

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 20140

APPROVE DRILLING SPARROW SWD
#1 WELL 869 - CONTINUANCE

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

October 17, 2019

Santa Fe, New Mexico

BEFORE: LEONARD LOWE, HEARING EXAMINER
PHILLIP GOETZE, EXAMINER
DEAN MCCLURE, EXAMINER
BILL BRANCARD, LEGAL EXAMINER

ALSO PRESENT: Marlene Salvidrez

This matter came on for hearing before the New Mexico Oil Conservation Division, Leonard Lowe, Chief Examiner; Phillip Goetze, Technical Examiner; and Dean McClure, Examiner, on Thursday, October 17, 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: Belen A. Soto, CSR, RMR
New Mexico CCR#106
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APPEARANCES

FOR NGL WATER SOLUTIONS PERMIAN, LLC:

MS. DEANA M. BENNETT, ESQ.
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1 (Commenced at 8:26 a.m.)

2 EXAMINER LOWE: All right. We'll call
3 Case Number 20140, NGL Water Resources or Salt Water
4 Disposal. Call for appearance.

5 MS. BENNETT: Good morning, Mr. Examiner.
6 My name is Deana Bennett from Modrall Sperling on behalf
7 of NGL Water Solutions Permian, LLC.

8 EXAMINER LOWE: Any other appearances?

9 MS. BENNETT: There are no other parties
10 to this case.

11 EXAMINER LOWE: Okay.

12 MS. BENNETT: This is a continuance of a
13 case that was heard sometime ago. And as Mr. Goetze is
14 aware, this case was continued by the Division to allow
15 NGL to coordinate with the City of Carlsbad. And I'm
16 here today to, again, request that this case be taken
17 off the continuance docket.

18 There's no dispute that OCD is not going
19 to issue the order in this case until NGL has
20 coordinated with the City of Carlsbad. And so this case
21 doesn't need to be, in my opinion, on the continuance
22 docket and continued using OCD resources from docket to
23 docket.

24 I'm happy to provide any information to
25 Mr. Goetze as we actually engage in the coordination

1 with the City of Carlsbad. I'm happy to provide status
2 reports, come back to hearing if I need to. But I would
3 ask that this case be taken off the continuance docket
4 so that we don't have to keep coming to the hearing on
5 this case. But that I can continue to coordinate with
6 NGL. And as we coordinate with the City of Carlsbad,
7 we'll report to OCD.

8 And as I mentioned before, there's no
9 dispute, at least not in my mind. There's no concern
10 that OCD is going to issue the order without us having
11 that coordination. So, I'm not entirely sure what
12 benefit there is in keeping this on the continuance
13 docket.

14 EXAMINER GOETZE: I think that's kind of a
15 legal question since our obligation is to the City of
16 Carlsbad to be able to have input on the application.
17 This participation by the City of Carlsbad resulted from
18 a boil out inside the city and we will honor that.

19 Legally --

20 MR. BRANCARD: Well, you know, yeah, I
21 mean, the applicant is saying that they're -- they
22 understand the permit will not be issued until there is
23 coordination with the City of Carlsbad. And so I think
24 that the division can simply place this case to the
25 side.

1 EXAMINER GOETZE: Where do we park it,
2 though?

3 MR. BRANCARD: Yeah. And based on
4 communication with the applicant, decide whether to go
5 back to hearing to consider those issues.

6 MS. BENNETT: And NGL is open to coming
7 back to hearing if the City of Carlsbad requests to
8 cross-examine any of our witnesses. We're definitely
9 willing to do that. It's just that at this point rather
10 than going through this continuance process -- and the
11 case was heard and in its entirety but for the City of
12 Carlsbad's participation when we originally put the case
13 on. So, it has been fully heard by the division, but
14 with the exception of the City of Carlsbad
15 participation. Which at the time we put the case on I
16 wasn't aware that the City of Carlsbad needed to
17 coordinate on this particular application.

18 And so I would just ask that this case be
19 taken off the continuance docket, and that I be allowed
20 to coordinate with OCD and with the City of Carlsbad
21 offline, as it were. And then revert back to the
22 hearing process if needed. And I understand I may have
23 to even file a new application for that at that time. I
24 don't know what the process would be, but this
25 continuous -- being on the continuing -- continuous

1 docket doesn't seem like the most efficient sent
2 process.

3 MR. BRANCARD: Well, I would say you
4 continue this case indefinitely.

5 EXAMINER GOETZE: Can we do that?

6 MR. BRANCARD: Sure.

7 EXAMINER GOETZE: Mr. Brooks was very
8 upset when we did this sort of thing.

9 MR. BRANCARD: As long as you don't lose
10 track of it.

11 EXAMINER GOETZE: Okay.

12 MR. BRANCARD: Not that you have any other
13 SWD cases.

14 MS. BENNETT: Right. I mean, I am number
15 one on the list -- to-do list. So, I'll be helping you
16 out that way.

17 EXAMINER LOWE: Okay.

18 EXAMINER GOETZE: Well, let's do this.
19 Let's maintain it as an open case. And we will take it
20 off the continuance docket and you will keep us informed
21 of the progress and what you get out of it. And we'll
22 save sometime on our side. Okay.

23 MS. BENNETT: Thank you very much. I
24 appreciate that.

25 EXAMINER GOETZE: Okay.

1 MS. BENNETT: Thank you.

2 EXAMINER LOWE: Thank you for that.

3 (Concluded at 8:31 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, BELEN A. SOTO, New Mexico Certified Court
6 Reporter No. 106, and Registered Merit Reporter, do
7 hereby certify that I reported the following proceedings
8 in stenographic shorthand and that the foregoing pages are
9 a true and correct transcript of those proceedings that
10 were reduced to printed form by me to the best of my
11 ability.

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

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

19 DATED THIS 31st day of October, 2019.

20

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22 BELEN A.SOTO, CSR, RMR
23 Certified Court Reporter
24 New Mexico CCR No. 106
25 Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters

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