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6 **OCD Special NOV Docket May 5, 2026-** 7 **20260505_141340UTC-Meeting Recording**

8 May 5, 2026, 2:13PM

9 2h 15m 51s

10
11 **PH Pecos Hall 15:21**

12 Good morning.

13 It is 8:30 AM on the 5th of May.

14 This is a special docket for notice of violation cases issued by the Division two
15 particular respondents.

16 There are 12 on the docket today.

17 We're gonna start with number one is case number 25872. This is the oil
18 conservation division versus oleum energy entries of appearance, please.

19 Yes, Michael Hall, on behalf of OCD, we have entered into stipulate a final order with
20 Oleum.

21 It's been executed by both parties, so we're we're asking that the hearing be vacated
22 and the case dismissed based upon that. OK. And and what are you gonna file?

23 I have filed a motion to dismiss with an order.

24 Sorry, I was working a little late last night so it probably hit the queue after 5.

25 So. So let me ask you something then.

26 So our standard procedure would be that.

27 The stipulated final order goes to the director after the respondent signs it correct
28 for the director signature.

29 Then what happens to the final order?

30 Which, yeah, both those events have occurred.

31 The director has executed that one.

32 It is sent to Mr. Jackson.

33 Who assigns it a specific number for SF OS as well as mod IE and then.

34 Then the next step is to dismiss it or move to dismiss it.

35 To your attention with an order and I guess.

36 Procedurally, I'm sure you would like to sign it an R number and not, in my opinion,
37 that would be the mechanism to do that.

38 OK. And are you going to include you said, Mata?

39 E will have a copy of that stipulated final order and it is attached as an exhibit to the
40 motion to dismiss. OK, and it's in the queue. It should be.

41 Yeah, unless unless my finger hit something wrong, it it. I sent it to Freya.

42 It's actually Freya.

43 I sent it to last night.

44 Yeah, I'm sending it to Freya. Yes, OK.

45 So I think I sent the SFO to mate AE once Albert had executed it.

46 But I sent the motion to Freya.

47 OK, OK.

48 Alright, so we can check on that, but I'm pretty sure pretty sure it's in your queue.

49 OK, Might you will you make a list of cases to check for?

50 Because if that's if the director signed the stipulated final order, I'll sign the order
51 dismissing the case. Once I get that motion and that attachment for the exhibit 547.

52 OK, Mr. hearing examiner at 547 yesterday is when I submitted that.

53 Alright, I didn't hear anyone for the respondent on the line, so this case is dismissed
54 and we're off the record. In that case, let's move on to Blue Ruby operating.

55 Who is the respondent in case number 25928?

56 Answers of appearance please.

57 Michael Hall, on behalf of OCD, ready to proceed and do we have anyone from Blue
58 Ruby operating?

59 Mr. Hall, have you been in touch with anyone at Blue Ruby long time ago?

60 They asked for a continuance to this day.

61 Have not heard from since, although I do think if my memory served me they asked
62 for a link to the hearing yesterday, they requested that from Freya, but nothing of
63 substance regarding the case.

64 Alright, I'm gonna call again.

65 Is there anyone representing Blue Ruby operating?

66 Not hearing anyone, Mr. Hall.

67 Go right ahead. Thank you.

68 Give me one second.

69 I'm pulling that one up, but yes.

70 OCD would.

71 Offer. I believe it's gonna be and I'll confirm. Exhibits 1-2 and three attached to our
72 pre hearing statement.
73 Admitted without exception, OK.
74 I mean, just give me if you don't mind, one second to be sure.
75 My computer's working, but it's not going rapid fast.
76 I just want to confirm that actually there's four exhibits we also offer Exhibit 4
77 attached to our pre hearing statement also admitted. Thank you.
78 Yes, generally this is a case.
79 This is a case involving 8 wells, all eight of which are inactive.
80 So we're seeking plugging authority.
81 The ability to terminate their authorization to transport from all eight wells, as well as
82 the civil penalty in the amount of \$3600.
83 OK.
84 Your exhibits have been admitted and the case will be taken under advisement.
85 So is this something you're drafting in order?
86 I can draft the order and I'll be as quick as I can.
87 The orders from the last docket, are you still working on? I am working.
88 I'm sorry I this, this, this docket kind of required more, more stuff.
89 Sure, I should have that to you.
90 OK, certainly this week, alright.
91 So we'll have a proposed order from the office of General Counsel, OK.
92 We're off the record. In that case, let's move on to colturst management.
93 And investment respondent in case number 25940.
94 Entries of appearance, please. Michael Hall, on behalf of OCD.

95

96 **JE** **Jacob Everhart** 21:18

97 Good morning, Miss examiner Jacob Everhart with Betty Wozniak, New Mexico
98 appearing on behalf of Coltors Management Investment Inc.

99

100 **PH** **Pecos Hall** 21:26

101 Good morning, Mr. Everhard.

102

103 **JE** **Jacob Everhart** 21:27

104 Good morning.

105

106 **PH** Pecos Hall 21:29

107 What's what's your client's position on this case?

108

109 **JE** Jacob Everhart 21:32

110 Yes, we've had some promising developments over the last few weeks since our
111 previous status conference. We've briefed Mr. Hall here yesterday, kind of laying out
112 those developments. But in short, the three wells that are listed under the Nov have
113 line of sight to either being RTP D or.

114 Being worked over to either bring back or P&A all together.

115 The deal hinges on the three wells in question are going to be kind of transferred to
116 another operator in that deal.

117 Was papered up currently as expected to close mid June.

118 So the ask here is for another status conference plan for June 2026, after which we
119 will have a lot of these issues remedied and a lot of these, I think outstanding
120 questions probably answered.

121

122 **PH** Pecos Hall 22:23

123 I'm I'm a little confused.

124 What were the original charges?

125

126 **JE** Jacob Everhart 22:28

127 I can bring up the Nov. There are three wells total and they are the only three wells
128 that are listed under this operator.

129 One on the I guess on the I guess it's AR.

130 Number two, well, it's a it's notice of intent to PNA and the other two were just
131 inactive for longer than approved.

132 So those wells that were inactive were gonna be brought back online along with a lot
133 of remediation and reclamation work around the tank batteries.

134 That are going to be performed by the acquiring company.

135 And also APNA on the air and I or bring back bring that back to production after
136 they kind of evaluate it with some pressure support some disposal.

137 Prospectivity, I guess.

138

139 **PH** Pecos Hall 23:17

140 OK.
141 So how does that deal with the?
142 With the alleged.
143 Charges.
144 The fact that you're going to, I guess, in some way remedy.
145 Some of the charges and you're going to be transferring the wells to another
146 operator.

147

148 **JE** **Jacob Everhart** 23:37

149 Yes, Sir.

150

151 **PH** **Pecos Hall** 23:44

152 How does?

153

154 **JE** **Jacob Everhart** 23:44

155 Yeah, as a as a condition of kind of acquiring the wells, they're either gonna be kind
156 of brought back online or they're gonna have all the work that are outstanding under
157 the Nov accomplished.

158 And so these violations will be remedied.

159 The the goal for the acquiring operator is weylander.

160 They're gonna start kind of developing the broader kind of development area after
161 they work through these issues, but the whole thing was contingent on BLM lease
162 and it was kind of in limbo.

163 But we've had promising conversations with the state.

164 Dirk in New Mexico, the BLM verifying that the lease will not be cancelled. And so
165 now that the lease in the title check can transfer to the acquiring operator, the kind
166 of green lights, all the work to be done to kind of remedy all these outstanding
167 violations.

168

169 **PH** **Pecos Hall** 24:32

170 OK, Mr. Hall, your position?

171 Our our position is we we would like these wells to be brought into compliance.

172 So, so that's positive.

173 Our request would be to set this for hearing on the June 25th docket with certainly
174 we we will, we will be reasonable in our agreements to a continuance given positive

175 developments continue.
176 So that would be our request.
177 We're we share their sentiment that that these are positive developments.
178 However, does not resolve the Nov yet, so we'd like to kind of keep this moving
179 forward and I'll represent to yourself and Mr. Everhart, we will not unreasonably
180 withhold agreement to a continuance given other positive developments, but we
181 would ask for it to be set for a final.
182 Hearing for the 25th.
183 You heard Mr. Everhard.
184 On on, on, on the fixes.
185 But how does that address the underlying allegations?
186 Well, I understood him to say that they're planning on developing.
187 The wells and make them producers. So if the wells are brought into production then
188 that would that wouldn't resolve the violations, they would still need to pay a civil
189 penalty.
190 But that would resolve the non compliance going forward, but not in the past so so
191 we want wells either plugged or producing.
192 When they're they've fallen into inactivity like these up. So based on what?
193 Mr. Eberhard said if if all of that comes to fruition.
194 Fruition. How does that affect the underlying violations?
195 It well, it doesn't other than we would have the ability to make LCD would then be
196 able to analyze this and make an agreement.
197 I'm optimistic there.
198 There's not a large amount of civil penalties were requesting in this, so I'm optimistic
199 that we could come to a resolution on that.
200 I believe Klehurst will admit to their violations and that.
201 That would resolve the NLV for the past non compliance and then obviously we
202 wanna be sure they're complying going forward. OK, that makes some sense, Mr.
203 Everhard.
204 I'll set this for June 20.
205 What did you say, Mr. Hall?
206 I believe it's June 25th. This year 830 is.
207 If I'm not mistaken, that's our next special docket for inactive wells.
208 I was wondering, mighty do you know?
209 Mr.

210 Hearing examiner. That's correct.
211 It's June 25th.
212 Alright, thank you.
213 That's almost two months away, Mr. Everhard.
214 At that point, I won't continue this case any longer.
215 So if there is a continuance, I won't approve it, so please be prepared to go to
216 hearing unless you want to work out something with Mr. Everhard where he admits
217 his client admits the allegations and all that's left is defined.

218

219 **JE** **Jacob Everhart** 27:25

220 Understood.

221

222 **PH** **Pecos Hall** 27:40

223 That's fine as well, but I won't continue it after June 25th.

224 Fair enough.

225 We'll be ready to proceed.

226 Certainly we'll be available to speak to to Mr. Everhart and and Mr. Suazo, hopefully
227 to to resolve this matter.

228 Mr. Everhard, is there anything else?

229

230 **JE** **Jacob Everhart** 27:56

231 Yes, Sir.

232 Thank you.

233

234 **PH** **Pecos Hall** 27:58

235 All right.

236 Thank you, Sir.

237 Thank you, Mr. Hall.

238 We're off the record in this case. Let's move on to oil Conservation division versus
239 respondent, Fe, NM in case 26041.

240 Yes, OCD, present and ready.

241 Do we have anyone from the respondent?

242 No, but that's not unexpected.

243 We have the director signed off and the operator is signed off on a stipulated final
244 order.

245 And so we have resolved.
246 OK, the NLV in that manner. And so we're asking that the case be dismissed.
247 So we're going to be handling this in the same manner as we were going to handle
248 case number one. Yes, Sir.
249 Have you already filed the motion to dismiss it with the attachment?
250 Yes, Sir.
251 You have. OK, so we'll be getting it any minute now.
252 OK, we're off the record.
253 In that case, let's move on to case #5.
254 This is oil conservation division versus finally resources.
255 Respondent in case 26042.
256 OOCDS present and ready. We're asking.
257 You have.
258 Hold on. Do we have anyone from the respondent?
259 Mr. Hall, I have a question for you. Since we're waiting for someone to represent the
260 respondent in the future. If you do come to some sort of agreement, that's the case.
261 Should be continued.
262 I still want to hear from the respondent. Fair enough.
263 And I did.
264 I agree with you. He asked.
265 Should he be there?
266 I said I can't give you legal advice, but.
267 I and also can't speak for the hearing examiner.
268 And so I encourage.
269 Him to be here.
270 He asked for a lien so.
271 So anyway, so we so we don't hear anyone from respondent big Eddie.
272 Finally, I'm sorry, finally resources.
273 Is not here today in. In the future, when you do speak to these respondents, please
274 let them know that I expect them to be here, sure.
275 It it it helps.
276 It helps me make decisions when I can speak to their.
277 Respondents, even if it is just, you know, would you grant a continuance?
278 Understood. I I will pass that on.
279 So you're asking for continuance in this case.

280 Hopefully we are in fact Finity Resources has signed an SFO. The director hasn't
281 signed it.
282 It's under review by him.
283 And so that's kind of last minute reaching our resolutions.
284 So we're asking it be continued to the next docket, OK, so that.
285 To give the director time to review.
286 When was this case filed?
287 That's a good question.
288 Let me pull it up.
289 Morning, Mr. pedia.
290 Good to see you.
291 I'm on. My computer's going slow again.
292 Nice. I don't know.
293 Geraldine.
294 My computer's not working again.
295 Marie, can you tell when that case was filed?
296 Finally, resources #5 on the docket.
297 Give me one second.
298 Let me search it up.
299 I received Mr. Hall.
300 I received a message from Miss Chance, the hearing clerk. She had advised the
301 representative for Blue Ruby that we were starting at 9:00 today.
302 So whenever I was gonna, I figured you'd gotten that same message.
303 But I was gonna point that out just a second ago.
304 I got the same message.
305 So we don't object to reopening that and giving them the chance to participate.
306 Perfect. I'm gonna recall.
307 Case number two at the end of our document, OK.
308 I might, with your permission, need to go upstairs.
309 I'm having a hard time with the global protect.
310 Are you using the Wi-Fi?
311 I think I don't know.
312 I'm trying to use the.
313 OK, go, go on your laptop and and select Wi-Fi and turn on Wi-Fi and then log in
314 under the user mnerd user. OK, that's fine there and it's still doing those.

315 Do you, when you come downstairs?
316 Do you restart your computer or do you have it from upstairs?
317 I did not restart.
318 Why don't you restart your computer? I think that'll fix it as long as the Wi-Fi is on,
319 it'll connect.
320 Yeah, it says it's connected, so they it doesn't necessarily mean it's connected.
321 OK, I've been through that a million times.
322 Did you see when that case was filed?
323 Yes, Mr. Hearn, Examiner, the notice of violation.
324 I see.
325 It was the February 19, 2026, OK.
326 Thank you.
327 So Mr. Hall, while your computer is restarting, I'll grant the continuance to the June
328 25th docket. But that'll be the final setting on this case.
329 That's that works for us.
330 I think it'll be resolved and dismissed by. That sounds like it will be.
331 OK.
332 So we're in recess on finally resources case #5.
333 Let me know when your computer's back up.
334 It's restarting now.
335 I apologize.
336 I just it's it's sad.
337 It's not connected so much.
338 So you're not getting any signal at all, or you're not getting.
339 A.
340 A secure signal.
341 It says that I'm connected and secured, and yet I cannot, for instance, pull up.
342 You know these files off.
343 Oh, so you're trying to get into the secure area with global protect?
344 Stop trying to access this.
345 Yeah, hold on one second. Let me ask IT.
346 To leave the VPN.
347 OK.
348 So this guy connect and I'm able to pull up my files.
349 You are now. Yes. OK, fantastic.

350 I think I'm ready.
351 So I'm gonna call the next case then.
352 Alright, we're on case number six.
353 This is oil conservation division versus respondent George Denton in case 26066.
354 Yes, OCD's present and ready.
355 We have moved Mr. Denn's request to continue this.
356 Based upon Mr.
357 Denton has shared with our engineering and myself some documents relating to
358 plugging of the only well at issue.
359 He's I think he's it's been a while since he's been in the game and he's having a hard
360 time submitting these properly, but I am satisfied that he's doing that and on the
361 process of plugging the well, which is of course our desire.
362 So I I agree to a continuance to give him some time.
363 He's working, I believe, with Dean McClure to to get those documents submitted
364 properly.
365 Do we have a representative for him here today?
366 Not that I'm aware of.
367 I have spoken to him on the phone.
368 I think he has limited ability to maybe use the Internet.
369 I I believe Mr. Dins pretty old.
370 He likes to, for instance, going to the Roswell office and talk to people instead of e-
371 mail. So.
372 That I hope I'm not. If Mr. Denton is available, I hope I'm not wrong on that.
373 But that's my impression, OK?
374 In the future, when you speak to respondents it, please let them know that if their
375 case is on the docket, I'd like to hear from them.
376 I sure will as well as you.
377 So Mr. Denton, are you with us?
378 Not hearing it, Mr. Denton.
379 So you're asking for continuance to June 25th.
380 Yes, Sir.
381 And was this case filed also in February?
382 This one? No, this one would have been filed after that.
383 I can give you an exact date.
384 I say that let me let me confirm.

385 I'll just tell you when we filed it.
386 March, March 25th. It looks like is when we filed that one, OK.
387 So I'll grant the continuance to June 25th docket and at that time, do you expect to
388 go ahead with the hearing or do you expect a stipulated final order to be executed?
389 I'm optimistic that we'll have a a stipulated final order.
390 I can't speak to his ability to get everything filed the right way, but but but I I can't, I
391 think, speak to his intentions of doing so.
392 So I'm optimistic we'll have a resolution and and This is why we This is why I want the
393 respondent here so that he can speak to his own ability to file and let me know what
394 issues he's having or.
395 What concerns he has.
396 I can certainly understand that.
397 Alright, we're off the record in that case.
398 Let's go on to case #7.
399 This is oil conservation division versus GNG oil and gas.
400 Respondent in case 26067 inches of appearance please.
401 Michael Hall, on behalf of the Oil Conservation Division, ready to proceed.
402 Thank you, Mr. Alexander earned herself a day of her GNG oil and gas.
403 What's your client's position?
404 On Friday.
405 Hey and I don't know whether we filed time late.
406 We were unable to file when I got this case, it was passed a pre hearing deadline.
407 Got it.
408 And so we didn't file a pre hearing statement.
409 And we're not really essentially prepared to proceed today.
410 But.
411 I have talked to Mr. Hall.
412 We have settled the case with the Commissioner of proper clinical.
413 Tune of \$600,000 to plug five of the wells that are in contention here and.
414 By operation of law, it's our position that the Land Office is now on the hook to plug
415 those five wells.
416 So.
417 The motion to dismiss that I filed on Friday and Friday we had at my office an
418 Internet outage, so I couldn't serve it.
419 Caitlin Luck filed for me.

420 And I'm not sure if she served Mr. Hall.
421 I did.
422 I received Monday, I believe. Yesterday I received something I would just while I'm
423 answering that there's no legal authority attached to this motion to dismiss or Mr.
424 Padilla's, other than his objection to our affidavits, we're ready to proceed with live
425 testimony.
426 But there's no legal authority, nor could it be that a settlement with an entirely
427 independent agency.
428 Somehow it deprives them of operatorship.
429 LCD was not a party to any such settlement, and so we vehemently disagree with
430 that position.
431 So, Mr. Padilla, I haven't seen this document, have you?
432 Did you file it into this case?
433 We did GNG.
434 Like we just simply sent it to Freya.
435 Oh, you emailed it.
436 She she filed it.
437 She filed it. She filed it.
438 Your client doesn't have an overdue number.
439 They have an O grid number, but under the permitting system.
440 GNG did not authorize me to file directly.
441 Into the case. So we sent it to Freya.
442 And we also sent.
443 The.
444 Entry of appearance together with a settlement agreement that we attached to that
445 let me find your filing.
446 Hold on.
447 Mahdi, do you have? Are you logged into the?
448 Imaging system.
449 I am.
450 You are OK.
451 I can.
452 Let me clarify. Caitlin sent her doc the motion to dismiss on May 1st Friday.
453 And just just for clarity, I received after the deadline for pre hearing statements, Mr.
454 Padilla correctly pointed that out.

455 I received his entry of appearance with the attached purported settlement agreement
456 on April 29th, which was Wednesday.
457 All right, I I have to use a roundabout.
458 System because I don't.
459 This iPad does not have secure access, so I have to use.
460 A different system. So give me a minute here 26067.
461 Alright, let's see what we got here.
462 The last filing I have is from May 1st.
463 This might be.
464 Motion to dismiss.
465 I have your motion here.
466 Let's see what it says here.
467 Jean. She moves.
468 It dismisses Eno. We because Jeanje is no longer reliable to the wells at issue,
469 pursuing to a settlement.
470 Agreement with the state Land Office.
471 G&G has reached agreement with the state Land Office in a District Court case
472 pursuant to the agreement with the state Land Office. Qianji no longer holds any
473 interest in the wells at issue.
474 Copy of the settlement agreement was filed with G&G's entry in this case on April 28.
475 OK, For these reasons, they're full dismissal of the Nov and you are opposed.
476 Obviously. Mr. Hall, you just said vehemently, so, so, so, Mr. Mr. Padilla, let's flesh this
477 out a little bit.
478 So there was a District Court case in which your client was.
479 Was it a civil case?
480 It was a civil case and what was the and who filed it? You or the state land office?
481 State Land Office filed a case and the purpose of the case was to compel.
482 GNG to plug the wells that were on state oil and gas leases that have been
483 terminated.
484 I see and.
485 And yesterday.
486 And you reached an agreement with the state Land Office.
487 Yes, and your agreement and you and you are asserting that the agreement.
488 State Land Office somehow nullifies the notice of violations from the Oil
489 Conservation Division.

490 What's the legal authority for that statement?
491 Legal authority.
492 Simply the settlement agreement, I mean that they.
493 Following the settlement, Mr. Biernoff counseled for the land Commissioner, asked if
494 we would file.
495 C.
496 One O 3 for their contractor to plug the wells and we said no.
497 It's your. You have to now file the C1O3 for permission to plug the wells.
498 And.
499 Nothing has come from that.
500 I think yesterday that we we did get a final order of dismissal in that lawsuit.
501 Our focus has been to settle this lawsuit because.
502 Of.
503 Contempt and issues about piercing the corporate veil that we were litigating.
504 I have a question. This settlement agreement and Mr. Hall, I'll come back to you. So I
505 haven't forgotten about you, but I'm looking at the settlement agreement and I see it
506 signed by a Robert Garner.
507 Is that your client?
508 That's my client, that he's the manager of G&G.
509 I don't see it.
510 Signed by Miss Garcia Richard.
511 Uh.
512 It was signed by her. I see at the very bottom of page.
513 I don't know why it it's it goes from paragraph 8 on page two to paragraph 6.
514 On page two. Oh, I see. So you have signatures and.
515 2 pages of secret.
516 All right, give me a minute. Here. Let me.
517 Mr. Herring, examiner, since we're speaking about.
518 Apparently what Mr. Berenoff has told people can I quote him from an e-mail
519 yesterday.
520 Certainly in the e-mail, too. Whose e-mail to me to you regarding this case?
521 This case OK.
522 Certainly we do not and do not purport to determine who is an operator of record
523 for OCD.
524 Purposes and he he doesn't think that settlement binds OCD in any way.

525 Of course, that is contract law. We weren't a party to the to the settlement, but since
526 he's saying what Mr. Berenoff told him, and I'm happy to provide that into evidence
527 if need be.
528 Thank you.
529 So Mr. Mr. Padilla.
530 You heard what, Mr. Hall just said.
531 What? What do you?
532 What do you have to say about that?
533 Well, obviously those C DS gonna look at G&G as being the operator we haven't.
534 There's no C 1:45 to change the operator from G&G to the to the Land office.
535 But the primary responsibility now rests with the Land Office to plug those wells. I
536 mean, we we ponied up quite a bit of money to to to do that.
537 And the focus that we had in the preceding.
538 In this case anyway, I I wasn't aware that my clients had received.
539 A notice of violation until very recently, and by that time it was very late for me to file
540 anything pre hearing statement but.
541 We do feel that the responsibility now rests with the Land Office to plug those wells.
542 Now whether or not.
543 It will cost more than the settlement amount is not up to us to determine.
544 So I guess what the first thing I'm trying to find out is and I'm looking at the Nov
545 here or the pre hearing statement, I'm not looking at the Nov Mr. Hall.
546 Would I see what the allegations? OK, I think if you go to the Nov.
547 Self which I should be exhibit 3 to that.
548 Oh, it is it.
549 It should be.
550 Normally I I don't.
551 I'm looking at the settlement agreement right now, but I'll pull that up.
552 Exhibit 3 is blank in this case. OK, let me let me pull up the NLV. That's I can get to
553 the Nov, but I was looking in the pre hearing statement for the Nov and it's it starts
554 on it says Exhibit 3 on page 11 of 14. But.
555 There's nothing there, and then it goes to exhibit 4, which is affidavit of Mati Corral.
556 My apologies, I probably didn't get.
557 That's fine, I can find, but it's it's instead of five wells, it's 6 total was operated by
558 GNG, all six of which have been continuously inactive since at least October of 2018.
559 So. So Mr. Padilla, the the allegations here and I'm looking at.

560 The notice of violation that was dated let me see when it was sent to your, your or
561 signed by the director.
562 I'm looking for a date that it was signed by the director.
563 I don't see one.
564 And I don't see.
565 I don't.
566 There isn't like a filing date on this document either.
567 Let me let me look in my e-mail.
568 I can tell you when it was OK. It says, your honor, about March 26, the OCD issued an
569 original Nov to G&G oil and gas with their O grit number.
570 That sounds right.
571 And that would have been in the same batch as the finally, we were just discussing.
572 So, Mr. Padilla, your client in the notice of violation.
573 Is alleged to have is the registered operator of six wells. The six wells identified in
574 exhibit A have been continuously inactive since October of 2018 and therefore out of
575 compliance with one of our rules.
576 And are not already subject to an agreed compliance or final order.
577 And then I think there is a sanction here \$2700.
578 So Mr. Padilla, with those very basic facts, how does the state Land Office agreement
579 in your District Court case cure the fact that these wells were inactive for, oh,
580 approximately 7 or almost eight years?
581 I don't.
582 I'd have to concede that the wells were inactive.
583 Yeah, but.
584 My understanding is that the OCD originally notified GNG about six wells. We can
585 only find 5 wells, OK, and those are the five wells that were part of the lawsuit. OK,
586 so.
587 I don't know where the six well is.
588 I tried to find it yesterday in preparation for this hearing today and I can't find the
589 the 6th well.
590 There there was to to help you and I have it pulled up here.
591 Happy to let you look at this. The inactive well is at the time Mr. Jackson ran it.
592 There's six wells, all oil wells.
593 So anyway, that's no I I I get the six wells. I just couldn't find the the well that was
594 not included in the lawsuit.

595 Mr.
596 Oh, I I understand. OK, that's probably.
597 Probably it looks like there's one federal lease and so that probably explains it. Since
598 you were in litigation with state Land Office, if it's, if it's a federal lease, then the OCD
599 didn't have jurisdiction over that well.
600 If if the parties could not go back and forth between each other, it's not proper
601 etiquette for the forum.
602 So let's stop doing that, Mister Mr.
603 Mr. pedia.
604 The OCD is ready to proceed with its evidence.
605 You have a motion to dismiss.
606 I understand that you assert that the settlement between the state Land Office and
607 your client somehow invalidates most or all of this Nov.
608 I'm not understanding the legal argument behind that, and I need to understand the
609 legal argument based on. First of all, it's opposed. It's an opposed motion.
610 Second of all, I don't see any.
611 Law or case law.
612 Or anything here to support that rather novel.
613 Assertion I can do a little bit more research here.
614 So give me one minute here.
615 Mr.
616 Hold on a second.
617 I I just need a few minutes.
618 Give me a few minutes here and then I can hear whatever else you wanna tell me. I'm
619 happy to hear. But I I wanna do a little bit of research here.
620 Mr. Hall, what is the nmac citation for inactive wells?
621 It is.
622 There's there's kind of a couple, but it's a 1915258.
623 As well as 191559 OK, you went a little fast for me. When you say it again? Sure.
624 Second one, yes 191559.
625 59 yes, Sir. OK.
626 Just be still gonna.
627 I think it was a week ago Friday.
628 And we were at the time that we entered an appearance. We were waiting.
629 For there had been a contempt citation.

630 For \$60,000 by the District Court against Mr. Gardner personally.
631 Essentially, the court peers to court prevail.
632 We disagreed that the contempt citation Pierce corporate veil, but none the less.
633 We were.
634 Focusing on on settling the case.
635 And I mean, there's there's very little that we could argue in terms of whether the
636 wells were inactive or not. So but.
637 Yes, it was entered.
638 I I I think the last signature from the Commission.
639 Was on Friday of last that we could go Friday.
640 April 16th is what what it shows in the document I have.
641 2nd.
642 It's just what I'm thinking about as I'm trying to understand your position in ask have
643 given me a good authority to find.
644 And Mr. Examiner, I just didn't have time to.
645 I would have.
646 Research and intervening event.
647 As my operation of law.
648 The line Commissioner became the.
649 Rainbirds.
650 Call Silva Steve back.
651 I think that undo that framework silver versus state framework.
652 Is distinguishing.
653 The key distinguishing between two agencies, one is proprietary to the end user.
654 Capacity.
655 That will trust you.
656 Tennessee Trust lands and those who need it the most for our capacity.
657 To prevent this, protect the environment.
658 And the cost?
659 The OCD is not hurting this reputation.
660 Has a separate statute for you.
661 That me.
662 I don't think it's considered improperly to say that.
663 Obviously, the purpose of setting 5 mentions.
664 And and I think there's another court case, preacher, the first paraphrotal court, if

665 you know that case, it just came out last year. New Mexico.
666 That's a size that it for settlements by the state Land Office, not on that. It's all an
667 operator, an operator of statutes, who are able to literally so I mean that's a pretty
668 that case is pretty on point, Richard. The first paradigm which you will be.
669 2025.
670 'Cause it the cost of action starting either here in Seattle settlement we're talking
671 about lease contract trustment date and OCD action.
672 It's enforcement action.
673 The goal is different the revenues different.
674 I don't see.
675 I don't see that, so I'm. I'm not in your argument about it's not seeing that at all.
676 Your city, but in the rear.
677 Does the settling language explicitly mention regulatory or OC needs licenses?
678 See that 7 Mr.
679 Xander, I agree with what you're saying.
680 I mean, I I don't have any any dispute with the the cases that you're citing.
681 I just simply think that there's an intervening factor here that.
682 As to the five wells that.
683 The obligation of plugging those wells has shifted to the Land Commissioner now.
684 By operation of law.
685 Based on what I've heard so far and I have a motion to dismiss for the meeting
686 forward, it's I I know that didn't have the opportunity for whatever reason to file the
687 hearing statement, but I've had that opportunity to have witnesses available to testify
688 about today.
689 The the person that I would call today and he's not available today is Pat McMahon,
690 a lawyer in Lovington.
691 Who essentially negotiated the final the final face of.
692 The settlement.
693 No, I think, Mr. Examiner, I think the wells are an active.
694 They have been inactive.
695 I'm not going to dispute that.
696 The the thing about it is that.
697 In Compliance, Order's going to require.
698 GNG to plug the wells.
699 We're saying that it no longer is obligated to, but but I I don't have an argument.

700 And against the the two government agencies, 1 proprietary and the other a
701 Regulatory agency. And I think the OCD definitely is going to look at who the
702 operator on record is.
703 So I'm not.
704 I don't have an argument against that.
705 Both both are not.
706 I've seen both orders.
707 I think they've plenty time to buy out of something that the office and General
708 counsel, Mr. Hall specifically and with me to show that that's for some of these not
709 appropriate in in light of the settlement agreement that you brought up.
710 And then we'll have to be able to have.
711 And if you don't like that, you can always appeal it on the certification.
712 I I agree.
713 And I figured this is a totally different case.
714 That normally comes before.
715 The OCD.
716 For hearing it's it's. It's got implications from.
717 The litigation that.
718 Are perhaps I would like more time to file before we proceed to final order.
719 I I would almost say that.
720 The wells have been inactive and under the rules of the OCD.
721 Yeah, they're inactive wells.
722 Whether or not the compliance order that may be issued here is appropriate would
723 be a different deal. That would be a go to appeal.
724 No it doesn't.
725 This was the the earlier versions of that settlement agreement did identify the five
726 wells, and so does a complaint in the lawsuit.
727 That's pretty lengthy.
728 But the final version of that settlement agreement did not name the five.
729 Wells did not list the five wells, nor did it, but we felt compelled.
730 We needed to settle the case and.
731 My client was able to come up.
732 With enough money to satisfy.
733 What a settlement.
734 On the cell.

735 But it sounds to me like this doesn't address the problem of the young developer.
736 No, the final, the final settlement agreement did not, but it the, the the settlement
737 contemplated.
738 That the Land office would.
739 Hire a contractor and and that's where the issue of whether or not GNG should sign
740 AC103 and.
741 I advised against that simply because by operational law, GNG no longer has is the
742 operator of the well.
743 I mean that the lawsuit required or sought to compel GNG to drill the wells.
744 I mean, plug the plug and abandon the wells and do the surface remediation.
745 Which is expensive.
746 We were.
747 GNG was very reluctant.
748 To do that and wanted to settle the case.
749 Simply because I have a client, Mr. Gardner. Who?
750 Who was?
751 Pretty sick guy.
752 And.
753 He gasses to try and settle the the case with money and that's what we did.
754 I have not.
755 Other than no, I haven't.
756 I have spoken to Mr. Biernoff. He refutes their statements here.
757 The settlement agreement itself refutes these statements. It says nothing about
758 plugging.
759 It says environmental damage in solving and and resolving contempt.
760 Here's the most important part of that besides OCD not being a party to this, they
761 don't admit liability. They they specifically disclaim liability.
762 So they're they're claiming that.
763 That this somehow absolves them of plugging liability. Yet they don't admit liability.
764 So this is absolutely the proper form to determine that and to force them to plug
765 these well should should that be your decision.
766 Specs file in March.
767 I got it.
768 Probably Thursday of last week.
769 No, I pulled it down actually, by that time I had the pre hearing statement of miss

770 that Mister Hall filed and I didn't because exhibit three was not a test.
771 I couldn't see what the Nov was about.
772 I I did eventually get a hold of that.
773 But.
774 The.
775 It wasn't in the pre hearing statement, so that's.
776 Stop.
777 Yeah, I of course.
778 Well.
779 Yes, we object.
780 We've already.
781 I've already argued that you know that and and what is being sought here is that
782 GNG is going to be.
783 Through compliance order required to pony up money to plug those wealths again.
784 I mean, it's a double jeopardy kind of thing.
785 Is that we and I'm just it's not a criminal thing, Mr. Examiner, but.
786 What? What compliance order's gonna require?
787 G&G to to.
788 If it requires to plug those wells, we're gonna be litigating forever on this same.
789 Well, that's the process, Mr. Padilla.
790 You should be used to the process.
791 Oh I am.
792 You've been around quite some time and you know how to use the imaging system
793 and and to find the Nov. Once you're in the imaging system, I'm going to allow the
794 OCD to proceed with its case.
795 I will give you an opportunity to call a witness. I realize it's it's not fair to Mr. Hall
796 because you haven't filed statement.
797 I'm not even sure that your witnesses testimony is relevant in this case, but I'm willing
798 to bend over backwards so that you can, you know, admit your evidence.
799 You have an opportunity to cross examine the state's witnesses today, so you're
800 more than willing and capable to do that.
801 So Mr. Hall.
802 Which exhibits do you seek to admit at this time?
803 I believe Mr. Padilla has objected to our exhibit.
804 So Mr. Jackson is here available to testify.

805 But I also understood him to be stipulating that these wells are inactive and so if that
806 is a stipulation, I think that resolves the case so.
807 It resolves part of the case is that the only allegation? The only allegation is inactive.
808 Well, 66 inactive wells, I think Mr. Padilla was willing to admit five of them.
809 Or inactive.
810 Well, sure. I think he now understands that there are five state state wells and one
811 federal.
812 So I do.
813 I can't put words.
814 I can't speak for him either, but I believe I believe that's accurate, however.
815 Which exhibits are you seeking to admit into evidence?
816 Let's try this again.
817 None. I call Rob Jackson to testify. OK, Mr. Jackson.
818 Mr. Jackson, would you turn on your microphone, please?
819 Would you raise your right hand, please? You swear?
820 Affirm under penalty of perjury, if the testimony you're about to give is the truth, the
821 whole truth, nothing but the truth I do.
822 Thank you.
823 Would you spell your name for the record?
824 ROBJACKSON and and what is your position at the OCD senior manager business
825 operations, OK.
826 Mr. Hall, thank you.
827 Mr. Jackson, did you. Are you familiar with the operator G and GI AM?
828 Did you?
829 Help draft an NLV against GNG oil and Gas LLC got it. OK.
830 Would now offer the Nov in this case.
831 Well, well, the Nov is is a document of administrative record.
832 So I you can take notice of that, I've already it's already in the record.
833 What we're trying to admit at this point is the exhibits the specific exhibits which
834 exhibit does Mr. Jackson responsible, if if the NRV is before you, we won't, we will
835 just be providing testimony in that case.
836 So did you wanna? Yes, I'll agree.
837 If it please, as you go, OK.
838 Mr. Jackson, do you have a typical procedure for?
839 This particular with inactive wells for determining whether an operator is compliant

840 or not.
841 Do I have a procedure for that?
842 Yes, Sir.
843 Yes, yes, it's basically running the inactive well report financial obligations too. And in
844 this case, did you do that? Yes.
845 Did.
846 Did the results show as of December?
847 Of 2025 that this operator G&G had 6IN active wells.
848 Correct.
849 And as the operator of six wells, so in other words, every single well they have has
850 been inactive, yes.
851 Since 2000, do you recall the date?
852 It's OK if you don't.
853 Do you call the day that they've been inactive since?
854 I don't recall. OK. I'd have to see the report again.
855 Sure, you might give the witness something to refresh his memory with.
856 Yeah, let me.
857 Just show Mr. Padilla first before you give it to share. It's just the nob.
858 Do you have that, Mister Padilla?
859 I'll pass it.
860 Let's see.
861 Let me see if I can share my screen here.
862 Actually I'm not logged in.
863 Just again go on.
864 Mr. Jackson, just showing you here for the record the Nov.
865 And what's the date that these wells have been inactive since at least October 2018?
866 It says there.
867 And so.
868 1915258 requires operators to plug and abandon or produce wells after a certain
869 time period. Is that right?
870 Yes. Additionally, 191559 sets the amount of inactive wells that an operator is
871 allowed to have under the rules.
872 Correct, correct in this case.
873 Was this operator.
874 Non compliant, yes. OK.

875 In fact, all of it's 100 percent, 100% of the wells are never allowable under the rules.
876 Is it no. OK.
877 Did you also have an opportunity to tabulate a civil penalty in this matter?
878 I did.
879 Do you recall what that amount in this not for this operator, OK.
880 What are you showing you, Mr. Hall?
881 I'm showing him the, then I'll be again.
882 And what is the amount you determine? It was \$2700 and is that generally on these?
883 Is the amount \$450 per inactive?
884 Will that you assess in that calculation correct? And so 450 * 627 hundred, right?
885 Yeah. OK.
886 Now.
887 OCD may impose sanctions of civil penalty termination of a permit or authorization
888 of the ability to transport.
889 We can force.
890 Plugging and abandoning of inactive wells.
891 That's it's all what we're able to do when a operator. Is this noncompliant? Correct.
892 That is correct.
893 As well as forfeiting financial assurance correct to recoup cost, OK.
894 And so.
895 So in this case.
896 Operator has six wells, all of them in active.
897 And that's what? That's what your research determined, utilizing OC DS permitting
898 system, correct?
899 Yes, I'll pass the witness.
900 May I speak to something that was said earlier about the the federal? Well, it's OK
901 with me, sure. But we'll hold on. Mr. Jackson. 11 moment. Sure. Before you do that,
902 Mister Hall, in your Nov on page.
903 You have an inactive well list. Yes. OK, Mr. Jackson.
904 Did you create that inactive Wellness?
905 The report ushered in.
906 I thought.
907 I thought you did.
908 For the record, I I wanna get this entered into evidence. I would offer exhibit A to the
909 Nov, that being an active well list as of December 30th 2025.

910 Would you show Mr. Padilla it before we deal with it?
911 It's it's.
912 Is there any objection, Mr. Padilla?
913 Yes, I would I.
914 Is your microphone on Mr. Would you say that again?
915 I have an objection to.
916 I don't have an objection to five wells that are not that on state oil and gas leases or
917 state land now.
918 But I do have an objection with respect to the federal well, OK. So Mr. so, Mr. Hall,
919 would you? Does this witness have a copy of that?
920 List no, but I'm happy to show it to him.
921 Would you?
922 Would you show him the list? Sure.
923 And would you ask this witness questions to establish a foundation for that list? And
924 then I'd like, Mr. Jackson, I'd like you to read those API numbers and those well
925 descriptions into the record.
926 OK, Mr. Jackson, you compiled this list in December of 2025.
927 Correct, correct.
928 And that's not something you do like.
929 You go search out the wells.
930 This is the inactive well that's maintained by OCD, correct?
931 Correct, it's automated report. I can run. OK. That includes federal wells, doesn't it?
932 It includes all wells within the borders of New Mexico, be it tribal, federal, state or
933 private.
934 And so a plugging order on a federal well is something we can absolutely get.
935 But we would perhaps coordinate with BLM on whether we are not. We actually did
936 plug it.
937 Was that the procedure correct?
938 We we we coordinate with BLM when we're plugging federal wells and tribal or
939 plugging on tribal land.
940 But when a when a operator is is extremely noncompliant like this, it's NOC DS
941 prerogative.
942 And.
943 In fact, appropriate as a regulator to get a plug in order for all wells, including federal
944 wells, correct.

945 Again, offer exhibit A to the Nov, the the inactive world.
946 I just have a a couple of questions for Mr. Jackson.
947 Mr. Jackson. What? How do you know that? That list there is accurate.
948 Per just per our IT department's construction of this report that I can run and then I
949 can go into individual wells and look at through the IT OCD permitting website and
950 look up the statuses.
951 So is it?
952 Which was exhibit A.
953 You said it's exhibit A to the NRV. Yes, Sir.
954 So Mr. Jackson, exhibit A. Is that a accurate copy of the report?
955 Correct it is.
956 And you ran that report yourself.
957 Yes, OK.
958 And would you, Mr. Padilla, based on those questions, do you have any additional for
959 this witness?
960 Yes, I have. I have questions.
961 Sorry, I just had a senior moment.
962 Please state your name again, Rob Jackson.
963 Rob Jackson, I'm sorry.
964 Mr.
965 Jackson does the OCD have jurisdiction over federal wells over the operation of
966 federal wells? Mr. Mr. Padilla.
967 That's not a property or question.
968 I'm trying to decide whether to admit this document into evidence.
969 I'm asking you to.
970 I'm asking if you have any objection to the foundation not to the legal ramifications.
971 No, I don't.
972 I don't have an objection to the foundation.
973 That's what I was trying to get to, and I'll let you cross examine this witness in just a
974 moment.
975 So. So, Mr. Jackson, I am admitting exhibit A of the Nov into evidence as the well list.
976 Would you read the wells, the six wells and their descriptions into the record? A lot of
977 descriptions you want, I guess the API.
978 Isn't that the best description?
979 I.

980 I don't know.
981 It's not my business.
982 Oh oh, the API identifying the 612. OK, first of all, IS30-025.
983 Dash 22264.
984 It is a state well, oil.
985 Second well is 30 dash 02528389. It is a federal oil oil.
986 Well, three is 30 dash 02522666 statewill oil.
987 #4 is 30 dash 02522886 statewill oil.
988 The fifth one.
989 30 dash 02501122 state well oil and the 6th one is 30 dash 02529 dash 29417
990 statewill oil.
991 All right.
992 Thank you, Mr. Padilla. Your your cross examination.
993 Mr. Jackson.
994 Do you have a field report on this wells?
995 Do I have? What do you have a field report on this wells Field report?
996 Now we have what the operator reports.
997 To us. OK, but.
998 Your assessment of inactive wealth is simply from a website.
999 Correct. It's from reports submitted by the operator to our website that I run a report
1000 off of Craig.
1001 Did you talk to anyone?
1002 In Hobbs office or the Artesia office, wherever these wells are located.
1003 No. Do you know what the conditions of the wells are on the surface and subsurface?
1004 I do not.
1005 That would be our engineering Bureau.
1006 Are you alleging that there's environmental pollution of any sort with regard to this
1007 compliance hearing?
1008 No, not at all.
1009 When you say, as I understand your testimony, that you have jurisdiction over federal
1010 wells, that you can issue a plug in order on a federal well. Is that fair to say?
1011 I just want to slide.
1012 I'm OK with that question, but a line of questioning that calls for legal conclusions
1013 about OCD jurisdiction.
1014 I would like a running objection to that line.

1015 That particular question I think Mr. Jackson can answer.
1016 Mr. Mr. Padilla, I'm gonna caution you. So there's no objection to the question itself,
1017 but I'm gonna caution you not to go too far down this rabbit hole with legal
1018 opinions.
1019 I'm sure you could frame it differently if you wanted to.
1020 I'm I'm sure I can frame it differently, but do you typically?
1021 Does OCD typically?
1022 Regulate federal wealth.
1023 Yes, the the status of the wells correct, they in fact it's to my understanding that BLM
1024 uses our data to regulate the wells from their from their standpoint.
1025 So your answer just told me that the feds, the federal, the BLM, the Bureau of Land
1026 Management, actually regulates the federal wells.
1027 We coordinate with federal.
1028 They oversee it.
1029 We have to adhere to them if they override us, but we coordinate with them on
1030 plugging and they use our data and we use our data to submit the plug in orders.
1031 Do you know whether the federal the Bureau of Land Management would order a
1032 well to be plugged? Objection.
1033 This is outside of the scope of the pre hearing statement and the scope of
1034 designated testimony for Mr. Jackson.
1035 And so we have not designated him to testify about federal jurisdiction and plugging
1036 matters your response.
1037 Mr. Savannah, I'm just simply trying to figure out who regulates federal wells.
1038 I mean, whether it's the Bureau of Land Management or whether it's the OCD and I'm
1039 not, I'm very cautious now based on your admonition that.
1040 I shouldn't ask about legal jurisdictional questions, and I'm not trying to do that.
1041 I'm just trying to figure out who has responsibility for federal oil and gas wells.
1042 Let Mr. Padilla the scope of Mr. Jackson's testimony as an administrative compliance
1043 officer, basically.
1044 If that term is incorrect, Mr. Paul, I apologize.
1045 I agree with that term.
1046 OK, fine.
1047 That is confined to what he does.
1048 What you're asking is outside that scope, so the objection was outside the scope of
1049 his direct testimony.

1050 So I'm gonna sustain that if you can keep asking questions, but you have to stick
1051 within the scope of his direct testimony, OK?
1052 Michael so.
1053 Mr. Jackson.
1054 So I understand your testimony.
1055 You simply took what?
1056 Is covered by your website in terms of production. C 115 reports that.
1057 The that the operator filed is that fair? That's fair.
1058 And you had no.
1059 Outside.
1060 Input for determining what what the condition of the wells were.
1061 No. OK. Objection. He has not testified about the condition of the wells, nor is that
1062 within the scope.
1063 Of this hearing, it's has to do with inactivity, not not the condition of the wells.
1064 I.
1065 I don't, Mr. Hall.
1066 I don't believe the question Mr. Padilla ask goes to the condition.
1067 Of the wells, I thought the question he asked was you're not relying on anything
1068 outside of the operators submissions into the database and and I thought he said no,
1069 I might have misrepresented them. Say it to determine the condition of the wells. If I
1070 misheard, I apologize. And.
1071 I withdraw the objection. Mr. Patel, did you?
1072 Did you ask about the condition of the wells? No, I didn't.
1073 I just simply asked whether.
1074 Who determines the BLM or or?
1075 The OCD.
1076 Keep going, Mr. Padilla.
1077 OK.
1078 I know that you're not a petroleum engineer and you've been at this job for based on
1079 your resume for about four years, and also based on your affidavit, you simply, as I
1080 understand your affidavit, you simply took.
1081 Your information from the OCD website on whether or not the wealth were
1082 producing oil and gas.
1083 Correct, correct.
1084 It's basically an honor system that the operators report their production and if they

1085 don't report their production, that's what I have.
1086 Did you have any communications at all with anyone at the state Land Office? No.
1087 Do you know whether anyone from the OCD voice in communication with the state
1088 Land Office regarding?
1089 The six wells that are at issue here today, I do not know of any communications
1090 there.
1091 Mr. Jackson.
1092 If an order is issued by the division.
1093 Let me ask it this way. You said likely that an order issued by the division will require.
1094 GNG to plug and abandon these wells.
1095 I'm sorry, what was the question again?
1096 Is it likely that a division order will require AGNG to plug and abandon these wells?
1097 Understood. It's it's likely that they'll be required to return them to production or
1098 plug them.
1099 Mr. Xamarinar, I believe that's all I have. Thank you.
1100 Any redirect?
1101 No, Mr. Jackson. You're excused. Thank you.
1102 OK.
1103 So Mr. let's review, Mr. Hall, let's review the evidence that we have admitted into the
1104 record so far.
1105 Why don't you tell me from your perspective what it is?
1106 My perspective is there are 6 inactive wells that document from OC D's records is in
1107 evidence, Mr. Jackson testified as to a civil penalty of 2700 as well as the rules.
1108 That require that are required of of operators with regard to keeping wells active.
1109 And and the remedy is available to OCD.
1110 So I think all those are are in evidence. OK, so is there any other evidence you feel
1111 you want admitted into the record at this time?
1112 No, I think that I think that.
1113 Hits the four corners of the Nov, which is our which?
1114 Our intent, OK, Mr. Padilla.
1115 So does the state rest his case?
1116 Yes, Mr. well, with one caveat. I understood you to say earlier that you might allow
1117 them to bring evidence at a later date.
1118 So we don't rest if evidence is going to remain open.
1119 I'm just asking you if you rest your case in Chief.

1120 Yes. OK. Perfect.

1121 Thank you, Mr. Padilla.

1122 Do you have a case in Chief?

1123 No, I don't.

1124 Do you anticipate having a case in Chief? Yes. OK.

1125 When?

1126 Whenever you said OK hearing, when is the next docket we have and I don't mean

1127 Nov dockets, I'm not gonna wait that long.

1128 What is the next docket?

1129 We have, OK.

1130 Give me one second. Let me check.

1131 I think let me do a little thinking myself.

1132 We have something on the 7th.

1133 We have a hearing by affidavit docket on the 7th.

1134 Mr. Padilla, how long do you think your evidence will take?

1135 I think I'll only have one witness and that would be Mr. McMahon. OK, that would

1136 testify concerning.

1137 The scope of the settlement agreement, OK.

1138 Matt just.

1139 Yes, for purposes of preserving our ability, we object to that as not being timely

1140 under the rules that is not submitted pre hearing statement. Understood you to say

1141 you're going to allow it anyway. That's fine.

1142 Just want to make sure our objections preserved by all means I'm giving Mr. Padilla

1143 every every bit of leeway I can think of for him to.

1144 Present a full and fair case for his client.

1145 Whether it's relevant or not, I don't know, and that'll be up to you to object to if it's

1146 not relevant, you'll object to it.

1147 So this may be a very short.

1148 A continuation of the hearing, Mr. Padilla, we have May 7th is the next time that we

1149 have on the docket.

1150 We can put your case at the end of the hearing by affidavit docket, which means it

1151 probably wouldn't be heard until about noon or 1:00 or so. Your witness.

1152 Can appear virtually.

1153 I have to see him, but he's an attorney, so I'm sure he's, you know, able to do that.

1154 How does that sound to you?

1155 Sounds better than I am today.
1156 Exactly. OK, so so Mr.
1157 So.
1158 Would you please continue this case to the end of the hearing by affidavit docket on
1159 the 7th, which is this Thursday? Mr. Padilla, it's this Thursday.
1160 You should be here, but your witness does not need to be here.
1161 OK.
1162 All right. OK. And Mr. Hall, I I took it for granted that you would be here.
1163 Well, while you were.
1164 Running those traps, I checked my calendar and I'm well. Could you give me a little
1165 clarity on what time I'm thinking of?
1166 There's about 40 cases on the docket.
1167 OK, they tend to we start.
1168 I think it.
1169 I don't remember.
1170 Is it 830 monegie for the hearing?
1171 By affidavit docket, I have now forgotten.
1172 OK, let me give me a second.
1173 Just sure to check.
1174 Sorry, I'm sure in question don't worry.
1175 It's usually on what Freya sends out in her notice to the regulated public.
1176 Mr. Padilla, you might have received that e-mail as well.
1177 I probably did too.
1178 And Mr. Mallo, but you have it too.
1179 It was sent out.
1180 I see.
1181 It's nine AM, 9:00 AM. Perfect. Thank you.
1182 So generally kind of after lunch is that when with 40 cases it could be right before
1183 lunch. It could be after lunch.
1184 We don't always take a lunch if we're thinking that.
1185 Well, one more case and then we're done for the day.
1186 We'll just do it then and we won't take a lunch at noon.
1187 I can be available my request, which of course you can deny is that you and Mr.
1188 Padilla just give me a heads up.
1189 When we're ready to go and I'll that way, I don't have to sit through 40 cases. I don't

1190 think I'm actually representing OCD in those particular cases, so.
1191 So what we'll do is I'll ask Miss Chance. I'll send Miss Chance an e-mail and copy you
1192 and Mr. Padilla asking her to give you about 1/2 hour notice.
1193 Perfect before our regular docket on Thursday is over.
1194 11:30 maybe noon, something like that.
1195 I'll be around. I just.
1196 I just.
1197 I appreciate that courtesy of giving a heads up.
1198 By all means.
1199 So, Mr. Padilla, please let your witness know that we'll expect him to participate.
1200 I want to be able to see him, to swear him in.
1201 I'm not comfortable swearing people in if I can't see them.
1202 I understand that also Mr. I do wanna see his availability in Mesa, of course.
1203 Of course, if it's something extraordinary, you can file a motion with an affidavit.
1204 Explaining why the 7th won't work for him and then we'll find something else.
1205 Maybe it'll be the 13th.
1206 We could start on the 13th.
1207 We have another case that day, but we could start this case maybe at 12:00 or 12:30
1208 that day. So if you want to offer that to your witness as well, if he can't attend.
1209 Late morning on Thursday.
1210 OK. But those are our two options as as we speak.
1211 And Mr. Hall, are you available at around noonish on the 13th? If the 7th doesn't
1212 work?
1213 I am mischie.
1214 So.
1215 Maybe one would be better.
1216 There's some I can't do.
1217 One, we have a hearing at one up in the conference room.
1218 This would be virtually don't you can.
1219 There's some issues in the the OCC web role making that morning is the only
1220 hesitation I have.
1221 Yeah. And I think I don't know how long that's gonna take.
1222 And so my my understanding, they're gonna take a lunch at 12:00 for an hour. OK.
1223 All right.
1224 That that is my only conflict I understand.

1225 OK.

1226 Very good.

1227 Which case are you involved with, Mr. Hall on the docket?

1228 Well, the the role making in for the inactive well role making OCC is that the Welk
1229 rulemaking.

1230 Yes, that will start at 1:00 if I can tell you now. I know when that will start. Oh, OK.

1231 I had 9:00 AM.

1232 So perfect.

1233 They're gonna do other cases, yeah.

1234 So that the afternoon will be welcomed welc.

1235 And I think Mr. Tremain will be available too, so I can make it work. Sounds good.

1236 All right.

1237 So, Mr. Pedio, we're gonna wait to hear from you. But if we don't hear from you,
1238 we're gonna expect that you'll be here Thursday around 11:00 and your witness will
1239 be available starting at 11:00.

1240 I don't know exactly what time we'll call the case.

1241 It'll be at the end of our docket, OK?

1242 I had a question I'm not sure.

1243 Oh, on the 13th, would that hearing be virtual?

1244 I'm sorry. What now? If the hearing is on Thursday, would that be on on the 13th?
1245 Would that be a virtual hearing?

1246 Yes, on on the 13th, we're gonna be in the conference room upstairs.

1247 I won't expect you or Mr. Hall to attend in person.

1248 We can do that all virtual, OK. And then on the 7th, we would meet here.

1249 You and Mr. Hall would.

1250 Be here in this room. 'cause. That's where I'll be.

1251 I'll be hearing hearing by affidavits that day, but your witness can be virtual, right?

1252 OK.

1253 Got it.

1254 Alright, we're in recess on that case.

1255 Let's call our next case and that would be #8 on the docket.

1256 This is 26068 oil Conservation division versus respondent giant operating.
1257 OCD's present ready.

1258 Let me let me just get that one pulled up.

1259 Mr. hearing examiner. OK. Do we have anyone from giant operating?

1260 Any representative?

1261 Mr. Hall, once you get the case pulled up, will you tell me if you've been
1262 communicating with anyone at Giant?

1263 I don't think I have in this particular operator, OK.

1264 It will be in my prenu statement. If so, there's a lot of these as you're aware.

1265 Oh wait.

1266 Yes, there actually has been.

1267 Sorry, there's an attorney.

1268 That was the listed contact. She informed OCD that.

1269 The operator was dissolved in a federal receivership. Is Miss cook?
1270 She's an attorney in Dallas. Is my understanding that was via e-mail.

1271 That's the only communication I received.

1272 That was shortly after I think filing the Nov and and serving her with that.

1273 And and your case, Sir, why don't you present your case?

1274 Sure, OCD would offer exhibits 123 and four attached to our pre hearing.
1275 Statement admitted without without exception K.

1276 What is the?

1277 What is the allegations in this case?

1278 The allegation is that.

1279 This this operator has four of those, all four of which are inactive. We seek.
1280 Authority to plug as well as a civil penalty of \$1800 as well as termination of their
1281 ability to transport.

1282 All the relief requested, and then I'll be OK.

1283 And what is the civil penalty?

1284 \$1800 if you said that I didn't hear you.

1285 OK, sounds good.

1286 Are you gonna draft the order?

1287 Yes. OK, very good.

1288 So we're off the record.


1289 In this case, let's move on to case #9 on our docket, oil conservation division versus
1290 Golden Oil holding case 26069.

1291 Yes, we. This is another one we filed yesterday evening, a motion to dismiss.
1292 The basis for that one.

1293 Slightly different.

1294 All of these wells are tribal.

1295 I have spoken to a representative of the operator and the the there's been no
1296 request.
1297 For OCD to do anything, and it's our policy.
1298 The only one to tribe requests our assistance on matters that we pursue in Nov.
1299 We discovered that after the filing of the Nov.
1300 So that's the basis of the dismissal, OK.
1301 So.
1302 You're filing an emotion and A and a proposed order with the hearing Bureau or with
1303 the division. The Division I I submitted it to Freya yesterday, so that'll go to the
1304 director then.
1305 Well, it's. It's for you to sign off on.
1306 It's how I did it.
1307 But whatever pleases you on that. That's what I meant when I said. Are you filing with
1308 the hearing Bureau or with the division?
1309 Meaning, do you want me to sign the order dismissing the case or the director?
1310 I've submitted it to you.
1311 I don't.
1312 I don't have an objection to to doing it a different way, but but I think that would
1313 work perfectly valid to send it to me.
1314 OK.
1315 So we're off the record in that case, let's move on to case number 10 on the docket.
1316 This is oil conservation division versus respondent High Plains petroleum case
1317 number 26070.
1318 OC DS president and ready to proceed. OK. Do we have anyone from High Plains
1319 petroleum?
1320 Mr. Hall is the usual questions about sure, who have you been in contact with?
1321 Let me pull this one up. I don't think anyone other than the state Land Office on this
1322 one actually they received if I'm not mistaken, a judgment against them.
1323 But in a it's important for OCD to still get plugging authority.
1324 Just just for the way our procedures work, but.
1325 No one from this actual operator has spoken to me, and it was as as set out in this
1326 courthouse affidavit. They were served, according to.
1327 The information provided to OCD.
1328 So we would offer exhibits 123 and four.
1329 Attached to our pre hearing statement admitted without exception and and what are

1330 you seeking here?
1331 The other, in this particular case.
1332 There's only one well that's operated by this operator that will is an active and so
1333 we're seeking plugging authority authority to terminate their authorization or
1334 transfer all relief set out in the Nov as well as a \$450 civil penalty.
1335 Thank you.
1336 Are you drafting the order? Yes, you are.
1337 OK.
1338 Alright, we're off the record in the High Plains case number 10.
1339 Let's go on to case number 11.
1340 This is oil conservation division versus respondent HL brown. Operating case number
1341 26071.
1342 Entries of appearance please.
1343 Yes, OCD is present and ready and would like to announce to you that.
1344 We have signed off on a stipulated final order, which the director has signed, and so
1345 we've we've moved to dismiss and vacate the hearing and dismiss the case because
1346 we have resolved our differences. Sounds good.
1347 So you'll file a motion to dismiss with a proposed order and an exhibit of this
1348 stipulated final order.
1349 Yes, it was filed yesterday.
1350 In fact, yesterday evening.
1351 With Freya.
1352 Yes, with those documents that I just listed.
1353 Yes, Sir.
1354 Sounds good.
1355 We're off the record. In that case, we're going to call case number.
1356 Let's go back to case number 2.
1357 It's it's far after 9:00 AM. I'm gonna recall oil Conservation division versus Blue Ruby
1358 operating.
1359 Do we have anyone from Blue Ruby operating with us?
1360
1361  **Daniel Baker** 1:54:25
1362 Yes, Sir.
1363 My name is Daniel Baker.

1364

1365 **PH** **Pecos Hall** 1:54:28

1366 Very good.

1367 Can you turn on your camera, Sir?

1368

1369 **DB** **Daniel Baker** 1:54:30

1370 It's on. Is it showing me?

1371

1372 **PH** **Pecos Hall** 1:54:33

1373 It's not, Sir.

1374

1375 **DB** **Daniel Baker** 1:54:35

1376 God.

1377

1378 **PH** **Pecos Hall** 1:54:40

1379 You might have a.

1380 Do you have a slider across the front of the laptop or something like that that you

1381 can slide the other way? There you go.

1382

1383 **DB** **Daniel Baker** 1:54:48

1384 There we go.

1385

1386 **PH** **Pecos Hall** 1:54:48

1387 That's it.

1388 I I can see you perfect. OK.

1389 Good morning, Sir.

1390 Do you represent Blue Ruby operating?

1391

1392 **DB** **Daniel Baker** 1:54:56

1393 I do.

1394 Yes, Sir.

1395

1396 **PH** **Pecos Hall** 1:54:57

1397 OK, good. Would you spell your name for the record, please?

1398

1399 **DB Daniel Baker** 1:55:00

1400 Yes, Sir, it's Daniel D.

1401 AN i.e. L.

1402 Baker, Baker.

1403

1404 **PH Pecos Hall** 1:55:06

1405 OK.

1406 Very good.

1407 So, Mr. Baker, what? What is your capacity representing Blue Ruby?

1408

1409 **DB Daniel Baker** 1:55:13

1410 Oh, the president.

1411

1412 **PH Pecos Hall** 1:55:14

1413 Do you the present? OK. Perfect. And have you been communicating with Mr. Hall in
1414 this office?

1415

1416 **DB Daniel Baker** 1:55:15

1417 Yes, Sir.

1418 We have communicated a while back.

1419 Yes, Sir.

1420

1421 **PH Pecos Hall** 1:55:23

1422 OK, sounds good.

1423 Earlier today, before I understood that, you were told 9:00 AM, Mr. Hall moved for
1424 the admission of some evidence exhibits one through 3.

1425

1426 **DB Daniel Baker** 1:55:37

1427 Yes, Sir.

1428

1429 **PH Pecos Hall** 1:55:38

1430 Into evidence. Now you should have received those exhibits along with your.

1431 Would it be the notice of violation Mr. Hall? Or would it have been a docketing

1432 statement?

1433 So all of those would should have been received by the operator by Mr. Mr. Baker's
1434 the e-mail we have, but those particular documents we seek to admit, which would
1435 be actually exhibits 123 and four, are attached to our pre hearing statement. OK, Mr.
1436 Baker, have you seen any of these documents?

1437

1438 **DB Daniel Baker** 1:56:15

1439 Yes, Sir.

1440

1441 **PH Pecos Hall** 1:56:16

1442 OK.

1443 Very good.

1444 Have you seen the documents marked exhibits one through 4?

1445

1446 **DB Daniel Baker** 1:56:22

1447 I believe so, yes, Sir.

1448

1449 **PH Pecos Hall** 1:56:23

1450 You believe so? Alright, sounds good.

1451 Do you object to any of those, and if so, what?

1452 On what grounds?

1453

1454 **DB Daniel Baker** 1:56:30

1455 No, Sir.

1456 No objection.

1457

1458 **PH Pecos Hall** 1:56:32

1459 OK. Then I'll reaffirm that we have admitted exhibits one through 4:00 earlier.

1460 It was one through 3, but now it's one through 4 into evidence. All right now, Mr.

1461 Baker, I don't know what your position is.

1462 Regarding this case, do you dispute any of the allegations?

1463 S.

1464

1465 **DB Daniel Baker** 1:56:56

1466 No, Sir, we're not disputing them.

1467 We have inactive wells currently.

1468 We're aware of that.

1469

1470 **PH** Pecos Hall 1:57:00

1471 OK, Mr. Mr. Hall.

1472 How many? Since I'm not looking at the exhibits in this case, how many?

1473 What's what are the allegations in this case, allegations are this operator operates 8

1474 wells, all eight of which are inactive. OK. And and Mr. Baker, you don't dispute that all

1475 eight are inactive.

1476

1477 **DB** Daniel Baker 1:57:21

1478 So so currently 6R2 are plugged.

1479 We're working on getting the C 10 threes filed for that.

1480

1481 **PH** Pecos Hall 1:57:27

1482 OK, Mr. Hall.

1483 Did you know that?

1484 I did not know. That's good news.

1485 OK. Do you want to?

1486 So Mr. Baker, can you be specific about which two wells on the inactive well list it?

1487 It'll be one of the exhibits.

1488 It'll have a like a an Excel spreadsheet of the wells.

1489

1490 **DB** Daniel Baker 1:57:49

1491 It'll be.

1492 It's the two SIM states wells.

1493 The SIM states 35 #1 and #2.

1494

1495 **PH** Pecos Hall 1:57:55

1496 Hold on, Mr. Mr. Baker.

1497 Mr. Hall, do you see that? OK.

1498 All those wells are gonna be listed on exhibit A to the MLB assumes 35 state are the

1499 last two wells in in that exit.

1500 So does that mean that you will revise your?

1501 Does that change your case in any way that now you up it actually doesn't other than

1502 you know, we will help facilitate.
1503 Take the proper filing of of documents to and, and we're glad that's happened that
1504 they've been plugged.
1505 We were happy to help facilitate in any way getting the proper documentation filed
1506 on that. It might give me if it weren't this late date, some room to negotiate on civil
1507 penalties. But in terms of those wells being inactive on the inactive willist at the time
1508 of the.
1509 Filing of the Nov that would not affect that so.
1510 We're it's not, we're happy.
1511 We're happy that.
1512 They're moving toward compliance.
1513 That's that's all that would change.
1514 OK, alright.
1515 So you're what you're saying, Mr. Hall is whether or well is plugged or not. If it's
1516 inactive for a certain period of time, it needs.
1517 It needs.
1518 Something needs to happen either.
1519 It needs to be plugged or put back into production or something, right?
1520 And that's a lot of times we do these stipulated final orders to sort of memorialize
1521 some of these acts.
1522 But here we are at hearing and and we they have not availed themselves of.
1523 Of opportunity to discuss that kind of agreement. OK, what is the fine in this case?
1524 It is, I believe.
1525 I'm almost there.
1526 3600 is is the amount requested in the for the 8 wells OK and that's and that's
1527 broken down. Just FYI in case you decide to do a different number that's determined
1528 at \$450 a well, so.
1529 If you wanted to give them credit for two, that would be your prerogative.
1530 We're not asking for that.
1531 We're asking for the full amount.
1532 And you said that the total fine was what, 3608 wells 32 times?
1533 400-5600 yes, Sir, Mr. and is there anything else that you're seeking besides the
1534 \$3600 in fines?
1535 Yes, we're seeking the civil penalty.
1536 Which you just mentioned authority to plug.

1537 The ability to terminate their ability to transport.
1538 The ability to foreign for.
1539 Forfeit financial assurance.
1540 Shut in the wells.
1541 Remediate or restore the location in the event of an environmental contamination.
1542 And the ability to modify, suspend, cancel or terminate permit.
1543 OK, Mr.
1544 Mr. Baker, did you understand what Mr. Hall said?

1545

1546 **DB Daniel Baker** 2:01:05

1547 Yeah, the authority to plug is is Mr. Halls in the state is wanting to plug them
1548 themselves.

1549

1550 **PH Pecos Hall** 2:01:08

1551 Yes.

1552

1553 **DB Daniel Baker** 2:01:13

1554 Is that what is that what that is?

1555

1556 **PH Pecos Hall** 2:01:15

1557 No, we want you to plug them.

1558

1559 **DB Daniel Baker** 2:01:17

1560 OK.

1561

1562 **PH Pecos Hall** 2:01:17

1563 But, but since you haven't, we seek an order allowing us to do that.

1564

1565 **DB Daniel Baker** 2:01:23

1566 But the order isn't necessarily saying you're doing it.

1567

1568 **PH Pecos Hall** 2:01:23

1569 And and Mr.

1570

1571 **DB Daniel Baker** 2:01:25

1572 That's just an order saying you can so. So essentially our point we we have a plug in
1573 contractor lined up to do three additional ones.
1574 We hope to have those completed by June.

1575

1576 **PH Pecos Hall** 2:01:33

1577 Yeah.

1578

1579 **DB Daniel Baker** 2:01:36

1580 We were gonna take July off and then have the remaining three fully done in August
1581 is kind of our plan.
1582 If that satisfies Mr. Hall and and you, Mr. Examiner.

1583

1584 **PH Pecos Hall** 2:01:48

1585 I think so, Mr. Hall. Hearing what he just said, that there, that it's in the works to do
1586 the other six.

1587 Does the order allow some time for him to complete this?

1588 It doesn't, but I will make an internal note in the files that this shouldn't. These
1589 shouldn't be priorities because the operator intends to plug and you know.

1590 Our our, our folks that look into that would then be able to say, OK, let's not do that
1591 one.

1592 But it's not a perfect system, and that's since we're here at a hearing and you know,
1593 but no, we we would weigh rather them plug them than than that fall on the state.

1594 Mr. Baker, do you have anything else that you want, Mr. Hall or myself to know?

1595 About these eight wells 2, two of which are plugged.

1596

1597 **DB Daniel Baker** 2:02:43

1598 No, Sir, I don't think so.

1599

1600 **PH Pecos Hall** 2:02:45

1601 When were the two plugged?

1602

1603 **DB Daniel Baker** 2:02:47

1604 Oh, I have to go pull some dates for you.

1605

1606 **PH Pecos Hall** 2:02:53

1607 OK.

1608 Why don't I give you 5 minutes to go pull that data?

1609 I'll go and recess on this case.

1610

1611 **DB** Daniel Baker 2:02:56

1612 OK.

1613

1614 **PH** Pecos Hall 2:02:58

1615 I'll call another case. You can just turn your camera off for a bit.

1616

1617 **DB** Daniel Baker 2:03:02

1618 OK.

1619

1620 **PH** Pecos Hall 2:03:02

1621 I'll recall this case and find out when they were plugged.

1622

1623 **DB** Daniel Baker 2:03:05

1624 OK.

1625 Thank you.

1626

1627 **PH** Pecos Hall 2:03:07

1628 Thank you, Sir. OK.

1629 OK, I'm gonna call the last case on our docket. This is number 12 oil conservation
1630 division versus respondent H&M disposal case number 26072.

1631 Yes, let me pull that one up, Mr. hearing examiner.

1632 I I'm doing all we move for a continuance in that one. I see that and I'm. I just wanna
1633 pull. I'm. And now I'm starting to get stuff mixed up in my head.

1634 So let me not say anything wrong.

1635 Try this a different way.

1636 Oh yes, I'm remembering that if I'm not mistaken. I've been speaking to the
1637 representative of the operator and.

1638 I believe they are.

1639 Either have or are intending to to plug shortly, but let me let me pull that motion up.

1640 Oh, and I should also note they've already paid the civil penalty.

1641 Based on an agreement.

1642 Thanks.
1643 I thank Mr. Herod said.
1644 What's the civil penalty?
1645 Where do I send it? And so yeah. So I think that's what happened. I'm here.
1646 It is now.
1647 I have this continuous.
1648 OK.
1649 Yeah, he's having some problems logging into the system.
1650 And just needs needs a little more time. Think he's trying to remediate the site as
1651 well as get off his C115's filed. And so. But the parties are in agreement to continue
1652 this case. Yes, to June 20.
1653 We don't have an SFO yet.
1654 I think we're moving trending in that direction, but yes, we are in agreement in, in
1655 terms of.
1656 Of continuing the case and there is no one representing H&M disposal with us today.
1657 Not that I'm aware of, OK, however.
1658 No, I just received an e-mail from the representative at at 10:12.
1659 He's having difficulty logging into the hearing.
1660 So he's trying.
1661 It's a function of computer incompetence, not disrespect for the proceedings, he
1662 says. So, OK.
1663 Well, I'll grant the continuance, OK, if he's listening, I want him to know that this will
1664 be the final continuance. If there's gonna be a settlement agreement, it needs to be
1665 worked out before June 25th. Or else this case will go to a hearing on that day.
1666 So we are in recess on that case, and I'm not gonna sign the order for a continuance
1667 because I'm granting it verbally.
1668 But I'm sorry, could you restate that?
1669 Sure, I know that you sent a few last minute continuances along with proposed
1670 orders.
1671 I'm dealing with them verbally.
1672 Oh, sure, granting them so I won't be signing them and sending them fair. Not OK.
1673 So let's go back to Mr. Baker.
1674 Mr. Baker, do you have that date?

1675

1675  **Daniel Baker** 2:07:09

1677 So the number one was April 20th.

1678 And then.

1679 The number two was back in December of 25.

1680

1681 **PH** Pecos Hall 2:07:25

1682 OK. And when you say #1 and #2, are you, what numbers?

1683

1684 **DB** Daniel Baker 2:07:28

1685 Sorry The Sims.

1686 The Sims State 35 #1 and Sims, uh state 35 #2 I apologize.

1687

1688 **PH** Pecos Hall 2:07:36

1689 But we now we understand. OK, very good.

1690 So one was plugged in December of 25.

1691

1692 **DB** Daniel Baker 2:07:41

1693 Yes, Sir.

1694

1695 **PH** Pecos Hall 2:07:42

1696 And one was just plugged a few weeks ago.

1697

1698 **DB** Daniel Baker 2:07:44

1699 Correct in April. Yes, Sir.

1700

1701 **PH** Pecos Hall 2:07:46

1702 All right. Very good. Mr. Mr. Baker, do you have proof of that?

1703

1704 **DB** Daniel Baker 2:07:52

1705 We've got the the seed.

1706 10 threes to file.

1707 We'll get them filed and then I can provide them to Mr. Hall and to yourself.

1708

1709 **PH** Pecos Hall 2:07:59

1710 OK, perfect.

1711 Would that be that?

1712 'D be perfect.
1713 That'd be perfect, Mr. Baker. If you'll provide those to Mr. Baker, it it may may be
1714 helpful to you in your case.
1715
1716 **DB Daniel Baker** 2:08:06
1717 OK.
1718
1719 **PH Pecos Hall** 2:08:12
1720 So I I would.
1721
1722 **DB Daniel Baker** 2:08:13
1723 Yes, Sir.
1724
1725 **PH Pecos Hall** 2:08:14
1726 I'll give you a deadline for that.
1727 So that there's no misunderstanding.
1728 Today is the 5th of May.
1729 You provide those by the 8th of May, close of business 5:00 PM to Mr. Hall, and it
1730 may be.
1731 Helpful to your case.
1732
1733 **DB Daniel Baker** 2:08:30
1734 OK.
1735
1736 **PH Pecos Hall** 2:08:32
1737 OK.
1738 Anything else, Mr. Baker?
1739
1740 **DB Daniel Baker** 2:08:37
1741 Umm.
1742 What's the next step here?
1743 How does this?
1744 How? How does this go?
1745 What? How does this work from here?

1746

1747 **PH** Pecos Hall 2:08:47

1748 Mr. Hall.

1749 Well, yeah. If you stay in touch with me.

1750 We'll help you facilitate the filing of the the forms.

1751 I mean, given that we're, I guess it's it's the hearing examiners determination where

1752 we go from here given the evidence we presented, we have these orders, but we

1753 want you to plug them like I said.

1754

1755 **DB** Daniel Baker 2:09:11

1756 OK.

1757

1758 **PH** Pecos Hall 2:09:17

1759 So if you're communicated with me or whoever else I might direct you to.

1760 You know that will be good.

1761 I don't really have authority as I sit here now to to negotiate on civil penalty, but I,

1762 the hearing examiner can set that wherever he wants to to and I think he said it could

1763 be helpful to your case that you do these things so.

1764 So we'll work with you anyway we can.

1765 I hope that answers your question.

1766 Where we go from here is hopefully you plug all these wells as soon as possible.

1767

1768 **DB** Daniel Baker 2:09:53

1769 Well, that's our intention, I just.

1770 I didn't know.

1771 I.

1772 I guess I meant more formally.

1773 Is there a final order from here?

1774

1775 **PH** Pecos Hall 2:10:02

1776 There is Mr. Baker.

1777

1778 **DB** Daniel Baker 2:10:03

1779 OK.

1780

1781 **PH** Pecos Hall 2:10:03

1782 Let me see if I can be helpful to you to, to you. What happens now is?

1783 Mr. Hall drafts a proposed final order I review.

1784

1785 **DB** Daniel Baker 2:10:13

1786 OK.

1787

1788 **PH** Pecos Hall 2:10:14

1789 I review the proposed final order.

1790 I examine the evidence and I issue a final order to the director for his signature.

1791 This will take about a month, OK and then I believe in the final order, it also gives you

1792 a a period of time to plug those.

1793

1794 **DB** Daniel Baker 2:10:25

1795 OK.

1796

1797 **PH** Pecos Hall 2:10:32

1798 As well as well.

1799 Is that right, Mr. Hall?

1800 Yes, I thought so.

1801 30 days, right? Yes, that's right.

1802 So. So, Mr. Baker, you're gonna have approximately 2 months.

1803

1804 **DB** Daniel Baker 2:10:44

1805 OK.

1806

1807 **PH** Pecos Hall 2:10:46

1808 To to submit those forms showing that you've plugged all six. Well, I guess the first

1809 two of the eight, you'll provide that evidence by Friday, and then you'll file those

1810 correctly in the in the portal. Then you'll file.

1811

1812 **DB** Daniel Baker 2:10:55

1813 Yes.

1814 Yes.

1815

1816 **PH** Pecos Hall 2:11:01

1817 The other six documents showing that you have plugged the other six wells and if

1818 you do that all within, let's say about two months or so, then that should end the

1819 case except for the except for whatever fine I determined to be reasonable.

1820

1821 **DB** Daniel Baker 2:11:18

1822 OK.

1823

1824 **PH** Pecos Hall 2:11:21

1825 And that's that's formally what you're looking at.

1826

1827 **DB** Daniel Baker 2:11:24

1828 OK.

1829 Thank you for that.

1830

1831 **PH** Pecos Hall 2:11:25

1832 Of course. And by the way, as you plug the wells, you said you had three scheduled

1833 for plugging, if I'm not mistaken, in June you said.

1834

1835 **DB** Daniel Baker 2:11:32

1836 We did.

1837 Yes, Sir.

1838

1839 **PH** Pecos Hall 2:11:34

1840 Yeah, I would file those as soon as they're plugged. I would file those to show the

1841 division that you are a man of your word and that we can.

1842 We can depend on you.

1843

1844 **DB** Daniel Baker 2:11:43

1845 Yes, Sir.

1846

1847 **PH** Pecos Hall 2:11:45

1848 All right, if there's nothing else, Mr. Hall.

1849 Nothing else from OCD. Very good.

1850 Thank you, Mr. Baker, for your participation.

1851 And we're off the record.

1852

1853 **DB** Daniel Baker 2:11:53

1854 Hey, thank you and thank you, Mr. Hall, for your help.

1855

1856 **PH** Pecos Hall 2:11:55

1857 Bye bye.

1858 Thank you, Mr. Baker.

1859 All right. We are back on the record.

1860 It is 10/26 on May 5th it was brought to my attention that we have a number 13 case.

1861 It is the oil conservation versus scorpion oil and gas case, number 26073. Do we have
1862 anyone from Scorpion oil and gas with us?

1863 Mr. Hall, do you want to enter an appearance?

1864 Yes, Michael Hall, on behalf of OCD, were present and ready to proceed.

1865 Thank you.

1866 Have you communicated with? Oh, alright. OK. We have not known.

1867 In fact, there's been an emergency orders against this operator and they were not
1868 commutative to that either.

1869 Alright, so I'll I'll say that Scorpion oil and gas is is a no show.

1870 What evidence did you want to admit into the record we would offer exhibits?

1871 123 and four attached to to our pre hearing statement.

1872 Your exhibits are admitted without exception and is it my understanding that that
1873 you have not heard from any representative of Scorpion oil and gas since you filed
1874 this Nov to the best of my recollection, that's that's correct. OK.

1875 So what is the allegations in this case?

1876 The allegations in this case is they operate 46 wells.

1877 43 of which are inactive.

1878 Also, a failure to to file some C1 fifteens and so.

1879 So the civil penalty is a lot larger in this case than than our typical ones we've been
1880 doing lately on inactive wells.

1881 That is \$73,350.

1882 And so yeah, it's inactive.

1883 It's basically they've they've completely failed.

1884 To do everything an operator should do has more thoroughly set out in the NLV.

1885 And and is there anything else that makes this case distinctive other than there's
1886 been emergency spills that they they have? OC DS reached out to them and they
1887 haven't.
1888 Responded to that either.
1889 And so just just complete dereliction of duties. I mean, that's not that different, but
1890 the volume of wells and the emergency aspect.
1891 Certainly cost them more.
1892 More concerned than than typical.
1893 OK. All right. If there's nothing else about this case, then are you drafting an order for
1894 this case? Yes, I will.
1895 OK.
1896 Very good.
1897 Well, Mr. Hall, thank you.
1898 And we're off the record again.
1899
1900● **Pecos Hall** stopped transcription