

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 COMPLIANCE AND ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER AGAINST QUALITY TRANSPORT, INC. FOR WELLS OPERATED IN EDDY COUNTY, NEW MEXICO. CASE NO. 20144

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 10, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER  
KATHLEEN MURPHY, 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; Kathleen Murphy and Leonard Lowe, Technical Examiners; and David K. Brooks, Legal Examiner, on Thursday, January 10th, 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.

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 THE NEW MEXICO OIL CONSERVATION COMPLIANCE  
AND ENFORCEMENT BUREAU:

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

NMOCD Compliance and Enforcement Bureau Exhibit Numbers 1 through 5	5
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1 (11:15 a.m.)

2 EXAMINER JONES: Call Case 20144.

3 Call for appearances.

4 MR. HERRMANN: Mr. Examiner, Keith Herrmann  
5 representing the Oil Conservation Division Compliance  
6 and Enforcement Bureau.

7 EXAMINER JONES: Any other appearances?

8 MR. HERRMANN: Since there are no other  
9 appearances, we will be submitting this case via  
10 affidavit as well. And for the record, this is the  
11 application -- this is Case Number 20144, application of  
12 the New Mexico Oil Conservation Division Compliance and  
13 Enforcement Bureau for a compliance order against  
14 Quality Transport, Incorporated, for wells operated in  
15 Eddy County, New Mexico.

16 Mr. Examiner, we have Daniel Sanchez  
17 present, but in the interest of time, we will again be  
18 submitting his testimony via affidavit, which is  
19 contained in Exhibit 4. And just to summarize:

20 Exhibit 1 is an OCD record of the inactive  
21 well list showing that this well has not produced -- or  
22 had reported production since November of 2008.

23 It has a single-well bond of \$17,026, and  
24 that is identified in Exhibit 2, which is a printout of  
25 the inactive well additional financial assurance report,

1 a record regularly kept by the Division.

2 Exhibit 3 is a notice of violation that was  
3 sent by the Division prior to -- or at least 60 days  
4 prior to the commencement of this proceeding, as  
5 required by 19.15.5.9 NMAC.

6 Exhibit 4, as I previously stated, is an  
7 affidavit of Daniel Sanchez going into greater detail of  
8 what I am summarizing right now.

9 And Exhibit 5 is an Affidavit of Service  
10 showing that we have served above and beyond what's  
11 required by the Division to all the addresses we have on  
12 file with the Division for Quality Transport and those  
13 identified on the New Mexico Secretary of State Web  
14 site, and we have sent notice directly to First American  
15 Bank in Artesia. That is the holder of their financial  
16 assurance.

17 At this time I'd move to admit Exhibits 1  
18 through 5.

19 EXAMINER JONES: Exhibits 1 through 5 are  
20 admitted.

21 (NMOCD Compliance and Enforcement Bureau  
22 Exhibit Numbers 1 through 5 are offered and  
23 admitted into evidence.)

24 MR. HERRMANN: And I would request that the  
25 Division issue an order requiring this subject well, the

1 Helena 25 Fee Com #1, to be plugged and abandoned within  
2 45 days, and should the operator fail to comply with  
3 this order, that the Division be authorized to plug and  
4 abandon this well and recoup its expenses from the  
5 operator's financial assurance.

6 EXAMINER JONES: To summarize, all three of  
7 these cases were one well plugging cases? No bonding  
8 issues?

9 MR. HERRMANN: Just that they do have bonds  
10 and we have notified the surety as required. Should the  
11 operator not comply with the order, we intend to call  
12 that bond.

13 EXAMINER JONES: Okay. Thank you very  
14 much.

15 Thank you, both.

16 Case 20144 is taken under advisement.

17 (Case Number 20144 concludes, 11:19 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 31st day of January 2019.

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23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2019  
Paul Baca Professional Court Reporters

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