

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.: 14666

APPLICATION OF BASIC ENERGY
SERVICES FOR AUTHORIZATION TO
INJECT, EDDY COUNTY, NEW MEXICO

COPY

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Legal Examiner
WILLIAM JONES, Technical Examiner

DATE: June 23, 2011
Santa Fe, New Mexico

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This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Legal Examiner, and WILLIAM JONES, technical Examiner, on Thursday, June 23, 2011, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Irene Delgado
Paul Baca Professional Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87103

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A P P E A R A N C E S

FOR THE APPLICANT:

SCOTT HALL
MONTGOMERY & ANDREWS
325 Paseo De Peralta
Santa Fe, NM 87501

I N D E X

EXHIBIT 6 ADMITTED

05

1 EXAMINER JONES: We'll take a break at 11:45,
2 and let's call Case 14666, Basic Energy Services LP for
3 authorization to inject in Eddy County, New Mexico.
4 Call for appearances.

5 MR. HALL: Mr. Examiner, Scott Hall of
6 Montgomery and Andrews appearing on behalf of the
7 applicant, and I have one witness this morning.

8 EXAMINER JONES: Any other appearances?

9 (No response.)

10 EXAMINER JONES: Will the witness please
11 stand and state your name.

12 EXAMINER BROOKS: Witness?

13 MR. ALVARADO: David Alvarado from Artesia,
14 New Mexico.

15 EXAMINER JONES: Will the court reporter
16 please swear the witness?

17 (Witness duly sworn.)

18 MR. HALL: Mr. Examiner, I have a proposal
19 for you. This case started its life as an
20 administrative application for an injection well, and
21 the reason we are before you here today is that after
22 notice, comprehensive notice, in fact, there were
23 objections received from three area surface owners.
24 They have written to the Division, and we have exhibits
25 for those letters if needed. They haven't appeared

1 here today, and we do have a witness prepared to
2 testify. We do have a full suite of exhibits, but as a
3 suggestion, in view of the non-appearance of those
4 objecting parties, one option available to you is to
5 dismiss the hearing aspect of the case and refer the
6 matter back for administrative approval, which would
7 enable you to approve it this afternoon.

8 EXAMINER JONES: I thought about that before
9 this hearing, and they -- the Tabers, is that correct?

10 MR. HALL: Yes. And also Mr. Hinds, we have
11 a waiver letter from Mr. Hinds, but --

12 EXAMINER JONES: I think -- are you
13 Mr. Alvarado?

14 MR. ALVARADO: Yes.

15 EXAMINER JONES: Oh. I've talked to you on
16 the phone quite a bit.

17 MR. ALVARADO: Yes.

18 EXAMINER JONES: Yes. I think Mr. Alvarado
19 has already supplied me several things iteratively
20 before this case was set, and I think we're pretty much
21 set on this one. I would have to -- I would have to
22 look it over again, but I think we can remand it back
23 to the administrative docket, if it's all right with
24 legal counsel.

25 EXAMINER BROOKS: I think it's acceptable,

1 and I think protesters have, in effect, waived their
2 protest by not showing up here. Back when Mr. Catanach
3 was here, we used to have a procedure of styling cases
4 such that in the absence of objection, they would be
5 taken under advisement. That -- that procedure seems
6 to have vanished with Mr. Catanach's retirement, but I
7 think it might be a good idea to revive it for
8 situations like this.

9 EXAMINER JONES: Okay, I would say --

10 MR. HALL: Is that pretty efficient?

11 EXAMINER JONES: Yes.

12 MR. HALL: If you like, we can -- we do have
13 the notice. It's in here, I believe. If you would
14 like to make that a part of the record, our notice of
15 the adjudicatory hearing.

16 EXAMINER JONES: Yes, let's do that, make it
17 a part of the record. That would be Exhibit 1?

18 MR. HALL: That would be Exhibit Number 6.

19 EXAMINER JONES: We will admit Exhibit
20 Number 6.

21 (Exhibit 6 admitted.)

22 MR. HALL: It's the notice for the
23 adjudicatory hearing, the notice for the administrative
24 application. It's part of the C-108, and Mr. Alvarado
25 does have all the green cards here today if anyone is

1 interested in seeing those, but I think notice has been
2 comprehensive.

3 EXAMINER JONES: Yes, this is the new one?

4 MR. ALVARADO: Do you want to see them?

5 EXAMINER JONES: No, I don't.

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10 EXAMINER JONES: This was Case 14666. Thank
11 you for coming up here.

12 MR. ALVARADO: You are welcome.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
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heard by me on _____

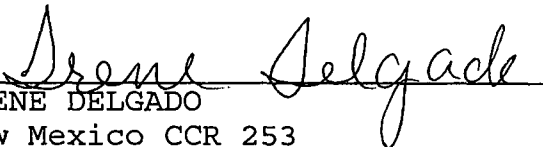
_____, Examiner
Oil Conservation Division

REPORTER'S CERTIFICATE

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I, IRENE DELGADO, NM CCR 253, DO HEREBY CERTIFY
that on June 23, 2011, I did, in stenographic shorthand
transcribe the proceedings set forth herein, and that
the foregoing pages are a true and correct
transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with (unless excepted by
the rules) any of the parties or attorneys in this
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IRENE DELGADO
New Mexico CCR 253
License Expires: 12-31-11

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OIL CONSERVATION DIVISION

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WILLIAM JONES, Technical Examiner

DATE: June 23, 2011
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heard by me on _____.

19 _____, Examiner
Oil Conservation Division

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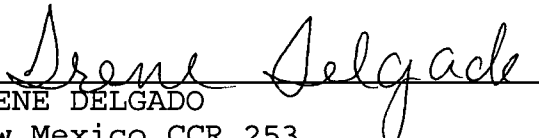
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REPORTER'S CERTIFICATE

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IRENE DELGADO
New Mexico CCR 253
License Expires: 12-31-11

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

**IN THE MATTER OF THE APPLICATION OF
BASIC ENERGY SERVICES, L.P. FOR
AUTHORIZATION TO CONDUCT INJECTION
OPERATIONS, EDDY COUNTY, NEW MEXICO**

CASE NO. 14666

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

J. SCOTT HALL, attorney and authorized representative of Basic Energy Services, L.P. the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 19.15.4.12 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 19.15.4.12, notice has been given at the correct addresses or last known addresses provided by such rule.

J. Scott Hall

J. SCOTT HALL

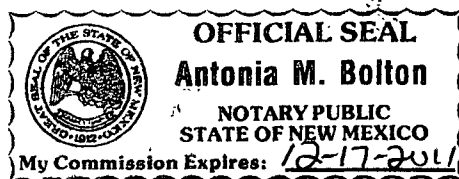
SUBSCRIBED AND SWORN to before me this 22 day of June, 2011.

J.M. Bolton

Notary Public

My Commission Expires: 12/17/2011

288940



**EXHIBIT 6
NMOCD CASE NO. 14666
June 23, 2011**

EXHIBIT A

Mr. John Hines
P.O. Box 1011
Loving, NM 88256

Ms. Carolyn A. Taylor
Mr. Harvey R. Taylor
1702 Curry Road
Carlsbad, NM 88220