

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 THE NEW MEXICO OIL CONSERVATION DIVISION COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER AGAINST TEMPO ENERGY, INC. FOR WELLS OPERATED IN LEA COUNTY, NEW MEXICO. CASE NO. 16444

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

October 4, 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, Phillip Goetze, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, October 4, 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
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APPEARANCES

FOR APPLICANT THE NEW MEXICO OIL CONSERVATION DIVISION
COMPLIANCE AND ENFORCEMENT BUREAU:

KEITH W. HERRMANN, ESQ.
STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
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EXHIBITS OFFERED AND ADMITTED

NMOCD Compliance and Enforcement Bureau Exhibit Numbers 1 through 6	4
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1 (8:31 a.m.)

2 EXAMINER McMILLAN: Okay. I sent out a
3 list, and the first case we're going to hear is Case
4 Number 16444, application of the New Mexico Oil
5 Conservation Division Compliance and Enforcement Bureau
6 for a compliance order against Tempo Energy,
7 Incorporated, for wells operated in Lea County, New
8 Mexico.

9 Call for appearances.

10 MR. HERRMANN: Mr. Examiner, Keith Herrmann
11 representing the Oil Conservation Division Compliance
12 and Enforcement Bureau.

13 EXAMINER McMILLAN: Any other appearances?
14 Please proceed.

15 MR. HERRMANN: Mr. Examiner, this was a
16 compliance case brought by the Division for violations
17 of the inactive well rule and financial assurance
18 provisions of the Oil Conservation Commission rules. I
19 have presented you with six exhibits prepared by myself
20 and Daniel Sanchez displaying that this operator has two
21 out of a total of two inactive wells, in violation of
22 OCD Rules 19.15.25.8, 19.15.5.9, and, additionally,
23 Exhibit 2 showing that one of their wells requires a
24 bond of \$9,469, in violation of 19.15.8 NMAC.

25 Exhibits 1 through 4 were prepared by

1 Daniel Sanchez, Compliance and Enforcement Manager, and
2 he submitted an affidavit asserting as such, and
3 Exhibits 5 and 6 were notice provisions prepared by
4 myself noting that we submitted notice of this hearing
5 properly and in accordance with our rules to the
6 operator, the surety company. And we also published
7 this in the "Lovington Leader." That would be Exhibit
8 6.

9 Since there are no other appearances, I
10 request these exhibits be admitted to the record and
11 this case be taken under advisement.

12 EXAMINER McMILLAN: Okay. Exhibits 1
13 through 6 may now be accepted as part of the record.

14 (NMOCD Compliance and Enforcement Bureau
15 Exhibit Numbers 1 through 6 are offered and
16 admitted into evidence.)

17 EXAMINER McMILLAN: When was the last time
18 these wells had production?

19 MR. HERRMANN: December of 2015, for both
20 wells.

21 EXAMINER McMILLAN: Okay. What steps have
22 you taken --

23 MR. HERRMANN: You will see in Exhibit 3 we
24 sent notice to this operator back in February that they
25 were in violation of the inactive well rule, and they

1 have not contacted the Division to remedy the
2 violations.

3 EXAMINER McMILLAN: Have you had any phone
4 calls? Has the Enforcement Bureau had any phone calls
5 or anything of that nature?

6 MR. HERRMANN: I would have to ask my
7 witness.

8 MR. SANCHEZ: I tried contacting them once
9 by phone but never got an answer, never got a return
10 call, no emails, nothing.

11 EXAMINER McMILLAN: Have you attempted
12 emails?

13 MR. SANCHEZ: Yes, once, follow-up.

14 EXAMINER McMILLAN: And there's been --

15 MR. SANCHEZ: No response.

16 EXAMINER McMILLAN: Just put -- supplement
17 that email that you -- supplement that for the record,
18 the email.

19 MR. SANCHEZ: If I still have it, I will.

20 EXAMINER McMILLAN: Okay. That's fine.

21 Okay. Anything else?

22 MR. HERRMANN: That is it.

23 EXAMINER McMILLAN: Case Number 16444 shall
24 be taken under advisement.

25 (Case Number 16444 concludes, 8:35 a.m.)

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 25th day of October 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
Paul Baca Professional Court Reporters