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:

CASE NO: 20961

APPLICATION OF PERMIAN OILFIELD PARTNERS LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING
December 12, 2019
SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, PHILLIP GOETZE, DEAN McCLURE, DYLAN COSS and LEGAL EXAMINER ERIC AMES, on Thursday, December 12, 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: Irene Delgado, NMCCR 253

PAUL BACA PROFESSIONAL COURT REPORTERS

500 Fourth Street, NW, Suite 105

Albuquerque, NM 87102

505-843-9241

	Page 2	2
1	APPEARANCES	
2	For the Applicant:	
3	LARA KATZ 214 McKenzie Street	
4	Santa Fe, NM 87501 970-385-4401	
5	lara@abadieschill.com	
6	FOR THE STATE LAND OFFICE:	
7	ANDREA ANTILLON NEW MEXICO STATE LAND OFFICE	
8	310 Old Santa Fe Trail	
9	Santa Fe, NM 87504-1148 505-827-5752	
10	aantillon@slo.state.nm.us	
11	INDEX	
12	CASE NO. 20961 CALLED	
13	TAKEN UNDER ADVISEMENT 24 REPORTER CERTIFICATE 25	
14	WITNESSES	
15	SEAN PURYEAR Direct by Ms. Katz 04	
16	Direct by Ms. Katz 04 Examiner Questions 11	
17	GARY FISHER	
18	Direct by Ms. Katz 15 Examiner Questions 21	
19	EXHIBIT INDEX	
20	Admitted	L
21	1 through 3	
22		
23		
24		
25		

1 MR. AMES: So it's my understanding or our

- 2 understanding that Mr. Feldewert, on behalf of Devon, has
- 3 agreed to, to give the floor -- give the floor to Ms. Katz
- 4 to do the Permian Oilfield case 20961. So we will proceed
- 5 with Ms. Katz' case, and then we will, if there is time
- 6 before lunch, we will pick up Mr. Feldewert's case in Devon.
- We are going to take a short recess. Mr. Goetze
- 8 from the engineering bureau, we believe, wanted to be here
- 9 for this case, so we need to notify him to come down. So if
- 10 we can take a five-minute break and then reconvene.
- 11 (Recess taken.)
- 12 HEARING HEARING EXAMINER COSS: Call the hearing
- 13 back to order. Back on the record and call Case Number
- 14 20961, Case Number 20961.
- 15 MS. KATZ: Good morning, Mr. Examiner. Lara Katz
- 16 from Abadie and Schill on behalf of the applicant Permian
- 17 Oilfield Partners LLC.
- 18 MS. ANTILLON: Andrea Antillon on behalf of the
- 19 State Land Office. I have no witnesses today. I only have
- 20 a statement to make.
- 21 HEARING EXAMINER COSS: And will your witnesses
- 22 stand and be sworn in.
- 23 (Oath administered.)
- 24 MS. KATZ: Call my first witness, Sean Puryear.

25

1 SEAN PURYEAR

- 2 (Sworn, testified as follows:)
- 3 DIRECT EXAMINATION
- 4 BY MS. KATZ:
- 5 Q. Good morning, Mr. Puryear.
- 6 A. Good morning.
- 7 Q. Please state your full name for the record?
- 8 A. My name is Sean Puryear.
- 9 Q. And for whom do you work?
- 10 A. I work for Permian Oilfield Partners.
- 11 Q. What is your position?
- 12 A. I am the CEO of Permian Oilfield Partners.
- 13 Q. Do your responsibilities include management and
- 14 oversight of drilling salt water disposal wells?
- 15 A. They do.
- 16 Q. Does your area of responsibility -- I'm going to
- 17 refer to Permian Oilfield Partners as P-O-P, if you don't
- 18 mind.
- Does your area of responsibility at POP include
- 20 the area of southeast New Mexico?
- 21 A. It does.
- 22 Q. Are you familiar with the application filed by
- 23 POP in this matter?
- 24 A. Yes, I am.
- Q. Are you familiar with the salt water disposal

well that is the subject of this application?

- 2 A. Yes, ma'am.
- 3 Q. Have you previously testified before the Division
- 4 and Commission?
- 5 A. Yes, ma'am.
- 6 Q. Were your credentials accepted as a matter of
- 7 record?
- 8 A. They were.
- 9 MS. KATZ: I tender the witness as an expert in
- 10 operations and engineering matters.
- MS. ANTILLON: No objection.
- 12 HEARING EXAMINER COSS: The witness is so
- 13 recognized.
- 14 BY MS. KATZ:
- 15 Q. POP originally filed this application for the
- 16 Ramrod Fee SWD Number 1 as an administrative application;
- 17 correct?
- 18 A. Yes, ma'am.
- 19 Q. Were there protests?
- 20 A. Yes. The State Land Office protested.
- Q. Any other protest?
- 22 A. No.
- 23 Q. Will you please turn to Tab 1 of the materials.
- 24 Behind Tab 1 marked as Exhibit 1 is the application for an
- 25 injection well called the Ramrod Fee SWD Number 1 along with

1 the C-108 and the backup documentation; is that correct?

- 2 A. That is correct.
- 3 O. And what is POP seeking under this application?
- A. POP seeks to utilize the Ramrod Fee SWD Number 1
- 5 to inject salt water into the Devonian-Silurian Formation at
- 6 a depth of 12851 to 13530, through 7 inch by 5.5 tapered
- 7 injection tubing at a pressure of 2570 psi at a maximum rate
- 8 of 50,000 barrels per day.
- 9 Q. Okay. And then looking at the properties that
- 10 the casing and wellbore schematic for this well that begin
- on Page 7 of the materials, is the casing that POP is
- 12 proposing for each step consistent with industry standards?
- 13 A. It is.
- 14 Q. And is the wellbore schematic and design that POP
- is proposing, which is on Page 8, consistent with what you
- 16 saw in your prior experience working on the Devonian SWD
- 17 project?
- 18 A. This particular casing string or casing design
- 19 has an additional string to isolate the Capitan Reef, but
- 20 aside from that, it is.
- 21 Q. Okay. And is it consistent with what you
- 22 understand other operators to be proposing for similar high
- volume SWD with similar tubing size?
- 24 A. It is.
- Q. Is the casing designed to protect fresh water

- 1 resources?
- 2 A. Yes, it is.
- 3 Q. And is the tubing consistent with industry
- 4 standards?
- 5 A. Yes, it is.
- 6 Q. Are there other wells within the proposed area of
- 7 review that penetrate the Devonian Formation?
- 8 A. There are not.
- 9 Q. Looking at Page 21, are there any fresh water
- 10 wells in the area?
- 11 A. There are ten fresh water wells in the area.
- 12 Q. And you provided a chemical analysis of two of
- 13 those wells?
- 14 A. We did. We sampled a well that's very near the
- 15 wellsite, and one just a little bit beyond that, maybe less
- 16 than a quarter mile away.
- 17 Q. And those results are on Pages 23 through 26?
- 18 A. Yes.
- 19 Q. Turning to Page 13 of the materials, this shows
- 20 the one mile area of review for the wells; is that correct?
- 21 A. Yes.
- 22 Q. And did you use that map to identify wells within
- 23 the one mile radius?
- 24 A. We did.
- Q. And those wells are listed on the following page?

- 1 A. Yes, they are.
- Q. And Page 15 lists the affected parties within the
- 3 one mile area of review?
- 4 A. Yes, it does.
- 5 Q. So I'm going to have you turn over to Page 42 of
- 6 the materials, and item Number 8, and that's -- there's a
- 7 discussion there of where the closest permitted or active
- 8 Devonian disposal well is to your well. This states that
- 9 it's -- it is the Juda Oil Shinnery Oak Fed SWD Number 2.
- 10 Can you explain, is that -- there's a correction that needs
- 11 to be made with respect to that?
- 12 A. Yes. When this application was originally filed,
- 13 our research indicated that the Juda Oil Shinnery Oak
- 14 Federal SWD Number 2 application which was located 1.55
- 15 miles to the east was still in the application process.
- 16 Since then, that application has been dismissed,
- 17 which corrects this to the next closest well being the CNJ
- 18 Neighbors SWD Number 1, which is 2.35 to the southwest, and
- 19 that is an existing well.
- 20 Q. When you filed the application administratively,
- 21 did you send notice to the affected parties?
- 22 A. We did.
- 23 Q. And the certified mail receipts are included in
- 24 the materials?
- 25 A. They are.

1 Q. And the affected parties included the landowner?

- 2 A. Yes. The landowner -- the owner of Permian
- 3 Oilfield Partners is also the landowner.
- 4 Q. And all the affected parties to whom you sent
- 5 notice are listed on Page 15?
- 6 A. That is correct.
- 7 Q. And you published notice of your administrative
- 8 application as shown on Page 20?
- 9 A. We did.
- 10 Q. Were the parties who were given notice of the
- 11 administrative application also given notice of this
- 12 hearing?
- 13 A. Yes.
- 14 Q. Did you consider the ability to conduct fishing
- operations if necessary in this well?
- 16 A. We did. We consulted with the local fisherman
- 17 with Mave Oil and Gas. We sent him a plugging risk
- 18 assessment and fishing assessment. He signed off that the
- 19 procedure is fairly standard these days and easily done with
- 20 off-the-shelf equipment.
- 21 Q. And your plugging risk assessment is included on
- 22 Page 28 of these materials?
- 23 A. It is, yes.
- Q. So just a few general matters. Why did you
- 25 choose this location for the well?

1 A. Well, first we own this well or this surface, and

- 2 it's in proximity to a great deal of development. It's also
- 3 a great location near a lot of access.
- 4 Q. And you intend to drill this well and operate it?
- 5 A. We do.
- 6 Q. And based on your prior work experience with
- 7 other operators, you are familiar with the regulatory
- 8 requirements for operating and maintaining an SWD such as
- 9 this one?
- 10 A. Yes, we are.
- 11 Q. In your opinion, does POP have the technical,
- 12 operational and other relevant experience to comply with the
- 13 regulatory requirements?
- 14 A. Yes, we do.
- 15 Q. And you intend to comply with them?
- 16 A. We do.
- 17 Q. If you could turn to what is marked as Exhibit 2
- 18 on Page 37 of the materials. Is this an affidavit that I
- 19 prepared identifying the parties to whom notice was sent?
- 20 A. Yes, it is.
- 21 Q. And are those parties listed on Page 39?
- 22 A. Yes, they are.
- 23 Q. And that spreadsheet shows the status of those
- 24 mailings and shows that most of them were delivered?
- 25 A. It does.

1 Q. And on Page 40 is an affidavit of publication

- 2 showing that notice of this hearing was published on
- 3 November 27, 2019?
- 4 A. Yes, it it.
- 5 Q. Did you help prepare the C-108 for this well?
- 6 A. I did.
- 7 Q. And this application and C-108 were created by
- 8 you or prepared under your supervision and direction?
- 9 A. Yes.
- 10 Q. Were the exhibits behind Tab 1 compiled from
- 11 company records?
- 12 A. Yes, they were.
- 13 MS. KATZ: I have no further questions for
- 14 Mr. Puryear.
- MS. ANTILLON: No questions.
- 16 HEARING EXAMINER COSS: Mr. Lowe?
- 17 EXAMINER LOWE: When you mentioned fresh water,
- 18 do you mean protectable waters?
- 19 THE WITNESS: The protectable waters are isolated
- 20 by surface stream. The Capitan Reef in this area, it's,
- 21 based on our research, is about 30,000 parts per million
- 22 solid, or TDS, so than would not be considered protectable,
- 23 but we intend to protect that.
- 24 EXAMINER LOWE: Okay.
- 25 EXAMINER GOETZE: So are you asking to petition

- 1 for an exemption of the Capitan Aquifer?
- THE WITNESS: No.
- 3 EXAMINER GOETZE: Okay. So 30,000, where did you
- 4 get that number from.
- 5 THE WITNESS: That's from, I believe that was the
- 6 Go-Tech website.
- 7 EXAMINER GOETZE: Did you look at the map and
- 8 isopach and layers as far as chlorides that are used?
- 9 THE WITNESS: That would be a question for Mr.
- 10 Fisher.
- 11 EXAMINER GOETZE: Okay, very good. We still
- 12 consider it protectable.
- 13 THE WITNESS: Okay.
- 14 EXAMINER GOETZE: This has been repeated numerous
- 15 times, and you have addressed it in the design of your well,
- 16 so we're not worried about it. Until such time that you
- 17 wish to make a petition for an exemption, we still go
- 18 through with the efforts to make it isolated special for the
- 19 SWD.
- THE WITNESS: Sure.
- 21 MR. GOETZE: Otherwise we may ask you for a
- 22 little bit of a design on your top casing, surface casing,
- 23 may take it a little deeper to land it in the Rustler, so
- 24 typically we look at the anhydrite in the Rustler just for
- 25 that portion of the upper Rustler that may be protectable,

- 1 we don't know.
- THE WITNESS: Okay.
- 3 MR. GOETZE: Other than that, I have no other
- 4 questions.
- 5 HEARING EXAMINER COSS: So my question -- good
- 6 morning. How are you?
- 7 THE WITNESS: Good morning.
- 8 HEARING EXAMINER COSS: You had listed two wells
- 9 that -- under your records were the closest to this
- 10 application?
- 11 THE WITNESS: Correct.
- 12 HEARING EXAMINER COSS: Could you restate those
- 13 for me?
- 14 THE WITNESS: Yes. The Juda Oil Shinnery Oak
- 15 Federal SWD Number 2 had initially been determined the
- 16 nearest application at 1.55 miles to the east.
- 17 Since then that application has been dismissed.
- 18 And the, now the closest well is the CNJ Neighbors SWD
- 19 Number 1 at about 2.3 to 2.4 miles to the southwest. It is
- 20 an existing well.
- 21 HEARING EXAMINER COSS: Okay. The source of my
- 22 confusion on this point is I do have record of an
- 23 application by Lilly Stream Water Solutions for the Bond SWD
- 24 1 which is a protested application approximately a mile to
- 25 the southwest of this application.

- 1 THE WITNESS: Okay.
- 2 HEARING EXAMINER COSS: That would be the one
- 3 additional correction I have for the record. But they
- 4 haven't been to hearing yet. Anyway, I thought I would make
- 5 you aware of that.
- 6 THE WITNESS: Okay, thank you.
- 7 HEARING EXAMINER COSS: And that's all the
- 8 questions I have.
- 9 EXAMINER GOETZE: I might interject, we may have
- 10 issues with Federal Number 2 as an administrative order. We
- 11 will check on that, not that it really impacts you, but
- 12 several of Juda Oil's applications were taken to hearing and
- 13 then were dismissed, withdrawn by them because we were able
- 14 to approve them administratively, but we will verify that
- 15 for you.
- 16 THE WITNESS: Okay.
- 17 MS. KATZ: Call my next witness if there are no
- 18 other questions.
- 19 HEARING EXAMINER COSS: You may be excused.
- 20 THE WITNESS: Thank you all very much.
- 21 MS. KATZ: Call Gary Fisher.
- 22
- 23
- 2.4
- 25

1 GARY FISHER

- 2 (Sworn, testified as follows:)
- 3 DIRECT EXAMINATION
- 4 BY MS. KATZ:
- 5 Q. Good morning, Mr. Fisher.
- 6 A. Good morning.
- 7 Q. Will you please state your full name for the
- 8 record?
- 9 A. Gary Fisher.
- 10 Q. For whom do you work?
- 11 A. Permian Oilfield Partners.
- 12 Q. What is your position at POP?
- 13 A. President.
- 14 Q. What are your responsibilities?
- 15 A. General business management. I also handle
- 16 permitting geology and our --
- 17 Q. And your responsibilities include management and
- 18 oversight of drilling SWDs in the area?
- 19 A. Yes, ma'am.
- 20 Q. Does your area of responsibility include the
- 21 areas of southeastern New Mexico?
- 22 A. Yes, it does.
- 23 Q. You are familiar with the application that POP
- 24 filed in this case?
- 25 A. Yes, I am.

1 O. You are familiar with the well that is the

- 2 subject of this application?
- 3 A. Yes.
- 4 Q. And you have testified before the Division,
- 5 haven't you?
- 6 A. Yes, ma'am.
- 7 Q. And your your credentials were accepted by the
- 8 Division as a matter of prior record.
- 9 A. Yes.
- 10 MS. KATZ: I tender Mr. Fisher as an expert in
- 11 geology engineering and fault slip analysis
- MS. ANTILLON: No objection.
- 13 HEARING EXAMINER COSS: The witness is so
- 14 recognized.
- 15 BY MS. KATZ:
- 16 Q. You testified that you are familiar with the area
- where POP proposes to drill the Ramrod SWD Number 1;
- 18 correct?
- 19 A. Yes.
- 20 Q. Did you review the geology for this area?
- 21 A. Yes, I did.
- Q. Turning to Tab 1, Page 8, what is the proposed
- 23 injection interval for this well?
- 24 A. The Devonian-Silurian.
- 25 Q. Is your conclusion that this zone is well suited

- 1 for SWD injection purposes?
- 2 A. Yes, it is.
- Q. Why is that, based on your experience?
- 4 A. There is ample porosity and permeability and a
- 5 sizeable enough zone. And it has good barrier on the top,
- 6 and a good barrier downward to keep water from going out of
- 7 zone.
- 8 Q. And you prepared a geology prognosis for the
- 9 C-108 application which is on Page 10 through 11 of these
- 10 materials.
- 11 A. Yes, correct.
- 12 Q. And what is the thickness of the injection zone
- 13 based on your study that you have included?
- 14 A. The Devonian and the Silurian together are about
- 15 740 feet.
- 16 Q. Okay. And you discuss the permeability barriers
- above and below the injection zone; correct?
- 18 A. Yes, correct. Woodford, Woodford Shale on the
- 19 upper side, and then we would not penetrate the Montoya,
- 20 just tie the line, which is a barrier going downward, going
- 21 down, and then Simpson down below that.
- Q. So based on your review of geologic information,
- 23 including in your study, do you believe there is any risk to
- 24 fresh water resources if this well is drilled?
- 25 A. No, ma'am.

1 Q. Are you aware of any productive Shales in the

- 2 injection zone?
- 3 A. No, not at all.
- 4 Q. Is there a risk to petroleum bearing formations
- 5 above the injection interval?
- 6 A. No. The well design would protect all of that.
- 7 Q. So, in your opinion, will the drilling of this
- 8 well impact the correlative rights of any mineral interest
- 9 owners?
- 10 A. No.
- 11 Q. If you can turn to Tab 3 of the materials. This
- 12 is a statement regarding the seismicity for the
- 13 administrative application; correct?
- 14 A. Yes, ma'am.
- 15 Q. Is this statement based on publicly available
- 16 information?
- 17 A. Yes, it is.
- 18 Q. Did you first evaluate historic seismicity in
- 19 this area?
- 20 A. Yes, I did.
- 21 Q. What did you determine?
- 22 A. In the historic seismicity, the closest event is
- 23 18 miles away. It's pretty far away.
- Q. And did the publicly available data contain
- 25 information regarding where the nearest fault is to this

- 1 proposed well?
- 2 A. Yes, it did.
- 3 Q. Where is that?
- 4 A. The nearest fault is approximately 22 kilometers
- 5 away off to the southwest. West-southwest.
- 6 Q. And did you run a fault probability analysis
- 7 using the public data available to you?
- 8 A. Yes, I did, I ran two scenarios. One assuming
- 9 water, gross failure water went all the way down to the
- 10 PreCambrian and then also straight into the Devonian. I
- 11 might add the fault is very far away. I ran it just extra
- 12 conservative.
- 13 Q. So you were using conservative inputs?
- 14 A. Yes, conservative inputs and like a worst-case
- 15 scenario trying to show what the impact might be even though
- 16 they are pretty far away.
- 17 Q. So, so this statement looks at -- let's see.
- 18 You already explained these, so let's skip that.
- 19 The statement evaluating the Cambrian fault
- 20 scenario is on Page 42, Point 7, that states the distance to
- 21 the nearest fault.
- 22 A. That's correct.
- 23 Q. And you summarize your conclusions on Point 7.
- 24 And what are your conclusions regarding the probability of
- an induced seismic event over time out to 30 years?

1 A. The FSP shows zero percent after 5, 10, 20 and 30

- 2 years.
- Q. Do the next several pages, 43 through the top of
- 4 51, contain the additional information OCD requested showing
- 5 analysis over time, screenshots from the FSP model, and so
- 6 I'm going to have you turn to the last page, Page 51 for
- 7 this scenario, and that shows 30 years out. And what does
- 8 that show?
- 9 A. Zero percent probability of fault slip, that the,
- 10 the fault delta pressure shows a third of a psi which is
- 11 effectively zero.
- 12 Q. Okay. And then on also on Page 42, that second
- 13 scenario, assuming fault in the Devonian, you also summarize
- 14 your conclusion there regarding the probability of an
- 15 induced seismic event over time assuming that hypothetical
- 16 falls in the Devonian, and what did you conclude?
- 17 A. Zero percent fault slip probability, which would
- 18 be on Page 60, the result there, showing a theoretical 1.75
- 19 psi fault delta pressure, once again, effectively zero.
- Q. And that's 30 years out?
- 21 A. 30 years out, correct.
- 22 Q. And so what is your ultimate conclusion from the
- 23 model of those worst case scenarios?
- 24 A. There would not be any probability of fault slip
- 25 due to injection in this well.

1 Q. And those are -- that's even out 30 years at

- 2 maximum inject rate?
- 3 A. Yes, correct.
- 4 Q. Were the C-108 and supporting documents in
- 5 Exhibit 1, and the statements regarding seismicity in
- 6 Exhibit 3 prepared by you, under your supervision or
- 7 compiled from company business records?
- 8 A. Yes.
- 9 MS. KATZ: I have no more questions for
- 10 Mr. Fisher, and I would move the admission of Exhibits 1
- 11 through 3 into the record.
- 12 MS. ANTILLON: The State Land Office has no
- 13 objection and has no questions for this witness.
- 14 HEARING EXAMINER COSS: With that, the exhibits
- 15 will be admitted, and we will leave the questions for
- 16 Examiner Lowe.
- 17 (Exhibits 1 through 3 admitted.)
- 18 EXAMINER LOWE: I don't have any questions.
- 19 THE WITNESS: Thank you.
- 20 EXAMINER GOETZE: For the record, who prepared
- 21 what exhibits?
- THE WITNESS: On the exhibits?
- 23 EXAMINER GOETZE: Yes.
- 24 THE WITNESS: On the C-108, the geology portions
- 25 were prepared by me. The fault slip portions were prepared

- 1 by me.
- 2 EXAMINER GOETZE: And other portions were
- 3 prepared by?
- 4 THE WITNESS: By Mr. Puryear.
- 5 EXAMINER GOETZE: Very good, just put it in the
- 6 record.
- 7 The other comment I have is on your water
- 8 analysis, I would recommend you seek another vendor. If I
- 9 were to do an enhanced recovery project, this is what I
- 10 would look for, but if I'm going to defend myself from
- 11 potential impacts, this wouldn't even get in the front door.
- 12 This is not what the EPA looks at, and certainly legal would
- 13 really have an easy time throwing this out.
- 14 THE WITNESS: Yes, sir. We will do that.
- 15 EXAMINER GOETZE: Find someone who will give you
- 16 a little bit more -- I don't even know what the units are.
- 17 I assume they are parts per million, for your own sake,
- 18 since these are fairly high numbers and someone would claim
- 19 that you impacted them, you would be exposed.
- THE WITNESS: We will do that. Thank you.
- 21 EXAMINER GOETZE: Other than that, no more
- 22 comments. Thank you.
- THE WITNESS: Yes, sir.
- 24 HEARING EXAMINER COSS: I guess my question,
- 25 again on that -- well, a little bit about the geology, you

1 say that you will not penetrate the Montoya group.

- THE WITNESS: Yes.
- 3 HEARING EXAMINER COSS: I guess I would be
- 4 curious how one knows or what marker they would use to let
- 5 them know that they have entered or not the Montoya
- 6 formation.
- 7 THE WITNESS: Definitely the -- the -- look at
- 8 the Woodford, okay, and then look at our expected thickness.
- 9 When you get in the Montoya you can definitely see a
- 10 drop-off where it gets tighter, a little bit cleaner.
- 11 Hopefully you don't -- you know, you shouldn't see that,
- 12 right, we are not planning to go that deep.
- 13 Our plan would be to cut it -- in fact my -- the
- 14 interval that we, that we are proposing to inject is
- 15 considerably short of what we think the bottom would be to
- 16 give ourselves a buffer, so we don't -- so we don't enter
- 17 there.
- 18 Basically we are going to cut ourselves short of
- 19 what we expect the thickness to be so we don't.
- 20 HEARING EXAMINER COSS: And POP would be willing
- 21 to put back the bottom of the hole were they to penetrate
- the Montoya?
- THE WITNESS: Yes, absolutely.
- 24 HEARING EXAMINER COSS: Those are my questions.
- 25 Would you like to redirect with any questions.

Page 24 MS. KATZ: No, thank you. And with that, I would 1 2 request that this case be taken under advisement. HEARING EXAMINER COSS: Well, with that --3 MS. ANTILLON: Thank you, Mr. Examiner. The State Land Office just wants to say that they are reviewing 5 this application and have concerns with the salt water 6 disposal spacing in close proximity to state trust land. HEARING EXAMINER COSS: Okay. With that, I will 8 9 excuse the witness and the Division will take Case Number 20961 under advisement. 10 (Case 20961 taken under advisement. Adjourned.) 11 12 13 14 15 16 17 18 19 20 2.1 22 23 24 25

1 STATE OF NEW MEXICO

2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5

I, IRENE DELGADO, New Mexico Certified Court

7 Reporter, CCR 253, do hereby certify that I reported the

8 foregoing proceedings in stenographic shorthand and that the

9 foregoing pages are a true and correct transcript of those

10 proceedings that were reduced to printed form by me to the

11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of

13 the proceedings truly and accurately reflects the exhibits,

14 if any, offered by the respective parties.

I FURTHER CERTIFY that I am neither employed by

16 nor related to any of the parties of attorneys in this case

17 and that I have no interest in the final disposition of this

18 case.

19 Dated this 12th day of December 2019.

20

21

Irene Delgado, NMCCR 253
License Expires: 12-31-19

23

2.4

25