

Davidson, Florene, EMNRD

From: Ernest Padilla <epadillapl@qwestoffice.net>
Sent: Thursday, January 21, 2016 10:26 AM
To: Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Davidson, Florene, EMNRD; Wade, Gabriel, EMNRD; Sanchez, Daniel J., EMNRD; Herrmann, Keith, EMNRD
Cc: Rickey Smith; Rena Seay; Brooks, David K, EMNRD
Subject: RE: Application of Smith & Marrs OCD Case 15371--Lease pressure maintenance

Mr. McMillan:

This email confirms our telephone conversation with you and Mr. Brooks of yesterday whereby I informed you that we would dismiss the above-referenced case without prejudice. Smith & Marrs, the applicant, has marginal wells, the cost of operation of which exceeds current revenues. Its compliance status has therefore been compromised by different wells prior to hearings. We will seek a compliance order so that Smith & Marrs may proceed with re-application. We will follow up with Mr. Herrmann for the compliance order.

Thank you.

Ernest L. Padilla
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From: Ernest Padilla [<mailto:epadillapl@qwestoffice.net>]
Sent: Friday, December 11, 2015 2:48 PM
To: 'Jones, William V, EMNRD'; 'Goetze, Phillip, EMNRD'; 'McMillan, Michael, EMNRD'; 'Davidson, Florene, EMNRD'; 'Wade, Gabriel, EMNRD'; 'Sanchez, Daniel J., EMNRD'; 'Herrmann, Keith, EMNRD'
Cc: Rickey Smith (rickeylynsmith@gmail.com); Rena Seay (seay04@leaco.net)
Subject: RE: Application of Smith & Marrs OCD Case 15371--Lease pressure maintenance

Mr. Jones:

I received an email from Smith & Marrs last week to the effect that the Knight No. 9 had been properly bonded, and that we were go to go as far as compliance issues were concerned. However, given the information contained in your email, I will request further compliance information from Smith & Marrs so that I may respond to your request with more clarity. It may be that bonding for the Knight No. 9 has not yet been posted. Nonetheless, if there are remaining compliance issues remaining, then we obviously cannot proceed to hearing.

Thank you for your courtesy in this matter.

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From: Jones, William V, EMNRD [<mailto:WilliamV.Jones@state.nm.us>]
Sent: Friday, December 11, 2015 12:00 PM
To: Ernest Padilla; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Davidson, Florene, EMNRD; Wade, Gabriel, EMNRD; Sanchez, Daniel J., EMNRD; Herrmann, Keith, EMNRD
Subject: RE: Application of Smith & Marris OCD Case 15371--Lease pressure maintenance

Hello Mr. Padilla,
Just reviewing next week's docket.

In this Case it appears we have the same issue we had back in November.
It seems Smith and Marris, Inc. still needs one single well bond (API No. 30-025-20352) and has 5 wells inactive out of 70 total wells.
As per Rule 19.15.5.9 NMAC, under these conditions, the OCD is prohibited from issuing any disposal/injection permit(s) to Smith and Marris, Inc.
In recent years, we would not hear cases where we could not issue permits due to Rule 5.9.

It is your case, and this is a legal restriction.
Please let our attorney Gabriel Wade know your plans?

And copy the decision at least to Florene and myself.

Regards,
Will Jones

From: Ernest Padilla [<mailto:epadillaplf@qwestoffice.net>]
Sent: Wednesday, November 11, 2015 1:56 PM
To: Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Jones, William V, EMNRD; Davidson, Florene, EMNRD
Subject: FW: Application of Smith & Marris OCD Case 15371--Lease pressure maintenance

Gentlemen and Ms. Davidson,

Due to compliance issues raised yesterday, we request further continuance of the referenced case to the Division's December 17 docket.

This case is unopposed, therefore, concurrence of opposing counsel is unnecessary

Thank You.

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From: Ernest Padilla [<mailto:epadillaplff@qwestoffice.net>]
Sent: Tuesday, October 27, 2015 9:05 AM
To: 'Goetze, Phillip, EMNRD (Phillip.Goetze@state.nm.us)'; 'McMillan, Michael, EMNRD (Michael.McMillan@state.nm.us)'; 'Jones, William V, EMNRD (WilliamV.Jones@state.nm.us)'; Davidson, Florene, EMNRD (florene.davidson@state.nm.us)
Subject: Application of Smith & Marrs OCD Case 15371--Lease pressure maintenance

Gentlemen and Ms. Davidson:

Due to the unavailability of our expert witness on October 29, 2015, we request further continuance of the referenced case to the Division's November 12 docket.

This case is unopposed, therefore, concurrence of opposing counsel is unnecessary.

Thank you.

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