

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

COPY

REPORTER'S TRANSCRIPT OF PROCEEDINGS
PRE-HEARING TRANSCRIPT

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BEFORE: WILLIAM V. JONES, Technical Examiner
DAVID K. BROOKS, Legal Examiner

January 20, 2011

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, Technical Examiner, and DAVID K. BROOKS, Legal Examiner, on January 20, 2011, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis, Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Irene Delgado, NM CCR 253.
Paul Baca Professional Court Reporters.
500 Fourth Street, NW, Suite 105.
Albuquerque, New Mexico 87102

1 HEARING EXAMINER JONES: Let's go on the record this
 2 morning. Docket Number 3-11, Examiner Hearing for Thursday,
 3 January 20, 2011. I'm William V. Jones. David Brooks is our
 4 attorney and co-examiner this morning. And first let's call
 5 the continuances and dismissals. I will say that the
 6 following cases are all continued to February the 3rd: Case
 7 14413.7 and, on Page 2, Case 14583 and Case 14566; and, Page
 8 3, Case 14593, Case 14565, Case 14569; and, on Page 4, Case
 9 14570, Case 8352 reopened; and, on Page 5, Case 14551. And
 10 we have two dismissals, Case 14544 is dismissed, and Case
 11 14592 is dismissed. Any other corrections or additions?

12 (No response.)

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I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. _____
 heard by me on _____

_____, Examiner
 Oil Conservation Division

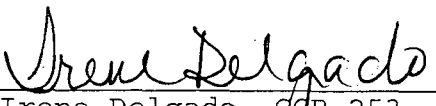
REPORTER'S CERTIFICATE

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I, IRENE DELGADO, New Mexico CCR 253, DO HEREBY
CERTIFY THAT ON January 20, 2011, proceedings in the
above-captioned case were taken before me and that I did
report in stenographic shorthand the proceedings set forth
herein, and the foregoing pages are a true and correct
transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by nor
related to nor contracted with any of the parties or
attorneys in this case and that I have no interest whatsoever
in the final disposition of this case in any court.

WITNESS MY HAND this _____ day of February
2011.


Irene Delgado, CCR 253
Expires: 12-31-2011

DOCKET: EXAMINER HEARING - THURSDAY – MARCH 31, 2011

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 9-11 and 10-11 are tentatively set for April 14, 2011 and April 28, 2011. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

Locator Key for Cases

Case 8352 – No. 15
Case 14413 – No. 1
Case 14524 – No. 17
Case 14551 – No. 21
Case 14566 – No. 16
Case 14569 – No. 19
Case 14570 – No. 20
Case 14602 – No. 3
Case 14603 – No. 5
Case 14604 – No. 6
Case 14605 – No. 7
Case 14606 – No. 8
Case 14607 – No. 14
Case 14609 – No. 18
Case 14612 – No. 2
Case 14613 – No. 4
Case 14614 – No. 9
Case 14615 – No. 10
Case 14616 – No. 11
Case 14617 – No. 12
Case 14618 – No. 13

1. **CASE 14413:** (Continued from the March 3, 2011 Examiner Hearing.)
Application of the New Mexico Oil Conservation Division for a Compliance Order against BTA Oil Producers LLC. he application affects the salt water disposal facility associated with the Pardue C 8808 JVP #001, 30-015-26341, located in Unit "A," Section 11, Township 23 South, Range 28 East in Eddy County, New Mexico. The facility is located less than five miles Northeast of Loving, New Mexico on the Pecos River. The Applicant seeks an order finding the operator in violation of Order No. R-9147-C, 19.15.26.10.B NMAC, 19.15.34 NMAC, 19.15.17 NMAC and 19.15.29 NMAC; requiring the operator to submit a delineation report and complete remediation by dates certain; if operator fails to meet those deadlines ordering the operator to plug and abandon the well and remediate the site by a date certain and authorizing the Division to plug the well, remediate the site and forfeit the applicable financial assurance if the operator fails to meet that deadline; and holding the operator in violation of 19.15.5.9 NMAC or issue an equivalent order, to be kept in place until the operator completes the required corrective action or reimburses the Division for its costs in excess of the forfeited financial assurance to complete the required corrective action.
2. **CASE 14612:** ***Application of Celero Energy II, LP for approval of a cooperative waterflood project, and to qualify the project for the recovered oil tax rate, Lea County, New Mexico.*** Applicant seeks approval of a cooperative waterflood project in a portion of the Denton (Devonian) Pool by the injection of produced water into the Devonian formation in the W.T. Mann A Well No. 2, an existing well located 660 feet from the north line and 2310 feet from the east line of Section 36, and the T.D. Pope 36 Well No. 10, to be located 350 feet from the north line and 990 feet from the west line of Section 36, Township 14 South, Range 37 East, N.M.P.M. The project, to be called the Denton Devonian Waterflood Project, will encompass the following described fee lands: S/2 SW/4 of Section 25, and W/2 NE/4 and NW/4 of Section 36, Township 14 South, Range 37 East, N.M.P.M. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1-5). The project area is centered approximately 3-1/2 miles Southeast of Prairieview, New Mexico.