

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:

APPLICATION OF SOLARIS WATER MIDSTREAM, CASE NO. 20733
LLC FOR APPROVAL OF A SALTWATER DISPOSAL
WELL, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 19, 2019

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
KATHLEEN MURPHY, TECHNICAL EXAMINER
DANA Z. DAVID, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner; Kathleen Murphy, Technical Examiner; and Dana Z. David, Legal Examiner, on Thursday, September 19, 2019, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR
New Mexico CCR #20
Paul Baca Professional Court Reporters
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

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APPEARANCES

FOR APPLICANT SOLARIS WATER MIDSTREAM, LLC:

JAMES G. BRUCE, ESQ.
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

FOR INTERESTED PARTY NGL WATER SOLUTIONS PERMIAN, LLC:

DEANA M. BENNETT, ESQ.
MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.
500 4th Street, Northwest, Suite 1000
Albuquerque, New Mexico 87102
(505) 848-1800
deanab@modrall.com

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EXHIBITS OFFERED AND ADMITTED

No exhibits.

1 (8:24 a.m.)

2 EXAMINER GOETZE: We'll start with the
3 saltwater disposals. First up is Case Number 20733,
4 application of Solaris Water Midstream for approval of a
5 saltwater disposal well, Eddy County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of
8 Santa Fe representing the Applicant.

9 I have two witnesses.

10 MS. BENNETT: Deana Bennett on behalf of
11 NGL.

12 EXAMINER GOETZE: Very good.

13 Mr. Bruce, take a center seat. We're going
14 to have a discussion about your application. Okay?

15 MR. BRUCE: Okay.

16 EXAMINER GOETZE: So this is for the Maley
17 No. 7.

18 MR. BRUCE: Uh-huh.

19 EXAMINER GOETZE: It was brought to the
20 Director's attention where the location of this
21 application is. And at this point, the Division has
22 been directed to deny this application at this time in
23 light of its location and proximity to a very sensitive
24 subject both to the governor and the legislature, which
25 is the I&W remediation project on the brine well. At

1 this point the feeling is the issuance of a permit here
2 would not be beneficial and that we are going to deny it
3 and dismiss and say that at a later period, you can make
4 application again. And we will provide you with the
5 necessary information on how the progress of the
6 remediation of the brine well is going, and at that time
7 you may apply.

8 MR. BRUCE: How far away is the brine well?

9 EXAMINER GOETZE: It is --

10 EXAMINER MURPHY: 0.85 miles.

11 EXAMINER GOETZE: How far is the governor
12 away from it?

13 (Laughter.)

14 EXAMINER GOETZE: So at this time, with the
15 concern for it and the effort being so close to
16 remediation, the Director will not sign an order. So we
17 ask that you re-apply. And we are going to make you
18 knowledgeable as to how the remediation is going.
19 Injection is going on now. Drilling is going on now.
20 And that's what I've been told.

21 MR. BRUCE: Okay. Let me ask you: Is
22 that -- the I&W, is that in the Capitan Reef?

23 EXAMINER GOETZE: It is in the Solano. But
24 there's been too much -- if that intersection goes down,
25 everyone in this room will feel it, and it will go from

1 being a \$59 million remediation project to over 200
2 million, along with visitation, I would say, of a lot of
3 attorneys looking for people to associate some sort of
4 blame for it.

5 At this point our concerns, though not
6 supported by testimony at this point, we're going to say
7 back off, come back in, apply again. Okay?

8 Thank you very much.

9 MR. BRUCE: When did this come to light, by
10 the way?

11 EXAMINER GOETZE: I don't know. Let's see.
12 The 300 permits that I'm looking at --

13 EXAMINER MURPHY: 350.

14 EXAMINER GOETZE: -- well, 350 now, and
15 then having a director out of town and then having phone
16 calls, it was probably a week ago we brought it to. It
17 wasn't finalized until two days ago, I would say.

18 I apologize for the inconvenience this may
19 have put to your folks, but at the same time, you can go
20 to Commission --

21 MR. BRUCE: I understand.

22 EXAMINER GOETZE: -- and you can go from
23 the Commission to anything else you wish, but I have a
24 feeling that at this point, the response will be the
25 same.

1 MR. BRUCE: Yup.

2 EXAMINER GOETZE: So there are only a few
3 of us doing the shop. We're going through these. Yours
4 was brought up. We knew about it, but we made a formal
5 presentation, and with that, the decision was made.

6 MR. BRUCE: I just regret that my witnesses
7 had to come out.

8 EXAMINER GOETZE: I understand. I regret
9 I'm up here today because I was not supposed to be here,
10 so --

11 Case Number 20733 has been dismissed.

12 (Case Number 20733 concludes, 8:29 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

13 I FURTHER CERTIFY that the Reporter's
14 Record of the proceedings truly and accurately reflects
15 the exhibits, if any, offered by the respective parties.

16 I FURTHER CERTIFY that I am neither
17 employed by nor related to any of the parties or
18 attorneys in this case and that I have no interest in
19 the final disposition of this case.

20 DATED THIS 9th day of October 2019.

21

22

23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2019