

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:

CASE NOS: 20825

APPLICATION OF GOODNIGHT
MIDSTREAM PERMIAN, LLC FOR
APPROVAL OF A SALT WATER DISPOSAL
WELL, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 14, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, KATHLEEN MURPHY, PHILLIP GOETZE, and LEGAL EXAMINER ERIC AMES, on Thursday, November 14, 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: Irene Delgado, NMCCR 253
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A P P E A R A N C E S

For the Applicant:

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For the State Land Office:

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I N D E X

CASE NO. 20825 CALLED

NATHAN ALLEMAN (By Affidavit) 03

STEVE ALLEN DRAKE (By Affidavit) 04

THOMAS E. TOMASTIK (By Affidavit) 04

TAKEN UNDER ADVISEMENT: 07

E X H I B I T I N D E X

Admitted

Exhibit A and Attachments 05

Exhibit B and Attachments 05

Exhibit C and Attachments 05

1 HEARING EXAMINER LOWE: We are going to skip the
2 next two cases until later. We are now going to hear, call
3 Case Number 20825, Goodnight for salt water disposal. Call
4 for appearance.

5 MR. RANKIN: Good morning, Mr. Examiner. Adam
6 Rankin on behalf of the applicant in this case. I'll be
7 presenting this case by affidavit.

8 MS. ANTILLON: Andrea Antillon on behalf of the
9 State Land Office. I do not have any witnesses today. I'm
10 just here to make a statement.

11 HEARING EXAMINER LOWE: You may proceed.

12 MR. RANKIN: Thank you, Mr. Examiner.

13 In front of you is an exhibit packet containing
14 the Exhibits A, B and C, along with the attachments to those
15 exhibits.

16 Exhibit A is an affidavit from Mr. Nathan Alleman
17 who has a previously testified before the Division and had
18 his credentials as an expert in regulatory matters, salt
19 water disposal permitting, accepted.

20 In this case Goodnight Midstream seeks authority
21 to inject produced salt water for purposes of disposal to
22 the proposed Verlander SWD Number 1 well which will be
23 located in Unit H Section 12, Township 21 South, Range 36
24 East, In Lea County, New Mexico.

25 Mr. Alleman testifies about the operational

1 parameters for the proposed injection well. Attached to his
2 affidavit as Exhibit 1 is a copy of the C-108 that was filed
3 with the Division administratively.

4 In his affidavit he reviews the notice that was
5 provided in the administrative application, and explains
6 that, in this case, the State Land Office has objected to
7 the administrative approval of the application. And then he
8 reviews the, the area -- identifies the area of review for
9 the application, as well as identifies water samples and
10 other matters that relate to the C-108.

11 Exhibit B is affidavit of the Mr. Steven Allen
12 Drake who's a geologist. He's previously testified before
13 the Division and reviews the proposed injection interval,
14 the geology overlying and underlying seals that will contain
15 the injection fluids, as well as the sources of fresh water
16 in the area. He testifies in his opinion that the water
17 will be contained within the zones that they are proposing
18 to inject into.

19 Exhibit C is the affidavit of Mr. Thomas Tomastik
20 who has previously testified before the Division and had his
21 credentials as an expert in petroleum geology and in
22 engineering accepted.

23 Mr. Tomastik testifies about the operational and
24 parameters of the well, as well as the wellbore construction
25 and reviews the key elements of the C-108 in his testimony,

1 as well as the area of review testifies, in his opinion, the
2 injection to this well under its proposed construction will
3 not impair or harm any correlative rights or other sources
4 of fresh water in the area.

5 With that, I believe all the information
6 contained within the C-108 and affidavits satisfies the
7 Division's requirement for a C-108 authorization to inject,
8 and I would move the admissions of Exhibit A, B, C -- oh,
9 one other thing I want to mention.

10 The last tab on the exhibit packet, Number 2, is
11 an affidavit prepared by me and my office, reflecting that
12 notice was provided under cover letter identified in that
13 exhibit to the sole protestant in this case, the State Land
14 Office, indicating they did actually receive notice of
15 today's hearing as well.

16 So with that, Mr. Examiner, I would move the
17 admission of Exhibits A, B and C, as well as the attachments
18 for the record.

19 MS. ANTILLON: No objection.

20 HEARING EXAMINER LOWE: Okay. Exhibits A, B and
21 C and all attachments will be accepted for this record.

22 (Exhibits A, B and C admitted.)

23 MR. RANKIN: With that, we ask that the case be
24 taken under advisement.

25 MS. ANTILLON: The State Land Office just has a

1 comment to make on this case that it is reviewing the
2 application and has concerns with the salt water disposal
3 well spacing due to its close proximity to the state trust
4 land.

5 MR. RANKIN: With that, Mr. Examiner, I would ask
6 that this case be taken under advisement.

7 HEARING EXAMINER LOWE: Ms. Murphy?

8 EXAMINER MURPHY: So how close is it to the state
9 trust land?

10 MS. ANTILLON: Within half a mile.

11 EXAMINER MURPHY: To the east or north?

12 MS. ANTILLON: I believe we are to the east. The
13 state trust land is to the east.

14 EXAMINER MURPHY: It's a quarter mile; right?

15 MS. ANTILLON: I can't confirm the exact footage.
16 I can get that information for you and mail it to you.

17 EXAMINER MURPHY: No, I mean, I can see it on the
18 C-102. And the Verlander hasn't changed it's location at
19 all?

20 MR. RANKIN: No. The location is identified in
21 the C-108 along with the lat-long, the current proposal
22 location.

23 EXAMINER MURPHY: All righty. Thank you.

24 EXAMINER GOETZE: I have no questions.

25 MR. AMES: No.

1 HEARING EXAMINER LOWE: I have no questions at
2 this time.

3 MR. RANKIN: Thank you very much, Mr. Examiner.
4 We ask that the case be taken under advisement.

5 HEARING EXAMINER LOWE: Case Number 20825 will be
6 taken under advisement.

7 (Case 20825 taken under advisement.)

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