

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

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

CASE NOS: 21381

APPLICATION OF AMEREDEV OPERATING LLC,
FOR AUTHORIZATION TO INJECT,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
COMMISSIONER HEARING
Agenda Item 4
November 4, 2020
Santa Fe, New Mexico

BEFORE: ADRIENNE SANDOVAL, CHAIRWOMAN
JORDAN KESSLER, COMMISSIONER
DR. THOMAS ENGLER, COMMISSIONER
CHRIS MOANDER, ESQ.

This matter came on for hearing before the New Mexico Oil Conservation Commission on Thursday, November 4, 2020, via Webex Virtual Platform, hosted by New Mexico Energy, Minerals, and Natural Resources Department.

Reported by: Irene Delgado, NMCCR 253
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APPEARANCES

FOR THE APPLICANT:

ADAM RANKIN
HOLLAND & HART
110 North Guadalupe, Suite 1
Santa Fe, NM 87501
505-954-7286

FOR OIL CONSERVATION DIVISION:

ERIC AMES
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Santa Fe, NM 87501

FOR STATE LAND OFFICE:

ARI BIERNOFF
P.O. Box 1148
Santa Fe, NM 87504-1148

INDEX

Case Called

03

Reporter Certificate

1 CHAIRWOMAN SANDOVAL: Next on the agenda is final
2 action in case Number 21381, which was an AGI application
3 from Ameredev LLC. The final order was circulated, I
4 believe, the first day last week. Commissioners, have you
5 had an opportunity to review that order?

6 COMMISSIONER KESSLER: Yes, Director, I have had
7 an opportunity to review.

8 COMMISSIONER ENGLER: Same here, I've reviewed
9 it.

10 CHAIRWOMAN SANDOVAL: Are there any changes or
11 objections to the order?

12 COMMISSIONER KESSLER: Madam Chair, would there
13 be an opportunity to hear from counsel? I believe that it
14 was an agreed order, but I'm wondering if counsel has input
15 on that.

16 CHAIRWOMAN SANDOVAL: Yes. Let's start with
17 counsel for Ameredev. Mr. Rankin, do you have any comments
18 regarding the order?

19 MR. RANKIN: Madam Chair, members, thank you for
20 the opportunity. No, we have no comments on the order we
21 submitted by the parties. It was submitted jointly, and so
22 we have no comments, unless the Commission has any
23 questions. We appreciate your consideration.

24 CHAIRWOMAN SANDOVAL: Mr. Ames, do you have any
25 comments on behalf of the Oil Conservation Division?

1 MR. AMES: Yes. Thank you, Madam Chair, members
2 of the Commission. Eric Ames, general counsel under Mineral
3 and Natural Resource Department for the Oil Conservation
4 Division.

5 I concur with the comments of Mr. Rankin. The
6 parties, including the State Land Office, OCD and Ameredev
7 conferred, and we reached agreement on the proposed form of
8 order which has now been presented to you, so that does
9 represent, Commissioner Kessler, the agreement of counsel
10 for the parties. Thank you.

11 CHAIRWOMAN SANDOVAL: Thank you, Mr. Ames.
12 Mr. Biernoff, do you have anything to say on behalf of the
13 State Land Office?

14 (No audible response.)

15 CHAIRWOMAN SANDOVAL: If you are saying
16 something, we can't hear you.

17 (No audible response.)

18 CHAIRWOMAN SANDOVAL: Mr. Biernoff, are you
19 there? It looks like you are on and unmuted.

20 (No audible response.)

21 CHAIRWOMAN SANDOVAL: Mr. Biernoff?

22 (No audible response.)

23 CHAIRWOMAN SANDOVAL: Okay. Oh, it just changed
24 a little bit. Mr. Biernoff, it looks like you're muted.
25 Unmute or we can't hear you.

1 COMMISSIONER KESSLER: Do you remember, is it S 7
2 or star 8 that you can press if you are on the phone to
3 unmute yourself? Do you remember what that is?

4 CHAIRWOMAN SANDOVAL: It's star 3, the call-in
5 users.

6 COMMISSIONER KESSLER: I'm not sure. I was just
7 wondering if that's the problem.

8 CHAIRWOMAN SANDOVAL: The two call-in users we
9 have. Mr. Biernoff, were you on the phone with us? I have
10 unmuted the call-in users if you were on the phone.

11 MR. BIERNOFF: (No audible response.)

12 CHAIRWOMAN SANDOVAL: Appears no such luck. Is
13 there any other representative on behalf of the State Land
14 Office that -- it doesn't look like it.

15 (No audible response.)

16 CHAIRWOMAN SANDOVAL: Okay. Well, I think we
17 will continue.

18 COMMISSIONER KESSLER: Perhaps he could send an
19 e-mail to Commission counsel, and if he has concerns,
20 perhaps he could read them into the record. I'm not sure
21 that he has concerns. And I see that he is trying to unmute
22 himself, but just as an opportunity to -- to make sure that
23 he is heard.

24 I heard from other counsel, Director, I do not
25 have specific concerns with the order. I would note that it

1 looks like for condition 16, OCD is responsible now for
2 coordinating between the Bureau of Geology at New Mexico
3 Tech for a seismic monitoring station. That's the only
4 difference I noted between the order as proposed and what I
5 understand was agreed at the hearing. I have certainly no
6 concerns from my end on that, I just want to bring that to
7 the OCD and make sure that other folks were okay with that
8 condition.

9 CHAIRWOMAN SANDOVAL: Mr. Ames, did you have any
10 comments on that condition, or was the OCD in agreement with
11 that?

12 MR. AMES: Madam Chair, OCD is in agreement with
13 the condition.

14 CHAIRWOMAN SANDOVAL: Okay.

15 MR. AMES: We think it would be appropriate for
16 OCD to be involved in the discussion. We have a
17 longstanding relationship with New Mexico Tech regarding
18 seismicity.

19 CHAIRWOMAN SANDOVAL: Okay, great. Thank you.
20 Mr. Biernoff, if you can hear us, I tried to type something
21 into the chat to you.

22 MR. AMES: Madam Chair, I just received a message
23 from Mr. Biernoff. He is saying his computer audio
24 connection is not working, and he is looking for a way to
25 dial in by phone, so --

1 CHAIRWOMAN SANDOVAL: That should be listed in
2 the original notice. Mr. Ames, I'm going to send it to you
3 in the chat.

4 MR. AMES: Okay. And I will send it to
5 Mr. Biernoff as well. If you could do that, Madam Chair,
6 I'd appreciate it because I saw the note come up in chat,
7 and it just faded and disappeared on me, so I don't know --

8 CHAIRWOMAN SANDOVAL: That's weird.

9 MR. AMES: Yeah, I tried to retype it into the
10 e-mail, but it's not going to work.

11 CHAIRWOMAN SANDOVAL: Ms. Malave, do you have
12 any -- is there any reason why we couldn't circle back to
13 this and voting on the order after we do the other agenda
14 items?

15 MS. MALAVE: No, you can choose to do that.

16 CHAIRWOMAN SANDOVAL: Okay. Why don't we --

17 MR. AMES: Madam Chair, I apologize for
18 interrupting you. Eric Ames for OCD. I had asked Ari to
19 send me a statement by e-mail, and I will read it into the
20 record. He sent it to me, and if you wouldn't mind, I could
21 read it into the record and you might be able to proceed.

22 CHAIRWOMAN SANDOVAL: Yeah, go ahead.

23 MR. AMES: This is what Mr. Biernoff wrote. On
24 behalf of the Commission of Public Lands and the New Mexico
25 State Land Office, I concur with Mr. Rankin and Mr. Ames.

1 This order represents a negotiated effort by the parties to
2 address OCD's and SLO's concerns regarding the initial
3 application, and we thank the other parties for their
4 cooperative approach.

5 CHAIRWOMAN SANDOVAL: Okay, all right. Great.
6 Thank you. I'm glad we got that worked out. With that, do
7 the Commissioners have any follow-up questions regarding the
8 orders?

9 COMMISSIONER KESSLER: I do not.

10 COMMISSIONER ENGLER: I have none.

11 CHAIRWOMAN SANDOVAL: All right. Is there a
12 motion to adopt the order, or approve the order?

13 COMMISSIONER KESSLER: So moved.

14 COMMISSIONER ENGLER: Second.

15 CHAIRWOMAN SANDOVAL: Ms. Malave, would you do a
16 roll call vote, please?

17 MS. MALAVE: Commissioner Kessler?

18 COMMISSIONER KESSLER: Approved.

19 MS. MALAVE: Commissioner Engler?

20 COMMISSIONER ENGLER: Approved.

21 MS. MALAVE: Commissioner Sandoval?

22 CHAIRWOMAN SANDOVAL: Approved. The motion
23 carries unanimously, and the order in Case Number 21381 is
24 approved. (Motion passes unanimously.)

25 (Case 21318 concluded.)

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STATE OF NEW MEXICO
COUNTY OF BERNALILLO

REPORTER'S CERTIFICATE

I, IRENE DELGADO, New Mexico Certified Court Reporter, CCR 253, do hereby certify that I reported the foregoing virtual proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings to the best of my ability.

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

I FURTHER CERTIFY that the Virtual Proceeding was of poor to good quality.

Dated this 4th day of November 2020.

/s/ Irene Delgado

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