

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

REPORTER'S TRANSCRIPT OF PRE-HEARING PROCEEDINGS

EXAMINER HEARING

THURSDAY, OCTOBER 3, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetz, Examiner, Dylan Rose-Coss, Examiner, and David Ames, Legal Examiner, on Thursday, October 3, 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

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1 (Time note 8:18 a.m.)

2 EXAMINER GOETZ: Okay, folks, let's all gather
3 around and get this going. Good morning, ladies and
4 gentlemen. This is the Hearing Examiner Docket for
5 Thursday, October 3, 2018 for the Oil Conservation
6 Division, Porter Hall, Santa Fe, New Mexico. This is
7 Docket No. 37-19.

8 In front of you I will be lead examiner for
9 today. My name is Philip Goetz. To my right is Mr. Dylan
10 Rose-Coss, and farther to the right is examiner Kathleen
11 Murphy. To my left is legal counsel Eric Ames.

12 The first item on the agenda will be
13 changes to the docket.

14 Using the docket provided to you, we go to
15 page 2, Case No. 20812 has been continued to October 17th.

16 Page 3, Case No. 20787 has been dismissed.

17 Page 5, Case No. 20792 has been continued
18 to October 17.

19 Page 6, Case No. 20793 has been continued
20 to October 17, along with Case No. 20794.

21 Page 8, Case No. 20799, this case has been
22 continued to October 17 along with case 20800.

23 Page 9, Case No. 20263 has been dismissed.

24 Page 10, Case No. 20182 has been dismissed.

25 Page 11, Case No. 20191 has been dismissed.

1 Page 13, Cases Nos. 20822 and 20823 have
2 been moved to the October 31st docket.

3 Case No. 20824 has been dismissed. Along
4 with that, Case No. 20795 will not be heard by us since an
5 Order has been issued in that case

6 Are there any other changes to the docket
7 for cases to be heard today? Your chances.

8 I believe, Mr. Padilla.

9 MR. PADILLA. Yes, Mr. Examiner. I've been
10 conflicted out of cases late yesterday, on Case No. 20802,
11 20806, 20807, and 20808.

12 In discussions with you earlier, we will
13 file a Motion for Continuance today and pay the requisite
14 fee.

15 EXAMINER GOETZ: And then we will have
16 Mr. Warnell look at the schedule and see what he has as
17 far as openings. Okay?

18 And do we've any idea who new counsel is?

19 MR. PADILLA: I have no idea.

20 EXAMINER GOETZ: Okay. That's fine. We will
21 figure that out as it goes.

22 MR. PADILLA: I know the parties do want to talk
23 about moving some wells or seeing how they can resolve the
24 impasse.

25 EXAMINER GOETZ: That's fine. Thank you.

1 Any other changes to the docket?

2 MR. FELDEWERT: Mr. Examiner, Michael Feldewert
3 of the Santa Fe office of Holland & Hart. I'm looking at
4 page 6, Case No. 20795.

5 EXAMINER GOETZ: Yes.

6 MR. FELDEWERT: Did you announce the status of
7 that case and maybe I missed it?

8 EXAMINER GOETZ: I don't know.

9 MR. FELDEWERT: I think that's the case that's
10 been moved to the commission docket.

11 EXAMINER GOETZ: Yeah. We just announced that
12 there has been an Order issued and it won't be heard on
13 the docket day.

14 MR. FELDEWERT: Okay.

15 EXAMINER GOETZ: With that the Division would
16 also like to get some clarification:

17 Cases 20818 and -819 you're going to be
18 presenting witnesses?

19 MR. RANKIN: Yes.

20 EXAMINER GOETZ: Okay. Very good.

21 Cases 20783, -784.

22 Where is Mr. -- yes sir.

23 MR. HOUGH: That will be by affidavit.

24 EXAMINER GOETZ: That will be by affidavit?

25 Your name, sir.

1 MR. HOUGH: Lance Hough. I can give you a
2 business card.

3 EXAMINER GOETZ: And you represent?

4 MR. HOUGH: Cimarex in this matter.

5 EXAMINER GOETZ: Okay.

6 Okay. And one last item, I believe. No,
7 we have two. Three, actually.

8 20809, that's Mr. Bruce.

9 MR. BRUCE: Yes, sir.

10 EXAMINER GOETZ: By affidavit?

11 MR. BRUCE: Yeah. That one and the next three
12 Mewbourne ones will be done by affidavit.

13 EXAMINER GOETZ: And then last but not least
14 20790 and 20791.

15 That would be ImPetro Oil & Gas.

16 MR. MOELLENBERG: Mr. Hearing Officer,
17 those will be presented with witnesses in both cases.

18 EXAMINER GOETZ: Okay. So you've got
19 witnesses. Daval, would you identify yourself for the
20 record, please.

21 MR. MOELLENBERG: I'm sorry. Daval Muellenberg,
22 Gallagher & Kennedy.

23 EXAMINER GOETZ: 20796, -97 and -98, also.

24 MR. MOELLENBERG: Mr. Hearing Officer, those
25 will be presented by affidavit, also.

1 EXAMINER GOETZ: Okay. Thank you.

2 With that I will pass it to Ms. Murphy, who
3 has announcements.

4 EXAMINER MURPHY: We have three really great
5 announcements today. And I'd like to announce some new
6 employees with OCD. Eva, Karen, if you can stand.

7 Eva Mathes on the right has had 15 years of
8 financial experience and has worked for an oil and gas
9 firm. Karen Collins on the left has many years of
10 experience but has also worked for the OCD. And some of
11 that has been in the Aztec District and here, and she has
12 a degree from Oregon State, another OSU -- but not "the"
13 OSU.

14 But they are doing the C-115s and bonding
15 and OGRIDs and Financial Assurance, and other work that
16 arises. And we are very glad that they are here. And
17 they have helped out incredibly already, and we are
18 appreciative that they are working with the OCD.

19 And they are also joined by Ramona Marcus
20 who you met at the last hearing, and she's working in the
21 environmental division on the C-141s, which are the spill
22 reports. And they have already made a huge difference
23 since they have been here, so we are very glad that they
24 are here.

25 And another person that we have is Dean

1 McClure. Please stand, Dean.

2 Dean comes to us from north of Gillette,
3 Wyoming. He loaded up his horse trailer and drove down.

4 Is that not true?

5 MR. McCLURE: I thought I was going to but
6 I didn't. That was the original discussion.

7 EXAMINER MURPHY: He has an engineering degree
8 from the University of Wyoming which is in Laramie, and he
9 also has -- is it 10 years of experience?

10 MR. McCLURE: Seventeen. Oh, go ahead.

11 EXAMINER MURPHY: But on drill rigs in the oil
12 and gas business, as a pumper, roustabout, workovers and
13 operations.

14 MR. McCLURE: Seventeen total. I would say 11
15 is pumping and then another six working.

16 EXAMINER MURPHY: That's get up and go for you.
17 Since he was 11.

18 So we are very happy that he's here. He is
19 helping out on SWDs, and he has also been a big help in
20 not even two weeks that he's been here.

21 He will be sitting in on the hearings
22 today, but since he's helping on our SWD process, if you
23 have an extra exhibit, please hand it to Dean so that he
24 can follow along.

25 Thank you. That's our announcement on

1 introductions.

2 The second announcement is a standard:
3 Send your .pdfs to me when -- through the email to me.
4 And please just put the case file in the title. We
5 download those and I check them against the hard copy
6 that's collected at the hearing, and then I'll -- Velvet
7 Valentine, our admin, puts those into the imaging system.

8 And we're doing really well on those, and I
9 thank you.

10 Then our third announcement is that I am
11 turning my attention to the outstanding compulsory pooling
12 hearing orders. We have an internal report that we can
13 run Cases Heard but no Hearing Order, and I'll give you
14 that some of those have been heard but they keep being
15 continued, so of course there's no Hearing Order. But
16 some of the cases have been heard and they need a Hearing
17 Order written, so I'm working right now on May and June of
18 2019, and I have contacted a few of you with -- who have
19 outstanding Orders.

20 And so we're working on those.

21 This is also a double check on whether the
22 exhibits have been given to us and entered into the
23 imaging system. So if I go to work on your Hearing Order
24 and the exhibit is not in there, I'll have to contact you,
25 so please use this time to make sure that the exhibit has

1 been submitted.

2 Also, when you happen to look into your
3 case file and you see that something is not there and you
4 know that you have sent it in, please let me know. We are
5 not -- we are fallible. We are fallible, so just let us
6 know if we are missing something

7 And please just send your .pdf to me. You
8 don't have to do it through the hearing.

9 So those are my three announcements.

10 EXAMINER GOETZ: Are we all done?

11 EXAMINER MURPHY: I'm done.

12 EXAMINER GOETZ: Okay. Thank you.

13 (Note: Examiner Murphy exited.)

14 (Time noted 8:26 a.m.)

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