

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. 20140
PERMIAN, LLC FOR APPROVAL OF A SALTWATER
DISPOSAL WELL, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 25, 2019

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
 WILLIAM V. JONES, TECHNICAL EXAMINER
 KATHLEEN MURPHY, TECHNICAL EXAMINER
 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner; William V. Jones and Kathleen Murphy, Technical Examiners; and David K. Brooks, Legal Examiner, on Thursday, July 25, 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 NGL WATER SOLUTIONS PERMIAN, LLC:

DEANA M. BENNETT, ESQ.
MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.
500 4th Street, Northwest, Suite 1000
Albuquerque, New Mexico 87102
(505) 848-1800
deanab@modrall.com

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EXHIBITS OFFERED AND ADMITTED

(No exhibits.)

1 (8:44 a.m.)

2 EXAMINER GOETZE: The next case is Case
3 20140, application of the NGL Water Solutions Permian,
4 LLC to approve a saltwater disposal well in Eddy County,
5 New Mexico.

6 Call for appearances.

7 MS. BENNETT: Good morning. Deana Bennett
8 on behalf of NGL Water Solutions Permian, LLC.

9 EXAMINER GOETZE: And our request was about
10 contacting the City of Carlsbad and giving them the
11 opportunity to take a look at the application.

12 MS. BENNETT: That's right. And we have
13 not yet had a chance to do that, so I'm here today just
14 to give you a status update on that process and also to
15 request, to the extent this is a viable request, that
16 this case be taken off of the continuance docket but
17 that I be allowed to give you updates -- periodic
18 updates as we have them. And I did talk to Andrea
19 Antillon, at the State Land Office, yesterday who has
20 entered an appearance in this case, and she was fine
21 with me proposing that this case be taken off the
22 continuance docket so long as I agree to give updates to
23 all the parties that have entered their appearance in
24 this case.

25 And I think under the circumstances, that

1 makes sense both from OCD's perspective and from our
2 perspective. Rather than each month continuing this
3 case, letting us take this case off the docket while I
4 pursue those conversations with the City of Carlsbad
5 rather than -- and then give you updates rather than
6 having it be on the continuance docket, only to have me
7 every month come in or and give you the status update or
8 every month have to continue a case just because it's on
9 here as a placeholder.

10 So that would be my proposal, is that it
11 come off the continuance docket, but I be required to
12 give you status updates at your pleasure, every month,
13 every two months.

14 EXAMINER GOETZE: Well, what happens if the
15 City of Carlsbad wishes to have the opportunity to
16 present something? What do we do?

17 MS. BENNETT: We would then -- I guess I
18 would notify the Division that the City of Carlsbad
19 wants to say something, and we would come to hearing.
20 But then, you know, I don't want to just keep it on the
21 docket indefinitely. You know, moving it every month
22 just doesn't seem beneficial for you or beneficial for
23 me. I'd rather leave it as between us and on the
24 record. And say if the City of Carlsbad has an issue
25 and they want to come in and contest it, we would do

1 whatever it takes to set a hearing for that process to
2 occur.

3 EXAMINER GOETZE: How about we move it out
4 a significant amount of time --

5 MS. BENNETT: Okay. Sounds good.

6 EXAMINER GOETZE: -- and that way we keep
7 your place? We would initiate that continuance;
8 therefore, there would be no fee requirement or anything
9 like that, and we keep it in the books and such. And
10 we've done this with other applicants, where we've gone
11 forward and approved through administrative process and
12 just let them dismiss the case. I think that would
13 probably be a better saving for you and your case, and
14 then we won't get into this mumbo jumbo that legally
15 could be much more of a headache.

16 MS. BENNETT: Okay.

17 EXAMINER GOETZE: So with that in mind --

18 EXAMINER JONES: Wait. There are dates:
19 September 19th and October 17th and August 22nd.

20 MS. BENNETT: How about --

21 EXAMINER GOETZE: October?

22 MS. BENNETT: Yeah, October.

23 EXAMINER JONES: October 17th.

24 MS. BENNETT: Uh-huh. And just for my own
25 clarification, let's say we get to October 15th and we

1 still don't have a resolution with the City --

2 EXAMINER GOETZE: Well, we are in the City
3 of Carlsbad, and we are obligated to them. So this is
4 an impasse. So we've still got to talk to them, and
5 they've still got to know.

6 MS. BENNETT: Definitely.

7 EXAMINER GOETZE: With this location comes
8 a certain criteria that they need to be satisfied, and
9 we understand that. And so we're willing to work with
10 NGL to go forward with it, but they do have to have the
11 opportunity. We've already been through an embarrassing
12 series of situations --

13 MS. BENNETT: Uh-huh.

14 EXAMINER GOETZE: -- and so we would like
15 to limit our next exposure.

16 MS. BENNETT: Okay.

17 EXAMINER GOETZE: We understand, and we'll
18 press forward. Okay?

19 MS. BENNETT: Great. Thank you.

20 EXAMINER JONES: As far as the continuance
21 fee?

22 EXAMINER GOETZE: We would waive that.

23 EXAMINER JONES: You want to waive it?
24 Okay.

25 EXAMINER GOETZE: It is a requirement. So

1 we'll go ahead and do this internally.

2 MS. BENNETT: Thank you.

3 And as I read the frequently asked
4 questions on the website about the fee portal, that does
5 seem consistent with the frequently asked questions that
6 does say if the Division sets a continuance or a hearing
7 date, then there is no fee.

8 EXAMINER JONES: Okay.

9 EXAMINER GOETZE: We frequently ask
10 questions. It's very painful.

11 MS. BENNETT: Yeah (laughter).

12 EXAMINER GOETZE: And so Case Number 20140
13 is continued to October 17th; is that correct?

14 EXAMINER JONES: Yes.

15 MS. BENNETT: Thank you.

16 (Case Number 20140 concludes, 8:49 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 2nd day of August 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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