

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: 21569

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

JANUARY 21, 2021

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
BILL BRANCARD and TECHNICAL EXAMINER KATHLEEN MURPHY on
Thursday, January 21, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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1 A P P E A R A N C E S

2 For the Applicant:

3 KAITLYN LUCK
4 HOLLAND & HART
5 110 North Guadalupe, Suite 1
6 Santa Fe, NM 87501
7 505-954-7286

6 I N D E X

8 CASE CALLED

9 SUMMARY OF CASE AND EXHIBITS 03

10 EXAMINER QUESTIONS 06

11 TAKEN UNDER ADVISEMENT

12 REPORTER CERTIFICATE

13

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

15 Admitted

16 Exhibits and Attachments

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1 HEARING OFFICER BRANCARD: Thank you. With that,
2 I think we are going to move on to injection well
3 applications, Cases 21569 and perhaps 21570, Goodnight. And
4 Holland & Hart is listed as the attorney of record.

5 MS. LUCK: Good morning again. Kaitlyn Luck with
6 the Santa Fe office of Holland & Hart on behalf of the
7 applicant in these cases, Goodnight Midstream Permian LLC.

8 HEARING OFFICER BRANCARD: Thank you. And State
9 Land Office has entered an appearance. Do they appear
10 today?

11 (No audible response.)

12 HEARING OFFICER BRANCARD: Going once. Any other
13 appearances from any other parties on cases -- are you
14 consolidating these cases, Ms. Luck?

15 MS. LUCK: Well, they involve two separate C-108
16 applications. It might be easier if I went through them
17 separately in terms of different acreage, if that's okay.

18 HEARING OFFICER BRANCARD: That's fine. So we're
19 going ahead on Case 21569. Any other appearances?

20 (No audible response.)

21 HEARING OFFICER BRANCARD: Hearing none, Ms.
22 Luck, you may proceed.

23 MS. LUCK: Thank you. Goodnight Midstream filed
24 its application in this case for the January 7, 2021 docket
25 because it had originally filed its form C-108 which was

1 protested by the New Mexico State Land Office.

2 So in your exhibit packet that was filed with the
3 Division on Tuesday, you will see they are starting off with
4 Goodnight, Exhibit A, which is Goodnight C-108 application,
5 which is what was objected to by the State Land Office.
6 Followed by Goodnight Exhibit B, which is the application
7 filed in this case for approval of a saltwater disposal
8 well.

9 The application reflects that Goodnight is
10 seeking to drill a new saltwater disposal well to be named
11 the Andre Dawson SWD Number 1 Well, which will be located
12 1105 feet from the south line and 244 feet from the east
13 line in Section 17, Township 21 South, Range 26 East, and
14 this is in Lea County, New Mexico.

15 The proposed injection interval for this well
16 will be within the San Andres Formation. The pool code is
17 96121. And Goodnight is proposing to inject through a
18 prorated completion. The application reflects disposal
19 fluid will be from the Bone Spring, Delaware and Wolfcamp
20 formations.

21 In the Exhibit packet is the affidavit of the
22 Nathan Alleman, and he provides the application of
23 Goodnight, the C-108 form, and explains the details of that
24 form in the information that was provided to the Division,
25 as well as the fact that only the State Land Office objected

1 and was provided notice of this hearing and did not have any
2 objection to it proceeding by affidavit today.

3 Goodnight's Exhibit D is the affidavit of
4 Goodnight's geologist which provides a log of the injection
5 interval, together with a geology statement. And then
6 finally Goodnight's Exhibit E is the affidavit of Tom
7 Tomastik, and he is the geologist and regulatory specialist
8 for this well, and he provides his affidavit explaining the
9 injection through this well.

10 Finally Goodnight's Exhibit F is the affidavit
11 just reflecting that notice of this hearing was provided
12 timely to the State Land Office.

13 So with that, I would move the admission of
14 Exhibits A through F in this case and request that it be
15 taken under advisement.

16 HEARING OFFICER BRANCARD: Thank you. We are on
17 Case 21569, produced water disposal well. Any questions
18 from examiners?

19 (No audible response.)

20 HEARING OFFICER BRANCARD: Hearing none, Ms.
21 Murphy, are you --

22 TECHNICAL EXAMINER MURPHY: I was going to say,
23 Mr. Dylan Rose-Coss is here, and he may have some questions.

24 HEARING OFFICER BRANCARD: Mr. Rose-Coss, any
25 questions on this case?

1 TECHNICAL EXAMINER COSS: Which case are we on?

2 HEARING OFFICER BRANCARD: 21569, Goodnight,
3 Andre Dawson.

4 TECHNICAL EXAMINER COSS: Oh, hi, yes. Well, my
5 questions basically surrounded, I hadn't seen if there was
6 additional exhibits submitted prior -- in addition to the
7 applications that were in the case files, and I guess in the
8 additional information submitted there was any analysis
9 regarding potential for the hydrocarbons and potential for
10 the injection interval and if someone could speak to that.

11 MS. LUCK: I'm sorry, I didn't catch what the
12 last part of your question was, something for the injection
13 interval?

14 TECHNICAL EXAMINER COSS: The hydrocarbon
15 potential for the injection interval.

16 MS. LUCK: Okay. And I think that Mr. Steve
17 Drake's Affidavit Exhibit B in this packet is what covers
18 the geology in the area and the hydrocarbon potential for
19 the injection interval. He provides a log as well as a
20 statement of no communication in the area and why he thinks
21 this is an appropriate injection interval.

22 TECHNICAL EXAMINER COSS: Okay. I don't have any
23 further questions. Thank you, Ms. Luck.

24 MS. LUCK: Thank you.

25 HEARING OFFICER BRANCARD: Once again, we will

1 check and make sure the State Land Office is not here.

2 (No audible response.)

3 HEARING OFFICER BRANCARD: Hearing none, we will
4 take Case 21569 under advisement.

5 (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 virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

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

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

17 Dated this 21st day of January 2021.

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/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-21

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