

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:

IN RE PRIMAL ENERGY CORPORATION

Case No. 22221

REPORTER'S TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, DECEMBER 1, 2021

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division before Hearing Examiner, Ripley Harwood, Esq. on Wednesday, December 1, 2021, via Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
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A P P E A R A N C E S

FOR NM EMNRD, OIL & GAS DIVISION:

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I N D E X o f E X H I B I T S

No.	DESCRIPTION	ADMITTED
1	Resume	7
2	Notice of Violation	7
3	OCD Docketing Notice	7
4	Certified Mail tracking information	7
5	Civil Penalty Calculation	7
6	Civil Penalty Calculation	7
7	Civil Penalty Calculation (FA)	7

1 (Time noted 1:12 p.m.)

2 EXAMINER HARWOOD: Okay. Then we are going to
3 call Case No. 5 on today's docket, Case No. 22221, Notice
4 of Violation issued to Primal Energy Corporation.

5 If there's anybody on this hearing today
6 that represents Primal Energy Corporation, please unmute
7 yourself and make your a appearance for the record.

8 (Note: Pause.) Okay. Hearing no one. I
9 see, by the way, we have six panelists left, so it may be
10 unnecessary for me to keep saying, inviting the Respondent
11 to chime in on these cases. I guess the only person I
12 don't recognize is Karen Collins, but...

13 MR. TREMAINE: That's Mr. Jackson's acting
14 supervisor, Mr. Hearing Examiner. She works for the
15 Administrative Compliance Bureau and is observing today.

16 EXAMINER HARWOOD: Okay. I see that in my notes
17 from this morning's case.

18 All right. So if you are ready to proceed,
19 Mr. Tremaine, let's get on with 22221.

20 MR. TREMAINE: Excellent. I'm going to proceed
21 with about the same procedure.

22 ROB JACKSON,
23 having been duly sworn, testified as follows:

24 DIRECT EXAMINATION

25 BY MR. TREMAINE:

1 Q. Mr. Jackson, in regard to case No. 22221, Primal
2 Energy Corporation, did you assist in preparation of the
3 Notice of Violation in this matter?

4 A. Yes, I did.

5 Q. In fact you provided the initial information and
6 the numbers that are laid out in the NOV?

7 A. Correct.

8 Q. Are you aware that the OCD has filed a
9 Prehearing Statement and an Exhibit Binder in this case?

10 A. I am.

11 Q. In preparation for this hearing have you
12 reviewed both the Prehearing Statement and the exhibits?

13 A. I have.

14 Q. Are you aware of the section in the Prehearing
15 Statement labeled Direct Testimony?

16 A. Yes, I am.

17 Q. And do you affirm and adopt the Direct Testimony
18 section of the Prehearing Statement as the testimony that
19 you intend to provide today?

20 A. I do.

21 Q. Okay. I'm going to ask you about the exhibits.
22 Again, Exhibit 1 is your resume; is that
23 correct?

24 A. Correct.

25 Q. And the information contained in that resume is

1 true and accurate?

2 A. Yes.

3 Q. Exhibit 2, that's the Notice of Violation issued
4 to Primal Energy Corporation on August 12th of this year;
5 is that correct?

6 A. Correct.

7 Q. And the information contained in that NOV is
8 true and accurate to the best of your knowledge?

9 A. Yes.

10 Q. Moving on to Exhibit 3, again this is the OCD's
11 Notice of Docketing Statement issued to Primal Energy; is
12 that correct?

13 A. Correct.

14 Q. And I'd note that this is a filing for the
15 record submitted by counsel in this matter.

16 Exhibit No. 4, again this is the Certified
17 Mail tracking information for the Docketing Notice for
18 first the Notice of Violation and then the Docketing
19 Notice issued to Primal Energy Corporation; is that
20 correct?

21 A. That's correct.

22 Q. Have you reviewed the tracking information
23 associated with these Certified Mail receipts?

24 A. I have.

25 Q. And you have been able to verify the delivery

1 date of the respective documents?

2 A. I have.

3 Q. And are you able to verify that the tracking
4 information on the United States Postal Service website is
5 consistent with the delivery dates that are outlined in
6 the Prehearing Statement?

7 A. It is.

8 Q. Let's see. Okay. So Exhibit 4 is true and
9 accurate to the best of your knowledge?

10 A. Correct.

11 Q. Exhibit 5, is it true that this is the civil
12 penalty calculation for the proposed civil penalties for
13 Primal Energy Corporation's violation of the inactive well
14 threshold?

15 A. Yes, it is.

16 Q. Have you reviewed the numbers and the status of
17 the wells that are the basis for the civil penalty
18 calculation?

19 A. I have.

20 Q. And those are true and accurate to the best of
21 your knowledge?

22 A. Yes.

23 Q. I have the same questions for Exhibit 6. Is it
24 true that this is the proposed civil penalty for Primal
25 Energy Corporation's failure to file C-115s for 10 wells?

1 A. It is.

2 Q. And is the information contained in this exhibit
3 true and accurate to the best of your knowledge?

4 A. It is.

5 Q. And Exhibit 7, is it true that this is the civil
6 penalty calculation for Primal Energy Corporation's
7 violation for failure to provide adequate financial
8 assurance for a qualifying well.

9 A. It is.

10 Q. And the information contained in Exhibit 7 true
11 and accurate to the best of your knowledge?

12 A. It is.

13 MR. TREMAINE: At this time, Mr. Hearing
14 Examiner, I would move admission of Exhibit 1 through 7.

15 EXAMINER HARWOOD: And again I will note the
16 Respondent has failed to appear for this hearing, despite
17 what appears to be adequate Notice, so with no objection
18 Exhibits 1 through 7 will be admitted.

19 MR. TREMAINE: Mr. Jackson, just a couple of
20 follow-up questions.

21 FURTHER EXAMINATION

22 BY MR. TREMAINE:

23 Q. To your knowledge has Primal Energy Corporation
24 taken any of the compliance actions that were set forth
25 under Section 3 of the Notice of Violation?

1 A. No, they have not.

2 **Q. To your knowledge, has Primal Energy Corporation**
3 **contacted OCD generally, or the Administrative Compliance**
4 **Bureau specifically, to discuss the Notice of Violation?**

5 A. No, they have not.

6 MR. TREMAINE: I have no further questions, Mr.
7 Examiner.

8 EXAMINER HARWOOD: Then, Mr. Tremaine, if you'll
9 get me a Proposed Order at your soonest convenience, along
10 the lines of the Order we discussed in connection with
11 Case 22220.

12 That concludes Case No. 22221.

13 MR. TREMAINE: I will. Thank you.

14 EXAMINER HARWOOD: Anything further? I guess I
15 should ask: Anything further from you, Mr. Tremaine, on
16 this case before we move on to the last case?

17 MR. TREMAINE: Nothing further.

18 EXAMINER HARWOOD: All right.

19 (Time noted 1:21 p.m.)

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1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Wednesday,
8 December 1, 2021, the proceedings in the above-captioned
9 matter were taken before me; that I did report in
10 stenographic shorthand the proceedings set forth herein,
11 and the foregoing pages are a true and correct
12 transcription to the best of my ability and control.

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

18

/s/ Mary MacFarlane

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MARY THERESE MACFARLANE, CCR
NM Certified Court Reporter No. 122
License Expires: 12/31/2021

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