

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:

ORIGINAL

CASE 15322  
(cont'd from  
8/20/2015)

APPLICATION OF KEY ENERGY RESOURCES, LLC,  
FOR APPROVAL OF A SALT WATER DISPOSAL WELL,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 3, 2015

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER  
GABRIEL WADE, LEGAL EXAMINER

RECEIVED OGD  
2015 SEP 15 P 2:35

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Phillip Goetze,  
Chief Examiner, and Gabriel Wade, Legal Examiner, on  
September 3, 2015, 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: ELLEN H. ALLANIC  
NEW MEXICO CCR 100  
CALIFORNIA CSR 8670  
PAUL BACA COURT REPORTERS  
500 Fourth Street, NW  
Suite 105  
Albuquerque, New Mexico 87102

A P P E A R A N C E S

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

For the Applicant:

Gary W. Larson, Esq.  
Hinkle Shanor LLP  
P.O. Box 0268  
Santa Fe, New Mexico 87504  
(505) 982-8623  
glarson@hinklelawfirm.com

For BC Operating, Inc., and Crown Oil Partners:

Michael H. Feldewert, Esq.  
Holland & Hart  
110 North Guadalupe  
Suite 1  
Santa Fe, New Mexico 87501  
(505)988-4421  
mfeldewert@hollandhart.com

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

E X H I B I T I N D E X

Exhibits Offered and Admitted  
Key Energy Resources

	PAGE
Key Energy Resources, LLC Exhibit 36	6
Reporter's Certificate	Page 7

1 (Time noted 8:38 a.m.)

2 EXAMINER GOETZE: We have two cases left.  
3 At this point, I would like to go to the last case on  
4 the docket, that would be case No. 15322, Application of  
5 of Key Energy Resources, LLC, for approval of a salt  
6 water disposal well, Eddy County, New Mexico.

7 Call for appearances.

8 MR. LARSON: Good morning, Mr. Examiner.  
9 Gary Larson of Santa Fe Office of Hinkle Shanor for the  
10 Applicant, Key Energy Resources.

11 EXAMINER GOETZE: Very good. Any other  
12 appearances?

13 MR. FELDEWERT: Please, Examiner, Michael  
14 Feldewert with the Santa Fe Office of Holland and Hart,  
15 appearing on behalf of BC Operating as well as Crown  
16 Partners.

17 EXAMINER GOETZE: So it is my understanding  
18 that at this point in this case we are looking at the  
19 submittal of information?

20 MR. LARSON: That is correct, Mr. Examiner.

21 EXAMINER GOETZE: Thank you.

22 MR. LARSON: May I proceed, Mr. Examiner?

23 EXAMINER GOETZE: Please.

24 MR. LARSON: At the hearing in this case, on  
25 August 20th, Key Energy presented testimony regarding

1 four newly identified affected persons with interest  
2 within the half-mile radius of the proposed SWD well and  
3 the provision of hearing notices to those four entities.

4 Key Energy also tendered its Exhibit No. 28,  
5 which was admitted into the record. Exhibit 28  
6 identified the names and mailing addresses of the four  
7 entities with interest within the area reviewed.

8 And during the hearing, Mr. Wade requested  
9 that Key Energy identify the locations of those  
10 interests. And, accordingly, I am now tendering for  
11 admission Key Energy Exhibit No. 36 which lists the four  
12 entities, provides legal descriptions of the locations  
13 of their interest, identifies the entities from whom  
14 they acquired those interests and designates whether the  
15 affected persons are operators and/or lessees.

16 And I move the admission of Key Energy  
17 Exhibit 36.

18 EXAMINER GOETZE: Mr. Feldewert.

19 MR. FELDEWERT: I have no objection to the  
20 exhibit. I guess I had a couple of questions about the  
21 exhibit. I am trying to tie it to their application and,  
22 in particular, the tracts that they have identified in  
23 their application. So give me one moment.

24 (Pause.)

25 MR. FELDEWERT: I don't have any questions.

1 EXAMINER GOETZE: You do not?

2 MR. FELDEWERT: I do not.

3 EXAMINER GOETZE: Very well. Exhibit 36 is  
4 so entered.

5 (Key Energy Exhibit 36 was offered and admitted.)

6 EXAMINER GOETZE: Any closing statement,  
7 sir?

8 MR. LARSON: With that, I request the case  
9 be taken under advisement and I renew my request that  
10 Key Energy's application be granted.

11 EXAMINER GOETZE: Any comments or final  
12 statements?

13 MR. FELDEWERT: No. You have the argument  
14 from our last hearing.

15 EXAMINER GOETZE: Very good. Then case  
16 15322 is taken under advisement.

17 At this point we are going to take a short  
18 break and get everybody ready for the last case and we  
19 will go from there. So let's take a break. We should  
20 be back here at five till nine.

21  
22  
23  
24  
25

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of case No. 15322  
held by me on September 3, 2015.  
*[Signature]*  
Examiner  
Oil Conservation Division

(Time noted 8:42 a.m.)

1 STATE OF NEW MEXICO )  
 2 ) ss.  
 3 COUNTY OF BERNALILLO )  
 4  
 5  
 6

7 REPORTER'S CERTIFICATE

8  
 9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR  
 10 No. 100, DO HEREBY CERTIFY that on Thursday, September  
 11 3, 2015, the proceedings in the above-captioned matter  
 12 were taken before me, that I did report in stenographic  
 13 shorthand the proceedings set forth herein, and the  
 14 foregoing pages are a true and correct transcription to  
 15 the best of my ability and control.

16  
 17 I FURTHER CERTIFY that I am neither employed by  
 18 nor related to nor contracted with (unless excepted by  
 19 the rules) any of the parties or attorneys in this case,  
 20 and that I have no interest whatsoever in the final  
 21 disposition of this case in any court.

22  
 23  
 24  
 25  


ELLEN H. ALLANIC, CSR  
 NM Certified Court Reporter No. 100  
 License Expires: 12/31/15