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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

ORIGINAL

CASE 15307  
(cont'd from 8/6/15)

APPLICATION OF OASIS WATER SOLUTIONS,  
LLC, FOR APPROVAL OF A SALT WATER  
DISPOSAL WELL, LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 17, 2015

Santa Fe, New Mexico

BEFORE MICHAEL McMILLAN, CHIEF EXAMINER  
PHILLIP GOETZE, EXAMINER  
GABRIEL WADE, LEGAL EXAMINER

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2015 SEP 30 P 2 08

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Michael McMillan,  
Chief Examiner, Phillip Goetze, Examiner, and Gabriel  
Wade, Legal Examiner, on September 17, 2015, 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 ELLEN H ALLANIC  
NEW MEXICO CCR 100  
CALIFORNIA CSR 8670  
PAUL BACA COURT REPORTERS  
500 Fourth Street, NW  
Suite 105  
Albuquerque, New Mexico 87102

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A P P E A R A N C E S

FOR THE APPLICANT

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kmoss @slo state nm us

Also Present Anchor Holm and Mr Powers

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

Exhibits Offered and Admitted  
(None )

Reporter's Certificate

Page 11

1 (Time noted 10 06 a m )

2 EXAMINER McMILLAN I would like to call  
3 case No 15307, Application of Oasis Water Solutions,  
4 LLC, for approval of a salt water disposal well, Lea  
5 County, New Mexico

6 Call for appearances

7 MR PADILLA Mr Examiner, Ernest L  
8 Padilla, Santa Fe, New Mexico, for the applicant in this  
9 case I have one witness

10 EXAMINER McMILLAN Any other appearances?

11 MS MOSS Katherine Moss from New Mexico  
12 State Land Office And before the witness testifies, I  
13 have an objection for the record

14 EXAMINER WADE I think we should hear the  
15 objection

16 EXAMINER McMILLAN Okay Please proceed

17 MS MOSS I understand that there wasn't a  
18 formal order in this case, but Oasis was ordered to give  
19 the State Land Office a report to which they could  
20 respond by August 21st

21 I don't know if you have seen the report I  
22 know it was e-mailed to you, Mr McMillan It is an  
23 outline It does not contain substance, analysis, or  
24 content to which the State Land Office would be able to  
25 prepare a response

1 I was called out of the country on an  
2 emergency But last week I began attempting to call  
3 Mr Padilla And I believe I would have had an old  
4 e-mail

5 But by Monday his assistant had gotten back  
6 to me and confirmed for me that what was said to us on  
7 August 21st -- and I could give you some examples of the  
8 difficulty that we have -- was what we intended to meet  
9 the needs of your order

10 I also asked that Mr Padilla call me back  
11 as soon as he returned to the office on Tuesday When  
12 he came in today, he said he owed me a phone call, but  
13 instead halfway through the morning, handed me the  
14 materials which he intends to present today

15 This places the State Land Office in a bad  
16 position because we only have the general subject areas  
17 of presentation We don't have any analysis, we don't  
18 know which wells were going to be looked at today

19 I have a very excellent witness, but I do  
20 want to say for the record that we are placed at a  
21 disadvantage and I do not believe that what you asked  
22 for on August 6th was complied with by Mr Padilla

23 EXAMINER WADE Yeah, I think the intent of  
24 what we asked for was for substantive that could be  
25 responded to And it sounds like that did not occur

1 And so the materials that you would want to present  
2 today, Mr Padilla, aren't reflected in an e-mail that  
3 you sent to the State Land Office

4 MR PADILLA Counsel, we had one week  
5 essentially to hire an expert from August 6th to  
6 August 13th That took about three of those days And  
7 the only thing that we could submit by the 13th was an  
8 "outline" -- and that's not my word The word as I  
9 understood it was a "summary "

10 And I think that we've provided an adequate  
11 content as to where we were coming from in response to  
12 the land office case, and, particularly, trying to  
13 address Examiner Goetze's question about how the upper  
14 San Andres and the lower San Andres are separated,  
15 because he felt that correlative rights may be impaired  
16 to the upper San Andres which is a producing interval in  
17 the San Andrea zone or formation here

18 But going a bit further, the OCD has never  
19 had formal discovery of requirements where applicants or  
20 opponents, for that matter, submit formal reports as you  
21 would in expert witness disclosures in federal court or,  
22 maybe, by virtue of scheduling orders, in state district  
23 courts that have ordered

24 And in those cases, we were given way more  
25 time than a week to make presentations Some of these

1 materials were essentially completed this week, you  
2 know, in terms of grabbing whatever information there  
3 was in order to present to the Division today

4 So I know that Ms Moss wants a continuance  
5 to be able to respond to that I don't have a real big  
6 issue with a continuance, but my problem with  
7 Mr McMillan's directive was that he didn't want a  
8 continuance forever kind of thing

9 And I would hate to bring back my client who  
10 has traveled here or my expert who has traveled here for  
11 today's presentation

12 EXAMINER WADE Well, I appreciate that it  
13 is an informal process But I think in basic fairness  
14 people should have an opportunity to review and to  
15 respond to things In our discussion that we had at the  
16 last hearing, I don't think the OCD pushed any type of  
17 schedule on -- I think we had an open-ended discussion  
18 as to how long all this would take and times were agreed  
19 to

20 MS MOSS And it was not one week, from the  
21 7th to the 21st is two And, quite frankly --

22 MR PADILLA I stand corrected I'm sorry  
23 It is from the 6th to the 21st

24 MS MOSS And I am interested in resolution  
25 here also, so if I had received anything more -- and I

1 am prepared to give you examples of why I couldn't  
2 respond to this

3 EXAMINER WADE I don't think we need to go  
4 into too much detail If we could just have a brief  
5 discussion

6 (Brief recess )

7 EXAMINER McMILLAN Okay After a brief  
8 discussion, we feel it is in the best interest to have  
9 case No 15307 continued What amount of time will you  
10 need to examine the data?

11 MS MOSS We could do it in a matter of  
12 days I don't need a long continuance I just need  
13 time to look it over and --

14 EXAMINER WADE So by our next docket?

15 MS MOSS That would be fine with us The  
16 next docket is fine

17 EXAMINER WADE Mr Padilla, would you want  
18 additional time?

19 MR PADILLA I don't have my calendar here,  
20 but I think -- October 1st, is that the --

21 EXAMINER McMILLAN Yes, that would be the  
22 next hearing

23 MR PADILLA I think we have another case,  
24 Mr Feldewert and I have another case on that day But  
25 that is fine I understand from talking to him that

1 that docket is pretty crowded on October 1st

2 EXAMINER GOETZE Yes But the tendency is  
3 that dockets thin out pretty fast, so we'll keep you in  
4 line and probably put you up front since --

5 EXAMINER WADE And if the parties want to  
6 communicate and find a different date, let us know and  
7 we can see if we can accommodate that

8 I guess I didn't take a look -- you probably  
9 don't have anything indicating how long your  
10 presentation would have been today

11 MR PADILLA Probably about an hour

12 EXAMINER WADE And how long?

13 MS MOSS See, I can't tell --

14 EXAMINER WADE You don't know yet

15 MS MOSS What I am telling you is it looks  
16 to me, from what we see, 30 minutes

17 EXAMINER WADE We can go off the record for  
18 a minute

19 (Discussion off the record )

20 EXAMINER GOETZE Back on the record

21 MR PADILLA Let me ask Mr Powers if he  
22 can be here on October 1st

23 Mr POWERS Yes, I can

24 EXAMINER McMILLAN Case No 15307 will be  
25 continued until October the 1st Thank you

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The docket for September the 17th has been  
concluded

(Time noted 10 22 a m )

I do hereby certify that the foregoing is  
a correct and true record of the proceedings in  
the hearing in Case No. 15307  
heard by me on Sept 17, 2015  
[Signature] Examine  
Oil Conservation Division

1 STATE OF NEW MEXICO )  
2 ) ss  
3 COUNTY OF BERNALILLO )  
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7 REPORTER'S CERTIFICATE

8  
9 I, ELLEN H ALLANIC, New Mexico Reporter CCR  
10 No 100, DO HEREBY CERTIFY that on Thursday, September  
11 17, 2015, the proceedings in the above-captioned matter  
12 were taken before me, that I did report in stenographic  
13 shorthand the proceedings set forth herein, and the  
14 foregoing pages are a true and correct transcription to  
15 the best of my ability and control

16  
17 I FURTHER CERTIFY that I am neither employed by  
18 nor related to nor contracted with (unless excepted by  
19 the rules) any of the parties or attorneys in this case,  
20 and that I have no interest whatsoever in the final  
21 disposition of this case in any court

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ELLEN H ALLANIC, CSR  
NM Certified Court Reporter No 100  
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