

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: 21142

APPLICATION OF TROVE ENERGY AND WATER LLC  
FOR APPROVAL OF A SALT WATER DISPOSAL WELL,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MARCH 5, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH KATHLEEN MURPHY, PHILLIP GOETZE on Thursday, March 5, 2020 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  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

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Admitted

1                   HEARING EXAMINER ORTH: On to 21142, this is  
2 Trove Energy relating to a well named WLC South.  
3 Appearances, please. Looks like we have several  
4 appearances.

5                   MR. BRUCE: Jim Bruce representing the applicant.

6                   MS. BENNETT: Deana Bennett on behalf NGL Water  
7 Solutions Permian LLC.

8                   MS. ANTILLON: Andrea Antillon on behalf of the  
9 State Land Office.

10                  HEARING EXAMINER ORTH: Okay. Thank you.

11                  MS. BENNETT: One quick note. I understand Mr.  
12 Bruce intends to put this case on by affidavit and NGL does  
13 not oppose, but NGL did a first appearance in a related  
14 case, 21156, I believe.

15                  MR. BRUCE: 20756.

16                  MS. BENNETT: 20756 and NGL identified several  
17 concerns with the application during the hearing on that  
18 matter and NGL reincorporates its concerns into this case  
19 and continues to object to the granting of this application  
20 based on proximity.

21                  HEARING EXAMINER ORTH: Thank you, Ms. Antillon.

22                  MS. ANTILLON: I was going to say, the State Land  
23 Office doesn't have any objections to hearing this matter by  
24 affidavit.

25                  HEARING EXAMINER ORTH: Thank you.

1           MR. BRUCE: Examiners, this case is involves the  
2   WLC South Federal SWD Well Number 3. It was originally  
3   heard last fall in case 20756. Thereafter, during an onsite  
4   visit, BLM determined the well pad encroached a minimal  
5   amount of existing pipeline right-of-way and asked that  
6   Trove Energy move the well slightly.

7           But since its new location they had to reapply  
8   for hearing, and what I am submitting to you today is the  
9   application in this case, also the affidavit of Ben Stone of  
10   SOS Consulting regarding the reason for the change of  
11   location, the affidavit of notice. All parties did receive  
12   notice. And then I have included the exhibits, pertinent  
13   exhibits from Case 20756; Exhibit A, which is the original  
14   C-108 which has been modified for the new location.

15           And then from that original case which was heard  
16   along with six or seven other cases, a number of exhibits  
17   from Case 20756, when you look at the numbers there are some  
18   numbers skipped, for instance, Exhibit 5, which is the C-108  
19   for a separate well. And then Exhibit 6, which is not  
20   included, was the notice exhibit, but since new notice was  
21   given, that's not necessary to further clutter up the file.

22           I would also ask that administrative notice be  
23   taken of the transcript of those proceedings. I didn't have  
24   the heart to copy another 500 pages for you last night.

25           EXAMINER MURPHY: 20756 was the previous?

1           MR. BRUCE: That is correct. I will scan the  
2 transcript and ship it to the Division for inclusion in  
3 case -- the file for 21142. And again, Ms. Bennett, her  
4 objections will be noted in the transcript which I will  
5 file, and so will Ms. Antillon's objections.

6           HEARING EXAMINER ORTH: Okay.

7           MR. BRUCE: But other than that, I move the  
8 admission of Exhibits 1 through 5 in this case, subject to  
9 counsel's objections and ask that the matter be taken under  
10 advisement.

11          HEARING EXAMINER ORTH: All right. Other than  
12 noting that I think the director can take administrative  
13 notice of anything really in matter 20756, do you have  
14 questions, Ms. Murphy?

15          EXAMINER MURPHY: On Tab 5, Page -- Page 4, you  
16 said they have moved many times to accommodate competitors  
17 and operators. Did they do a site visit before they state  
18 this, because, if they had, would they not have noticed?

19          MR. BRUCE: Exhibit 4 from the prior hearing,  
20 which is included, is about 35 pages long, and it discusses  
21 a number of the wells and includes information on site  
22 visits in that. They did a follow up -- they thought the  
23 location was good, but they did a follow up with the BLM for  
24 final approval, and that's when the slight conflict showed  
25 up.

1                   EXAMINER MURPHY: I just wonder if they would  
2 have seen that they were on a pipeline right-of-way. No  
3 further questions.

4                   HEARING EXAMINER ORTH: Mr. Goetze, do you have  
5 questions?

6                   EXAMINER GOETZE: Just one question. Is this the  
7 same fault slip potential analysis that was previously  
8 submitted?

9                   MR. BRUCE: That's correct.

10                  EXAMINER GOETZE: There has been no change in the  
11 consideration?

12                  MR. BRUCE: That is correct.

13                  EXAMINER GOETZE: That's the only question I  
14 have. Thank you.

15                  HEARING EXAMINER ORTH: Ms. Antillon, do you  
16 have --

17                  MS. ANTILLON: I just want to renew the State  
18 Land Office's objection from the previous case, 20756 to  
19 this case and the new well location due to its close  
20 proximity to the state trust land.

21                  HEARING EXAMINER ORTH: Ms. Bennett, anything to  
22 add?

23                  MS. BENNETT: Nothing further.

24                  HEARING EXAMINER ORTH: Thank you. Mr. Bruce,  
25 the packet is accepted, and along with everything in 20756

1 will be taken under advisement.

2 (Exhibits admitted.)

3 (Taken under advisement.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing proceedings in stenographic shorthand and that the  
9 foregoing pages are a true and correct transcript of those  
10 proceedings that were reduced to printed form by me to the  
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of  
13 the proceedings truly and accurately reflects the exhibits,  
14 if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither employed by  
16 nor related to any of the parties or attorneys in this case  
17 and that I have no interest in the final disposition of this  
18 case.

19 Dated this 5th of March 2020.

20

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Irene Delgado, NMCCR 253  
License Expires: 12-31-20

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