

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION

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

CASE NO. 15379

7 APPLICATION OF THE NEW MEXICO OIL
8 CONSERVATION DIVISION COMPLIANCE AND
9 ENFORCEMENT MANAGER FOR COMPLIANCE ORDER
10 AGAINST DOMINION PRODUCTION OPERATING, LLC.

11 DISPOSITIVE MOTIONS

12

13 REPORTER'S TRANSCRIPT OF PROCEEDINGS

14 COMMISSION HEARING

15 AUGUST 25, 2016

16 SANTA FE, NEW MEXICO

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18 This matter came on for hearing before the
19 New Mexico Oil Conservation Commission, on August 25,
20 2016, at the New Mexico Energy, Minerals, and Natural
21 Resources Department, Wendell Chino Building, 1220 South
22 St. Francis Drive, Porter Hall, Room 102, Santa Fe, New
23 Mexico.

24

25 BEFORE: DAVID CATANACH, COMMISSION CHAIR
PATRICK PADILLA, COMMISSIONER
DR. ROBERT BALCH, COMMISSIONER
WILLIAM BRANCARD, ESQ., COMMISSION COUNSEL

26

27 REPORTED BY: Mary Therese Macfarlane
28 New Mexico CCR 122
29 PAUL BACA COURT REPORTERS
30 500 Fourth Street NW, Suite 105
31 Albuquerque, New Mexico 87102

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A P P E A R A N C E S

FOR THE DOMINION PRODUCTION OPERATING, LLC:

J. Scott Hall, Esq.
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Santa Fe, NM

FOR NEW MEXICO OIL CONSERVATION DIVISION:

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I N D E X

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

EXHIBIT ADMITTED

(Note: There were no exhibits marked.)

1 (Time noted: 9:08 a.m.)

2 COMMISSIONER CATANACH: The next order of
3 business this morning is the disposition of Case No.
4 15379. I will call the case at this time. That is the
5 Application of the New Mexico Oil Conservation Division
6 Compliance and Enforcement Manager for Compliance Order
7 against Dominion Production Operating, LLC.

8 It's my understanding and -- well, let me
9 call for appearances.

10 MR. HALL: Mr. Chairman, Commissioners, my name
11 is Scott Hall, Montgomery and Andrews law firm, Santa Fe,
12 appearing on behalf the de novo applicant Dominion
13 Production Company.

14 MR. HERRMANN: Mr. Examiner, I'm Keith Herrmann
15 representing the Oil Conservation Division's Compliance
16 and Enforcement Manager.

17 COMMISSIONER CATANACH: Okay. Any other
18 appearances?

19 What are we doing here?

20 MR. HALL: Not much. It's pretty fast.

21 Yesterday we were able to secure my
22 client's signature to a settlement agreement which we can
23 present to the Division for its consideration later today.
24 But this resolves the compliance issues in the farflung
25 Hospah field in McKinley County. I think we are on a

1 schedule now to bring that field back into compliance and
2 production.

3 As part of the settlement agreement it
4 provides that Dominion will dismiss it's de Novo appeal,
5 so that we make that request to you today. Then after the
6 Division accepts the settlement agreement then the
7 original Division proceeding and its attendant Compliance
8 Order will also be dismissed.

9 MR. HERRMANN: And the Division issued an Order
10 R-14132. That will also be vacated.

11 COMMISSIONER CATANACH: And this settlement
12 agreement was negotiated between Dominion and the
13 Division?

14 MR. HALL: Yes.

15 COMMISSIONER CATANACH: And the Division is in
16 agreement with this settlement agreement?

17 MR. HERRMANN: Yes.

18 COMMISSIONER CATANACH: Okay. Does that require
19 Division signature on that settlement agreement?

20 MR. HALL: I believe so.

21 MR. HERRMANN: Yes. It will require signature,
22 sign-off by the Special New Mexico Assistant Attorney
23 General and the Director of the Oil Conservation Division.

24 COMMISSIONER CATANACH: Has Dominion executed
25 that agreement?

1 MR. HALL: Yes.

2 COMMISSIONER CATANACH: Oh, Okay.

3 I guess we can go ahead and dismiss the
4 case?

5 MR. BRANCARD: So are you moving to dismiss the
6 case?

7 MR. HALL: No. We are dismissing the de novo
8 appeal. We'll go back to the Division, have the Division
9 execute the agreement, then we will dismiss the Division
10 case and the Division Order then.

11 We are a little bit out of order because
12 this case was noticed first, so we wanted to take care of
13 this side of the business first.

14 MR. BRANCARD: Do you think the Division has the
15 authority to dismiss its prior order?

16 MR. HALL: It is represented that it does to me.

17 MR. HERRMANN: Well, we could prepare a
18 Commission Order vacating the original order and
19 dismissing both cases.

20 MR. BRANCARD: Yeah, that might be better, and
21 then the Commission implements the settlement agreement.

22 MR. HALL: All right. I'll do that.

23 COMMISSIONER CATANACH: Do we need to do that
24 today, Mr. Brancard?

25 MR. BRANCARD: Well --

1 MR. HALL: We will follow up with that, but I
2 see no further need for further action by the Commission.

3 COMMISSIONER CATANACH: So, Mr. Herrmann, can
4 you prepare that Draft Order, or work with Mr. Hall?

5 MR. HERRMANN: Yes.

6 COMMISSIONER CATANACH: I don't know that we
7 need it today.

8 MR. BRANCARD: No.

9 COMMISSIONER CATANACH: But we can go ahead and
10 dismiss the case at this time?

11 MR. BRANCARD: Well, when we get the Order. The
12 Commission can authorize you as the Chair to enter into
13 the Order.

14 COMMISSIONER CATANACH: Okay. All right.

15 MR. HALL: That's it.

16 COMMISSIONER CATANACH: Thank you, gentleman.

17 MR. HERRMANN: Thank you.

18 (Note: Proceedings adjourned.)

19 (Time noted 9:15 a.m.)

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1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF TAOS)
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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico
7 Reporter CCR No. 122, DO HEREBY CERTIFY that on Thursday,
8 August 25, 2016, the proceedings in the above-captioned
9 matter were taken before me, that I did report in
10 stenographic shorthand the proceedings set forth herein,
11 and the foregoing pages are a true and correct
12 transcription to the best of my ability and control.

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

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19 _____
20 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
22 License Expires: 12/31/2016
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