

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:

APPLICATION OF LOGOS RESOURCES II, LLC CASE NO. 16069
FOR EXTENSION OF AUTHORIZATION TO
OPERATE THE ROSA UNIT RECYCLING AND
CONTAINMENT FACILITY AND FOR EXCEPTION
FROM THE CLOSURE REQUIREMENTS OF NMAC
19.15.34.14, RIO ARriba COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

April 5, 2018

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
 PHILLIP GOETZE, TECHNICAL EXAMINER
 LEONARD LOWE, TECHNICAL EXAMINER
 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, William V. Jones,
Chief Examiner, Phillip Goetze and Leonard Lowe,
Technical Examiners, and David K. Brooks, Legal
Examiner, on Thursday, April 5, 2018, 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: Mary C. Hankins, CCR, RPR
 New Mexico CCR #20
 Paul Baca Professional Court Reporters
 500 4th Street, Northwest, Suite 105
 Albuquerque, New Mexico 87102
 (505) 843-9241

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APPEARANCES

FOR APPLICANT LOGOS RESOURCES II, LLC:

J. SCOTT HALL, ESQ.
MONTGOMERY & ANDREWS LAW FIRM
325 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 982-3873
shall@montand.com

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1 (3:22 p.m.)

2 EXAMINER JONES: Call Case 16069,
3 application of LOGOS Resources II, LLC for extension of
4 authorization to operate the Rosa Unit Recycling and
5 Containment Facility and for exception from the closure
6 requirements of NMAC 19.15.34.14 in Rio Arriba County,
7 New Mexico.

8 Call for appearances.

9 MR. HALL: Mr. Examiner, Scott Hall,
10 Montgomery & Andrews, Santa Fe, on behalf of the
11 Applicant, LOGOS Resources II. And I have one witness
12 today.

13 EXAMINER JONES: Any other appearances?

14 Will the witness please be sworn?

15 JOHN BRUNER,
16 after having been first duly sworn under oath, was
17 questioned and testified as follows:

18 DIRECT EXAMINATION

19 BY MR. HALL:

20 Q. For the record, would you state your name,
21 please?

22 A. John Bruner, and I'm senior vice president with
23 LOGOS Resources.

24 Q. All right. And you work for LOGOS in
25 Farmington; is that correct?

1 A. That's correct.

2 **Q. In what capacity?**

3 A. As their senior vice president. I manage their
4 regulatory finance and accounting functions.

5 **Q. And what is your professional background? Are**
6 **you an engineer?**

7 A. I'm a petroleum engineer. I have a bachelor's
8 from Pennsylvania State University.

9 **Q. You've not testified before the Division and**
10 **had your credentials as a petroleum engineer -- an**
11 **expert petroleum engineer accepted as a matter of**
12 **record?**

13 A. I have not.

14 **Q. Would you give the hearing examiners a brief**
15 **summary of your background, education and experience?**

16 A. Okay. I have 30 years' experience in the
17 industry. The majority of it was for ConocoPhillips.
18 Approximately the first ten years of my career, I was in
19 technical engineering roles, reservoir, production,
20 completion, workover engineering in Louisiana and
21 Mississippi, onshore and offshore. I was in Dubai in
22 the Middle East. I managed a reservoir engineering
23 group while I was there. I was a joint venture manager
24 in the North Sea for some central North Sea operations.
25 And I was vice president of assets in Indonesia while we

1 were there for six years.

2 My San Juan experience started in 2012 with
3 ConocoPhillips. I was their development manager. I
4 managed their subsurface regulatory business development
5 and infrastructure groups while I was there. I left
6 ConocoPhillips in 2015 and joined LOGOS Resources.

7 MR. HALL: At this point we'd offer
8 Mr. Bruner as a qualified expert in petroleum
9 engineering.

10 EXAMINER JONES: He is so qualified.

11 Thank you.

12 **Q. (BY MR. HALL) If you will, Mr. Bruner, just**
13 **summarize for the Examiner what LOGOS is applying for**
14 **here today?**

15 A. Essentially, for this Rosa Unit Recycling and
16 Containment Facility, we are seeking an extension from
17 the period of the effective date of a determination of
18 cessation of operations and also would provide for the
19 administrative approval of such additional extension as
20 the Division determines reasonable and appropriate.
21 Also request the suspension of the closure and site
22 reclamation requirement for the facility for such
23 periods that would be commensurate for the extension for
24 the determination of cessation of operations.

25 **Q. All right. If we turn to Exhibit 1, is that a**

1 **map of the Rosa Unit?**

2 A. Yes, it is.

3 **Q. Can the facility be located on that map?**

4 A. Yes. The Rosa Unit is located in Rio Arriba
5 County. You can see it's east of Navajo Lake. The
6 facility in question is in Section 30 Township 31 North,
7 5 West.

8 **Q. All right. Would you just briefly describe the**
9 **Rosa Recycling and Containment Facility to the Examiner,**
10 **give some background on its operation?**

11 A. This facility is a large lined pit. It's a
12 little over six acres in surface area, and the capacity
13 is almost 600,000 barrels of fluid. And the intention
14 is that this facility would be used to recover produced
15 water from the Rosa Unit and then subsequently use it
16 for completion simulation purposes to minimize any
17 freshwater usage.

18 As I mentioned, it's about six acres in
19 surface area and about 20 feet deep. It's a lined pit
20 with multiple liners. The foundation liners are 30
21 mils, and it has a primary secondary 45-mil liner with
22 leak detection in between them.

23 **Q. If we turn to Exhibit 2, is that a copy of the**
24 **C-147 permit for the recycling facility?**

25 A. That's correct.

1 Q. If you look at the second line from the bottom,
2 you can see the volumes and dimensions indicated on
3 there.

4 A. That's correct. It's approximately 900-by-300
5 feet dimensionally.

6 Q. This facility is much larger than was
7 contemplated to the Division's standard form for
8 containments; is that right?

9 A. That's my understanding. Yes.

10 Q. And the facility was originally permitted by
11 WPX?

12 A. That's correct. It was --

13 Q. In 2015?

14 A. That is correct.

15 Q. And has LOGOS succeeded WPX as operator of the
16 facility?

17 A. We did. We took over operatorship of the
18 facility on January 10th of this year.

19 Q. And is a change of operator reflected at the
20 form on Exhibit 3?

21 A. It is.

22 Q. How long has LOGOS actually been in physical
23 custody of the facility?

24 A. We took over operatorship on January 10th.

25 Q. A little over three months ago?

1 A. Almost three months, yes, that's correct.

2 Q. And is the process of receiving files from WPX
3 for this facility and its other facilities still ongoing
4 right now?

5 A. It is. But we believe we've received the
6 majority of the physical and electronic operational
7 files, so we believe we have the information we need at
8 this point.

9 Q. All right. Let's turn to Exhibit 4 and if you
10 can confirm, is the operation of the Rosa facility
11 subject to the Division's rules on containments?

12 A. Yes, it is.

13 Q. Is an excerpt those rules set forth in Exhibit
14 4?

15 A. That's correct.

16 Q. And if we look at the highlighted provisions in
17 Exhibit 4, are there some sunseting provisions in that?

18 A. Could you repeat that, please?

19 Q. If we look at the highlighted provisions of the
20 containment rule at Exhibit 4, are there some conditions
21 on the operation?

22 A. There certainly are.

23 Q. What are those?

24 A. So in C, "A recycling containment" -- such as
25 this -- "shall be deemed to have ceased operations if

1 less than 20 percent of the total fluid capacity is
2 used" in a six-month period. So that would apply. On
3 this particular facility, while WPX operated it, it
4 ceased operation March 31st, 2016.

5 Q. All right. And on the cessation, do then the
6 closure requirements of Rule 34.14A become triggered?

7 A. That is correct. They would.

8 Q. And do you have a certain period of time to
9 remove the fluids from the facility?

10 A. There is removal of fluids within 60 days and
11 commencement of the closure of the containment of the
12 six months within the date of ceasing operations.

13 Q. Now, do you know, from reviewing the WPX files
14 that you brought over to LOGOS, when was the last
15 qualifying withdrawal of disposal fluids for re-use of
16 the facility?

17 A. It was March 31st, 2016.

18 Q. And can you explain the circumstances leading
19 to that?

20 A. The facility was put into use in the fall of
21 2015, and they had an event in December of 2016 where
22 the protective bird netting collapsed due to the snow
23 load, that collapsed the support posts as well. That
24 ultimately -- later they found out that that ultimately
25 caused some damage to the liner.

1 Subsequent to that, in early 2016, they
2 were filling the liner for use in one of the horizontal
3 completions, and at that point, they did see fluid
4 within the leak detection, knew they had an issue, so it
5 was drained. And then they went into repair operations
6 throughout mid -- later in 2016.

7 **Q. And was it believed that the facility liner had**
8 **been repaired at that time?**

9 A. Yes. There was a hearing in March of 2017, and
10 all the data that WPX had at the time indicated that
11 there were no leaks.

12 **Q. All right. And if we turn to Exhibit 5, is**
13 **that a copy of the order that resulted from the March**
14 **2017 hearing?**

15 A. That's correct.

16 **Q. What's your understanding of why a hearing was**
17 **necessary?**

18 A. My understanding is the -- from the -- from the
19 rule, the interpretation of the district office is they
20 could essentially have one extension approval and then
21 after that -- for a six-month period, and then after
22 that, it would go to -- a hearing would be required.

23 **Q. And so the extension is the deemed cessation**
24 **provision under the rules?**

25 A. That's correct.

1 Q. One of those is administratively? And then you
2 came back down -- WPX came back down to Santa Fe and got
3 this order. It's Number R-14314, correct?

4 A. That's correct.

5 Q. And did the order provide for additional
6 approvals by the Commission director without the need
7 for another hearing?

8 A. It provided for one.

9 Q. And if the Examiner wishes to get additional
10 background of the circumstances leading up to the order
11 of WPX's operation, can the Examiner find those details
12 in the order itself?

13 A. Yes.

14 Q. If we turn to Exhibit 6, what is that?

15 A. So Exhibit 6 is the approval from the district
16 office in August of 2017 for the continuation of the
17 extension of cessation of operations.

18 Q. Well -- in fact, let's look at the second page
19 of that exhibit. This was the director's second
20 approval; was it not?

21 A. That's correct.

22 Q. And if you look at the first page again, how
23 long was the extension valid for?

24 A. Six months.

25 Q. That would have been to March 31, 2018,

1 correct?

2 A. That's correct.

3 Q. And before that period ran, did LOGOS obtain an
4 interim order from the Division providing for -- to
5 LOGOS an extension and the suspension of the --
6 extending the conduct of this hearing?

7 A. That's correct.

8 Q. And that's found at Exhibit 7; is that correct?

9 A. That is correct.

10 Q. Let's look at Exhibit Number 8. Isn't it
11 correct that as a condition of approval -- one of the
12 conditions of approval for the operators under the
13 extension is that monthly reports would be filed?

14 A. That's correct.

15 Q. And WPX continued do that under their
16 operations, right?

17 A. They did. And we have copies of those.

18 Q. All right. And is Exhibit 8 a copy of the most
19 recent report that's been filed by LOGOS?

20 A. It is. This is the report that we filed for
21 the period from February 10th to March 9th of this year.

22 Q. Okay. And if you turn to the latter pages of
23 that report, you can see some photographs of the
24 facility, right?

25 A. That is correct.

1 **Q. Are there currently any fluids in the facility?**

2 A. There are. So as an update, this week we
3 started to do an evaluation to determine if there were
4 any leaks in the liner. And with approval from the OCD,
5 we injected 780 barrels into the leak-detection
6 interval. And this happened on April 3rd. The result
7 of that work, they identified 11 leaks. And so they're
8 currently in the process of draining that leak-detection
9 volume, and they have scheduled Ore Systems, which is
10 the original liner installation company and the company
11 that has done repairs for WPX. They are scheduled next
12 Tuesday to identify the leaks and then we will repeat
13 this type of negative test.

14 **Q. And did the discovery of the additional leaks**
15 **cause you to believe that additional time would be**
16 **required to evaluate, put the facility back into service**
17 **than you originally anticipated?**

18 A. Yes. We were, you know, under the belief that
19 the liner would meet the regulatory requirements. And
20 so, you know, obviously things have changed where we
21 will go into this first stage of repairs. We don't
22 know -- we're looking at various options. There are
23 some more advanced leak-detection options that we may
24 utilize if we see that there are still problems after
25 these initial leaks are repaired. And it's an

1 electrical leak-detection system that basically looks at
2 the water conductivity to identify leaks. It may
3 ultimately be required to replace this liner. So we're
4 going down the repair path first to see if we can repair
5 it.

6 **Q. All right. Could you describe LOGOS' plans for**
7 **future operations and development within the Rosa Unit?**

8 A. Yeah. So the Rosa Unit -- underlying the Rosa
9 Unit are -- the subsurface characterization is that the
10 Mancos Formation would have some very significant
11 resource development potential, and it was one of the
12 drivers for the company behind this acquisition beyond
13 just the PDP aspect of the existing wells. WPX was
14 going down a path of development until they made the
15 corporate decision that they wanted to sell these
16 assets.

17 There are 21 approved APDs and another
18 seven APDs that are in process, to the point where there
19 have been a number of wells that have had surface casing
20 set, and two of the major pads have full production
21 facilities set.

22 So it is our intention -- once the facility
23 is repaired, we're anticipating -- due to normal closure
24 issues that you can have with both BLM land and Forestry
25 land. So we just came out of closure on March 31st, and

1 that will begin again either November 1st or December
2 1st, depending on the Forestry or BLM land, that, you
3 know, we don't believe we can adequately do the repairs.
4 And we do have two provisional wells identified in our
5 drilling program for the Rosa Unit, but our expectation
6 is that those will most likely be 2019 wells.

7 Ultimately, we see significant development
8 potential and would want to get into virtually a
9 continuous drilling program during the nonclosure
10 periods within the Rosa Unit.

11 **Q. And what are the periods -- the dates for the**
12 **closures?**

13 A. The closure just ended March 31st. And for the
14 Forestry, it's November 1st, and the BLM is December
15 1st, the start of the closure.

16 **Q. If we turn to Exhibit 9, is that a list of the**
17 **approved APDs and APDs being processed?**

18 A. That's correct. This was the list I mentioned.
19 Total approved APDs is 21, with seven in process in the
20 Rosa Unit.

21 **Q. And is the placement of the facility back into**
22 **service necessary to support the drilling of these**
23 **wells?**

24 A. We feel that the facility concept is pretty
25 critical for future development both from a minimization

1 of the freshwater use. I mean, it's really designed
2 where we would be fully be using produced water for
3 future stimulations, so reduced truck traffic, reduced
4 surface disturbance, if we had to go out and put the
5 tankage for the completions.

6 And also there is a commercial benefit to
7 it. We would anticipate probably between 5 to 10
8 percent of the total capital of the well could be saved
9 by use of this facility. So with current gas prices
10 that are pretty marginal, we believe that that capital
11 savings could help in the overall commerciality of
12 whether something is going to be developed versus not.

13 **Q. And improved project economics is going to**
14 **support the production of further hydrocarbon resources?**

15 A. That's correct.

16 **Q. When drilling operations are able to be**
17 **recommenced and the facility placed back into use, how**
18 **quickly do you anticipate that the 20 percent withdrawal**
19 **requirement under the rules will be reached?**

20 A. Yeah. So soon after the drilling of the
21 initial well. We would be filling the containment
22 facility and then really we would expect the completion
23 to be as close to the end of drilling as we could
24 coordinate it, just from a capital perspective. So I
25 would anticipate that would be 2019, assuming we started

1 drilling right after closure.

2 Q. All right. And you've communicated with the
3 BLM?

4 A. We have.

5 Q. And do they support the extension?

6 A. They do. And I think we attached the -- their
7 email as an exhibit. But they're very supportive of
8 this facility from the standpoint of the various reasons
9 that we've explained.

10 Q. And is the BLM email Exhibit 10, for the
11 record?

12 A. That's correct.

13 Q. So what is the duration of the extension and
14 suspension requirements for the containment facility
15 that LOGOS is requesting from the Division?

16 A. The request is a one-year three-month
17 extension.

18 Q. And is LOGOS proposing that the Aztec District
19 Office be authorized to approve additional extensions
20 and exceptions administratively?

21 A. We are.

22 Q. And in your opinion, Mr. Bruner, will granting
23 LOGOS' application serve the interest of conservation,
24 the prevention of waste, including economic waste?

25 A. Yes.

1 Q. Were Exhibits 1 through 3 and 6 through 10
2 prepared by you and at your direction?

3 A. Yes, they were.

4 MR. HALL: We'd move the admission of
5 Exhibits 1 through 3 and 6 through 10 and also the
6 introduction of Exhibit 11, which is our Notice of
7 Affidavit to the BLM.

8 We ask the Division take administrative
9 notice of Exhibit 4, which is a copy of Rule 19.15.34;
10 Exhibit 5, which is a copy of Order Number R-14314; and
11 Exhibit 7, which is the interim Order R-14614 issued a
12 few days ago.

13 (LOGOS Resources II, LLC Exhibit Numbers 1
14 through 3; 6 through 11; and 4, 5 and 7 are
15 offered into evidence.)

16 EXAMINER JONES: Phil, did you get all
17 that?

18 MR. HALL: Do you need that again?

19 EXAMINER JONES: Yes, please.

20 EXAMINER GOETZE: I know what it's about.

21 MR. HALL: You're okay?

22 EXAMINER GOETZE: Yeah, I'm fine.

23 EXAMINER JONES: I didn't know if you
24 wanted to --

25 MR. HALL: That concludes my direct of the

1 witness. Pass him to --

2 EXAMINER GOETZE: I guess I'm up.

3 CROSS-EXAMINATION

4 BY EXAMINER GOETZE:

5 Q. Welcome this afternoon. You finally made it.

6 First off, with regards to your well list,
7 the email between the BLM and the list you submitted,
8 I'm assuming that the wells that you've got from the BLM
9 are the -- with the surface casing set, those would be
10 the ones you would prioritize first?

11 (Examiner Brooks exits the room.)

12 A. That's correct.

13 Q. The second item, we had a crew go out and go do
14 an evaluation. We've got 780 barrels of fluid that was
15 injected into the leak-detection system. Do we know
16 what kind of water that was?

17 A. It was fresh water.

18 Q. It was fresh water.

19 From that, looking at our current way of
20 doing things, under the conditions of approval that are
21 still being heard, is this going to be something where
22 you're going to prepare a corrective action plan and
23 submit it to the district for their approval, or is this
24 going to be -- how are we processing this?

25 A. Yeah. So under the conditions of approval that

1 we're operating under, there was a corrective action
2 plan requirement of notification, and within -- I
3 believe it was seven days. We submitted that this
4 morning.

5 Q. Okay. So you have a CAP that was submitted,
6 and the district now has it?

7 A. That's correct.

8 Q. Are you going to be continuing to test -- my
9 understanding -- I'm seeing here -- there may be
10 additional issues with --

11 A. We will correct these known leaks, and then we
12 will continue testing to ensure we have integrity.

13 Q. So you're looking at a series of processes?

14 A. That's correct.

15 Q. This is not just the end of it?

16 A. That's correct.

17 Q. One of the things -- and, unfortunately, I was
18 the one that wrote this order. Back on the original
19 order, R-14314, there is a request for some sort of
20 written procedure for monitoring a leak-detection
21 system. At this point I'm not aware -- I'm not caught
22 up. Have the district folks been provided with an
23 alternative of just having the presence of water in the
24 leak-detection system?

25 A. Not to my knowledge. Everything that I've seen

1 from the WPX reports was -- leak-detection volumes was
2 the primary method.

3 Q. Have these been recorded; do you know?

4 A. Yes.

5 Q. Okay. So -- because I'm wondering. In our
6 monthly reports, we're seeing a vague reference to
7 minimal amount. Is it such that there is a record of
8 this somewhere?

9 A. I believe there were WPX records that we should
10 be able to get.

11 Q. And I know right now we're down to a point
12 where it's minimal. We're looking down the road when
13 this restarts. And having worked with
14 electronic-detection systems, they have their flaws,
15 too. I think we're going to reiterate this again, with
16 asking you to come up with some sort of methodology
17 using volumetric and being able to report those things.

18 The other thing, I did get a phone call
19 from the district folks that the arrival on-site was
20 kind of, shall we say, rapid, that the morning you
21 called in, the folks were out in the field doing their
22 thing. So, again, we will incorporate into this a
23 request on behalf of LOGOS to give our folks a 24-hour
24 heads-up. So if you're going to do something on the
25 scale of having an inspection or have people out there

1 doing one, we have to have the opportunity to witness
2 it.

3 A. I understand. We apologize for the late
4 notice.

5 Q. I know. I hear lot of apologies, but we'll
6 give you the heads-up now, since it's going to be
7 ongoing.

8 So you figure you're going to have this in
9 a dormant state for this drilling cycle and then ramp up
10 in March 2019?

11 A. Soon after that, soon after closure.

12 Q. So you are comfortable with the 15 months as a
13 workable thing and then asking for the ability to extend
14 it based upon the district having the ability to -- for
15 a three-month? Six-month?

16 MR. HALL: To obviate the need for
17 appearing back down here, we'll do whatever you wish us
18 to do. But I would refer you to the containment rules
19 themselves. Look at 19.15.34.16. It seems to provide
20 for district office variance approvals.

21 EXAMINER GOETZE: I know, but we're playing
22 this game of resetting this. The facility has used a
23 lot of cards up in being able to reset it, of which you
24 have the benefit, and we also know where we stand. It
25 may be that we'll go ahead with district and then

1 Division from the director. I think not having to drag
2 you down here such that we have something going good, I
3 think that's a good thing.

4 Let's see. Any other omissions or
5 complaints on my part?

6 Other than that, I have no other questions
7 for this witness.

8 Thank you very much.

9 EXAMINER JONES: Mr. Lowe?

10 CROSS-EXAMINATION

11 BY EXAMINER LOWE:

12 Q. Good afternoon. I've got a few questions for
13 you.

14 On the hearing order from the WPX, 14314,
15 on 2A, the requirement that was specified here for, I
16 guess, very long leak detention and so forth, is that
17 amplified compared to the initial application process
18 that it was approved on, because I suspect when WPX
19 signed up to get this pond permitted, that there was
20 some sort of detection system in place at the time. Is
21 this more elevated --

22 A. Well, I think it's the same situation that WPX
23 was dealing with. It was leaks of the primary liner and
24 then utilizing the leak detection. You know, whether --
25 and I know there was water sampling that was done. But

1 once you had a breach, you had chlorides, you had high
2 TTS, so there was some residual there. So they reverted
3 to the primary method being volume extraction in the --

4 **Q. Also, when you got this facility from WPX, did**
5 **you receive the WPX record of inspections -- the**
6 **leak-detection inspections of this whole pond?**

7 A. We have some of the data. What I need to
8 verify is that we have the detailed data on all the
9 volumes. I've been told we have it, but I haven't seen
10 the data. We hired a lot of the WPX operators after the
11 acquisition, so there's been a continuity. I just
12 haven't seen that data yet, but the operation staff said
13 that they had been tracking those volumes.

14 **Q. Do you know what the frequency of verifying**
15 **leak detection is for a pond like that?**

16 A. Well, what's required is, basically, I think,
17 on a monthly basis. They were -- they're doing weekly
18 inspections, visual inspections, and then on a monthly
19 basis, you know, seeing what volumes they contain in the
20 leak detection.

21 **Q. Okay. So when you see fluids in the**
22 **leak-detection system, are you guys made aware**
23 **something's -- the integrity is not there or that --**

24 A. Well, yeah. Throughout the winter -- when we
25 took over operatorship, the liner was dry. So we were

1 getting a small amount. It could just be condensation
2 that they were getting. There were some precipitation
3 events throughout the winter where those were ultimately
4 pumped out, because one of the conditions is that the
5 liner remains dry. But, you know, we did the -- we
6 continued from January 10th, and we've submitted two
7 reports to date. It's been a monthly leak-detection
8 volume withdrawal. That's been the primary method.

9 (Examiner Brooks re-enters the room.)

10 **Q. And what do you mean by monthly leak-detection**
11 **volume withdrawal?**

12 A. So the leak-detection membrane is between the
13 primary and secondary liners.

14 **Q. Yes.**

15 A. So they would pump that volume out. And that
16 volume, to my understanding, is very small. It's a
17 matter of barrels -- a few barrels of volume.

18 **Q. Okay.**

19 A. But you wouldn't expect there would be much
20 volume if the containment liner is dry, which it's been
21 predominantly dry during that time period.

22 **Q. So what you're saying is whatever you see in**
23 **the leak-detection system area is not there because**
24 **their integrity is in question of the primary liner?**

25 A. We didn't know at the time because it was such

1 small volumes and there was very minimal precipitation
2 volume that was left within the containment, you know,
3 after some of these events. But with the testing that
4 was done this week, we verified that there are leaks in
5 the primary liner.

6 Q. Okay. Okay. That's all I've got for now.
7 Thank you.

8 EXAMINER JONES: Mr. Brooks?

9 EXAMINER BROOKS: No questions.

10 EXAMINER JONES: I really don't,
11 unfortunately, have any questions. Sorry.

12 EXAMINER BROOKS: I don't think that's
13 unfortunate.

14 MR. HALL: That concludes our direct, and
15 I'd ask it be taken under advisement.

16 EXAMINER JONES: Okay.

17 EXAMINER GOETZE: You're the chief
18 examiner. You can take it under advisement.

19 EXAMINER JONES: Okay. We're taking this
20 case under advisement, Case 16069.

21 Thank you very much.

22 THE WITNESS: Thank you.

23 (Case Number 16069 concludes, 3:54 p.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

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

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

20 DATED THIS 22nd day of April 2018.

21

22

23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2018
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