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 NGL WATER SOLUTIONS CASE NO. 16508
PERMIAN, LLC FOR APPROVAL OF SALTWATER
DISPOSAL WELL IN LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 11, 2019

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
TERRY WARNELL, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner, and David K. Brooks, Legal Examiner, on Friday, January 11, 2019, 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.

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6		
7	ALSO PRESENT: Deana Bennett, Esq.	
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9		
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- 1 (1:23 p.m.)
- 2 EXAMINER GOETZE: Back on the record.
- 3 Application of NGL Water Solutions Permian,
- 4 LLC to approve a saltwater disposal well in Lea County,
- 5 New Mexico, Case 16508.
- 6 Call for appearances.
- 7 MR. McMILLAN: Seth McMillan, Montgomery &
- 8 Andrews, here on behalf of NGL Water Solutions Permian,
- 9 LLC.
- 10 EXAMINER GOETZE: Okay. Very good.
- 11 Any other appearances?
- 12 All right. Proceed.
- MR. McMILLAN: Mr. Examiner, I have a
- 14 witness here today to walk us through the affidavits and
- other information we'll be submitting. I suppose we
- 16 might want to swear him in.
- 17 EXAMINER GOETZE: Not right this moment.
- MR. McMILLAN: Okay.
- 19 EXAMINER GOETZE: EOG filed a protest, is
- 20 that correct, and a continuance? So we want to make
- 21 sure on the record. They're not here.
- 22 Yes. Please state your name for the record
- and be sworn in, please.
- 24 THE WITNESS: Neel Duncan.
- 25 (Mr. Duncan sworn.)

1 MR. McMILLAN: As there are quite a few NGL

- 2 applications on the docket, many of which have been
- 3 continued, I'll clarify right at the onset here that we
- 4 are dealing with the Patriot SWD #1 well. I'm going to
- 5 start walking us through these materials with
- 6 Mr. Duncan's help.
- 7 NEEL L. DUNCAN,
- 8 after having been previously sworn under oath, was
- 9 questioned and testified as follows:
- 10 DIRECT EXAMINATION
- 11 BY MR. McMILLAN:
- 12 Q. If you could, please, sir, state your name for
- 13 the record.
- 14 A. Neel Lawrence Duncan.
- 15 Q. For whom do you work?
- 16 A. Integrated Petroleum Technologies as a
- 17 consultant for NGL Water Solutions.
- 18 Q. Great.
- 19 So you have been retained by NGL.
- 20 A. Yeah.
- 21 Q. What are your responsibilities for NGL?
- 22 A. To support them at hearing, to do engineering
- and to run the drilling completion operations for NGL.
- Q. Great.
- 25 Do your responsibilities include management

1 and oversight of drilling saltwater disposal wells?

- 2 A. Yes.
- Q. Have you previously testified before the Oil
- 4 Conservation Division or the Commission?
- 5 A. Yes, starting back with Case 10273 in 1991.
- 6 Q. Well, that's a great memory. Must have been a
- 7 great day for you, like the birth of your first child.
- 8 (Laughter.)
- 9 A. It was 20 years ago.
- 10 Q. Were your credentials accepted as a matter of
- 11 record?
- 12 A. Yes.
- 13 Q. And were you qualified as an expert for
- 14 purposes of that hearing?
- 15 A. Yes.
- 16 Q. Okay. Does your area of responsibility at NGL
- 17 include the areas of southeastern New Mexico?
- 18 A. Yes.
- 19 Q. Are you familiar with the application having
- 20 been filed by NGL in this matter?
- 21 A. I am.
- Q. And you're familiar with the Patriot WD well,
- which is the subject of this application?
- 24 A. I am.
- 25 MR. McMILLAN: Mr. Examiner, I would tender

1 Mr. Duncan as an expert in operations and engineering

- 2 matters.
- 3 EXAMINER GOETZE: He is so qualified.
- 4 And I will put a caveat that we did meet
- 5 prior to this application. We went through,
- 6 essentially, what was a pre-review of what was going to
- 7 be submitted. This location, I believe, was not
- 8 contested, that we felt satisfactory with it. So in
- 9 many respects, this is a finalization of the package
- 10 that was already presented, for your edification.
- MR. McMILLAN: Right. And perhaps by way
- of clarification, we did, at one juncture, have an
- opposition from EOG to the location, and we'll get to it
- in a second. But the surface location has changed, and
- 15 an amended C-102 has been submitted. We'll get there in
- 16 just a moment.
- Q. (BY MR. McMILLAN) Mr. Duncan, could you please
- 18 turn to Exhibit 1 with me?
- 19 A. Yes.
- 20 Q. Does this look like the final application
- 21 originally filed?
- A. Yes, the original C-108.
- 23 Q. I'm sorry?
- A. Yes, the original C-108.
- 25 Q. Yes. Okay. Great.

1 Now, has the surface location for the

- 2 Patriot well changed since the original C-108 was filed?
- 3 A. Yes, it has.
- Q. And why did it change?
- 5 A. It was in the way of a horizontal well proposed
- 6 by EOG, and I worked with EOG and moved the location
- 7 closer to the section line.
- 8 Q. Great.
- Is Exhibit 2, attached in our exhibit
- 10 packet, a copy of the amended C-102 showing the new
- 11 surface location?
- 12 A. Yes, it is.
- 13 Q. And can you give us a sense of about how far
- 14 the location has moved? Has it moved 100 miles?
- 15 A. It has not moved 100 miles. It's moved within
- 16 the section.
- Q. Within the section, just down into Unit --
- 18 A. It's now 235 feet, I believe, from the west
- 19 section line. So the idea is to be in the setback area
- 20 where no wells will be drilled.
- 21 Q. So it's just a few hundred feet that the well
- 22 has moved, correct, the surface?
- 23 A. I don't recall exact footages. I don't know if
- it's relevant, but -- but we did -- we did move it.
- 25 It's within the same AOR.

1 EXAMINER GOETZE: Basically, what our

- 2 concern would be is how has that shifted around that
- 3 three-quarter mile.
- 4 THE WITNESS: Right.
- 5 MR. McMILLAN: Right.
- 6 EXAMINER GOETZE: But it looks like, based
- 7 upon what you've provided here, we would have the same
- 8 AOR, as well as three-quarter-mile buffer.
- 9 THE WITNESS: Yes.
- 10 EXAMINER GOETZE: Okay. We'll ask you that
- 11 question.
- 12 THE WITNESS: Okay.
- 13 Q. (BY MR. McMILLAN) I note from the application
- 14 that NGL is requesting a somewhat larger tubing size,
- 15 correct?
- 16 A. That is correct.
- Q. Can you explain to the Examiner why NGL is
- 18 making that request, please?
- 19 A. It reduces friction and thus reduces the
- 20 horsepower required to dispose of water in the well.
- 21 Q. Okay. Are you aware of any Devonian disposal
- 22 wells for which the Division has recently approved the
- use of a 7-inch, 5-1/2-inch tubing?
- A. Yes. It's been approved for NGL, as well as
- 25 Mesquite in the past.

- 1 Q. Okay. Are there other wells currently
- 2 injecting into the Devonian and/or the Silurian in the
- 3 general area of the Patriot well?
- 4 A. In the general area, yes, but not inside the
- 5 1.7 -- 1.5-mile buffer.
- 6 Q. Excellent.
- 7 Has NGL retained a reservoir engineer to
- 8 conduct a study of the injection zone for the Patriot
- 9 **well?**
- 10 A. Yes, we have.
- 11 Q. Was that engineer Scott Wilson?
- 12 A. Scott Wilson of Ryder Scott.
- 13 Q. Has Mr. Wilson previously testified before the
- 14 Division?
- 15 A. Yes. He has been qualified as an expert, I
- 16 believe.
- Q. Did he provide NGL with an affidavit discussing
- 18 his study?
- 19 A. Yes, he did.
- 20 Q. Is that affidavit included as Exhibit 3?
- 21 A. Yes, it is.
- 22 Q. In that affidavit, does Mr. Wilson confirm that
- 23 increasing the tubing size for the Patriot well will
- 24 reduce friction in the wellbore?
- 25 A. Yes.

- 1 Q. Does Mr. Wilson also confirm that using
- 2 increased tubing sizes will only have a small impact on
- 3 the pore pressures in the formation?
- 4 A. Yes.
- 5 Q. Is it Mr. Wilson's opinion that the increased
- 6 tubing sizes will not cause fractures in the formation?
- 7 A. Yes, it is.
- 8 Q. Did Mr. Wilson also perform a study looking
- 9 at -- modeling the migration of fluids to be injected
- 10 into the Patriot well?
- 11 A. Yes, he did.
- 12 Q. And in that study, did Mr. Wilson conclude that
- over a period of 20 years, the majority of fluids
- 14 injected will stay within a mile of where the Patriot
- 15 well is located?
- 16 A. Yes.
- 17 Q. Has NGL retained a geologist to review the
- 18 geology in the area where the Patriot well will be
- 19 located?
- 20 A. Yes. And that is Kate Zeigler.
- 21 Q. Has Ms. Zeigler previously testified before the
- 22 Division?
- 23 A. Yes, she has.
- 24 Q. Has she provided an affidavit which outlines
- 25 her study and conclusion?

- 1 A. Yes.
- 2 O. Is that Exhibit 4?
- 3 A. Yes, it is.
- 4 Q. Does Ms. Zeigler find that the areas where the
- 5 Patriot well -- the area where the Patriot well will be
- 6 located is suitable for injection at increased rates?
- 7 A. Yes.
- 8 Q. Did Ms. Zeigler find that there is a
- 9 permeability barrier both above and below the Patriot
- 10 well's injection zone which will prevent the migration
- of fluids injected into the reservoir?
- 12 A. Yes.
- 13 Q. Could you please turn to Exhibit 5? Is Exhibit
- 14 5 an affidavit that NGL has obtained from Dr. Steven
- 15 Taylor?
- 16 A. Yes.
- Q. Can you tell us who Dr. Taylor is?
- 18 A. He's a geophysicist in Los Alamos who studies
- 19 induced seismicity.
- Q. Did he look at prior seismic activity in the
- 21 area where the Patriot well is to be located?
- 22 A. Yes, he did.
- Q. And he found that there is not a lot of seismic
- 24 activity in the vicinity, correct?
- 25 A. Yes.

1 O. Did NGL also work with consultants at FTI Platt

- 2 Sparks to run a fault slip probability tool analysis?
- 3 A. Yes.
- Q. And did Mr. Taylor review those studies?
- 5 A. Yes, he did, and they're attached to his
- 6 affidavit.
- 7 Q. Did Mr. Taylor and FTI Platt Sparks find that
- 8 there is very little risk of induced seismicity caused
- 9 by the Patriot well?
- 10 A. Yes.
- 11 Q. Could you please turn to Exhibit 6? Is Exhibit
- 12 6 a declaration obtained by NGL from Steve Nave?
- 13 A. Yes, it is.
- 14 Q. Who is Steven Nave?
- 15 A. He owns a fishing service and tool rental
- 16 company in Artesia.
- Q. And has Mr. Nave previously testified before
- 18 the Division?
- 19 A. Yes, he has.
- 20 Q. In his declaration, does Mr. Nave conclude that
- 21 fishing operations will be possible in the Patriot well
- 22 if NGL is permitted to use the tubing it requests?
- 23 A. Yes.
- 24 Q. Can you please turn now to what has been marked
- as Exhibit Number 7? Does this appear to be an

- 1 Affidavit of Notice completed by yours truly?
- 2 A. Yes, it does, prepared by Seth McMillan.
- 3 Q. That's me.
- 4 MR. McMILLAN: Okay. And I will just
- 5 briefly state that what happened here is I was asked to
- 6 sub in as conflict counsel when EOG popped up. Notice
- 7 had previously been sent by prior counsel, by the
- 8 Modrall, Sperling Law Firm. I have attached their work,
- 9 as well as the Affidavit of Publication from the "Hobbs
- 10 News-Sun." And in my review of these materials, in my
- 11 opinion, service was completed. Specifically, the
- 12 mailing materials show that delivery was made to each of
- 13 the recipients except for the apparently difficult to
- 14 locate Bureau of Land Management. That letter was lost.
- 15 However, BLM was listed in the legal notice published
- 16 October 19, 2018. So I am satisfied that notice was
- 17 properly done. I hope the Division shares my analysis.
- 18 Q. (BY MR. McMILLAN) Were Exhibits 1 through 6
- 19 created by you or prepared under your supervision or
- 20 direction or compiled from company business records?
- 21 A. Yes.
- 22 MR. McMILLAN: Exhibit 7 was, of course,
- 23 created by me with some help from prior counsel.
- 24 Q. (BY MR. McMILLAN) In your opinion, Mr. Duncan,
- 25 can -- does the granting of this application promote the

1 prevention of waste and the protection of correlative

- 2 rights?
- 3 A. Yes, it does.
- 4 MR. McMILLAN: I would move, Mr. Examiner,
- 5 for the admission of Exhibits 1 through 7.
- 6 EXAMINER GOETZE: Exhibits 1 through 7 are
- 7 so entered in the record.
- 8 (NGL Water Solutions Permian, LLC Exhibit
- 9 Numbers 1 through 7 are offered and
- 10 admitted into evidence.)
- MR. McMILLAN: And that concludes
- 12 examination of my witness.
- 13 EXAMINER GOETZE: Mr. Brooks?
- 14 EXAMINER BROOKS: Well, I'm a little
- 15 concerned about the BLM. Do they have actual notice?
- MR. McMILLAN: Well, no. The letter was
- 17 lost in the mail, as reflected in the attachment to the
- 18 Affidavit of Notice, but the BLM received notice by
- 19 publication.
- 20 EXAMINER BROOKS: Well, I don't know if
- 21 they look at those or not. If they do, they're the only
- 22 people that do.
- Why was the BLM on the notice list for
- 24 this?
- MR. McMILLAN: I'm sorry?

1 EXAMINER BROOKS: Why was the BLM on the

- 2 notice list?
- 3 MS. BENNETT: They must have -- there might
- 4 be some federal land within the 1.5-mile buffer. The
- 5 BLM is routinely on our notice list for NGL, and they
- 6 routinely do not accept service -- or service is not
- 7 completed to the BLM, for whatever reason. I don't know
- 8 the answer to that.
- 9 EXAMINER GOETZE: And would you identify
- 10 yourself for the --
- MS. BENNETT: My name is Deana Bennett, and
- 12 I am alternative non-conflict counsel for NGL.
- 13 (Laughter.)
- 14 EXAMINER BROOKS: Well, I can speculate
- 15 that there may be some concern among federal attorneys
- 16 that accepting notice of service from the state court --
- 17 from a state tribunal of any kind would be waiving
- 18 federal immunity. I don't know that. They did at one
- 19 time -- somebody from the BLM did one time tell me that
- they monitored our dockets regularly, and they would
- 21 comment on anything they were concerned about, but I
- 22 don't know. If this is the procedure, we need to work
- 23 that out with the BLM because I don't think that you can
- 24 satisfy the requirement that you've made a diligent
- 25 effort to find them but have been unable to do so or the

- 1 BLM -- we know where they are.
- THE WITNESS: The BLM has responded in the
- 3 past to applications, and that was when they were
- 4 concerned about the potash area and ensuring the
- 5 location of the well wasn't going to affect that. But
- 6 other than that, we've never heard from them, to my
- 7 knowledge.
- 8 MS. BENNETT: And I do have some contacts
- 9 at the BLM and the state office, and I'm happy to give
- 10 them a call and see if there is an alternative procedure
- 11 that we should be using for notice. But as I mentioned,
- 12 we -- on almost all of our notices, our mailings that we
- do, we either -- we aren't able to get it to the BLM,
- 14 for whatever reason.
- 15 EXAMINER BROOKS: Well, I guess I won't
- 16 raise a matter in an uncontested case that no nobody
- 17 else is concerned about. But I think ongoing I'm going
- 18 to recommend that our management, once we get
- 19 management, is going to contact the BLM and work out how
- 20 we're going to do this because I think that we're
- 21 vulnerable on that. I don't think -- I'm very leery of
- 22 the idea that the BLM is properly served by publication.
- 23 I'm not going to rule that they're not, but that worries
- 24 me.
- MR. McMILLAN: Okay.

- 1 MS. BENNETT: Thank you.
- 2 MR. McMILLAN: Well -- thank you.
- 3 (Laughter.)
- 4 EXAMINER GOETZE: So evidently we're not as
- 5 satisfied as you are.
- 6 MR. McMILLAN: Okay. But barely satisfied,
- 7 yes?
- 8 EXAMINER GOETZE: Barely satisfied.
- 9 EXAMINER BROOKS: Well, of course, I'm sure
- 10 it's kind of like Mr. Capulet and Juliet. Her
- 11 consent -- "my will to her consent is but a part," and
- 12 his satisfaction is kind of dependent on ours.
- 13 (Laughter.)
- 14 EXAMINER GOETZE: So noted. In the future,
- 15 make sure the BLM, we get something solid in response to
- 16 an application.
- 17 EXAMINER BROOKS: Well, if you have
- 18 contacts with BLM, you should -- I would recommend that
- 19 you contact those contacts and see how they want to do
- 20 things. And if our management can't establish some kind
- 21 of rapport on this, I'm going to recommend we revise our
- 22 rules to -- to eliminate all -- all requirements that
- 23 the BLM be served with anything.
- MR. McMILLAN: I mean, if I may note, from
- 25 sitting in this room especially the last few months, it

1 seems like this is hardly an isolated issue. Is it not

- 2 the case that BLM is hard to get a letter to?
- 3 EXAMINER GOETZE: Not necessarily.
- 4 EXAMINER BROOKS: I don't think they're
- 5 hard to get a letter to.
- 6 MR. McMILLAN: Just go knock on the front
- 7 door?
- 8 EXAMINER GOETZE: Yeah. Some people
- 9 actually do physically deposit a copy of the
- 10 application. But many of the consultants are down there
- 11 present. It has been a rarity to hear back from them,
- 12 especially now with the procedure we have for the
- 13 Devonian wells, but we've never really gone back and
- 14 asked, "Is this satisfactory as far as being noticed,
- our involvement with these deep injection wells; are you
- 16 satisfied?" So that is something we'll have to address.
- 17 EXAMINER BROOKS: Yeah. We do need to
- 18 cover this.
- 19 EXAMINER GOETZE: Because as well as you
- 20 know, as I do, there are a lot of them, and once we
- 21 start injecting --
- 22 EXAMINER BROOKS: And there is a lot of
- 23 federal land in this state.
- 24 EXAMINER GOETZE: Any more questions?
- 25 EXAMINER BROOKS: No.

- 1 EXAMINER GOETZE: Okay.
- 2 CROSS-EXAMINATION
- 3 BY EXAMINER WARNELL:
- 4 Q. Well, just to kind of continue on with the
- 5 question about the Feds, I take it this is mostly fee
- 6 land?
- 7 A. Yes. This is fee land.
- 8 Q. No State Trust Land?
- 9 A. Not in this case.
- 10 Q. I'm kind of new to this case, so I looked
- 11 through this material. I didn't see a well sketch or
- 12 anything. Am I to assume that it's a vertical well?
- 13 A. It's in the C-108, but if you'd like, I've got
- 14 a blow-up of that same sketch here.
- 15 O. It's a vertical?
- 16 A. Vertical, yeah.
- 17 Q. Oh, I see it.
- 18 A. Yeah. Yeah. It's very fine print in the
- 19 C-108.
- 20 Q. So you calculated your 3,300 psi based on the
- 21 top perf?
- 22 A. Yeah. The standard gradient of .2.
- 23 Q. Yeah, of .2.
- 24 A. Uh-huh.

25

1 CROSS-EXAMINATION

- 2 BY EXAMINER GOETZE:
- Q. And to this point, this has been a design that
- 4 has come about from several sources of late, both
- 5 Chevron and Matador. As far as three casings and then a
- 6 liner drop through the Wolfcamp -- below the Wolfcamp
- 7 seems to be the best approach at this point, and then
- 8 open hole below the liner. Variations have been made to
- 9 accommodate the four string as required by our agreement
- 10 with the BLM, as well as the potash. Other than that,
- 11 this is a fairly consistent design that we see.
- 12 A. Yeah. And in the reef area, there is still one
- more casing string, when we get to those.
- 14 Q. Yes. Attention has been brought to the fact
- 15 that drilling through the Capitan, we can't have the
- 16 Salado mixing. So we've requested additional casing to
- isolate the Salado and the Capitan, and they've been --
- 18 the Galaxy responded.
- 19 A. The first one and the Raptor, yeah. Not
- 20 Raptor. There are three of them.
- 21 EXAMINER GOETZE: Nothing else?
- 22 I thank you for coming back and redoing the
- 23 3D grids, the pressure test, with actually putting well
- 24 names on them.
- 25 So it is my understanding that both

1 bottom-hole and surface-hole location are adequately

- 2 covered by your notice?
- MR. McMILLAN: That's true.
- 4 THE WITNESS: Yeah. That is correct.
- 5 EXAMINER GOETZE: Okay. Both counsel and
- 6 witness confirm that?
- 7 THE WITNESS: Confirm, yes.
- 8 EXAMINER GOETZE: Okay. Yes, sir.
- 9 CROSS-EXAMINATION
- 10 BY EXAMINER BROOKS:
- 11 Q. And there are no tracts that were in the
- 12 original -- that were original AOR -- that are in the
- 13 AOR for the present location that weren't in the
- 14 original?
- 15 A. I think the C-102 addresses that, doesn't it?
- 16 MR. McMILLAN: Let's take a look.
- 17 EXAMINER WARNELL: Which example are you
- 18 looking at?
- 19 EXAMINER GOETZE: I believe Tab Number 2.
- 20 MR. McMILLAN: Yes, Tab Number 2.
- 21 THE WITNESS: Since the well moved west 400
- 22 feet and south a little bit, I think that's -- yeah. It
- 23 doesn't -- you wouldn't have changed anything in this
- 24 picture.
- 25 Q. (BY EXAMINER BROOKS) Well, the AOR is a half

- 1 mile, right?
- 2 A. One mile for the big Devonian well.
- MR. McMILLAN: The blue line.
- 4 THE WITNESS: Yeah, thin blue line.
- 5 EXAMINER GOETZE: So if you go back almost
- 6 to the last page of Exhibit Number 2, we have the
- 7 leases.
- 8 THE WITNESS: Yes.
- 9 Q. (BY EXAMINER BROOKS) My concern would be if
- 10 there would be anybody that wasn't noticed because of
- 11 change of location.
- 12 A. We do check that out. Lonquist has a land
- 13 group that checks that out at the time when these things
- 14 are revised.
- Does that comport with your --
- 16 MR. McMILLAN: That comports with my
- 17 understanding and with the last page of Exhibit 2 as
- 18 well.
- 19 Mr. Examiner, if you have any concerns
- 20 about this, maybe we can have it double-checked and have
- 21 it submitted by supplemental affidavit or something that
- 22 we're in good shape.
- 23 EXAMINER BROOKS: I'm going to look here
- 24 just a minute. I found out yesterday that I still have
- 25 the old version of Part 26 in my rule book, which for

1 this purpose is a good thing because the old version

- 2 applies, although I don't think this particular matter
- 3 has changed. The notice provision is so hard to find in
- 4 Rule 26 (reading).
- 5 Okay. It's in B2. One-half mile is the
- 6 notice area.
- 7 Q. (BY EXAMINER BROOKS) And in this section --
- 8 let's see. You moved the well how far? These footages
- 9 don't seem to --
- 10 A. It was moved west 435 feet.
- 11 O. Moved west 435 feet.
- 12 EXAMINER GOETZE: That's surface-hole
- 13 location and bottom-hole location. The original 102 put
- 14 it farther to the west -- or towards the east. Excuse
- 15 me.
- 16 EXAMINER BROOKS: But it didn't move across
- 17 the line into the adjacent section. This is 31, so this
- 18 is on the township line. The adjacent section would be
- 19 Section 36 of 33 East, I think, and you would still have
- 20 the same -- I think you still have exactly the same
- 21 tracts in the notice area, but without a plat that shows
- 22 it, I can't definitively make that decision. But when
- 23 we can take the case under advisement, we can check that
- 24 out.
- 25 MR. McMILLAN: Okay. And if you'd like

- 1 confirmation supplementally, I'm happy to provide it.
- 2 EXAMINER BROOKS: Yes. If you -- if you
- 3 could provide a plat that shows the tracts that were
- 4 noticed, and then we can see where the well location is
- 5 in relation thereto.
- 6 THE WITNESS: I thought -- and, Deana, you
- 7 can correct me if I'm wrong -- we were noticing a mile
- 8 based on the guidance by OCD.
- 9 EXAMINER BROOKS: Well, that would cover
- 10 all of them because the rule only requires notice -- the
- 11 rule doesn't say AOR. The rule says one-half mile.
- 12 THE WITNESS: So that was done in September
- 13 originally.
- 14 EXAMINER BROOKS: Did they notice all
- 15 the --
- 16 EXAMINER GOETZE: That's where the circle
- 17 is. It's one mile.
- 18 EXAMINER BROOKS: Did you notice everybody?
- 19 EXAMINER GOETZE: Well, we'll go ahead and
- 20 take a look at the list and verify.
- 21 MR. McMILLAN: Yes. It does appear that a
- 22 full mile was noticed.
- 23 EXAMINER BROOKS: Yeah. And a mile is not
- 24 required. Only half mile is required under the rule
- 25 here.

1 MR. McMILLAN: Right. So a change of a few

- 2 hundred feet should --
- 3 EXAMINER BROOKS: And this was the rule in
- 4 effect at the time this case was filed, so it would --
- 5 MR. McMILLAN: So where should we leave
- 6 this notice question? Tell me what to do.
- 7 EXAMINER BROOKS: Well, we'll look at it,
- 8 but I'm pretty sure it's okay.
- 9 EXAMINER GOETZE: We'll confirm. We'll
- 10 find you.
- 11 MR. McMILLAN: Yeah. You know where I am.
- 12 EXAMINER BROOKS: I'm not really that
- 13 concerned about it at this point. If you noticed a full
- 14 mile, you'd get every possible tract within it --
- MR. McMILLAN: That's what I thought.
- 16 EXAMINER BROOKS: -- that you're required
- 17 to.
- 18 EXAMINER GOETZE: And you just didn't use
- 19 Midland Maps.
- MR. McMILLAN: No.
- 21 EXAMINER GOETZE: Okay.
- 22 EXAMINER BROOKS: You know my opinion about
- 23 Midland Maps.
- 24 MR. McMILLAN: Any more questions?
- 25 EXAMINER WARNELL: No.

Page 26 EXAMINER GOETZE: With that, we'll take Case 16508 under advisement. Thank you very much. And we'll go get you a real hearing examiner. So let's take a break. EXAMINER BROOKS: I thought you were a real hearing examiner. (Case Number 16508 concludes, 1:51 p.m.)

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.
- 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.
- 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 29th day of January 2019.

21

22

MARY C. HANKINS, CCR, RPR
Certified Court Reporter
New Mexico CCR No. 20

Date of CCR Expiration: 12/31/2019
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