

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 NOS: 20827

APPLICATION OF ADVANCE ENERGY
PARTNERS HAT MESA LLC FOR APPROVAL
OF A PRODUCED WATER DISPOSAL WELL,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

JANUARY 23, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, LEONARD LOWE, PHILLIP GOETZE, and LEGAL EXAMINER ERIC AMES, on Thursday, January 23, 2020, 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: Irene Delgado, NMCCR 253
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A P P E A R A N C E S

For the Applicant:

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For NGL Water Solutions Permian LLC:

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1 HEARING EXAMINER ORTH: Excuse me. So in Advance
2 Energy, this is 20827. Ms. Hardy, would that be an
3 affidavit case?

4 MS. HARDY: That is an affidavit case.

5 HEARING EXAMINER ORTH: All right. So, Ms.
6 Callahan, you don't have to move anything if you don't want
7 to, but I would like to take the affidavit case first.

8 And then 20918 and 20919, XTO, Mr. Rankin, is
9 that --

10 MR. CLOUTIER: Andrew Cloutier on behalf of XTO.
11 That's a motion hearing combined, and I think Mr. Bruce and
12 I can probably wrap that up in about 15 minutes.

13 HEARING EXAMINER ORTH: I see. So that would be
14 probably wiser to take before an hour-long witness hearing.
15 All right. So let me throw this out as a suggestion, that
16 we take this affidavit case, which presumably will be short,
17 that we take the motion to dismiss arguments, which will be
18 short, and then we turn to the matter, which apparently will
19 require an hour for the four witnesses, and we will work in
20 the one for you, Ms. Katz.

21 MS. KATZ: Thank you.

22 HEARING EXAMINER ORTH: All right. So, Ms.
23 Hardy.

24 MS. HARDY: Thank you.

25 HEARING EXAMINER ORTH: Again, this is 20827,

1 Advance Energy. And, Ms. Bennett, you are also entering an
2 appearance?

3 MS. BENNETT: I am entering an appearance on
4 behalf of NGL Water Solutions Permian LLC, but I don't
5 object to it going by affidavit.

6 HEARING EXAMINER ORTH: Thank you for that. Are
7 there any other appearances in 20827.

8 MS. HARDY: I just have a question before I
9 start. Since I'm presenting this by affidavit, would you
10 like me to summarize the notice issues or summarize the
11 affidavits and the exhibits in the case?

12 HEARING EXAMINER ORTH: What is your preference?

13 MR. AMES: Notice for sure. Do you want to hear
14 anything about the affidavits?

15 EXAMINER GOETZE: Let me take a look at the
16 exhibits, and as far as notice make it a part of the record
17 and as to notice --

18 HEARING EXAMINER ORTH: So just the notice first
19 if you will.

20 MS. HARDY: Sure, thank you.

21 So Exhibit Number 1 in the packet before you is
22 the affidavit of landman Paul Burdick, and attached to his
23 affidavit are the C-108s. And C-108s contain at Pages 20,
24 notice of publication of the administrative application, and
25 then the return of receipts that were sent to operators --

1 the notices that were sent to operators within one mile of
2 the proposed well.

3 And then also there another notice of hearing
4 provided by my office, and that is attached to the letter as
5 Exhibit E to Mr. Burdick's affidavit, and we did receive the
6 return from all the parties to whom we sent notice.

7 I think that covers the notice issues unless
8 anyone has questions.

9 HEARING EXAMINER ORTH: Questions? No?

10 EXAMINER GOETZE: That's fine. We have in the
11 exhibits, as part of our requirements, Page 18 hydrologic
12 statement, do we actually have an individual that is signing
13 this statement or attesting to it. Advanced Energy Partners
14 does not really qualify as an expert. Does the geologist
15 or --

16 MS. HARDY: Are you talking about the affidavit
17 of the geologist, which is provided as Exhibit 3 in the
18 packet. And he offers conclusions regarding the C-108 in
19 the hydrogeological testing, if you look at Paragraph 11, 12
20 of the affidavit.

21 EXAMINER GOETZE: Okay. So it is my
22 understanding, back to notification area of review, you did
23 a one-half mile radius?

24 MS. HARDY: So Mr. Burdick's affidavit states
25 owners and operators within one mile were noticed.

1 EXAMINER GOETZE: Very good. And at this time
2 Advance Energy is not going to provide any type of, of
3 seismicity?

4 MS. HARDY: There is a seismicity analysis
5 actually, and that is attached to the geologist exhibit,
6 Exhibit Number 3, and the seismic data is, I believe, it's
7 Exhibit B -- C and D to that affidavit. So there was a --
8 some seismic 3D modeling considered, so yes.

9 EXAMINER GOETZE: Very good. I have no further
10 questions. Thank you.

11 HEARING EXAMINER ORTH: Anything, Mr. Ames?

12 MR. AMES: No, ma'am. Thank you.

13 HEARING EXAMINER ORTH: Thank you very much, Ms.
14 Hardy. Your packet is accepted and the matter will be taken
15 under advisement.

16 MS. HARDY: Thank you very much.

17 (Exhibits 1, 2 and 3 admitted.)

18 (Case 20827 taken under advisement.)

19 (Adjourned.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that the
9 foregoing pages are a true and correct transcript of those
10 proceedings that were reduced to printed form by me to the
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of
13 the proceedings truly and accurately reflects the exhibits,
14 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 case
17 and that I have no interest in the final disposition of this
18 case.

19 Dated this 23rd day of January 2020.

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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