STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF DELAWARE ENERGY, LLC TO REVOKE THE INJECTION AUTHORITY GRANTED UNDER SWD-1680 FOR THE ALPHA SWD NO. 1 WELL OPERATED BY ALPHA SWD OPERATING, LLC, EDDY COUNTY, NEW MEXICO. CASE NO. 15855 (De Novo) (Rehearing)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSIONER HEARING

January 17, 2019

Santa Fe, New Mexico

BEFORE: DAVID GABRIEL WADE, ACTING CHAIRPERSON ALLISON MARKS, COMMISSIONER BILL BRANCARD, ESO.

This matter came on for hearing before the New Mexico Oil Conservation Commission on Thursday, January 17, 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

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- 1 (9:07 a.m.)
- 2 ACTING CHAIRMAN WADE: Item five on the
- 3 agenda is the rehearing of Case Number 15855, de novo,
- 4 which is the application of Delaware Energy, LLC to
- 5 revoke the injection authority granted under SWD-1680
- 6 for the Alpha SWD No. 1 well operated by Alpha SWD, LLC,
- 7 Eddy County, New Mexico.
- 8 Call for the parties' appearances, please.
- 9 MR. FELDEWERT: May it please the Board --
- 10 Commission, Michael Feldewert with the Santa Fe office
- of Holland & Hart, appearing on behalf of the Applicant,
- 12 Delaware Energy, LLC.
- MR. LARSON: Good morning, Mr. Chairman,
- 14 Commissioner Marks.
- 15 Gary Larson, with the Santa Fe office of
- 16 Hinkle Shanor, for the de novo Applicant, Alpha SWD
- 17 Operating.
- 18 ACTING CHAIRMAN WADE: Okay. Now, I have a
- 19 proposal, Commissioner Marks. I've reviewed the record.
- 20 I reviewed the pleadings. I feel like I have enough
- 21 basic information. What I would propose is that we let
- 22 Mr. Brancard discuss the procedural history and then
- 23 perhaps go into executive session immediately to begin
- 24 discussions. If there is any further argument we'd like
- 25 to hear from the parties, we could come back into open

1 session to do that. If you have any other proposal, I'm

- 2 open to hearing it.
- 3 COMMISSIONER MARKS: No. I would -- if
- 4 that's the motion, I second the motion.
- 5 ACTING CHAIRMAN WADE: Okay.
- 6 Mr. Brancard, if you would --
- 7 Well, all in favor of that proposal say
- 8 aye?
- 9 MR. BRANCARD: Wait until the point you
- 10 want to go into executive session, then make the formal
- 11 motion. At this point you need to decide what you want
- 12 to talk about.
- 13 ACTING CHAIRMAN WADE: Okay. Well,
- 14 Mr. Brancard, if you would give us kind of a procedural
- 15 background to this case, please.
- MR. BRANCARD: Okay. Thank you,
- 17 Mr. Chairman.
- 18 I had sent to the Commissioners the order
- of the Commission, R-14484-B, which was the actual order
- 20 that has now been suspended by the Commission after the
- 21 proceedings in this case last year. And, you know, what
- 22 I would summarize is essentially what is in the first, I
- 23 believe, eight findings in that order, and that is that
- 24 this case began with an application by Alpha for a solid
- 25 waste disposal well. That was granted by the Division.

1 Delaware, sometime after the granting of that permit,

- 2 filed a motion to revoke injection authority with the
- 3 Division, two grounds that they raised, and requested a
- 4 hearing before the Division hearing examiner.
- 5 The Division hearing examiner held a
- 6 hearing on that case and then granted Delaware's motion
- 7 to revoke injection authority based on one of their
- 8 claims, which was that the initial grant of the SWD
- 9 permit by the Division to Alpha violated the rules by
- 10 being granted prior to the expiration of a second 15-day
- 11 period in our rules. Our injection rules have two
- 12 15-day periods in them.
- 13 Let me explain. The first one is the
- 14 Applicant files a public notice and gives an opportunity
- 15 to respond, and there is a 15-day period to respond to
- 16 that notice. However, our rules also say that the
- 17 Division cannot actually grant the permit until 15 days
- 18 after the application is complete. So in this case, the
- 19 first 15-day period ran. The Division had asked Alpha
- 20 to provide more information. When that was finally
- 21 submitted, that's when the application was complete.
- 22 That's when the second 15-day clock began, and the
- 23 Division granted that permit prior to the end of that
- 24 15-day clock.
- 25 So in the second Division proceeding, which

1 is on the motion to revoke injection authority, the

- 2 hearing examiner granted that motion on the basis that
- 3 the first permit was not issued according to the
- 4 regulations.
- 5 Alpha then sought de novo review with the
- 6 Commission. The Commission had a series of proceedings
- 7 in this case to get the facts in front of them and to
- 8 try to deal with legal or procedural issues.
- 9 The Commission on its own, basically at my
- 10 urging, raised the question about whether it was proper
- 11 for Alpha -- sorry -- for Delaware to invoke the
- 12 authority of the Division hearing examiner to revoke the
- 13 injection authority. Essentially what Delaware was
- 14 doing was appealing the decision -- the first decision
- 15 of the Division to the Division itself and asking the
- 16 Division to revoke and repeal its own decision. And so
- 17 initially the Commission reached the decision that that
- 18 was not proper, that what Delaware should have done was
- 19 either appeal the initial decision to the Commission or,
- 20 if that was not available, to appeal the decision to the
- 21 courts, that the Division didn't have the authority to
- 22 hold that second -- that second proceeding on this
- 23 permit.
- 24 There was a request for rehearing after
- 25 that decision. In the rehearing proceeding, the

1 Commission sort of took a broader look at the case and

- 2 looked at the statute. And that's -- in the order for
- 3 rehearing, you'll see the statutory provision. It's
- 4 simply one sentence that creates the Commission's role
- 5 under the Oil and Gas Act, and it says, "When any matter
- 6 or proceeding is referred to an examiner and a decision
- 7 is rendered thereon, any party of record adversely
- 8 affected shall have the right to have the matter heard
- 9 de novo before the Commission upon application filed
- 10 within 30 days after the decision."
- 11 So in this case, the Commission looked at
- 12 that and said, Well, the matter or proceeding that went
- 13 to the Division hearing examiner was the initial grant
- 14 by the Division. And so it is that matter that is
- 15 actually before the Commission. So the Commission has
- 16 the ability to simply -- now that it has the case and
- 17 has properly brought the case as a de novo proceeding,
- 18 the Commission can look at it and seek to try to remedy
- 19 the problem created by the first Division action on the
- 20 SWD permit. And so that was what the Commission last
- 21 year was looking at and why they granted the rehearing.
- 22 We have a new Commission, fresh eyes. You
- 23 obviously can look at this however you'd like to. The
- 24 initial Commission order has been suspended, but it's
- 25 still there. And so I think the facts in the case are

- 1 fairly simple in that regard of what had happened.
- 2 That's why I urged the Commissioners to look at the
- 3 first eight findings in this case because it just simply
- 4 lays out the case. There is a separate issue that has
- 5 been raised by Alpha about the standing of Delaware in
- 6 this matter, and so that has also been briefed before
- 7 the Commission. And what the last Commission wanted to
- 8 look at, if it went back to the first decision about
- 9 granting the SWD to Alpha, would be if they decided to
- 10 reverse that decision, what would be the proper remedy,
- 11 which the Commission had asked the parties on several
- 12 occasions but didn't get anything other than I win, you
- 13 lose as solutions suggested by either party. And so I
- 14 think the Commission was looking at something different
- in terms of a remedy to try to put the parties in
- 16 positions with each other with their competing
- 17 applications. But only one application is in front of
- 18 you and that is Alpha's. There is a second application
- 19 by Delaware, but it's not in front of the Commission.
- 20 So that's where we're at procedurally, how we got here,
- 21 much too complicated for a very simple SWD permit
- 22 application.
- 23 ACTING CHAIRMAN WADE: And it's been
- 24 pending for quite a while.
- 25 Commissioner Marks, do you have any

1 questions for Mr. Brancard or the parties at this time?

- 2 COMMISSIONER MARKS: I do not.
- ACTING CHAIRMAN WADE: I would move that we
- 4 go -- move into executive session to discuss this issue.
- 5 COMMISSIONER MARKS: I would second the
- 6 motion.
- 7 ACTING CHAIRMAN WADE: All those in favor
- 8 say aye?
- 9 COMMISSIONER MARKS: Aye.
- 10 ACTING CHAIRMAN WADE: Aye.
- 11 (Ayes are unanimous.)
- MR. BRANCARD: So the Commission is going
- 13 under the section of the Open Meetings Act which allows
- 14 for deliberation of administrative and adjudicatory
- 15 matters in executive session.
- 16 (Recess, Executive Session, 9:15 a.m. to
- 17 10:16 a.m.)
- 18 ACTING CHAIRMAN WADE: We're back on the
- 19 record.
- 20 MR. BRANCARD: You need a motion to go back
- 21 into open session.
- 22 COMMISSIONER MARKS: I'd make a motion to
- 23 go back into open session.
- 24 ACTING CHAIRMAN WADE: I second.
- 25 All those in favor?

- 1 COMMISSIONER MARKS: Aye.
- 2 ACTING CHAIRMAN WADE: Aye.
- 3 (Ayes are unanimous.)
- 4 MR. BRANCARD: And a statement from the
- 5 Chair that the only thing discussed in executive session
- 6 was Case 15855.
- 7 ACTING CHAIRMAN WADE: The only thing
- 8 discussed in executive session was Case Number 15855.
- 9 So the Commission has reviewed the record
- 10 and the pleadings in this case, and based on this
- 11 Commission's review, we find that Order R-14484-B was
- 12 supported by the record and that the granting of the
- 13 rehearing of SWD-1680, under Order Number 14484-D, was
- 14 improper. Based on the Commission review and
- 15 discussion, I move that Order Number 14484-D be quashed
- 16 and Order R-14484-B be reinstated.
- 17 Do I hear a second?
- 18 COMMISSIONER MARKS: I second the motion.
- 19 ACTING CHAIRMAN WADE: All those in favor?
- 20 COMMISSIONER MARKS: Aye.
- 21 ACTING CHAIRMAN WADE: Aye.
- 22 (Ayes are unanimous.)
- 23 ACTING CHAIRMAN WADE: The motion carries.
- 24 Order Number R-14484-D is quashed, and Order R-14484-B
- 25 is reinstated.

1 That brings us to item 31 on the agenda,

- 2 which is pending litigation.
- 3 MR. FELDEWERT: Madam Chair, members of the
- 4 Commission, may I have -- Michael Feldewert, attorney
- 5 for the Applicant, Delaware Energy. I'd like to make a
- 6 request in light of the Division's ruling -- or
- 7 Commission's ruling.
- 8 ACTING CHAIRMAN WADE: Go ahead.
- 9 MR. FELDEWERT: In light of the
- 10 Commission's ruling that 14484-B is now reinstated, I
- 11 would ask that the Commission stay Order --
- 12 Administrative Order SWD-1680, as it did under Case
- 13 Number 14484-C, for purposes of filing an appeal in the
- 14 district court of Santa Fe County and ask that the stay
- 15 be extended for the pendency of the appeal before the
- 16 district court.
- 17 ACTING CHAIRMAN WADE: So for my benefit,
- 18 please, can you repeat your whole request and I'll do
- 19 better on following at this time.
- 20 MR. FELDEWERT: I would ask for the relief
- 21 that has been afforded previously by the Commission
- 22 under Case Number R -- or under Order Number R-14484-C
- on the grounds that are stated in that order, for the
- 24 reasons stated in the order, which is essentially then,
- 25 effective Order R-14484-B is to stay the administrative

order for a period of 60 days, and if an appeal is then

- 2 filed within that 60-day period to the district court,
- 3 that the stay be extended for the pendency of the appeal
- 4 before the district court.
- 5 ACTING CHAIRMAN WADE: Mr. Brancard, do you
- 6 know if 14484-C was ruled on by the Commission?
- 7 MR. BRANCARD: Yes. It was -- it was after
- 8 the order in the case was issued but prior to the
- 9 rehearing being considered. Is that correct?
- 10 MR. FELDEWERT: Yes. It was after the time
- 11 R-14484-B was issued. There were arguments on whether a
- 12 stay should be issued, and the Commission at that time,
- 13 all three members, voted to grant the stay under the
- 14 terms and conditions of R-14484-C. So if we're going to
- 15 go back to R-14484 --
- MR. BRANCARD: B.
- 17 MR. FELDEWERT: -- B, we would ask that we
- 18 likewise we go back to R-14484-C.
- 19 ACTING CHAIRMAN WADE: Mr. Larson?
- 20 MR. LARSON: If I recall, that had a 60-day
- 21 time limit. I don't know that we could go back to that
- 22 order. I think there would have to be a new order
- 23 issued.
- 24 And Alpha's position is we don't have a
- 25 problem with a stay through a rehearing period in front

- of the Commission, but it would be our position that
- 2 Delaware should have to go to the district court to get
- 3 a stay from the district court if it does file an
- 4 appeal, which would potentially involve a bond, because
- 5 Alpha's injection authority has been on hold for almost
- 6 a year and a half now, and they've had substantial
- 7 financial injury in the meantime. They purchased the
- 8 property where the well will be located, and throughout
- 9 this period, Delaware really hasn't had any skin in the
- 10 game. So my counterproposal would be a stay through the
- 11 end of the rehearing period and not for the period of a
- 12 district court appeal.
- MR. FELDEWERT: Stays on these types of
- orders are addressed by the Commission per statute and
- 15 the rule, not the district court.
- 16 COMMISSIONER MARKS: And how long would it
- 17 take for the -- just causationwise for the district
- 18 court to rule on a stay?
- 19 MR. BRANCARD: Well, I think procedurally
- 20 we're now done with the rehearing period. So the next
- 21 step, if there is a next step, would be an appeal to
- 22 district court.
- MR. FELDEWERT: Right. I would think
- that's what would happen.
- MR. BRANCARD: There'll be a 30-day period

- 1 for that.
- 2 MR. FELDEWERT: Be a 30-day period for
- 3 that. So I don't know what triggers that 30-day period.
- 4 Is the 30-day period -- is there going to be a written
- 5 decision here that would then trigger that 30-day
- 6 period, or are you contemplating just relying upon --
- 7 MR. BRANCARD: We can draft a quick order
- 8 that expresses what the Chair said in his motion, a few
- 9 lines.
- 10 COMMISSIONER MARKS: So we're saying 30
- 11 days -- there will be 30 days for the district court in
- 12 Santa Fe to rule on a motion for rehearing?
- MR. BRANCARD: Well, I think once the
- 14 Commission issues that written order, there would then
- 15 be 30 days to appeal it.
- 16 COMMISSIONER MARKS: And then --
- 17 MR. BRANCARD: And then whatever period to
- 18 request a stay from the district court, if we go with
- 19 Mr. Larson's proposal here. I mean, under the -- under
- 20 the -- under the rules, if you want a stay in district
- 21 court, you first have to ask the agency, which is what
- 22 Delaware is doing right now.
- MR. FELDEWERT: Exactly. I mean, I'm
- 24 required to ask the -- ask the Commission address the
- 25 appropriateness of the stay in a Commission order.

1 COMMISSIONER MARKS: I just heard -- I just

- 2 heard Mr. Feldewert say for the duration of the appeal
- 3 process versus the district court determining whether
- 4 there should be a stay. And I would be inclined to say
- 5 until the district court determines whether there should
- 6 be a stay versus the entire litigation in district
- 7 court. Does that make sense?
- 8 ACTING CHAIRMAN WADE: It does.
- 9 COMMISSIONER MARKS: Yes.
- 10 So if Delaware were to file a request for a
- 11 stay in district court and that stay is denied, then
- 12 Alpha could go ahead and drill the well. If the stay is
- 13 granted, I would say it's at the discretion of the
- 14 district court but not during the entire appeal process.
- 15 MR. BRANCARD: Okay. So here's one. If we
- 16 want to go that direction -- sort of in line with
- 17 Mr. Larson's proposal -- the Commission can grant a
- 18 stay, as it did before, for 60 days. If, during that
- 19 60-day period, there is an appeal filed and there is a
- 20 motion for stay filed in the district court, then it
- 21 would be extended until the district court acts on that
- 22 stay motion.
- 23 COMMISSIONER MARKS: Yes. I would feel
- 24 comfortable with that.
- MR. FELDEWERT: My understanding -- the way

1 this has always worked in the past, by the regulations

- 2 and the statute, is that the Commission grants the stay
- 3 of their order, and then if the party appealing to
- 4 district court seeks to have that stay lifted, then they
- 5 request that the district court lift that stay. But
- 6 because the Commission is familiar with its process with
- 7 the issues and with its expertise, it is the Commission
- 8 that initially decides the stay. And on the appeal, if
- 9 the other party wants to have the stay lifted, it
- 10 requests that the district court lift the stay. But it
- is the Commission that has to stay their own order.
- 12 ACTING CHAIRMAN WADE: I would propose that
- 13 we go with Mr. Brancard's suggestion. It makes sense to
- 14 me that we stay -- once the order is drafted and issued,
- 15 that there is a 60-day stay, and that would allow
- 16 Delaware the opportunity to appeal. That would allow
- 17 Delaware the opportunity to file for a motion to stay
- 18 within the district court. And pending that decision,
- 19 once we get more information about where that decision
- 20 is, then that request could be extended through the
- 21 Commission. Does that summarize it roughly?
- 22 MR. BRANCARD: Well, I think we've got --
- 23 so we don't have the parties coming back to us, we sort
- 24 of made it clear what the time frame was right now.
- 25 COMMISSIONER MARKS: Mr. Feldewert, was

- 1 there anything in statute that you can point me to?
- 2 MR. FELDEWERT: You know, I'd have to go
- 3 back and look at the briefings. I'm looking now. But
- 4 I'm looking at --
- 5 MR. BRANCARD: Have to look at Rule 74?
- 6 MR. FELDEWERT: I'm looking at 19.15.4.23.
- 7 I mean, one way you could do would be to stay it in
- 8 place until the district court addresses the issue of a
- 9 stay.
- 10 COMMISSIONER MARKS: I mean, the only issue
- 11 there is it will sit there for two years, right?
- MR. FELDEWERT: What's that?
- 13 COMMISSIONER MARKS: It would be sitting
- 14 there for -- well, go ahead.
- 15 MR. FELDEWERT: It's on appeal.
- 16 COMMISSIONER MARKS: Right.
- 17 MR. FELDEWERT: I don't have Rule 74 in
- 18 front of me.
- 19 I mean, one way you could do it, like I
- 20 said, is you could have the stay in effect until the
- 21 district court addresses the issue of the stay.
- 22 ACTING CHAIRMAN WADE: This is what happens
- 23 when you have five attorneys in the room. I mean --
- MR. FELDEWERT: I mean, first off, that's
- 25 if the prior Commission, I'm assuming, followed the

1 proper procedure. I think you have to assume that when

- 2 they issued Order R-14484-C.
- 3 COMMISSIONER MARKS: I have 19.15.4.23 on
- 4 stays, but I don't see anything -- if we can give a bit
- 5 of latitude there.
- 6 So, Mr. Brancard, could you repeat?
- 7 MR. BRANCARD: Well, the options are
- 8 Delaware's option, which is to grant a period for 60
- 9 days, and if there is appeal, that the stay continues
- 10 for the pendency of the appeal in district court, which
- is what the Commission did previously.
- The flip-side option would be to grant the
- 13 stay for 60 days, and if, during that time, there is a
- 14 request to extend the stay in the district court, that
- 15 the stay is continued until the district court acts on
- 16 that request to extend the stay.
- 17 The third option, which is to grant the
- 18 stay until such time as the district court acts on it,
- 19 sort of putting the burden on, I would think, Alpha to
- 20 file a motion with the district court to revoke the stay
- 21 or --
- 22 MR. LARSON: Like Mr. Feldewert, I don't
- 23 have Rule 74 in front of me. I know that it does
- 24 contemplate a party filing an appeal, posting a bond
- 25 procedurally. I guess, Mr. Brancard, under your third

1 option, the Commission stay would remain in effect until

- 2 such time as the district court rules on it. I don't
- 3 know that I would have the opportunity to file a motion
- 4 to lift the stay, which I assume Mr. Feldewert would
- 5 counter with his own motion for stay. So it's just a
- 6 matter of what would trigger the process at the district
- 7 court level. I'm just not sure about that.
- 8 MR. BRANCARD: Right.
- 9 COMMISSIONER MARKS: Do you guys want to
- 10 take a break to look at Rule -- get Rule 74? I think
- 11 it's option -- to me, at least, I feel more comfortable
- 12 with option two or three. And if you want to make some
- 13 arguments whether it's option two or three based on
- 14 obtaining the rule on the stay, I'd be interested in
- 15 hearing argument.
- 16 MR. BRANCARD: Yeah. I'm looking at Rule
- 17 74 -- 74Q. I mean, it simply says, "The district court
- 18 may stay enforcement of the order of the agency that's
- on review." And then it talks about what the contents
- 20 of that motion is and, when you file the motion, what
- 21 you have to show to the Court. And then it says, "As a
- 22 condition of granting a stay, the district court may
- 23 require the posting of a bond or other appropriate
- 24 surety," which we don't have the authority to do that.
- 25 So that's one of the differences between our stay and

1 the district court's stay, as Mr. Larson has pointed

- 2 out.
- 3 MR. LARSON: So I guess one question I
- 4 have -- Mr. Feldewert is discussing staying
- 5 Administrative Order SWD-1680, but actually I think what
- 6 you'd be staying is your Order R-14484-B, which
- 7 reinstates Alpha's injection authority. So the appeal
- 8 would be of your order reinstating the injection
- 9 authority.
- 10 MR. BRANCARD: I think that's fine. We can
- 11 do it that way, too.
- 12 MR. FELDEWERT: I think that's right, Gary.
- MR. LARSON: Yeah. Which doesn't really
- 14 answer the question: What would be the triggering event
- in the district court for the Court to rule on a stay?
- 16 I guess --
- 17 MR. FELDEWERT: Well, you'd have an order
- 18 that goes up to the district court that reinstates
- 19 R-14484-B and then stays that order while it's pending
- 20 appeal. So if you want to, you could bring the issue up
- 21 to the district court judge. And then if there is no
- 22 appeal filed within a period of whatever appropriate
- would be, 30 or 60 days, then the stay goes away.
- MR. BRANCARD: Right.
- MR. LARSON: Yeah. The stay would dissolve

- 1 if no appeal is filed.
- 2 MR. FELDEWERT: Yes.
- MR. BRANCARD: That's right. That's right.
- 4 MR. FELDEWERT: That's right.
- 5 MR. BRANCARD: That's why we have to have a
- 6 time frame.
- 7 MR. FELDEWERT: I agree. I totally agree
- 8 with that.
- 9 MR. LARSON: I just think we can't leave it
- 10 open-ended like we did the last time because it could
- 11 sit in district court for a year to two years with no
- 12 resolution.
- MR. BRANCARD: Or given the Commission's
- 14 experience, longer.
- 15 COMMISSIONER MARKS: Right.
- MR. LARSON: I'm being conservative.
- 17 MR. FELDEWERT: I think the appeal issue
- 18 may. I mean, you certainly would be able to get a
- 19 decision from a district court judge if you want to try
- 20 to lift the stay.
- 21 ACTING CHAIRMAN WADE: I don't see a
- 22 problem with making the parties come back to the
- 23 Commission. I think the most simple way to address it
- 24 is a stay for 60 days. If you want to extend that stay,
- 25 come back before the Commission and request that the

- 1 stay be extended.
- 2 MR. BRANCARD: Or you file an appeal and
- 3 you file a motion with the district court.
- 4 COMMISSIONER MARKS: Right. I prefer
- 5 everything -- the 60 days and everything is up to the
- 6 district court then.
- 7 ACTING CHAIRMAN WADE: So then it would
- 8 just be a stay for 60 days, period.
- 9 COMMISSIONER MARKS: Does that -- does that
- 10 make sense?
- 11 Would you feel comfortable with that,
- 12 Mr. Feldewert?
- MR. FELDEWERT: Well, I mean, I think you
- 14 will have ruled on the stay.
- 15 COMMISSIONER MARKS: Uh-huh.
- 16 MR. FELDEWERT: I mean, I can only go by
- 17 what I've seen before, and I think it's the Commission
- 18 that has the expertise and the knowledge to rule on a
- 19 stay. And I guess in some sense, you are ruling on
- 20 that.
- 21 COMMISSIONER MARKS: Right. I'm in favor
- 22 of granting the stay and due process. Given the
- 23 adjudicatory rules in 19.15.4.23B, I think granting the
- 24 stay here is appropriate, and it gives you the
- 25 opportunity to appeal to the district court. I don't

1 want them coming back to the Commission here on any stay

- 2 issues, and I think it's best handled in district court,
- 3 if you do appeal to district court. So if 60 days is --
- 4 wording-wise. I just want to make sure wording-wise we
- 5 are --
- 6 MR. BRANCARD: That's fine. I mean, you
- 7 create the potential for a gap when the district court
- 8 has not ruled on a stayed motion.
- 9 COMMISSIONER MARKS: So it's 60 days or
- 10 until the district court acts on the motion to stay?
- MR. FELDEWERT: I think that makes the most
- 12 sense.
- MR. LARSON: I think there needs to be a
- 14 requirement for Delaware to file a motion for stay in --
- 15 MR. BRANCARD: For it to go beyond 60 days.
- 16 COMMISSIONER MARKS: So 60 days or until
- 17 the district court acts on the motion to stay, provided,
- 18 however, Delaware must file a motion to stay within 60
- 19 days from the issuance of a Commission order.
- 20 MR. BRANCARD: 60 days and if an appellant
- 21 files -- if there is an appeal and if there is a motion
- 22 for stay filed in district court, then the stay is
- 23 extended until the district court acts on it, sort of an
- 24 addendum clause.
- 25 COMMISSIONER MARKS: Okay.

1 ACTING CHAIRMAN WADE: So if I have this

- 2 correctly -- I think I do -- the proposal at this point
- 3 could be: 60 days of a stay if there is an appeal filed
- 4 and if there is a motion to stay filed by Delaware in
- 5 the district court, then the OCC stay will continue
- 6 until the district court acts on those motions.
- 7 MR. LARSON: My only response to that is
- 8 the second "if." It doesn't put the onus on Delaware to
- 9 file a motion.
- 10 ACTING CHAIRMAN WADE: If they do not file
- 11 a motion, it seems to me that --
- 12 MR. LARSON: Oh. It terminates --
- MR. FELDEWERT: Yeah.
- 14 MR. LARSON: I missed that. I'm sorry.
- 15 ACTING CHAIRMAN WADE: So I will make a
- 16 motion, and I'll reiterate that. I move that the
- 17 Commission grant a 60-day stay from the issuance of our
- 18 order. If an appeal is filed by Delaware timely and if
- 19 Delaware also files a motion to stay in the district
- 20 court, then the stay will continue until the district
- 21 court acts on the motion to stay that is filed within
- 22 the district court.
- 23 COMMISSIONER MARKS: Right. I will second
- 24 that motion.
- 25 ACTING CHAIRMAN WADE: All those in favor?

- 1 COMMISSIONER MARKS: Aye.
- 2 ACTING CHAIRMAN WADE: Aye.
- 3 (Ayes are unanimous.)
- 4 ACTING CHAIRMAN WADE: The motion carries.
- 5 MR. FELDEWERT: Just so I'm clear, that
- 6 would be -- the period of appeal will commence upon the
- 7 issuance of an order?
- 8 MR. BRANCARD: Yeah.
- 9 And I guess what I would suggest to the
- 10 Commission is that I do -- just do one order that
- 11 encompasses both your decision earlier and the decision
- on the stay, and it's all in one order.
- 13 ACTING CHAIRMAN WADE: Do we have to vote
- 14 on that?
- MR. BRANCARD: Well, the only issue is
- 16 would you want the chairman to have the authority to
- 17 sign that order, or do you want to wait until the next
- 18 meeting to sign that order?
- 19 COMMISSIONER MARKS: The chairman can sign
- 20 that order.
- MR. BRANCARD: Make a motion.
- 22 COMMISSIONER MARKS: And make it clear that
- 23 it's the appeal of -- whatever the order is, not the --
- 24 not the application.
- 25 ACTING CHAIRMAN WADE: 14484-B.

Page 26 COMMISSIONER MARKS: So I will make a 1 motion for the chairman to sign the order discussed 2 today on the stay and the reinstatement of R-14484-B and 3 the quashing of 14484-D. 5 ACTING CHAIRMAN WADE: I second. All those in favor? 6 COMMISSIONER MARKS: Aye. 8 ACTING CHAIRMAN WADE: Aye. (Ayes are unanimous.) ACTING CHAIRMAN WADE: Motion carries. 10 11 So if there is nothing else from the 12 parties at this point, we can move on. 13 (Case Number 15855 concludes, 10:40 a.m.) 14 15 16 17 18 19 20 21 22 23 24 25

- 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 8th day of February 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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