject of that application?
- 9 A. Yes.
- 10 Q. And you testified before the Division this
- 11 morning and discussed your credentials and background
- 12 and experience?
- 13 A. Yes, I did.
- Q. And you've testified at prior hearings as well?
- 15 A. Yes.
- 16 MS. KATZ: And I would ask to have
- 17 Mr. Fisher's background and experience incorporated
- 18 here.
- MS. ANTILLON: No objection.
- 20 EXAMINER LOWE: Okay. So qualified.
- 21 MS. KATZ: And I would tender Mr. Fisher as
- 22 an expert in geology, engineering and fault slip
- 23 analysis.
- 24 EXAMINER LOWE: He's so qualified.
- THE WITNESS: Thank you.

- 1 Q. (BY MS. KATZ) You testified that you're
- 2 familiar with the area where POP proposes to drill this
- 3 Cyclone Federal SWD No. 1, right?
- 4 A. That's correct.
- Q. And did you review the geology for this area?
- 6 A. Yes, I did.
- 7 Q. And turning to Tab 1, what is the -- Exhibit
- 8 1A, what is the proposed injection interval for this
- 9 **well?**
- 10 A. 17,170 feet to 18,621 feet.
- 11 Q. And is it your conclusion that this zone is
- well suited for SWD injection purposes?
- 13 A. Yes, it is.
- 14 Q. And why is that, based on your experience?
- 15 A. It has an excellent upper barrier, the
- 16 Woodford, the shale up there, and then down below, we
- 17 have the tight Montoya down below, as well as the
- 18 Simpson. And it has good porosity and good
- 19 permeability, and, empirically, looking around the
- 20 basin, it makes -- other wells, it has no problem taking
- 21 water. It makes it an excellent disposal zone.
- 22 Q. Okay. And you prepared a geology prognosis for
- 23 the C-108 application; is that correct?
- 24 A. Yes, I did.
- Q. And it's on page -- I don't have the page

1 written down in my outline here.

- 2 A. 12?
- 3 Q. Page 12.
- 4 And what is the thickness of the injection
- 5 zone based on your study that you concluded?
- 6 A. 1,511 feet.
- 7 Q. And can you discuss the permeability barriers
- 8 above and below that injection zone?
- 9 A. Yes. The Woodford Shale is above it, estimated
- 10 at 191 feet thick, and then the Montoya and Simpson
- 11 below, approximately 1,300 feet thick between the two of
- 12 them. And then also any barriers going upwards, we've
- 13 got numerous zones all the way up, different shales and
- 14 salts and tight zones as move upward in the well.
- 15 Q. And based on your review of that geologic
- 16 information included in your study, do you think there
- is any risk to freshwater resources if this well is
- 18 drilled?
- 19 A. No.
- Q. And why is that?
- 21 A. One is the well design, which includes
- 22 cementing to surface. We have multiple strings of
- 23 casing which will protect groundwaters at the known
- 24 shallow depths, and then also there are numerous
- 25 barriers vertically between the injection zone and any

1 known fresh waters, and also you have this vertical

- 2 separation. We've got three-plus miles of rock.
- 3 Q. And are you aware of any productive shales in
- 4 the injection zone?
- 5 A. No.
- 6 Q. Is there a risk to a petroleum-bearing
- 7 formation above the injection interval?
- 8 A. No, there is not. Any petroleum-bearing zones
- 9 will be protected by the casing strings.
- 10 Q. And so in your opinion, will the drilling of
- 11 this well impact the correlative rights of any mineral
- 12 interest owners?
- 13 A. No.
- 14 Q. So turning to Tab 2 of the materials, so this
- 15 first document marked as Exhibit A, this is a statement
- 16 regarding seismicity that you prepared for the
- 17 administrative application?
- 18 A. That's correct.
- 19 Q. And it's dated July 30th, which is after the
- 20 administrative application was filed?
- 21 A. That's correct.
- Q. And it was revised. It states it was revised?
- 23 A. That's correct.
- 24 O. And was it revised on the same basis and the
- 25 same reasons as you testified to in the previous case?

1 A. That's correct, except for depth. This was

- 2 just strictly to add in the time -- the requested
- 3 time-based analysis or results.
- 4 Q. The time-based analysis.
- 5 MS. KATZ: So I would ask to incorporate
- 6 the testimony from the previous case regarding the
- 7 time-based -- addition of the time-based analysis.
- MS. ANTILLON: No objection.
- 9 EXAMINER LOWE: No objection?
- 10 Accepted.
- 11 Q. (BY MS. KATZ) Is this statement regarding
- 12 seismicity based on publicly available information?
- 13 A. Yes, it is.
- 14 Q. And did you first evaluate historic seismicity
- 15 in the area?
- 16 A. Yes, I did.
- 17 Q. And what was your determination?
- 18 A. Very minimal. I found two seismic events
- 19 within 30 miles, one just under ten miles away and one a
- 20 little under 17 miles away.
- Q. And did the publicly available data contain
- 22 information regarding where the nearest fault is to the
- 23 proposed well?
- 24 A. Yes, it did.
- 25 Q. And where is that?

1 A. Approximately 14 -- excuse me. Precambrian

- 2 faults, approximately ten kilometers off to the east.
- 3 There is some evidence that that fault structure extends
- 4 to the Devonian. The Devonian portion of it is
- 5 approximately 14 kilometers to the northeast.
- 6 Q. And did you run a fault slip probability
- 7 analysis using the publicly available Stanford tool for
- 8 this well?
- 9 A. Yes, I did.
- 10 Q. And did you use conservative inputs and run
- 11 worst-case scenarios?
- 12 A. Yes, I did.
- Q. And so similar to the previous case, you ran
- 14 two -- two different scenarios: One for modeling a
- 15 complete failure of the well allowing the injected
- 16 fluids into the Precambrian and then another assuming
- that there was a fault in the Devonian in the injection
- 18 zone?
- 19 A. That's correct.
- 20 O. And this first revised statement looks at that
- 21 first worst-case scenario, which is the downhole failure
- into the Precambrian?
- 23 A. Yes.
- 24 Q. And the materials also include a second
- 25 statement that looks at the other scenario, which is the

1 assumed fault in the Devonian of the well in this area?

- 2 A. Correct.
- Q. And that's marked as Exhibit 2B, on page 51?
- 4 A. Yes.
- 5 Q. So in the first -- in the first statement, in
- 6 the Precambrian fault scenario, point six on page 41
- 7 states the distance to the nearest basement fault?
- 8 A. Yes, approximately ten kilometers.
- 9 Q. And you also summarize your conclusions here
- 10 regarding the probability of an induced seismic event
- 11 over time?
- 12 A. Yes, calculating to be zero percent after five,
- 13 ten, 20 and 30 years.
- 14 Q. And the next several pages again include the
- 15 screenshots from the FSP model results showing over
- 16 time?
- 17 A. That's correct.
- 18 Q. Okay. And just going to the last one, the
- 19 30-year fault slip probability, what does that show?
- 20 A. Zero percent after 30 years. There is a
- 21 calculated 27-psi fault delta pressure. It's much less
- 22 than the -- much less than the 3,000-ish psi for the
- 23 north-south-running faults. And there is a small
- 24 segment that runs a little more east-west, which is more
- 25 in line with the direction of stress. That's 458 psi

1 calculated to slip pressure, and at 27 psi, it's much

- 2 less than that as well.
- 3 Q. But at 30 years?
- A. At 30 years.
- Q. And then the next page marked as Exhibit 2B,
- 6 this is the -- the second worst-case scenario assuming
- 7 the fault in the injection formation. Can you again
- 8 summarize your conclusions on point six, on page 52,
- 9 regarding the probability of an induced seismic event
- 10 over time assuming a fault in the Devonian?
- 11 A. It's zero percent after five, ten, 20 and 30
- 12 years?
- 13 Q. Okay. And, again, the next several pages are
- 14 the results of the FSP model?
- 15 A. That is correct. The calculated slip
- 16 pressures, some of the variability data and then the
- 17 results after year five, year ten, year 20 and then year
- 18 30. And on page 61, you can see the results is still
- 19 zero percent after 30 years with a calculated 28-psi
- 20 fault delta pressure, which is much less than that 371
- 21 calculated for that small east-west section, and it's
- 22 much, much less than the 3,000 psi required for the
- 23 north-south sections.
- 24 Q. And so your conclusion from this modeling of
- 25 these worst-case scenarios is there is very low

1 probability of fault slip assuming either a catastrophic

- well failure into the Precambrian or assuming a fault in
- 3 the Devonian in that area of the well?
- 4 A. That's correct.
- 5 Q. And that's even after 30 years at the maximum
- 6 injection rate?
- 7 A. Correct.
- 8 Q. Were the C-108 and supporting documents in
- 9 Exhibit 1A and the statements regarding seismicity in
- 10 Exhibits 2A and 2B prepared by you, under your
- 11 supervision or compiled from company business records?
- 12 A. Yes.
- MS. KATZ: At this time I would move
- 14 admission of the exhibits behind Tabs 1 and 2 into the
- 15 record.
- MS. ANTILLON: No objection.
- 17 EXAMINER LOWE: No objections?
- 18 The exhibits will be admitted for this
- 19 case.
- 20 (Permian Oilfield Partners, LLC Exhibit
- 21 Numbers 1 and 2 are offered and admitted
- into evidence.)
- MS. KATZ: I have no further questions for
- 24 Mr. Fisher at this time.
- 25 EXAMINER LOWE: Okay. Do you have any

- 1 questions, sir.
- 2 EXAMINER DAVID: I certainly do not.
- 3 EXAMINER LOWE: Ms. Antillon?
- 4 MS. ANTILLON: No questions.
- 5 EXAMINER LOWE: Sorry. I forget.
- 6 CROSS-EXAMINATION
- 7 BY EXAMINER McMILLAN:
- 8 Q. So you don't have any problems submitting all
- 9 logs, including mud logs, to the OCD?
- 10 A. No, absolutely not.
- 11 Q. And you'll run a CBL through the liner?
- 12 A. Yes. Correct.
- 13 **Q.** Okay.
- 14 CROSS-EXAMINATION
- 15 BY EXAMINER LOWE:
- 16 Q. You mentioned a seismic activity seven to ten
- miles away-ish?
- 18 A. Yes.
- 19 O. What direction would that have been then?
- 20 A. North.
- 21 **Q.** North?
- 22 A. Yeah.
- Q. Okay. All right.
- 24 A. Yeah. One is -- there was a 2.9 earthquake in
- 25 1984.

- 1 Q. Okay.
- 2 A. If you look at -- say, on page 40 at the first
- 3 paragraph there, it gives you when it was, how far away
- 4 and in what direction in the heading. So in 1984,
- 5 according to USGS, there was a 2.9 9.5 miles away at 30
- 6 degrees, a little bit northeast. And then in 2012, in
- 7 March, there was one almost 18 miles away at a
- 8 300-degree heading, which is a little bit northwest.
- 9 Q. Okay. That is all the questions I have. Thank
- 10 **you.**
- 11 A. Thank you.
- 12 EXAMINER McMILLAN: We ask for closing
- 13 statements.
- 14 MS. ANTILLON: The State Land Office would
- 15 just like to state that it is reviewing this application
- 16 and has concerns with the saltwater disposal well
- 17 spacing due to the close proximity to State Trust Land.
- 18 MS. KATZ: And I would ask that this case
- 19 be taken under advisement.
- 20 EXAMINER LOWE: The OCD will take Case
- 21 Number 20685 under advisement.
- MS. KATZ: Thank you.
- 23 (Case Number 20685 concludes, 11:23 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.
- 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.
- 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 August 2019.

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MARY C. HANKINS, CCR, RPR
Certified Court Reporter
New Mexico CCR No. 20

Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters

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