

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

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

APPLICATION OF ROCKCLIFF OPERATING                      CASE NO 15791  
NEW MEXICO LLC FOR APPROVAL OF A  
SALT WATER DISPOSAL WELL, EDDY COUNTY,  
NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 14, 2017

Santa Fe, New Mexico

BEFORE:      WILLIAM JONES, CHIEF EXAMINER  
                 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, September 14, 2017, 8:28 a.m., 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:      Debra Ann Frietze  
                         New Mexico CCR #251  
                         Paul Baca Professional Court Reporters  
                         500 4th Street, Northwest, Suite 105  
                         Albuquerque, New Mexico 87102  
                         505.843.9241

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APPEARANCES

FOR THE APPLICANT ROCKCLIFF OPERATING NEW MEXICO LLC :

James Garrett Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
505.982.2043

EXHIBITS	DESCRIPTION	ADMITTED
1.	Affidavit of Publication	3
	CERTIFICATE OF COURT REPORTER	6

1                   EXAMINER McMILLAN: Let's go ahead and call  
2 Case Number 1, Case Number 15791, application of  
3 Rockcliff Operating, New Mexico, LLC, for an approval of  
4 a salt water disposal well, Eddy County, New Mexico.

5                   Call for appearances.

6                   MR. BRUCE: Mr. Examiner, Jim Bruce, of  
7 Santa Fe, representing the Applicant.

8                   This matter was heard a couple -- or  
9 several weeks ago. And there was one green card absent,  
10 so I published notice against one party.

11                   EXAMINER McMILLAN: Any other appearances?

12                   Please proceed.

13                   MR. BRUCE: So it's submitted as -- I  
14 couldn't remember the numbering, so I think it's  
15 submitted as Exhibit 1.

16                   EXAMINER McMILLAN: Why don't we just call  
17 it Exhibit 1, September 14th?

18                   MR. BRUCE: September 14th. This is  
19 Publication of Notice, because I never got the green  
20 cards back.

21                   I just ask that Exhibit 1 be admitted and  
22 that the case be taken under advisement.

23                   EXAMINER McMILLAN: Okay. Exhibit 1,  
24 September 14th, shall be accepted as part of the record,  
25 and Case Number 15791 shall be taken under advisement.

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MR. BRUCE: Thank you.

[Case Number 15791 concludes at 8:29 a.m.]

1 STATE OF NEW MEXICO.

2 COUNTY OF BERNALILLO

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5 CERTIFICATE OF COURT REPORTER

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7 I, DEBRA ANN FRIETZE, Certified Court  
8 Reporter, New Mexico Certified Court Reporter No. 251,  
9 do hereby certify that I reported the foregoing  
10 proceedings in stenographic shorthand and that the  
11 foregoing pages are a true and correct transcript of  
12 those proceedings that were reduced to printed form by  
13 me to the best of my ability.

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

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

21

22

23 DEBRA ANN FRIETZE.  
24 Certified Court Reporter  
25 New Mexico CCR No. 251  
Date of CCR Expiration: 12/31/2017

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

PREHEARING TRANSCRIPT

September 14, 2017

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER  
GABRIEL WADE, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, on Thursday, September 14, 2017, 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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New Mexico CCR #251  
Paul Baca Professional Court Reporters  
500 4th Street, NW, Suite 105  
Albuquerque, New Mexico 87102  
505.843.9241

1 [8:24 a.m.]

2 EXAMINER McMILLAN: Today is September 14,  
3 2017. Today's docket is 33-17. First of all, as you  
4 know, this is a huge docket. And the docket has been  
5 split. And basically what's going to happen in the  
6 hearing is that Will will hear the Kaiser-Francis cases  
7 and Will will hear the Forty Acres cases, and then I'm  
8 going to hear the OXY cases.

9 And actually, there is a schedule of the  
10 hearings. Be advised that Mike is upstairs, Will is  
11 downstairs.

12 Now what I'd like to do at this point is go  
13 through the continuances and dismissals. I'm going to  
14 start on page 2. Case Number 15819 shall be continued  
15 till October the 12th.

16 Turning to page 3, Case Number 15673 shall  
17 be continued until September the 28th.

18 Case Number 15689 shall be continued until  
19 September the 28th.

20 Turning to page 4, Case Number 15773 shall  
21 be continued until September the 28th.

22 Case Number 15774 shall be continued until  
23 September the 28th.

24 Case Number 15755 shall be continued till  
25 October the 12th.

1                   Turning to page number 7, Case Number 15185  
2 shall be dismissed.

3                   Case Number 15800 shall be continued until  
4 October the 12th.

5                   Case Number 15825 shall be continued until  
6 September the 25th.

7                   Case Number 15826 shall be dismissed.

8                   Any other continuances or dismissals?

9                   MR. HALL: Mr. Examiner, on page 1, Case  
10 15818, Devon may be dismissed.

11                   EXAMINER McMILLAN: Thank you.

12                   MR. HERRMANN: Mr. Examiner, I'm sorry, I  
13 might not have heard. But Cases 30 and 33 on the last  
14 page, did you read those dismissals?

15                   EXAMINER McMILLAN: I have Case 31, October  
16 the 12th; 32, September the 28th; Case 33 dismissed.

17                   The other point I'd like to bring up is  
18 that if you'll look in the ordering paragraphs, that  
19 ordering paragraph -- excuse me, that's in the hearing  
20 order -- it says, "The operator shall furnish the  
21 Division in each known pool of working interest owner,  
22 including nonconsenting working interest owners, and an  
23 itemized schedule of actual well costs within 90 days  
24 following completion of the subject well. If no  
25 objection to the actual well cost is received by the

1 Division, and the Division has not objected within 45  
2 days following receipt of the schedule, the actual well  
3 costs shall deemed to be reasonable well costs. If  
4 there is no objection to the actual cost within the  
5 45-day period, the Division will determine reasonable  
6 well costs after public notice and hearing."

7 Most operators have not supplied this to  
8 the Division, and the Division expects the applicants to  
9 supply this required information.

10 MR. JONES: Matador has.

11 [Prehearing proceedings concluded at 8:27  
12 a.m.]

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1 STATE OF NEW MEXICO.

2 COUNTY OF BERNALILLO

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CERTIFICATE OF COURT REPORTER

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I, DEBRA ANN FRIETZE, Certified Court

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Reporter, New Mexico Certified Court Reporter No. 251,

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the final disposition of this case.

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DEBRA ANN FRIETZE.

24

Certified Court Reporter

New Mexico CCR No. 251

25

Date of CCR Expiration: 12/31/2017