

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

APPLICATION OF SOUTHBOUND GAS COMPANY
FOR APPROVAL OF A SALTWATER DISPOSAL
WELL, ROOSEVELT COUNTY, NEW MEXICO.

CASE NO. 16393

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 6, 2018

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
PHILLIP GOETZE, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, Technical Examiner, Phillip Goetze, and David K. Brooks, Legal Examiner, on Thursday, September 6, 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
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(505) 843-9241

APPEARANCES

FOR APPLICANT SOUTHBOUND GAS COMPANY:

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1 (11:10 a.m.)

2 EXAMINER McMILLAN: Call Case Number 16393,
3 application of Southbound Gas Company for approval of a
4 saltwater disposal well, Roosevelt County, New Mexico.
5 Also at this hearing, Phil Goetze will be asking most of
6 the questions.

7 I'd like to call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of
9 Santa Fe representing the Applicant.

10 EXAMINER McMILLAN: Are there any other
11 appearances?

12 Please proceed.

13 MR. BRUCE: Mr. Examiner, this is for an
14 application for the Howell SWD well #1 located in
15 Section 23 of Township 2 South, Range 29 East. They're
16 seeking to inject water into the Pennsylvania Formation.
17 This is an existing well. And injection ceased for more
18 than two years, and so they had to get injection
19 authority reinstated. They applied administratively,
20 gave proper notice, and the only -- the one person
21 objected, which is Woody Investments, LLC, which is the
22 surface owner, and this application was filed. I gave
23 notice to Woody. The objection was filed by his
24 attorney -- by its attorney, Patrick McMahon, of the
25 Heidel, Samberson firm in Lovington. I filed this

1 application and gave notice. I asked Mr. McMahon to
2 give me a call. He never responded. Actual notice was
3 given to the party. They have not shown up.

4 And I would ask that the matter be placed
5 back on the administrative docket subject to whatever
6 Mr. Goetze may desire.

7 EXAMINER GOETZE: On that note, so no phone
8 calls from Mr. McMahon or anybody in this firm with
9 regards to this?

10 MR. BRUCE: The surface owner and my client
11 and Mr. McMahon have spoken. It's all about surface
12 damages. That's why they objected. And it's fee
13 surface. It's all fee surface, so it's covered by the
14 Surface Owners Protection Act, which I doubt that the
15 Division wants to get involved in that. But that's
16 all --

17 EXAMINER GOETZE: Well, we have some
18 discussions about how much an SWD permit gives you
19 authority.

20 MR. BRUCE: Oh, yeah. I understand that.
21 I'm just saying that since it's fee surface, I'd like to
22 work this out among themselves.

23 EXAMINER GOETZE: Yeah, I understand.

24 So there has been no change in any of the
25 other information provided in the C-108 that you're

1 aware of?

2 MR. BRUCE: I am not aware of any. I will
3 double-check with the client, and I will email you. But
4 I was told when I filed the application, there was no
5 change.

6 EXAMINER GOETZE: So we have taken a look
7 at it, and at this point, the application which you have
8 provided is satisfactory, and we will take it back into
9 administrative. And we'll go ahead and dismiss this
10 case with the understanding that the application will go
11 through the administrative review process.

12 MR. BRUCE: Thank you.

13 EXAMINER McMILLAN: Okay. So Case Number
14 16393 shall be dismissed at this time.

15 EXAMINER GOETZE: Oh, wait a minute.

16 EXAMINER McMILLAN: Case Number 16393 shall
17 be re-opened. I need to --

18 Exhibit 1 with Attachment A may now be --

19 MR. BRUCE: I would ask that it be admitted
20 into the record.

21 EXAMINER McMILLAN: -- now be accepted as
22 part of the record.

23 And, therefore, Case Number 16393 shall be
24 dismissed.

25 (Southbound Gas Company Exhibit Number 1 is

1 offered and admitted into evidence.)
2 (Case Number 16393 concludes, 11:14 a.m.)
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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
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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 28th day of September 2018.

21 

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