

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: 21056

APPLICATION OF SAN MATEO STEBBINS
WATER MANAGEMENT LLC FOR APPROVAL OF
SALT WATER DISPOSAL WELL,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

FEBRUARY 20, 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, February 20, 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
PAUL BACA PROFESSIONAL COURT REPORTERS
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Albuquerque, NM 87102
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A P P E A R A N C E S

For the Applicant:

JAMES BRUCE
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E X H I B I T I N D E X

Admitted

(Exhibits returned.)

1 HEARING EXAMINER ORTH: All right. This is
2 San Mateo Stebbins, the applicant, and it's a salt water
3 disposal well.

4 MR. BRUCE: Jim Bruce representing -- excuse
5 me -- representing San Mateo Stebbins Water Management LLC.
6 I am putting on this case by affidavit.

7 HEARING EXAMINER ORTH: Will you address the
8 notice issue, please?

9 MR. BRUCE: First of all, Modrall Sperling did
10 enter an appearance for NGL, but they have withdrawn that
11 entry of appearance.

12 Just briefly, this case was originally filed
13 last, I think, July for administrative approval, and XTO
14 objected. So what San Mateo did was move the well location
15 somewhat within the same section which mollified XTO's
16 concerns, but this was set for hearing.

17 So at this point I'm just submitting --
18 submitting it by affidavit with Geology Engineering
19 affidavit. Everyone was given notice of the application,
20 received actual or constructive notice.

21 HEARING EXAMINER ORTH: Okay.

22 MR. BRUCE: And unless there are questions, I
23 would ask that the Exhibits 1 through 6 be admitted.

24 HEARING EXAMINER ORTH: Ask if there questions,
25 Mr. Goetze?

1 EXAMINER GOETZE: Yes, Mr. Bruce. Well design,
2 the current location of this is within the lease and is
3 protectable. You have a single casing going through Salado
4 as well as the Reef and it's extending into Delaware
5 Mountain Group. This is an unacceptable design.

6 I would ask, Madam Examiner, to ask for a
7 continuance, that you folks provide a more accurate and
8 updated design that is protective of the Reef and isolates
9 the Salado. And in this area, this proximity to Carlsbad,
10 the water quality is of an underground source of drinking
11 water quality. So you should know better, so let's make
12 sure that we have a more accurate design.

13 MR. BRUCE: Primarily the reason the Solado --

14 EXAMINER GOETZE: I want to see a single one for
15 the Salado and a single casing for the Reef, and then after
16 that you can do what you want, but you are going to have at
17 least two more, or at least one more.

18 This poor casing design is -- our standing
19 agreement with Bureau of Land Management, so with that in
20 mind, get us the -- through a hearing portal and submit a --

21 MR. BRUCE: Motion for continuance?

22 EXAMINER GOETZE: Actually I think, since we
23 asked for it, it will save your client money. But at the
24 same time, it's not a major modification, but it is
25 something that has --

1 MR. BRUCE: It has to be done.

2 EXAMINER GOETZE: So I would ask for a
3 continuance at the request of the Examiner, and at that
4 point make that correction and submit it to us for
5 inclusion.

6 MR. BRUCE: We will do that.

7 HEARING EXAMINER ORTH: Okay. Mr. Bruce, you
8 have two choices actually, you can continue it or withdraw
9 it and refile it.

10 MR. BRUCE: I would just as soon continue it.

11 HEARING EXAMINER ORTH: Continue it, all right.
12 So I believe you will need to go through the
13 portal for that.

14 MR. BRUCE: Yes, ma'am.

15 HEARING EXAMINER ORTH: Thank you very much.

16 (Exhibits returned to Mr. Bruce.)

17 (Continued.)

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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 of attorneys in this case
17 and that I have no interest in the final disposition of this
18 case.

19 Dated this 20th day of February 2020.

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

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